

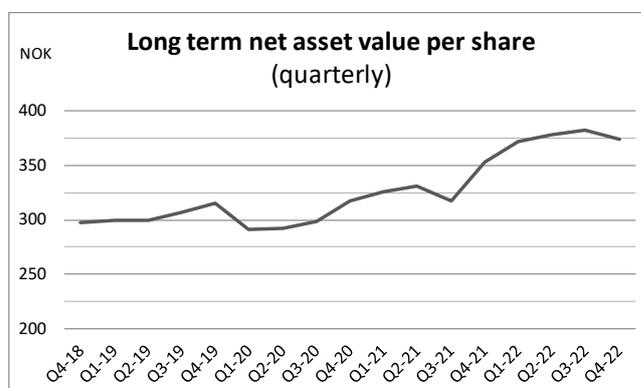
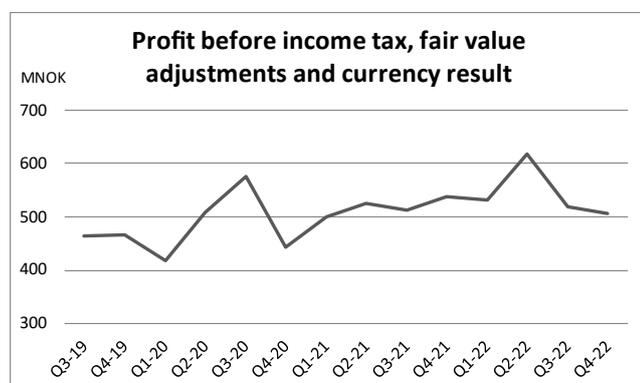


**REPORT FOR Q4 AND
PRELIMINARY RESULTS FOR 2022**

Key figures

Amounts in MNOK	APM*	Q4 2022	Q4 2021	31.12.2022	31.12.2021
Net rental income		720	698	2 872	2 774
Fair value adjustments in investment properties and interest rate derivatives	1	-1 358	1 538	924	2 647
Profit before income tax		-796	2 077	3 138	4 767
Profit before income tax, fair value adjustments and currency result	2	507	531	2 175	2 068
Equity ratio	3			52 %	51 %
Equity per share (NOK)	4			318	298
Long-term net asset value per share (NOK)	4			374	351
Net cash flow from operations	5	488	537	2 028	1 997
Liquidity reserves	6			5 119	8 214
Amortisation next 12 months	7			2 623	3 335
Interest-bearing debt	8			20 227	20 114
Interest per balance sheet date	9			4,45 %	3,16 %
Loan to value ratio	8			35 %	35 %
Net investments	10	273	223	883	559
Market value properties	11			57 715	56 734
Annualized rental income level	12			3 385	3 270
Net yield properties	13			5,10 %	4,97 %
Sales, owned shopping centres		17 343	17 192	57 032	55 235
Share price per balance sheet date (NOK)				175,5	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 Q4 and preliminary results for 2022

HIGHLIGHTS OF THE QUARTERLY REPORT¹:

- The Group posted another good operating result in Q4 with profit before tax, fair value adjustments and currency result amounting to NOK 507 (531) million
- Following downward adjustment of the value of the Group's property portfolio by NOK 1,183 million, profit before tax in Q4 was NOK -796 (2,077) million
- The Group's preliminary profit before tax for 2022 amounted to NOK 3,138 (4,767) million
- The Group's financial position is solid, and the Group's equity ratio at year end was 52% (51%), while its liquidity reserves were NOK 5,119 (8,214) million
- Retail sales in the shopping centre portfolio in Q4 were NOK 17,343 million, up 1% on Q4 2021, but up 13% on Q4 in 2019, the last normal year before the pandemic
- An agreement was signed in Q4 regarding the acquisition of 50% of the Sørlandssenteret shopping centre in the Municipality of Kristiansand. Following the takeover in January 2023, Olav Thon Eiendomsselskap is the sole owner of Sørlandssenteret
- The Board proposes that a dividend of NOK 6.5 (6.50) per share be paid for 2022

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

FINANCIAL POSITION/BALANCE SHEET AS AT 31 DECEMBER 2022

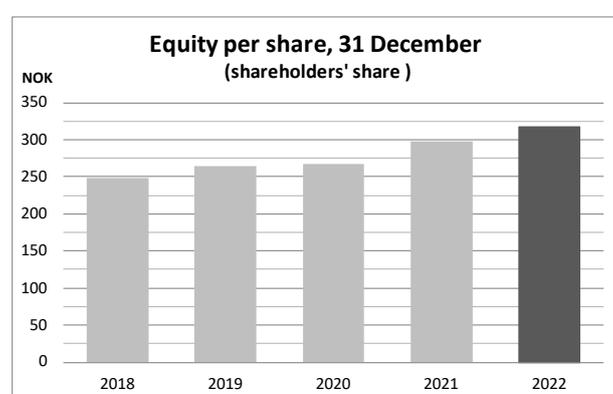
The Group's total assets were NOK 62,568 (62,000) million, with investment properties accounting for NOK 57,699 (56,866) million of that figure ².

