

OLAV THON
EIENDOMSSKAP

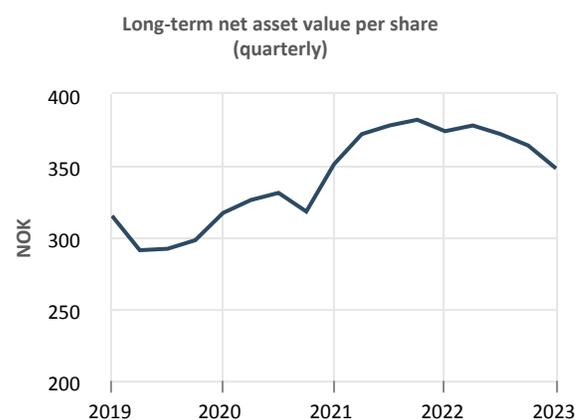
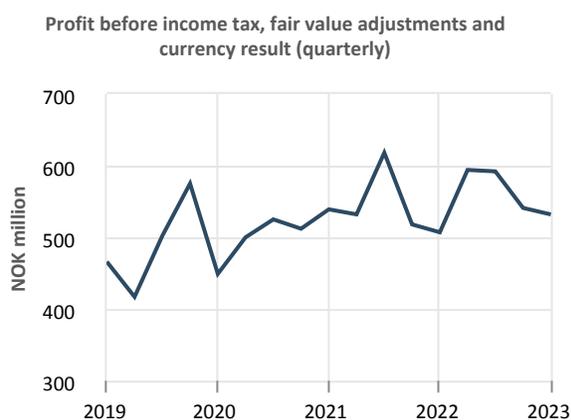


**REPORT FOR Q4 AND PRELIMINARY RESULTS
FOR 2023**

KEY FIGURES

	APM ¹⁾	Q4 2023	Q4 2022	31.12.2023	31.12.2022
<i>NOK million</i>					
Net rental income		838	727	3 361	2 879
Fair value adjustments in investment properties and interest rate derivatives	1	-2 312	-1 362	-4 332	920
Profit before income tax		-1 826	-799	-2 183	3 134
Profit before income tax, fair value adjustments and currency result	2	532	506	2 259	2 174
Equity ratio	3			50 %	52 %
Equity per share (NOK)	4			296	318
Long-term net asset value per share (NOK)	4			348	374
Net cash flow from operations		443	494	2 032	2 045
Liquidity reserves	5			5 382	5 139
Amortisation next 12 months	6			1 527	2 622
Interest-bearing debt	7			20 997	20 227
Interest per balance sheet date	8			5,17 %	4,45 %
Loan to value ratio	7			37 %	35 %
Interest coverage ratio	9			3,1	3,8
Net investments	10	199	273	2 029	889
Market value properties	11			56 568	57 715
Annualized rental income level	12			3 800	3 385
Yield properties	13			5,90 %	5,10 %
Sales, owned shopping centers		18 219	17 343	60 568	57 032
Share price per balance sheet date (NOK)				186,5	175,5

¹⁾ Definitions, calculations and explanations on the use of alternative performance measures (APM) are included at page [21](#) in the report.



HIGHLIGHTS:

- The Group posted another good operating result in the fourth quarter, with profit before tax, fair value adjustments and currency result amounting to NOK 532 (506) million.
- The Group's rental income in the fourth quarter amounted to 947 million, an increase of 12,6 % compared to the same quarter last year.
- Fair value adjustments of investment property and financial instruments totalled NOK -2 312 (-1 362) million, and profit before tax was NOK -1 826 (-799) in Q4.
- The Group's preliminary profit before tax for 2023 amounted to -2 183 (3 134) million, and profit before tax, fair value adjustments and currency result amounting to NOK 2 259 (2 174) million.
- The Group's financial position is solid, and by the year-end the Group's equity ratio was 50 % (52 %), while its liquidity reserves were NOK 5 382 (5 139) million.
- Retail sales in the shopping center portfolio in the fourth quarter were NOK 18 219 (17 343) million, an increase of 5 % compared to the same quarter last year.
- The Board proposes a dividend of NOK 7,00 per share (6,50) to be paid for 2023.

