

OLAV THON
EIENDOMSSKAP

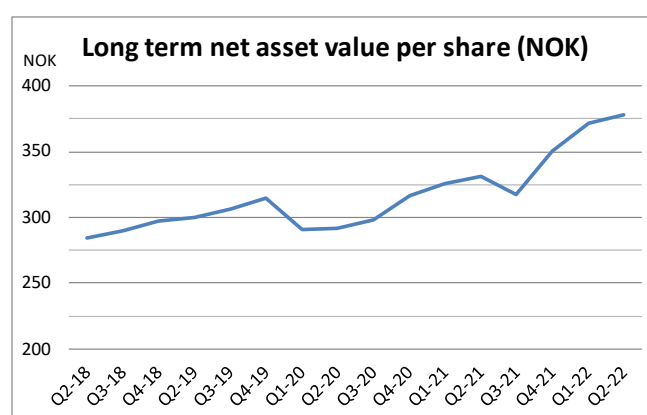
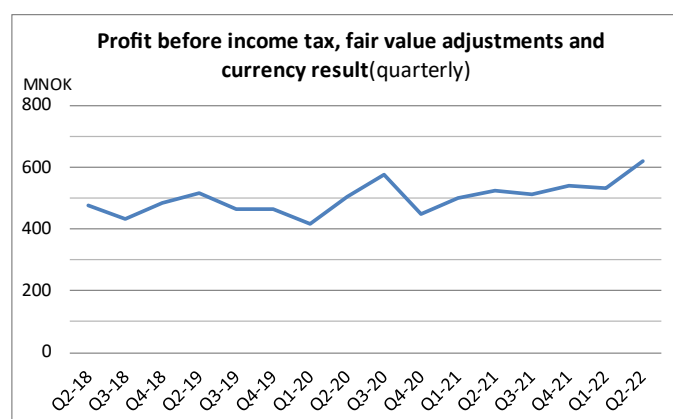


REPORT FOR Q2 AND H1 2022

KEY FIGURES

Amounts in MNOK	APM*	Q2 2022	Q2 2021	30.06.2022	30.06.2021	31.12.2021
Net rental income		718	703	1 436	1 389	2 774
Fair value adjustments in investment properties and interest rate derivatives	1	857	19	2 749	516	2 647
Profit before income tax		1 418	503	3 885	1 590	4 767
Profit before income tax, fair value adjustments and currency result	2	618	525	1 150	1 025	2 068
Equity ratio	3			53 %	49 %	51 %
Equity per share (NOK)	4			321	280	298
Long-term net asset value per share (NOK)	4			378	331	351
Net cash flow from operations	5	537	440	1 074	1 000	1 997
Liquidity reserves	6			5 681	7 303	8 214
Amortisation next 12 months	7			2 445	5 111	3 335
Interest-bearing debt	8			20 495	20 189	20 114
Interest per balance sheet date	9			3,40 %	3,12 %	3,16 %
Loan to value ratio	8			34 %	36 %	35 %
Net investments	10	30	-106	461	141	559
Market value properties	11			59 123	54 746	56 734
Annualized rental income level	12			3 340	3 250	3 270
Net yield properties	13			4,90 %	5,16 %	4,97 %
Sales, owned shopping centres		13 999	12 766	25 816	23 851	54 999
Share price per balance sheet date (NOK)				166,5	178,0	195,6

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



OLAV THON EIENDOMSSSELKAP ASA

Report for Q2 and H1 2022

HIGHLIGHTS*:

- The Group enjoyed positive development in Q2 as well, posting profit before income tax of NOK 1,418 (503) million.
- Profit before income tax, fair value adjustments and currency result amounted to NOK 618 (525) million.
- The Group's financial position has been further consolidated, and the Group's equity ratio at the end of H1 was 53 % (49 %), while its liquidity reserves were NOK 5,681 (7,303) million.
- Retail sales in the shopping centre portfolio in Q2 were NOK 13,999 (12,766) million.
- Management company Amfi Drift AS was sold in Q2 with a gain of NOK 69 million.

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

FINANCIAL POSITION/BALANCE SHEET AS AT 30 JUNE 2022

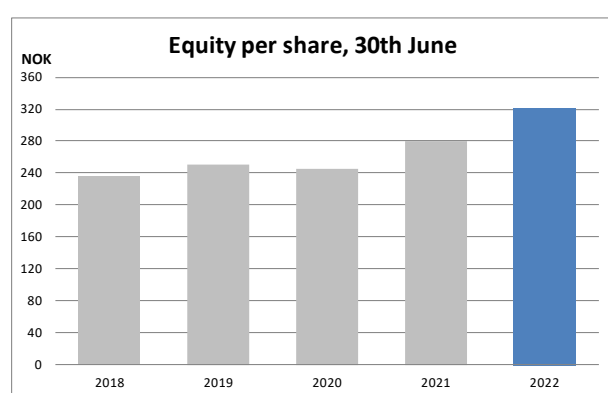
The Group's total assets were NOK 64,090 (59,956) million, with investment properties accounting for NOK 58,918 (54,543) million of that figure.

