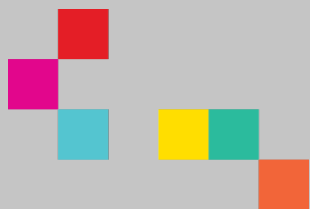




OLAV THON GRUPPEN

# ANNUAL REPORT 2023





# CONTENTS

- 01 Key figures**
- 03 Board of Directors' Report**
- 13 Annual Financial Statements, Group**



## KEY FIGURES

MNOK	31.12.23	31.12.22
Operating income	13 625	12 184
Fair value adjustments/depreciation properties and financial instruments <sup>1)</sup>	-8 337	364
Profit before income tax <sup>2)</sup>	-4 359	4 300
Profit before income tax, fair value adjustments/depreciation and currency result <sup>3)</sup>	4 332	3 918
Equity	64 500	67 758
Equity ratio	56 %	57 %
Net cash flow from operations <sup>4)</sup>	4 135	4 010
Liquidity reserves <sup>5)</sup>	10 731	10 382
Amortisation next 12 months	5 553	3 704
Interest-bearing debt <sup>6)</sup>	31 319	30 987
Interest rate per balance sheet date	5,09 %	4,36 %
Loan to value ratio <sup>7)</sup>	27 %	27 %
Net investments <sup>8)</sup>	3 732	2 238
Market value properties <sup>9)</sup>	109 049	111 216
Annualized rental income level <sup>10)</sup>	6 900	6 140
Yield properties	5,66 %	4,93 %
Sales, owned shopping centres	79 665	74 624
Revenue per available room (NOK) <sup>11)</sup>	845	597

Please note that as a result of rounding differences and reclassifications, figures and percentages will not always match the total sum.

- 1) Fair value adjustments investment properties + Fair value adjustments financial instruments + Depreciation right-of-use owner-occupied properties + Depreciation owner-occupied properties. Including joint ventures and associated companies
- 2) Taxes in joint ventures and associated companies included
- 3) Taxes in joint ventures and associated companies and net currency gains deducted
- 4) Net cash flow from operating activities + Expended interest - Interest paid - Income tax paid + Change in operating related accruals
- 5) Bank deposits etc. + Undrawn borrowing facilities
- 6) Unsecured part of interest-bearing debt NOK 12,914 million (31.12.23) and NOK 12,450 million (31.12.22)
- 7) (Interest-bearing debt - Bank deposits etc.) / Investment properties
- 8) Property purchase/sale/upgrade costs + purchase/sale of companies + operating assets + other investments (purchase/sale)
- 9) Includes market value of investment properties and owner-occupied properties. In addition, the Group owns through jointly controlled companies / associated companies properties with market value (Group's share) NOK 5,829 million (31.12.23) and NOK 7,070 million (31.12.22)
- 10) Market rent for rented and vacant premises
- 11) Thon Hotels

# HIGHLIGHTS 2023

## OPERATING INCOME

- Total operating income amounted to NOK 13,625 (12,184) million.

## RESULT FOR THE YEAR

- Profit before income tax was NOK - 4,359 million (4,300 million).
- Fair value adjustments of investment property and financial instruments amounted to NOK -8,337 (364) million.
- Profit before income tax, fair value adjustments/depreciation and currency result amounted to NOK 4,332 (3,918) million.

## FINANCIAL POSITION

- The Group's equity at year end amounted to NOK 64,500 (67,758) million and its equity ratio was 56% (57%).
- The Group's loan-to-value ratio was 27% (27%).
- Total liquidity reserves were NOK 10,731 (10,382) million.

## PROPERTY PORTFOLIO

- The rental income level in the property portfolio at the end of 2023 was NOK 6,900 (6,140) million and the vacancy rate was 4.4% (4.4%).

## SHOPPING CENTRE RETAIL SALES

- Retail sales in the shopping centre portfolio owned by the Group amounted to NOK 79.6 (74.6) billion. At year end, the Group owned 71 shopping centres and managed 17 for other owners.

## THON HOTELS

- At year end, Thon Hotels had 14,057 (13,386) rooms in 94 (89) hotels in Norway and abroad.

*Pictures: Diagonale*

## BOARD OF DIRECTORS' REPORT

### ANNUAL FINANCIAL STATEMENTS

The Group's annual financial statements have been prepared in accordance with Section 3-9 of the Norwegian Accounting Act and the Regulations on Simplified IFRS issued by the Ministry of Finance on 3 November 2017.

In accordance with the requirements of the Norwegian Accounting Act, the Board of Directors confirms that the basis for continued operations is still present. The annual financial statements for 2023 have been prepared based on this assumption.

No events have occurred after the reporting date that would materially affect the assessment of the Group's financial position and results as at 31 December 2023.

### SUMMARY OF INCOME STATEMENT AND BALANCE SHEET

#### Financial position/Balance sheet as at 31.12.2023

The Group's total assets were NOK 114,189 (118,330) million, with its property portfolio accounting for NOK 104,298 (107,284) million of that figure.

The property portfolio consists of investment properties valued at NOK 88,529 (92,191) million and owner-occupied properties with a book value of NOK 15,769 (15,093) million.

For a further description of investment properties and owner-occupied properties, see the section later in the Directors' Report and notes 12 and 13 to the Annual Report.