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

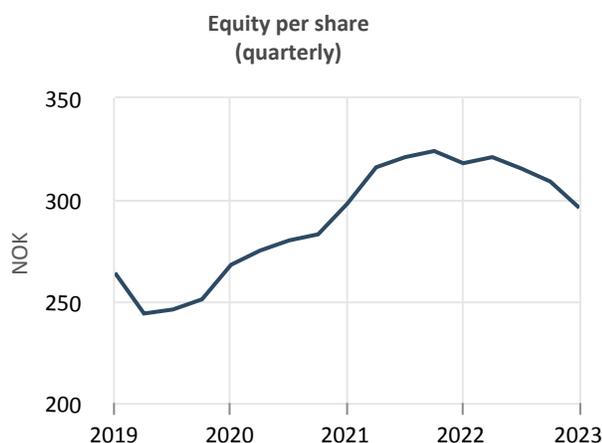


FINANCIAL POSITION/BALANCE SHEET AS AT 31.12.2023

The Group's total assets were NOK 60 492 (62 584) million, with investment properties accounting for 56 577 (57 699)¹ million of that figure.

Total equity was NOK 30 385 (32 673) million, and the equity ratio² was 50 % (52 %).

Equity per share was NOK 296 (318), while the long-term net asset value per share² was calculated at NOK 348 (374).



Equity per share has since 31.12.2019 increased by 12 %.

Interest-bearing debt was NOK 20 997 (20 227) million, with a loan-to-value ratio² of 37 % (35 %).

The Group's share of the equity in joint ventures and associated companies was NOK 1 903 (2 965) million.

SUMMARY OF THE RESULT FOR Q4

Profit before income tax was NOK -1 826 (-799) million.

Fair value adjustments of investment properties and interest rate derivatives totalled NOK -2 312 (-1 362) million³.

Profit before income tax, fair value adjustment and currency result amounted to NOK 532 (506) million.

RENTAL INCOME AND PROPERTY-RELATED INCOME/EXPENSES

Gross rental income was NOK 947 (842) million.

Property-related income amounted to NOK 309 (274) 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 center associations.

Property-related expenses amounted to NOK 419 (389) million, including the above-mentioned letting and property administration costs of NOK 260 (251) million.

Maintenance expenses for the property portfolio amounted to NOK 85 (38) million.

Net rental income was therefore 838 (727) million.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The value of the Group's investment properties was adjusted downward by NOK -1 922 (-1 188) million in Q4.

The value development in Q4 is largely due to the average yield requirement for valuation of the property portfolio increased from 5,69 % to 5,90 % since the previous quarter.

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

- Shopping center properties in Norway and Sweden.
- Other commercial properties including rental housing, primarily in the Oslo area.

The value of both segments were adjusted downward in Q4.

The value of the Group's shopping center properties was adjusted downward by NOK -1 197 (-788) million, while the value of its commercial properties was adjusted downward by -724 (-400) 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 -37 (-42) million.

The fair value adjustments of investment properties and interest rate derivatives in these companies amounting to NOK -81 (-113) million.

The share of the results and balance sheet totals of joint ventures and associated companies is also affected to a significant extent by the Group's stake in Sørlandssenteret DA grew from 50 % to 100 % in Q1 2023.

¹ See note 8

² For definitions see alternative performance measures (APM) at the end of the report

³ Includes investments in joint ventures and associated companies

Underlying figures for the Group's share of the results and balance sheet totals for these companies are shown in note 9.

OTHER OPERATING INCOME AND EXPENSES

Other operating income was NOK 14 (21) million and consisted mainly of sales income from other activities.

Other operating and administrative expenses amounted to NOK 61 (62) million, while depreciation and amortisation amounted to 4 (5) million.

FINANCIAL INCOME AND EXPENSES

Net financial items amounted to NOK -654 (-250) million, with fair value adjustments of financial instruments accounting for NOK -309 (-61) million of that figure.

Net interest expenses amounted to NOK 278 (218) million, NOK 3 (3) 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.

Unrealised losses linked to the SEK exchange rate amounted to NOK -52 (35) million.

FAIR VALUE ADJUSTMENTS OF INTEREST RATE DERIVATIVES

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

In Norway, the 5-year rate grew by 1,01 of a percentage point to 3,43 %, while the 10-year rate grew by 0,91 of a percentage point to 3,33 %.

The corresponding rates in Sweden grew respectively by 1,18 of a percentage point to 2,39 %, and by 1,19 of a percentage point to 2,29 %.

As a result of the change in interest rates, the fair value of the Group's interest rate derivatives fell by NOK -309 (-61) million in Q4.

PRELIMINARY RESULTS 2023

In 2023, rental income amounted to NOK 3 720 (3 219) million.

Property-related income amounted to NOK 1 098 (1 006) million, while property-related expenses amounted to NOK 1 457 (1 346) million.

Maintenance expenses for the property portfolio amounted to NOK 210 (149) million.