Total equity was NOK 32,694 (31,342) million and the equity ratio was 52% (51%).

Equity per share (majority share) was NOK 318 (298), while the long-term net asset per share was NOK 374 (351).

Interest-bearing debt was NOK 20,227 (20,114) million with a loan-to-value ratio³ of 35% (35%).

The Group's share of the equity in joint ventures and associate companies was NOK 2,970 (3,004) million.



Equity per share has increased by 28% in the last five years.

SUMMARY OF THE RESULTS FOR Q4

Profit/loss before tax was NOK -796 (2,077) million.

Fair value adjustments of investment properties and interest rate derivatives totalled NOK -1,358 (1,538) million⁴.

Profit before tax, fair value adjustments and currency result amounted to NOK 507 (531) million.

RENTAL INCOME AND PROPERTY-RELATED EXPENSES

Gross rental income was NOK 843 (769) million.

Other property-related income amounted to NOK 271 (255) 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 394 (326) million, including the above-mentioned letting and property administration costs of NOK 256 (219) million.

Maintenance expenses for the property portfolio amounted to NOK 38 (6) million.

The Group's energy expenses that are not re-invoiced to its tenants were NOK 8 (6) million.

Energy costs also account for the majority of the Group's share of service charges for vacant space, which amount to NOK 42 (32) million.

Net rental income amounted to NOK 720 (698) million.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The value of the Group's investment properties was adjusted downward by NOK 1,183 (1,345) million in Q4.

The reduction in value is largely due to the average yield requirement for valuation of the property portfolio increasing from 4.95% to 5.10%.

The Group's property portfolio consists of:

- 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 Q4.

The value of the Group's shopping centre properties decreased by NOK 783 (648) million, while the value of the commercial properties was adjusted downward by NOK 400 (697) million.

SHARE OF RESULTS OF JOINT VENTURES AND ASSOCIATE COMPANIES

The Group's share of the results of joint ventures and associate companies amounted to NOK -38 (123) million.

The fall from last year is primarily due to fair value adjustments of investment properties and interest rate derivatives amounting to NOK -115 (99) million.

Note 9 in the quarterly report shows underlying figures in the income statement and balance sheet for these 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 21 (60) million and consisted mainly of sales income from other activities.

² See note 8

³ See page 2 for definitions

⁴ Includes investments in joint ventures and associate companies

Other operating and administrative expenses amounted to NOK 62 (95) million, while depreciation and amortisation amounted to NOK 5 (12) million.

FINANCIAL INCOME AND EXPENSES

Net financial items amounted to NOK -249 (-42) million, with fair value adjustments of interest rate derivatives accounting for NOK -61 (93) million of that figure.

Net interest expenses amounted to NOK 220 (158) million, NOK 3 (6) million of which were interest expenses related to lease liabilities.

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

Unrealised gains linked to the SEK exchange rate amounted to NOK 35 (38) million.

FAIR VALUE ADJUSTMENTS OF INTEREST RATE DERIVATIVES

Long-term market interest rates fell in Norway in Q4 while remaining stable in Sweden.

In Norway, the 10-year rate was down by 0.24 of a percentage point to 3.27%, while the corresponding rate in Sweden was down by 0.01 of a percentage point to 3.13%.

As a result of the change in interest rates, the fair value of the Group's interest rate derivatives fell by NOK 61 (93) million.

PRELIMINARY RESULTS 2022

In 2022, rental income amounted to NOK 3,220 (2,990) million.

Other property-related income amounted to NOK 1,003 (939) million, while property-related expenses amounted to NOK 1,351 (1,155) million.

Maintenance expenses for the property portfolio amounted to NOK 149 (112) million.

The Group's energy expenses that are not re-invoiced to its tenants were NOK 28 (16) million.

Energy costs also represent the majority of the Group's share of service charges for vacant space, which amount to NOK 127 (98) million.

Net rental income amounted to NOK 2,872 (2,774) million.

The value of the Group's investment properties increased by NOK 119 (1,790) million.

