

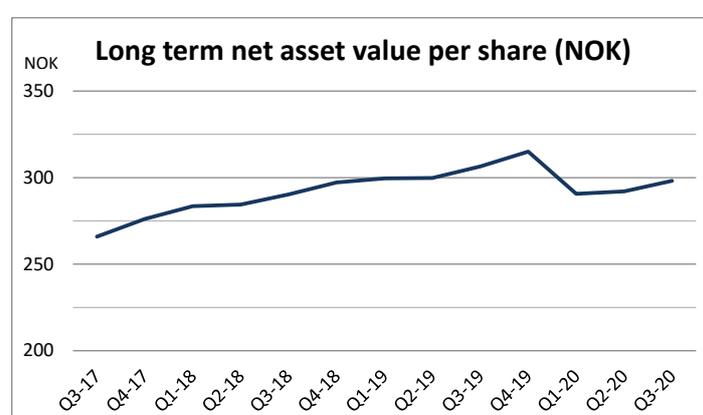
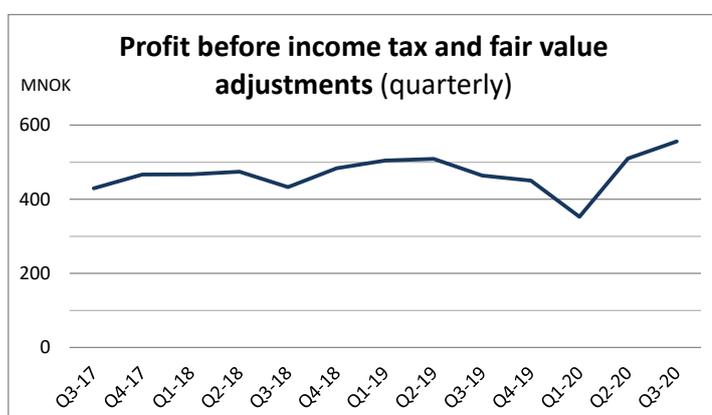


REPORT FOR Q3 2020

KEY FIGURES

Amounts in NOK million	APM*	Q3 2020	Q3 2019	30.09.2020	30.09.2019	31.12.2019
Net rental income		722	654	2 036	2 005	2 684
Fair value adjustments in investment properties and interest rate derivativ	1	158	277	-3 302	-93	424
Profit before income tax		711	741	-1 850	1 369	2 336
Profit before income tax and fair value adjustments	2	556	464	1 419	1 478	1 941
Equity ratio	3			46 %	45 %	46 %
Equity per share (NOK)	4			251	256	264
Long term net asset value per share (NOK)	4			298	306	315
Net cash flow from operations	5	420	423	1 264	1 344	1 765
Liquidity reserves	6			6 111	7 916	6 796
Amortisation next 12 months	7			6 985	5 457	4 913
Interest-bearing debt	8			20 995	21 879	21 481
Interest per balance sheet date	9			3,00 %	3,08 %	3,27 %
Loan to value ratio	8			39 %	39 %	39 %
Net investments	10	200	145	576	356	548
Market value properties	11			52 889	53 890	54 257
Annualized rental income level	12			3 200	3 170	3 215
Net yield properties	13			5,31 %	5,13 %	5,13 %
Sales, owned shopping centres		13 819	12 244	36 576	34 980	50 211
Sales, managed shopping centres		2 261	1 980	5 975	5 633	8 058
Interest per balance sheet date (NOK)				139,0	144,4	167,8

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

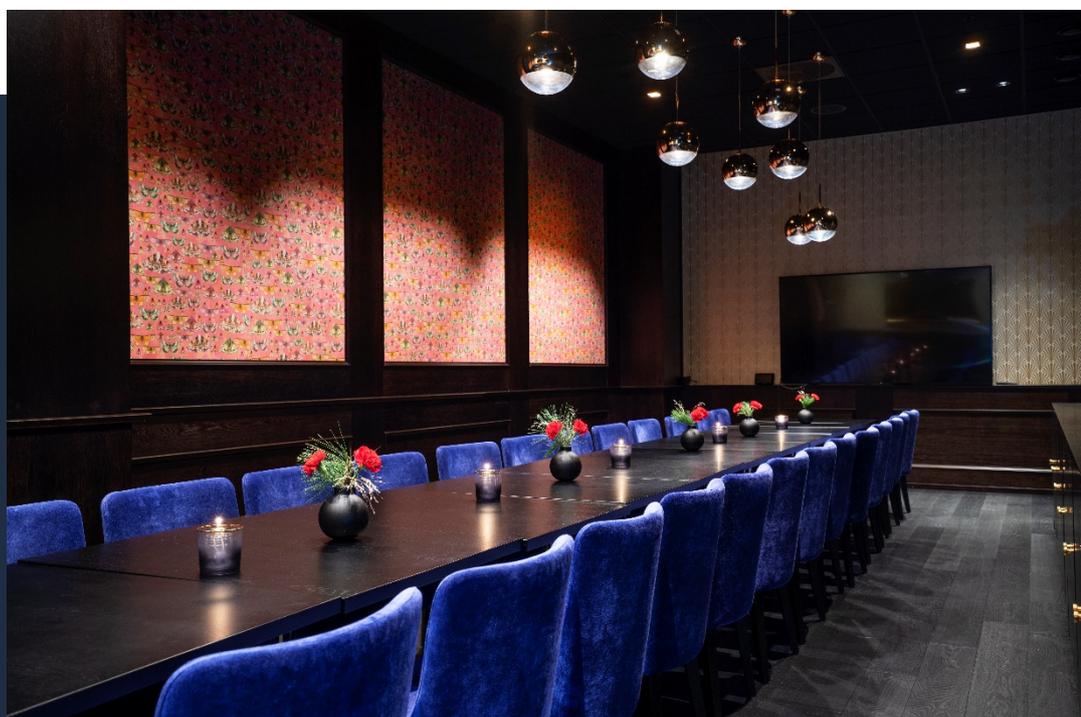


Olav Thon Eiendomsselskap

Report for Q3 2020

Highlights of the quarterly report: ¹

- The Group enjoyed positive development in the quarter, posting profit before income tax of NOK 711 (741) million
- Profit before income tax and fair value adjustments were NOK 556 million, up 20 % on the same period last year
- The Group's financial position is solid, and the Group's equity ratio at the end of Q3 was 46 % (45 %), while its liquidity reserves were NOK 6,111 (7,916) million
- Retail sales in the shopping centre portfolio owned by the Group were NOK 13,819 million, up 13 % on Q3 2019
- The Group began construction of two logistics buildings with a total space of 47,000 square metres at Gardermoen in the vicinity of Oslo Airport