Equity was NOK 64,500 (67,758) million and the equity ratio was 56% (57%).

The Group's interest-bearing debt was NOK 31,319 (30,987) million, while the loan-to-value ratio was 27% (27%).

The Group's share of the equity in joint ventures and associated companies was NOK 3,068 (4,276) million.

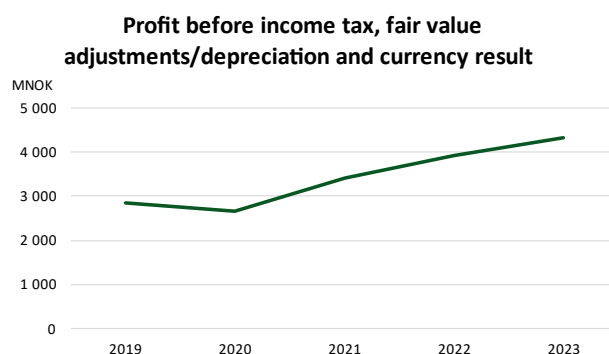
#### Summary of the income statement for 2023

Profit before income tax was NOK 4,359 million (profit of 4,300 million).

Fair value adjustments and depreciation of the property portfolio and financial instruments (including joint

ventures/associated companies) amounted to NOK -8,337 (364) million.

The profit before income tax, fair value adjustments/depreciation and currency result therefore amounted to NOK 4,332 (3,918) million.



#### Operating income

The Group's total operating income was NOK 13,625 (12,184) million in 2023 and came from the following business areas:

MNOK	2023	2022
Rental income in Thon Eiendom	5,625	4,882
Residential sales in Thon Eiendom	542	443
Accommodation income in Thon Hotels	2,979	2,503
Sale of goods in Thon Hotels/restaurants	992	902
Sale of goods in other operations and industry	1,374	1,353
Management fee	102	113
Other operating income	2,011	1,988
<b>TOTAL</b>	<b>13,625</b>	<b>12,184</b>

#### Operating expenses

Total operating expenses amounted to NOK 8,560 (7,901) million in 2023 and can be broken down as follows:

MNOK	2023	2022
Payroll expenses	2,114	1,742
Maintenance expenses	569	529
External services	832	713
Cost of goods sold other than residential sales	1,151	1,080
Expenses from residential sales in Thon Eiendom	388	383
Depreciation and write-downs	823	833
Energy expenses	227	280
Other operating expenses	2,456	2,341
<b>TOTAL</b>	<b>8,560</b>	<b>7,901</b>

### Management result

The management result, which shows the Group's operating profit before fair value adjustments of the property portfolio and financial instruments, was NOK 5,065 (4,283) million.

### Fair value adjustments of investment properties

The value of the Group's investment properties fell by NOK 7,723 (-286) million.

The reduction in value is largely attributable to the increase in the average required yield used in the valuation of the property portfolio, from 4.9% to 5.7%.

The increase in rental income, partly due to consumer price adjustments, significantly offset the decrease in value.

For more details, see the section on property activities later in the report and Note 13 to the annual financial statements.

### Depreciation of owner-occupied properties

Fair value was used as the opening value for owner-occupied properties on transition to simplified IFRS in 2017.

In subsequent periods, the properties have been recognised using the revalued cost method and the book value is depreciated over the expected useful economic life.

In 2023, depreciation of owner-occupied properties amounted to NOK 408 (412) million.

At the end of 2023, the value of the Group's portfolio of owner-occupied properties was written down by NOK 12 (16) million as the market value was lower than the book value of some properties.

### 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 -122 (182) million.

The decrease compared with 2022 is attributable to changes in the value of investment properties and financial instruments in these companies of -306 (-74) million and the fact that the Group's shareholding in Sørlandssenteret DA increased from 50% to 100% in January 2023.

### Financial income and expenses

The Group's net financial items amounted to NOK -1,579 (121) million, with fair value adjustments of financial instruments accounting for NOK 174 (1,216) million of that figure.

Net interest expenses amounted to NOK 1,339 (1,065) million, in addition to which interest expenses relating to lease liabilities amounted to NOK 30 (34) million.

The net exchange loss amounted to NOK 363 million (gain of 38 million), and dividend received amounted to NOK 5 (5) million.

### Fair value adjustments of financial instruments

The Group's portfolio of financial instruments consists of:

- Interest rate swaps
- Combined interest rate and currency derivatives
- Currency futures
- Listed Norwegian shares

The Group's financial instruments are used to manage its interest rate and currency risk. See Note 19 for an explanation of the various financial instruments.

In 2023, long-term market interest rates rose significantly in Norway, Sweden and the eurozone alike. The value of the Norwegian krone weakened against both the Swedish krona and the euro.

The value of the Group's financial instruments and listed shares increased by NOK 174 (1,216) million overall.

Fair value adjustments of the various financial instruments were as follows:



Fair-value adjustments, financial instruments	2023	2022
Interest rate swaps	183	1,365
Interest rate and currency derivatives	-25	-91
Currency futures	9	-37
Listed shares	7	-21
<b>TOTAL</b>	<b>174</b>	<b>1,216</b>

### Cash flow and liquidity

The net cash flow from the Group's operations was NOK 4,135 (4,010) million, while the net cash flow from operating activities was NOK 4,108 (3,278) million.