The value of the Group's commercial properties, which include rental housing, fell by NOK 60 (954) million, while the value of the shopping centre portfolio increased by NOK 179 (837) million.

Net financial items amounted to NOK 151 (136) million, with fair value adjustments of interest rate derivatives accounting for NOK 878 (716) million of that figure.

Net interest expenses amounted to NOK 746 (665) million, NOK 15 (25) million of which were interest expenses related to lease liabilities.

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

Unrealised gains linked to the SEK exchange rate amounted to NOK 43 (113) million.

The market value of the Group's interest rate derivatives increased by NOK 878 (716) million as a result of higher long-term market interest rates in Norway and Sweden during 2022.

Profit before tax was NOK 3,138 (4,767) million.

Total fair value adjustments of the Group's investment properties and interest rate derivatives amounted to NOK 924 (2,647) million, including joint ventures and associate companies.

Profit before tax, fair value adjustments and currency result therefore amounted to NOK 2,175 (2,068) million.

CASH FLOW AND LIQUIDITY

Q4

Net cash flow from operations was NOK 488 (537) million.

Net cash flow from operating activities was NOK 249 (440) million.

Investing activities reduced liquidity by NOK 111 (202) million, while financing activities reduced liquidity by NOK 213 (196) million.

The exchange rate effects on cash and cash equivalents amounted to NOK 0 (-1) million, and the Group's liquidity reserves therefore fell by NOK 75 (40) million.

2022

Overall, net cash flow from operations was NOK 2,028 (1,997) million in 2022.

Net cash flow from operating activities was NOK 1,231 (1,684) million.

Net cash flow from investing activities was NOK -532 (-492) million, while financing activities reduced liquidity by NOK 911 (1,226) million.

The currency effects on cash and cash equivalents amounted to NOK 0 (-2) million, and the Group's liquidity reserves therefore fell by NOK 213 (36) million in 2022.

Liquidity reserves were NOK 5,119 (8,214) million at year end and consisted of short-term investments of NOK 235 (448) million and undrawn long-term credit facilities of NOK 4,885 (7,766) million.

INVESTMENTS

The Group's net investments in Q4 were NOK 273 (223) million. Total net investments in 2022 amounted to NOK 883 (559) million.

MAJOR PROPERTY ACQUISITIONS

Sørlandssenteret, Kristiansand

An agreement was signed in Q4 regarding the acquisition of 50% of the Sørlandssenteret shopping centre in the Municipality of Kristiansand. Following the takeover in January 2023, Olav Thon Eiendomsselskap is the sole owner of Sørlandssenteret.

Sørlandssenteret, which is located 12 km northeast of Kristiansand, is the largest shopping centre in Agder. In 2022, total tenant sales were NOK 2.9 billion, making Sørlandssenteret Norway's sixth-largest shopping centre in terms of sales. The centre generated NOK 137 million in rental income in 2022.

Amfi Ulsteinvik

An agreement was signed in Q4 regarding the acquisition of Amfi Ulsteinvik, which the Group has managed for external owners for several years. The shopping centre, which is located in Ulsteinvik in the County of Møre og Romsdal, has a gross area of 12,000 square metres and generated NOK 14 million in rental income in 2022.

The shopping centre was taken over in mid-January 2023.

MAJOR PROPERTY PROJECTS⁵

Under construction

Amfi Vågen, Sandnes

This shopping centre property covering approximately 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.

Arnlfjot 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 2023/2024.

In planning phase

Olav Thon Eiendomsselskap is working on a number of major property projects that are primarily 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.

⁵Over NOK 50 million

PROPERTY PORTFOLIO AS AT 31 DECEMBER 2022

The property portfolio was valued at NOK 57,699 (56,866) million, based on an average yield of 5.10% (4.97%).

Average yields by property segment were as follows:

Shopping centre properties:	5.46% (5.34%)
Commercial property:	4.21% (4.08%)

Annual rental income was NOK 3,385 (3,270) million, with the following segment distribution:

	Market value (Share)	Rental income level (Share)
Shopping centre properties	71%	77%
Other commercial properties	29%	23%
Total portfolio	100%	100%

The vacancy rate in the property portfolio was 3.5% (3.7%).

PROPERTY PORTFOLIO OWNED THROUGH JOINT VENTURES AND ASSOCIATE COMPANIES

The Group's share of the rental income of joint ventures and associate companies was NOK 295 (285) million.

The Group's share of the property values in these companies was NOK 4,436 (4,421) million.

