

# THON GRUPPEN

## ANNUAL REPORT 2024

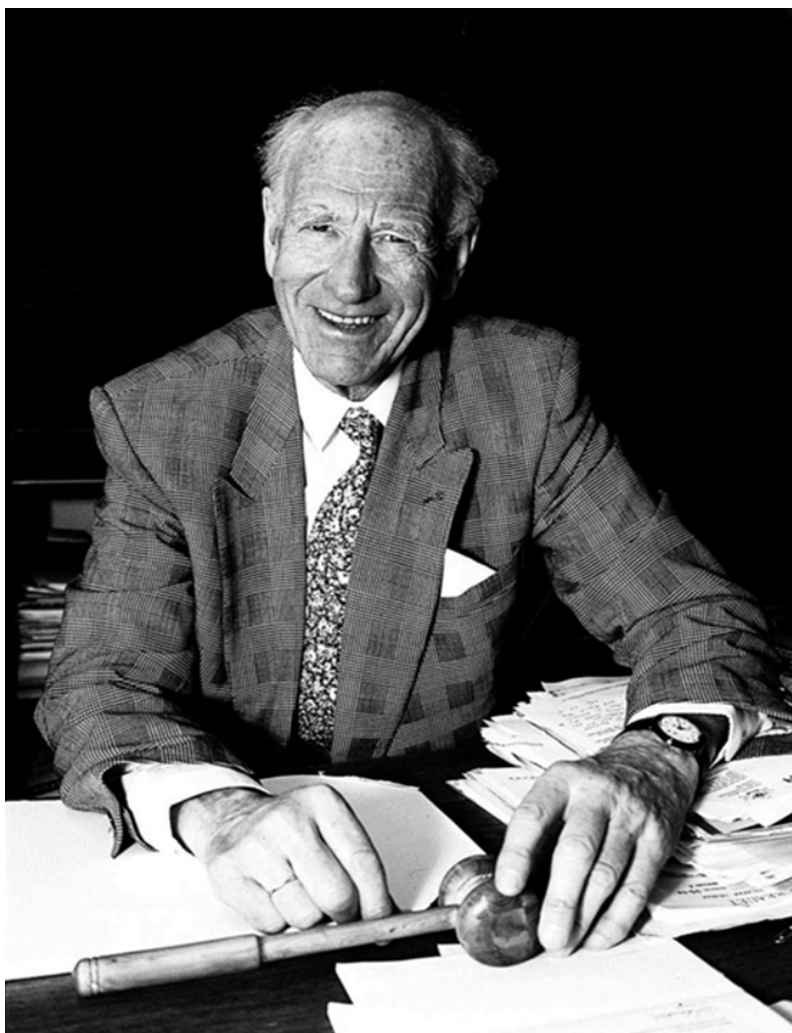


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*Image: Illustrative image of Stortorvet 2*

# Olav Thon 1923 - 2024



Olav Thon passed away in 2024 at the age of 101.

Olav Thon showed early business acumen, as he started buying and selling skins in his teenage years, first in his hometown and then in Oslo.

Olav Thon continued with a varied business enterprise and eventually ventured into real estate investments. He built up what later became Norway's largest privately owned property company, Thon Gruppen. In addition to real estate, the company's operations include hotels and restaurants both in Norway and abroad, as well as other businesses.

Until 2022, Olav Thon served as the CEO and chairman of Thon Gruppen, and he remained an active board member until his death.

In 2013, he established the Olav Thon Foundation, which ensures long-term and stable ownership of Thon Gruppen. Olav Thon transferred most of his assets to the foundation, which distributes up to 100 million annually to research and charitable purposes.

Olav Thon leaves behind significant wealth and will be remembered for his exceptional dedication, work ethic, and his substantial contributions as a community builder. He is commemorated with great appreciation and joy for all that he meant to his employees, customers, family, and close friends

# KEY FIGURES

MNOK	31.12.2024	31.12.2023
Operating income	13 919	13 625
Fair value adjustments/depreciation properties and financial instruments <sup>1)</sup>	111	-8 337
Profit before income tax <sup>2)</sup>	3 903	-4 359
Profit before income tax, fair value adjustments/depreciation and currency result <sup>3)</sup>	4 112	4 333
Equity	67 690	64 500
Equity ratio	56 %	56 %
Net cash flow from operations <sup>4)</sup>	4 005	4 135
Liquidity reserves <sup>5)</sup>	11 112	10 731
Amortisation next 12 months	5 142	5 553
Interest-bearing debt <sup>6)</sup>	33 618	31 319
Interest rate per balance sheet day	4,68 %	5,09 %
Loan to value ratio <sup>7)</sup>	28 %	27 %
Net investments <sup>8)</sup>	5 190	3 732
Market value properties <sup>9)</sup>	115 201	109 048
Annualized rental income level <sup>10)</sup>	7 625	6 900
Yield properties	5,9 %	5,7 %
Sales, owned shopping centres	83 249	79 665
Revenue per available room (NOK) <sup>11)</sup>	774	713

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 - Interest expenses + Interest paid + Taxes paid - Change in operating-related accruals.

