

# OLAV THON EIENDOMSSLSKAP

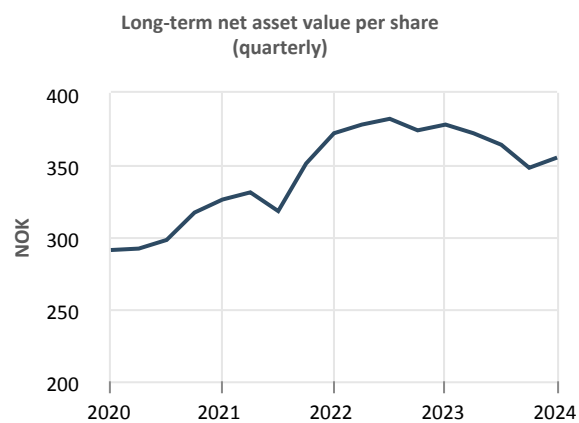
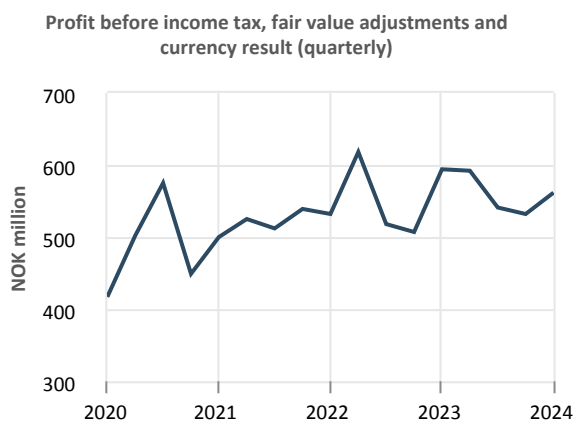


## REPORT FOR Q1 2024

# KEY FIGURES

	APM <sup>1)</sup>	31.03.2024	31.03.2023	31.12.2023
<i>NOK million</i>				
Net rental income		865	851	3 366
Fair value adjustments in inv. properties and interest rate derivatives	<a href="#">1</a>	257	-279	-4 330
Profit before income tax		814	234	-2 177
Profit before income tax, fair value adjustments and currency result	<a href="#">2</a>	562	594	2 261
Equity ratio	<a href="#">3</a>	51 %	52 %	50 %
Equity per share (NOK)	<a href="#">4</a>	303	321	297
Long-term net asset value per share (NOK)	<a href="#">4</a>	355	378	348
Net cash flow from operations		527	473	2 035
Liquidity reserves	<a href="#">5</a>	7 458	4 571	5 382
Amortisation next 12 months	<a href="#">6</a>	2 875	1 902	1 527
Interest-bearing debt	<a href="#">7</a>	20 526	21 153	20 997
Interest per balance sheet date	<a href="#">8</a>	5,19 %	4,41 %	5,17 %
Loan to value ratio	<a href="#">7</a>	36 %	35 %	37 %
Interest coverage ratio	<a href="#">9</a>	3,0	3,6	3,1
Net investments	<a href="#">10</a>	183	1 428	2 025
Market value properties	<a href="#">11</a>	56 786	60 227	56 568
Annualized rental income level	<a href="#">12</a>	3 920	3 660	3 800
Yield properties	<a href="#">13</a>	6,0 %	5,3 %	5,9 %
Sales, owned shopping centers		13 105	12 529	60 568
Share price per balance sheet date (NOK)		222,0	171,0	186,5

<sup>1)</sup> Definitions, calculations and explanations on the use of alternative performance measures (APM) are included at page [20](#) in the report.



# Q1 HIGHLIGHTS

- The Group posted another good operating result in the first quarter, with profit before income tax amounting to NOK 814 (234) million.
- Fair value adjustments of investment properties amounted to NOK 63 (-197) million, and fair value adjustments of interest rate derivatives totalled NOK 233 (-6) million in the quarter.
- Profit before tax, fair value adjustments and currency result amounted to NOK 562 (594) million in the quarter.
- The Group's rental income in the first quarter amounted to 958 million, an increase of 5,8 % compared to the same quarter last year.
- The Group's financial position is solid, and by the end of the quarter the Group's equity ratio was 51 % (52 %), while its liquidity reserves increased to NOK 7 458 (4 571) million.
- Retail sales in the shopping center portfolio in the first quarter were NOK 13 105 (12 529) million, an increase of 5 % compared to the same quarter last year.

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

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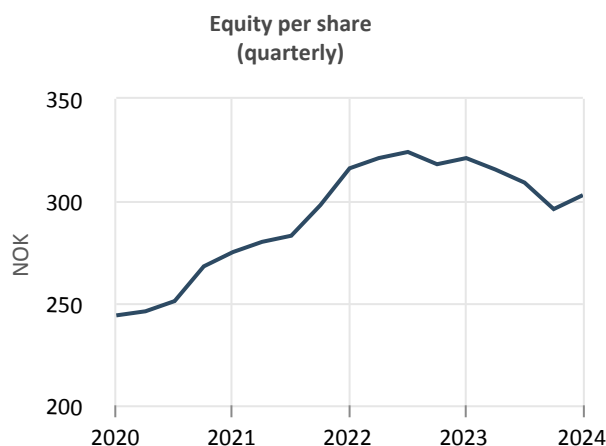


## FINANCIAL POSITION/BALANCE SHEET AS AT 31.03.2024

The Group's total assets were NOK 60 966 (63 815) million, with investment properties accounting for 56 796 (60 224)<sup>1</sup> million of that figure.