The net cash flow from investing activities was NOK -3,681 (-2,482) million, while financing activities reduced liquidity by NOK 416 (179) million.

The exchange rate effect on cash and cash equivalents amounted to NOK 24 (6) million, and liquidity reserves therefore increased by NOK 35 (624) million in 2023.

The Group's liquidity reserves at year end amounted to NOK 10,731 (10,382) million.

Liquidity reserves consisted of short-term investments of NOK 1,486 (1,416) million and undrawn long-term credit facilities of NOK 9,272 (8,966) million.

## THE PARENT COMPANY'S FINANCIAL STATEMENTS AND ALLOCATION OF PROFIT FOR THE YEAR

The financial statements of the parent company, Olav Thon Gruppen AS, have been prepared in accordance with Norwegian Generally Accepted Accounting Principles (NGAAP).

The parent company's operating income mainly consists of net financial income and dividends from subsidiaries.

Total operating income was NOK 521 (474) million and the profit before tax was NOK 509 (468) million.

The profit for the year was NOK 492 (460) million, and the Board of Directors proposes the following allocation of the parent company's result for the year:

Proposed dividend:	NOK 100 million
Transferred to other equity:	NOK 392 million
Allocated net profit:	NOK 492 million

The book value of the parent company's assets was NOK 2,499 (2,104) million at year end. Recognised equity totalled NOK 2,175 (1,783) million and the equity ratio was 87% (85%).

## BUSINESS AREAS

### The property business area

Total operating income in the property business area amounted to NOK 8,920 (7,954) million (including internal sales) in 2023.

The increase compared with last year is attributable to higher rental income and slightly higher income from residential sales. Residential sales income in 2023 totalled NOK 542 (443) million.

The Group's external rental income amounted to NOK 5,625 (4,882) million.

### The Property portfolio as at 31.12.2023

The Group's property portfolio is divided into the following main categories, which are treated differently in the consolidated financial statements:

- Investment properties used to earn rental income
- Owner-occupied properties used by the Group's companies for their own operations

For information on valuation of the property portfolio, see Note 13 to the Annual Report.

### Investment properties

The Group's investment properties were valued at NOK 88,529 (92,191) million at year end.

The valuation was based on an average required yield of 5.7% (4.9%).

### Owner-occupied properties

This category mainly consists of the portfolio of hotel properties operated by the Group's hotel chain, Thon Hotels.

At year end, the book value of the Group's owner-occupied properties was NOK 15,769 (15,093) million.

### Rental income level as at 31.12.2023

At year end, the Group's total property portfolio had a rental income level of NOK 6,900 (6,140) million including market rents on vacant premises.

The property portfolio is distributed over the following segments:

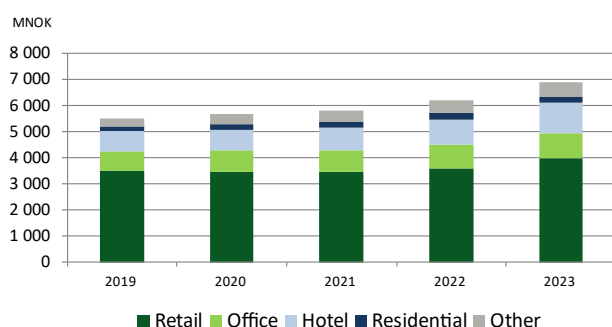
- 57% Retail
- 17% Hotels
- 14% Offices
- 4% Residential
- 8% Other

The rental income comes from the following geographical areas:

- 52% Oslo region
- 34% Rest of Norway
- 14% Abroad

As at 31.12.2023, the vacancy rate in the property portfolio was 4.4% (4.4%).

### Annual rental income level



### The shopping centre business area

At year end, the Olav Thon Gruppen wholly or partly owned 71 shopping centres in Norway and Sweden. In addition, 17 shopping centres were managed for external owners.

The Group enjoys a strong market position, with the shopping centre portfolio including Norway's six largest shopping centres and one of the largest in Sweden in terms of retail sales.

The Olav Thon Group is the largest owner of shopping centre properties in both Norway and Sweden.

Total retail sales in the Group's shopping centres amounted to NOK 79,665 million in 2023, up 6.8% on 2022.

#### Norway

In Norway, retail sales increased by 6.0% to NOK 64,685 million.

#### Sweden

In Sweden, total retail sales amounted to SEK 15,030 million, up 4.4% on 2022.

### Property portfolio owned by joint ventures and associated companies

The Group has shareholdings in shopping centres, hotels, residential properties and other commercial properties owned through joint ventures/associated companies.

The ownerships in these companies are between 12.5% and 50% and are recognised using the equity method. This means that only the Group's share of the company's equity is included in the consolidated balance sheet.

At year end, the Group's share of the rental income level in these companies was NOK 350 (410) million, while the Group's share of the property values was recognised at NOK 5,463 (6,999) million.

Both the property values and the level of rental income are affected by the fact that Sørlandssenteret has been recognised as a wholly owned subsidiary since the first quarter of 2023.

