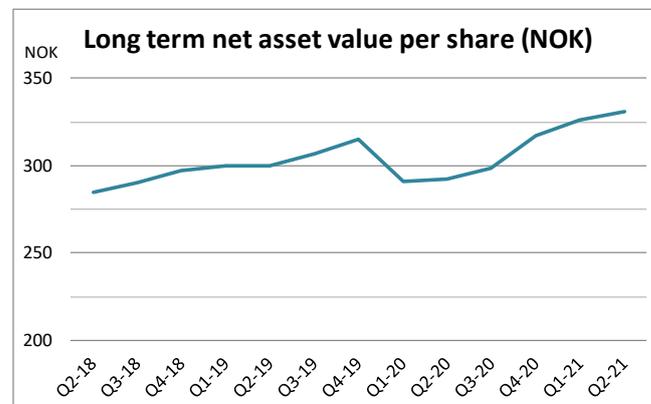
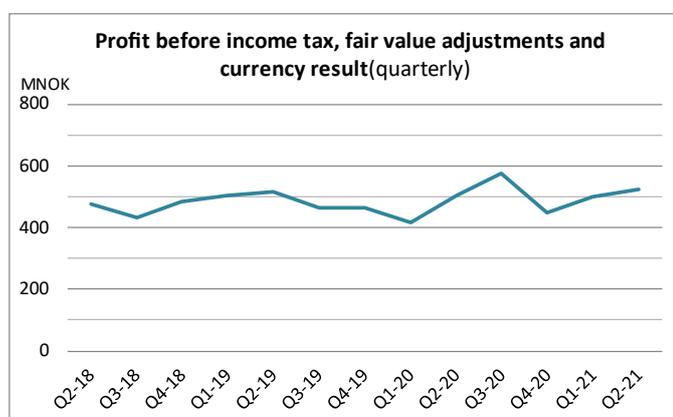




## KEY FIGURES

| Amounts in NOK million  | APM* | Q2 2021 | Q2 2020 | 30.06.2021 | 30.06.2020 | 31.12.2020 |
|---|------|---------|---------|------------|------------|------------|
| Net rental income   |      | 703     | 689     | 1 389      | 1 314      | 2 707      |
| Fair value adjustments in investment properties and interest rate derivatives | 1    | 19      | -328    | 516        | -3 460     | -1 548     |
| Profit before income tax  |      | 503     | 180     | 1 590      | -2 562     | 338        |
| Profit before income tax, fair value adjustments and currency result          | 2    | 525     | 502     | 1 025      | 919        | 1 936      |
| Equity ratio  | 3    |         |         | 49 %       | 45 %       | 47 %       |
| Equity per share (NOK)  | 4    |         |         | 280        | 246        | 268        |
| Long term net asset value per share (NOK)                                     | 4    |         |         | 331        | 292        | 318        |
| Net cash flow from operations   | 5    | 440     | 466     | 1 000      | 844        | 1 710      |
| Liquidity reserves  | 6    |         |         | 7 303      | 6 152      | 7 226      |
| Amortisation next 12 months   | 7    |         |         | 5 111      | 6 314      | 5 533      |
| Interest-bearing debt   | 8    |         |         | 20 189     | 21 393     | 21 003     |
| Interest per balance sheet date   | 9    |         |         | 3,12 %     | 3,03 %     | 3,06 %     |
| Loan to value ratio   | 8    |         |         | 36 %       | 40 %       | 38 %       |
| Net investments   | 10   | -106    | 140     | 141        | 376        | 914        |
| Market value properties   | 11   |         |         | 54 746     | 52 586     | 54 656     |
| Annualized rental income level  | 12   |         |         | 3 250      | 3 200      | 3 250      |
| Net yield properties  | 13   |         |         | 5,16 %     | 5,35 %     | 5,19 %     |
| Sales, owned shopping centres   |      | 12 766  | 12 353  | 23 786     | 22 785     | 52 951     |
| Share price per balance sheet date (NOK)                                      |      |         |         | 178,0      | 140,0      | 183,5      |

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



# OLAV THON EIENDOMSSELSKAP ASA

## Report for Q2 and H1 2021

### HIGHLIGHTS\*:

- The Group continued to have good financial development in Q2, posting profit before income tax of NOK 503 (180) million.
- Profit before income tax, fair value adjustments and currency effects amounted to NOK 525 (502) million.
- The Group's financial position is solid, and the Group's equity ratio at the end of H1 was 49 % (45 %), while its liquidity reserves were NOK 7,303 (6,152) million.
- Retail sales in the shopping centre portfolio owned by the Group amounted to NOK 12,766 (12,353) million in Q2.
- The Board of Directors decided to distribute a dividend for 2020 of NOK 5 per share to the company's shareholders on 31 August 2021.

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

## FINANCIAL POSITION/BALANCE SHEET AS AT 30 JUNE 2021

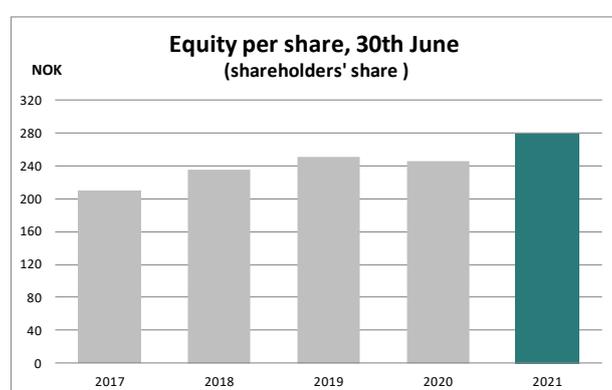
The Group's total assets were NOK 59,956 (57,797) million, with investment properties accounting for NOK 54,543 (52,373) million of that figure.

Total equity was NOK 29,399 (25,813) million and the equity ratio was 49 % (45 %).

Equity per share (majority share) was NOK 280 (246), while the long term net asset value per share was NOK 331 (292).

Interest-bearing debt was NOK 20,189 (21,393) million with a loan to value ratio <sup>1</sup> of 36 % (40 %).

The Group's share of the equity in joint ventures and associated companies was NOK 2,826 (2,705) million.



Equity per share has increased by 33 % since 30 June 2017.

## SUMMARY OF THE RESULTS FOR Q2

Profit before income tax was NOK 503 (180) million.

Fair value adjustments of investment property and interest rate derivatives totalled NOK 19 (-328) million<sup>2</sup>.

Profit before income tax, fair value adjustments and currency effects thus amounted to NOK 525 (502) million.

## RENTAL INCOME AND PROPERTY-RELATED EXPENSES

Gross rental income was NOK 740 (723) million.

Property-related income amounted to NOK 213 (162) 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 250 (196) million, including the above-mentioned letting and property administration costs of NOK 156 (132) million.

Maintenance expenses for the property portfolio amounted to NOK 29 (25) million.

Net rental income fell by NOK 22 (47) million as a result of temporary rent reductions for tenants who were strongly affected by the coronavirus pandemic.

Net rental income was thus NOK 703 (689) million.

## FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The Group's investment properties increased in value by NOK 43 (-243) million in Q2.

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 Group's commercial properties increased by NOK 42 million (0.3 %), while the value of the shopping centre properties increased by NOK 1 million.

## 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 24 (18) 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 39 (26) 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 90 (72) million, while scheduled depreciation amounted to NOK 6 (7) million.

## FINANCIAL INCOME AND EXPENSES

Net financial expenses were NOK 214 (174) million.

Net interest expenses amounted to NOK 170 (178) million, with interest rate expenses related to lease obligations accounting for NOK 6 (6) million of that figure.

An unrealised loss related to the SEK exchange rate amounted to NOK 41 (8) million.

## FAIR VALUE ADJUSTMENTS, INTEREST RATE DERIVATIVES

Market interest rates for terms of 7 and 10 years fell in Norway in Q2, while interest rates for terms of up to 5 years were unchanged. Long-term market interest rates were unchanged in Sweden.