Net rental income amounted to NOK 3 361 (2 879) million.

Other operating income was NOK 56 (158), and consisted mainly of operating income from other activity.

Changes in other operating income compared to 2022 were caused, to a significant extent, by the sale of management company Amfi Drift AS in Q2 2022, which resulted in a gain of NOK 69 million.

The value of the Group's investment properties was reduced by NOK -4 367 (114) million.

The value of the Group's commercial properties, which include rental housing, was adjusted downward by NOK -1 702 (-60) million, while the value of the shopping center portfolio was adjusted downward by NOK -2 665 (174) million.

Net financial items amounted to NOK -958 (150) million, with fair value adjustments of interest rate derivatives accounting for NOK 183 (878) million.

Net interest expenses amounted to NOK 1 036 (745) million, NOK 13 (15) 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.

Unrealised losses linked to the SEK exchange rate amounted to NOK -93 (43) million.

The market value of the Group's interest rate derivatives increased by NOK 183 (878) million as a result of higher long-term market interest rates in Norway and Sweden through 2023.

Profit before income tax was NOK -2 183 (3 134) million.

Fair value adjustments of investment property and financial instruments totalled NOK -4 332 (920) million.

Profit before income tax, fair value adjustment and currency result therefore amounted to NOK 2 259 (2 174) million.

CASH FLOW AND LIQUIDITY

Q4

Net cash flow from operations was NOK 443 (494) million.

Net cash flow from operating activities was 21 (269) million.

Investing activities increased liquidity by NOK 160 (-111) million, while financing activities reduced liquidity by -168 (-213) million.

The exchange rate effects on cash and cash equivalents amounted to NOK -2 (0) million, and the Group's liquidity reserves therefore increased by NOK 11 (-55) million.

2023

Overall, net cash flow from operations was NOK 2 032 (2 045) million in 2023.

Net cash flow from operating activities was NOK 2 033 (1 243) million.

Investing activities reduced liquidity by NOK -1 978 (-537) million, while financing activities reduced liquidity by NOK -92 (-900) million.

The currency effects on cash and cash equivalents amounted to NOK 9 (0) million, and the Group's liquidity reserves therefore fell by NOK -28 (-194) million in 2023.

As per 31.12.2023 the liquidity reserves were NOK 5 382 (5 139) million, and consisted of short-term investments of NOK 226 (254) million and undrawn long-term credit facilities of NOK 5 156 (4 885) million.

INVESTMENTS

The Group's net investments in Q4 were 199 (273) million.

Total net investments in 2023 amounted to NOK 2 029 (889) million.

MAJOR PROPERTY PROJECTS⁴

Under construction

Arnljot Gellines vei 1, Oslo

A property centrally located at the east side of Oslo with total space of 2 500 square meters. The property, with 22 residential units for rent, is scheduled for completion in Q2 2024.

Amfi Elverum, Elverum (50 % stake)

An extension totalling 4 500 square meters is being added to this shopping center property. The expansion is scheduled for completion in the second half of 2024.

Lagunen Storsenter, Bergen (42 % stake)

A new build extension totalling 15 100 square meters is being added to this shopping center, in addition, the existing center is being expanded by 2 400 square meters. The extension will contain shopping center premises including retail, restaurants and offices, and is scheduled for completion in Q4 2025.

In planning phase

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

INVESTMENT PROPERTIES AS AT 31.12.2023

The property portfolio was valued at NOK 56 568 (57 715) million, based on an average yield of 5,90 % (5,10 %).

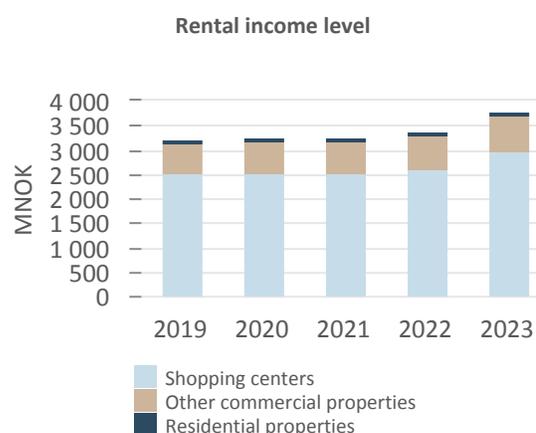
Average yields by property segment were as follows:

Shopping center properties	6,24 % (5,46 %)
Other commercial properties	4,93 % (4,21 %)

The annual rental income level was NOK 3 800 (3 385) million with the following segment distribution:

Segment	Market value (Share)	Rental income level (Share)
Shopping center properties	73 % (71 %)	78 % (77 %)
Other commercial properties	27 % (29 %)	22 % (23 %)

The vacancy rate in the property portfolio was 3,6 % (3,5 %).