Total equity was NOK 33,709 (29,399) million and the equity ratio was 53 % (49 %).

Equity per share was NOK 321 (280), while the long-term net asset value per share was NOK 378 (331).¹

Interest-bearing debt was NOK 20,495 (20,189) million with a loan to value ratio² of 34 % (36 %).

The Group's share of the equity in joint ventures and associated companies was NOK 3,126 (2,826) million.



Equity per share has increased by 36 % since 30 June 2018.

SUMMARY OF THE RESULTS FOR Q2

Profit before income tax was NOK 1,418 (503) million.

Fair value adjustments of investment property and interest rate derivatives totalled NOK 857 (19) million³.

Profit before income tax, fair value adjustments and currency result thus amounted to NOK 618 (525) million.

RENTAL INCOME AND PROPERTY-RELATED EXPENSES

Gross rental income was NOK 807 (740) million.

Property-related income amounted to NOK 214 (213) million and consists mainly of payments from the Group's tenants to cover letting and property administration costs as well as costs related to the operation of shopping centre associations.

Property-related expenses amounted to NOK 303 (250) million, including the above-mentioned letting and property administration costs of NOK 194 (156) million.

¹ See APM for definitions

² See APM for definitions

³ Includes investments in joint ventures and associated companies

Maintenance expenses for the property portfolio amounted to NOK 30 (29) million.

Net rental income was NOK 718 (703) million.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The Group's investment properties increased in value by NOK 568 (43) million in Q2.

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

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

Both property segments saw positive value development in Q2.

The value of the Group's shopping centre properties increased by NOK 437 (1) million, while the value of its commercial property increased by NOK 131 (42) million.

SHARE OF PROFIT IN JOINT VENTURES AND ASSOCIATED COMPANIES

The Group's share of the results of joint ventures and associated companies amounted to NOK 76 (24) million.

The increase on last year is primarily due to fair value adjustments of investment properties and interest rate derivatives in these companies amounting to NOK 49 (-28) million.

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

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are affected by management company Amfi Drift AS which was sold in Q2 with a gain of NOK 69 million. Please see note 3 in the quarterly report.

Other operating income amounted NOK 83 (39) million and, apart from the aforementioned gain on sale, consisted primarily of sales revenue from other activities.

Other operating and administrative expenses amounted to NOK 52 (89) million, while scheduled depreciation amounted to NOK 7 (6) million.

FINANCIAL INCOME AND EXPENSES

Net financial items amounted to NOK 35 (-207) million, with fair value adjustments of interest rate derivatives accounting for NOK 242 (8) million of that figure.

Net interest expenses amounted to NOK 170 (168) million, NOK 3 (6) million of which were interest expenses for lease liabilities.

Unrealised exchange rate losses related to the SEK exchange rate amounted to NOK 33 (41) million.

FAIR VALUE ADJUSTMENTS, INTEREST RATE DERIVATIVES

Long-term market interest rates (swap rates) rose further in both Norway and Sweden in Q2.

In Norway, the 10-year swap rate rose by 0.41 of a percentage point to 3.31 %, while the corresponding rate in Sweden rose by 1.1 percentage points to 3.01 %.

As a result of the change in interest rates and shorter remaining terms, the market value of exchange rate derivatives increased by NOK 242 (8) million in Q2.

SUMMARY OF THE RESULTS FOR H1

Profit before income tax was NOK 3,885 (1,590) million.

Fair value adjustments of investment property and interest rate derivatives totalled NOK 2,749 (516) million.

Profit before income tax, fair value adjustments and currency result thus amounted to NOK 1,150 (1,025) million.

CASH FLOW AND LIQUIDITY

Q2

Net cash flow from operations was NOK 537 (440) million.

Net cash flow from operating activities was NOK 91 (196) million.

Investment activities reduced liquidity by NOK 113 (136) million net, while financing activities reduced liquidity by NOK 467 (-405) million.

The currency effect on cash was NOK 2 (-2) million, and the Group's liquidity reserves thus fell by NOK 488 (-74) in Q2.

H1

Net cash flow from operations was NOK 1,074 (1,000) million in H1 as a whole.

Net cash flow from operating activities was NOK 546 (622) million.

Investment activities reduced liquidity by NOK 501 (93) million, while financing activities reduced liquidity by NOK 298 (716) million.

The currency effect on cash was NOK 0 (-5) million.

The Group's liquidity reserves thus fell by NOK 253 (192) million in H1.

Liquidity reserves were NOK 5,681 (7,303) million as at 30 June 2022 and consisted of short-term investments of NOK 195 (292) million and undrawn long-term credit facilities of NOK 5,486 (7,011) million.

INVESTMENTS

The Group's net investments in Q2 were NOK 30 (-106) million.

Net investments were NOK 461 (141) million in H1 as a whole.

MAJOR PROPERTY PROJECTS⁴

Completed

Bernt Ankers Gate 6, Oslo

A property in the centre of Oslo with total space of 5,600 square metres with 46 flats and four smaller commercial premises for rent. The final phase of the project was completed in Q2 2022.

