

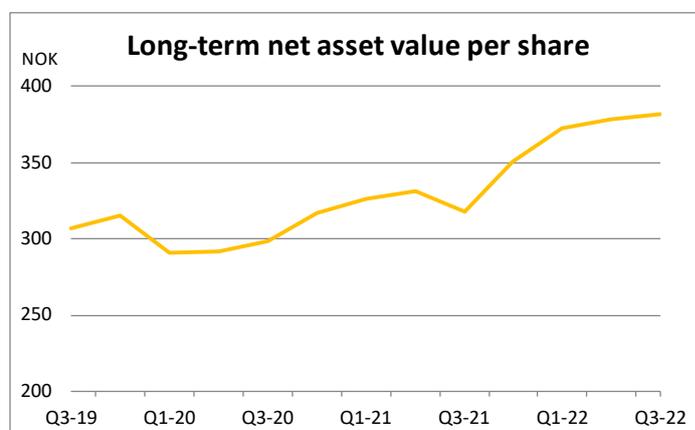
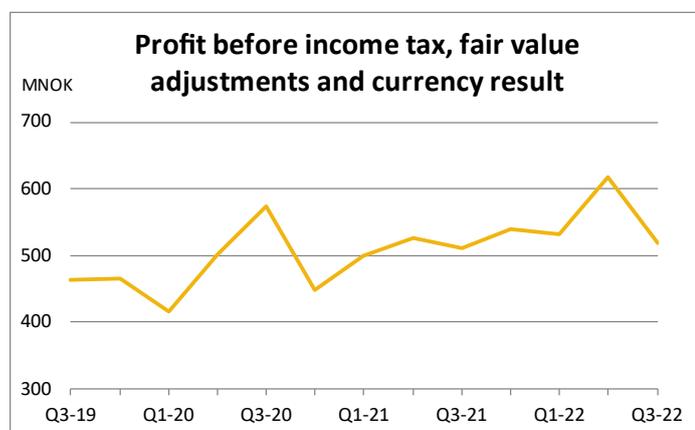


Report for Q3 2022

KEY FIGURES

Amounts in MNOK	APM*	Q3 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Net rental income		716	687	2 152	2 077	2 774
Fair value adjustments in investment properties and interest rate derivatives	1	-467	592	2 282	1 109	2 647
Profit before income tax		48	1 099	3 933	2 690	4 767
Profit before income tax, fair value adjustments and currency result	2	518	512	1 668	1 537	2 068
Equity ratio	3			52 %	49 %	51 %
Equity per share (NOK)	4			324	283	298
Long-term net asset value per share (NOK)	4			382	334	351
Net cash flow from operations	5	467	468	1 540	1 468	1 997
Liquidity reserves	6			5 438	8 425	8 214
Amortisation next 12 months	7			2 243	4 422	3 335
Interest-bearing debt	8			20 513	20 389	20 114
Interest per balance sheet date	9			3,91 %	3,04 %	3,16 %
Loan to value ratio	8			34 %	36 %	35 %
Net investments	10	150	223	611	365	559
Market value properties	11			58 754	55 289	56 734
Annualized rental income level	12			3 350	3 260	3 270
Net yield properties	13			4,95 %	5,12 %	4,97 %
Sales, owned shopping centres		13 872	14 148	39 689	38 039	54 999
Share price per balance sheet date (NOK)				179,5	186,0	195,6

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



Olav Thon Eiendomsselskap

Report for Q3 2022

Highlights of the quarterly report: ¹

- The Group had a good operating result in Q3, with profit before tax, fair value adjustments and currency result amounting to NOK 518 (512) million
- Following downward adjustment of the value of the Group's property portfolio by NOK 529 million, profit before tax was NOK 48 (1,099) million
- The Group's financial position is solid and the Group's equity ratio at the end of Q3 was 52 % (49 %), while its liquidity reserves were NOK 5,438 (8,425) million
- Retail sales for the shopping centre portfolio in Q3 were NOK 13,872 million, down 2 % on Q3 2021, but up 15 % on Q3 in the last normal year, 2019
- In September, Olav Thon Eiendomsselskap launched an offer to the company's shareholders to buy back up to 3 million shares. On expiry of the acceptance deadline, the company bought back 2,144,263 shares at NOK 185 per share



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

FINANCIAL POSITION/BALANCE SHEET AS AT 30 SEPTEMBER 2022

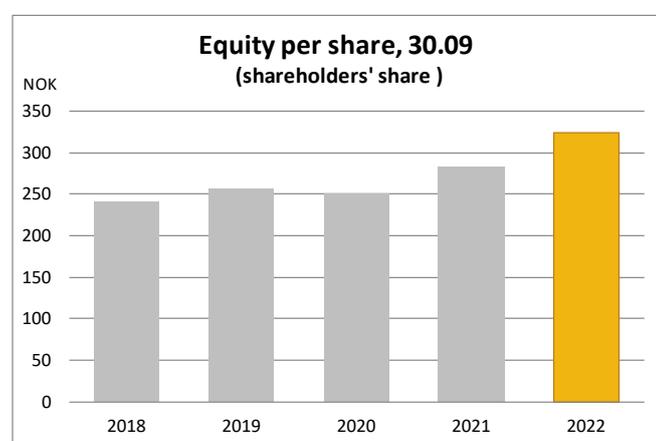
The Group's total assets were NOK 63,618 (60,485) million, with investment properties accounting for NOK 58,542 (55,084) million of that figure.