The annual rental income level has increased by 18,2 % in the last 5 years.

⁴ Above MNOK 50 million

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 230 (295) million.

The Group's share of the property values in these companies was NOK 3 306 (4 436) million.

THE SHOPPING CENTER BUSINESS AREA

By the year-end Olav Thon Eiendomsselskap ASA wholly or partly owned 60 shopping centers in Norway and Sweden.

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

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

Retail sales

Retail sales in the Group's shopping center portfolio in Q4 amounted to NOK 18 219 (17 343) million.

The shopping centers had the following retail sales in Q4, broken down by month:

	2023	2022	Change
October	4 827	4 623	4,4 %
November	5 881	5 512	6,7 %
December	7 511	7 208	4,2 %
Sum Q4	18 219	17 343	5,1 %

Total retail sales by year-end amounted to NOK 60 568 (57 032) million.

Norway

In Q4, the Group's Norwegian shopping centers had retail sales of NOK 17 110 (16 155) million, and NOK 56 679 (53 453) million in 2023.

Sweden

Retail sales in the shopping centers in Sweden amounted to SEK 1 091 (1 060) million in Q4, and SEK 3 904 (3 765) million in 2023.

RISK FACTORS

The biggest risk factors to which Olav Thon Eiendomsselskap ASA 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 macroeconomic factors and demand for commercial property as an investment object.

The valuation as at 31.12.2023 was based on an average yield of 5,90 %. Throughout the last three years, the yield has varied between 4,90 % and 5,90 %.

Changes in yield and market rents have a direct impact on the value of the property portfolio. Calculations of this effect can be found in note 8 in the quarterly report.

THE FINANCIAL MARKET

The most significant financial risk for Olav Thon Eiendomsselskap ASA 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 2022.

FINANCIAL INSTRUMENTS

The Group's financial instruments (interest rate swaps) are carried at fair value.

The interest rate swaps are primarily used to hedge long-term fixed-rate periods for the Group, and thus reduce the financial risk.

At the end of Q4, the portfolio of financial instruments was NOK 24 867 (19 943) million, and is made up by the following groups:

MNOK	Amount
Floating to fixed interest rate	11 337
Fixed to floating interest rate	4 210
Floating to fixed interest rate – future start	9 320
Sum	24 867

At year-end, total fair value was NOK 74 (-110) million.

Fair value is affected both 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 fair value by approximately NOK 550 - 650.

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 in both the bank and capital markets.

The Group's financing sources in Q4 were mainly the Norwegian capital market, with new long-term loans amounting to NOK 600 million.

INTEREST-BEARING DEBT AND MATURITY PROFILE

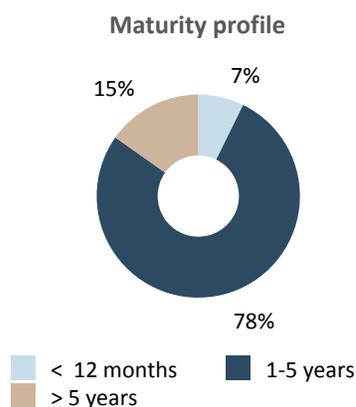
By year-end outstanding certificate and bond debt amounted to NOK 11 809 (12 033) million, broken down as follows:

Norway: NOK 11 100 (11 088) million
Sweden: SEK 700 (1 000) million

Total credit facilities were NOK 26 154 (25 112) million, NOK 5 156 (4 885) 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 report.

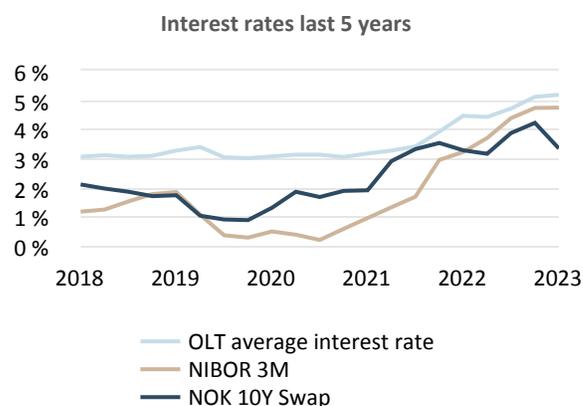
Drawn debt by year-end had an average residual term of 3,5 (3,0) years, with 7 % (13 %) of the debt falling due for repayment within 1 year.