THE SHOPPING CENTRE BUSINESS AREA

At year end, 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 five of Norway's six largest shopping centres, including Lagunen Storsenter in Bergen, Norway's largest shopping centre in terms of retail sales.

Retail sales

Retail sales in the Group's shopping centre portfolio in Q4 amounted to NOK 17,343 (17,192) million.

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

MNOK	2022	2021	2019	Endring fra 2021	Endring fra 2019
October	4 623	4 725	4 157	-2%	11%
November	5 512	5 396	4 905	2%	12%
December	7 208	7 071	6 324	2%	14%
SUM 4. quarter	17 343	17 192	15 386	1%	13%

Total retail sales in 2022 amounted to NOK 57,032 (55,235) million.

Norway

In Q4, the Group's Norwegian shopping centres had retail sales of NOK 16,336 (16,155) million. Retail sales in 2022 were NOK 53,453 (51,647) million.

Sweden

Retail sales in the shopping centres in Sweden amounted to SEK 1,060 (1,053) million in Q4, and SEK 3,765 (3,581) million in 2022.

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 macroeconomic factors and demand for commercial property as an investment object.

The valuation as at 31 December 2022 was based on an average yield of 5.10%. 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 in the report 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.

INTEREST RATE DERIVATIVES

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

At year end, the portfolio of interest rate derivatives was NOK 19,943 million and is made up of the following main groups:

MNOK	Amount
Floating rate to fixed rate	11 243
Fixed rate to floating rate	2 900
Floating rate to fixed rate - future start	5 800
Sum	19 943

At year end, total fair value was NOK -110 (-988) million.

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

It is estimated that a change of 1 percentage point in interest rates would change the market value of the portfolio by approximately NOK 550 – 650 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 good despite the capital markets remaining relatively weak in Q4.

In spite of this, the capital markets in Norway and Sweden were once again the Group's main financing sources in Q4, with new loans amounting to NOK 1,000 million and SEK 400 million being raised.

INTEREST-BEARING DEBT AND MATURITY STRUCTURE

At year end, the outstanding certificate and bond debt amounted to NOK 12,033 (13,523) million, made up as follows:

Norway: NOK 11,088 (11,230) million

Sweden: SEK 1,000 (2,250) million

Total credit facilities were NOK 25,112 (27,880) million, NOK 4,885 (7,766) million of which was undrawn.

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

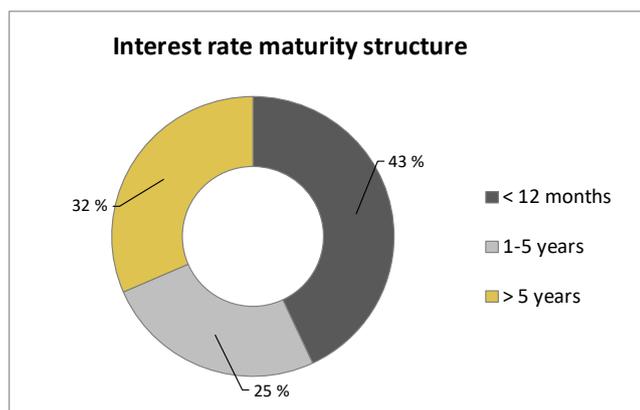
The debt had an average remaining term of 3.0 (3.0) years. 13% (17%) of the debt falls due for repayment within 1 year.

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 MATURITY STRUCTURE

At year end, the Group's average interest rate was 4.45% (3.16%), divided between the following currencies:

Currency	Share of debt	Average interest rate
NOK	87%	4.64%
SEK	13%	3.13%



At year end, the Group had a fixed-rate ratio of 57% (57%), with an average fixed-rate period of 3.5 (3.9) years.

SHARE INFORMATION

The closing price of Olav Thon Eiendomsselskap shares was NOK 175.50 at the end of Q4, down from NOK 179.50 at the start of the quarter.

The highest and lowest prices in the quarter were NOK 182 and 164, respectively.

In recent years, Olav Thon Eiendomsselskap shares have generated the following return (including dividend) compared with the Oslo Stock Exchange:

	Return OLT	OSEBX
2022	-7%	-1%
Last 2 år	2%	22%
Last 3 år	14%	26%
Last 5 år	16%	47%

In 2022, 5.6 (5.3) million shares were traded and 11,830 (18,024) transactions in the shares were conducted on the Oslo Stock Exchange. The highest and lowest prices in 2022 were NOK 199.80 and 164, respectively.

SHAREHOLDERS

Olav Thon Eiendomsselskap ASA has issued 103,623,171 shares, which have equal rights. As at 31 December 2022, the company owned 2,144,263 treasury shares, which means that the number of shares with voting rights stands at 101,478,908.