Total equity was NOK 31 093 (32 970) million, and the equity ratio<sup>2</sup> was 51 % (52 %).

Equity per share was NOK 303 (321), while the long-term net asset value per share<sup>2</sup> was calculated at NOK 355 (378).



Equity per share has since 31.03.2020 increased by 24 %.

Interest-bearing debt was NOK 20 526 (21 153) million, with a loan-to-value ratio<sup>2</sup> of 36 % (35 %).

The Group's share of the equity in joint ventures and associated companies was NOK 1 880 (1 913) million.

## SUMMARY OF THE RESULT FOR Q1

Profit before income tax was NOK 814 (234) million.

Fair value adjustments of investment properties and interest rate derivatives totalled NOK 257 (-279) million<sup>3</sup>.

Profit before income tax, fair value adjustment and currency result amounted to NOK 562 (594) million.

## RENTAL INCOME AND PROPERTY-RELATED INCOME/EXPENSES

Gross rental income was NOK 958 (905) million.

Property-related income amounted to NOK 306 (326) 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 399 (380) million, including the above-mentioned letting and property administration costs of NOK 246 (264) million.

Maintenance expenses for the property portfolio amounted to NOK 57 (33) million.

Net rental income was therefore 865 (851) million.

## FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The value of the Group's investment properties increased by NOK 63 (-197) million in Q1.

The value development in Q1 is largely due to an increase in rental income as a result of consumer price adjustments, among other. This value increase was mitigated by the average yield requirement for valuation of the property portfolio increasing from 5,9 % to 6,0 % 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 the property segments developed differently in Q1.

The value of the Group's shopping center properties increased by NOK 129 (-45) million, while the value of its commercial properties was adjusted downward by -66 (-151) 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 -8 (-34) million.

<sup>1</sup> See note 8

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

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

The fair value adjustments of investment properties and interest rate derivatives in these companies amounting to NOK -39 (-76) million.

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 16 (14) million and consisted mainly of sales income from other activities.

Other operating and administrative expenses amounted to NOK 64 (60) million, while depreciation and amortisation amounted to 3 (6) million.

### FINANCIAL INCOME AND EXPENSES

Net financial items amounted to NOK -55 (-335) million, with fair value adjustments of financial instruments accounting for NOK 233 (-6) million of that figure.

Net interest expenses amounted to NOK 280 (233) million, NOK 10 (0) million of which were expenses related to termination of interest rate swaps.

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 -3 (-88) million.

### FAIR VALUE ADJUSTMENTS OF INTEREST RATE DERIVATIVES

Long-term market interest rates fell significantly in both Norway and Sweden in Q1.

In Norway, the 5-year rate grew by 0,45 of a percentage point to 3,88 %, while the 10-year rate grew by 0,37 of a percentage point to 3,70 %.

The corresponding rates in Sweden grew respectively by 0,35 of a percentage point to 2,73 %, and by 0,29 of a percentage point to 2,65 %.

As a result of the change in interest rates, the fair value of the Group's interest rate derivatives increased by NOK 233 (-6) million in Q1.

### CASH FLOW AND LIQUIDITY

#### Q1

Net cash flow from operations was NOK 527 (473) million.

Net cash flow from operating activities was 637 (640) million.

Investing activities reduced liquidity by NOK -139 (-1 388) million, while financing activities reduced liquidity by -479 (749) million.

The exchange rate effects on cash and cash equivalents amounted to NOK 0 (4) million, and the Group's liquidity reserves therefore increased by NOK 19 (5) million.

As per 31.03.2024 the liquidity reserves were NOK 7 458 (4 571) million, and consisted of short-term investments of NOK 245 (259) million and undrawn long-term credit facilities of NOK 7 213 (4 312) million.

### INVESTMENTS

The Group's net investments in Q1 were 183 (1 428) million.

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

#### 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.

<sup>4</sup> Above MNOK 50 million

## INVESTMENT PROPERTIES AS AT 31.03.2024

The property portfolio was valued at NOK 56 786 (60 227) million, based on an average yield of 6,0 % (5,3 %)<sup>5</sup>.

