

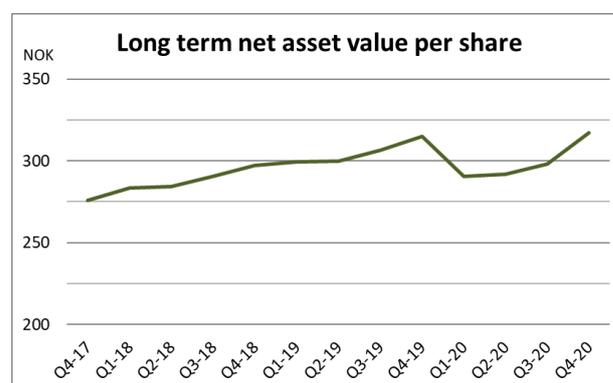
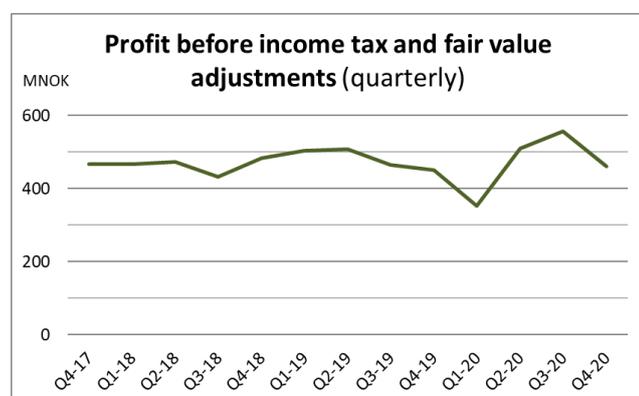


**REPORT FOR Q4 AND
PRELIMINARY RESULTS FOR 2020**

KEY FIGURES

Amounts in NOK million	APM*	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Net rental income		670	679	2 706	2 684
Fair value adjustments in investment properties and interest rate derivatives	1	1 754	517	-1 549	424
Profit before income tax		2 194	968	344	2 336
Profit before income tax and fair value adjustments	2	461	463	1 880	1 941
Equity ratio	3			47 %	46 %
Equity per share (NOK)	4			268	264
Long term net asset value per share (NOK)	4			317	315
Net cash flow from operations	5	468	422	1 732	1 765
Liquidity reserves	6			7 226	6 796
Amortisation next 12 months	7			5 533	4 913
Interest-bearing debt	8			21 003	21 481
Interest per balance sheet date	9			3,06 %	3,27 %
Loan to value ratio	8			38 %	39 %
Net investments	10	339	192	915	548
Market value properties	11			54 656	54 258
Annualized rental income level	12			3 250	3 215
Net yield properties	13			5,19 %	5,13 %
Sales, owned shopping centres		16 377	15 386	52 951	50 221
Share price per balance sheet date (NOK)				183,5	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 Q4 and preliminary results for 2020

HIGHLIGHTS OF THE QUARTERLY REPORT¹:

- The Group enjoyed solid development in the quarter, posting profit before income tax of NOK 2,194 (968) million
- Profit before income tax and fair value adjustments amounted to NOK 461 (463) million
- The Group's financial position is solid, and the Group's equity ratio at year end was 47 % (46 %), while its liquidity reserves were NOK 7,226 (6,796) million
- Retail sales in the shopping centre portfolio owned by the Group were NOK 16,377 million, up 5 % on Q4 2019
- The Group has been awarded an Investment Grade Rating of Baa2 with stable outlook by Moody's
- The Board of Directors proposes that no dividend should be paid for 2020 for the time being, but will propose that the General Meeting provides an authorisation to the board of directors to resolve distribution of dividend for 2020 at a later date



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

FINANCIAL POSITION/BALANCE SHEET AS AT 31 DECEMBER 2020

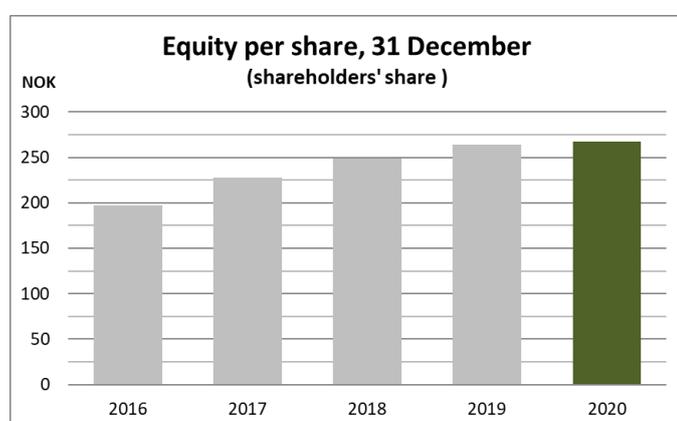
The Group's total assets were NOK 60,045 (59,869) million. Of this, investment property amounted to NOK 54,453 (54,038) million.