Total equity was NOK 33,359 (29,674) million and the equity ratio was 52 % (49 %).

Equity per share (majority share) was NOK 324 (283), while "the long-term net asset value per share" was NOK 382 (334).

Interest-bearing debt was NOK 20,513 (20,389) million with a loan to value ratio² of 34 % (36 %).

The Group's share of the equity in joint ventures and associated companies was NOK 3,115 (2,891) million.



Equity per share has increased by 34 % since 30 September 2018.

SUMMARY OF THE RESULTS FOR Q3

Profit before tax was NOK 48 (1,099) million.

Fair value adjustments in investment property and interest rate derivatives totalled NOK -467 (592) million³.

Profit before income tax, fair value adjustments and currency result thus amounted to NOK 518 (512) million.

RENTAL INCOME AND PROPERTY-RELATED EXPENSES

Gross rental income was NOK 787 (748) million.

Property-related income amounted to NOK 237 (211) million and consisted mainly of payments from the Group's tenants to cover property service charges and operation of shopping centre associations.

Property-related expenses amounted to NOK 308 (271) million, including the above-mentioned letting and property administration costs of NOK 197 (169) million.

Maintenance expenses for the property portfolio amounted to NOK 36 (41) million.

The group's energy costs that are not passed on to the group's tenants amounted to 6 million (3).

Energy costs also make up the majority of the group's share of joint costs on vacancy, which amounts to NOK 29 million (20).

Net rental income was thus NOK 716 (687) million, up 5.3 %.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The value of the Group's investment properties was adjusted downward by NOK -529 (350) million in Q3.

The reduction in value is largely due to the average yield requirement for valuation of the property portfolio increasing from 4.90 % to 4.95 %.

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 values in both property segments were adjusted downward in Q3.

The value of the Group's shopping centre properties decreased by NOK -355 (76) million, while the value of its commercial property was adjusted downward by NOK -175 (274) million.

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

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 -11 (74) million.

The decrease from last year is largely due to fair value adjustments of investment properties and interest rate derivatives amounting to NOK -62 (41) million.

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

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

³ Includes investments in joint ventures and associated companies

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are affected to a significant extent by the sale of management company Amfi Drift AS in Q2 2022.

Other operating income amounted to NOK 13 (34) million and consisted mainly of sales revenue from other activities.

Other operating and administrative expenses amounted to NOK 52 (81) million, while scheduled depreciation amounted NOK 5 (6) million.

FINANCIAL INCOME AND EXPENSES

Net financial items amounted to NOK -80 (45) million, with fair value adjustments of interest rate derivatives accounting for NOK 127 (204) million of that figure.

Net interest expenses amounted to NOK 193 (173) million, NOK 3 (6) million of which were interest expenses for lease liabilities.

Higher interest expenses are entirely due to a higher average interest rate on the Group's interest-bearing debt.

Unrealised exchange rate losses related to the SEK exchange rate amounted to NOK -9 (0) million.

FAIR VALUE ADJUSTMENTS, INTEREST RATE DERIVATIVES

Long-term market interest rates (swap rate) rose in both Norway and Sweden in Q3.

In Norway, the 10-year swap rate rose by 0.21 percentage points to 3.52 %, while the corresponding rate in Sweden rose by 0.13 percentage points to 3.14 %.

As a result of the change in interest rates and shorter remaining terms, the fair value of the Group's exchange rate derivatives increased by NOK 127 (204) million.

CASH FLOW AND LIQUIDITY

Net cash flow from operations in Q3 was NOK 467 (468) million.

Net cash flow from operating activities was NOK 627 (623) million.

Investment activities reduced liquidity by NOK 112 (198) million, while financing activities reduced liquidity by NOK 400 (313) million.

Currency effects on cash were NOK 0 (4) million and liquidity reserves thereby increased by NOK 115 (115) million.

Liquidity reserves were NOK 5,438 (8,425) million at the end of Q3 and consisted of short-term investments of NOK 310 (407) million

and undrawn long-term credit facilities of NOK 5,128 (8,018) million.

INVESTMENTS

The Group's net investments in Q3 were NOK 150 (223) million.

Total net investments in the first nine months of the year amounted to NOK 611 (365) million.

MAJOR PROPERTY PROJECTS⁴**Under construction**Amfi Vågen, Sandnes

This shopping centre property totalling about 40,000 square metres is being renovated and upgraded, including new hospitality and experience areas. The centre is also being extended by a further 750 square metres of new space. The final phase of the expansion, which includes a food court, will be completed in 2023.