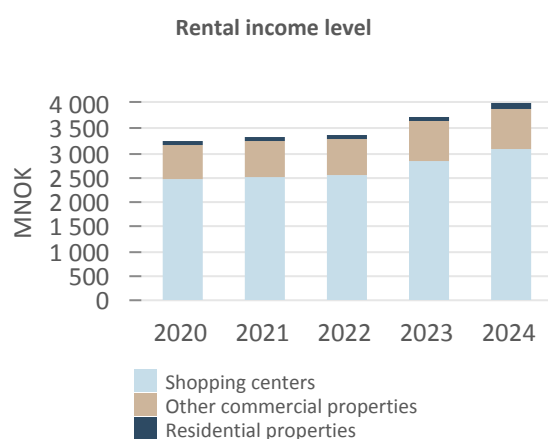
Average yields by property segment were as follows:

Shopping center properties	6,4 % (5,7 %)
Other commercial properties	5,0 % (4,3 %)

The annual rental income level was NOK 3 920 (3 660) million<sup>5</sup> with the following segment distribution:

Segment	Market value (Share)	Rental income level (Share)
Shopping center properties	73 % (73 %)	79 % (78 %)
Other commercial properties	27 % (28 %)	43 % (43 %)

The vacancy rate in the property portfolio was 3,7 % (3,5 %).



The annual rental income level has increased by 22,5 % in the last 5 years.

## 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 (220) million.

The Group's share of the property values in these companies was NOK 3 310 (3 314) million<sup>5</sup>.

## THE SHOPPING CENTER BUSINESS AREA

By the end of the quarter 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 eight largest shopping centers.

### Retail sales

Retail sales in the Group's shopping center portfolio in Q1 amounted to NOK 13 105 (12 529) million<sup>6</sup>.

The shopping centers had the following retail sales in Q1, broken down by month:

	2024	2023	Change
October	4 280	4 074	5,1 %
November	4 289	3 914	9,6 %
December	4 536	4 541	-0,1 %
<b>Sum Q1</b>	<b>13 105</b>	<b>12 529</b>	<b>4,6 %</b>

### Norway

In Q1, the Group's Norwegian shopping centers had retail sales of NOK 12 188 (11 659) million.

### Sweden

Retail sales in the shopping centers in Sweden amounted to SEK 907 (887) million in Q1.

## 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 31.03.2024 was based on an average yield of 6,0 %. Throughout the last three years, the yield has varied between 4,9 % and 6,0 %.

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.

<sup>5</sup> For definitions see alternative performance measures (APM) at the end of the report

<sup>6</sup> Corresponding period corrected

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 2023.

## 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 Q1, the portfolio of financial instruments was NOK 24 136 (21 040) million, and is made up by the following groups:

MNOK	Amount
Floating to fixed interest rate	10 590
Fixed to floating interest rate	4 223
Floating to fixed interest rate – future start	9 323
<b>Sum</b>	<b>24 136</b>

At end of the quarter, total fair value was NOK 307 (-115) 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 million.

## 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 Q1 were both the Nordic banking market and the capital markets in Norway and Sweden.

In the banking market, long-term loan agreements of NOK 4 billion was entered into, while in the capital markets, NOK 2 575 million and SEK 200 million in new loans was raised.

## INTEREST-BEARING DEBT AND MATURITY PROFILE

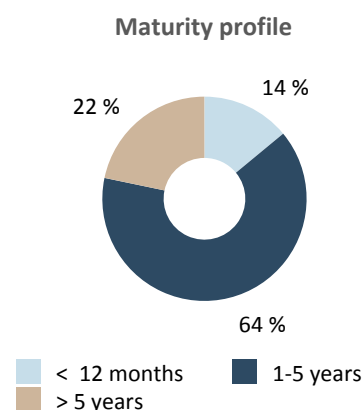
By end of the quarter outstanding certificate and bond debt amounted to NOK 13 383 (11 760) million, broken down as follows:

Norway: NOK 12 469 (10 750) million  
Sweden: SEK 900 (1 000) million

Total credit facilities were NOK 27 739 (25 465) million, NOK 7 213 (4 312) 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.

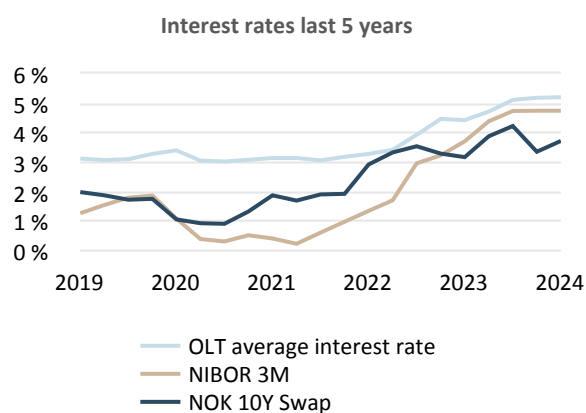
Drawn debt by end of the quarter had an average residual term of 3,7 (3,1) years, with 14 % (9 %) of the debt falling due for repayment within 1 year.



Current liquidity reserves are sufficient to refinance all debt falling due in both the bank and capital markets up until Q4 2025.