Brages Vei 3, Gardermoen Park, Ullensaker

A logistics building with 23,000 square metres of space was completed in Q2 2022.

Under construction

Amfi Vågen, Sandnes

This shopping centre property totalling 40,000 square metres is being renovated and upgraded, including new areas for restaurants and experience. The centre is also being extended by a further 750 square metres of new space. The final phase of the expansion, which includes a food court among others, will be completed in 2023.

Arnliot Gellines Vei 1, Oslo

A property centrally located on the East side of Oslo with a total space of 2,500 square metres. The building, with 22 flats for rent, is scheduled for completion in 2023.

In planning phase

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

INVESTMENT PROPERTIES AS AT 30 JUNE 2022

The property portfolio was valued at NOK 58,918 (54,543) million, based on an average yield of 4.90 % (5.16 %).

Average yields by property segment were as follows:

Shopping centre properties	5.27 % (5.51 %)
Other commercial properties	3.99 % (4.28 %)

⁴ Over NOK 50 million

The annual rental income level was NOK 3,340 (3,250) million with the following segment distribution:

	Market value (Share)	Rental income level (Share)	Yield
Shopping centre properties	71 %	77 %	5.27 %
Other commercial properties	29 %	23 %	3.99 %
Total	100 %	100 %	4.90 %

The vacancy rate in the property portfolio was 3.3 % (3.8 %).

PROPERTY PORTFOLIO OWNED THROUGH JOINT VENTURES AND ASSOCIATED COMPANIES

The Group's share of the rental income of joint ventures and associated companies was NOK 288 (275) million.

The Group's share of the property values in these companies was NOK 4,548 (4,266) million.

THE SHOPPING CENTRE BUSINESS AREA

At the end of H1, 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 portfolio includes Norway's largest shopping centre in terms of retail sales, Lagunen Storsenter in Bergen, and no less than five of the country's seven largest shopping centres.

Retail sales

Retail sales in the Group's shopping centre portfolio in Q2 amounted to NOK 13,999 (12,766) million.

Sales amounted to NOK 25,816 (23,851) million in H1 as a whole.

The shopping centres had the following retail sales in Q2, broken down by month:

MNOK	2022	2021	2019	Changes from 2021	Changes from 2019
April	4 555	3 344	3 738	33 %	19 %
May	4 575	4 322	4 056	6 %	13 %
June	4 969	5 122	4 266	-3 %	16 %
Sum Q2	13 999	12 788	12 060	9 %	16 %

Norway

In Q2, the Group's Norwegian shopping centres had retail sales of NOK 13,084 (11,927) million.

Retail sales in H1 amounted to NOK 24,121 (22,202) million.

Sweden

Retail sales in the shopping centres in Sweden amounted to SEK 957 (866) million in Q2, and SEK 1,780 (1,682) million in H1.

RISK FACTORS

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

THE PROPERTY MARKET

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

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

The valuation as at 30 June 2022 was based on an average yield of 4.90 %. In the last three years, the yield has varied between 4.90 % and 5.35 %.

THE FINANCIAL MARKETS

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

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

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

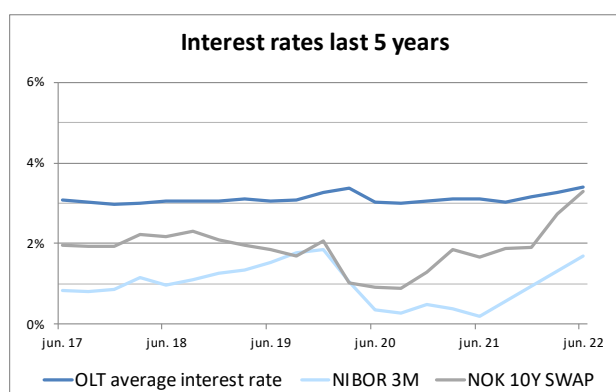
FINANCIAL INSTRUMENTS

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

At the end of Q2, the portfolio of interest rate derivatives was NOK 18,389 (14,584) million and had a fair value of NOK -175 (-1,330) million.

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

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



As of 30 June 2022, the Group's average interest rate was 3.4 %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 considered satisfactory despite development of the capital markets gradually weakening in Q2.

The Group's financing sources in Q2 were primarily the capital markets in Norway and Sweden, with new loans amounting to NOK 1,500 million and SEK 650 million being raised.

INTEREST-BEARING DEBT AND MATURITY STRUCTURE

At the end of Q2, outstanding certificate and bond debt amounted to NOK 12,886 (11,766) million, broken down as follows:

Norway: NOK 11,680 (9,502) million
Sweden: SEK 1,250 (2,250) million

Total credit facilities were NOK 25,981 (27,199) million, NOK 5,846 (7,010) million of which was undrawn.