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

FINANCIAL POSITION/BALANCE SHEET AS AT 30 SEPTEMBER 2020

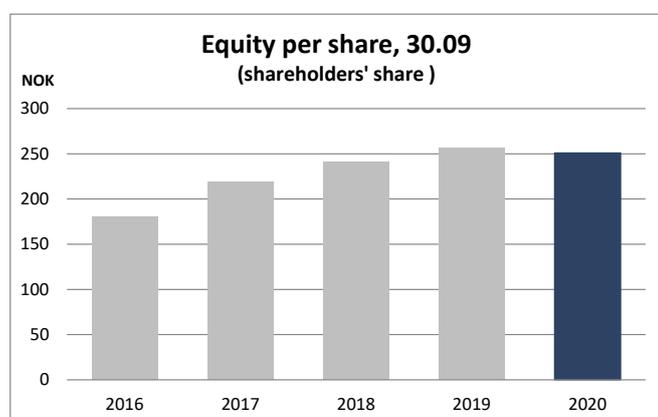
The Group's total assets were NOK 57,951 (59,521) million. Of this, investment property amounted to NOK 52,686 (53,669) million.

Total equity was NOK 26,396 (27,010) million and the equity ratio was 46 % (45 %).

Equity per share (majority share) was NOK 251 (256), while the net asset value (NAV) per share was NOK 298 (306).

Interest-bearing debt was NOK 20,994 (21,879) million, with a loan to value ratio² of 39 % (39 %).

The Group's share of the equity in joint ventures and associated companies was NOK 2,728 (2,808) million.



Equity per share has increased by 39 % since 2016.

SUMMARY OF THE RESULTS FOR Q3

Profit before income tax was NOK 711 (741) million.

Fair value adjustments in investment property and interest rate derivatives totalled NOK 158 (277) million³.

Profit before income tax and fair value adjustments therefore amounted to NOK 556 (464) million.

RENTAL INCOME AND PROPERTY-RELATED EXPENSES

Rental income was NOK 753 (751) million.

Other property-related income amounted to NOK 176 (194) million and consisted mainly of payments from the Group's tenants to cover property service charges, as well as costs related to the operation of shopping centre associations.

Provisions for losses on trade receivables decreased by NOK 31 million in Q3 owing to positive development of the Group's shopping centres.

Property-related expenses amounted to NOK 206 (292) million, including the above-mentioned property service charges of NOK 170 (186) million.

Maintenance expenses for the property portfolio amounted to NOK 35 (55) million.

Net rental income was NOK 722 (654) million.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The value of the Group's investment properties was mainly unchanged in Q3. However, an increase in the value of some properties contributed to an overall increase in property values of NOK 130 (325) million.

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

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

The value of the property segments developed differently in Q3.

The value of the Group's commercial properties increased by NOK 180 million, while the value of the shopping centre properties decreased by NOK 50 million.

See also the section on the Group's property portfolio later in the report and note 8 in the quarterly report.

SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATED COMPANIES

The Group's share of the results from joint ventures and associated companies amounted to NOK 23 (25) million.

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

OTHER OPERATING INCOME AND EXPENSES

Other operating income amounted to NOK 35 (37) million and consisted mainly of income from property management for external owners and sales revenue from other activities.

Other operating and administrative expenses amounted to NOK 76 (82) million, while scheduled depreciation amounted to NOK 7 (6) million.

FINANCIAL INCOME AND EXPENSES

Net financial expenses were NOK 165 (185) million.

Net interest expenses amounted to NOK 142 (179) million, of which NOK 6 (6) million was interest expenses related to lease liabilities.

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

³ Includes investments in joint ventures and associated companies

NOK 17 (0) million has been recognised as income in connection with a change in the calculation method used for amortised cost.

Unrealised losses on currency exchange associated with the SEK exchange rate amounted to NOK 19 (0) million.

FAIR VALUE ADJUSTMENTS, INTEREST RATE DERIVATIVES

Overall, long-term market interest rates (swap rates) were stable in both Norway and Sweden in Q3.

In Norway, the 10-year rate was down by 0.02 of a percentage point to 0.88 %, while the corresponding rate in Sweden was down by 0.01 of a percentage point to 0.29 %.

As a result of shorter remaining terms, the market value of the exchange rate derivatives increased by NOK 52 (-26) million.

CASH FLOW AND LIQUIDITY

Net cash flow from operations in Q3 was NOK 420 (423) million.

Net cash flow from operating activities was 601 (640) million.

Investment activities reduced liquidity by NOK 113 (161) million, while financing activities reduced liquidity by NOK 448 (152) million.

Currency effects on bank deposits were NOK -10 (-1) million and liquidity reserves thereby increased by NOK 30 (327) million in Q3.

Liquidity reserves were NOK 6,111 (7,916) million at the end of Q3 and consisted of short-term investments of NOK 341 (608) million and undrawn long-term credit facilities of NOK 5,770 (7,308) million.

INVESTMENTS

The Group's net investments in Q3 were NOK 200 (145) million.

Total investments in the first nine months of the year amounted to NOK 576 (356) million.

MAJOR PROPERTY PROJECTS⁴

Under construction

Bernt Ankers Gate 6, Oslo

Construction of a new building in the centre of Oslo with a total space of 5,600 square metres with 46 flats and 4 smaller commercial premises for rent. The project is scheduled for completion in 2021.

Brages Vei 1 and 3, Gardermoen Park, Ullensaker

Two logistics buildings with 23,600 and 23,000 square metres of space, respectively. Scheduled for completion in Q1 2022.

⁴ Over NOK 50 million

In planning phase

Olav Thon Eiendomsselskap is developing a number of major property projects linked to the further development of its property portfolio. Whether or not projects are executed depends on factors such as official permits and market conditions.

For more information about our property projects, please see [olt.no](#).