Current liquidity reserves are sufficient to refinance all debt falling due in both the bank and capital markets up until Q2 2025.

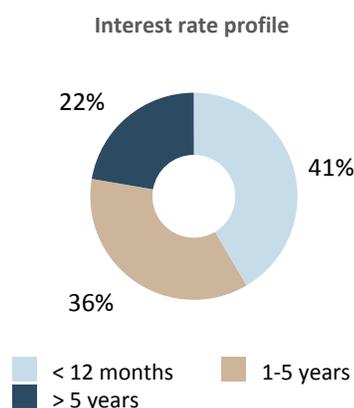
AVERAGE INTEREST RATE AND INTEREST RATE PROFILE

By the end of Q4, the Group had a fixed-rate ratio of 59 % (57 %), with an average fixed-rate period of 3,5 (3,5) years.



The Group's average interest rate (including credit margins) was 5,2 % (4,5 %), divided between the following currencies:

Currency	Share of debt	Average interest rate
NOK	88 % (87 %)	5,3 % (4,6 %)
SEK	12 % (13 %)	4,3 % (3,1 %)



59 % of interest-bearing debt has a fixed-rate period of more than 1 year. The average fixed-rate period is 3,5 year.

SHARE INFORMATION

The closing price of the Olav Thon Eiendomsselskap ASA share was NOK 186,5 at the end of Q4, down from 167,5 at the start of the quarter.

The highest and lowest prices in the quarter were NOK 188 and 160, respectively.

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

	Return OLT	OSEBX
Q4 2023	13 %	1 %
Last 12 months	10 %	10 %
Last 24 months	2 %	9 %
Last 36 months	11 %	34 %
Last 60 months	46 %	64 %

In Q4 1 144 000 (1 059 000) shares were traded and 2 070 (3 245) transactions in the share were conducted on the Oslo Stock Exchange.

During 2023, 2,5 (5,6) million shares were traded and 6 745 (11 830) transactions in the share were conducted on the Oslo Stock Exchange.

SHAREHOLDERS

Olav Thon Eiendomsselskap ASA has issued 101 478 908 shares which have equal rights.

As at 31.12.2023, Olav Thon Eiendomsselskap ASA had 3 773 shareholders, with Norwegian investors owning 97,6 % of the shares.

At the year-end, Olav Thon Eiendomsselskap ASA's market capitalisation was NOK 18,9 (18,2) billion, and the five largest shareholders were:

Shareholders	Share
Olav Thon Gruppen AS and subsidiaries	75,4 %
MP Pensjon	2,3 %
Folketrygdfondet	1,6 %
VPF Nordea Norge Verdi	1,3 %
J. P. Morgan SE	1,2 %
Others	18,2 %
Total	100 %

DIVIDEND

Olav Thon Eiendomsselskap ASA'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.

The Board will propose to the company's General Meeting that a dividend of NOK 7 per share be paid for 2023.

OUTLOOK

The growth in the Norwegian economy slowed during 2023 and is now at a low level. Despite this low growth, the unemployment rate is very low and wage growth relatively high.

The high inflation has abated somewhat, but is still considerably higher than Norges Bank's monetary policy target. In order to slow inflation, Norges Bank has raised its policy rate from 0 % to 4,5 % since autumn 2021, and is signalling a probable unchanged policy rate in the near future.

Increased geopolitical uncertainty, continuously high inflation levels and sharp policy rate rises are contributing to persistent uncertainty regarding economic development both in Norway and globally going forward.

The Group's solid market- and financial position is expected to help maintain a good operating profit development in the future, despite a considerably higher policy rate and persistent uncertainty regarding the economic development.