Arnlfot Gellines Vei 1, Oslo

A property centrally located in Oslo Øst with total space of 2,500 square metres. The building, with 22 flats for rent, is scheduled for completion in 2023.

In planning phase

Olav Thon Eiendomsselskap is developing several major property projects, which are mainly 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.

INVESTMENT PROPERTIES AS AT 30 SEPTEMBER 2022

The property portfolio was valued at NOK 58,542 (55,084) million at the end of the quarter, based on an average yield of 4.95 % (5.12 %).

Average yields by property segment were as follows:

Shopping centre properties	5.31 % (5.46 %)
Commercial property	4.08 % (4.24 %)

Annual rental income was NOK 3,350 (3,260) million with the following segment distribution:

	Fair value (Share)	Rental income level (Share)
Shopping centre properties	71 %	77 %
Commercial properties	29 %	23 %
Total portfolio	100 %	100 %

⁴ Over NOK 50 million

The vacancy rate in the property portfolio was 3.2 % (3.8 %).

PROPERTY PORTFOLIO OWNED THROUGH JOINT VENTURES AND ASSOCIATED COMPANIES

The Group's share of the rental income of joint ventures and associated companies was NOK 285 (275) million.

The Group's share of the property values in these companies was NOK 4,512 (4,314) million.

THE SHOPPING CENTRE BUSINESS AREA

At the end of the quarter, Olav Thon Eiendomsselskap wholly or partly owned 59 shopping centres in Norway and Sweden.

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

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

Retail sales

Retail sales in the Group's shopping centres in Q3 amounted to NOK 13,872 (14,148) million.

The shopping centres had the following retail sales in the quarter, broken down by month:

MNOK	2022	2021	2019	Change from 2021	Change from 2019
July	4,685	5,079	4,146	-8 %	13 %
August	4,795	4,675	4,331	3 %	11 %
September	4,392	4,394	3,789	0 %	16 %
TOTAL Q3	13,872	14,148	13,832	-2 %	15 %

Retail sales in the first nine months of the year were NOK 39,689 (38,039) million.

Norway

In Q3, the Group's Norwegian shopping centres had retail sales of NOK 12,996 (13,290) million. Retail sales in the first nine months of the year were NOK 37,117 (35,492) million.

Sweden

Retail sales in the shopping centres in Sweden amounted to SEK 925 (847) million in Q3, and SEK 2,705 (2,528) million in the first nine months of the year.

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.

The valuation as at 30 September 2022 was based on an average yield of 4.95 %. In the last three years, the yield has varied between 4.90 % and 5.35 %.

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 and on the company's website: olt.no.

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 2021 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 long-term fixed-rate periods for the Group.

At the end of Q3, the portfolio of interest rate derivatives was NOK 18,582 (14,584) million and had a fair value of NOK -49 (-1,125) million.

Fair value is affected both by changes in long-term interest rates and by the remaining term on interest rate derivatives.

It is estimated that a change of 1 percentage point in interest rates would change the market value of the portfolio by approximately NOK 600 – 700 million.

FINANCING

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

Access to financing is considered satisfactory despite weak capital markets in Q3.

The Group's financing sources in Q3 were primarily the capital markets in Norway and Sweden, with new loans amounting to NOK 1,200 million and SEK 510 million being raised.

INTEREST-BEARING DEBT AND MATURITY STRUCTURE

At the end of Q3, outstanding certificate and bond debt amounted to NOK 12,516 (14,034) million, broken down as follows:

Norway:	NOK 11,438 (11,784) million
Sweden:	SEK 1,110 (2,250) million

Total credit facilities were NOK 25,641 (28,406) million, NOK 5,128 (8,018) million of which was undrawn.

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

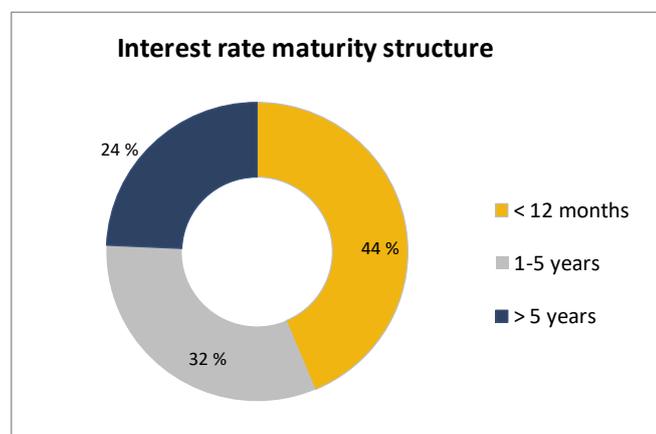
The debt had an average remaining term of 3.2 (2.9) years, with 11 % (22 %) of the debt falling due for repayment within 1 year.

Current liquidity reserves are sufficient to refinance all debt falling due in the banking and capital markets in 2023 and 2024.