PROPERTY PORTFOLIO AS AT 30 SEPTEMBER 2020

The property portfolio was valued at NOK 52,686 (53,669) million, based on an average yield of 5.31 % (5.13 %).

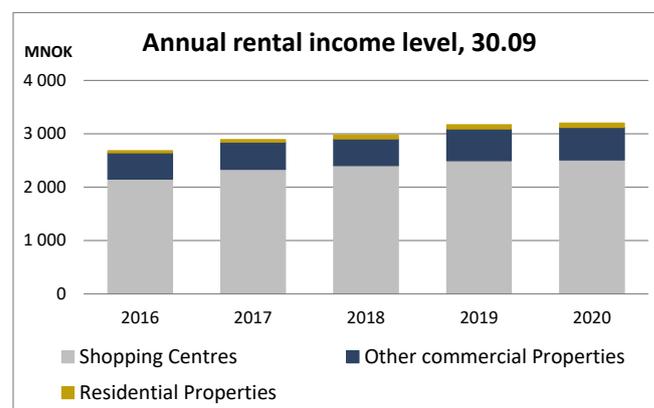
Average yields by property segment were as follows:

Shopping centre properties	5.59 % (5.36 %)
Other commercial properties	4.52 % (4.47 %)

Annual rental income was NOK 3,200 (3,170) million, with the following segment distribution:

Shopping centre properties	78 % (79 %)
Other commercial properties	22 % (21 %)

The vacancy rate in the property portfolio was 3.6 % (2.8 %).



The annual rental income level in the property portfolio has increased by 19 % since 2016.

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 280 (265) million.

The Group's share of the property values in these companies was NOK 4,321 (4,428) million.

SHOPPING CENTRES

At the end of Q3, the shopping centre portfolio comprised 78 shopping centres, 16 of which are managed for external owners.

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

The shopping centre portfolio includes Norway's second largest shopping centre in terms of retail sales, Lagunen Storsenter in Bergen, and seven of the country's ten largest shopping centres.

Shopping centres owned by the Group

Retail sales in the shopping centres owned by the Group were NOK 13,819 (12,244) million in Q3, while retail sales in the first nine months of the year were NOK 36,567 (34,980) million.

The Group's shopping centres had the following retail sales in Q3, broken down by month (NOK million):

	2020	2019	Change
July	5,042	4,145	21.6 %
August	4,496	4,318	4.1 %
September	4,281	3,781	13.2 %
Total Q3	13,819	12,244	12.9 %

The comparative figures for 2019 have been adjusted for retail sales in shopping centres no longer owned by the Group.

Norway

The Group's shopping centres in Norway reported retail sales of NOK 12,944 (11,426) million in Q3. Retail sales in the first nine months of the year were NOK 34,054 (32,527) million.

Sweden

Retail sales in the shopping centres in Sweden amounted to SEK 850 (886) million in Q3, and SEK 2,485 (2,653) million in the first nine months of the year.

Shopping centres managed for other owners

Retail sales in this part of the portfolio were NOK 2,261 (1,980) million in Q3 and NOK 5,975 (5,633) million in the first nine months of the year.

The comparative figures have been adjusted for retail sales in shopping centres no longer managed by the Group.

RISK FACTORS

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

THE PROPERTY MARKET

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

Changes in yield and market rents have a direct impact on the value of the property portfolio. Calculations of these effects can be found in the annual report for 2019 and on the company's website: olt.no.

The valuation as at 30 September 2020 was based on an average yield of 5.31 %. Since 2015, the yield has varied between 5.10 % and 5.50 %.

THE FINANCIAL MARKETS

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

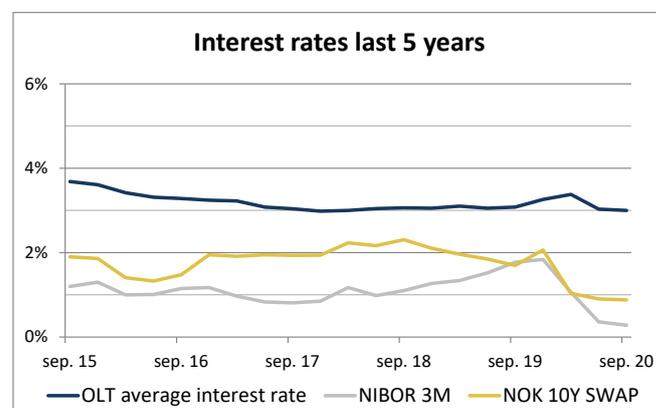
This risk is mitigated by maintaining a low loan to value ratio, a balanced debt portfolio and significant liquidity reserves.

The Group's financing is described in more detail in the next section, and a description of financial risk management can be found in the annual report for 2019 and on the company's website: olt.no.

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

At the end of Q3, the portfolio of interest rate swaps entered into for this purpose was NOK 13,875 (11,250) million and had a fair value of NOK -2,101 (-1,614) million.

Fair value is affected primarily by changes in long-term interest rates in Norway and Sweden, and by the remaining term on interest rate swaps. It is estimated that a change of 1 percentage point in interest rates would change the fair value of the portfolio by NOK 750-850 million.



As at 30 September 2020, the Group's average interest rate was 3.00 %⁵.

FINANCING

The Group's debt portfolio consists of long-term credit facilities with Nordic banks and direct borrowing in the capital markets in Norway and Sweden.

Access to financing is considered good, and both the banking and capital markets developed positively in Q3.

⁵ Loans in NOK and SEK

The Group's financing sources in Q3 were the capital markets in Norway and Sweden, with new loans amounting to NOK 300 million and SEK 600 million being raised.

At the end of Q3, outstanding certificate and bond debt amounted to NOK 9,835 (12,633) million, broken down as follows:

Norway: NOK 7,630 (8,298) million
Sweden: SEK 2,100 (3,665) million

Total credit facilities were NOK 26,765 (29,187) million, NOK 5,770 (7,308) million of which was undrawn.