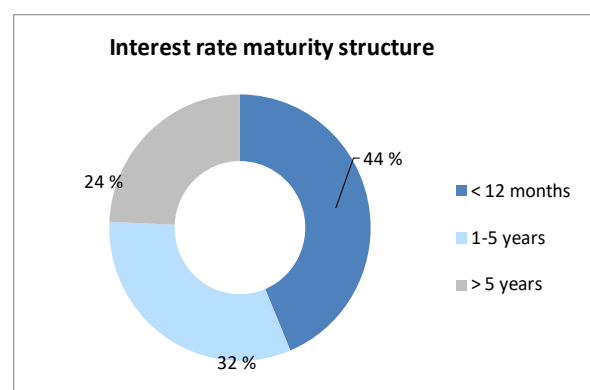
For details of the Group's interest-bearing debt, see notes 11 and 12 and 'Alternative performance measures' in the quarterly report.

The debt had an average remaining term of 3.2 (2.7) years, with 12 % (25 %) of the debt falling due for repayment within 1 year. Current liquidity reserves are sufficient to refinance all debt falling due in both the banking and capital markets up to 30 June 2024.

At the end of Q2, the Group had a fixed-rate ratio of 56 % (57 %), with an averaged fixed-rate period of 3.6 (3.8) years.

The Group's average interest rate was 3.40 % (3.12 %), divided between the following currencies:

Currency	Share of debt	Average interest rate
NOK	88 %	3.64 %
SEK	12 %	1.66 %



56 % of the Group's interest-bearing debt has a fixed-rate period of more than 1 year. The average fixed-rate period is 3.6 years.

SHARES AND SHAREHOLDERS

The closing price of the Olav Thon Eiendomsselskap share was NOK 166.5 at the end of Q2, down from NOK 188 at the start of the quarter.

The dividend of NOK 6.50 per share for 2021 was paid in June.

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

	Return OLT	OSEBX
Q2 2022	-8 %	-4 %
H1 2022	-12 %	0 %
Last 12 months	0 %	8 %
Last 24 months	27 %	52 %
Last 36 months	24 %	37 %

The highest and lowest prices in the quarter were NOK 191.5 and 165.5, respectively.

In Q2, 1,059,000 (764,000) shares were traded, with 3,285 (4,362) trades in the share on the Oslo Stock Exchange.

2,235,000 (3,656,000) shares were traded in H1 with 6,835 (9,167) trades in the share on the Oslo Stock Exchange.

At the end of H1, the company's market capitalisation was NOK 17.3 (18.4) billion, and the company's largest shareholders were:

Olav Thon Gruppen AS and subsidiaries	73.9 %
Folketrygdfondet	2.4 %
MP Pensjon	2.2 %
VPF Nordea Norge	1.8 %
J.P. Morgan SE	1.2 %
Other shareholders	18.6 %
Total	100 %

⁵ Loans in NOK and SEK

OUTLOOK

The Norwegian economy is booming and unemployment has fallen to low levels. At the same time, higher energy prices have resulted in increased inflation, and underlying inflation is also now higher than Norges Bank's inflation target.

In order to curb inflation, Norges Bank raised its key interest rate from 0.75 % to 1.25 % in June and signalling that the interest rate will be increased both more frequently and more strongly in the future in order to curb inflation. Norges Bank's forecast shows that the policy rate will have to be raised to around 3 % by the summer of 2023.

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

Despite this, it is assumed that the Group's solid market position and strong finances, with a low loan to value ratio and healthy liquidity reserves, will contribute to maintain good profit development in the future.

Oslo, 11 August 2022

Board of Directors, Olav Thon Eiendomsselskap ASA

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

We confirm that, to the best of our knowledge, the company's interim financial statements for H1 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 performance.

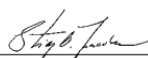
To the best of the Board's knowledge, the Board of Directors' Report provides a fair overview of the development, result and position of the Group and the company and describes the Group's most important risk and uncertainty factors.

Oslo, 11 August 2022

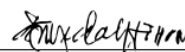
Board of Directors, Olav Thon Eiendomsselskap ASA