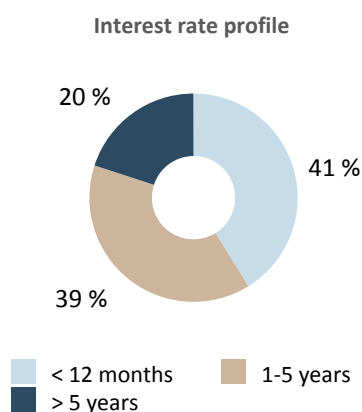
## AVERAGE INTEREST RATE AND INTEREST RATE PROFILE

By the end of Q1, the Group had a fixed-rate ratio of 59 % (55 %), with an average fixed-rate period of 3,3 (3,4) years.



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

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

## SHARE INFORMATION

The closing price of the Olav Thon Eiendomsselskap ASA share was NOK 222 at the end of Q1, up from 186,5 at the start of the quarter.

The highest and lowest prices in the quarter were NOK 223 and 183,5, 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
<b>Q1 2024</b>	19 %	2 %
<b>Last 12 months</b>	37 %	10 %
<b>Last 24 months</b>	25 %	5 %
<b>Last 36 months</b>	47 %	25 %
<b>Last 60 months</b>	61 %	51 %

In Q1 586 000 (343 000) shares were traded and 4 005 (1 758) 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 31.03.2024, Olav Thon Eiendomsselskap ASA had 4 177 shareholders, with Norwegian investors owning 96,2 % of the shares.

At the end of the quarter, Olav Thon Eiendomsselskap ASA's market capitalisation was NOK 22,5 (17,7) billion, and the five largest shareholders were:

Shareholders	Share
Olav Thon Gruppen AS (incl. subs)	75,4 %
MP Pensjon	2,3 %
Folketrygdfondet	1,6 %
VPF Nordea Norge Verdi	1,3 %
J. P. Morgan SE	1,2 %
Others	18,2 %
<b>Total</b>	<b>100 %</b>

## 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, 15. May 2024

Board of Directors, Olav Thon Eiendomsselskap ASA

## OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

<i>(NOK million)</i>	Note	31.03.2024	31.03.2023	31.12.2023
Rental income	<a href="#">6</a>	958	905	3 722
Property-related income		306	326	1 098
Property-related expenses	<a href="#">6</a>	-399	-380	-1 454
<b>Net rental income</b>	<a href="#">7</a>	<b>865</b>	<b>851</b>	<b>3 366</b>
Other operating income		16	14	56
Other operating expenses		-17	-16	-56
Administrative expenses	<a href="#">6</a>	-47	-44	-179
Depreciation		-3	-6	-17
<b>Net income from property management</b>	<a href="#">7</a>	<b>814</b>	<b>800</b>	<b>3 171</b>
Fair value adjustments, investment property	<a href="#">8</a>	63	-197	-4 361
Share of profit from joint ventures and associated companies	<a href="#">9</a>	-8	-34	-28
<b>Operating profit</b>	<a href="#">7</a>	<b>869</b>	<b>569</b>	<b>-1 218</b>
Financial income	<a href="#">10</a>	51	7	26
Financial expenses	<a href="#">10</a>	-339	-336	-1 169
Fair value adjustments, interest rate derivatives		233	-6	183
<b>Net financial items</b>		<b>-55</b>	<b>-335</b>	<b>-959</b>
<b>Profit before income tax</b>		<b>814</b>	<b>234</b>	<b>-2 177</b>
Change in deferred tax		-103	-26	841
Income tax payable		-76	-26	-317
<b>Income tax</b>		<b>-178</b>	<b>-52</b>	<b>524</b>
<b>Profit</b>		<b>635</b>	<b>182</b>	<b>-1 653</b>
<b>Other Comprehensive income:</b>				
<i>Items to be reclassified to P&amp;L in subsequent periods:</i>				
Currency translation differences from foreign operations		4	110	116
<b>Total comprehensive income</b>		<b>639</b>	<b>292</b>	<b>-1 538</b>
<b>Profit attributable to:</b>				
Shareholders of the parent		633	178	-1 568
Non-controlling interests		3	3	-85
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent		637	288	-1 452
Non-controlling interests		3	3	-85
Earnings per share, basic and diluted (NOK)		6	2	-15

## OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

**BALANCE SHEET**

<i>(NOK million)</i>	Note	31.03.2024	31.03.2023	31.12.2023
<b>ASSETS</b>				
Investment properties	<a href="#">8</a>	56 796	60 224	56 577
Owner-occupied properties		184	185	184
Fixed assets		46	46	46
Investments in joint ventures and associated companies	<a href="#">9</a>	1 880	1 913	1 899
Other non-current assets		708	356	442
<b>Total non-current assets</b>		<b>59 615</b>	<b>62 725</b>	<b>59 149</b>
Trade receivables and other current receivables		1 106	831	1 126
Cash and cash equivalents		245	259	226
<b>Total current assets</b>		<b>1 351</b>	<b>1 090</b>	<b>1 352</b>
<b>Total assets</b>		<b>60 966</b>	<b>63 815</b>	<b>60 501</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		101	101	101
Share premium		318	318	318
Other equity		30 315	32 109	29 677
Non-controlling interests		358	441	340
<b>Total equity</b>		<b>31 093</b>	<b>32 970</b>	<b>30 437</b>
Deferred tax liabilities		7 254	8 017	7 149
Lease liabilities		207	211	204
Interest-bearing non-current liabilities	<a href="#">11</a>	17 652	19 250	19 471
Other non-current liabilities	<a href="#">11</a>	152	117	57
<b>Total non-current liabilities</b>		<b>25 265</b>	<b>27 594</b>	<b>26 880</b>
Income tax payable		230	133	308
Interest-bearing current liabilities	<a href="#">12</a>	2 875	1 902	1 527
Trade payables and other current liabilities	<a href="#">12</a>	1 503	1 215	1 349
<b>Total current liabilities</b>		<b>4 608</b>	<b>3 250</b>	<b>3 184</b>
<b>Total liabilities</b>		<b>29 873</b>	<b>30 845</b>	<b>30 064</b>
<b>Total equity and liabilities</b>		<b>60 966</b>	<b>63 815</b>	<b>60 501</b>

## OLAV THON EIENDOMSSSELKAP ASA , CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

<i>NOK million</i>	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.12.2023</b>
Net cash flow from operations	527	473	2 035
Expensed interest	331	240	1 062
Paid interest	-290	-235	-1 032
Paid income tax	-154	-118	-234
Change in working capital	222	281	199
<b>Net cash flow from operating activities</b>	<b>637</b>	<b>640</b>	<b>2 030</b>
Acquisition of investment properties and fixed assets	-112	-184	-705
Acquisition of subsidiaries	-17	-1 222	-1 222
Other investments	-10	18	-48
<b>Net cash flow from investment activities</b>	<b>-139</b>	<b>-1 388</b>	<b>-1 975</b>
Proceeds from interest-bearing liabilities	4 801	3 162	8 483
Repayment of interest-bearing liabilities	-5 278	-2 411	-7 895
Payment on leasing liabilities	-2	-2	-8
Dividends paid	-	-	-672
<b>Net cash flow from financing activities</b>	<b>-479</b>	<b>749</b>	<b>-92</b>
Currency translation effects on cash and cash equivalents	-	4	9
<b>Net change in cash</b>	<b>19</b>	<b>5</b>	<b>-28</b>
Cash at beginning of period	226	254	254
Cash at end of period	245	259	226

## 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 interest	Total
<b>Equity 31.12.22</b>	<b>101</b>	<b>318</b>	<b>-116</b>	<b>31 943</b>	<b>-12</b>	<b>32 235</b>	<b>438</b>	<b>32 673</b>
Profit				178		178	3	182
Other comprehensive income			110			110		110
Dividends paid				0		0	0	0
Other changes				5		5	0	5
<b>Equity 31.03.23</b>	<b>101</b>	<b>318</b>	<b>-6</b>	<b>32 127</b>	<b>-12</b>	<b>32 529</b>	<b>441</b>	<b>32 970</b>
Profit				-1 746		-1 746	-89	-1 835
Other comprehensive income			5			5		5
Dividends paid				-660		-660	-12	-672
Other changes				-32		-32	0	-32
<b>Equity 31.12.23</b>	<b>101</b>	<b>318</b>	<b>0</b>	<b>29 689</b>	<b>-12</b>	<b>30 097</b>	<b>340</b>	<b>30 437</b>
Profit				633		633	3	635
Other comprehensive income			4			4		4
Dividends paid				0		0	0	0
Other changes				2		2	15	17
<b>Equity 31.03.24</b>	<b>101</b>	<b>318</b>	<b>4</b>	<b>30 323</b>	<b>-12</b>	<b>30 735</b>	<b>358</b>	<b>31 093</b>

## Olav Thon Eiendomsselskap ASA, Consolidated financial statements

**NOTES TO THE ACCOUNTS**

(NOK million)

**NOTE 1 GENERAL INFORMATION**

Olav Thon Eiendomsselskap ASA is based in Norway and is listed on Oslo Stock Exchange. The head office is situated in Oslo. The Group's consolidated financial statements includes Olav Thon Eiendomsselskap ASA and subsidiaries, as well as the Group's interests in joint ventures and associated companies. The Group has activities in Norway and Sweden. The interim financial statements were adopted by the Board on 15 May 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 2023.

**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 2023.

**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	31.03.2024	31.03.2023	31.12.2023
Rental income	Companies in Thon Holding Group	35	24	109
Property-related expenses	Companies in Thon Holding Group	10	10	41
Operating and administration agreements	Companies in Thon Holding Group	44	41	165