At year end, the company had 3,744 shareholders, with Norwegian investors owing 97.8% of the shares.

At year end, the company's market capitalisation was NOK 18.2 (20.3) billion, and the company's five largest shareholders were as follows:

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 shareholders	18.1%
TOTAL	100%

DIVIDEND

The company's dividend policy is that shareholders should receive a dividend equivalent to 30-40% of the Group's profit excluding fair value adjustments, given a satisfactory solvency ratio and liquidity.

The Board will propose to the General Meeting that a dividend of NOK 6.50 per share be paid for 2022.

OUTLOOK

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

In order to curb rising inflation, Norges Bank raised its policy rate from 0.5% to 2.75% in 2022, and is indicating that the rate will be raised further to around 3% in the first half of 2023.

The war in Ukraine, high inflation and sharp interest rate rises 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 operating profit development in the future.

Oslo, 15 February 2023

Board of Directors, Olav Thon Eiendomsselskap ASA

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	Q4 2022	Q4 2021	31.12.2022	31.12.2021
Rental income	6	843	769	3 220	2 990
Property-related income		271	255	1 003	939
Property-related expenses	6	-394	-326	-1 351	-1 155
Net rental income	7	720	698	2 872	2 774
Other operating income	3	21	60	158	165
Other operating expenses		-18	-42	-83	-154
Administrative expenses	6	-44	-53	-180	-197
Depreciation		-5	-12	-26	-32
Net income from property management	7	674	650	2 741	2 558
Fair value adjustments, investment property	8	-1 183	1 345	119	1 790
Share of profit from joint ventures and associates	9	-38	123	126	283
Operating profit	7	-547	2 119	2 986	4 631
Financial income	10	42	38	59	118
Financial expenses	10	-230	-173	-786	-699
Fair value adjustments, interest rate derivatives		-61	93	878	716
Net financial items		-249	-42	151	136
Profit before income tax		-796	2 077	3 138	4 767
Change in deferred tax		192	-410	-441	-736
Income tax payable		-16	28	-210	-208
Income tax		176	-382	-650	-944
Profit		-620	1 695	2 487	3 822
Other Comprehensive income					
<i>Items to be reclassified to P&L in subsequent periods:</i>					
Currency translation differences from foreign operations		-43	-38	-45	-103
Total comprehensive income		-663	1 657	2 442	3 720
Profit attributable to:					
Shareholders of the parent		-598	1 656	2 474	3 770
Non-controlling interests		-22	39	14	53
Total comprehensive income attributable to:					
Shareholders of the parent		-641	1 618	2 428	3 667
Non-controlling interests		-22	39	14	53
Earnings per share, basic and diluted (NOK)		-6	16	24	36

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

(NOK million)	Note	31.12.2022	31.12.2021
ASSETS			
Investment properties	8	57 699	56 866
Owner-occupied properties		186	187
Fixed assets		50	58
Investments in joint ventures and associates	9	2 970	3 004
Other non-current assets		374	445
Total non-current assets		61 278	60 560
Trade receivables and other current receivables		1 055	992
Cash and cash equivalents		235	448
Total current assets		1 290	1 440
Total assets		62 568	62 000
EQUITY AND LIABILITIES			
Share capital		101	104
Share premium		318	318
Other equity		31 837	30 484
Non-controlling interests		438	436
Total equity		32 694	31 342
Deferred tax liabilities		7 936	7 493
Lease liabilities		196	341
Interest-bearing non-current liabilities	11	17 604	16 780
Other non-current liabilities	11	99	712
Total non-current liabilities		25 835	25 325
Income tax payable		211	209
Interest-bearing current liabilities	12	2 623	3 335
Trade payables and other current liabilities	12	1 205	1 790
Total current liabilities		4 039	5 333
Total liabilities		29 874	30 658
Total equity and liabilities		62 568	62 000