Total equity was NOK 28,112 (27,820) million and the equity ratio was 47 % (46 %).

Equity per share (majority share) was NOK 268 (264), while the NAV per share was NOK 317 (315).

Interest-bearing debt was NOK 21,003 (21,481) million, with a loan to value ratio² of 38 % (39 %).

The Group's share of the equity in joint ventures and associated companies was NOK 2,742 (2,914) million.



Equity per share has increased by 36 % in the last five years.

SUMMARY OF THE RESULTS FOR Q4

Profit before income tax was NOK 2,194 (968) million.

Fair value adjustments in investment property and interest rate derivatives totalled NOK 1,754 (517) million³.

Profit before income tax and fair value adjustments therefore amounted to NOK 461 (463) million.

RENTAL INCOME AND PROPERTY-RELATED EXPENSES

Rental income was NOK 732 (745) million.

Rental income was net reduced by NOK 43 million as a result of some income from tenants being assessed as a non-rental component and therefore classified as other property-related income (IFRS15). Net rental income is consequently unaffected by this.

Rental income was also reduced by NOK 17 (0) million as a result of temporary rent reductions connected with the Covid-19 pandemic.

Other property-related income amounted to NOK 278 (255) million and consists mainly of payments from the Group's tenants to cover letting and property administration costs, as well as costs related to the operation of shopping centre associations.

Property-related expenses amounted to NOK 340 (321) million, including the above-mentioned letting and property administration costs of NOK 221 (232) million.

Losses on receivables amounted to NOK 10 (17) million.

Maintenance expenses for the property portfolio amounted to NOK 39 (36) million.

Net rental income was NOK 670 (679) million.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The Group's investment properties increased in value by NOK 1,322 (156) million in Q4.

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 Q4.

The value of the Group's commercial properties increased by NOK 1,231 million, while the value of the shopping centre properties increased by NOK 91 million.

The commercial property portfolio's increase in value is accounted for by both new property projects and a significant decline in market yields in this property segment.

SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATED COMPANIES

The Group's share of the results of joint ventures and associated companies amounted to NOK 99 (113) 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 49 (48) 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 103 (99) million, while scheduled depreciation amounted NOK 8 (7) million.

FINANCIAL INCOME AND EXPENSES

Net financial expenses were NOK 198 (198) million.

² See page 2 for definitions

³ Includes investments in joint ventures and associated companies

Net interest expenses amounted to NOK 186 (170) million, NOK 13 million of which were expenses related to cancellation of a fixed interest rate agreement. Interest expenses related to lease liabilities were NOK 6 (8) million.

Unrealised gains on currency exchange associated with the SEK exchange rate amounted to NOK 12 (0) million.

FAIR VALUE ADJUSTMENTS, INTEREST RATE DERIVATIVES

Long-term market interest rates (swap rates) rose in both Norway and Sweden in Q4.

In Norway, the 10-year swap rate rose by 0.42 of a percentage point to 1.30 %, while the corresponding rate in Sweden fell by 0.09 of a percentage point to 0.39 %.

As a result of the change in interest rates and shorter remaining terms, the market value of the Group's exchange rate derivatives increased by NOK 366 (286) million.

PRELIMINARY RESULTS 2020

In 2020, rental income amounted to NOK 2,962 (2,984) million.

Rental income was net reduced by NOK 43 million as a result of some income from tenants being assessed as a non-rental component and therefore classified as other property-related income (IFRS15). Net rental income is consequently unaffected by this.

Rental income was also reduced by NOK 53 million as a result of temporary rent reductions related to the Covid-19 pandemic.

Other property-related income amounted to NOK 857 (900) million, while property-related expenses amounted to NOK 1,112 (1,201) million.

Maintenance expenses for the property portfolio amounted to NOK 134 (141) million.

Net rental income was NOK 2,706 (2,684) million.

The value of the Group's investment properties fell by NOK 910 (218) million, with the Group's property segments showing different trends.

The value of the Group's commercial properties, which include rental housing, increased by NOK 1,051 (792) million, while the value of the shopping centre portfolio fell by NOK 1,961 (-575) million.

Net financial expenses amounted to NOK 792 (725) million.

The Group's net interest expenses amounted to NOK 666 (672) million.

In addition, other financial expenses amounted to NOK 63 (50) million, NOK 26 (26) million of which were interest expenses related to lease liabilities in accordance with IFRS 16.

Net exchange rate losses related to the change in the SEK exchange rate amounted to NOK 63 (0) million.