**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
<b>31.03.2024</b>							
Rental income	721	237		958	896	62	958
Property-related income	249	57		306	286	19	306
Property-related expenses	-305	-94		-399	-362	-36	-399
<b>Net rental income</b>	<b>665</b>	<b>200</b>	<b>-</b>	<b>865</b>	<b>820</b>	<b>45</b>	<b>865</b>
Other operating income	6		11	16	16		16
Other operating expenses	-9		-8	-17	-17		-17
Administrative expenses	-37	-10		-47	-42	-4	-47
Depreciation	-2	-1		-3	-3	-	-3
<b>Net income from property management</b>	<b>623</b>	<b>189</b>	<b>2</b>	<b>814</b>	<b>774</b>	<b>41</b>	<b>814</b>
Fair value adjustments, investment property	129	-66		63	48	14	63
Share of profit from joint ventures & associates	-8	-		-8	-8		-8
<b>Operating profit</b>	<b>743</b>	<b>123</b>	<b>2</b>	<b>869</b>	<b>814</b>	<b>55</b>	<b>869</b>

	Operating segments				Geographical areas		
	Shopping centers	Commercial property	Other activity	Group	Norway	Sweden	Group
<b>31.03.2023</b>							
Rental income	674	232		905	851	54	905
Property-related income	278	48		326	307	19	326
Property-related expenses	-291	-90		-380	-346	-34	-380
<b>Net rental income</b>	<b>661</b>	<b>190</b>	<b>-</b>	<b>851</b>	<b>812</b>	<b>39</b>	<b>851</b>
Other operating income*	2		12	14	14		14
Other operating expenses	-7		-9	-16	-16		-16
Administrative expenses	-34	-10		-44	-40	-4	-44
Depreciation	-3	-3		-6	-6	-	-6
<b>Net income from property management</b>	<b>619</b>	<b>178</b>	<b>3</b>	<b>800</b>	<b>765</b>	<b>35</b>	<b>800</b>
Fair value adjustments, investment property	-45	-151		-197	-183	-14	-197
Share of profit from joint ventures & associates	-34	-		-34	-34		-34
<b>Operating profit</b>	<b>540</b>	<b>27</b>	<b>3</b>	<b>569</b>	<b>548</b>	<b>21</b>	<b>569</b>

31.12.2023	Operating segments				Geographical areas		
	Shopping centers	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	2 790	932		3 722	3 499	223	3 722
Property-related income	957	141		1 098	1 028	70	1 098
Property-related expenses	-1 119	-335		-1 454	-1 336	-117	-1 454
<b>Net rental income</b>	<b>2 628</b>	<b>738</b>	<b>—</b>	<b>3 366</b>	<b>3 191</b>	<b>175</b>	<b>3 366</b>
Other operating income	12		45	56	56		56
Other operating expenses	-17		-39	-56	-56		-56
Administrative expenses	-141	-38		-179	-164	-15	-179
Depreciation	-9	-9		-17	-17	-0	-17
<b>Net income from property management</b>	<b>2 473</b>	<b>691</b>	<b>6</b>	<b>3 171</b>	<b>3 010</b>	<b>160</b>	<b>3 171</b>
Fair value adjustments, investment property	-2 632	-1 729		-4 361	-4 229	-132	-4 361
Share of profit from joint ventures & associates	-30	3		-28	-28		-28
<b>Operating profit</b>	<b>-189</b>	<b>-1 036</b>	<b>6</b>	<b>-1 218</b>	<b>-1 247</b>	<b>29</b>	<b>-1 218</b>

## NOTE 8 INVESTMENT PROPERTY

	31.03.2024	31.03.2023	31.12.2023
Investment property - owned - fair value 01.01	56 382	57 509	57 509
Investment property - right-of-use-assets - fair value 01.01	195	190	190
<b>Sum investment property - fair value 01.01</b>	<b>56 577</b>	<b>57 699</b>	<b>57 699</b>
Acquisitions/expenditure on properties	109	183	692
Acquisitions and divestments companies/investment property	36	2 308	2 308
Change in fair value recognised in the period	65	-194	-4 350
Change in fair value right-of-use-assets recognised in the period	-3	-3	-11
Net other changes right to use assets	4	17	17
Effect of currency exchange differences in foreign operations	7	215	223
Other changes	—	—	0
<b>Closing balance</b>	<b>56 796</b>	<b>60 224</b>	<b>56 577</b>
of this investment property - owned	56 599	60 020	56 382
of this investment property - right-of-use-assets	197	204	195

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 %
<b>Investment property (owned)</b>			
-1,0 %-points	61 013	67 724	74 436
- 0,5 %-points	55 554	61 659	67 764
Unchanged	51 000	56 599	62 199
+ 0,5 %-points	47 143	52 314	57 485
+ 1,0 %-points	43 835	48 638	53 441



