

OLAV THON EIENDOMSSSELKAP

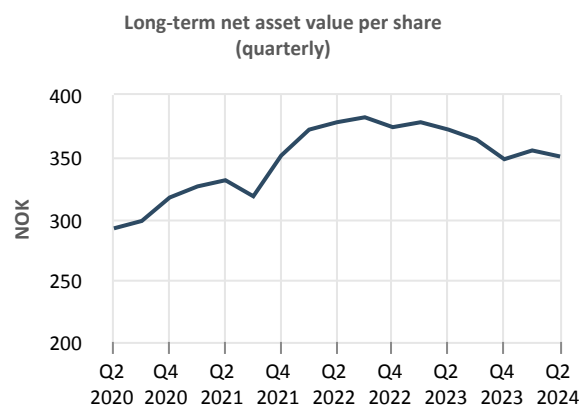
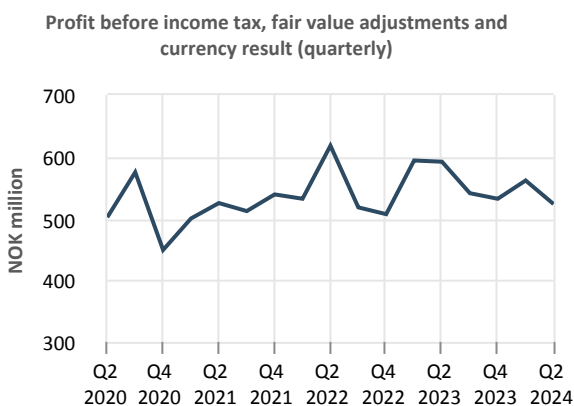


REPORT FOR Q2 AND H1 2024

KEY FIGURES

	APM ¹⁾	Q2 2024	Q2 2023	30.06.2024	30.06.2023	31.12.2023
<i>NOK million</i>						
Net rental income		829	848	1 694	1 699	3 366
Fair value adjustments in inv. properties and interest rate derivatives	1	-254	-409	2	-688	-4 330
Profit before income tax		286	173	1 099	407	-2 177
Profit before income tax, fair value adjustments and currency result	2	523	592	1 085	1 185	2 261
Equity ratio	3			50 %	51 %	50 %
Equity per share (NOK)	4			298	315	297
Long-term net asset value per share (NOK)	4			350	372	348
Net cash flow from operations		503	584	1 030	1 057	2 035
Liquidity reserves	5			7 782	4 910	5 382
Amortisation next 12 months	6			3 340	2 862	1 527
Interest-bearing debt	7			21 271	21 672	20 997
Interest per balance sheet date	8			5,16 %	4,70 %	5,17 %
Loan to value ratio	7			37 %	36 %	37 %
Interest coverage ratio	9			2,9	3,4	3,1
Net investments	10	256	267	439	1 695	2 025
Market value properties	11			56 641	59 486	56 568
Annualized rental income level	12			3 970	3 730	3 800
Yield properties	13			6,1 %	5,5 %	5,9 %
Sales, owned shopping centers		14 697	14 258	27 776	26 730	60 568
Share price per balance sheet date (NOK)				224,0	167,5	186,5

¹⁾ Definitions, calculations and explanations on the use of alternative performance measures (APM) are included at page [22](#) in the report.



Q2 HIGHLIGHTS

- The Group posted another good operating result in the second quarter, with profit before income tax amounting to NOK 286 (173) million.
- Fair value adjustments of investment properties amounted to NOK -328 (-940) million, and fair value adjustments of interest rate derivatives totalled NOK 113 (418) million in the quarter.
- Profit before tax, fair value adjustments and currency result amounted to NOK 523 (592) million in the quarter.
- The Group's rental income in the second quarter amounted to NOK 944 (946) million.
- The Group's financial position is solid, and by the end of the first half of the year the Group's equity ratio was 50 % (51 %), while its liquidity reserves increased to NOK 7 782 (4 910) million.
- Retail sales in the shopping center portfolio in the second quarter were NOK 14 697 (14 258) million, an increase of 3 % compared to the same quarter last year.

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



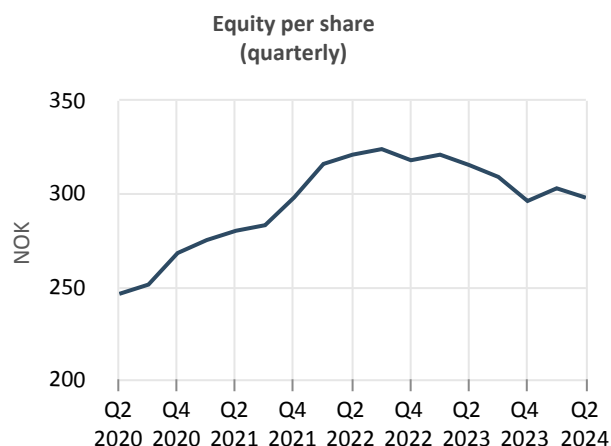
Images: Oasen Storsenter

FINANCIAL POSITION/BALANCE SHEET AS AT 30.06.2024

The Group's total assets were NOK 61 009 (63 658) million, with investment properties accounting for 56 651 (59 485)¹ million of that figure.