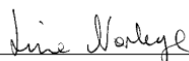
Olav Thon
Chairman of the Board




Stig O. Jacobsen
Board Member



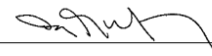
Sissel Berdal Haga Thon
Board Member



Line Norbye
Board Member



Elisabeth Holvik
Board Member



Dag Tangevald-Jensen
CEO

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	Q2 2022	Q2 2021	30.06.2022	30.06.2021	31.12.2021
Rental income	6	807	740	1 590	1 473	2 990
Property-related income		214	213	495	473	939
Property-related expenses		-303	-250	-649	-558	-1 155
Net rental income	7	718	703	1 436	1 389	2 774
Other operating income	3	83	39	124	72	165
Other operating expenses		-12	-41	-52	-76	-154
Administrative expenses	6	-41	-49	-96	-98	-197
Depreciation		-7	-6	-16	-14	-32
Net income from property management	7	741	647	1 396	1 273	2 558
Fair value adjustments, investment property	8	568	43	1 840	104	1 802
Fair value adjustments, right-of-use assets		-3	-3	-6	-6	-12
Share of profit from joint ventures and associates	9	76	24	175	86	283
Operating profit	7	1 383	710	3 405	1 457	4 631
Financial income	10	2	3	21	68	118
Financial expenses	10	-210	-217	-353	-354	-699
Fair value adjustments, interest rate derivatives		242	8	812	419	716
Net financial items		35	-207	480	133	136
Profit before income tax		1 418	503	3 885	1 590	4 767
Change in deferred tax		-217	-4	-678	-152	-736
Income tax payable		-71	-47	-138	-121	-208
Income tax		-289	-51	-815	-273	-944
Profit		1 129	452	3 070	1 317	3 822
Other Comprehensive income						
<i>Items to be reclassified to P&L in subsequent periods:</i>						
Currency translation differences from foreign operations		41	43	-14	-55	-103
Total comprehensive income		1 170	495	3 056	1 263	3 720
Profit attributable to:						
Shareholders of the parent		1 093	452	3 028	1 310	3 770
Non-controlling interests		36	0	42	7	53
Total comprehensive income attributable to:						
Shareholders of the parent		1 134	494	3 014	1 255	3 667
Non-controlling interests		36	0	42	7	53
Earnings per share, basic and diluted (NOK)		11	4	29	13	36

OLAV THON EIENDOMSSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

(NOK million)	Note	30.06.2022	30.06.2021	31.12.2021
ASSETS				
Deferred tax asset		-0	327	0
Investment properties	8	58 918	54 543	56 530
Owner-occupied properties		186	188	187
Right-of-use assets		203	343	337
Fixed assets		52	65	58
Investments in joint ventures and associates	9	3 126	2 826	3 004
Other non-current assets		406	421	445
Total non-current assets		62 892	58 713	60 560
Trade receivables and other current receivables		1 003	950	992
Cash and cash equivalents		195	292	448
Total current assets		1 198	1 242	1 440
Total assets		64 090	59 956	62 000
EQUITY AND LIABILITIES				
Share capital		104	104	104
Share premium		318	318	318
Other equity		32 827	28 585	30 484
Non-controlling interests		461	393	436
Total equity		33 709	29 399	31 342
Deferred tax liabilities		8 175	7 240	7 493
Lease liabilities		209	347	341
Interest-bearing non-current liabilities	11	18 050	15 078	16 780
Other non-current liabilities	11	54	997	712
Total non-current liabilities		26 488	23 662	25 325
Income tax payable		143	147	209
Interest-bearing current liabilities	12	2 445	5 111	3 335
Trade payables and other current liabilities	12	1 305	1 636	1 790
Total current liabilities		3 893	6 894	5 333
Total liabilities		30 381	30 556	30 658
Total equity and liabilities		64 090	59 956	62 000

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(NOK million)	Q2 2022	Q2 2021	30.06.2022	30.06.2021	31.12.2021
Net cash flow from operations	537	440	1 074	1 000	1 997
Expensed interest	172	171	338	338	670
Paid interest	-150	-171	-322	-343	-667
Paid income tax	-114	-15	-204	-143	-169
Change in working capital	-355	-227	-339	-230	-147
Net cash flow from operating activities	91	196	546	622	1 684
Payment on the sale of tangible fixed assets	-	367	-	367	366
Acquisition of investment properties	-187	-241	-344	-479	-873
Acquisition of subsidiaries	-9	-	-249	-	-
Other investments	83	11	92	20	14
Net cash flow from investment activities	-113	136	-501	-93	-492
Proceeds from interest-bearing liabilities	2 833	3 357	5 866	7 236	14 550
Repayment of interest-bearing liabilities	-2 607	-3 758	-5 468	-7 946	-15 245
Payment on leasing liabilities	-2	-4	-4	-6	-11
Dividends paid	-691	-	-691	-	-520
Net cash flow from financing activities	-467	-405	-298	-716	-1 226
Currency translation effects on cash and cash equivalents	2	-2	-0	-5	-2
Net change in cash	-488	-74	-253	-192	-36
Cash at beginning of period	683	367	448	484	484
Cash at end of period	195	292	195	292	448

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

(NOK million)	Share capital	Share premium	Currency translation differences	Other Equity	Hedging reserve	Shareholders of the parent	Non-controlling interests	Total
Equity 31.12.2020	104	318	32	27 310	-12	27 752	385	28 136
Profit	-	-	-	1 310	-	1 310	7	1 317
Other comprehensive income	-	-	-55	-	-	-55	-	-55
Dividends paid	-	-	-	-	-	-	-	-
Other changes	-	-	-	-1	-	-1	1	-0
Equity 30.06.2021	104	318	-22	28 619	-12	29 007	393	29 399
Profit	-	-	-	2 460	-	2 460	45	2 505
Other comprehensive income	-	-	-48	-	-	-48	-	-48
Dividends paid	-	-	-	-518	-	-518	-2	-520
Other changes	-	-	-	6	-	6	-	6
Equity 31.12.2021	104	318	-70	30 567	-12	30 907	436	31 342
Profit	-	-	-	3 028	-	3 028	42	3 070
Other comprehensive income	-	-	-14	-	-	-14	-	-14
Dividends paid	-	-	-	-674	-	-674	-17	-691
Other changes	-	-	-	2	-	2	-	2
Equity 30.06.2022	104	318	-84	32 922	-12	33 249	461	33 709

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

(NOK million)

Note 1 GENERAL INFORMATION

Olav Thon Eiendomsselskap ASA is based in Norway and is listed on Oslo Stock Exchange. The head office is situated in Oslo. The Group's consolidated financial statements includes Olav Thon Eiendomsselskap ASA and subsidiaries, as well as the Group's interests in joint ventures and associated companies. The Group has activities in Norway and Sweden. The interim financial statements were adopted by the Board on August 11, 2022. There has been no audit of the interim financial information.