## HOTELS

### The hotel and restaurant business area

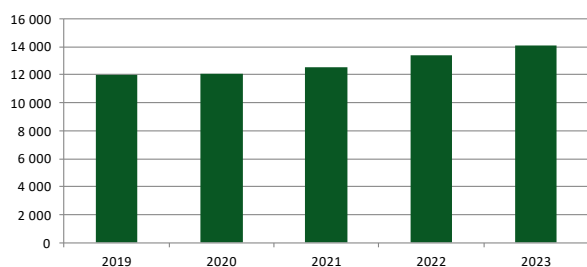
Operating income in the hotel business area (including internal sales) amounted to NOK 5,086 (4,306) million, including operating income of NOK 229 (196) million from independent restaurants.

#### Thon Hotels

At the end of 2023, Thon Hotels had 14,057 rooms in 94 hotels in Norway and abroad.

In Norway, Thon Hotels is a nationwide hotel chain with 12,451 rooms in 79 hotels, 26 of which are operated by external franchisees.

### Hotel Rom Capacity



The hotel portfolio mainly consists of city centre hotels, most of which have been built or refurbished in recent years. Thon Hotels is a leading operator in the metropolitan regions of Oslo and Bergen.

Outside Norway, Thon Hotels has 1,606 rooms in five hotels and two apartment hotels in Brussels, Belgium, and one apartment hotel in Rotterdam in the Netherlands.

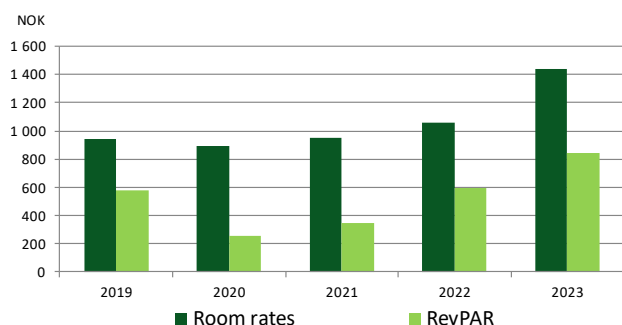
Broken down into geographical segments, Thon Hotels achieved the following key figures in 2023:

	Average room rate	Occupancy rate	RevPAR
Thon Hotels Norway (NOK)	1,415	59%	834 (39%)
Thon Hotels Brussels (EUR)	138	59%	82 (42%)
Total Thon Hotels (NOK)	1,436	59%	845 (41%)

(Change from 2022 in brackets)

Thon Hotels posted another increase in earnings in 2023 on the back of higher room rates and occupancy rates.

### Room rates and RevPAR (revenue per available room)



### Other business areas

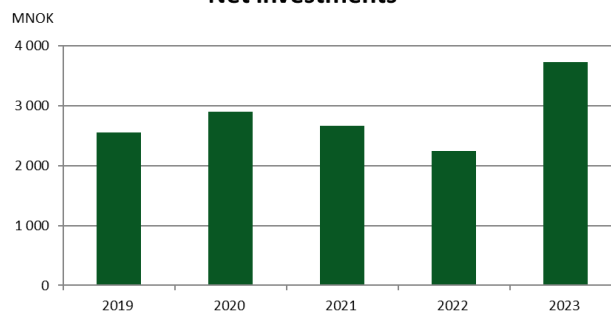
Companies outside the property and hotel business areas are included in other operations. Total operating income amounted to NOK 1,165 (1,278) million in 2023.

The largest business, Unger Fabrikker AS, recorded operating income of NOK 835 (875) million and a profit before tax of NOK 14 (47) million.

### INVESTMENTS

The Group's net investments in 2023 amounted to NOK 3,732 (2,238) million and included property acquisitions, investments in property projects under construction, and refurbishment of the existing property portfolio.

### Net investments



### Major property acquisitions

#### Sørlandssenteret, Kristiansand

In the first quarter, Olav Thon Eiendomsselskap acquired the remaining 50% shareholding in Sørlandssenteret in Kristiansand municipality and is now the sole owner of the centre.

Sørlandssenteret, which is located 12 km northeast of Kristiansand, is the largest shopping centre in the County of Agder. In 2023, total income from tenants amounted to NOK 3,135 million, up 7% on 2022.

#### Amfi Ulsteinvik, Møre og Romsdal

In the first quarter, the Group also acquired the Amfi Ulsteinvik shopping centre, which the Group had managed for an external owner for several years. The shopping centre, located in Ulsteinvik in Møre og Romsdal county, generated retail sales of NOK 343 million in 2023, up 16% on 2022.

**Hotel Terminus, Stockholm**

The hotel with 155 rooms in central Stockholm was acquired in December 2023. The building, located right next to Stockholm Central Station, will be refurbished and is due to re-open in the summer of 2025 as Thon Hotel Vasa.

**PROPERTY DEVELOPMENT****Major property projects****Completed**

The following major projects were completed during the year:

**Amfi Vågen, Sandnes**

This shopping centre property, which covers approximately 40,000 sqm, has been refurbished and upgraded and now includes new areas for dining and experiences. The centre has also been expanded by 750 sqm and includes a new food hall. The project was completed in spring 2023.

**Triaden, Lørenskog**

The Triaden Shopping Centre in Lørenskog, on the outskirts of Oslo, has been expanded by 26,000 sqm of retail space, and 15,000 sqm of the centre has been refurbished. The new shopping centre was opened in March.

**Thon Hotel Snø, Lørenskog**

The hotel with 288 rooms next to SNØ, the year-round arena for skiing in Lørenskog, opened in summer 2023.

**Strømmen Verksted, Strømmen**

Construction stage 2 of the housing project with 102 apartments was completed in spring 2023.