OLAV THON EIENDOMSSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(NOK million)	Q4 2022	Q4 2021	31.12.2022	31.12.2021
Net cash flow from operations	488	537	2 028	1 997
Expensed interest	226	160	762	670
Paid interest	-206	-159	-748	-667
Paid income tax	-1	-31	-207	-169
Change in working capital	-258	-67	-604	-147
Net cash flow from operating activities	249	440	1 231	1 684
Payment on the sale of investment property and fixed assets	-	0	-	366
Acquisition of investment properties og fixed assets	-225	-178	-701	-873
Sale of subsidiaries	-	-	191	-
Acquisition of subsidiaries	-13	-	-263	-
Other investments	128	-24	240	14
Net cash flow from investment activities	-111	-202	-532	-492
Proceeds from interest-bearing liabilities	1 428	2 259	9 393	14 550
Repayment of interest-bearing liabilities	-1 639	-2 461	-9 206	-15 245
Payment on leasing liabilities	-2	-2	-8	-11
Dividends paid	-	8	-691	-520
Acquisition of own shares	-	-	-398	-
Net cash flow from financing activities	-213	-196	-911	-1 226
Currency translation effects on cash and cash equivalents	-0	-1	-0	-2
Net change in cash	-75	40	-213	-36
Cash at beginning of period	310	407	448	484
Cash at end of period	235	448	235	448

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

(NOK million)	Share capital	Share premium	Currency translation differences	Other Equity	Hedging reserve	Shareholders of the parent	Non-controlling interests	Total
Equity 31.12.2020	104	318	32	27 310	-12	27 752	385	28 136
Profit	-	-	-	3 770	-	3 770	53	3 822
Other comprehensive income	-	-	-103	-	-	-103	-	-103
Dividends paid	-	-	-	-518	-	-518	-2	-520
Other changes	-	-	-	5	-	5	1	6
Equity 31.12.2021	104	318	-70	30 567	-12	30 907	436	31 342
Profit	-	-	-	2 474	-	2 474	14	2 487
Other comprehensive income	-	-	-45	-	-	-45	-	-45
Acquisitions of own shares	-2	-	-	-396	-	-398	-	-398
Dividends paid	-	-	-	-674	-	-674	-17	-691
Other changes	-	-	-	-7	-	-7	5	-2
Equity 31.12.2022	101	318	-116	31 964	-12	32 256	438	32 694

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

(NOK million)

Note 1 GENERAL INFORMATION

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

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

The interim financial statements were adopted by the Board on February 15, 2023.

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

In December 2022, Olav Thon Eiendomsselskap ASA signed an agreement to purchase the remaining 50% of the shares in Sørlandssenteret DA, which consists of Norway's 6th largest shopping center in terms of turnover. In 2022, the shopping center achieved rental income of NOK 137 million. The company was taken over on 6 January 2023.

In addition to 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	31.12.2022	31.12.2021
Rental income	Companies in Thon Holding Group	94	82
Property-related expenses	Companies in Thon Holding Group	17	-
Operating and administration agreements	Companies in Thon Holding Group	154	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.

Q4 2022	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	615	227	-	843	784	59	843
Property-related income	239	32	-	271	255	17	271
Property-related expenses	-270	-125	-	-394	-353	-41	-394
Net rental income	585	135	-	720	686	34	720
Other operating income	9	-	11	21	21	-	21
Other operating expenses	-9	-	-9	-18	-18	-	-18
Administrative expenses	-34	-10	-	-44	-40	-4	-44
Depreciation	-3	-2	-	-5	-5	0	-5
Net income from property management	549	123	2	674	643	30	674
Fair value adjustments, investment property	-783	-400	-	-1 183	-1 176	-6	-1 183
Share of profit from joint ventures & associates	-37	-1	-	-38	-38	-	-38
Operating profit	-271	-278	2	-547	-570	24	-547

Q4 2021	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	560	208	-	769	720	48	769
Property-related income	214	41	-	255	239	16	255
Property-related expenses	-227	-99	-	-326	-290	-36	-326
Net rental income	547	150	-	698	669	28	698
Other operating income	32	-	27	60	60	-	60
Other operating expenses	-16	-	-26	-42	-42	-	-42
Administrative expenses	-45	-8	-	-53	-50	-3	-53
Depreciation	-9	-3	-	-12	-12	-0	-12
Net income from property management	510	139	2	650	625	25	650
Fair value adjustments, investment property	648	697	-	1 345	1 362	-17	1 345
Share of profit from joint ventures & associates	116	7	-	123	123	-	123
Operating profit	1 274	843	2	2 119	2 111	8	2 119

31.12.2022	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Rental income	2 376	844	-	3 220	3 016	203	3 220
Property-related income	880	123	-	1 003	935	69	1 003
Property-related expenses	-1 000	-352	-	-1 351	-1 196	-155	-1 351
Net rental income	2 256	615	-	2 872	2 755	117	2 872
Other operating income*	100	-	58	158	158	-	158
Other operating expenses	-34	-	-49	-83	-83	-	-83
Administrative expenses	-143	-37	-	-180	-167	-14	-180
Depreciation	-16	-10	-	-26	-26	-0	-26
Net income from property management	2 163	568	9	2 741	2 638	103	2 741
Fair value adjustments, investment property	179	-60	-	119	10	109	119
Share of profit from joint ventures & associates	127	-1	-	126	126	-	126
Operating profit	2 469	508	9	2 986	2 774	212	2 986