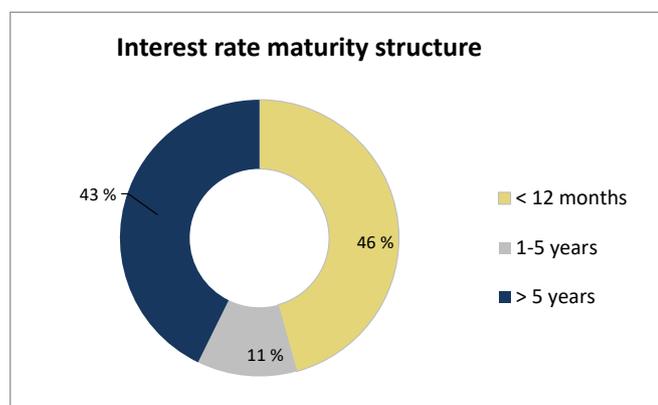
For details of the Group's interest-bearing debt, see notes 11 and 12 and 'Alternative performance measures' in the quarterly report.

The debt had an average remaining term of 2.1 (2.2) years. 33 % (25 %) of the debt is due for repayment within 1 year.

The Group's average interest rate was 3.00 % (3.08 %), divided into the following currencies:

Foreign currency	Proportion of debt	Average interest rate
NOK	86 %	3.28 %
SEK	14 %	1.25 %

At the end of Q3, the Group had a fixed-rate ratio of 54 % (51 %), with an averaged fixed-rate period of 3.6 (3.6) years.



43 % of interest-bearing debt has a fixed-rate period of more than 5 years. The average fixed-rate period is 3.6 years.

SHARES AND SHAREHOLDERS

The closing price of the Olav Thon Eiendomsselskap share was NOK 139 at the end of Q3, a decrease from NOK 140 at the start of the quarter. The highest and lowest prices in the quarter were NOK 160.5 and 138.5, respectively.

534,000 (831,000) shares were traded in Q3, with 4,240 (3,846) trades in the share on the Oslo Stock Exchange. 6.5 (5.8) million shares were traded in the first nine months of the year, with 22,640 (12,836) trades in the share on the Oslo Stock Exchange.

Overall, the share price fell 17 % in the first nine months of the year, while the main index at the Oslo Stock Exchange fell 9 %.

At the end of Q3, the company's market capitalisation was NOK 14.4 (15.4) billion.

At the same time, the company's largest shareholders were:

Olav Thon Gruppen AS and subsidiaries	73.9 %
Folketrygdfondet	2.7 %
VPF Nordea Verdi	2.6 %
MP Pensjon	2.2 %
Otto Olsen Invest	1.0 %
Other owners	17.5 %
TOTAL	100 %

OUTLOOK

The Norwegian economy is still in a deep recession caused by the Covid-19 pandemic, but official measures and the reopening of society have helped boost activity in the Norwegian economy.

Norges Bank has cut its policy rate from 1.50 % to 0 %, and is indicating that the rate will remain at its current level for some time to come.

Following the reopening of Norway, recent increases in Covid-19 infections have led to new, stricter infection control measures both in Norway and abroad. As a result, there is considerable uncertainty regarding future developments.

Given the Group's financial position with its high equity ratio and solid liquidity reserves, the Group is considered well-equipped to deal with the future financial consequences of the Covid-19 pandemic as well.

Oslo, 11 November 2020

Board of Directors, Olav Thon Eiendomsselskap ASA

Every effort has been made to ensure that this translation of the Norwegian text and the report is true translation. However, in case of any discrepancy, the Norwegian version takes place.

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	Q3 2020	Q3 2019	30.09.2020	30.09.2019	31.12.2019
Rental income	4, 6	753	751	2 229	2 239	2 984
Other property-related income	4	176	194	579	645	900
Property-related expenses		-206	-292	-772	-879	-1 201
Net rental income	7	722	654	2 036	2 005	2 684
Other operating income	4	35	37	100	119	167
Other operating expenses		-32	-37	-98	-109	-157
Administrative expenses	6	-44	-45	-141	-138	-189
Depreciation		-7	-6	-21	-17	-24
Net income from property management	7	674	603	1 876	1 859	2 481
Fair value adjustments, investment property	4, 8	130	325	-2 232	62	218
Fair value adjustments, right-of-use assets		-3	-1	-10	-4	-14
Share of profit from joint ventures and associates	9	23	25	-118	100	213
Operating profit	7	824	951	-485	2 018	2 898
Financial income	10	1	1	7	19	12
Financial expenses	10	-166	-186	-600	-546	-737
Fair value adjustments, interest rate derivatives		52	-26	-773	-122	164
Net financial items		-112	-210	-1 366	-649	-561
Profit before income tax		711	741	-1 850	1 369	2 336
Change in deferred tax		-94	-110	491	-107	-259
Income tax payable		-52	-65	-111	-230	-239
Income tax		-146	-175	380	-338	-498
Profit		566	566	-1 470	1 031	1 838
Other Comprehensive income						
<i>Items to be reclassified to P&L in subsequent periods:</i>						
Currency translation differences from foreign operations		20	13	171	-78	-46
Hedging of net investment in foreign operations*		-	-11	-128	76	39
Income taxes on other comprehensive income		-	2	28	-17	-8
Total comprehensive income		585	571	-1 399	1 012	1 822
Profit attributable to:						
Shareholders of the parent		559	592	-1 405	1 052	1 857
Non-controlling interests		7	-26	-66	-21	-20
Total comprehensive income attributable to:						
Shareholders of the parent		578	597	-1 333	1 033	1 842
Non-controlling interests		7	-26	-66	-21	-20
Earnings per share, basic and diluted (NOK)	6	6	6	-13	10	18

* The group has chosen to discontinue hedge accounting from Q3 2020.