The market value of the Group's exchange rate derivatives fell by NOK 407 (164) million, mainly as a result of lower long-term market interest rates in Norway and Sweden during 2020.

Profit before income tax was NOK 344 (336) million.

Fair value adjustments in investment property and interest rate derivatives totalled NOK -1,549 (424) million (including joint ventures and associated companies).

Profit before income tax and fair value adjustments therefore amounted to NOK 1,880 (1,941) million.

CASH FLOW AND LIQUIDITY

Q4

Net cash flow from operations was NOK 468 (422).

Net cash flow from operating activities was NOK 277 (285) million.

Investment activities reduced liquidity by NOK 164 (-10) million, while financing activities increased liquidity by NOK 30 (-494) million.

Currency effects on cash were NOK 0 (-2), and the Group's liquidity reserves thereby increased by NOK 143 (-222) million in Q4.

2020

Overall, net cash flow from operations was NOK 1,732 (1,765) million.

Net cash flow from operating activities was NOK 1,499 (1,497) million.

Net cash flow from investment activities was NOK -537 (-573) million, while financing activities reduced liquidity by NOK 868 (-847) million.

Currency effects on cash were NOK 4 (2), and the Group's liquidity reserves thereby increased by NOK 98 (80) million in 2020.

Liquidity reserves were NOK 7,226 (6,796) million at year end and consisted of short-term investments of NOK 484 (386) million and undrawn long-term credit facilities of NOK 6,742 (6,410) million.

INVESTMENTS

The Group's net investments in Q4 were NOK 339 (192) million. Total investments in 2020 amounted to NOK 915 (548) million.

MAJOR PROPERTY PURCHASES

Amfi Larvik

The Group's stake in Amfi Larvik was increased from 50% to 100%. Amfi Larvik is a combined shopping centre and office property

with a floor area of 14,700 square metres in the centre of Larvik in the County of Vestfold og Telemark.

MAJOR PROPERTY PROJECTS⁴

Under construction

Bernt Ankers Gate 6, Oslo

Property 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.

Bragesvei 1 and 3, Gardermoen Park Ullensaker

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

Arnliot Gellines vei 1, Oslo

Property centrally located in Oslo East with a total space of 2,500 square metres. The building with 22 flats for rent is scheduled for completion in the second half of 2022.

In planning phase

Olav Thon Eiendomsselskap is working on 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.

INVESTMENT PROPERTIES AS AT 31 DECEMBER 2020

The investment properties were valued at NOK 54,656 (54,258) million, based on an average yield of 5.19 % (5.13 %).

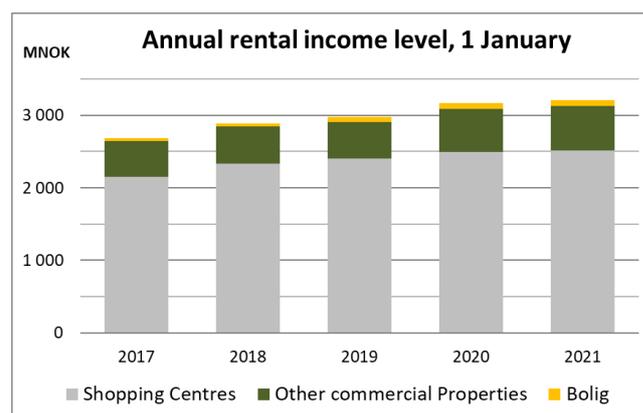
Average yields by property segment were as follows:

Shopping centre properties	5.57 % (5.36 %)
Commercial property	4.31 % (4.43 %)

Annual rental income was NOK 3,250 (3,215) million, with the following segment distribution:

Shopping centre properties	77 % (79 %)
Other commercial properties	23 % (21 %)

The vacancy rate in the property portfolio was 3.9 % (2.7 %).



The annual rental income level in the property portfolio has increased by 14 % in the last five years.

INVESTMENT PROPERTIES OWNED THROUGH JOINT VENTURES AND ASSOCIATED COMPANIES

The Group's share of the rental income level from joint ventures and associated companies was NOK 275 (280) million.

The Group's share of the property values in these companies was NOK 4,260 (4,519) million.

SHOPPING CENTRES

At year end, the shopping centre portfolio comprised 78 shopping centres, 17 of which are managed for external owners.

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

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

Shopping centres owned by the Group

In Q4, total retail sales in the shopping centres owned wholly or partly by the Group were NOK 16,377 (15,386) million. Retail sales in the whole of 2020 were NOK 52,951 (50,211) million.

The Group's shopping centres had the following retail sales in Q4, broken down by month:

	2020	2019	Change
October	4,590	4,157	10.4%
November	5,074	4,954	2.4%
December	6,713	6,324	6.2%
Total Q4	16,377	15,435	6.1%

Norway

In Q4, the Group's Norwegian shopping centres had retail sales of NOK 15,406 (14,370) million. Retail sales for the whole of 2020 were NOK 49,459 (46,745) million.