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

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	837	954	-	1 790	1 838	-47	1 790
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

	31.12.2022	31.12.2021
Investment property - owned - fair value 01.01	56 530	54 453
Investment property - right-of-use-assets - fair value 01.01	337	347
Sum investment property - fair value 01.01	56 867	54 800
Acquisitions/expenditure on properties	679	859
Acquisitions and divestments companies/investment property	263	-369
Change in fair value recognised in the period	131	1 802
Change in fair value right-of-use-assets recognised in the period	-11	-12
Net other changes right to use assets	-136	1
Effect of currency exchange differences in foreign operations	-94	-215
Other changes	0	-1
Closing balance	57 699	56 866
of this investment property - owned	57 509	56 530
of this investment property - right-of-use-assets	190	337

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		
		- 10 %	Unchanged	+ 10 %
	Investment property (owned)			
Yield	- 1 %-points	64 325	71 425	78 525
	- 0,5 %-points	57 382	63 711	70 040
	Unchanged	51 801	57 509	63 218
	+ 0,5 %-points	47 215	52 414	57 613
	+ 1,0 %-points	43 381	48 154	52 927

Note 9 JOINT VENTURES AND ASSOCIATED COMPANIES

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

Joint ventures	Q4 2022	Q4 2021	31.12.2022	31.12.2021
Net rental income	79	74	298	287
Fair value adjustments, investment property	-93	88	-105	129
Fair value adjustments, interest rate derivatives	-5	3	23	17
Expenses	-34	-33	-130	-122
Income taxes	19	-25	6	-54
Profit	-33	107	91	258
Investment properties			3 549	3 563
Other assets			222	259
Total assets			3 771	3 822
Equity			2 442	2 458
Non-current liabilities			1 230	1 262
Current liabilities			100	101
Total equity and liabilities			3 771	3 822

Associated companies	Q4 2022	Q4 2021	31.12.2022	31.12.2021
Net rental income	18	19	59	59
Fair value adjustments, investment property	-17	8	9	-5
Expenses	-8	-6	-22	-21
Income taxes	1	-5	-10	-7
Profit	-5	16	36	25
Investment properties			887	858
Other assets			123	169
Total assets			1 010	1 027
Equity			528	545
Non-current liabilities			465	467
Current liabilities			17	15
Total equity and liabilities			1 010	1 027

Note 10 FINANCIAL INCOME AND FINANCIAL EXPENSES

	Q4 2022	Q4 2021	31.12.2022	31.12.2021
Interest income	6	0	15	5
Currency gain	35	38	43	113
Other financial income	1	-0	1	0
Total financial income	42	38	59	118
Interest expenses	-223	-152	-746	-645
Interest expenses related to lease liabilities	-3	-6	-15	-25
Currency loss	0	-0	0	-0
Other financial expenses	-4	-15	-24	-28
Total financial expenses	-230	-173	-786	-699

CURRENCY ITEMS

Currency translation differences from foreign operations	-43	-38	-45	-103
Currency translation effects on cash and cash equivalents	-0	-1	-0	-2
Other currency items	35	39	43	115
Total currency effects	-9	-0	-3	10

Note 11 NON-CURRENT LIABILITIES

	31.12.2022	31.12.2021
Bonds	9 500	10 215
Other interest-bearing liabilities	8 104	6 565
Total Interest-bearing current liabilities	17 604	16 780
Fair value interest rate swaps	70	689
Other liabilities	29	22
Total non-current liabilities	99	712

Note 12 CURRENT LIABILITIES

	31.12.2022	31.12.2021
Commercial papers	378	1 725
Bonds	2 155	1 583
Bank loans	89	27
Total Interest-bearing current liabilities	2 623	3 335
Fair value interest rate swaps	40	299
Lease liabilities	7	9
Trade payables	152	137
Accrued interest	44	31
Duties payable	87	115
Other current liabilities	874	1 200
Total trade payables and other current liabilities	1 205	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.

	Q4 2022	Q4 2021	31.12.2022	31.12.2021
Fair value adjustments in;				
investment properties recognised in profit and loss	-1 183	1 345	119	1 790
investment properties in joint ventures	-93	88	-105	129
investment properties in associated companies	-17	8	9	-5
interest rate derivatives recognised in profit and loss	-61	93	878	716
interest rate derivatives in joint ventures	-5	3	23	17
Fair value adjustments, investment properties and derivatives	-1 358	1 538	924	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.