**Under construction**

- The following major projects were under construction at the start of 2024: Refurbishment and upgrading of the Amfi Elverum shopping centre, Elverum (50% shareholding)
- New construction, Arnljot Gellines vei 1, covering 2,500 sqm with 22 homes for rent, centrally located in Oslo East
- Expansion of Lagunen Storsenter (42% shareholding)
- Housing project, Skårerløkka construction phase 2 Lørenskog, with 158 apartments for sale
- Residential and commercial property at Triaden, Lørenskog, covering 9,000 sqm. The property will

consist of commercial and office space and 51 rental apartments.

**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.

At year end, total credit facilities were NOK 40,564 (39,954) million, NOK 9,245 (8,966) million of which was undrawn.

Interest-bearing debt therefore amounted to NOK 31,319 (30,987) million.

The capital markets in Norway and Sweden are important sources of financing and a substantial proportion of the Group's financing is raised in these financing markets. At year end, outstanding certificate and bond debt amounted to NOK 13,559 (14,079) million, broken down as follows:

Norway: NOK 12,839 (13.134) million

Sweden: SEK 700 (1,000) million

The proportion of interest-bearing debt raised in the capital market was therefore 43% (45%).

**ORGANISATION AND WORKING ENVIRONMENT**

The Olav Thon Group practises equality and has zero tolerance for any form of discrimination or harassment of employees.

All employees are entitled to equal and fair treatment regardless of age, ethnic origin, disability, skin colour, nationality, political views and religion or other beliefs.

The Olav Thon Group has defined equal pay for men and women with comparable positions as a goal for its gender equality work. No systematic differences in pay between men and women have been identified in the Group. Work is in progress to promote universal design of the company's general facilities, so that they can also be used by persons with impaired functional ability.

The Board of Directors considers the above-mentioned conditions and general working environment to be satisfactory.

At the end of 2023, there were 3,009 FTEs in the Olav Thon Group. The parent company, Olav Thon Gruppen AS, had no employees as at the same date.

The FTEs were distributed as follows: 2,543 in Norway, 354 in Belgium, 26 in the Netherlands and 86 in Sweden. 49% of the Group's employees are women and 51% are men.

The Group's sick leave rate in 2023 was 6.5% (6.5%).

No significant injuries or accidents occurred during business operations in the period. Nor have deficiencies in employee safety or the working environment otherwise been identified.

The company's Board of Directors consists of five men and two women.

The Olav Thon Group has taken out insurance for the board members and managing director to cover their potential liability towards the company and third parties.

Statutory reporting regarding equality and anti-discrimination under Section 26 of the Norwegian Equality and Discrimination Act for group companies can be found on the Group's website: [thon.no](https://thon.no).

## SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The Olav Thon Group is a member of the UN Global Compact, and works systematically in the areas of human rights, working conditions, the environment, anti-corruption and social responsibility.

In autumn 2022, the Olav Thon Group adopted a sustainability strategy, which sets out the Group's ambitions, targets and plans for sustainability work in the period up to 2030.

Further information about this work and the sustainability report for 2023 can be found on the company's website: [thon.no](https://thon.no).

## THE NORWEGIAN TRANSPARENCY ACT

The Norwegian Transparency Act is intended to ensure that enterprises respect fundamental human rights and decent working conditions in connection with the production of goods and services.

The Act imposes on enterprises a duty to provide information and a duty to carry out due diligence by issuing a statement, which must be publicly available.

A "Statement on due diligence carried out pursuant to the Transparency Act" is published on the Group's website [thon.no](https://thon.no).

## STATEMENT ON CORPORATE GOVERNANCE

The Olav Thon Group aims to maintain a high level of confidence among lenders, tenants and society in general, and therefore strives to ensure good corporate governance.

The management of the Group is essentially based on the principles set forth in the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES).

## OLAV THON GROUP'S RISK FACTORS

The Group's risk factors can be divided into the following main categories:

- Market risk
- Financial risk
- Operational risk

### Market risk

The Group's market risk is related to the general development of the Norwegian property and hotel markets, which in turn is closely linked to developments in the Norwegian economy.

### The commercial property market in 2023

The commercial property market showed weak development in 2023, and a substantial increase in financing costs resulted in lower demand for commercial property.

The increase in interest rates contributed to higher yield requirements for investments in commercial property, which in turn led to a general fall in value.

In 2023, the sales volume in the transaction market for commercial property in Norway fell to its lowest level since 2011.

Rental prices for shopping centre properties performed relatively well.

In the office rental market in the Oslo area, rental prices generally remained stable or rose slightly, albeit with some variations in rental prices and vacancy rates in different areas of the city.

### The Group's market risk

In 2023, there was a significant fall in the value of shopping centres and other commercial properties, although the value of the Group's hotel properties did not fall to quite the same extent.

Rental prices showed a stable trend for shopping centre property and stable or slightly higher rent for commercial property.

Market risk in the hotel market is discussed in later sections.

The risk of a substantially higher vacancy rate and a significant fall in the Group's rental income is considered moderate.

A sensitivity analysis of what effects any changes in the required yield and rental income would have on property values can be found in Note 13.

### The Norwegian hotel market in 2023

The hotel market in Norway performed well in 2023.