<sup>1</sup> See APM for definitions

<sup>2</sup> Includes investments in joint ventures and associated companies

In Norway, the 10-year swap rate fell by 0.19 of a percentage point to 1.67 %, while the corresponding rate in Sweden fell by 0.02 of a percentage point to 0.77 %.

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 8 (-54) million in Q2.

## SUMMARY OF THE RESULTS FOR H1

Profit before income tax was NOK 1,590 (-2,562) million.

Fair value adjustments of investment property and interest rate derivatives totalled NOK 516 (-3,460) million.

Profit before income tax, fair value adjustments and currency effects thus amounted to NOK 1,025 (919) million.

## CASH FLOW AND LIQUIDITY

### Q2

Net cash flow from operations was NOK 440 (466) million. Net cash flow from operating activities was NOK 196 (199) million.

Investment activities increased liquidity by NOK 136 (-89) million net, while financing activities reduced liquidity by NOK 405 (-209) million.

The currency effect on cash was NOK -2 (0) million, and the Group's liquidity reserves thus fell by NOK 74 (-99) million in Q2.

### H1

Net cash flow from operations was NOK 1,000 (844) million for H1 as a whole.

Net cash flow from operating activities was NOK 632 (622) million.

Investment activities reduced liquidity by NOK 93 (260) million net, while financing activities reduced liquidity by NOK 716 (450) million.

The currency effect on cash was NOK -5 (4) million, and the Group's liquidity reserves thus fell by NOK 192 (-75) million in H1.

Liquidity reserves were NOK 7,303 (6,152) million at the end of H1 and consisted of short-term investments of NOK 292 (311) million and undrawn long-term credit facilities of NOK 7,010 (5,841) million.

## INVESTMENTS

The Group's net investments in H1 were NOK 141 (376) million. Total net investments amounted to NOK -106 (140) million in Q2.

## MAJOR PROPERTY SALES IN Q2

### Elveveien 65-75,85, Bærum

19,000 square metres plot at Lysaker station in Bærum municipality.

### Familia Kjøpcentrum, Hyllinge, Sweden

Approximately 15,000 square metres shopping centre located outside Helsingborg in Sweden.

## MAJOR PROPERTY PROJECTS<sup>3</sup>

### 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 four smaller commercial premises for rent. The project will be completed 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 the first half of 2022.

#### Arnliot Gellines vei 1, Oslo

Property centrally located at the East side of Oslo 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 developing a number of major property projects, which are primarily linked to the further development of its property portfolio. Whether or not projects are executed depends on factors such as public permits and market conditions.

For more information about our property projects, please see olt.no.

## INVESTMENT PROPERTIES AS AT 30 JUNE 2021

The property portfolio was valued at NOK 54,543 (52,373) million, based on an average yield of 5.16 % (5.35 %).

Average yields by property segment were as follows:

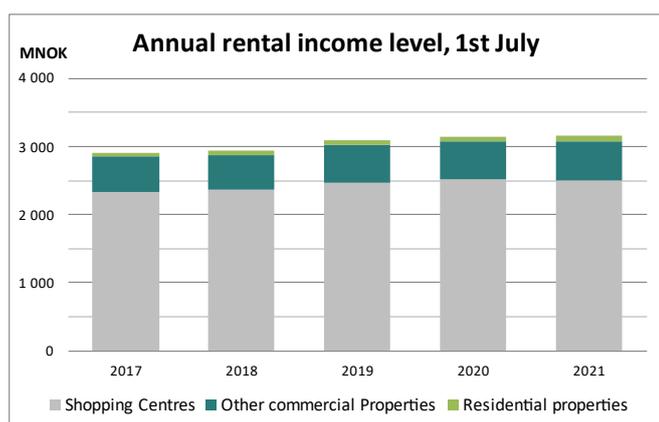
|                             |                 |
|-----------------------------|-----------------|
| Shopping centre properties  | 5.51 % (5.61 %) |
| Other commercial properties | 4.28 % (4.63 %) |

Annual rental income level was NOK 3,250 (3,200) million with the following segment distribution:

|                             |             |
|-----------------------------|-------------|
| Shopping centre properties  | 77 % (78 %) |
| Other commercial properties | 23 % (22 %) |

The vacancy rate in the property portfolio was 3.8 % (3.4 %).

<sup>3</sup> Over NOK 50 million



The rental income level has increased by 12.8 % since 2017.

### PROPERTY PORTFOLIO OWNED THROUGH JOINT VENTURES AND ASSOCIATED COMPANIES

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

The Group's share of the property values in these companies was NOK 4,266 (4,330) million.

### THE SHOPPING CENTRE BUSINESS AREA

At the end of H1, Olav Thon Eiendomsselskap wholly or partly owned 60 shopping centres in Norway and Sweden.

The Group also manages 15 centres for external owners.

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

Among other things, the shopping centre portfolio includes Norway's largest shopping centre in terms of retail sales, Lagunen Storsenter in Bergen, and a total of six of the country's seven largest shopping centres.

#### Shopping centres owned by the Group

In Q2, retail sales in the Group's shopping centre portfolio amounted to NOK 12,766 (12,353) million.

Retail sales amounted to NOK 23,786 (22,785) million for H1 as a whole.

The shopping centres had the following retail sales in Q2, broken down by month (NOK millions):

|                 | 2021          | 2020          | Changes     |
|-----------------|---------------|---------------|-------------|
| <b>April</b>    | 3,322         | 3,296         | 0.8%        |
| <b>May</b>      | 4,322         | 4,138         | 4.5%        |
| <b>June</b>     | 5,122         | 4,919         | 4.1%        |
| <b>Total 2Q</b> | <b>12,766</b> | <b>12,353</b> | <b>3.3%</b> |

#### Norway

In Q2, the Group's Norwegian shopping centres had retail sales of NOK 11,917 (11,518) million.

Retail sales amounted to NOK 22,136 (21,128) million in H1.

#### Sweden

In Sweden, the shopping centres had retail sales of SEK 854 (810) million in Q2 and SEK 1,623 (1,638) million in H1.

### 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 in this respect can be found in note 8 in the quarterly report and on the company's website: olt.no.

The valuation as at 30 June 2021 was based on an average yield of 5.16 %. In the last three years, 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.

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

The Group's financing is described in greater depth in the next section, and more details about financial risk management can be found in the annual report for 2020 and on the company's website: olt.no.

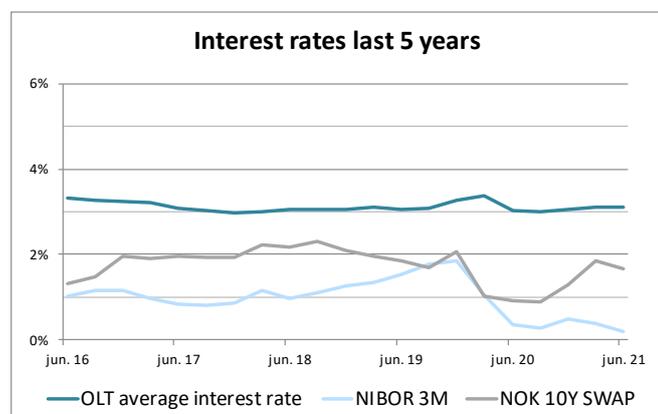
### FINANCIAL INSTRUMENTS:

The Group's financial instruments (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 Q2, the portfolio of interest rate swaps entered into for this purpose was NOK 14,584 (13,114) million and had a fair value of NOK -1,330 (-2,153) million.

Fair value is affected both by changes in long-term interest rates and by the remaining term on the 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 approximately NOK 750 - 850 million.



As at 30 June 2021, the Group's average interest rate was 3.12 %<sup>4</sup>.

## 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 very good, and the positive development in both the bank and the capital market continued in Q2.