AVERAGE INTEREST RATE AND INTEREST RATE ADJUSTMENT

At the end of Q3, the Group's average interest rate was 3.91 % (3.04 %), which can be broken down by currency as follows:

Currency	Share of debt	Average interest rate
NOK	88 %	4.12 %
SEK	12 %	2.35 %



At the end of Q3, the Group had an average fixed-rate period of 3.4 (3.6) years and a fixed-rate ratio of 56 % (57 %).

SHARE INFORMATION

The closing price of the Olav Thon Eiendomsselskap share was NOK 179.5 at the end of Q3, up from NOK 166.5 at the start of the quarter.

In recent quarters/years, the share has generated the following return compared with the Oslo Stock Exchange:

	Return OLT	OSEBX
Q3 2022	8 %	-5 %
To date in 2022	-5 %	-8 %
Last 12 months	-4 %	-5 %
Last 24 months	27 %	26 %
Last 36 months	23 %	27 %

2,627,979 (555,000) shares were traded in Q3, with 2,874 (5,256) trades in the share on the Oslo Stock Exchange. The highest and lowest prices in the quarter were NOK 189.5 and 165, respectively.

4.9 (4.2) million shares were traded in the first nine months of the year, with 9,709 (14,423) trades in the share on the Oslo Stock Exchange.

BUYBACK OF TREASURY SHARES

In September, Olav Thon Eiendomsselskap launched an offer to the company's shareholders to buy back up to 3 million shares. On expiry of the acceptance deadline, the company bought back 2,144,263 shares at NOK 185 per share. Following this transaction, the company holds 2,144,263 (2.1 %) of its own shares.

SHAREHOLDERS

Olav Thon Eiendomsselskap ASA has issued 103,623,171 shares, which have equal rights. As at 30 September 2022, the company owned 2,144,263 of its own shares, which means that the number of shares with voting rights stands at 101,478,908.

At the end of Q3, the company had 3,685 shareholders, with Norwegian investors owning 97.6 % of the shares.

At the end of the quarter, the company's market capitalisation was NOK 18.6 (19.3) billion, and the company's five largest shareholders were as follows:

Name	%
Olav Thon Gruppen AS and subsidiaries	73.9 %
Folketrygdfondet	2.3 %
MP Pensjon	2.2 %
Olav Thon Eiendomsselskap ASA	2.1 %
VPF Nordea Verdi	1.4 %
Other owners	18.1 %
Total	100 %

OUTLOOK

The Norwegian economy is booming, and unemployment has fallen to low levels, but there are clear signs of slower economic growth. Price growth has increased considerably and is much higher than Norges Bank's inflation target.

To curb rising inflation, Norges Bank has increased its policy rate from 0.5 % to 2.25 % in the course of 2022 and is indicating that the rate will be increased further to around 3 % in 2023.

The war in Ukraine, high inflation and sharply rising interest rates are causing uncertainty regarding economic development both in Norway and worldwide going forward.

Despite increased uncertainty, it is assumed that the Group's strong market position and solid finances will help maintain good profit development in the future.

Oslo, 3 November 2022

Board of Directors, Olav Thon Eiendomsselskap ASA

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	Q3 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Rental income	6	787	748	2 377	2 221	2 990
Property-related income		237	211	732	684	939
Property-related expenses	6	-308	-271	-957	-829	-1 155
Net rental income	7	716	687	2 152	2 077	2 774
Other operating income	3	13	34	138	106	165
Other operating expenses		-12	-36	-64	-112	-154
Administrative expenses	6	-40	-45	-137	-143	-197
Depreciation		-5	-6	-21	-20	-32
Net income from property management	7	672	634	2 067	1 907	2 558
Fair value adjustments, investment property	8	-529	350	1 311	454	1 802
Fair value adjustments, right-of-use assets		-3	-3	-8	-9	-12
Share of profit from joint ventures and associates	9	-11	74	164	160	283
Operating profit	7	128	1 055	3 533	2 512	4 631
Financial income	10	5	20	17	88	118
Financial expenses	10	-212	-180	-556	-533	-699
Fair value adjustments, interest rate derivatives		127	204	939	623	716
Net financial items		-80	45	400	178	136
Profit before income tax		48	1 099	3 933	2 690	4 767
Change in deferred tax		45	-174	-632	-326	-736
Income tax payable		-56	-115	-194	-236	-208
Income tax		-11	-289	-826	-562	-944
Profit		37	810	3 107	2 127	3 822
Other Comprehensive income						
<i>Items to be reclassified to P&L in subsequent periods:</i>						
Currency translation differences from foreign operations		12	-10	-2	-64	-103
Total comprehensive income		49	800	3 105	2 063	3 720
Profit attributable to:						
Shareholders of the parent		44	804	3 071	2 114	3 770
Non-controlling interests		-7	6	35	14	53
Total comprehensive income attributable to:						
Shareholders of the parent		55	794	3 069	2 049	3 667
Non-controlling interests		-7	6	35	14	53
Earnings per share, basic and diluted (NOK)		0	8	30	20	36