Sweden

Retail sales in the shopping centres in Sweden amounted to SEK 928 (1,072) million in Q4, and SEK 3,413 (3,725) million in the whole of 2020.

⁴ Over NOK 50 million

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 general demand for commercial property as an investment.

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

As at 31 December 2020, the valuation was based on an average yield of 5.13 %. In the last three years, the yield has varied between 5.10 % and 5.32 %.

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 greater depth in the next section, and more details about financial risk management can be found in the annual report for 2019 and on the company's website: olt.no.

FINANCIAL INSTRUMENTS

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

At year end, 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 -1,748 (-1,328) million.

The fair value of the portfolio is affected both 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 long-term interest rates would change the fair value of the portfolio by NOK 750-850 million.

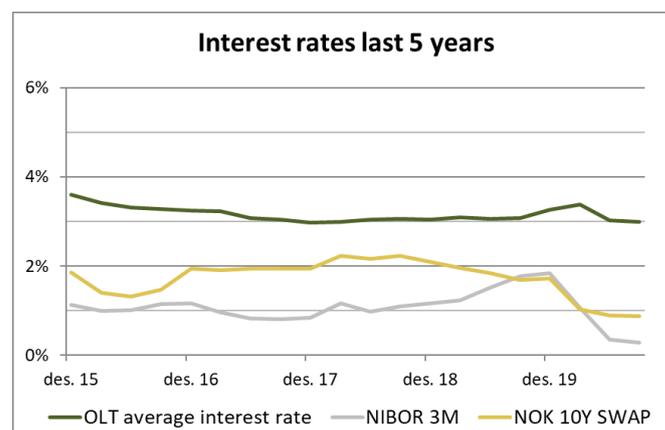
FINANCING

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 still considered very good and both the capital and banking markets developed positively in Q4.

The Group's financing sources in Q4 were both the capital markets in Norway and Sweden and the Nordic banking market.

New loans amounting to NOK 1,800 million and SEK 900 million were raised on the capital markets. In addition, long-term loan agreements with total credit facilities of NOK 2,495 million were entered into with Nordic banks.



As at 31 December 2020, the Group's average interest rate was 3.06%⁵.

INTEREST-BEARING DEBT AND MATURITY STRUCTURE

At year end, outstanding certificate and bond debt amounted to NOK 10,914 (11,010) million, broken down as follows:

Norway: NOK 8,723 (7,880) million
Sweden: SEK 2,100 (3,315) million

Total credit facilities were NOK 27,745 (27,891) million, NOK 6,742 (6,410) million of which was undrawn.

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

The debt had an average remaining term of 2.6 (2.4) years. 26 % (23 %) of the debt falls due for repayment within 1 year.

At year end, the Group had a fixed-rate ratio of 55 % (51 %), with an average fixed-rate period of 3.6 (3.6) years.

The Group's average interest rate was 3.06 % (3.26 %), divided into the following currencies:

Currency	Proportion of debt	Average interest rate
NOK	86 %	3.35 %
SEK	14 %	1.20 %

OFFICIAL CREDIT RATING

In February 2021, Olav Thon Eiendomsselskap was assigned an Investment Grade Rating of Baa2 with stable outlook by Moody's.

⁵ Loans in NOK and SEK

It is assumed that the credit rating will further increase the Group's access to financing in both the Norwegian and international capital markets.

SHARES AND SHAREHOLDERS

The closing price of the Olav Thon Eiendomsselskap share was NOK 183.50 at the end of Q4, up from NOK 139.00 at the start of the quarter.

This means that the share price increased by 32 % in Q4, while the main index at the Oslo Stock Exchange rose by 16 %.

In 2020, the company's shares generated a yield of 9.4 %, while the main index at the Oslo Stock Exchange rose by 6.2 %.

7.6 (6.6) million shares were traded in 2020, with 27,051 (16,223) trades in the share on the Oslo Stock Exchange.

The highest and lowest prices in 2020 were NOK 189.60 and 85.90, respectively.

At year end, the company's market capitalisation was NOK 19.0 (17.9) billion, and the company's largest shareholders were:

Olav Thon Gruppen AS and subsidiaries	73.9 %
Folketrygdfondet	2.7 %
VPF Nordea Verdi	2.5 %
MP Pensjon	2.2 %
Otto Olsen Invest AS	1.4 %
Other shareholders	16.4 %
TOTAL	100 %



Olav Thon Eiendomsselskap's share price has increased by 35 % including dividends in the last five years.

DIVIDEND

The company'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.