The Group's financing sources in Q2 were both the capital markets in Norway, Sweden and the Nordic banking market.

New loans amounting to NOK 1,150 million and SEK 500 million were raised in the capital markets. In addition, a long-term loan agreement for NOK 500 million was entered into with a Nordic bank.

## INTEREST-BEARING DEBT AND MATURITY STRUCTURE

At the end of Q2, outstanding certificate and bond debt amounted to NOK 11,766 (10,281) million, broken down as follows:

Norway: NOK 9,502 (7,630) million  
Sweden: SEK 2,250 (2,550) million

Total credit facilities were NOK 27,199 (27,234) million, of which NOK 7,010 (5,841) million was undrawn.

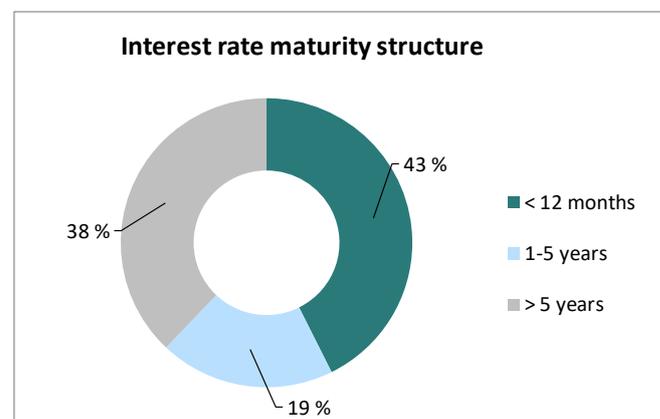
For details of the Group's interest-bearing debt, see notes 11 and 12 and the "Alternative Performance Measures" in the quarterly report.

The debt had an average remaining term of 2.7 (2.2) years, and 25 % (30 %) of the debt is due for repayment within one year.

At the end of Q2, the Group had a fixed-rate ratio of 57 % (53 %), with an average fixed-rate period of 3.8 (3.5) years.

The Group's average interest rate was 3.12 % (3.03 %), divided into the following currencies:

| Currency | Share of debt | Average interest rate |
|----------|---------------|-----------------------|
| NOK      | 86 %          | 3.43 %                |
| SEK      | 14 %          | 1.10 %                |



As at 30 June 2021, 57 % of interest-bearing debt has a fixed-rate period of more than 1 year. The average fixed-rate period is 3.8 years.

## SHARES AND SHAREHOLDERS

The closing price of the Olav Thon Eiendomsselskap share was NOK 178 at the end of Q2, up from NOK 163.5 at the start of the quarter. The highest and lowest prices in the quarter were NOK 187 and 157, respectively.

This means that the share price rose by 9 % in Q2, while the main index at the Oslo Stock Exchange rose by 6 %. The share price fell by 3 % in H1, while the main index at the Oslo Stock Exchange rose by 16 % during the same period.

In Q2, 764,000 (1,925,000) shares were traded, through the 4,362 (6,501) transactions on the Oslo Stock Exchange.

In H1, 3,656,000 (5,680,000) shares were traded, through the 9,167 (15,947) transactions on the Oslo Stock Exchange.

At the end of H1, the company's market capitalisation was NOK 18.4 (14.4) billion, and the company's largest shareholders were:

|                                       |               |
|---------------------------------------|---------------|
| Olav Thon Gruppen AS and subsidiaries | 73.9 %        |
| Folketrygdfondet                      | 2.4 %         |
| MP Pensjon                            | 2.2 %         |
| VPF Nordea Norge Verdi                | 1.9 %         |
| Otto Olsen Invest AS                  | 1.0 %         |
| Other owners                          | 18.6 %        |
| <b>TOTAL</b>                          | <b>100.0%</b> |

<sup>4</sup> Loans in NOK and SEK

## DIVIDEND FOR 2020

The company's dividend policy is that shareholders should receive an annual 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 ongoing pandemic and the infection control measures that have impacted the Group's activities, the Board of Directors proposed to the company's General Meeting in June 2021 that no dividend should be paid for 2020 for the time being, but the Board of Directors should be granted authority to pay a dividend for 2020 later in 2021.

The Board of Directors has now opted to exercise that authority and decided that a dividend of NOK 5 per share should be paid to shareholders on 31 August 2021.

## OUTLOOK

The Norwegian economy is now on its way out of a recession caused by the coronavirus pandemic.

The infection rate has declined and an ever-increasing proportion of the population has been vaccinated. The authorities have embarked on a gradual reopening of society and unemployment has fallen.

Norges Bank has kept its key policy rate at 0 % since spring 2020, but has indicated that there will be rate rises from autumn 2021 onwards. Despite this, interest rates are expected to remain low for the next few years.

Uncertainty has recently arisen regarding new virus mutations and whether a possible new wave of infection might further delay the reopening. With more and more of the population being vaccinated, the Norwegian economy is nevertheless expected to grow during the autumn as society reopens.

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 financial consequences of the coronavirus pandemic in the future too.

Oslo, 12 August 2021

Board of Directors, Olav Thon Eiendomsselskap ASA

## DECLARATION PURSUANT TO SECTION 5-5 OF THE NORWEGIAN SECURITIES TRADING ACT

We confirm that, to the best of our knowledge, the company's interim financial statements for H1 2021 have been prepared in accordance with current accounting standards and that the information in the financial statements gives a true and fair view of the Group's and the company's assets, liabilities, financial position and performance.

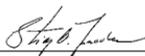
To the best of the Board's knowledge, the Board of Directors' Report provides a fair overview of the development, result and position of the Group and the company and describes the Group's most important risk and uncertainty factors.