Total equity was NOK 30 600 (32 416) million, and the equity ratio² was 50 % (51 %).

Equity per share was NOK 298 (315), while the long-term net asset value per share² was calculated at NOK 350 (372).



Equity per share has since 30.06.2020 increased by 21 %.

Interest-bearing debt was NOK 21 271 (21 672) million, with a loan-to-value ratio² of 37 % (36 %).

The Group's share of the equity in joint ventures and associated companies was NOK 1 864 (2 018) million.

SUMMARY OF THE RESULT FOR Q2

Profit before income tax was NOK 286 (173) million.

Fair value adjustments of investment properties and interest rate derivatives totalled NOK -254 (-409) million³.

Profit before income tax, fair value adjustment and currency result² amounted to NOK 523 (592) million.

RENTAL INCOME AND PROPERTY-RELATED INCOME/EXPENSES

Gross rental income was NOK 944 (946) million. In the second quarter of 2023, an additional rental income of NOK 15 million was recognized for 2022 in connection with the acquisition of Sørlandssenteret.

Property-related income amounted to NOK 225 (241) 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. Sørlandssenteret contributed NOK 6 million (18) in the second quarter of 2024, with the decrease primarily explained by the settlement of letting and property administration costs.

Property-related expenses amounted to NOK 340 (339) million, including the above-mentioned letting and property administration costs of NOK 207 (208) million.

Maintenance expenses for the property portfolio amounted to NOK 44 (39) million.

Net rental income was therefore 829 (848) million. The main cause of the decline is related to the acquisition of Sørlandssenteret in the second quarter of 2023.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The value of the Group's investment properties was adjusted downward by NOK -328 (-940) million in Q2.

The decline in value in the second quarter is primarily explained by the increase in the average yield used in valuation of the property portfolio, which rose from 6,0 % to 6,1 %.

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 similar in Q2.

The value of the Group's shopping center properties was adjusted downward by NOK -58 (-672) million, while the value of its commercial properties was adjusted downward by -270 (-268) 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 -2 (112) million.

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

The fair value adjustments of investment properties and interest rate derivatives in these companies amounting to NOK -40 (112) 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 17 (13) million and consisted mainly of sales income from other activities.

Other operating and administrative expenses amounted to NOK 57 (55) million, while depreciation and amortisation amounted to 3 (4) million.

FINANCIAL INCOME AND EXPENSES

Net financial items amounted to NOK -170 (200) million, with fair value adjustments of financial instruments accounting for NOK 113 (418) million of that figure.

Net interest expenses amounted to NOK 260 (240) million. Higher interest expenses are due to a higher average interest rate on the Group's interest-bearing debt.

In conjunction with the repurchase of a fixed-rate bond loan amounting to NOK 1.236 million, a profit of NOK 46 million was recognized.

During the second quarter, expenses of NOK 76 million were accrued due to the closure of interest rate swaps, in which NOK 56 million of these should be considered in relation to the repurchase of the abovementioned bond loan.

Note [10](#) in the quarterly report provides further explanation.

Unrealised gains linked to the SEK exchange rate amounted to NOK 17 (26) million.

FAIR VALUE ADJUSTMENTS OF INTEREST RATE DERIVATIVES

In the second quarter, the long-term market interest rate developed differently in Norway and Sweden.

In Norway, the 5-year rate grew by 0,08 of a percentage point to 3,96 %, while the 10-year rate grew by 0,10 of a percentage point to 3,80 %.

The corresponding rates in Sweden decreased respectively by 0,14 of a percentage point to 2,59 %, and by 0,05 of a percentage point to 2,60 %.

As a result of the change in interest rates and termination of interest rate swaps, the fair value of the Group's interest rate derivatives increased by NOK 113 (418) million in Q2.

SUMMARY OF THE RESULTS FOR H1

In 2024, rental income amounted to NOK 1 902 (1 851) million.

Property-related income amounted to NOK 531 (567) million, while property-related expenses amounted to NOK 738 (719) million.

Maintenance expenses for the property portfolio amounted to NOK 101 (72) million.

Net rental income amounted to NOK 1 694 (1 699) million.

Other operating income was NOK 33 (27), and consisted mainly of operating income from other activity.

The value of the Group's investment properties was reduced by NOK -265 (-1 137) million. The value change of the Group's shopping center portfolio was NOK 69 (-722) million, while the value change on the commercial properties, which include rental housing, was NOK -335 (-415).

Net financial items amounted to NOK -225 (-136) million, with fair value adjustments of interest rate derivatives accounting for NOK 346 (413) million.

Net interest expenses amounted to NOK 530 (474) million, NOK 7 (7) 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 gains linked to the SEK exchange rate amounted to NOK 14 (-63) million.

The market value of the Group's interest rate derivatives increased by NOK 346 (413) million as a result of higher long-term market interest rates in Norway and Sweden through 2024 and termination of interest rate swaps.

Profit before income tax was NOK 1 099 (407) million.

Fair value adjustments of investment property and financial instruments totalled NOK 2 (-688) million.