5) Bank deposits, shares, etc. + Undrawn credit facilities.

6) Unsecured part of interest-bearing debt MNOK 14 001 (31.12.2024) og 12 914 (31.12.2023).

7) (Interest-bearing debt - Bank deposits, etc.) / Market value of properties.

8) Purchases/sales/capital expenditures on properties + Purchases/sales of companies + Fixed assets + Other investments (purchases/sales).

9) Includes market value of investment properties and owner-occupied properties. Additionally, the group owns properties through jointly controlled entities and associated companies with a market value (group's share) of MNOK 3 835 (31.12.2024) og 5 791 (31.12.2023).

10) Market rents for leased and vacant premises.

11) Thon Hotels. The comparison figures for 2023 have been corrected due to incorrect data.

# HIGHLIGHTS 2024

## OPERATING INCOME

- Total operating income amounted to NOK 13 919 (13 625) million.

## RESULT FOR THE YEAR

- Profit before income tax was NOK 3 903 (-4 359 million).
- Fair value adjustments of investment property and financial instruments amounted to NOK 111 (-8 337) million.
- Profit before income tax, fair value adjustments/depreciation and currency result amounted to NOK 4 112 (4 333) million<sup>1</sup>.

## FINANCIAL POSITION

- The Group's equity at year end amounted to NOK 67 690 (64 500) million and its equity ratio was 56 % (56 %).
- The Group's loan-to-value ratio was 28 % (27 %).
- Total liquidity reserves were NOK 11 112 (10 731) million.

## PROPERTY PORTFOLIO

- The rental income level in the property portfolio at the end of 2024 was NOK 7 625 (6 900) million and the vacancy rate was 3,7 % (3,7 %).

## SHOPPING CENTRE RETAIL SALES

- Retail sales in the shopping centre portfolio owned by the Group amounted to NOK 83,2 (79,7) billion. At year end, the Group owned 73 shopping centres, and managed 16 for other owners.

## THON HOTELS

- At year end, Thon Hotels had 13 799 (14 057) rooms in 94 (94) hotels in Norway and abroad.

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<sup>1</sup> See page [5](#) for definition.

# 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 2024 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 31.12.24.

### Olav Thon Gruppen has become Thon Gruppen.

The board of Olav Thon Gruppen AS decided in March 2025 to change the name of the parent company to Thon Gruppen AS and the group's name to Thon Gruppen.

The name change has been implemented to clarify the distinction between the group's owner, Olav Thon Stiftelsen, which engages in charitable activities, and Thon Gruppen's commercial activities.

## SUMMARY OF INCOME STATEMENT AND BALANCE SHEET

### Financial position/Balance sheet as at 31.12.24

The Group's total assets were NOK 120 805 (114 189) million, with its property portfolio accounting for NOK 110 106 (104 299) million of that figure.

The property portfolio consists of investment properties valued at NOK 94 064 (88 529) million and owner-occupied properties with a book value of NOK 16 043 (15 769) million.

For a further description of investment properties and owner-occupied properties, see the section later in the Directors' Report. Additional information can also be found in notes 12 and 13 to the Annual Report, which are applicable only to the Norwegian version.

Equity was NOK 67 690 (64 500) million and the equity ratio was 56 % (56 %).

The Group's interest-bearing debt was NOK 33 618 (31 319) million, while the loan-to-value ratio was 28 % (27 %).

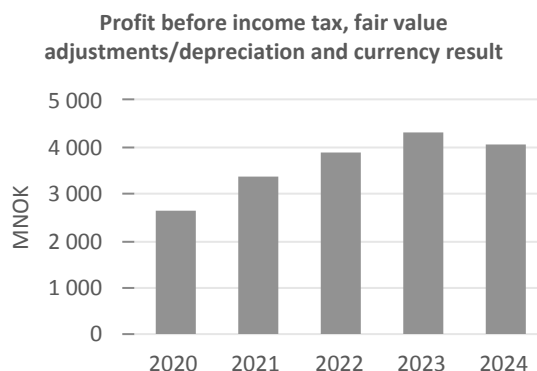
The Group's share of the equity in joint ventures and associated companies was NOK 2 291 (3 068) million.

### Summary of the income statement for 2024

Profit before income tax was NOK 3 903 million (-4 359).

Fair value adjustments and depreciation of the property portfolio and financial instruments (including joint ventures/associated companies) amounted to NOK 111 (-8 337) million<sup>2</sup>.

The profit before income tax, fair value adjustments/depreciation and currency result therefore amounted to NOK 4 112 (4 333) million.