OLAV THON EIENDOMSSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

(NOK million)	Note	30.09.2020	30.09.2019	31.12.2019
ASSETS				
Deferred tax asset		294	327	294
Investment properties	4, 8	52 686	53 671	54 037
Owner-occupied properties		190	192	191
Right-of-use assets		354	359	365
Fixed assets		79	73	88
Investments in joint ventures and associates	9	2 728	2 808	2 914
Other non-current assets		507	596	592
Total non-current assets		56 837	58 026	58 482
Trade receivables and other current receivables	4	774	887	1 001
Cash and cash equivalents		341	608	386
Total current assets		1 115	1 495	1 387
Total assets		57 951	59 521	59 869
EQUITY AND LIABILITIES				
Share capital		106	106	106
Share premium		318	318	318
Other equity		25 595	26 143	26 942
Non-controlling interests		376	442	452
Total equity		26 396	27 010	27 819
Deferred tax liabilities		6 701	7 134	7 250
Lease liabilities		350	355	360
Interest-bearing non-current liabilities	11	14 010	16 422	16 568
Non-current liabilities	11	1 772	1 376	1 252
Total non-current liabilities		22 833	25 286	25 431
Income tax payable		99	227	240
Interest-bearing current liabilities	12	6 985	5 457	4 913
Trade payables and other current liabilities	12	1 639	1 539	1 467
Total current liabilities		8 723	7 224	6 619
Total liabilities		31 556	32 511	32 050
Total equity and liabilities		57 951	59 521	59 869

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(NOK million)	Q3 2020	Q3 2019	30.09.2020	30.09.2019	31.12.2019
Net cash flow from operations	420	423	1 264	1 344	1 765
Expensed interest	50	179	290	527	710
Paid interest	-49	-177	-323	-527	-707
Paid income tax	-74	4	-253	-219	-215
Change in working capital	254	212	244	90	-55
Net cash flow from operating activities	601	640	1 223	1 215	1 497
Payment on the sale of tangible fixed assets	-	-	-	-	-
Acquisition of investment properties	-151	-193	-484	-652	-672
Acquisition of subsidiaries	-	-18	-43	-55	-55
Other investments	38	50	153	143	155
Net cash flow from investment activities	-113	-161	-373	-564	-573
Proceeds from interest-bearing liabilities	1 324	3 338	6 720	13 671	19 051
Repayment of interest-bearing liabilities	-1 760	-3 488	-7 594	-13 207	-19 071
Payment on leasing liabilities	-3	-1	-11	-4	-6
Dividends paid	-9	-	-13	-472	-481
Acquisition of own shares	-	-	-	-341	-341
Net cash flow from financing activities	-448	-152	-898	-353	-847
Currency translation effects on cash and cash equivalents	-10	-1	4	4	2
Net change in cash	30	327	-44	303	80
Cash at beginning of period	311	281	386	305	305
Cash at end of period	341	608	341	608	386

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

(NOK million)	Share capital	Share premium	Currency translation differences	Other Equity	Hedging reserve	Shareholders of the parent	Non-controlling interests	Total
Equity 31.12.2018	106	318	-87	25 935	58	26 331	496	26 827
Profit	-	-	-	1 052	-	1 052	-21	1 031
Other comprehensive income	-	-	-78	-	59	-19	-	-19
Acquisitions of own shares	-	-	-	-341	-	-341	-	-341
Dividends paid	-	-	-	-456	-	-456	-18	-474
Other changes	-	-	-	-1	-	-1	-14	-15
Equity 30.09.2019	106	318	-165	26 190	117	26 567	442	27 009
Profit	-	-	-	805	-	805	2	807
Other comprehensive income	-	-	33	-	-29	4	-	4
Dividends paid	-	-	-	-	-	-	-7	-7
Other changes	-	-	-	-8	-	-8	15	6
Equity 31.12.2019	106	318	-132	26 987	88	27 367	452	27 819
Profit	-	-	-	-1 405	-	-1 405	-66	-1 470
Other comprehensive income	-	-	171	-	-100	71	-	71
Amortization own shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-13	-13
Other changes	-	-	-	-15	-	-15	3	-11
Equity 30.09.2020	106	318	39	25 568	-12	26 019	376	26 396

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

(NOK million)

Note 1 GENERAL INFORMATION

Olav Thon Eiendomsselskap ASA is based in Norway and is listed on Oslo Stock Exchange. The head office is situated in Oslo.

The Group's consolidated financial statements includes Olav Thon Eiendomsselskap ASA and subsidiaries, as well as the Group's interests in joint ventures and associated companies. The Group has activities in Norway and Sweden.

The interim financial statements were adopted by the Board on 11 November 2020.

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.

In preparing these interim financial statements, management has used the same judgements regarding application of accounting principles that were used in the consolidated financial statements for 2019. In addition the following accounting principle regarding government grants is relevant for det consolidated financial statements for 2020:

Government grants are not recognised until there is reasonable assurance that the entity will comply with the conditions attached, and that the grant will be received. Government grants received as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs, shall be recognised in profit and loss of the period in which it becomes receivable.

Note 3 CHANGES IN GROUP STRUCTURE

There are no significant changes in the group structure during this year, except for the reorganisation of the Group in order to turn the parent company into a pure holding company. This change was completed in the first 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. As a result of the Corona pandemic, management's estimates in some areas have a significant impact on the financial statements.

The assessments and assumptions used in the calculation of relevant conditions are described below.

Fair value of investment property

The commercial real estate market developed positively in the third quarter, and the decline in interest rates has contributed to a very active transaction market. Market yields are also reported to have been reduced for the most attractive properties. The positive development in the shopping center market contributes to reduce risk compared to the previous quarter, but there is still uncertainty associated with the tenants' finances in a number of industries.

The most significant assumptions in the valuation of investment property are market rents and yield.

The long-term effect of the corona pandemic on rent levels is still considered to include uncertainties. The group has assumed that the situation will gradually normalize, and has therefore continued the estimate for the long-term rent level that was based on the valuation made as of 31 December 2019. To reflect increased risk and uncertainty, the average yield has been increased by 0,18% from the year end. A sensitivity analysis related to valuation is shown in note 8.

The assumptions in the valuations have been compared with two external advisers, Cushman & Wakefield and Newsec.

Provision for expected credit losses on accounts receivable

As a basis for calculating provisions for expected credit losses on accounts receivable, the Group uses a provision matrix with days over maturity as a common risk category. The Corona pandemic has resulted in significant changes in the future factors and the general economic situation on which the estimate is based, and the historical loss rates used in the calculation can not be used.

There is a positive revenue development for the group's tenants in the second and third quarters compared with the corresponding period last year, and the risk of significant losses is therefore considered to be reduced. Provisions for losses on accounts receivable amount to NOK 47 million (35), which is a decrease of NOK 31 million compared with the second quarter of 2020.