In light of the current pandemic and the infection control measures that are impacting the Group's activities, the Board of

Directors proposes that no dividend should be paid for 2020 for the time being.

It will, however, propose that the General Meeting provides an authorisation to the board of directors to resolve distribution of dividend for 2020 at a later date.

OUTLOOK

The Norwegian economy is still in a recession caused by the Covid-19 pandemic.

With lockdown being lifted, the second half of 2020 saw increased activity in the Norwegian economy, but in recent months higher infection rates and new virus mutations have resulted in strict new infection control measures, which are suppressing growth again.

Norges Bank cut its policy rate to 0 % in spring 2020, and is indicating that the rate will remain at its current level for some time to come.

In view of strict infection control measures and vaccination of the population, there is uncertainty regarding future economic developments. Norwegian economic growth is, however, expected to increase during the year as more people are vaccinated.

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, 17 February 2021

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 EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Rental income	4, 6	732	745	2 962	2 984
Other property-related income	4	278	255	857	900
Property-related expenses		-340	-321	-1 112	-1 201
Net rental income	7	670	679	2 706	2 684
Other operating income	4	49	48	148	167
Other operating expenses		-54	-48	-152	-157
Administrative expenses	6	-49	-51	-190	-189
Depreciation		-8	-7	-29	-24
Net income from property management	7	608	622	2 484	2 481
Fair value adjustments, investment property	4, 8	1 322	156	-910	218
Fair value adjustments, right-of-use assets		-3	-11	-12	-14
Share of profit from joint ventures and associates	9	99	113	-20	213
Operating profit	7	2 027	880	1 542	2 898
Financial income	10	15	5	10	12
Financial expenses	10	-213	-203	-802	-737
Fair value adjustments, interest rate derivatives		366	286	-407	164
Net financial items		168	88	-1 198	-561
Profit before income tax		2 194	968	344	2 336
Change in deferred tax		-404	-152	88	-259
Income tax payable		-53	-9	-164	-239
Income tax		-456	-161	-76	-498
Profit		1 738	807	267	1 838
Other Comprehensive income					
<i>Items to be reclassified to P&L in subsequent periods:</i>					
Currency translation differences from foreign operations		-7	33	165	-46
Hedging of net investment in foreign operations*		-	-37	-128	39
Income taxes on other comprehensive income		-	8	28	-8
Total comprehensive income		1 731	810	332	1 822
Profit attributable to:					
Shareholders of the parent		1 727	805	323	1 857
Non-controlling interests		10	2	-55	-20
Total comprehensive income attributable to:					
Shareholders of the parent		1 721	809	387	1 842
Non-controlling interests		10	2	-55	-20
Earnings per share, basic and diluted (NOK)		17	8	4	18

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

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

(NOK million)	Note	31.12.2020	31.12.2019
ASSETS			
Deferred tax asset		294	294
Investment properties	4, 8	54 453	54 038
Owner-occupied properties		189	191
Right-of-use assets		347	365
Fixed assets		79	88
Investments in joint ventures and associates	9	2 742	2 914
Other non-current assets		566	592
Total non-current assets		58 671	58 482
Trade receivables and other current receivables	4	891	1 001
Cash and cash equivalents		484	386
Total current assets		1 374	1 387
Total assets		60 045	59 869
EQUITY AND LIABILITIES			
Share capital		106	106
Share premium		318	318
Other equity		27 300	26 943
Non-controlling interests		387	452
Total equity		28 112	27 820
Deferred tax liabilities		7 106	7 250
Lease liabilities		347	360
Interest-bearing non-current liabilities	11	15 470	16 568
Other non-current liabilities	11	1 442	1 112 *
Total non-current liabilities		24 364	25 291
Income tax payable		152	240
Interest-bearing current liabilities	12	5 533	4 913
Trade payables and other current liabilities	12	1 884	1 607 *
Total current liabilities		7 569	6 759
Total liabilities		31 933	32 050
Total equity and liabilities		60 045	59 869

* The distribution between the short-term and long-term part of interest rate swaps has been adjusted since the report was submitted in 2019. The balance sheet total is unchanged.