Oslo, 15th February 2024

Board of Directors, Olav Thon Eiendomsselskap ASA

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

<i>(NOK million)</i>	Note	Q4 2023	Q4 2022	31.12.2023	31.12.2022
Rental income	6	947	842	3 720	3 219
Property-related income		309	274	1 098	1 006
Property-related expenses	6	-419	-389	-1 457	-1 346
Net rental income	7	838	727	3 361	2 879
Other operating income		14	21	56	158
Other operating expenses		-16	-19	-56	-83
Administrative expenses	6	-45	-44	-178	-180
Depreciation		-4	-5	-17	-26
Net income from property management	7	787	680	3 167	2 747
Fair value adjustments, investment property	8	-1 922	-1 188	-4 367	114
Share of profit from joint ventures and associated companies	9	-37	-42	-25	122
Operating profit	7	-1 172	-549	-1 224	2 984
Financial income	10	12	41	32	58
Financial expenses	10	-357	-229	-1 173	-786
Fair value adjustments, interest rate derivatives		-309	-61	183	878
Net financial items		-654	-250	-958	150
Profit before income tax		-1 826	-799	-2 183	3 134
Change in deferred tax		433	188	731	-444
Income tax payable		-35	-30	-250	-224
Income tax		398	158	480	-668
Profit		-1 429	-641	-1 702	2 466
Other Comprehensive income:					
<i>Items to be reclassified to P&L in subsequent periods:</i>					
Currency translation differences from foreign operations		62	-43	114	-45
Total comprehensive income		-1 366	-685	-1 588	2 420
Profit attributable to:					
Shareholders of the parent		-1 383	-620	-1 621	2 452
Non-controlling interests		-46	-22	-81	14
Total comprehensive income attributable to:					
Shareholders of the parent		-1 321	-663	-1 506	2 406
Non-controlling interests		-46	-22	-81	14
Earnings per share, basic and diluted (NOK)		-14	-6	-16	24

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

<i>(NOK million)</i>	Note	31.12.2023	31.12.2022
ASSETS			
Investment properties	8	56 577	57 699
Owner-occupied properties		184	186
Fixed assets		44	50
Investments in joint ventures and associated companies	9	1 903	2 965
Other non-current assets		442	374
Total non-current assets		59 150	61 274
Trade receivables and other current receivables		1 116	1 056
Cash and cash equivalents		226	254
Total current assets		1 342	1 310
Total assets		60 492	62 584
EQUITY AND LIABILITIES			
Share capital		101	101
Share premium		318	318
Other equity		29 622	31 815
Non-controlling interests		343	438
Total equity		30 385	32 673
Deferred tax liabilities		7 262	7 940
Lease liabilities		204	196
Interest-bearing non-current liabilities	11	19 471	17 605
Other non-current liabilities	11	41	100
Total non-current liabilities		26 977	25 841
Income tax payable		242	225
Interest-bearing current liabilities	12	1 527	2 622
Trade payables and other current liabilities	12	1 361	1 224
Total current liabilities		3 130	4 070
Total liabilities		30 107	29 911
Total equity and liabilities		60 492	62 584

OLAV THON EIENDOMSSSELKAP ASA , CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

<i>NOK million</i>	Q4 2023	Q4 2022	31.12.2023	31.12.2022
Net cash flow from operations	443	494	2 032	2 045
Expensed interest	289	225	1 066	760
Paid interest	-265	-204	-1 037	-747
Paid income tax	2	-1	-233	-207
Change in working capital	-449	-244	206	-608
Net cash flow from operating activities	21	269	2 033	1 243
Acquisition of investment properties and fixed assets	-134	-225	-708	-706
Sale of subsidiaries	-	-	-	191
Acquisition of subsidiaries	-	-13	-1 222	-263
Other investments	295	128	-48	240
Net cash flow from investment activities	160	-111	-1 978	-537
Proceeds from interest-bearing liabilities	2 585	1 428	8 483	9 404
Repayment of interest-bearing liabilities	-2 751	-1 639	-7 895	-9 206
Payment on leasing liabilities	-2	-2	-8	-8
Dividends paid	-	-	-672	-691
Acquisition of own shares	-	-	-	-398
Net cash flow from financing activities	-168	-213	-92	-900
Currency translation effects on cash and cash equivalents	-2	-	9	-
Net change in cash	11	-55	-28	-194
Cash at beginning of period	215	310	254	448
Cash at end of period	226	254	226	254

OLAV THON EIENDOMSSELSKAP 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 interest	Total
Equity 31.12.21	104	318	-70	30 567	-12	30 907	436	31 342
Profit				2 452		2 452	14	2 466
Other comprehensive income			-45			-45		-45
Acquisitions of own shares	-2			-396		-398		-398
Dividends paid				-674		-674	-17	-691
Other changes				-6		-6	5	-1
Equity 31.12.22	101	318	-116	31 943	-12	32 235	438	32 673
Profit				-1 621		-1 621	-81	-1 702
Other comprehensive income			114			114		114
Acquisitions of own shares	-			-		-		-
Dividends paid				-660		-660	-12	-672
Other changes				-27		-27	-1	-28
Equity 31.12.23	101	318	-1	29 635	-12	30 042	343	30 385

Olav Thon Eiendomsselskap ASA, Consolidated financial statements

NOTES TO THE ACCOUNTS

(NOK million)

NOTE 1 GENERAL INFORMATION

Olav Thon Eiendomsselskap ASA is based in Norway and is listed on Oslo Stock Exchange. The head office is situated in Oslo. The Group's consolidated financial statements includes Olav Thon Eiendomsselskap ASA and subsidiaries, as well as the Group's interests in joint ventures and associated companies. The Group has activities in Norway and Sweden. The interim financial statements were adopted by the Board on 15 February 2024. 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 2022.