OLAV THON EIENDOMSSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

(NOK million)	Note	30.09.2022	30.09.2021	31.12.2021
ASSETS				
Deferred tax asset		-	327	0
Investment properties	8	58 542	55 084	56 530
Owner-occupied properties		186	188	187
Right-of-use assets		200	340	337
Fixed assets		49	61	58
Investments in joint ventures and associates	9	3 115	2 891	3 004
Other non-current assets		414	410	445
Total non-current assets		62 506	59 302	60 560
Trade receivables and other current receivables		802	776	992
Cash and cash equivalents		310	407	448
Total current assets		1 112	1 183	1 440
Total assets		63 618	60 485	62 000
EQUITY AND LIABILITIES				
Share capital		101	104	104
Share premium		318	318	318
Other equity		32 480	28 855	30 484
Non-controlling interests		460	397	436
Total equity		33 359	29 674	31 342
Deferred tax liabilities		8 131	7 411	7 493
Lease liabilities		204	342	341
Interest-bearing non-current liabilities	11	18 270	15 968	16 780
Other non-current liabilities	11	27	825	712
Total non-current liabilities		26 632	24 545	25 325
Income tax payable		197	267	209
Interest-bearing current liabilities	12	2 243	4 422	3 335
Trade payables and other current liabilities	12	1 187	1 578	1 790
Total current liabilities		3 628	6 267	5 333
Total liabilities		30 259	30 812	30 658
Total equity and liabilities		63 618	60 485	62 000

OLAV THON EIENDOMSSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(NOK million)	Q3 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Net cash flow from operations	467	468	1 540	1 468	1 997
Expensed interest	198	173	536	511	670
Paid interest	-221	-165	-543	-508	-667
Paid income tax	-2	5	-206	-139	-169
Change in working capital	185	143	-155	-87	-147
Net cash flow from operating activities	627	623	1 173	1 245	1 684
Payment on the sale of tangible fixed assets	-	-1	-	366	366
Acquisition of investment properties	-132	-216	-476	-695	-873
Acquisition of subsidiaries	-0	-	-249	-	-
Other investments	20	19	112	38	14
Net cash flow from investment activities	-112	-198	-613	-291	-492
Proceeds from interest-bearing liabilities	2 099	5 056	7 965	12 291	14 550
Repayment of interest-bearing liabilities	-2 099	-4 838	-7 567	-12 784	-15 245
Payment on leasing liabilities	-2	-2	-6	-8	-11
Dividends paid	-	-529	-691	-529	-520
Acquisition of own shares	-398	-	-398	-	-
Net cash flow from financing activities	-400	-313	-698	-1 030	-1 226
Currency translation effects on cash and cash equivalents	0	4	-0	-1	-2
Net change in cash	115	115	-138	-76	-36
Cash at beginning of period	195	292	448	484	484
Cash at end of period	310	407	310	407	448

OLAV THON EIENDOMSSKAP 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 31.12.2020	104	318	32	27 310	-12	27 752	385	28 136
Profit	-	-	-	2 114	-	2 114	14	2 127
Other comprehensive income	-	-	-64	-	-	-64	-	-64
Dividends paid	-	-	-	-518	-	-518	-10	-528
Other changes	-	-	-	-6	-	-6	8	2
Equity 30.09.2021	104	318	-32	28 899	-12	29 277	397	29 674
Profit	-	-	-	1 656	-	1 656	39	1 695
Other comprehensive income	-	-	-38	-	-	-38	-	-38
Dividends paid	-	-	-	-	-	-	8	8
Other changes	-	-	-	12	-	12	-8	4
Equity 31.12.2021	104	318	-70	30 567	-12	30 907	436	31 342
Profit	-	-	-	3 071	-	3 071	35	3 107
Other comprehensive income	-	-	-2	-	-	-2	-	-2
Acquisitions of own shares	-2	-	-	-396	-	-398	-	-398
Dividends paid	-	-	-	-674	-	-674	-17	-691
Other changes	-	-	-	-5	-	-5	6	0
Equity 30.09.2022	101	318	-72	32 563	-12	32 899	460	33 359

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 November 3, 2022. 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 2021.

Note 3 CHANGES IN GROUP STRUCTURE

Amfi Drift AS with the subsidiaries Amfi Kreativ AS and Amfi Drift Storebrand AS have been sold per 1 April 2022 (see note 6). The transaction is considered not to have a significant effect on future profit before tax.

Beyond this, 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. In preparing the interim financial statements, management has used the same assessments related to the application of accounting principles that formed the basis for the consolidated financial statements for 2021.