Profit before income tax, fair value adjustment and currency result therefore amounted to NOK 1 085 (1 185) million.

CASH FLOW AND LIQUIDITY

Q2

Net cash flow from operations was NOK 503 (584) million.

Net cash flow from operating activities was 93 (565) million.

Investing activities reduced liquidity by NOK -237 (-559) million, while financing activities increased liquidity by 60 (-104) million.

The exchange rate effects on cash and cash equivalents amounted to NOK 0 (0) million, and the Group's liquidity reserves therefore fell by NOK -84 (-98) million.

H1

Overall, net cash flow from operations was NOK 1 030 (1 057) million in 2024.

Net cash flow from operating activities was NOK 730 (1 205) million.

Investing activities reduced liquidity by NOK -376 (-1 947) million, while financing activities reduced liquidity by NOK -419 (645) million.

The currency effects on cash and cash equivalents amounted to NOK 0 (4) million.

The Group's liquidity reserves therefore fell by NOK -65 (-93) million in the first half year of 2024.

As per 30.06.2024 the liquidity reserves were NOK 7 782 (4 910) million, and consisted of short-term investments of NOK 161 (161) million and undrawn long-term credit facilities of NOK 7 621 (4 748) million.

INVESTMENTS

The Group's net investments in Q2 were 256 (267) million.

Total net investments in the first half year of 2024 amounted to NOK 439 (1 695) million.

MAJOR PROPERTY PROJECTS⁴

Completed

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, was completed in Q2 2024.

Under construction

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 30.06.2024

The property portfolio was valued at NOK 56 641 (59 486) million, based on an average yield of 6,1 % (5,5 %)⁵.

By the end of the first half of the year, the property portfolio consisted of a total area of 1,9 million square meters.

The vacancy rate in the property portfolio was 3,6 % (3,4 %).

The annual rental income level was NOK 3 970 (3 730) million⁵.

Average yields by property segment were as follows:

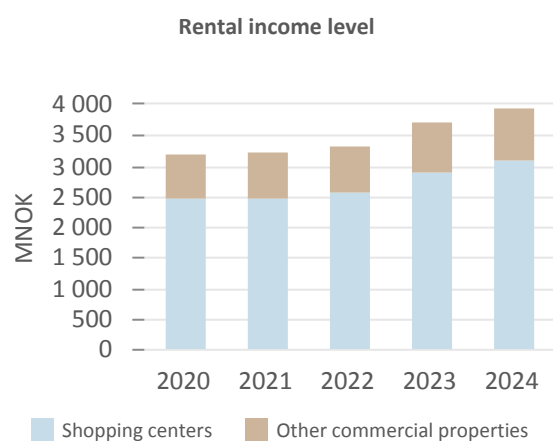
Shopping center properties	6,5 % (5,9 %)
Other commercial properties	5,2 % (4,4 %)

The property portfolio consists of the following segment distribution:

Segment	Market value (Share)	Rental income level (Share)
Shopping center properties	74 % (73 %)	79 % (79 %)
Other commercial properties	26 % (27 %)	22 % (21 %)

⁴ Above MNOK 50 million

⁵ For definitions see alternative performance measures (APM) at the end of the report



The annual rental income level has increased by 24,1 % 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 (230) million.

The Group's share of the property values in these companies was NOK 3 300 (3 415) million⁶.

THE SHOPPING CENTER BUSINESS AREA

By the end of the first half of the year 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 Q2 amounted to NOK 14 697 (14 258) million⁶.

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

	2024	2023	Change
April	4 559	4 290	6,3 %
May	5 020	4 665	7,6 %
June	5 118	5 303	-3,5 %
Sum Q2	14 697	14 258	3,1 %

Total retail sales by end of the first half of the year amounted to NOK 27 776 (26 730) million.

Norway

In Q2, the Group's Norwegian shopping centers had retail sales of NOK 13.690 (13.244) million.

Retail sales in H1 amounted to NOK 25.847 (24.849) million.

Sweden

Retail sales in the Swedish shopping centers amounted to SEK 1.007 (1.013) million in Q2, and MNOK 1.930 (1.882) million in H1.

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 30.06.2024 was based on an average yield of 6,1 %. Throughout the last three years, the yield has varied between 4,9 % and 6,1 %.

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 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.

⁶ Corresponding period corrected

At the end of Q2, the portfolio of financial instruments was NOK 22 473 (21 012) million, and is made up by the following groups:

MNOK	Amount
Floating to fixed interest rate	9 053
Fixed to floating interest rate	4 114
Floating to fixed interest rate – future start	9 305
Sum	22 473

At end of the first half of the year, total fair value was NOK 420 (303) 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 500 - 600 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 Q2 were both the Nordic banking market and the capital markets in Norway and Sweden.

In the banking market, long-term loan agreements of NOK 2 850 million was entered into, while in the capital markets, NOK 4 750 million and SEK 700 million in new loans was raised.