Demand for hotel rooms increased and there were 25.3 million overnight stays in Norwegian hotels, up 6% on 2022.

The average room rate in Norway rose 6% to NOK 1,294, while the occupancy rate increased by 3 percentage points to 54%.

The RevPAR (Revenue Per Available Room) key figure rose 15% to NOK 699.

The hotel market is divided into the following three main segments, which developed somewhat differently in 2023:

Segment	Share of total market	Change compared with 2022 (percentage points)
Holiday and leisure market	56.9%	0.5%
Individual business travellers	32.0%	-0.5%
Course and conference market	11.0%	0%

Source: Statistics Norway

Market performance in Oslo was slightly stronger than the national average in 2023, with the RevPAR for the Oslo hotels increasing by 17% to NOK 937.

### Market risk associated with the hotel business area

As a major operator, Thon Hotels is affected by developments in the Norwegian hotel market.

Due to ongoing economic uncertainty both in Norway and internationally, a stable or somewhat weakened hotel market is expected moving forward.

### Financial risk

The Olav Thon Group's financial risk is considered mainly to relate to the Group's access to financing in the banking and capital markets and the cost of that financing.

Access to financing depends on both developments in the financial markets and the Group's creditworthiness.

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

The cost of financing depends on market interest rates and the specific credit margin the Group has to pay.

The credit margin is in turn linked to the Group's creditworthiness and developments in the credit markets.

### Development in the financial markets

Access to financing was considered good in 2023, despite the volatile financing markets.

### Interest rates in 2023

Norges Bank raised its policy rate from 2.75% to 4.50%.

The short-term Norwegian money market interest rate (3 months NIBOR) increased from 3.21% to 4.72%, while the long money market rate (10-year swap rate) rose from 3.17% to 3.43%.

In Sweden, the Riksbank raised its policy rate from 2.50% to 4.00%.

The short-term money market interest rate in Sweden (3 months STIBOR) increased from 2.70% to 4.05% at year end, while the long money market rate (10-year swap rate) fell from 3.09% to 2.36%.

In the eurozone, the European Central Bank (ESB) raised its policy rate from 2.00% to 4.00%, and the short-term market rate (3 months EURIBOR) increased from 2.51% to 3.94%. The long-term market rate (10-year swap rate) fell from 3.08% to 2.50%.

### The credit market

The Olav Thon Group's borrowers in the capital market are Olav Thon Eiendomsselskap ASA and Thon Holding AS.

The credit margin indicated for new loans issued by the Group varied significantly in 2023. Credit margins were relatively stable in the first three quarters of the year but narrowed slightly in the fourth quarter.

In the capital market, the credit margins for Thon Holding AS are normally around 0.05-0.10 percentage points higher than for Olav Thon Eiendomsselskap ASA.

At year end, the credit margins for 5-year unsecured bond issues in Norway for Olav Thon Eiendomsselskap was indicated at 1.80% (2.05%), while 12-month unsecured commercial papers were indicated at 0.85% (1.25%).

### The Group's financial risk

The Group's financial risk can be divided into:

- Liquidity risk
- Interest rate and currency risk
- Credit risk

Descriptions of financial risk factors and financial risk management can be found in Note 18 to the Annual Report. The status of the various risk groups at year end is described below:

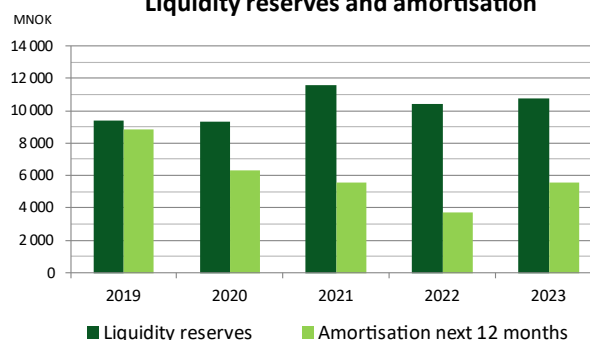
#### Liquidity risk

The Group's total liquidity reserves at year end amounted to NOK 10,731 (10,382) million.

At year end, the Group's interest-bearing debt had an average residual term to maturity of 2.9 (2.7) years, and 18% (12%) of the debt is due for repayment within one year.

As at 31.12.2023, the liquidity reserve represented 143% (281%) of debt maturing in the next 12 months.

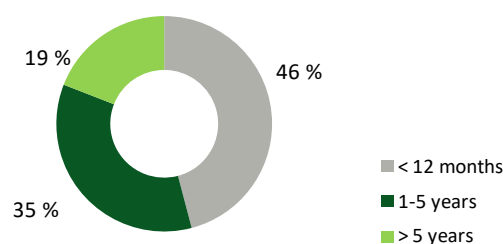
### Liquidity reserves and amortisation



### Interest rate risk

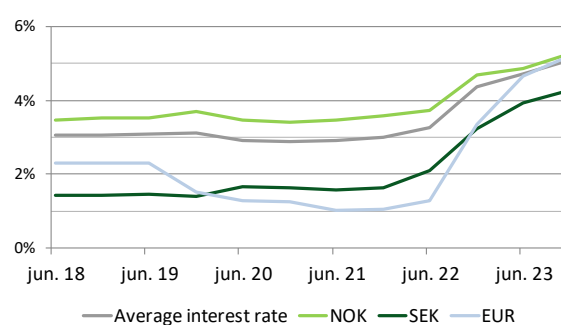
At year end, the Group had a fixed-rate ratio with a fixed-rate period exceeding one year of 54% (53%), with an average fixed-rate period of 3.3 (3.2) years.