Oslo, 12 August 2021

Board of Directors, Olav Thon Eiendomsselskap ASA



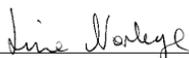
Olav Thon  
Chairman of the Board



Stig O. Jacobsen  
Board Member



Sissel Berdal Haga Thon  
Board Member



Line Norbye  
Board Member



Elisabeth Holvik  
Board Member



Dag Tangevald-Jensen  
CEO

## OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

| (NOK million)   | Note     | Q2 2021     | Q2 2020     | 30.06.2021   | 30.06.2020    | 31.12.2020    |
|---|----------|-------------|-------------|--------------|---------------|---------------|
| Rental income   | 4, 6     | 740         | 723         | 1 473        | 1 477         | 2 962         |
| Property-related income   |          | 213         | 162         | 473          | 403           | 857           |
| Property-related expenses   |          | -250        | -196        | -558         | -566          | -1 112        |
| <b>Net rental income</b>  | <b>7</b> | <b>703</b>  | <b>689</b>  | <b>1 389</b> | <b>1 314</b>  | <b>2 707</b>  |
| Other operating income  |          | 39          | 26          | 72           | 65            | 148           |
| Other operating expenses  |          | -41         | -25         | -76          | -66           | -151          |
| Administrative expenses   | 6        | -49         | -47         | -98          | -97           | -190          |
| Depreciation  |          | -6          | -7          | -14          | -14           | -35           |
| <b>Net income from property management</b>                        | <b>7</b> | <b>647</b>  | <b>636</b>  | <b>1 273</b> | <b>1 202</b>  | <b>2 479</b>  |
| Fair value adjustments, investment property                       | 4, 8     | 43          | -243        | 104          | -2 362        | -909          |
| Fair value adjustments, right-of-use assets                       |          | -3          | -3          | -6           | -6            | -12           |
| Share of profit from joint ventures and associates                | 9        | 24          | 18          | 86           | -141          | -22           |
| <b>Operating profit</b>   | <b>7</b> | <b>710</b>  | <b>408</b>  | <b>1 457</b> | <b>-1 308</b> | <b>1 537</b>  |
| Financial income  | 10       | 3           | 12          | 68           | 6             | 10            |
| Financial expenses  | 10       | -217        | -186        | -354         | -435          | -802          |
| Fair value adjustments, interest rate derivatives                 |          | 8           | -54         | 419          | -825          | -407          |
| <b>Net financial items</b>  |          | <b>-207</b> | <b>-228</b> | <b>133</b>   | <b>-1 254</b> | <b>-1 198</b> |
| <b>Profit before income tax</b>                                   |          | <b>503</b>  | <b>180</b>  | <b>1 590</b> | <b>-2 562</b> | <b>338</b>    |
| Change in deferred tax  | 8        | -4          | 21          | -152         | 586           | 89            |
| Income tax payable  |          | -47         | -61         | -121         | -60           | -170          |
| <b>Income tax</b>   |          | <b>-51</b>  | <b>-40</b>  | <b>-273</b>  | <b>526</b>    | <b>-81</b>    |
| <b>Profit</b>   |          | <b>452</b>  | <b>140</b>  | <b>1 317</b> | <b>-2 036</b> | <b>257</b>    |
| <b>Other Comprehensive income</b>                                 |          |             |             |              |               |               |
| <i>Items to be reclassified to P&amp;L in subsequent periods:</i> |          |             |             |              |               |               |
| Currency translation differences from foreign operations          |          | 43          | 9           | -55          | 152           | 165           |
| Hedging of net investment in foreign operations                   |          | -           | -1          | -            | -128          | -128          |
| Income taxes on other comprehensive income                        |          | -           | 0           | -            | 28            | 28            |
| <b>Total comprehensive income</b>                                 |          | <b>495</b>  | <b>149</b>  | <b>1 263</b> | <b>-1 984</b> | <b>322</b>    |
| <b>Profit attributable to:</b>                                    |          |             |             |              |               |               |
| Shareholders of the parent  |          | 452         | 162         | 1 310        | -1 963        | 315           |
| Non-controlling interests   |          | 0           | -21         | 7            | -73           | -57           |
| <b>Total comprehensive income attributable to:</b>                |          |             |             |              |               |               |
| Shareholders of the parent  |          | 494         | 170         | 1 255        | -1 912        | 379           |
| Non-controlling interests   |          | 0           | -21         | 7            | -73           | -57           |
| Earnings per share, basic and diluted (NOK)                       |          | 5           | 2           | 12           | -18           | 3             |

## OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

**BALANCE SHEET**

| (NOK million)                                   | Note | 30.06.2021    | 30.06.2020    | 31.12.2020    |
|---|------|---------------|---------------|---------------|
| <b>ASSETS</b>                                   |      |               |               |               |
| Deferred tax asset                              |      | 327           | 294           | 326           |
| Investment properties                           | 4, 8 | 54 543        | 52 373        | 54 453        |
| Owner-occupied properties                       |      | 188           | 190           | 189           |
| Right-of-use assets                             |      | 343           | 357           | 347           |
| Fixed assets                                    |      | 65            | 82            | 73            |
| Investments in joint ventures and associates    | 9    | 2 826         | 2 705         | 2 740         |
| Other non-current assets                        |      | 421           | 545           | 440           |
| <b>Total non-current assets</b>                 |      | <b>58 713</b> | <b>56 546</b> | <b>58 570</b> |
| Trade receivables and other current receivables | 4    | 950           | 940           | 905           |
| Cash and cash equivalents                       |      | 292           | 311           | 484           |
| <b>Total current assets</b>                     |      | <b>1 242</b>  | <b>1 251</b>  | <b>1 388</b>  |
| <b>Total assets</b>                             |      | <b>59 956</b> | <b>57 797</b> | <b>59 958</b> |
| <b>EQUITY AND LIABILITIES</b>                   |      |               |               |               |
| Share capital                                   |      | 104           | 104           | 104           |
| Share premium                                   |      | 318           | 318           | 318           |
| Other equity                                    |      | 28 585        | 25 019        | 27 331        |
| Non-controlling interests                       |      | 393           | 371           | 385           |
| <b>Total equity</b>                             |      | <b>29 399</b> | <b>25 813</b> | <b>28 136</b> |
| Deferred tax liabilities                        |      | 7 240         | 6 651         | 7 138         |
| Lease liabilities                               |      | 347           | 355           | 347           |
| Interest-bearing non-current liabilities        | 11   | 15 078        | 15 080        | 15 470        |
| Other non-current liabilities                   | 11   | 997           | 1 639         | 1 406         |
| <b>Total non-current liabilities</b>            |      | <b>23 662</b> | <b>23 725</b> | <b>24 360</b> |
| Income tax payable                              |      | 147           | 121           | 170           |
| Interest-bearing current liabilities            | 12   | 5 111         | 6 314         | 5 533         |
| Trade payables and other current liabilities    | 12   | 1 636         | 1 824         | 1 759         |
| <b>Total current liabilities</b>                |      | <b>6 894</b>  | <b>8 259</b>  | <b>7 462</b>  |
| <b>Total liabilities</b>                        |      | <b>30 556</b> | <b>31 984</b> | <b>31 822</b> |
| <b>Total equity and liabilities</b>             |      | <b>59 956</b> | <b>57 797</b> | <b>59 958</b> |

## OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

| (NOK million)   | Q2 2021     | Q2 2020     | 30.06.2021  | 30.06.2020  | 31.12.2020   |
|---|-------------|-------------|-------------|-------------|--------------|
| Net cash flow from operations                             | 440         | 466         | 1 000       | 844         | 1 710        |
| Expensed interest   | 171         | 178         | 338         | 363         | 702          |
| Paid interest   | -171        | -211        | -343        | -397        | -731         |
| Paid income tax   | -15         | -12         | -143        | -178        | -251         |
| Change in working capital                                 | -227        | -222        | -230        | -           | -57          |
| <b>Net cash flow from operating activities</b>            | <b>196</b>  | <b>199</b>  | <b>622</b>  | <b>632</b>  | <b>1 373</b> |
| Payment on the sale of tangible fixed assets              | 367         | -           | 367         | -           | -            |
| Acquisition of investment properties                      | -241        | -160        | -479        | -333        | -680         |
| Acquisition of subsidiaries                               | -           | -           | -           | -43         | -33          |
| Other investments   | 11          | 72          | 20          | 115         | 304          |
| <b>Net cash flow from investment activities</b>           | <b>136</b>  | <b>-89</b>  | <b>-93</b>  | <b>-260</b> | <b>-410</b>  |
| Proceeds from interest-bearing liabilities                | 3 357       | 2 165       | 7 236       | 5 396       | 10 257       |
| Repayment of interest-bearing liabilities                 | -3 758      | -2 371      | -7 946      | -5 833      | -11 099      |
| Payment on leasing liabilities                            | -4          | -4          | -6          | -8          | -13          |
| Dividends paid  | -           | 0           | -           | -4          | -13          |
| <b>Net cash flow from financing activities</b>            | <b>-405</b> | <b>-209</b> | <b>-716</b> | <b>-450</b> | <b>-868</b>  |
| Currency translation effects on cash and cash equivalents | -2          | 0           | -5          | 4           | 4            |
| <b>Net change in cash</b>                                 | <b>-74</b>  | <b>-99</b>  | <b>-192</b> | <b>-75</b>  | <b>98</b>    |
| Cash at beginning of period                               | 367         | 410         | 484         | 386         | 386          |
| Cash at end of period                                     | 292         | 311         | 292         | 311         | 484          |