	Q4 2022	Q4 2021	31.12.2022	31.12.2021
Profit before income tax	-796	2 077	3 138	4 767
Income tax in joint ventures	-19	25	-6	54
Income tax in associated companies	-1	5	10	7
Fair value adjustments investment properties and derivatives	1 358	-1 538	-924	-2 647
Currency gain	-35	-38	-43	-113
Currency loss	-0	0	-0	0
Profit before income tax, fair value adjustment and currency result	507	531	2 175	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.

	31.12.2022	31.12.2021
Total equity	32 694	31 342
Total equity and debt	62 568	62 000
Equity ratio	52 %	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.

	31.12.2022	31.12.2021
Majority share of equity	32 256	30 906
Deferred tax liabilities (deferred tax liabilities current assets excluded)	7 922	7 493
Fair value of debt - deferred tax liabilities - 6 %	-2 161	-2 043
Long term net asset value	38 018	36 355
Number of shares (own shares not included)	101 478 908	103 623 171
Long term net asset value per share in NOK	375	351
Equity per share in NOK	318	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.

	Q4 2022	Q4 2021	31.12.2022	31.12.2021
Net cash flow from operating activities	249	440	1 231	1 684
Expensed/paid interest	21	1	13	3
Paid income tax	-1	-31	-207	-169
Change in working capital	-258	-67	-604	-147
Net cash flow from operations	488	537	2 028	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.

	31.12.2022	31.12.2021
Unutilized overdrafts and other credit facilities	4 885	7 766
Cash and cash equivalents	235	448
Liquidity reserves	5 119	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.

	31.12.2022	31.12.2021
Commercial papers	378	1 725
Bonds	2 155	1 583
Bank loans	89	27
Amortisation next 12 months	2 623	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.

	31.12.2022	31.12.2021
Bonds, non-current	9 500	10 215
Bonds, current	2 155	1 583
Commercial papers, current	378	1 725
Debt to credit institutions, long-term	8 104	6 565
Debt to credit institutions, short-term	89	27
Interest-bearing debt*	20 227	20 114
Cash and cash equivalents	-235	-448
Net interest-bearing debt	19 992	19 666
Market value properties (see APM 11)	57 715	56 734
Loan to value ratio	35 %	35 %
* Unsecured part of interest-bearing debt (where the Group has not provided collateral)	10 995	11 843

9. Interest per balance sheet date

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

	31.12.2022	31.12.2021
Annualized interest expenses on interest-bearing debt as of the balance sheet date	803	330
Annualized interest expenses on current interest rate swaps per balance sheet date	97	306
Annualized interest expenses per balance sheet date	901	635
Interest-bearing debt	20 227	20 114
Interest per balance sheet date	4,45 %	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.

	Q4 2022	Q4 2021	31.12.2022	31.12.2021
Investment properties	219	213	679	859
Acquisitions and divestments companies	13	0	72	-369
Other fixed assets	6	1	16	12
Other investments	35	9	116	57
Net investments	273	223	883	559

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

Market value of properties shows the sum of the market value of investment properties owned and owner-occupied properties, which are accounted for according to different accounting principles in the Group's balance sheet. The market value does not include investment property defined as right-to-use assets.

	31.12.2022	31.12.2021
Market value investment properties - owned (see note 8)	57 509	56 530
Market value owner-occupied properties	206	205
Market value properties	57 715	56 734

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

Market value of properties joint venture (Group share)	3 549	3 563
Market value of properties associated companies (Group share)	887	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.

	31.12.2022	31.12.2021
Annualized market rent leased premises	3 268	3 150
Annualized market rent vacant premises	117	120
Annualized rental income level	3 385	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	286	271
Annualized market rent vacant premises owned through joint ventures and associated companies	9	14
Annualized rental income level owned through joint ventures and associated companies	295	285

Total annualized rental income level	3 680	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.

	31.12.2022	31.12.2021
Annualized rental income level	3 385	3 270
Lessor's owner cost	464	477
Annualized net rental income level	2 921	2 793
Market value properties	57 715	56 734
Adjustment market value for plots etc	424	572
Market value properties after adjustment	57 291	56 163
Net yield properties	5,10 %	4,97 %



Pictures: Lagunen Storsenter

OLAV THON EIENDOMSSKAP ASA
STENERSGATA 2A
POSTBOKS 489 SENTRUM
NO - 0105 OSLO
TEL: +47 23 08 00 00

olt.no