INTEREST-BEARING DEBT AND MATURITY PROFILE

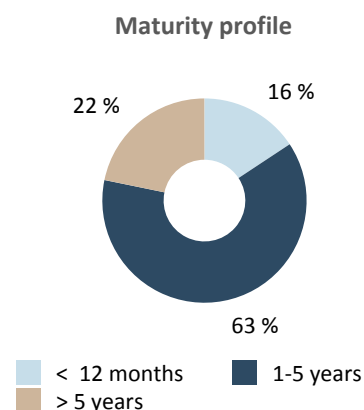
By end of the first half of the year outstanding certificate and bond debt amounted to NOK 14 556 (11 741) million, broken down as follows:

Norway: NOK 13 151 (10 750) million
 Sweden: SEK 1 400 (1 000) million

Total credit facilities were NOK 28 892 (26 420) million, NOK 7 621 (4 748) 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.

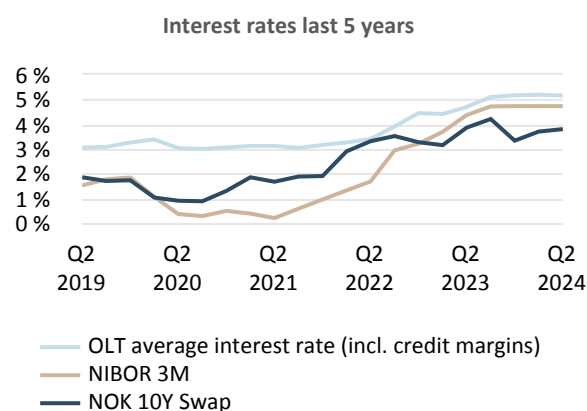
Drawn debt by end of the first half of the year had an average residual term of 3,9 (2,8) years, with 16 % (13 %) of the debt falling due for repayment within 1 year.



Current liquidity reserves are sufficient to refinance all debt falling due in both the bank and capital markets up until Q2 2026.

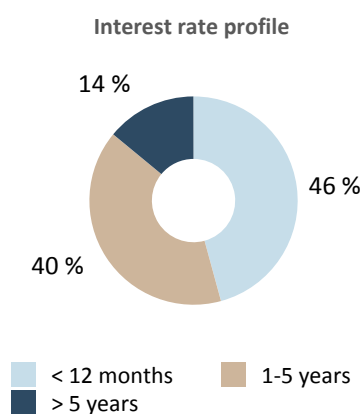
AVERAGE INTEREST RATE AND INTEREST RATE PROFILE

By the end of Q2, the Group had a fixed-rate ratio of 54 % (56 %), with an average fixed-rate period of 3,0 (3,2) years.



The Group's average interest rate (including credit margins) was 5,2 % (4,7 %), divided between the following currencies:

Currency	Share of debt	Average interest rate
NOK	87 % (89 %)	5,3 % (4,8 %)
SEK	13 % (11 %)	4,0 % (3,8 %)



54 % of interest-bearing debt has a fixed-rate period of more than 12 months. The average fixed-rate period is 3,0 year.

SHARE INFORMATION

The closing price of the Olav Thon Eiendomsselskap ASA share was NOK 224 at the end of Q2, up from 222 at the start of the quarter. In the 2nd quarter, a dividend of NOK 7 per share was paid out.

The highest and lowest prices in the quarter were NOK 232 and 216, 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
Q2 2024	4 %	6 %
YTD 2024	24 %	9 %
Last 12 months	38 %	19 %
Last 24 months	43 %	20 %
Last 36 months	40 %	26 %
Last 60 months	73 %	60 %

In Q2 409.000 (383.000) shares were traded and 2.608 (1.433) transactions in the share were conducted on the Oslo Stock Exchange.

During the first half year of 2024, 995.000 (726.000) shares were traded and 6.613 (3.191) 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 30.06.2024, Olav Thon Eiendomsselskap ASA had 4.255 (3.755) shareholders, with Norwegian investors owning 97,1 % (97,8 %) of the shares.

At the end of the first half of the year, Olav Thon Eiendomsselskap ASA's market capitalisation was NOK 22,7 (17,4) billion, and the five largest shareholders were:

Shareholders	Share
Olav Thon Gruppen AS (incl. subs)	75,4 %
MP Pensjon	2,3 %
VPF Nordea Norge Verdi	1,5 %
J. P. Morgan SE	1,4 %
Folketrygdfondet	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 company's General Meeting decided that a dividend of NOK 7 per share be paid for 2023. This dividend was distributed to shareholders in May.

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 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, 14. August 2024

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 the first half year of 2024 have been prepared in accordance with applicable accounting standards and that the disclosures in the financial statements give a true and fair view of the Group's and the company's assets, liabilities, financial position and profit or loss taken as a whole.