Note 2 ACCOUNTING PRINCIPLES

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

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

Note 3 CHANGES IN GROUP STRUCTURE

Amfi Drift AS with the subsidiaries Amfi Kreativ AS and Amfi Drift Storebrand AS have been sold per 1 April 2022 (see note 6). The transaction is considered not to have a significant effect on future profit before tax.

Beyond this, there are no significant changes in the Group structure during the quarter.

Note 4 ESTIMATES

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

Note 5 SUBSEQUENT EVENTS

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

Note 6 RELATED PARTY TRANSACTIONS

The company has the following transactions with related parties.

Transactions	Counterparty	30.06.2022	30.06.2021	31.12.2021
Rental income	Companies in Thon Holding Group	43	40	82
Operating and administration agreements	Companies in Thon Holding Group	76	65	128

As of 1 April 2022, Amfi Drift AS has been sold to Thon Holding AS for NOK 191 million. The sale has been carried out to consolidate the operation of the group's property portfolio. Thon Holding AS already manages a significant part of the group's property portfolio and has the main responsibility of the portfolio management. Thon Holding AS is closely related to the company's main shareholder, Olav Thon Gruppen AS.

Note 7 BUSINESS SEGMENTS

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

Q2 2022	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	605	202	-	807	761	46	807
Property-related income	185	29	-	214	199	16	214
Property-related expenses	-227	-76	-	-303	-278	-25	-303
Net rental income	563	155	-	718	681	37	718
Other operating income*	70	-	12	83	83	-	83
Other operating expenses	-4	-	-8	-12	-12	-	-12
Administrative expenses	-31	-10	-	-41	-38	-3	-41
Depreciation	-4	-2	-	-7	-6	-0	-7
Net income from property management	595	143	4	741	708	33	741
Fair value adjustments, investment property	437	131	-	568	577	-9	568
Fair value adjustments, right-of-use assets	-2	-1	-	-3	-3	-	-3
Share of profit from joint ventures & associates	76	0	-	76	76	-	76
Operating profit	1 105	273	-	1 383	1 358	25	1 383

*Refers to note 3.

Q2 2021	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	540	200	-	740	692	49	740
Property-related income	189	24	-	213	191	22	213
Property-related expenses	-181	-69	-	-250	-223	-27	-250
Net rental income	548	156	-	703	660	44	703
Other operating income	22	-	17	39	39	-	39
Other operating expenses	-25	-	-15	-41	-41	-	-41
Administrative expenses	-40	-8	-	-49	-45	-3	-49
Depreciation	-3	-3	-	-6	-6	-0	-6
Net income from property management	500	144	2	647	606	40	647
Fair value adjustments, investment property	1	42	-	43	-13	56	43
Fair value adjustments, right-of-use assets	-2	-1	-	-3	-3	-	-3
Share of profit from joint ventures & associates	24	0	-	24	24	-	24
Operating profit	523	185	2	710	614	96	710

30.06.2022	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	1 178	412	-	1 590	1 492	97	1 590
Property-related income	428	67	-	495	461	34	495
Property-related expenses	-491	-157	-	-649	-572	-77	-649
Net rental income	1 115	321	-	1 436	1 382	54	1 436
Other operating income*	90	-	34	124	124	-	124
Other operating expenses	-23	-	-29	-52	-52	-	-52
Administrative expenses	-78	-18	-	-96	-90	-7	-96
Depreciation	-10	-5	-	-16	-16	-0	-16
Net income from property management	1 093	298	5	1 396	1 348	47	1 396
Fair value adjustments, investment property	1 323	517	-	1 840	1 717	123	1 840
Fair value adjustments, right-of-use assets	-4	-2	-	-6	-6	-	-6
Share of profit from joint ventures & associates	175	0	-	175	175	-	175
Operating profit	2 587	814	5	3 405	3 235	170	3 405

*Refers to note 3.