### Interest rate adjustment



The Group's average interest rate at year end was 5.09% (4.36%).

### Interest rates



Interest rate hedging in the group is mainly carried out with financial instruments (interest rate swaps) at portfolio level.

At year end, the portfolio of financial instruments was NOK 30,945 (25,258) million and had a market value of NOK 30 (-143) million.

The market value is affected by changes in long-term interest rates and by the residual term to maturity of the financial instruments. It is estimated that a change of 1 percentage point in interest rates would change the market value of the portfolio by NOK 800-900 million.

### Currency risk

At year end, the Group's interest-bearing debt was NOK 31,319 (30,987) million and consists of the following currencies:

	Share of debt	Average interest rate 31.12.23	Average interest rate 31.12.22
NOK	73%	5.3%	4.7%
SEK	18%	4.3%	3.2%
EUR	9%	5.2%	3.4%
TOTAL	100%	5.1%	4.4%

### Credit risk

Provisions for rental business losses remained roughly unchanged during 2023. Realised credit losses have represented less than 0.5% of the Group's rental income in recent years.

### Operational risk

The Group's operational risk is primarily associated with the failure of employees and operational management systems to function as expected.

Management is organised so that the risk arising from the activities and absence of an individual is relatively low, and the Group's management systems are considered robust.

### OUTLOOK

Growth in the Norwegian economy slowed through 2023 and is now at a low level. Despite this, unemployment is very low and wage growth very high.

Price growth has fallen slightly but remains much higher than Norges Bank's inflation target. To curb inflation, Norges Bank has raised its policy rate from 0% to 4.50% since autumn 2021 and is signalling that the interest rate will remain unchanged moving forward.

Increased geopolitical uncertainty, continuously high inflation and sharp interest rate increases are contributing to uncertainty regarding economic development both in Norway and globally going forward.

The Group's solid market position and financial position are expected to help maintain good operating profit development in the future, despite considerably higher interest rates and ongoing uncertainty regarding the economy in the time ahead.

Oslo, 17.04.2024

Board of Directors, Olav Thon Gruppen AS



Kjetil Nilsen  
Chairman/  
CEO



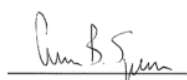
Olav Thon  
Board  
Member



Sissel Berdal Haga  
Thon Board Member



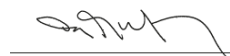
Geir Tore  
Thorvaldsen Board  
Member



Arne B. Sperre  
Board  
Member



Annette  
Hofgaard Board  
Member



Dag Tangevald-  
Jensen Board  
Member



## OLAV THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

**STATEMENT OF COMPREHENSIVE INCOME**

(Figures in NOK millions)	2023	2022
Rental income	5 625	4 882
Room revenue	2 979	2 503
Sale of goods	2 908	2 697
Other operating income	2 113	2 101
<b>Operating income</b>	<b>13 625</b>	<b>12 184</b>
Cost of goods	-1 539	-1 463
Payroll costs	-2 114	-1 742
Ordinary depreciation and impairment	-823	-833
Other operating expenses	-4 084	-3 863
<b>Operating expenses</b>	<b>-8 560</b>	<b>-7 901</b>
<b>Net income from property management</b>	<b>5 065</b>	<b>4 283</b>
Fair value adjustments, investment property	-7 723	-286
Results from joint ventures and associates	-122	182
<b>Operating profit</b>	<b>-2 780</b>	<b>4 179</b>
Financial income	224	88
Financial expenses	-1 978	-1 183
Fair value adjustments, financial instruments	174	1 216
<b>Net financial items</b>	<b>-1 579</b>	<b>121</b>
<b>Profit before income tax</b>	<b>-4 359</b>	<b>4 300</b>
Change in deferred tax	1 457	-549
Income tax payable	-502	-363
<b>Income tax</b>	<b>955</b>	<b>-912</b>
<b>Profit</b>	<b>-3 404</b>	<b>3 388</b>
<b>Other Comprehensive income</b>		
<i>Items to be reclassified to P&amp;L in subsequent periods:</i>		
Exchange differences from foreign operations	484	51
Revaluation when reclassifying properties	-	135
Income taxes on other comprehensive income	-	-30
<b>Total comprehensive income</b>	<b>-2 920</b>	<b>3 545</b>
<b>Profit attributable to:</b>		
Shareholders of the parent	-2 758	2 739
Non-controlling interests	-646	649
<b>Total comprehensive income attributable to:</b>		
Shareholders of the parent	-2 339	2 924
Non-controlling interests	-581	621