Note 5 SUBSEQUENT EVENTS

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

Note 6 RELATED PARTY TRANSACTIONS

The company has the following transactions with related parties:

Transactions	Counterparty	30.09.2022	30.09.2021	31.12.2021
Rental income	Companies in Thon Holding Group	63	61	82
Property-related expenses	Companies in Thon Holding Group	8	-	-
Operating and administration agreements	Companies in Thon Holding Group	113	96	128

As of 1 April 2022, Amfi Drift AS has been sold to Thon Holding AS for NOK 191 million, which is considered to be at arm's length based on external valuation. The sale has been carried out to consolidate the operation of the group's property portfolio. Thon Holding AS already manages a significant part of the group's property portfolio and has the main responsibility of the portfolio management. Thon Holding AS is closely related to the company's main shareholder, Olav Thon Gruppen AS.

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.

Q3 2022	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	582	205	-	787	740	47	787
Property-related income	213	24	-	237	219	18	237
Property-related expenses	-239	-70	-	-308	-272	-37	-308
Net rental income	556	159	-	716	687	29	716
Other operating income	1	-	13	13	13	-	13
Other operating expenses	-2	-	-10	-12	-12	-	-12
Administrative expenses	-31	-9	-	-40	-37	-3	-40
Depreciation	-3	-2	-	-5	-5	-0	-5
Net income from property management	521	148	3	672	646	26	672
Fair value adjustments, investment property	-355	-175	-	-529	-522	-7	-529
Fair value adjustments, right-of-use assets	-2	-1	-	-3	-3	-	-3
Share of profit from joint ventures & associates	-11	0	-	-11	-11	-	-11
Operating profit	153	-28	3	128	110	19	128

Q3 2021	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	547	201	-	748	704	44	748
Property-related income	188	23	-	211	194	17	211
Property-related expenses	-210	-61	-	-271	-243	-28	-271
Net rental income	525	162	-	687	655	32	687
Other operating income	12	-	22	34	34	-	34
Other operating expenses	-17	-	-19	-36	-36	-	-36
Administrative expenses	-37	-8	-	-45	-42	-3	-45
Depreciation	-3	-3	-	-6	-6	0	-6
Net income from property management	480	151	2	634	604	29	634
Fair value adjustments, investment property	274	76	-	350	368	-18	350
Fair value adjustments, right-of-use assets	-2	-1	-	-3	-3	-	-3
Share of profit from joint ventures & associates	73	0	-	74	74	-	74
Operating profit	826	226	2	1 055	1 043	11	1 055

30.09.2022	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	1 760	617	-	2 377	2 232	145	2 377
Property-related income	641	91	-	732	680	52	732
Property-related expenses	-730	-227	-	-957	-843	-114	-957
Net rental income	1 671	481	-	2 152	2 069	83	2 152
Other operating income*	91	-	47	138	138	-	138
Other operating expenses	-25	-	-40	-64	-64	-	-64
Administrative expenses	-110	-27	-	-137	-127	-10	-137
Depreciation	-13	-8	-	-21	-21	-0	-21
Net income from property management	1 614	446	7	2 067	1 994	73	2 067
Fair value adjustments, investment property	969	342	-	1 311	1 195	116	1 311
Fair value adjustments, right-of-use assets	-6	-2	-	-8	-8	-	-8
Share of profit from joint ventures & associates	164	0	-	164	164	-	164
Operating profit	2 740	786	7	3 533	3 345	189	3 533

*Includes gain from the sale of the Amfi Drift group of NOK 69 million.

30.09.2021	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	1 628	593	-	2 221	2 076	145	2 221
Property-related income	613	72	-	684	629	55	684
Property-related expenses	-623	-206	-	-829	-744	-85	-829
Net rental income	1 617	459	-	2 077	1 962	115	2 077
Other operating income	49	-	57	106	106	-	106
Other operating expenses	-59	-	-53	-112	-112	-	-112
Administrative expenses	-119	-24	-	-143	-133	-10	-143
Depreciation	-11	-9	-	-20	-20	0	-20
Net income from property management	1 478	426	4	1 907	1 802	105	1 907
Fair value adjustments, investment property	195	259	-	454	484	-31	454
Fair value adjustments, right-of-use assets	-6	-2	-	-9	-9	-	-9
Share of profit from joint ventures & associates	163	-3	-	160	160	-	160
Operating profit	1 829	679	4	2 512	2 437	74	2 512

31.12.2021	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	2 188	801	-	2 990	2 796	193	2 990
Other property-related income	826	113	-	939	868	71	939
Property-related expenses	-851	-304	-	-1 155	-1 033	-121	-1 155
Net rental income	2 164	610	-	2 774	2 631	143	2 774
Other operating income	91	-	74	165	165	-	165
Other operating expenses	-90	-	-63	-154	-154	-	-154
Administrative expenses	-164	-33	-	-197	-184	-13	-197
Depreciation	-19	-12	-	-32	-32	-	-32
Net income from property management	1 982	565	11	2 558	2 428	130	2 558
Fair value adjustments, investment property	845	957	-	1 802	1 849	-47	1 802
Fair value adjustments, right-of-use assets	-9	-3	-	-12	-12	-	-12
Share of profit from joint ventures & associates	279	4	-	283	283	-	283
Operating profit	3 097	1 523	11	4 631	4 548	83	4 631