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(NOK million)	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Net cash flow from operations	468	422	1 732	1 765
Expensed interest	195	183	702	710
Paid interest	-191	-180	-731	-707
Paid income tax	1	4	-252	-215
Change in working capital	-196	-144	48	-55
Net cash flow from operating activities	277	285	1 499	1 497
Payment on the sale of tangible fixed assets	-	-	-	-
Acquisition of investment properties	-198	-22	-681	-672
Acquisition of subsidiaries	10	-	-33	-55
Other investments	24	11	178	155
Net cash flow from investment activities	-164	-10	-537	-573
Proceeds from interest-bearing liabilities	3 537	5 394	10 257	19 051
Repayment of interest-bearing liabilities	-3 505	-5 863	-11 099	-19 071
Payment on leasing liabilities	-2	-2	-13	-6
Dividends paid	0	-23	-13	-481
Acquisition of own shares	-	-	-	-341
Net cash flow from financing activities	30	-494	-868	-847
Currency translation effects on cash and cash equivalents	-	-2	4	2
Net change in cash	143	-222	98	80
Cash at beginning of period	341	608	386	305
Cash at end of period	484	386	484	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	-	-	-	1 857	-	1 857	-20	1 838
Other comprehensive income	-	-	-46	-	30	-15	-	-15
Acquisitions of own shares	-	-	-	-341	-	-341	-	-341
Dividends paid	-	-	-	-456	-	-456	-24	-481
Other changes	-	-	-	-10	-	-10	0	-9
Equity 31.12.2019	106	318	-132	26 986	88	27 367	452	27 819
Profit	-	-	-	323	-	323	-55	267
Other comprehensive income	-	-	165	-	-100	64	-	64
Dividends paid	-	-	-	-	-	-	-13	-13
Other changes	-	-	-	-29	-	-29	3	-26
Equity 31.12.2020	106	318	32	27 280	-12	27 724	387	28 112

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 February 17, 2021.

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 also in the fourth quarter, and the decline in interest rates has contributed to an increased transaction volume in this market. In the second half of 2020, the market's required rate of return for office and city center properties in the Oslo area fell in the order of 0.30% - 0.40%, while for shopping centers/commercial properties it has remained largely unchanged. The generally positive revenue development for tenants in the shopping centers has had a risk-reducing effect on this property segment, but there is still considerable uncertainty associated with the tenants' finances in a number of vulnerable 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 corona pandemic will gradually subside through 2021, and that society will largely normalize by the end of the year. The estimate for the long-term rent level that was used as a basis in the valuation made as of 31 December 2019 has therefore been continued. To reflect increased risk and uncertainty, the average required rate of return on the total real estate portfolio has increased from 5.13% to 5.19% during the year. 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 virus has resulted in significant changes in forward-looking factors and the general economic situation underlying the estimate. Historical loss rates have therefore not been used as a basis in the calculation.

The group's tenants within large industry groups such as clothing, shoes and restaurants were significantly affected by the situation also in the fourth quarter. Consequently, the Group considers that in the first half of 2021 there is still considerable uncertainty associated with the development of many of the Group's tenants, which will depend on developments in the spread of the virus, government measures and the vaccination process. Provisions for losses on trade receivables amount to NOK 39 million (15) in the fourth quarter, which is a decrease of NOK 8 million compared with third quarter 2020, and an increase of NOK 24 million compared with 31.12.2019.

Public support package - recognized as income

On the balance sheet date, the group has recognized NOK 9 million in support packages from the compensation scheme for business and industry, of which NOK 4 million has been accounted for as other operating income and NOK 5 million has been recognized net as part of rental income.

Rent reduction

To remedy the situation for tenants who have been significantly affected by the corona pandemic, the group has in 2020 chosen to provide rent reductions of a total of NOK 53 million. The rent reduction is included in the result for 2020.

Note 5 SUBSEQUENT EVENTS

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

Note 6 RELATED PARTY TRANSACTIONS

The company has the following transactions with related parties.

Transactions	Counterparty	31.12.2020	31.12.2019
Rental income	Companies in Thon Holding Group	87	122
Operating and administration agreements	Companies in Thon Holding Group	126	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
Q4 2020							
Rental income	531	201	-	732	675	57	732
Other property-related income	254	24	-	278	263	15	278
Property-related expenses	-254	-85	-	-340	-322	-18	-340
Net rental income	531	140	-	670	617	53	670
Other operating income	25	-	23	49	49	-	49
Other operating expenses	-30	-	-24	-54	-54	-	-54
Administrative expenses	-41	-8	-	-49	-46	-4	-49
Depreciation	-4	-4	-	-8	-8	-0	-8
Net income from property management	481	127	-0	608	558	50	608
Fair value adjustments, investment property	91	1 231	-	1 322	1 340	-17	1 322
Fair value adjustments, right-of-use assets	-2	-1	-	-3	-3	-	-3
Share of profit from joint ventures & associates	98	0	-	99	99	-	99
Operating profit	668	1 358	-0	2 027	1 994	32	2 027