## 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         |
|---------------------------|---------------|---------------|----------------------------------|---------------|-----------------|----------------------------|---------------------------|---------------|
| <b>Equity 31.12.2019</b>  | <b>106</b>    | <b>318</b>    | <b>-132</b>                      | <b>26 987</b> | <b>88</b>       | <b>27 367</b>              | <b>452</b>                | <b>27 819</b> |
| Profit                    | -             | -             | -                                | -1 963        | -               | -1 963                     | -73                       | -2 036        |
| Other comprehensive incor | -             | -             | 152                              | -             | -100            | 52                         | -                         | 52            |
| Amortization own shares   | -3            | -             | -                                | 3             | -               | -                          | -                         | -             |
| Dividends paid            | -             | -             | -                                | -             | -               | -                          | -4                        | -4            |
| Other changes             | -             | -             | -                                | -14           | -               | -14                        | -4                        | -18           |
| <b>Equity 30.06.2020</b>  | <b>104</b>    | <b>318</b>    | <b>20</b>                        | <b>25 012</b> | <b>-12</b>      | <b>25 442</b>              | <b>371</b>                | <b>25 813</b> |
| Profit                    | -             | -             | -                                | 2 278         | -               | 2 278                      | 15                        | 2 293         |
| Other comprehensive incor | -             | -             | 13                               | -             | -               | 13                         | -                         | 13            |
| Dividends paid            | -             | -             | -                                | -             | -               | -                          | -9                        | -9            |
| Other changes             | -             | -             | -                                | 20            | -               | 20                         | 6                         | 26            |
| <b>Equity 31.12.2020</b>  | <b>104</b>    | <b>318</b>    | <b>32</b>                        | <b>27 310</b> | <b>-12</b>      | <b>27 752</b>              | <b>385</b>                | <b>28 136</b> |
| Profit                    | -             | -             | -                                | 1 310         | -               | 1 310                      | 7                         | 1 317         |
| Other comprehensive incor | -             | -             | -55                              | -             | -               | -55                        | -                         | -55           |
| Dividends paid            | -             | -             | -                                | -             | -               | -                          | -                         | -             |
| Other changes             | -             | -             | -                                | -1            | -               | -1                         | 1                         | -0            |
| <b>Equity 30.06.2021</b>  | <b>104</b>    | <b>318</b>    | <b>-22</b>                       | <b>28 619</b> | <b>-12</b>      | <b>29 007</b>              | <b>393</b>                | <b>29 399</b> |

## OLAV THON EIENDOMSSKAP 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 August 12, 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.

The accounting principles on which the interim report is based are in accordance with the principles used in the preparation of the annual report for 2020.

**Note 3 CHANGES IN GROUP STRUCTURE**

There are no significant changes in the Group structure during the quarter.

**Note 4 ESTIMATES**

Preparation of interim financial statements involves the use of judgements, estimates and assumptions that affect the application of accounting principles and amounts recognised in the Group's position and results. 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 positive development in the commercial real estate market continued in the second quarter, with a large investor interest in commercial real estate within most segments. In the second quarter, the market's required rate of return for commercial real estate was largely unchanged despite a decline in the long-term market interest rates.

The most important assumptions in the valuation of investment property are market rent and yield.

The long-term effect of the corona pandemic on rent levels is still considered uncertain. 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 2020 has therefore been continued. A sensitivity analysis related to the valuation of the real estate portfolio 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*

The corona pandemic has resulted in historical loss rates not being considered as a good basis for the future financial situation, and the calculation of provisions for losses is mainly considered per tenant. Provisions for losses on accounts receivable amount to NOK 44 million (78) in the second quarter, which is at the same level as at year end and in the first quarter.

*Rent reduction*

To remedy the negative economic effect of the corona pandemic for tenants in selected industries, the Group has in the second quarter given a conditional commitment for a time-limited rent reduction. The reduction in fixed rent is a lease modification in accordance with IFRS 16 and was recognized in the second quarter, since the reduction is not considered to have a significant effect on the consolidated financial statements. The Group has considered that reduction in marketing contributions and common costs must be recognized in the period in which the transaction price changes. The rent reduction has had a total effect in the second quarter of NOK 22 million.

**Note 5 SUBSEQUENT EVENTS**

Following an authorization given at the Annual General Meeting, the Board of Directors decided on 12.08.21 that a dividend will be distributed based on the company's annual report for 2020 with NOK 5 per share to shareholders registered in the company's shareholder register as of 31.08.21. The decision was made after the balance sheet date and is therefore not recognized in the accounts.

Beyond this, no events of significance to the assessment of the Group's position and results have occurred after the reporting date.

**Note 6 RELATED PARTY TRANSACTIONS**

The company has the following transactions with related parties.

| Transactions                            | Counterparty                    | 30.06.2021 | 30.06.2020 | 31.12.2020 |
|---|---------------------------------|------------|------------|------------|
| Rental income                           | Companies in Thon Holding Group | 40         | 60         | 87         |
| Operating and administration agreements | Companies in Thon Holding Group | 65         | 65         | 126        |

**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      |
| <b>Q2 2021</b>                                   |                    |                     |                |            |                    |           |            |
| Rental income                                    | 540                | 200                 | -              | 740        | 692                | 49        | 740        |
| Property-related income                          | 189                | 24                  | -              | 213        | 191                | 22        | 213        |
| Property-related expenses                        | -181               | -69                 | -              | -250       | -223               | -27       | -250       |
| <b>Net rental income</b>                         | <b>548</b>         | <b>156</b>          | <b>-</b>       | <b>703</b> | <b>660</b>         | <b>44</b> | <b>703</b> |
| Other operating income                           | 22                 | -                   | 17             | 39         | 39                 | -         | 39         |
| Other operating expenses                         | -25                | -                   | -15            | -41        | -41                | -         | -41        |
| Administrative expenses                          | -40                | -8                  | -              | -49        | -45                | -3        | -49        |
| Depreciation                                     | -3                 | -3                  | -              | -6         | -6                 | -0        | -6         |
| <b>Net income from property management</b>       | <b>500</b>         | <b>144</b>          | <b>2</b>       | <b>647</b> | <b>606</b>         | <b>40</b> | <b>647</b> |
| Fair value adjustments, investment property      | 1                  | 42                  | -              | 43         | -13                | 56        | 43         |
| Fair value adjustments, right-of-use assets      | -2                 | -1                  | -              | -3         | -3                 | -         | -3         |
| Share of profit from joint ventures & associates | 24                 | 0                   | -              | 24         | 24                 | -         | 24         |
| <b>Operating profit</b>                          | <b>523</b>         | <b>185</b>          | <b>2</b>       | <b>710</b> | <b>614</b>         | <b>96</b> | <b>710</b> |

| Business segments                                | Operating segments |                     |                |            | Geographical areas |           |            |
|--|--------------------|---------------------|----------------|------------|--------------------|-----------|------------|
|  | Shopping centres   | Commercial property | Other activity | Group      | Norway             | Sweden    | Group      |
| <b>Q2 2020</b>                                   |                    |                     |                |            |                    |           |            |
| Rental income                                    | 520                | 203                 | -              | 723        | 676                | 47        | 723        |
| Property-related income                          | 145                | 18                  | -              | 162        | 150                | 13        | 162        |
| Property-related expenses                        | -124               | -73                 | -              | -196       | -174               | -22       | -196       |
| <b>Net rental income</b>                         | <b>541</b>         | <b>148</b>          | <b>-</b>       | <b>689</b> | <b>651</b>         | <b>38</b> | <b>689</b> |
| Other operating income                           | 18                 | -                   | 7              | 26         | 26                 | -         | 26         |
| Other operating expenses                         | -16                | -                   | -9             | -25        | -25                | -         | -25        |
| Administrative expenses                          | -39                | -8                  | -              | -47        | -43                | -4        | -47        |
| Depreciation                                     | -4                 | -3                  | -              | -7         | -7                 | -0        | -7         |
| <b>Net income from property management</b>       | <b>501</b>         | <b>137</b>          | <b>-2</b>      | <b>636</b> | <b>602</b>         | <b>34</b> | <b>636</b> |
| Fair value adjustments, investment property      | -199               | -44                 | -              | -243       | -216               | -27       | -243       |
| Fair value adjustments, right-of-use assets      | -2                 | -1                  | -              | -3         | -3                 | -         | -3         |
| Share of profit from joint ventures & associates | 19                 | -1                  | -              | 18         | 18                 | -         | 18         |
| <b>Operating profit</b>                          | <b>318</b>         | <b>91</b>           | <b>-2</b>      | <b>408</b> | <b>401</b>         | <b>7</b>  | <b>408</b> |