NOTE 3 CHANGES IN GROUP STRUCTURE

There are no significant changes in the Group structure in 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 2022.

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	31.12.2023	31.12.2022
Rental income	Companies in Thon Holding Group	109	94
Property-related expenses	Companies in Thon Holding Group	14	17
Operating and administration agreements	Companies in Thon Holding Group	165	154

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.

	Operating segments				Geographical areas		
	Shopping centers	Commercial property	Other activity	Group	Norway	Sweden	Group
Q4 2023							
Rental income	718	229		947	894	53	947
Property-related income	271	38		309	291	19	309
Property-related expenses	-336	-83		-419	-393	-25	-419
Net rental income	653	185	-	838	791	47	838
Other operating income	4		11	14	14		14
Other operating expenses	-4		-12	-16	-16		-16
Administrative expenses	-35	-9		-45	-41	-4	-45
Depreciation	-2	-2		-4	-4		-4
Net income from property management	615	173	-1	787	744	43	787
Fair value adjustments, investment property	-1 197	-724		-1 922	-1 916	-6	-1 922
Share of profit from joint ventures & associates	-39	1		-37	-37		-37
Operating profit	-621	-550	-1	-1 172	-1 209	37	-1 172

	Operating segments				Geographical areas		
	Shopping centers	Commercial property	Other activity	Group	Norway	Sweden	Group
Q4 2022							
Rental income	614	227		842	783	59	842
Property-related income	241	32		274	257	17	274
Property-related expenses	-264	-125		-389	-347	-41	-389
Net rental income	592	135	-	727	693	34	727
Other operating income	9		11	21	21		21
Other operating expenses	-9		-10	-19	-19		-19
Administrative expenses	-34	-10		-44	-40	-4	-44
Depreciation	-3	-2		-5	-5	-	-5
Net income from property management	556	123	1	680	650	30	680
Fair value adjustments, investment property	-788	-400		-1 188	-1 181	-6	-1 188
Share of profit from joint ventures & associates	-41	-1		-42	-42		-42
Operating profit	-273	-278	1	-549	-573	24	-549

	Operating segments				Geographical areas		
	Shopping centers	Commercial property	Other activity	Group	Norway	Sweden	Group
31.12.2023							
Rental income	2 788	932		3 720	3 497	223	3 720
Property-related income	958	141		1 098	1 028	70	1 098
Property-related expenses	-1 129	-328		-1 457	-1 340	-117	-1 457
Net rental income	2 617	744	-	3 361	3 186	175	3 361
Other operating income	12		45	56	56		56
Other operating expenses	-17		-39	-56	-56		-56
Administrative expenses	-141	-38		-178	-164	-15	-178
Depreciation	-8	-9		-17	-17	-	-17
Net income from property management	2 463	698	6	3 167	3 006	160	3 167
Fair value adjustments, investment property	-2 665	-1 702		-4 367	-4 232	-135	-4 367
Share of profit from joint ventures & associates	-27	3		-25	-25		-25
Operating profit	-229	-1 002	6	-1 224	-1 250	25	-1 224

	Operating segments				Geographical areas		
	Shopping centers	Commercial property	Other activity	Group	Norway	Sweden	Group
31.12.2022							
Rental income	2 375	844		3 219	3 015	203	3 219
Property-related income	883	123		1 006	937	69	1 006
Property-related expenses	-1 063	-283		-1 346	-1 190	-155	-1 346
Net rental income	2 194	684	-	2 879	2 762	117	2 879
Other operating income*	103		55	158	158		158
Other operating expenses	-39		-44	-83	-83		-83
Administrative expenses	-143	-37		-180	-167	-14	-180
Depreciation	-16	-10		-26	-26	-	-26
Net income from property management	2 099	637	11	2 747	2 644	103	2 747
Fair value adjustments, investment property	174	-60		114	5	109	114
Share of profit from joint ventures & associates	122	-1		122	122		122
Operating profit	2 396	577	11	2 984	2 771	212	2 984

*Includes gain from the sale of the Amfi Drift Group of NOK 69 million.