**NOTE 9 JOINT VENTURES AND ASSOCIATED COMPANIES**

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

<b>Joint ventures</b>	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.12.2023</b>
Net rental income	56	54	216
Fair value adjustments, investment property	-43	-41	-157
Fair value adjustments, interest rate derivatives	5	1	2
Expenses	-32	-27	-110
Income taxes	-	1	-7
<b>Profit</b>	<b>-14</b>	<b>-13</b>	<b>-56</b>
Investment properties	2 459	2 462	2 449
Other assets	195	205	184
<b>Total assets</b>	<b>2 654</b>	<b>2 667</b>	<b>2 633</b>
Equity	1 348	1 406	1 363
Non-current liabilities	1 191	1 165	1 175
Current liabilities	115	95	95
<b>Total equity and liabilities</b>	<b>2 654</b>	<b>2 667</b>	<b>2 633</b>
<b>Associated companies</b>	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.12.2023</b>
Net rental income	16	15	63
Fair value adjustments, investment property	-	-36	3
Expenses	-8	-6	-29
Income taxes	-2	6	-8
<b>Profit</b>	<b>6</b>	<b>-21</b>	<b>29</b>
Investment properties	890	852	896
Other assets	84	83	82
<b>Total assets</b>	<b>974</b>	<b>936</b>	<b>978</b>
Equity	532	507	537
Non-current liabilities	422	413	424
Current liabilities	20	15	18
<b>Total equity and liabilities</b>	<b>974</b>	<b>936</b>	<b>978</b>

**NOTE 10 FINANCIAL INCOME AND FINANCIAL EXPENSES**

	31.03.2024	31.03.2023	31.12.2023
Interest income	8	7	26
Interest income derivatives	43	0	0
Currency gain	–	–	–
Other financial income	–	–	1
<b>Total financial income</b>	<b>51</b>	<b>7</b>	<b>26</b>
Interest expenses bonds	-159	-115	-515
Interest expenses commercial papers	-10	-6	-20
Interest expenses derivatives	-23	-22	-25
Other interest expenses	-126	-93	-489
Interest expenses related to lease liabilities	-3	-3	-13
Interest costs when terminating derivatives	-10	0	0
Currency loss	-3	-88	-93
Other financial expenses	-5	-8	-14
<b>Total financial expenses</b>	<b>-339</b>	<b>-336</b>	<b>-1 169</b>
<b>Currency items</b>			
Currency translation differences from foreign operations	4	110	116
Currency translation effects on cash and cash equivalents	–	4	9
Other currency items	-3	-92	-102
<b>Total currency effects</b>	<b>1</b>	<b>22</b>	<b>23</b>

**NOTE 11 NON-CURRENT LIABILITIES**

	31.03.2024	31.03.2023	31.12.2023
Bonds	10 536	9 950	10 309
Other interest-bearing liabilities	7 116	9 300	9 161
<b>Total interest-bearing current liabilities</b>	<b>17 652</b>	<b>19 250</b>	<b>19 471</b>
Fair value interest rate swaps*	107	87	14
Other liabilities	46	29	43
<b>Total non-current liabilities</b>	<b>152</b>	<b>117</b>	<b>57</b>

\* The long-term part of interest rate swaps with a positive fair value of NOK 337 million as at 31. March, is classified as other non-current assets.

**NOTE 12 CURRENT LIABILITIES**

	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.12.2023</b>
Commercial papers	853	404	–
Bonds	1 994	1 406	1 500
Bank loans	28	92	27
<b>Total Interest-bearing current liabilities</b>	<b>2 875</b>	<b>1 902</b>	<b>1 527</b>
Fair value interest rate swaps*	58	28	–
Lease liabilities	8	8	8
Trade payables	189	141	157
Accrued interest	116	49	74
Duties payable	203	144	100
Prepaid rent	718	627	788
Other current liabilities	210	218	223
<b>Total trade payables and other current liabilities</b>	<b>1 503</b>	<b>1 215</b>	<b>1 349</b>

\* The short-term part of interest rate swaps with a positive fair value of NOK 134 million as at 31. March, is classified as trade receivables and other current receivables.

## 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.

	31.03.2024	31.03.2023	31.12.2023
Fair value adjustments in:			
investment properties recognised in profit and loss	63	-197	-4 361
investment properties in joint ventures	-43	-41	-157
investment properties in associated companies	–	-36	3
interest rate derivatives recognised in profit and loss	233	-6	183
interest rate derivatives in joint ventures	5	1	2
<b>Fair value adjustments, investment properties and derivatives</b>	<b>257</b>	<b>-279</b>	<b>-4 330</b>

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

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

	31.03.2024	31.03.2023	31.12.2023
Profit before income tax	814	234	-2 177
Income tax in joint ventures	–	-1	7
Income tax in associated companies	2	-6	8
Fair value adjustments investment properties and derivatives	-257	279	4 330
Currency gain	–	–	–
Currency loss	3	88	93
<b>Profit before income tax, fair value adjustment and currency result</b>	<b>562</b>	<b>594</b>	<b>2 261</b>

**3. Equity ratio**

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

	31.03.2024	31.03.2023	31.12.2023
Total equity	31 093	32 970	30 437
Total equity and debt	60 966	63 815	60 501
<b>Equity ratio</b>	<b>51 %</b>	<b>52 %</b>	<b>50 %</b>

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

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

	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.12.2023</b>
Majority share of equity	30 735	32 529	30 097
Deferred tax liabilities (deferred tax liabilities current assets excluded)	7 292	8 011	7 143
Fair value of debt - deferred tax liabilities - 6 %	-1 989	-2 185	-1 948
<b>Long term net asset value</b>	<b>36 038</b>	<b>38 355</b>	<b>35 292</b>
Number of shares (own shares not included)	101 478 908	101 478 908	101 478 908
<b>Long term net asset value per share in NOK</b>	<b>355</b>	<b>378</b>	<b>348</b>
<b>Equity per share in NOK</b>	<b>303</b>	<b>321</b>	<b>297</b>