## OLAV THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

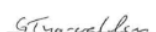
(Figures in NOK millions)	31.12.2023	31.12.2022
<b>ASSETS</b>		
Investment properties	88 529	92 191
Owner-occupied properties	15 769	15 093
Right-of-use assets	256	295
Other fixed assets	1 372	1 279
Investments in joint ventures and associates	3 068	4 276
Non-current financial assets	651	573
<b>Total non-current assets</b>	<b>109 645</b>	<b>113 706</b>
Inventories	825	907
Trade and other receivables	2 357	2 389
Bank deposits and cash	1 363	1 328
<b>Total current assets</b>	<b>4 544</b>	<b>4 624</b>
<b>Total assets</b>	<b>114 189</b>	<b>118 330</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	410	410
Share premium	86	86
Other equity	55 739	58 238
Non-controlling interests	8 265	9 024
<b>Total equity</b>	<b>64 500</b>	<b>67 758</b>
Deferred tax liabilities	13 532	14 887
Lease liabilities	446	461
Interest-bearing non-current liabilities	25 766	27 284
Non-current liabilities	240	288
<b>Total non-current liabilities</b>	<b>39 984</b>	<b>42 919</b>
Income tax payable	448	339
Interest-bearing current liabilities	5 554	3 704
Trade payables and other current liabilities	3 703	3 610
<b>Total current liabilities</b>	<b>9 705</b>	<b>7 653</b>
<b>Total liabilities</b>	<b>49 689</b>	<b>50 573</b>
<b>Total equity and liabilities</b>	<b>114 189</b>	<b>118 330</b>

Oslo, 17.04.2024

Board of Directors, Olav Thon Gruppen AS


Kjetil Nilsen  
Chairman/  
CEO

Olav Thon  
Board Member

Sissel Berdal Haga Thon  
Board Member

Geir Tore Thorvaldsen  
Board Member

Arne B. Sperre  
Board Member

Annette Hofgaard  
Board Member

Dag Tangevald-Jensen  
Board Member

## OLAV THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

**STATEMENT OF CASH FLOW**

(Figures in NOK millions)	2023	2022
Profit before income tax	-4 359	4 300
Fair value adjustment, investment property	7 723	275
Fair value adjustment, interest rate derivatives	-167	-1 237
Fair value adjustment, investments	-7	21
Expensed interest	1 580	1 147
Paid interest	-1 538	-1 120
Paid income tax	-393	-361
Share of profit from joint ventures and associated companies	122	-182
Depreciation of fixed assets	823	833
Change in operating related accruals	323	-398
<b>Net cash flow from operating activities</b>	<b>4 108</b>	<b>3 278</b>
Proceeds from sale of property, plant and equipment	61	-
Purchase of investment properties and property, plant and equipment	-2 047	-2 423
Payments linked to acquisition of subsidiaries	-1 649	-419
Other investment	-46	361
<b>Net cash flow from investment activities</b>	<b>-3 681</b>	<b>-2 482</b>
Proceeds from interest-bearing liabilities	10 730	14 343
Repayment of interest-bearing liabilities	-10 789	-14 035
Payment on leasing liabilities	-67	-64
Dividends paid	-289	-423
<b>Net cash flow from financing activities</b>	<b>-416</b>	<b>-179</b>
Currency translation effects on cash and cash equivalents	24	6
<b>Net change in cash and cash equivalents</b>	<b>35</b>	<b>624</b>
Cash and cash equivalents as at 1 January	1 328	704
Cash and cash equivalents as at 31 December	1 363	1 328
Unutilized overdrafts and other credit facilities	9 272	8 966

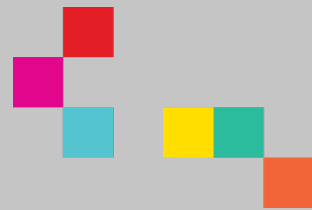
## OLAV THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

**STATEMENT OF CHANGES IN EQUITY**

(NOK million)	Share capital	Share premium	Currency translation differences	Other Equity	Hedging reserve	Majority share of equity	Non-controlling interests	Total
<b>Equity 31 Dec 2021</b>	<b>410</b>	<b>86</b>	<b>411</b>	<b>54 869</b>	<b>-12</b>	<b>55 764</b>	<b>9 290</b>	<b>65 053</b>
Profit	-	-	-	2 739	-	2 739	649	3 388
Other comprehensive income	-	-	79	-	106	185	-28	157
Dividends paid	-	-	-	-225	-	-225	-198	-423
Buy own shares*	-	-	-	183	-	183	-579	-396
Other changes	-	-	-	88	-	88	-110	-22
<b>Equity 31 Dec 2022</b>	<b>410</b>	<b>86</b>	<b>490</b>	<b>57 654</b>	<b>94</b>	<b>58 734</b>	<b>9 024</b>	<b>67 758</b>
Profit	-	-	-	-2 758	-	-2 758	-646	-3 404
Other comprehensive income	-	-	419	-	-	419	65	484
Dividends paid	-	-	-	-100	-	-100	-189	-289
Other changes	-	-	-	-60	-	-60	12	-48
<b>Equity 31 Dec 2023</b>	<b>410</b>	<b>86</b>	<b>909</b>	<b>54 737</b>	<b>94</b>	<b>56 235</b>	<b>8 265</b>	<b>64 500</b>

\*Olav Thon Gruppen owns 73.9% of the issued shares in Olav Thon Eiendomsselskap ASA, but the ownership is 75,4 % adjusted for the purchase of own shares in Olav Thon Eiendomsselskap ASA.





## OLAV THON GRUPPEN

Stenersgata 2a | Postboks 489 Sentrum | 0105 Oslo | Norway  
Tel. +47 23 08 00 00 | [firmapost@olavthon.no](mailto:firmapost@olavthon.no) | [thon.no](https://thon.no)