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

Oslo, 14. August 2024

Board of Directors, Olav Thon Eiendomsselskap ASA



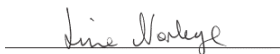
Kjetil Nilsen
Chairman



Olav Thon
Board member



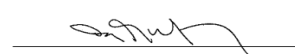
Sissel Berdal Haga Thon
Board member



Line Norbye
Board member



Elisabeth Holvik
Board member



Dag Tangevald-Jensen
CEO

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

<i>(NOK million)</i>	Note	Q2 2024	Q2 2023	30.06.2024	30.06.2023	31.12.2023
Rental income	6	944	946	1 902	1 851	3 722
Property-related income		225	241	531	567	1 098
Property-related expenses	6	-340	-339	-738	-719	-1 454
Net rental income	7	829	848	1 694	1 699	3 366
Other operating income		17	13	33	27	56
Other operating expenses		-14	-10	-31	-26	-56
Administrative expenses	6	-43	-45	-90	-89	-179
Depreciation		-3	-4	-6	-10	-17
Net income from property management	7	786	801	1 600	1 601	3 171
Fair value adjustments, investment property	8	-328	-940	-265	-1 137	-4 361
Share of profit from joint ventures and associated companies	9	-2	112	-10	79	-28
Operating profit	7	455	-27	1 324	542	-1 218
Financial income	10	103	32	151	13	26
Financial expenses	10	-386	-251	-722	-561	-1 169
Fair value adjustments, interest rate derivatives		113	418	346	413	183
Net financial items		-170	200	-225	-136	-959
Profit before income tax		286	173	1 099	407	-2 177
Change in deferred tax		-23	75	-125	49	841
Income tax payable		-44	-95	-119	-120	-317
Income tax		-67	-19	-245	-71	524
Profit		219	154	854	335	-1 653
Other Comprehensive income:						
<i>Items to be reclassified to P&L in subsequent periods:</i>						
Currency translation differences from foreign operations		-21	-32	-17	78	116
Total comprehensive income		198	122	837	414	-1 538
Profit attributable to:						
Shareholders of the parent		219	173	852	351	-1 568
Non-controlling interests		0	-19	3	-15	-85
Total comprehensive income attributable to:						
Shareholders of the parent		198	140	835	429	-1 452
Non-controlling interests		0	-19	3	-15	-85
Earnings per share, basic and diluted (NOK)		2	2	8	3	-15

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

<i>(NOK million)</i>	Note	30.06.2024	30.06.2023	31.12.2023
ASSETS				
Investment properties	8	56 651	59 485	56 577
Owner-occupied properties		183	185	184
Fixed assets		48	43	46
Investments in joint ventures and associated companies	9	1 864	2 018	1 899
Other non-current assets		770	583	442
Total non-current assets		59 517	62 314	59 149
Trade receivables and other current receivables		1 332	1 183	1 126
Cash and cash equivalents		161	161	226
Total current assets		1 492	1 344	1 352
Total assets		61 009	63 658	60 501
EQUITY AND LIABILITIES				
Share capital		101	101	101
Share premium		318	318	318
Other equity		29 801	31 586	29 677
Non-controlling interests		379	410	340
Total equity		30 600	32 416	30 437
Deferred tax liabilities		7 277	7 939	7 149
Lease liabilities		206	209	204
Interest-bearing non-current liabilities	11	17 931	18 810	19 471
Other non-current liabilities	11	120	35	57
Total non-current liabilities		25 533	26 993	26 880
Income tax payable		113	117	308
Interest-bearing current liabilities	12	3 340	2 862	1 527
Trade payables and other current liabilities	12	1 422	1 270	1 349
Total current liabilities		4 876	4 249	3 184
Total liabilities		30 409	31 242	30 064
Total equity and liabilities		61 009	63 658	60 501

OLAV THON EIENDOMSSELSKAP ASA , CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

<i>NOK million</i>	Q2 2024	Q2 2023	30.06.2024	30.06.2023	31.12.2023
Net cash flow from operations	503	584	1 030	1 057	2 035
Expensed interest	376	247	708	487	1 062
Paid interest	-375	-272	-664	-507	-1 032
Paid income tax	-161	-110	-315	-229	-234
Change in working capital	-250	116	-28	397	199
Net cash flow from operating activities	93	565	730	1 205	2 030
Acquisition of investment properties and fixed assets	-203	-264	-315	-449	-705
Acquisition of subsidiaries	-23	-	-40	-1 222	-1 222
Other investments	-11	-295	-21	-277	-48
Net cash flow from investment activities	-237	-559	-376	-1 947	-1 975
Proceeds from interest-bearing liabilities	7 593	1 448	12 394	4 610	8 483
Repayment of interest-bearing liabilities	-6 817	-878	-12 095	-3 289	-7 895
Payment on leasing liabilities	-2	-2	-4	-4	-8
Dividends paid	-714	-672	-714	-672	-672
Net cash flow from financing activities	60	-104	-419	645	-92
Currency translation effects on cash and cash equivalents	-	-	-	4	9
Net change in cash	-84	-98	-65	-93	-28
Cash at beginning of period	245	259	226	254	254
Cash at end of period	161	161	161	161	226

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 31.12.22	101	318	-116	31 943	-12	32 235	438	32 673
Profit				351		351	-15	335
Other comprehensive income			78			78		78
Dividends paid				-660		-660	-12	-672
Other changes				2		2	0	2
Equity 30.06.23	101	318	-38	31 636	-12	32 007	410	32 416
Profit				-1 918		-1 918	-70	-1 989
Other comprehensive income			38			38		38
Dividends paid				0		0	0	0
Other changes				-29		-29	0	-29
Equity 31.12.23	101	318	0	29 689	-12	30 097	340	30 437
Profit				852		852	3	854
Other comprehensive income			-17			-17		-17
Dividends paid				-710		-710	-4	-714
Other changes				0		0	39	40
Equity 30.06.24	101	318	-18	29 830	-12	30 221	379	30 600