NOTE 8 INVESTMENT PROPERTY

	31.12.2023	31.12.2022
Investment property - owned - fair value 01.01	57 509	56 530
Investment property - right-of-use-assets - fair value 01.01	190	337
Sum investment property - fair value 01.01	57 699	56 866
Acquisitions/expenditure on properties	698	684
Acquisitions and divestments companies/investment property	2 308	262
Change in fair value recognised in the period	-4 356	126
Change in fair value right-of-use-assets recognised in the period	-11	-11
Net other changes right to use assets	17	-136
Effect of currency exchange differences in foreign operations	223	-94
Other changes	-	1
Closing balance	56 577	57 699
of this investment property - owned	56 382	57 509
of this investment property - right-of-use-assets	195	190

The table below presents a sensitivity analysis at the balance sheet date, showing changes in fair value of owned investment properties when yield and rent levels is changed.

Fair value	Rent level		
	-10 %	Unchanged	+10 %
Investment property (owned)			
-1 %-points	61 051	67 770	74 488
- 0,5 %-points	55 452	61 549	67 645
Unchanged	50 802	56 382	61 962
+ 0,5 %-points	46 879	52 023	57 166
+ 1,0 %-points	43 524	48 295	53 066

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 2023	Q4 2022	31.12.2023	31.12.2022
Net rental income	60	78	216	297
Fair value adjustments, investment property	-89	-93	-155	-105
Fair value adjustments, interest rate derivatives	-13	-5	2	23
Expenses	-31	-39	-109	-135
Income taxes	13	21	-8	7
Profit	-61	-37	-53	86
Investment properties			2 449	3 548
Other assets			188	218
Total assets			2 637	3 766
Equity			1 366	2 437
Non-current liabilities			1 176	1 230
Current liabilities			95	99
Total equity and liabilities			2 637	3 766
Associated companies	Q4 2023	Q4 2022	31.12.2023	31.12.2022
Net rental income	17	18	63	59
Fair value adjustments, investment property	20	-16	3	10
Expenses	-8	-9	-29	-23
Income taxes	-7	1	-8	-10
Profit	23	-5	29	36
Investment properties			896	887
Other assets			82	124
Total assets			978	1 010
Equity			537	528
Non-current liabilities			424	464
Current liabilities			17	18
Total equity and liabilities			978	1 010

NOTE 10 FINANCIAL INCOME AND FINANCIAL EXPENSES

	Q4 2023	Q4 2022	31.12.2023	31.12.2022
Interest income	11	6	31	15
Currency gain	–	35	–	43
Other financial income	1	–	1	–
Total financial income	12	41	32	58
Interest expenses	-286	-221	-1 053	-745
Interest expenses related to lease liabilities	-3	-3	-13	-15
Currency loss	-52	–	-93	–
Other financial expenses	-16	-5	-14	-25
Total financial expenses	-357	-229	-1 173	-786
Currency items				
Currency translation differences from foreign operations	62	-43	114	-45
Currency translation effects on cash and cash equivalents	-2	–	9	–
Other currency items	-50	35	-102	43
Total currency effects	10	-9	21	-3

NOTE 11 NON-CURRENT LIABILITIES

	31.12.2023	31.12.2022
Bonds	10 309	9 500
Other interest-bearing liabilities	9 161	8 105
Total interest-bearing current liabilities	19 471	17 605
Fair value interest rate swaps*	–	70
Other liabilities	41	31
Total non-current liabilities	41	100

* The long-term part of interest rate swaps has a positive fair value of NOK 87 million as at 31. December, and is classified as other non-current assets.

NOTE 12 CURRENT LIABILITIES

	31.12.2023	31.12.2022
Commercial papers	–	378
Bonds	1 500	2 155
Bank loans	27	88
Total Interest-bearing current liabilities	1 527	2 622
Fair value interest rate swaps*	14	40
Lease liabilities	8	7
Trade payables	158	139
Accrued interest	73	44
Duties payable	101	87
Prepaid rent	788	725
Other current liabilities	219	181
Total trade payables and other current liabilities	1 361	1 224

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

ALTERNATIVE PERFORMANCE MEASURES

Amounts in NOK million

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

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

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

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

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

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

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

3. Equity ratio

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

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

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

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

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

5. Liquidity reserves

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

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

6. Amortisation next 12 months

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

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

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

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

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

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

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

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

9. Interest coverage ratio

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

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

10. Net investments

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

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

11. Market value properties

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

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

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

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

12. Annualized rental income level

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

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

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

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

13. Yield properties

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

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



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