| Business segments                                | Operating segments |                     |                |              | Geographical areas |           |              |
|--|--------------------|---------------------|----------------|--------------|--------------------|-----------|--------------|
|  | Shopping centres   | Commercial property | Other activity | Group        | Norway             | Sweden    | Group        |
| <b>30.06.2021</b>                                |                    |                     |                |              |                    |           |              |
| Rental income                                    | 1 081              | 392                 | -              | 1 473        | 1 372              | 101       | 1 473        |
| Property-related income                          | 425                | 49                  | -              | 473          | 435                | 38        | 473          |
| Property-related expenses                        | -414               | -144                | -              | -558         | -500               | -57       | -558         |
| <b>Net rental income</b>                         | <b>1 092</b>       | <b>297</b>          | <b>-</b>       | <b>1 389</b> | <b>1 307</b>       | <b>82</b> | <b>1 389</b> |
| Other operating income                           | 37                 | -                   | 35             | 72           | 72                 | -         | 72           |
| Other operating expenses                         | -42                | -                   | -33            | -76          | -76                | -         | -76          |
| Administrative expenses                          | -82                | -16                 | -              | -98          | -91                | -7        | -98          |
| Depreciation                                     | -8                 | -6                  | -              | -14          | -14                | -0        | -14          |
| <b>Net income from property management</b>       | <b>997</b>         | <b>275</b>          | <b>2</b>       | <b>1 273</b> | <b>1 198</b>       | <b>76</b> | <b>1 273</b> |
| Fair value adjustments, investment property      | -79                | 183                 | -              | 104          | 116                | -12       | 104          |
| Fair value adjustments, right-of-use assets      | -4                 | -2                  | -              | -6           | -6                 | -         | -6           |
| Share of profit from joint ventures & associates | 89                 | -4                  | -              | 86           | 86                 | -         | 86           |
| <b>Operating profit</b>                          | <b>1 003</b>       | <b>452</b>          | <b>2</b>       | <b>1 457</b> | <b>1 394</b>       | <b>63</b> | <b>1 457</b> |

| Business segments                                | Operating segments |                     |                |               | Geographical areas |             |               |
|--|--------------------|---------------------|----------------|---------------|--------------------|-------------|---------------|
|  | Shopping centres   | Commercial property | Other activity | Group         | Norway             | Sweden      | Group         |
| <b>30.06.2020</b>                                |                    |                     |                |               |                    |             |               |
| Rental income                                    | 1 081              | 396                 | -              | 1 477         | 1 376              | 101         | 1 477         |
| Property-related income                          | 361                | 42                  | -              | 403           | 375                | 28          | 403           |
| Property-related expenses                        | -407               | -159                | -              | -566          | -498               | -68         | -566          |
| <b>Net rental income</b>                         | <b>1 035</b>       | <b>279</b>          | <b>-</b>       | <b>1 314</b>  | <b>1 253</b>       | <b>61</b>   | <b>1 314</b>  |
| Other operating income                           | 35                 | -                   | 29             | 65            | 65                 | -           | 65            |
| Other operating expenses                         | -30                | -                   | -35            | -66           | -66                | -           | -66           |
| Administrative expenses                          | -81                | -16                 | -              | -97           | -90                | -7          | -97           |
| Depreciation                                     | -8                 | -6                  | -              | -14           | -14                | -0          | -14           |
| <b>Net income from property management</b>       | <b>951</b>         | <b>257</b>          | <b>-6</b>      | <b>1 202</b>  | <b>1 147</b>       | <b>54</b>   | <b>1 202</b>  |
| Fair value adjustments, investment property      | -2 002             | -361                | -              | -2 362        | -1 863             | -499        | -2 362        |
| Fair value adjustments, right-of-use assets      | -5                 | -2                  | -              | -6            | -6                 | -           | -6            |
| Share of profit from joint ventures & associates | -140               | -1                  | -              | -141          | -141               | -           | -141          |
| <b>Operating profit</b>                          | <b>-1 195</b>      | <b>-107</b>         | <b>-6</b>      | <b>-1 308</b> | <b>-864</b>        | <b>-445</b> | <b>-1 308</b> |

| Business segments                                | Operating segments |                     |                |              | Geographical areas |             |              |
|--|--------------------|---------------------|----------------|--------------|--------------------|-------------|--------------|
|  | Shopping centres   | Commercial property | Other activity | Group        | Norway             | Sweden      | Group        |
| <b>31.12.2020</b>                                |                    |                     |                |              |                    |             |              |
| Rental income                                    | 2 169              | 794                 | -              | 2 962        | 2 752              | 210         | 2 962        |
| Other property-related income                    | 772                | 86                  | -              | 857          | 794                | 63          | 857          |
| Property-related expenses                        | -802               | -310                | -              | -1 112       | -1 008             | -104        | -1 112       |
| <b>Net rental income</b>                         | <b>2 138</b>       | <b>569</b>          | <b>-</b>       | <b>2 707</b> | <b>2 538</b>       | <b>169</b>  | <b>2 707</b> |
| Other operating income                           | 84                 | -                   | 64             | 148          | 148                | -           | 148          |
| Other operating expenses                         | -90                | -                   | -60            | -151         | -151               | -           | -151         |
| Administrative expenses                          | -158               | -33                 | -              | -190         | -176               | -14         | -190         |
| Depreciation                                     | -22                | -13                 | -              | -35          | -35                | -           | -35          |
| <b>Net income from property management</b>       | <b>1 952</b>       | <b>523</b>          | <b>4</b>       | <b>2 479</b> | <b>2 324</b>       | <b>155</b>  | <b>2 479</b> |
| Fair value adjustments, investment property      | -1 960             | 1 051               | -              | -909         | -436               | -472        | -909         |
| Fair value adjustments, right-of-use assets      | -9                 | -3                  | -              | -12          | -12                | -           | -12          |
| Share of profit from joint ventures & associates | -21                | -1                  | -              | -22          | -22                | -           | -22          |
| <b>Operating profit</b>                          | <b>-38</b>         | <b>1 570</b>        | <b>4</b>       | <b>1 537</b> | <b>1 854</b>       | <b>-317</b> | <b>1 537</b> |

**Note 8 INVESTMENT PROPERTY**

|   | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|---|-------------------|-------------------|-------------------|
| Opening balance   | 54 453            | 54 037            | 54 037            |
| Acquisitions/expenditure on properties                        | 476               | 326               | 706               |
| Acquisitions and divestments companies/investment property    | -369              | 43                | 269               |
| Change in fair value recognised in the period                 | 104               | -2 362            | -909              |
| Effect of currency exchange differences in foreign operations | -120              | 337               | 357               |
| Other changes   | -0                | -6                | -7                |
| <b>Closing balance</b>  | <b>54 543</b>     | <b>52 373</b>     | <b>54 453</b>     |

Sale of investment property carried out as sale of shares in a subsidiary reduces the book value of investment property. The property is subsidiary's only asset. A deferred tax of NOK 60 million has been recognized in the Group as a result of changes in fair value of the property. Since the sale was carried out as a sale of share the deferred tax is not triggered. Therefore the deferred tax has been recognized in the income statement as a part of tax expense.