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 14 August 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	30.06.2024	30.06.2023	31.12.2023
Rental income	Companies in Thon Holding Group	64	57	109
Property-related expenses	Companies in Thon Holding Group	22	19	41
Operating and administration agreements	Companies in Thon Holding Group	84	83	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
Q2 2024							
Rental income	773	171		944	887	57	944
Property-related income	205	20		225	206	19	225
Property-related expenses	-290	-49		-340	-313	-26	-340
Net rental income	688	141	-	829	780	49	829
Other operating income	10		6	17	17		17
Other operating expenses	-8		-6	-14	-14		-14
Administrative expenses	-35	-8		-43	-39	-4	-43
Depreciation	-3	-		-3	-3	-	-3
Net income from property management	653	133	-	786	740	45	786
Fair value adjustments, investment property	-58	-270		-328	-318	-10	-328
Share of profit from joint ventures & associates	-2	-		-2	-2		-2
Operating profit	592	-137	-	455	420	35	455

	Operating segments				Geographical areas		
	Shopping centers	Commercial property	Other activity	Group	Norway	Sweden	Group
Q2 2023*							
Rental income	762	184		946	886	60	946
Property-related income	220	21		241	226	15	241
Property-related expenses	-295	-45		-339	-307	-32	-339
Net rental income	687	160	-	848	805	43	848
Other operating income	4		9	13	13		13
Other operating expenses	-2		-8	-10	-10		-10
Administrative expenses	-36	-9		-45	-41	-4	-45
Depreciation	-4	-1		-4	-4	-	-4
Net income from property management	649	151	1	801	762	39	801
Fair value adjustments, investment property	-672	-268		-940	-931	-9	-940
Share of profit from joint ventures & associates	111	1		112	112		112
Operating profit	89	-116	1	-27	-57	30	-27

	Operating segments				Geographical areas		
	Shopping centers	Commercial property	Other activity	Group	Norway	Sweden	Group
30.06.2024							
Rental income	1 546	356		1 902	1 783	119	1 902
Property-related income	461	70		531	492	38	531
Property-related expenses	-627	-111		-738	-676	-63	-738
Net rental income	1 380	315	-	1 694	1 600	94	1 694
Other operating income	16		17	33	33		33
Other operating expenses	-17		-14	-31	-31		-31
Administrative expenses	-71	-18		-90	-82	-8	-90
Depreciation	-6	-1		-6	-6	-	-6
Net income from property management	1 302	296	3	1 600	1 514	86	1 600
Fair value adjustments, investment property	69	-335		-265	-269	4	-265
Share of profit from joint ventures & associates	-11	-		-10	-10		-10
Operating profit	1 360	-39	3	1 324	1 234	90	1 324

	Operating segments				Geographical areas		
	Shopping centers	Commercial property	Other activity	Group	Norway	Sweden	Group
30.06.23*							
Rental income	1 483	368		1 851	1 738	114	1 851
Property-related income	506	61		567	533	34	567
Property-related expenses	-618	-102		-719	-653	-66	-719
Net rental income	1 372	327	-	1 699	1 617	81	1 699
Other operating income*	6		21	27	27		27
Other operating expenses	-9		-17	-26	-26		-26
Administrative expenses	-71	-18		-89	-81	-8	-89
Depreciation	-9	-1		-10	-10	-	-10
Net income from property management	1 289	308	4	1 601	1 527	74	1 601
Fair value adjustments, investment property	-722	-415		-1 137	-1 114	-23	-1 137
Share of profit from joint ventures & associates	78	1		79	79		79
Operating profit	644	-106	4	542	492	51	542

31.12.23*	Operating segments			Geographical areas			
	Shopping centers	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	2 999	723		3 722	3 499	223	3 722
Property-related income	992	105		1 098	1 028	70	1 098
Property-related expenses	-1 244	-209		-1 454	-1 336	-117	-1 454
Net rental income	2 747	620	-	3 366	3 191	175	3 366
Other operating income	12		45	56	56		56
Other operating expenses	-17		-39	-56	-56		-56
Administrative expenses	-143	-36		-179	-164	-15	-179
Depreciation	-15	-3		-17	-17	-0	-17
Net income from property management	2 583	582	6	3 171	3 010	160	3 171
Fair value adjustments, investment property	-2 546	-1 815		-4 361	-4 229	-132	-4 361
Share of profit from joint ventures & associates	-30	3		-28	-28		-28
Operating profit	7	-1 231	6	-1 218	-1 247	29	-1 218

*The segment reporting between the shopping centers and the commercial property is changed in the comparative figures following a renewed assessment of the parking business.