#### 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.

	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.12.2023</b>
Unutilized overdrafts and other credit facilities	7 213	4 312	5 156
Cash and cash equivalents	245	259	226
<b>Liquidity reserves</b>	<b>7 458</b>	<b>4 571</b>	<b>5 382</b>

#### 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.

	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.12.2023</b>
Commercial papers	853	404	–
Bonds	1 994	1 406	1 500
Bank loans	28	92	27
<b>Amortisation next 12 months</b>	<b>2 875</b>	<b>1 902</b>	<b>1 527</b>

## 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.

	31.03.2024	31.03.2023	31.12.2023
Bonds, non-current	10 536	9 950	10 309
Bonds, current	1 994	1 406	1 500
Commercial papers, current	853	404	0
Debt to credit institutions, long-term	7 116	9 300	9 161
Debt to credit institutions, short-term	28	92	27
<b>Interest-bearing debt</b> <sup>1)</sup>	<b>20 526</b>	<b>21 153</b>	<b>20 997</b>
Cash and cash equivalents	-245	-259	-226
<b>Net interest-bearing debt</b>	<b>20 282</b>	<b>20 894</b>	<b>20 772</b>
Market value properties (see APM 11)	56 786	60 227	56 568
<b>Loan to value ratio</b>	<b>36 %</b>	<b>35 %</b>	<b>37 %</b>
<sup>1)</sup> Unsecured part of interest-bearing debt (where the Group has not provided collateral)	13 383	11 510	11 809

## 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.

	31.03.2024	31.03.2023	31.12.2023
Annualized interest expenses on interest-bearing debt	1 105	865	1 130
Annualized interest expenses on current interest rate swaps	-40	68	-43
<b>Annualized interest expenses per balance sheet date</b>	<b>1 066</b>	<b>933</b>	<b>1 086</b>
Interest-bearing debt	20 526	21 153	20 997
<b>Interest per balance sheet date</b>	<b>5,19 %</b>	<b>4,41 %</b>	<b>5,17 %</b>

## 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).

	31.03.2024	31.03.2023	31.12.2023
Net income from property management (12-month rolling)	3 186	2 893	3 171
Depreciation (12-month rolling)	15	23	17
<b>Net income from property management before depreciation (12-month rolling)</b>	<b>3 201</b>	<b>2 916</b>	<b>3 188</b>
Interest expenses on interest-bearing debt (12-month rolling)	1 130	822	1 048
Interest income (12-month rolling)	-70	-20	-26
<b>Net interest expenses (12-month rolling)</b>	<b>1 060</b>	<b>802</b>	<b>1 023</b>
<b>Interest coverage ratio</b>	<b>3,0</b>	<b>3,6</b>	<b>3,1</b>

## 10. Net investments

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

	31.03.2024	31.03.2023	31.12.2023
Investment properties	109	183	692
Acquisitions and divestments companies	17	1 222	1 222
Other fixed assets	3	-	11
Other investments	54	24	99
<b>Net investments</b>	<b>183</b>	<b>1 428</b>	<b>2 025</b>

## 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.

	31.03.2024	31.03.2023	31.12.2023
Market value investment properties - owned (see note 8)	56 599	60 020	56 382
Market value owner-occupied properties	187	206	187
<b>Market value properties</b>	<b>56 786</b>	<b>60 227</b>	<b>56 568</b>

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

Market value of properties joint venture (Group share)	2 420	2 462	2 410
Market value of properties associated companies (Group share)	890	853	896

**12. Annualized rental income level**

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

	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.12.2023</b>
Annualized market rent leased premises	3 775	3 533	3 665
Annualized market rent vacant premises	145	127	135
<b>Annualized rental income level</b>	<b>3 920</b>	<b>3 660</b>	<b>3 800</b>

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

Annualized market rent leased premises (Groups share)	224	214	224
Annualized market rent vacant premises (Groups share)	6	6	6
<b>Annualized rental income JVs and associated companies (Groups share)</b>	<b>230</b>	<b>220</b>	<b>230</b>
<b>Total annualized rental income level</b>	<b>4 150</b>	<b>3 880</b>	<b>4 030</b>

**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.

	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>31.12.2023</b>
Annualized rental income level	3 920	3 660	3 800
Lessor's owner cost	533	494	499
<b>Annualized net rental income level</b>	<b>3 387</b>	<b>3 166</b>	<b>3 301</b>
Market value properties	56 786	60 227	56 568
Adjustment market value for plots etc.	606	473	586
<b>Market value properties after adjustment</b>	<b>56 179</b>	<b>59 753</b>	<b>55 983</b>
<b>Yield properties</b>	<b>6,0%</b>	<b>5,3%</b>	<b>5,9%</b>





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