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 August 31, 2021.

|       | <b>Fair Value</b>          | <b>Rent level</b> |                  |               |
|-------|----------------------------|-------------------|------------------|---------------|
|       | <b>Investment property</b> | <b>- 10 %</b>     | <b>Unchanged</b> | <b>+ 10 %</b> |
| Yield |                            |                   |                  |               |
|       | - 1 %-points               | 60 875            | 67 635           | 74 396        |
|       | - 0,5 %-points             | 54 352            | 60 388           | 66 423        |
|       | Unchanged                  | 49 092            | 54 543           | 59 995        |
|       | + 0,5 %-points             | 44 761            | 49 731           | 54 701        |
|       | + 1,0 %-points             | 41 133            | 45 700           | 50 266        |

**Note 9 JOINT VENTURES AND ASSOCIATED COMPANIES**

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

| <b>Joint ventures</b>                             | <b>Q2 2021</b> | <b>Q2 2020</b> | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|---|----------------|----------------|-------------------|-------------------|-------------------|
| Net rental income                                 | 94             | 88             | 187               | 180               | 379               |
| Fair value adjustments, investment property       | -11            | -22            | 4                 | -177              | -175              |
| Fair value adjustments, interest rate derivatives | -1             | -3             | 10                | -36               | -20               |
| Expenses  | -52            | -49            | -102              | -108              | -234              |
| Income taxes                                      | -2             | -1             | -14               | 28                | 16                |
| <b>Profit</b>                                     | <b>28</b>      | <b>13</b>      | <b>84</b>         | <b>-114</b>       | <b>-34</b>        |
| Investment properties                             |                |                | 3 423             | 3 502             | 3 401             |
| Other assets                                      |                |                | 240               | 285               | 225               |
| <b>Total assets</b>                               |                |                | <b>3 663</b>      | <b>3 787</b>      | <b>3 626</b>      |
| Equity  |                |                | 2 285             | 2 199             | 2 201             |
| Non-current liabilities                           |                |                | 1 277             | 1 440             | 1 308             |
| Current liabilities                               |                |                | 101               | 148               | 117               |
| <b>Total equity and liabilities</b>               |                |                | <b>3 663</b>      | <b>3 787</b>      | <b>3 626</b>      |

| <b>Associated companies</b>                 | <b>Q2 2021</b> | <b>Q2 2020</b> | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|---|----------------|----------------|-------------------|-------------------|-------------------|
| Net rental income                           | 13             | 15             | 26                | 30                | 60                |
| Fair value adjustments, investment property | -16            | -3             | -14               | -53               | -24               |
| Expenses                                    | -4             | -6             | -10               | -12               | -20               |
| Income taxes                                | 1              | -1             | -1                | 8                 | -4                |
| <b>Profit</b>                               | <b>-5</b>      | <b>5</b>       | <b>2</b>          | <b>-28</b>        | <b>13</b>         |
| Investment properties                       |                |                | 843               | 828               | 859               |
| Other assets                                |                |                | 168               | 152               | 159               |
| <b>Total assets</b>                         |                |                | <b>1 011</b>      | <b>980</b>        | <b>1 019</b>      |
| Equity                                      |                |                | 540               | 505               | 539               |
| Non-current liabilities                     |                |                | 464               | 455               | 463               |
| Current liabilities                         |                |                | 7                 | 19                | 17                |
| <b>Total equity and liabilities</b>         |                |                | <b>1 011</b>      | <b>980</b>        | <b>1 019</b>      |

**Note 10 FINANCIAL INCOME AND FINANCIAL EXPENSES**

|  | Q2 2021     | Q2 2020     | 30.06.2021  | 30.06.2020  | 31.12.2020  |
|--|-------------|-------------|-------------|-------------|-------------|
| Interest income                                | 3           | 2           | 5           | 6           | 10          |
| Currency gain                                  | 0           | 8           | 63          | -0          | 0           |
| Other financial income                         | 0           | 2           | 0           | 0           | 0           |
| <b>Total financial income</b>                  | <b>3</b>    | <b>12</b>   | <b>68</b>   | <b>6</b>    | <b>10</b>   |
| Interest expenses                              | -164        | -172        | -326        | -350        | -676        |
| Interest expenses related to lease liabilities | -6          | -6          | -13         | -13         | -26         |
| Currency loss                                  | -41         | -0          | -0          | -56         | -63         |
| Other financial expenses                       | -6          | -8          | -15         | -15         | -37         |
| <b>Total financial expenses</b>                | <b>-217</b> | <b>-186</b> | <b>-354</b> | <b>-435</b> | <b>-802</b> |

**CURRENCY ITEMS**

|   |          |           |          |            |            |
|---|----------|-----------|----------|------------|------------|
| Currency translation differences from foreign operations  | 43       | 9         | -55      | 152        | 165        |
| Currency translation effects on cash and cash equivalents | -2       | 0         | -5       | 4          | 4          |
| Hedging of net investment in foreign operations*          | -        | -1        | -        | -128       | -128       |
| Other currency items                                      | -39      | 8         | 68       | -60        | -67        |
| <b>Total currency effects</b>                             | <b>2</b> | <b>16</b> | <b>9</b> | <b>-33</b> | <b>-26</b> |

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

**Note 11 NON-CURRENT LIABILITIES**

|   | 30.06.2021    | 30.06.2020    | 31.12.2020    |
|---|---------------|---------------|---------------|
| Bonds   | 7 980         | 7 230         | 6 008         |
| Other interest-bearing liabilities                | 7 099         | 7 850         | 9 461         |
| <b>Total Interest-bearing current liabilities</b> | <b>15 078</b> | <b>15 080</b> | <b>15 470</b> |
| Fair value interest rate swaps*                   | 966           | 1 564         | 1 365         |
| Other liabilities                                 | 30            | 75            | 41            |
| <b>Total non-current liabilities</b>              | <b>997</b>    | <b>1 639</b>  | <b>1 406</b>  |

\* The distribution between the short-term and long-term part of interest rate swaps has been adjusted since the report was submitted in 2020.

**Note 12 CURRENT LIABILITIES**

|   | 30.06.2021   | 30.06.2020   | 31.12.2020   |
|---|--------------|--------------|--------------|
| Commercial papers   | 1 156        | 1 016        | 926          |
| Bonds   | 2 630        | 2 036        | 3 980        |
| Bank loans  | 1 325        | 3 262        | 627          |
| <b>Total Interest-bearing current liabilities</b>         | <b>5 111</b> | <b>6 314</b> | <b>5 533</b> |
| Fair value interest rate swaps*                           | 364          | 589          | 383          |
| Lease liabilities   | 9            | 9            | 9            |
| Trade payables  | 140          | 123          | 122          |
| Accrued interest  | 23           | 23           | 28           |
| Duties payable  | 108          | 140          | 83           |
| Other current liabilities                                 | 992          | 940          | 1 135        |
| <b>Total trade payables and other current liabilities</b> | <b>1 636</b> | <b>1 824</b> | <b>1 759</b> |

\* The distribution between the short-term and long-term part of interest rate swaps has been adjusted since the report was submitted in 2020.

## OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

**ALTERNATIVE PERFORMANCE MEASURES**

Amounts in NOK million

Olav Thon Eiendomsselskap ASA prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS).

The company also wishes to present alternative performance measures (APM) in order to provide readers with a better understanding of the company's underlying financial results.