NOTE 8 INVESTMENT PROPERTY

	30.06.2024	30.06.2023	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
Sum investment property - fair value 01.01	56 577	57 699	57 699
Acquisitions/expenditure on properties	307	446	692
Acquisitions and divestments companies/investment property	59	2 308	2 308
Change in fair value recognised in the period	-260	-1 132	-4 350
Change in fair value right-of-use-assets recognised in the period	-6	-5	-11
Net other changes right to use assets	4	17	17
Effect of currency exchange differences in foreign operations	-31	153	223
Other changes	-	-	0
Closing balance	56 651	59 485	56 577
of this investment property - owned	56 457	59 284	56 382
of this investment property - right-of-use-assets	194	201	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 %
Investment property (owned)			
-1,0 %-points	60 660	67 331	74 002
- 0,5 %-points	55 333	61 411	67 490
Unchanged	50 873	56 457	62 040
+ 0,5 %-points	47 086	52 249	57 411
+ 1,0 %-points	43 830	48 631	53 432

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 2024	Q2 2023	30.06.2024	30.06.2023	31.12.2023
Net rental income	51	52	107	106	216
Fair value adjustments, investment property	-22	46	-66	5	-157
Fair value adjustments, interest rate derivatives	–	13	5	14	2
Expenses	-23	-26	-54	-53	-110
Income taxes	-2	-22	-2	-21	-7
Profit	4	64	-10	52	-56
Investment properties			2 465	2 509	2 449
Other assets			218	224	184
Total assets			2 683	2 733	2 633
Equity			1 349	1 470	1 363
Non-current liabilities			1 239	1 180	1 175
Current liabilities			95	83	95
Total equity and liabilities			2 683	2 733	2 633
Associated companies	Q2 2024	Q2 2023	30.06.2024	30.06.2023	31.12.2023
Net rental income	16	15	32	30	63
Fair value adjustments, investment property	-17	53	-18	17	3
Expenses	-7	-7	-14	-13	-29
Income taxes	2	-13	–	-7	-8
Profit	-6	48	–	27	29
Investment properties			873	907	896
Other assets			74	79	82
Total assets			947	986	978
Equity			515	547	537
Non-current liabilities			419	426	424
Current liabilities			13	13	18
Total equity and liabilities			947	986	978

NOTE 10 FINANCIAL INCOME AND FINANCIAL EXPENSES

	Q2 2024	Q2 2023	30.06.2024	30.06.2023	31.12.2023
Interest income	16	6	24	13	26
Interest income derivatives	25	0	68	–	–
Currency gain	17	26	14	–	–
Bond buyback	46	–	46	–	–
Other financial income	–	–	–	–	1
Total financial income	103	32	151	13	26
Interest expenses bonds	-139	-115	-298	-231	-515
Interest expenses commercial papers	-21	-4	-31	-10	-20
Interest expenses derivatives	-37	-13	-60	-35	-25
Other interest expenses	-100	-111	-227	-204	-489
Interest expenses related to lease liabilities	-3	-3	-7	-7	-13
Terminating derivatives *	-76	–	-86	–	–
Currency loss	–	–	–	-63	-93
Other financial expenses	-10	-4	-15	-12	-14
Total financial expenses	-386	-251	-722	-561	-1 169

Currency items

Currency translation differences from foreign operations	-21	-32	-17	78	116
Currency translation effects on cash and cash equivalents	–	–	–	4	9
Other currency items	17	25	14	-66	-102
Total currency effects	-4	-6	-3	16	23

* In the second quarter, the group bought back a bond loan and terminated the associated interest rate swap. Under "Terminating derivatives", NOK 56 million has been expensed, which must be seen in connection with the recognition of income of NOK 46 million under "Bond buyback".

NOTE 11 NON-CURRENT LIABILITIES

	30.06.2024	30.06.2023	31.12.2023
Bonds	11 243	8 950	10 309
Other interest-bearing liabilities	6 688	9 860	9 161
Total interest-bearing current liabilities	17 931	18 810	19 471
Fair value interest rate swaps*	84	–	14
Other liabilities	36	35	43
Total non-current liabilities	120	35	57

* The long-term part of interest rate swaps with a positive fair value of NOK 373 million as at 30. June, is classified as other non-current assets.

NOTE 12 CURRENT LIABILITIES

	30.06.2024	30.06.2023	31.12.2023
Commercial papers	2 001	397	–
Bonds	1 312	2 395	1 500
Bank loans	28	70	27
Total Interest-bearing current liabilities	3 340	2 862	1 527
Fair value interest rate swaps*	20	–	–
Lease liabilities	8	8	8
Trade payables	164	137	157
Accrued interest	117	24	74
Duties payable	145	112	100
Prepaid rent	795	776	788
Other current liabilities	173	214	223
Total trade payables and other current liabilities	1 422	1 270	1 349

* The short-term part of interest rate swaps with a positive fair value of NOK 151 million as at 30. June, 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.