30.06.2021	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	1 081	392	-	1 473	1 372	101	1 473
Property-related income	425	49	-	473	435	38	473
Property-related expenses	-414	-144	-	-558	-500	-57	-558
Net rental income	1 092	297	-	1 389	1 307	82	1 389
Other operating income	37	-	35	72	72	-	72
Other operating expenses	-42	-	-33	-76	-76	-	-76
Administrative expenses	-82	-16	-	-98	-91	-7	-98
Depreciation	-8	-6	-	-14	-14	-0	-14
Net income from property management	997	275	2	1 273	1 198	76	1 273
Fair value adjustments, investment property	-79	183	-	104	116	-12	104
Fair value adjustments, right-of-use assets	-4	-2	-	-6	-6	-	-6
Share of profit from joint ventures & associates	89	-4	-	86	86	-	86
Operating profit	1 003	452	2	1 457	1 394	63	1 457

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

Note 8 INVESTMENT PROPERTY

	30.06.2022	30.06.2021	31.12.2021
Opening balance	56 530	54 453	54 453
Acquisitions/expenditure on properties	330	476	859
Acquisitions and divestments companies/investment property	250	-369	-369
Change in fair value recognised in the period	1 840	104	1 802
Effect of currency exchange differences in foreign operations	-31	-120	-215
Other changes	-1	-0	-
Closing balance	58 918	54 543	56 530

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

	Fair Value	Rent level		
	Investment property	- 10 %	Unchanged	+ 10 %
Yield	- 1 %-points	66 561	73 907	81 253
	- 0,5 %-points	59 050	65 561	72 073
	Unchanged	53 071	58 918	64 765
	+ 0,5 %-points	48 199	53 505	58 811
	+ 1,0 %-points	44 153	49 009	53 866

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	Q2 2022	Q2 2021	30.06.2022	30.06.2021	31.12.2021
Net rental income	98	94	193	187	287
Fair value adjustments, investment property	10	-11	49	4	129
Fair value adjustments, interest rate derivatives	8	-1	24	10	17
Expenses	-55	-52	-107	-102	-122
Income taxes	-15	-2	-20	-14	-54
Profit	45	28	138	84	258
Investment properties			3 646	3 423	3 563
Other assets			285	240	259
Total assets			3 931	3 663	3 822
Equity			2 597	2 285	2 458
Non-current liabilities			1 215	1 277	1 262
Current liabilities			119	101	101
Total equity and liabilities			3 931	3 663	3 822

Associated companies	Q2 2022	Q2 2021	30.06.2022	30.06.2021	31.12.2021
Net rental income	13	13	27	26	59
Fair value adjustments, investment property	32	-16	29	-14	-5
Expenses	-5	-4	-9	-10	-21
Income taxes	-9	1	-10	-1	-7
Profit	31	-5	37	2	25
Investment properties			902	843	858
Other assets			108	168	169
Total assets			1 009	1 011	1 027
Equity			529	540	545
Non-current liabilities			468	464	467
Current liabilities			12	7	15
Total equity and liabilities			1 009	1 011	1 027

Note 10 FINANCIAL INCOME AND FINANCIAL EXPENSES

	Q2 2022	Q2 2021	30.06.2022	30.06.2021	31.12.2021
Interest income	2	3	4	5	5
Currency gain	0	0	17	63	113
Other financial income	0	0	0	0	0
Total financial income	2	3	21	68	118
Interest expenses	-169	-164	-329	-326	-645
Interest expenses related to lease liabilities	-3	-6	-9	-13	-25
Currency loss	-33	-41	-0	-0	-0
Other financial expenses	-5	-6	-15	-15	-28
Total financial expenses	-210	-217	-353	-354	-699

CURRENCY ITEMS

Currency translation differences from foreign operations	41	43	-14	-55	-103
Currency translation effects on cash and cash equivalents	2	-2	-0	-5	-2
Other currency items	-35	-39	17	68	115
Total currency effects	8	2	3	9	10

Note 11 NON-CURRENT LIABILITIES

	30.06.2022	30.06.2021	31.12.2021
Bonds	10 479	7 980	10 215
Other interest-bearing liabilities	7 571	7 099	6 565
Total Interest-bearing current liabilities	18 050	15 078	16 780
Fair value interest rate swaps	30	966	689
Other liabilities	24	30	22
Total non-current liabilities	54	997	712

Note 12 CURRENT LIABILITIES

	30.06.2022	30.06.2021	31.12.2021
Commercial papers	627	1 156	1 725
Bonds	1 780	2 630	1 583
Bank loans	38	1 325	27
Total Interest-bearing current liabilities	2 445	5 111	3 335
Fair value interest rate swaps	146	364	299
Lease liabilities	8	9	9
Trade payables	159	140	137
Accrued interest	46	23	31
Duties payable	96	108	115
Other current liabilities	850	992	1 200
Total trade payables and other current liabilities	1 305	1 636	1 790

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

ALTERNATIVE PERFORMANCE MEASURES

Amounts in NOK million

Olav Thon Eiendomsselskap ASA prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS).

The company also wishes to present alternative performance measures (APM) in order to provide readers with a better understanding of the company's underlying financial results.