Public support package - recognized as income

The Norwegian and Swedish authorities have introduced a public support package for companies that are significantly affected by the Corona pandemic. On the balance sheet date, the group has, in accordance with IAS 20, recognized NOK 8 million in revenue in public support as other operating revenues. The group will apply for public support for group companies in Norway and Sweden that have had a significant decrease in income in accordance with government guidelines.

Rent reduction

The group did not give significant reductions in rent in the third quarter. The effect of rent reductions for 2020 is expected to be at the same level as presented in the quarterly report for the second quarter.

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	30.09.2020	30.09.2019	31.12.2019
Rental income	Companies in Thon Holding Group	63	95	122
Operating and administration agreements	Companies in Thon Holding Group	95	91	125

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.

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Q3 2020							
Rental income	555	197	-	753	700	52	753
Other property-related income	157	19	-	176	155	20	176
Property-related expenses	-140	-66	-	-206	-189	-18	-206
Net rental income	572	150	-	722	667	55	722
Other operating income	14	-	21	35	35	-	35
Other operating expenses	-14	-	-18	-32	-32	-	-32
Administrative expenses	-35	-8	-	-44	-40	-3	-44
Depreciation	-4	-3	-	-7	-7	-0	-7
Net income from property management	532	139	3	674	623	51	674
Fair value adjustments, investment property	-50	180	-	130	86	44	130
Share of profit from joint ventures & associates	23	0	-	23	23	-	23
Operating profit	502	319	3	824	728	95	824

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Q3 2019							
Rental income	558	193	-	751	701	50	751
Other property-related income	178	16	-	194	180	15	194
Property-related expenses	-236	-56	-	-292	-266	-26	-292
Net rental income	500	153	-	654	615	38	654
Other operating income	18	-	19	37	37	-	37
Other operating expenses	-18	-	-19	-37	-37	-	-37
Administrative expenses	-37	-8	-	-45	-42	-3	-45
Depreciation	-3	-3	-	-6	-7	0	-6
Net income from property management	461	142	-0	603	568	35	603
Fair value adjustments, investment property	128	197	-	325	339	-14	325
Share of profit from joint ventures & associates	25	-	-	25	25	-	25
Operating profit	612	339	-0	951	930	21	951

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
30.09.2020							
Rental income	1 637	593	-	2 229	2 076	154	2 229
Other property-related income	518	61	-	579	531	48	579
Property-related expenses	-548	-225	-	-772	-686	-86	-772
Net rental income	1 607	429	-	2 036	1 920	116	2 036
Other operating income	50	-	50	100	100	-	100
Other operating expenses	-44	-	-53	-98	-98	-	-98
Administrative expenses	-117	-24	-	-141	-130	-10	-141
Depreciation	-12	-9	-	-21	-21	-0	-21
Net income from property management	1 483	396	-3	1 876	1 770	106	1 876
Fair value adjustments, investment property	-2 052	-181	-	-2 232	-1 777	-455	-2 232
Share of profit from joint ventures & associates	-118	-1	-	-118	-118	-	-118
Operating profit	-693	212	-3	-485	-135	-349	-485

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
30.09.2019							
Rental income	1 662	577	-	2 239	2 088	152	2 239
Other property-related income	589	56	-	645	595	50	645
Property-related expenses	-663	-216	-	-879	-798	-82	-879
Net rental income	1 587	417	-	2 005	1 885	120	2 005
Other operating income	60	-	59	119	119	-	119
Other operating expenses	-55	-	-54	-109	-109	-	-109
Administrative expenses	-115	-23	-	-138	-129	-10	-138
Depreciation	-8	-9	-	-17	-17	-0	-17
Net income from property management	1 469	386	5	1 859	1 749	110	1 859
Fair value adjustments, investment property	-567	629	-	62	138	-76	62
Share of profit from joint ventures & associates	100	-	-	100	100	-	100
Operating profit	999	1 014	5	2 018	1 984	34	2 018

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
31.12.2019							
Rental income	2 218	766	-	2 984	2 782	203	2 984
Other property-related income	817	83	-	900	831	69	900
Property-related expenses	-907	-293	-	-1 201	-1 085	-116	-1 201
Net rental income	2 128	556	-	2 684	2 527	157	2 684
Other operating income	78	-	89	167	167	-	167
Other operating expenses	-75	-	-82	-157	-157	-	-157
Administrative expenses	-158	-31	-	-189	-175	-14	-189
Depreciation	-12	-12	-	-24	-23	-0	-24
Net income from property management	1 961	513	7	2 481	2 338	143	2 481
Fair value adjustments, investment property	-575	792	-	218	404	-187	218
Share of profit from joint ventures & associates	213	-	-	213	213	-	213
Operating profit	1 590	1 301	7	2 898	2 942	-44	2 898

Note 8 INVESTMENT PROPERTY

	30.09.2020	30.09.2019	31.12.2019
Opening balance	54 037	53 174	53 174
Acquisitions/expenditure on properties	473	513	646
Investment property from companies bought in the period	43	100	100
Change in fair value recognised in the period	-2 232	62	218
Effect of currency exchange differences in foreign operations	375	-172	-102
Other changes	-10	-7	0
Closing balance	52 686	53 671	54 037

The Group's annual financial statement presents a sensitivity analysis showing changes in fair value of investment properties when yield and rent levels is changed. As a result of the Corona pandemic, we show how the sensitivity analysis will be as of September 30, 2020.