Note 8 INVESTMENT PROPERTY

	30.09.2022	30.09.2021	31.12.2021
Opening balance	56 530	54 453	54 453
Acquisitions/expenditure on properties	460	689	859
Acquisitions and divestments companies/investment property	250	-369	-369
Change in fair value recognised in the period	1 311	454	1 802
Effect of currency exchange differences in foreign operations	-8	-144	-215
Other changes	-1	2	-
Closing balance	58 542	55 084	56 530

The table below presents a sensitivity analysis at the balance sheet date, showing changes in fair value of investment properties when yield and rent levels is changed.

	Fair Value	Rent level		
	Investment property	- 10 %	Unchanged	+ 10 %
Yield				
	- 1 %-points	65 941	73 213	80 485
	- 0,5 %-points	58 598	65 055	71 511
	Unchanged	52 737	58 542	64 347
	+ 0,5 %-points	47 950	53 223	58 496
	+ 1,0 %-points	43 966	48 797	53 627

Note 9 JOINT VENTURES AND ASSOCIATED COMPANIES

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

Joint ventures	Q3 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Net rental income	93	90	286	276	287
Fair value adjustments, investment property	-62	37	-13	41	129
Fair value adjustments, interest rate derivatives	4	4	27	14	17
Expenses	-57	-50	-164	-152	-122
Income taxes	7	-14	-13	-28	-54
Profit	-15	66	123	150	258
Investment properties			3 610	3 471	3 563
Other assets			312	254	259
Total assets			3 922	3 725	3 822
Equity			2 582	2 351	2 458
Non-current liabilities			1 241	1 267	1 262
Current liabilities			99	107	101
Total equity and liabilities			3 922	3 725	3 822

Associated companies	Q3 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Net rental income	14	14	41	40	59
Fair value adjustments, investment property	-4	0	26	-14	-5
Expenses	-5	-4	-14	-14	-21
Income taxes	-1	-2	-12	-3	-7
Profit	4	8	41	10	25
Investment properties			902	843	858
Other assets			117	175	169
Total assets			1 018	1 018	1 027
Equity			533	540	545
Non-current liabilities			468	464	467
Current liabilities			17	14	15
Total equity and liabilities			1 018	1 018	1 027

Note 10 FINANCIAL INCOME AND FINANCIAL EXPENSES

	Q3 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Interest income	5	0	9	5	5
Currency gain	0	12	8	75	113
Other financial income	-	8	0	8	0
Total financial income	5	20	17	88	118
Interest expenses	-195	-167	-524	-492	-645
Interest expenses related to lease liabilities	-3	-6	-12	-19	-25
Currency loss	-9	0	0	-0	-0
Other financial expenses	-5	-7	-21	-22	-28
Total financial expenses	-212	-180	-556	-533	-699

CURRENCY ITEMS

Currency translation differences from foreign operations	12	-10	-2	-64	-103
Currency translation effects on cash and cash equivalents	0	4	-0	-1	-2
Other currency items	-9	8	8	76	115
Total currency effects	3	2	6	10	10

Note 11 NON-CURRENT LIABILITIES

	30.09.2022	30.09.2021	31.12.2021
Bonds	10 300	9 680	10 215
Other interest-bearing liabilities	7 970	6 288	6 565
Total interest-bearing current liabilities	18 270	15 968	16 780
Fair value interest rate swaps*	-0	796	689
Other liabilities	27	29	22
Total non-current liabilities	27	825	712

* The long-term part of interest rate swaps has a positive fair value of NOK 28 million as at 30. June, and is classified as other non-current assets.

Note 12 CURRENT LIABILITIES

	30.09.2022	30.09.2021	31.12.2021
Commercial papers	495	1 950	1 725
Bonds	1 721	2 404	1 583
Bank loans	27	68	27
Total interest-bearing current liabilities	2 243	4 422	3 335
Fair value interest rate swaps	76	329	299
Lease liabilities	8	9	9
Trade payables	125	143	137
Accrued interest	24	31	31
Duties payable	137	122	115
Other current liabilities	817	944	1 200
Total trade payables and other current liabilities	1 187	1 578	1 790

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

ALTERNATIVE PERFORMANCE MEASURES

Amounts in NOK million

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

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

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

Fair value adjustments in investment properties and interest rate derivatives affect the group's profit before tax. These income statement items are considered to be more determined by external factors than the other profit and loss items.

	Q3 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Fair value adjustments in;					
investment properties recognised in profit and loss	-529	350	1 311	454	1 802
right-of-use assets recognised in profit and loss	-3	-3	-8	-9	-12
investment properties in joint ventures	-62	37	-13	41	129
investment properties in associated companies	-4	0	26	-14	-5
interest rate derivatives recognised in profit and loss	127	204	939	623	716
interest rate derivatives in joint ventures	4	4	27	14	17
Fair value adjustments, investment properties and derivatives	-467	592	2 282	1 109	2 647

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.