	Q2 2024	Q2 2023	30.06.2024	30.06.2023	31.12.2023
Fair value adjustments in:					
investment properties recognised in profit and loss	-328	-940	-265	-1 137	-4 361
investment properties in joint ventures	-22	46	-66	5	-157
investment properties in associated companies	-17	53	-18	17	3
interest rate derivatives recognised in profit and loss	113	418	346	413	183
interest rate derivatives in joint ventures	–	13	5	14	2
Fair value adjustments, investment properties and derivatives	-254	-409	2	-688	-4 330

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 2024	Q2 2023	30.06.2024	30.06.2023	31.12.2023
Profit before income tax	286	173	1 099	407	-2 177
Income tax in joint ventures	2	22	2	21	7
Income tax in associated companies	-2	13	–	7	8
Fair value adjustments investment properties and derivatives	254	409	-2	688	4 330
Currency gain	-17	-26	-14	–	–
Currency loss	–	–	–	63	93
Profit before income tax, fair value adjustment and currency result	523	592	1 085	1 185	2 261

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.

	30.06.2024	30.06.2023	31.12.2023
Total equity	30 600	32 416	30 437
Total equity and debt	61 009	63 658	60 501
Equity ratio	50 %	51 %	50 %

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.

	30.06.2024	30.06.2023	31.12.2023
Majority share of equity	30 221	32 006	30 097
Deferred tax liabilities (deferred tax liabilities current assets excluded)	7 315	7 933	7 143
Fair value of debt - deferred tax liabilities - 6 %	-1 995	-2 163	-1 948
Long term net asset value	35 541	37 776	35 292
Number of shares (own shares not included)	101 478 908	101 478 908	101 478 908
Long term net asset value per share in NOK	350	372	348
Equity per share in NOK	298	315	297

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.

	30.06.2024	30.06.2023	31.12.2023
Unutilized overdrafts and other credit facilities	7 621	4 748	5 156
Cash and cash equivalents	161	161	226
Liquidity reserves	7 782	4 910	5 382

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.

	30.06.2024	30.06.2023	31.12.2023
Commercial papers	2 001	397	–
Bonds	1 312	2 395	1 500
Bank loans	28	70	27
Amortisation next 12 months	3 340	2 862	1 527

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.

	30.06.2024	30.06.2023	31.12.2023
Bonds, non-current	11 243	8 950	10 309
Bonds, current	1 312	2 395	1 500
Commercial papers, current	2 001	397	0
Debt to credit institutions, long-term	6 688	9 860	9 161
Debt to credit institutions, short-term	28	70	27
Interest-bearing debt ¹⁾	21 271	21 672	20 997
Cash and cash equivalents	-161	-161	-226
Net interest-bearing debt	21 111	21 511	20 772
Market value properties (see APM 11)	56 641	59 486	56 568
Loan to value ratio	37 %	36 %	37 %
¹⁾ Unsecured part of interest-bearing debt (where the Group has not provided collateral)	14 556	11 741	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.

	30.06.2024	30.06.2023	31.12.2023
Annualized interest expenses on interest-bearing debt	1 180	1 020	1 130
Annualized interest expenses on current interest rate swaps	-82	-	-43
Annualized interest expenses per balance sheet date	1 098	1 020	1 086
Interest-bearing debt	21 271	21 672	20 997
Interest per balance sheet date	5,16 %	4,70 %	5,17 %

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).

	30.06.2024	30.06.2023	31.12.2023
Net income from property management (12-month rolling)	3 170	2 953	3 171
Depreciation (12-month rolling)	14	20	17
Net income from property management before depreciation (12-month rolling)	3 184	2 973	3 188
Interest expenses on interest-bearing debt (12-month rolling)	1 183	896	1 048
Interest income (12-month rolling)	-104	-24	-26
Net interest expenses (12-month rolling)	1 079	872	1 023
Interest coverage ratio	2,9	3,4	3,1

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 2024	Q2 2023	30.06.2024	30.06.2023	31.12.2023
Investment properties	199	263	307	446	692
Acquisitions and divestments companies	23	–	40	1 222	1 222
Other fixed assets	4	1	7	1	11
Other investments	30	3	85	27	99
Net investments	256	267	439	1 695	2 025

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.

	30.06.2024	30.06.2023	31.12.2023
Market value investment properties - owned (see note 8)	56 457	59 284	56 382
Market value owner-occupied properties	185	201	187
Market value properties	56 641	59 486	56 568

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

Market value of properties joint venture (Group share)	2 427	2 509	2 410
Market value of properties associated companies (Group share)	873	907	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.

	30.06.2024	30.06.2023	31.12.2023
Annualized market rent leased premises	3 827	3 601	3 665
Annualized market rent vacant premises	143	129	135
Annualized rental income level	3 970	3 730	3 800

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

Annualized market rent leased premises (Groups share)	221	223	224
Annualized market rent vacant premises (Groups share)	9	7	6
Annualized rental income JVs and associated companies (Groups share)	230	230	230
Total annualized rental income level	4 200	3 960	4 030

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.

	30.06.2024	30.06.2023	31.12.2023
Annualized rental income level	3 970	3 730	3 800
Lessor's owner cost	536	501	499
Annualized net rental income level	3 434	3 229	3 301
Market value properties	56 641	59 486	56 568
Adjustment market value for plots etc.	623	551	586
Market value properties after adjustment	56 018	58 935	55 983
Yield properties	6,1%	5,5%	5,9%



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