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Q4 2019							
Rental income	556	189	-	745	694	51	745
Other property-related income	228	27	-	255	236	20	255
Property-related expenses	-244	-77	-	-321	-286	-35	-321
Net rental income	540	139	-	679	643	36	679
Other operating income	18	-	29	48	48	-	48
Other operating expenses	-21	-	-27	-48	-48	-	-48
Administrative expenses	-43	-8	-	-51	-47	-4	-51
Depreciation	-4	-3	-	-7	-7	-0	-7
Net income from property management	491	128	2	622	589	32	622
Fair value adjustments, investment property	-8	164	-	156	266	-111	156
Fair value adjustments, right-of-use assets	-11	-	-	-11	-11	-	-11
Share of profit from joint ventures & associates	113	-	-	113	113	-	113
Operating profit	585	292	2	880	958	-78	880

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
31.12.2020							
Rental income	2 168	794	-	2 962	2 751	210	2 962
Other property-related income	771	86	-	857	794	63	857
Property-related expenses	-802	-310	-	-1 112	-1 008	-104	-1 112
Net rental income	2 137	569	-	2 706	2 537	170	2 706
Other operating income	75	-	73	148	148	-	148
Other operating expenses	-75	-	-77	-152	-152	-	-152
Administrative expenses	-158	-33	-	-190	-176	-14	-190
Depreciation	-16	-13	-	-29	-29	-0	-29
Net income from property management	1 964	523	-4	2 484	2 329	155	2 484
Fair value adjustments, investment property	-1 961	1 051	-	-910	-437	-472	-910
Fair value adjustments, right-of-use assets	-9	-3	-	-12	-12	-	-12
Share of profit from joint ventures & associates	-19	-1	-	-20	-20	-	-20
Operating profit	-25	1 570	-4	1 542	1 859	-317	1 542

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	81	-	86	167	167	-	167
Other operating expenses	-78	-	-79	-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
Fair value adjustments, right-of-use assets	-9	-5	-	-14	-14	-	-14
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

	31.12.2020	31.12.2019
Opening balance	54 038	53 174
Acquisitions/expenditure on properties	707	646
Investment property from companies bought in the period	269	100
Change in fair value recognised in the period	-910	218
Effect of currency exchange differences in foreign operations	357	-101
Other changes	-8	1
Closing balance	54 453	54 038

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 December 31, 2020.

	Fair Value	Rent level		
		- 10 %	Unchanged	+ 10 %
	Investment property			
	- 1 %-points	60 677	67 398	74 120
	- 0,5 %-points	54 231	60 236	66 241
	Unchanged	49 026	54 453	59 880
	+ 0,5 %-points	44 736	49 686	54 636
	+ 1,0 %-points	41 138	45 689	50 239

Note 9 JOINT VENTURES AND ASSOCIATED COMPANIES

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

Joint ventures	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Net rental income	117	92	379	378
Fair value adjustments, investment property	23	70	-175	32
Fair value adjustments, interest rate derivatives	15	10	-20	8
Expenses	-81	-64	-234	-236
Income taxes	-11	-8	16	-15
Profit	64	98	-34	167
Investment properties			3 401	3 638
Other assets			272	341
Total assets			3 672	3 979
Equity			2 201	2 373
Non-current liabilities			1 315	1 478
Current liabilities			156	127
Total equity and liabilities			3 672	3 979

Associated companies	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Net rental income	17	18	59	75
Fair value adjustments, investment property	30	7	-24	17
Fair value adjustments, interest rate derivatives	-	-	-	-
Expenses	-2	-6	-17	-33
Income taxes	-10	-4	-4	-13
Profit	35	14	14	46
Investment properties			859	881
Other assets			164	148
Total assets			1 023	1 028
Equity			540	541
Non-current liabilities			463	465
Current liabilities			19	22
Total equity and liabilities			1 023	1 028

Note 10 FINANCIAL INCOME AND FINANCIAL EXPENSES

	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Interest income	3	5	10	11
Currency gain	12	0	0	-0
Other financial income	0	0	0	0
Total financial income	15	5	10	12
Interest expenses	-189	-175	-676	-683
Interest expenses related to lease liabilities	-6	-8	-26	-26
Currency loss	0	-3	-63	-3
Other financial expenses	-18	-18	-37	-24
Total financial expenses	-213	-203	-802	-737

CURRENCY ITEMS

Currency translation differences from foreign operations	-7	33	165	-46
Currency translation effects on cash and cash equivalents	-	-2	4	2
Hedging of net investment in foreign operations*	-	-37	-128	39
Other currency items	12	-0	-67	-5
Total currency effects	6	-7	-26	-10

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

Note 11 NON-CURRENT LIABILITIES

	31.12.2020	31.12.2019
Bonds	6 008	7 538
Other interest-bearing liabilities	9 461	9 030
Total Interest-bearing current liabilities	15 470	16 568
Fair value interest rate swaps	1 365	1 037
Other liabilities	76	75
Total non-current liabilities	1 442	1 112

Note 12 CURRENT LIABILITIES

	31.12.2020	31.12.2019
Commercial papers	926	2 258
Bonds	3 980	1 214
Bank loans	627	1 440
Total Interest-bearing current liabilities	5 533	4 913
Fair value interest rate swaps	383	291
Lease liabilities	9	9
Trade payables	119	117
Accrued interest	28	57
Duties payable	96	70
Other current liabilities	1 249	1 063
Total trade payables and other current liabilities	1 884	1 607

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.