	Fair Value	Rent level		
		- 10 %	Unchanged	+ 10 %
	Investment property			
Yield	- 1 %-points	58 354	64 782	71 209
	- 0,5 %-points	52 345	58 106	63 866
	Unchanged	47 468	52 686	57 904
	+ 0,5 %-points	43 429	48 198	52 968
	+ 1,0 %-points	40 030	44 422	48 814

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	Q3 2020	Q3 2019	30.09.2020	30.09.2019	31.12.2019
Net rental income	82	90	262	286	378
Fair value adjustments, investment property	-21	-21	-199	-38	32
Fair value adjustments, interest rate derivatives	1	-0	-35	-2	8
Expenses	-45	-55	-153	-172	-236
Income taxes	-0	2	27	-7	-15
Profit	16	16	-98	69	167
Investment properties			3 493	3 557	3 638
Other assets			291	303	341
Total assets			3 784	3 860	3 979
Equity			2 216	2 274	2 373
Non-current liabilities			1 431	1 472	1 478
Current liabilities			137	114	127
Total equity and liabilities			3 784	3 860	3 979

Associated companies	Q3 2020	Q3 2019	30.09.2020	30.09.2019	31.12.2019
Net rental income	13	20	43	57	75
Fair value adjustments, investment property	-1	1	-54	10	17
Fair value adjustments, interest rate derivatives	-	-	-	-	-
Expenses	-4	-10	-15	-26	-33
Income taxes	-2	-3	6	-9	-13
Profit	7	9	-21	32	46
Investment properties			828	871	881
Other assets			162	160	148
Total assets			989	1 030	1 028
Equity			512	534	541
Non-current liabilities			455	462	465
Current liabilities			22	34	22
Total equity and liabilities			989	1 030	1 028

Note 10 FINANCIAL INCOME AND FINANCIAL EXPENSES

	Q3 2020	Q3 2019	30.09.2020	30.09.2019	31.12.2019
Interest income	1	-0	7	7	11
Currency gain	0	1	0	11	-0
Other financial income	0	0	0	-	0
Total financial income	1	1	7	18	12
Interest expenses	-137	-173	-487	-509	-683
Interest expenses related to lease liabilities	-6	-6	-19	-18	-26
Currency loss	-19	0	-75	-0	-3
Other financial expenses	-4	-6	-19	-19	-24
Total financial expenses	-166	-185	-600	-546	-737

CURRENCY ITEMS

Currency translation differences from foreign operations	20	13	171	-78	-46
Currency translation effects on cash and cash equivalents	-10	-1	4	4	2
Hedging of net investment in foreign operations*	-	-11	-128	76	39
Other currency items	-9	2	-79	7	-5
Total currency effects	1	3	-32	9	-10

* The group has chosen to discontinue hedge accounting from Q3 2020.

Note 11 NON-CURRENT LIABILITIES

	30.09.2020	30.09.2019	31.12.2019
Bonds	6 062	7 207	7 538
Other interest-bearing liabilities	7 948	9 215	9 030
Total Interest-bearing current liabilities	14 010	16 422	16 568
Fair value interest rate swaps	1 697	1 303	1 177
Other liabilities	76	73	75
Total non-current liabilities	1 772	1 376	1 252

Note 12 CURRENT LIABILITIES

	30.09.2020	30.09.2019	31.12.2019
Commercial papers	1 230	3 557	2 258
Bonds	2 543	1 869	1 214
Bank loans	3 212	32	1 440
Total Interest-bearing current liabilities	6 985	5 457	4 913
Fair value interest rate swaps	404	310	151
Lease liabilities	9	5	9
Trade payables	115	101	117
Accrued interest	24	54	57
Duties payable	153	123	70
Other current liabilities	933	946	1 063
Total trade payables and other current liabilities	1 639	1 539	1 467

OLAV THON EIENDOMSSSELKAP 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.

As a result of rounding differences, numbers and percentages do not always match the total.

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

Fair value adjustments in investment properties and interest rate derivatives affect the company's profit before tax, both in the Group's financial statements and in joint ventures and associated companies. These income statement items are considered to be more exogenously determined than the other income statement items.

	Q3 2020	Q3 2019	30.09.2020	30.09.2019	31.12.2019
Fair value adjustments in;					
investment properties recognised in profit and loss	130	325	-2 232	62	218
right-of-use assets recognised in profit and loss	-3	-1	-10	-4	-14
investment properties in joint ventures	-21	-21	-199	-38	32
investment properties in associated companies	-1	1	-54	10	17
interest rate derivatives recognised in profit and loss	52	-26	-773	-122	164
interest rate derivatives in joint ventures	1	-0	-35	-2	8
Fair value adjustments, investement properties & interest rate derivativ	158	277	-3 302	-93	424

2. Profit before tax and fair value adjustments

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

	Q3 2020	Q3 2019	30.09.2020	30.09.2019	31.12.2019
Profit before income tax	711	741	-1 850	1 369	2 336
Income tax in joint ventures	0	-2	-27	7	15
Income tax in associated companies	2	3	-6	9	13
Fair value adjustments investment properties / interest rate derivatives	-158	-277	3 302	93	-424
Profit before income tax and fair value adjustments	556	464	1 419	1 478	1 941

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 shows how large part of the assets is financed with equity.

	30.09.2020	30.09.2020	30.09.2020
Total equity	26 396	27 010	27 819
Total equity and debt	57 951	59 521	59 869
Equity ratio	46 %	45 %	46 %

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

Long term net asset value per share takes into account a fair value assessment of the deferred tax liabilities.

	30.09.2020	30.09.2019	31.12.2019
Majority share of equity	26 019	26 568	27 367
Deferred tax liabilities (deferred tax liabilities current assets excluded)	6 701	7 134	7 250
Fair value of debt - deferred tax liabilities - 6 %	-1 828	-1 946	-1 977
Long term net asset value	30 893	31 756	32 640
Number of shares (own shares not included)	103 623 171	103 623 171	103 623 171
Long term net asset value per share in NOK	298	306	315
Equity per share in NOK	251	256	264

5. Net cash flow from operating activities

Net cash flow from operations is considered to give readers a better understanding of the liquidity generated from the group's operating activities. This is important for assessing the group's financial results and financial position.

	Q3 2020	Q3 2019	30.09.2020	30.09.2019	31.12.2019
Net cash flow from operating activities	601	640	1 223	1 215	1 497
Expensed / paid interest	1	2	-33	0	3
Paid income tax	-74	4	-253	-219	-215
Change in working capital	254	212	244	90	-55
Net cash flow from operations	420	423	1 264	1 344	1 765

6. Liquidity reserves

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

	30.09.2020	30.09.2019	31.12.2019
Unutilized overdrafts and other credit facilities	5 770	7 308	6 410
Cash and cash equivalents	341	608	386
Liquidity reserves	6 111	7 916	6 796

7. Amortisation next 12 months

Installments for the next 12 months show interest-bearing debt that falls due over the next 12 months.