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.

|  | Q2 2021   | Q2 2020     | 30.06.2021 | 30.06.2020    | 31.12.2020    |
|--|-----------|-------------|------------|---------------|---------------|
| Fair value adjustments in;   |           |             |            |               |               |
| investment properties recognised in profit and loss                  | 43        | -243        | 104        | -2 362        | -909          |
| right-of-use assets recognised in profit and loss                    | -3        | -3          | -6         | -6            | -12           |
| investment properties in joint ventures                              | -11       | -22         | 4          | -177          | -175          |
| investment properties in associated companies                        | -16       | -3          | -14        | -53           | -24           |
| interest rate derivatives recognised in profit and loss              | 8         | -54         | 419        | -825          | -407          |
| interest rate derivatives in joint ventures                          | -1        | -3          | 10         | -36           | -20           |
| <b>Fair value adjustments, investment properties and derivatives</b> | <b>19</b> | <b>-328</b> | <b>516</b> | <b>-3 460</b> | <b>-1 548</b> |

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

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

|  | Q2 2021    | Q2 2020    | 30.06.2021   | 30.06.2020 | 31.12.2020   |
|--|------------|------------|--------------|------------|--------------|
| Profit before income tax   | 503        | 180        | 1 590        | -2 562     | 338          |
| Income tax in joint ventures   | 2          | 1          | 14           | -28        | -16          |
| Income tax in associated companies   | -1         | 1          | 1            | -8         | 4            |
| Fair value adjustments investment properties / derivatives                 | -19        | 328        | -516         | 3 460      | 1 548        |
| Currency gain  | -0         | -8         | -63          | 0          | -0           |
| Currency loss  | 41         | 0          | 0            | 56         | 63           |
| <b>Profit before income tax, fair value adjustment and currency result</b> | <b>525</b> | <b>502</b> | <b>1 025</b> | <b>919</b> | <b>1 936</b> |

**3. Equity ratio**

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

|                       | 30.06.2021  | 30.06.2020  | 31.12.2020  |
|-----------------------|-------------|-------------|-------------|
| Total equity          | 29 399      | 25 813      | 28 136      |
| Total equity and debt | 59 956      | 57 797      | 59 958      |
| <b>Equity ratio</b>   | <b>49 %</b> | <b>45 %</b> | <b>47 %</b> |

**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.

|   | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|---|-------------------|-------------------|-------------------|
| Majority share of equity  | 29 007            | 25 441            | 27 750            |
| Deferred tax liabilities (deferred tax liabilities current assets excluded) | 7 232             | 6 633             | 7 120             |
| Fair value of debt - deferred tax liabilities - 6 %                         | -1 972            | -1 809            | -1 942            |
| <b>Long term net asset value</b>  | <b>34 266</b>     | <b>30 265</b>     | <b>32 928</b>     |
| Number of shares (own shares not included)                                  | 103 623 171       | 103 623 171       | 103 623 171       |
| <b>Long term net asset value per share in NOK</b>                           | <b>331</b>        | <b>292</b>        | <b>318</b>        |
| <b>Equity per share in NOK</b>  | <b>280</b>        | <b>246</b>        | <b>268</b>        |

**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.

|   | <b>Q2 2021</b> | <b>Q2 2020</b> | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|---|----------------|----------------|-------------------|-------------------|-------------------|
| Net cash flow from operating activities | 196            | 199            | 622               | 632               | 1 373             |
| Expensed / paid interest                | 0              | -33            | -5                | -34               | -29               |
| Paid income tax                         | -15            | -12            | -143              | -178              | -251              |
| Change in working capital               | -227           | -222           | -230              | 0                 | -57               |
| <b>Net cash flow from operations</b>    | <b>440</b>     | <b>466</b>     | <b>1 000</b>      | <b>844</b>        | <b>1 710</b>      |

**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.

|   | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|---|-------------------|-------------------|-------------------|
| Unutilized overdrafts and other credit facilities | 7 010             | 5 841             | 6 742             |
| Cash and cash equivalents                         | 292               | 311               | 484               |
| <b>Liquidity reserves</b>                         | <b>7 303</b>      | <b>6 152</b>      | <b>7 226</b>      |

**7. Amortisation next 12 months**

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

|                                    | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|------------------------------------|-------------------|-------------------|-------------------|
| Commercial papers                  | 1 156             | 1 016             | 926               |
| Bonds                              | 2 630             | 2 036             | 3 980             |
| Bank loans                         | 1 325             | 3 262             | 627               |
| <b>Amortisation next 12 months</b> | <b>5 111</b>      | <b>6 314</b>      | <b>5 533</b>      |

**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.

|   | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|---|-------------------|-------------------|-------------------|
| Bonds, non-current  | 7 980             | 7 230             | 6 008             |
| Bonds, current  | 2 630             | 2 036             | 3 980             |
| Commercial papers, current  | 1 156             | 1 016             | 926               |
| Debt to credit institutions, long-term  | 7 099             | 7 850             | 9 461             |
| Debt to credit institutions, short-term   | 1 325             | 3 262             | 627               |
| <b>Interest-bearing debt*</b>   | <b>20 189</b>     | <b>21 393</b>     | <b>21 003</b>     |
| Cash and cash equivalents   | -292              | -311              | -484              |
| <b>Net interest-bearing debt</b>  | <b>19 897</b>     | <b>21 082</b>     | <b>20 519</b>     |
| Market value properties   | 54 746            | 52 586            | 54 656            |
| <b>Loan to value ratio</b>  | <b>36 %</b>       | <b>40 %</b>       | <b>38 %</b>       |
| <br>  |                   |                   |                   |
| * Unsecured part of interest-bearing debt (where the Group has not provided collateral) | 8 704             | 5 301             | 6 341             |

**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.

|  | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|--|-------------------|-------------------|-------------------|
| Annualized interest expenses on interest-bearing debt as of the balance sheet date | 243               | 282               | 269               |
| Annualized interest expenses on current interest rate swaps per balance sheet date | 387               | 367               | 373               |
| <b>Annualized interest expenses per balance sheet date</b>                         | <b>630</b>        | <b>649</b>        | <b>643</b>        |
| <br>   |                   |                   |                   |
| Interest-bearing debt*   | 20 189            | 21 393            | 21 003            |
| <b>Interest per balance sheet date</b>   | <b>3,12 %</b>     | <b>3,03 %</b>     | <b>3,06 %</b>     |

**10. Net investments**

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

|                        | <b>Q2 2021</b> | <b>Q2 2020</b> | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|------------------------|----------------|----------------|-------------------|-------------------|-------------------|
| Investment properties  | 241            | 158            | 476               | 326               | 706               |
| New companies          | -369           | 0              | -369              | 43                | 269               |
| Other fixed assets     | 0              | 1              | 3                 | 5                 | 15                |
| Other investments      | 22             | -18            | 31                | 3                 | -76               |
| <b>Net investments</b> | <b>-106</b>    | <b>140</b>     | <b>141</b>        | <b>376</b>        | <b>914</b>        |

**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.

|  | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|--|-------------------|-------------------|-------------------|
| Market value investment properties     | 54 543            | 52 373            | 54 453            |
| Market value owner-occupied properties | 203               | 213               | 203               |
| <b>Market value properties</b>         | <b>54 746</b>     | <b>52 586</b>     | <b>54 656</b>     |

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

|  |       |       |       |
|--|-------|-------|-------|
| Market value of properties joint venture (Group share)             | 3 423 | 3 502 | 3 401 |
| Market value of properties associated with companies (Group share) | 843   | 828   | 859   |

**12. Annualized rental income level**

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

|  | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|--|-------------------|-------------------|-------------------|
| Annualized market rent leased premises | 3 125             | 3 091             | 3 122             |
| Annualized market rent vacant premises | 125               | 109               | 128               |
| <b>Annualized rental income level</b>  | <b>3 250</b>      | <b>3 200</b>      | <b>3 250</b>      |

**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.

|   | <b>30.06.2021</b> | <b>30.06.2020</b> | <b>31.12.2020</b> |
|---|-------------------|-------------------|-------------------|
| Annualized rental income level                  | 3 250             | 3 200             | 3 250             |
| Lessor's owner cost                             | 435               | 415               | 432               |
| <b>Annualized net rental income level</b>       | <b>2 815</b>      | <b>2 785</b>      | <b>2 818</b>      |
| Market value properties                         | 54 746            | 52 586            | 54 656            |
| Adjustment market value for plots etc           | 234               | 568               | 385               |
| <b>Market value properties after adjustment</b> | <b>54 512</b>     | <b>52 019</b>     | <b>54 271</b>     |
| <b>Net yield properties</b>                     | <b>5,16 %</b>     | <b>5,35 %</b>     | <b>5,19 %</b>     |



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