	Q3 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Profit before income tax	48	1 099	3 933	2 690	4 767
Income tax in joint ventures	-7	14	13	28	54
Income tax in associated companies	1	2	12	3	7
Fair value adjustments investment properties and derivatives	467	-592	-2 282	-1 109	-2 647
Currency gain	-0	-12	-8	-75	-113
Currency loss	9	-0	-0	0	0
Profit before income tax, fair value adjustment and currency result	518	512	1 668	1 537	2 068

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.

	30.09.2022	30.09.2021	31.12.2021
Total equity	33 359	29 674	31 342
Total equity and debt	63 618	60 485	62 000
Equity ratio	52 %	49 %	51 %

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.

	30.09.2022	30.09.2021	31.12.2021
Majority share of equity	32 899	29 277	30 906
Deferred tax liabilities (deferred tax liabilities current assets excluded)	8 117	7 403	7 493
Fair value of debt - deferred tax liabilities - 6 %	-2 214	-2 019	-2 043
Long term net asset value	38 803	34 661	36 355
Number of shares (own shares not included)	101 478 908	103 623 171	103 623 171
Long term net asset value per share in NOK	382	334	351
Equity per share in NOK	324	283	298

5. Net cash flow from operating activities

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

	Q3 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Net cash flow from operating activities	627	623	1 173	1 245	1 684
Expensed/paid interest	-23	8	-7	3	3
Paid income tax	-2	5	-206	-139	-169
Change in working capital	185	143	-155	-87	-147
Net cash flow from operations	467	468	1 540	1 468	1 997

6. Liquidity reserves

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

	30.09.2022	30.09.2021	31.12.2021
Unutilized overdrafts and other credit facilities	5 128	8 018	7 766
Cash and cash equivalents	310	407	448
Liquidity reserves	5 438	8 425	8 214

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.

	30.09.2022	30.09.2021	31.12.2021
Commercial papers	495	1 950	1 725
Bonds	1 721	2 404	1 583
Bank loans	27	68	27
Amortisation next 12 months	2 243	4 422	3 335

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

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

	30.09.2022	30.09.2021	31.12.2021
Bonds, non-current	10 300	9 680	10 215
Bonds, current	1 721	2 404	1 583
Commercial papers, current	495	1 950	1 725
Debt to credit institutions, long-term	7 970	6 288	6 565
Debt to credit institutions, short-term	27	68	27
Interest-bearing debt*	20 513	20 389	20 114
Cash and cash equivalents	-310	-407	-448
Net interest-bearing debt	20 204	19 982	19 666
Market value properties	58 754	55 289	56 734
Loan to value ratio	34 %	36 %	35 %

* Unsecured part of interest-bearing debt (where the Group has not provided collateral)	11 478	11 489	11 843
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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.

	30.09.2022	30.09.2021	31.12.2021
Annualized interest expenses on interest-bearing debt as of the balance sheet date	683	277	330
Annualized interest expenses on current interest rate swaps per balance sheet date	119	342	306
Annualized interest expenses per balance sheet date	802	619	635
Interest-bearing debt	20 513	20 389	20 114
Interest per balance sheet date	3,91 %	3,04 %	3,16 %

10. Net investments

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

	Q3 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Investment properties	130	213	460	689	859
Acquisitions and divestments companies	0	0	59	-369	-369
Other fixed assets	2	1	11	5	12
Other investments	17	9	81	40	57
Net investments	150	223	611	365	559

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

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

	30.09.2022	30.09.2021	31.12.2021
Market value investment properties	58 542	55 084	56 530
Market value owner-occupied properties	212	205	205
Market value properties	58 754	55 289	56 734

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

Market value of properties joint venture (Group share)	3 610	3 471	3 563
Market value of properties associated companies (Group share)	902	843	858

12. Annualized rental income level

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

	30.09.2022	30.09.2021	31.12.2021
Annualized market rent leased premises	3 244	3 137	3 150
Annualized market rent vacant premises	106	123	120
Annualized rental income level	3 350	3 260	3 270

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

Annualized market rent leased premises owned through joint ventures and associated companies	272	260	271
Annualized market rent vacant premises owned through joint ventures and associated companies	13	15	14
Annualized rental income level owned through joint ventures and associated companies	285	275	285

Total annualized rental income level	3 635	3 535	3 555
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13. Net yield properties

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

	30.09.2022	30.09.2021	31.12.2021
Annualized rental income level	3 350	3 260	3 270
Lessor's owner cost	464	445	477
Annualized net rental income level	2 886	2 815	2 793
Market value properties	58 754	55 289	56 734
Adjustment market value for plots etc	493	273	572
Market value properties after adjustment	58 261	55 016	56 163
Net yield properties	4,95 %	5,12 %	4,97 %



Pictures: Thon Hotel Storo

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