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

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

	Q2 2022	Q2 2021	30.06.2022	30.06.2021	31.12.2021
Fair value adjustments in;					
investment properties recognised in profit and loss	568	43	1 840	104	1 802
right-of-use assets recognised in profit and loss	-3	-3	-6	-6	-12
investment properties in joint ventures	10	-11	49	4	129
investment properties in associated companies	32	-16	29	-14	-5
interest rate derivatives recognised in profit and loss	242	8	812	419	716
interest rate derivatives in joint ventures	8	-1	24	10	17
Fair value adjustments, investment properties and derivatives	857	19	2 749	516	2 647

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

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

	Q2 2022	Q2 2021	30.06.2022	30.06.2021	31.12.2021
Profit before income tax	1 418	503	3 885	1 590	4 767
Income tax in joint ventures	15	2	20	14	54
Income tax in associated companies	9	-1	10	1	7
Fair value adjustments investment properties and derivatives	-857	-19	-2 749	-516	-2 647
Currency gain	-0	-0	-17	-63	-113
Currency loss	33	41	0	0	0
Profit before income tax, fair value adjustment and currency result	618	525	1 150	1 025	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.

	30.06.2022	30.06.2021	31.12.2021
Total equity	33 709	29 399	31 342
Total equity and debt	64 090	59 956	62 000
Equity ratio	53 %	49 %	51 %

ALTERNATIVE PERFORMANCE MEASURES (continued)**4. Long term net asset value per share and equity per share**

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

	30.06.2022	30.06.2021	31.12.2021
Majority share of equity	33 249	29 007	30 906
Deferred tax liabilities (deferred tax liabilities current assets excluded)	8 161	7 232	7 493
Fair value of debt - deferred tax liabilities - 6 %	-2 226	-1 972	-2 043
Long term net asset value	39 184	34 266	36 355
Number of shares	103 623 171	103 623 171	103 623 171
Long term net asset value per share in NOK	378	331	351
Equity per share in NOK	321	280	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.

	Q2 2022	Q2 2021	30.06.2022	30.06.2021	31.12.2021
Net cash flow from operating activities	91	196	546	622	1 684
Expensed/paid interest	22	0	15	-5	3
Paid income tax	-114	-15	-204	-143	-169
Change in working capital	-355	-227	-339	-230	-147
Net cash flow from operations	537	440	1 074	1 000	1 997

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.

	30.06.2022	30.06.2021	31.12.2021
Unutilized overdrafts and other credit facilities	5 486	7 010	7 766
Cash and cash equivalents	195	292	448
Liquidity reserves	5 681	7 303	8 214

7. Amortisation next 12 months

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

	30.06.2022	30.06.2021	31.12.2021
Commercial papers	627	1 156	1 725
Bonds	1 780	2 630	1 583
Bank loans	38	1 325	27
Amortisation next 12 months	2 445	5 111	3 335

ALTERNATIVE PERFORMANCE MEASURES (continued)**8. Net Interest-bearing debt and loan to value ratio**

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

	30.06.2022	30.06.2021	31.12.2021
Bonds, non-current	10 479	7 980	10 215
Bonds, current	1 780	2 630	1 583
Commercial papers, current	627	1 156	1 725
Debt to credit institutions, long-term	7 571	7 099	6 565
Debt to credit institutions, short-term	38	1 325	27
Interest-bearing debt*	20 495	20 189	20 114
Cash and cash equivalents	-195	-292	-448
Net interest-bearing debt	20 300	19 897	19 666
Market value properties	59 123	54 746	56 734
Loan to value ratio	34 %	36 %	35 %
* Unsecured part of interest-bearing debt (where the Group has not provided collateral)	11 206	8 704	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.

	30.06.2022	30.06.2021	31.12.2021
Annualized interest expenses on interest-bearing debt as of the balance sheet date	457	243	330
Annualized interest expenses on current interest rate swaps per balance sheet date	239	387	306
Annualized interest expenses per balance sheet date	697	630	635
Interest-bearing debt	20 495	20 189	20 114
Interest per balance sheet date	3,40 %	3,12 %	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.

	Q2 2022	Q2 2021	30.06.2022	30.06.2021	31.12.2021
Investment properties	179	241	330	476	859
Acquisitions and divestments companies	-182	-369	59	-369	-369
Other fixed assets	6	0	9	3	12
Other investments	28	22	64	31	57
Net investments	30	-106	461	141	559

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

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

	30.06.2022	30.06.2021	31.12.2021
Market value investment properties	58 918	54 543	56 530
Market value owner-occupied properties	205	203	205
Market value properties	59 123	54 746	56 734

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

Market value of properties joint venture (Group share)	3 646	3 423	3 563
Market value of properties associated companies (Group share)	902	843	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.

	30.06.2022	30.06.2021	31.12.2021
Annualized market rent leased premises	3 230	3 125	3 150
Annualized market rent vacant premises	110	125	120
Annualized rental income level	3 340	3 250	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	272	260	271
Annualized market rent vacant premises owned through joint ventures and associated companies	13	15	14
Annualized rental income level owned through joint ventures and associated companies	285	275	285

Total annualized rental income level	3 625	3 525	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.

	30.06.2022	30.06.2021	31.12.2021
Annualized rental income level	3 340	3 250	3 270
Lessor's owner cost	465	435	477
Annualized net rental income level	2 875	2 815	2 793
Market value properties	59 123	54 746	56 734
Adjustment market value for plots etc	438	234	572
Market value properties after adjustment	58 685	54 512	56 163
Net yield properties	4,90 %	5,16 %	4,97 %



Pictures: Sandvika Storsenter

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