	30.09.2020	30.09.2019	31.12.2019
Commercial papers	1 230	3 557	2 258
Bonds	2 543	1 869	1 214
Bank loans	3 212	32	1 440
Amortisation next 12 months	6 985	5 457	4 913

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

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

	30.09.2020	30.09.2019	31.12.2019
Bonds, non-current	6 062	7 207	7 538
Bonds, current	2 543	1 869	1 214
Commercial papers, current	1 230	3 557	2 258
Other interest-bearing liabilities, non-current	7 948	9 215	9 030
Other interest-bearing liabilities, current	3 212	32	1 440
Interest-bearing debt	20 995	21 879	21 481
Cash and cash equivalents	-341	-608	-386
Net interest-bearing debt	20 654	21 271	21 095
Market value properties	52 889	53 891	54 257
Loan to value ratio	39 %	39 %	39 %

9. Interest per balance sheet date

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

	30.09.2020	30.09.2019	31.12.2019
Annualized interest expenses on interest-bearing debt as of the balance sheet date	249	460	512
Annualized interest expenses on current interest rate swaps per balance sheet date	381	213	190
Annualized interest expenses per balance sheet date	630	673	701
Interest-bearing debt*	20 995	21 879	21 481
Interest per balance sheet date	3,00 %	3,08 %	3,27 %
* Unsecured part of interest-bearing debt	4 855	6 385	5 430

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.

	Q3 2020	Q3 2019	30.09.2020	30.09.2019	31.12.2019
Investment properties	147	61	473	513	646
New companies	0	100	43	100	100
Other fixed assets	3	2	8	7	24
Other investments	49	-16	52	-263	-223
Net investments	200	146	576	357	548

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

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

	30.09.2020	30.09.2019	31.12.2019
Market value investment properties	52 686	53 671	54 037
Market value owner-occupied properties	203	220	220
Market value properties	52 889	53 891	54 257

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

Market value of properties joint venture (group share)	3 493	3 557	3 638
Market value of properties associated with companies (group share)	828	871	881

12. Annualized rental income level

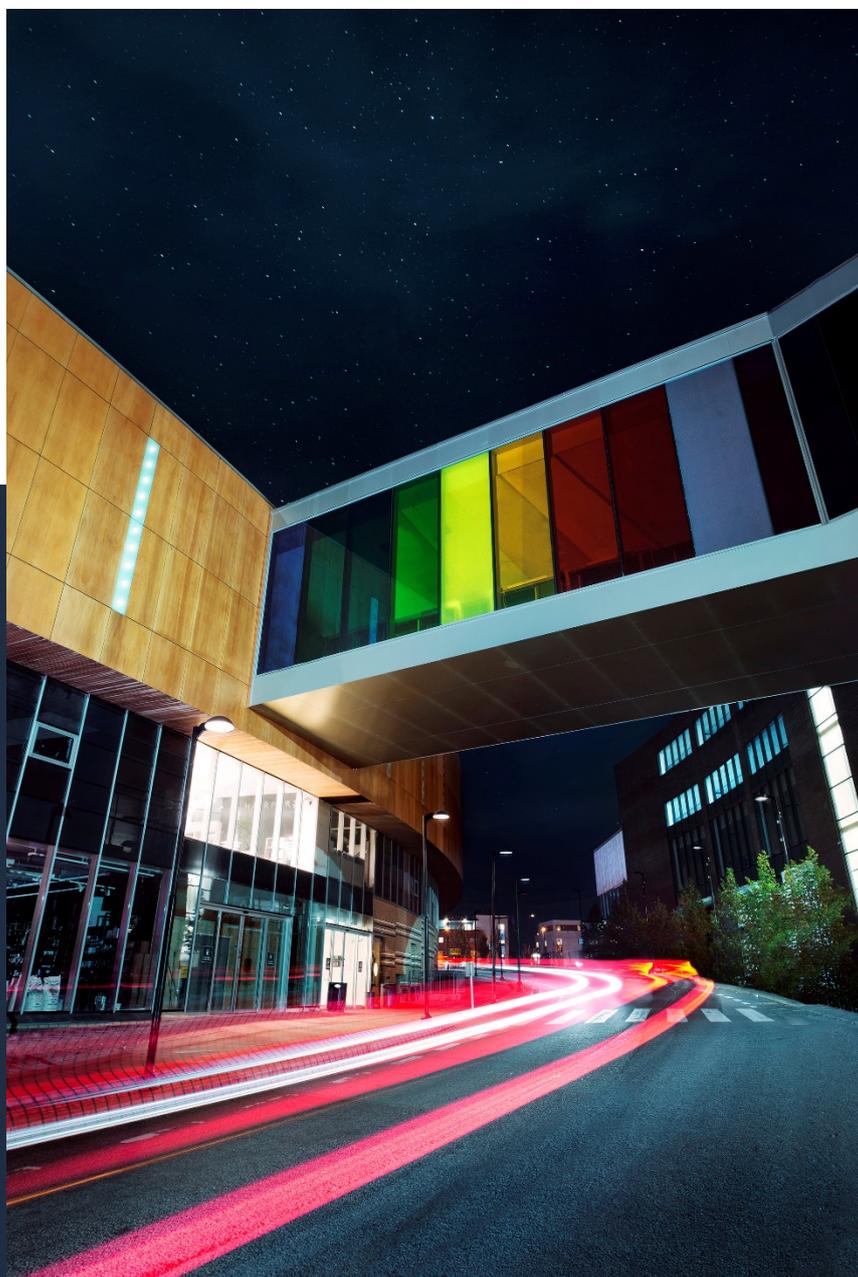
The annualized rental income level shows the real estate portfolio's expected market rent for leased and vacant premises, and provides a picture of the group's earning potential.

	30.09.2020	30.09.2019	31.12.2019
Annualized market rent leased premises	3 085	3 082	3 129
Annualized market rent vacant premises	115	88	86
Annualized rental income level	3 200	3 170	3 215

13. Net yield properties

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

	30.09.2020	30.09.2019	31.12.2019
Annualized rental income level	3 200	3 170	3 215
Lessor's owner cost	427	425	459
Annualized net rental income level	2 773	2 745	2 756
Market value properties	52 889	53 890	54 257
Adjustment market value for plots etc	699	427	497
Market value properties after adjustment	52 190	53 463	53 760
Net yield properties	5,31 %	5,13 %	5,13 %



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