	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Fair value adjustments in;				
investment properties recognised in profit and loss	1 322	156	-910	218
right-of-use assets recognised in profit and loss	-3	-11	-12	-14
investment properties in joint ventures	23	70	-175	32
investment properties in associated companies	30	7	-24	17
interest rate derivatives recognised in profit and loss	366	286	-407	164
interest rate derivatives in joint ventures	15	10	-20	8
Fair value adjustments, investment properties & interest rate derivatives	1 754	517	-1 549	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.

	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Profit before income tax	2 194	968	344	2 336
Income tax in joint ventures	11	8	-16	15
Income tax in associated companies	10	4	4	13
Fair value adjustments investment properties / interest rate derivatives	-1 754	-517	1 549	-424
Profit before income tax and fair value adjustments	461	463	1 880	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 indicates the relative proportion of equity used to finance a company's assets.

	31.12.2020	31.12.2019
Total equity	28 112	27 820
Total equity and debt	60 045	59 869
Equity ratio	47 %	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. Equity per share is calculated as the majority's share of equity divided by the number of shares.

	<u>31.12.2020</u>	<u>31.12.2019</u>
Majority share of equity	27 724	27 368
Deferred tax liabilities (deferred tax liabilities current assets excluded)	7 088	7 250
Fair value of debt - deferred tax liabilities - 6 %	-1 933	-1 977
Long term net asset value	32 880	32 641
Number of shares (own shares not included)	103 623 171	103 623 171
Long term net asset value per share in NOK	317	315
Equity per share in NOK	268	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.

	<u>Q4 2020</u>	<u>Q4 2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Net cash flow from operating activities	277	285	1 499	1 497
Expensed / paid interest	4	3	-29	3
Paid income tax	1	4	-252	-215
Change in working capital	-196	-144	48	-55
Net cash flow from operations	468	422	1 732	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.

	<u>31.12.2020</u>	<u>31.12.2019</u>
Unutilized overdrafts and other credit facilities	6 742	6 410
Cash and cash equivalents	484	386
Liquidity reserves	7 226	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, and provides a picture of the group's future obligations.

	<u>31.12.2020</u>	<u>31.12.2019</u>
Commercial papers	926	2 258
Bonds	3 980	1 214
Bank loans	627	1 440
Amortisation next 12 months	5 533	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.

	31.12.2020	31.12.2019
Bonds, non-current	6 008	7 538
Bonds, current	3 980	1 214
Commercial papers, current	926	2 258
Debt to credit institutions, long-term	9 461	9 030
Debt to credit institutions, short-term	627	1 440
Interest-bearing debt	21 003	21 481
Cash and cash equivalents	-484	-386
Net interest-bearing debt	20 519	21 095
Market value properties	54 656	54 258
Loan to value ratio	38 %	39 %

9. Interest per balance sheet date

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

	31.12.2020	31.12.2019
Annualized interest expenses on interest-bearing debt as of the balance sheet date	269	512
Annualized interest expenses on current interest rate swaps per balance sheet date	373	190
Annualized interest expenses per balance sheet date	643	701
Interest-bearing debt*	21 003	21 481
Interest per balance sheet date	3,06 %	3,27 %
* Unsecured part of interest-bearing debt (debt where the group has not provided collateral)	6 341	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.

	Q4 2020	Q4 2019	31.12.2020	31.12.2019
Investment properties	234	134	707	646
New companies	226	0	269	100
Other fixed assets	7	17	15	24
Other investments	-128	40	-76	-223
Net investments	339	192	915	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.

	31.12.2020	31.12.2019
Market value investment properties	54 453	54 038
Market value owner-occupied properties	203	220
Market value properties	54 656	54 258

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

Market value of properties joint venture (group share)	3 401	3 638
Market value of properties associated with companies (group share)	859	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.

	31.12.2020	31.12.2019
Annualized market rent leased premises	3 122	3 129
Annualized market rent vacant premises	128	86
Annualized rental income level	3 250	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.

	31.12.2020	31.12.2019
Annualized rental income level	3 250	3 215
Lessor's owner cost	432	459
Annualized net rental income level	2 818	2 756
Market value properties	54 656	54 257
Adjustment market value for plots etc	385	497
Market value properties after adjustment	54 271	53 760
Net yield properties	5,19 %	5,13 %



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