### Operating income

The Group's total operating income was NOK 13 919 (13 625) million in 2024 and came from the following business areas:

MNOK	31.12.24	31.12.23
Rental income in Thon	5 933	5 625
Residential sales in Thon	35	542
Accommodation income in Thon Hotels	3 108	2 979
Sale of goods in Thon Hotels/restaurants	1 039	992
Sale of goods in other operations	1 489	1 374
Management fee	97	102
Other operating income	2 217	2 011
<b>Total</b>	<b>13 919</b>	<b>13 625</b>

<sup>2</sup> See page 5 for definition.

## Operating expenses

Total operating expenses amounted to NOK 8 513 (8 560) million in 2024 and can be broken down as follows:

<b>MNOK</b>	<b>31.12.24</b>	<b>31.12.23</b>
Payroll expenses	2 271	2 114
Maintenance expenses	798	569
External services	923	832
Cost of goods sold other than residential sales	1 193	1 150
Expenses from residential sales in Thon Eiendom	17	388
Depreciation and write-downs	538	823
Energy expenses	178	227
Other operating expenses	2 594	2 456
<b>Total</b>	<b>8 513</b>	<b>8 560</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 5 406 (5 065) million.

## Fair value adjustments of investment properties

The value of the Group's investment properties fell by NOK 359 (-7 723) 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 5,7 % to 5,9 %.

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. Additional information can also be found in note 13 to the Annual Report, which are applicable only to the Norwegian version.

## 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 2024, depreciation of owner-occupied properties amounted to NOK 436 (408) million.

As a result of the negative impact of the COVID-19 pandemic on the Group's hotel operations, the value of the hotel properties was significantly written down

in 2021. Following a substantial increase in the value of the hotel properties in the aftermath of the pandemic, write-downs amounting to NOK 285 million were reversed in 2024.

Per 31.12.2024, the value of the Group's portfolio of owner-occupied properties was assessed to be higher than the book value.

For further description of owner-occupied properties, please refer to later sections of the report.

## 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 134 (-122) million.

The increase from 2023 is primarily explained by value changes in investment properties and financial instruments in these companies amounted to NOK 6 million (-320), but the result was tempered by the increase in ownership share of the Diagonal properties in Oslo from 50% to 100% in the first half of 2024.

## Financial income and expenses

The Group's net financial items amounted to NOK -1 277 (-1 579) million, with fair value adjustments of financial instruments accounting for NOK 663 (174) million of that figure.

Net interest expenses amounted to NOK 1 527 (1 368) million, in addition to which interest expenses relating to lease liabilities amounted to NOK 29 (30) million.

In 2023, interest income of NOK 117 million was recognized, which had been earned in previous years. Additional information can be found in note 10, which is available only in the Norwegian version of the annual financial statements.

Increased net interest expenses are explained both by the aforementioned interest income in 2023 and increased interest-bearing debt. The increase is mitigated by a reduced average interest rate throughout 2024.

The net exchange loss amounted to NOK 295 million (-363), and dividend received amounted to NOK 8 (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, which is available only in the Norwegian version. In 2024, 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 663 (174) million overall.

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

<b>Fair-value adjustments, financial instruments</b>	<b>31.12.24</b>	<b>31.12.23</b>
Interest rate swaps	565	183
Interest rate and currency	93	-25
Currency futures	-22	11
Listed shares	27	7
<b>Total</b>	<b>663</b>	<b>176</b>

### Cash flow and liquidity

In 2024, the net cash flow from the Group's operations was NOK 4 005 (4 135) million, while the net cash flow from operating activities was NOK 1 676 (4 108) million.

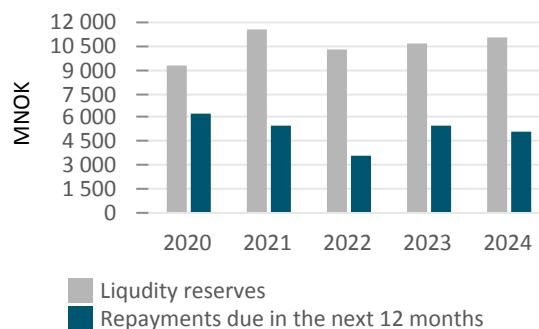
The net cash flow from investing activities was NOK -3 572 (-3 681) million, while financing activities increased the liquidity by NOK 1 825 (-416) million.

The currency exchange effect on cash and cash equivalents was NOK 14 million (24), and thus, in 2024, the net changes in bank deposits were NOK -57 million (35).

The Group's liquidity reserves at year end amounted to NOK 11 112 (10 731) million.

Liquidity reserves consisted of short-term investments of NOK 1 428 (1 486) million and undrawn long-term credit facilities of NOK 9 685 (9 245) million.

### Liquidity Reserves and Repayments



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

The financial statements of the parent company, 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 590 (521) million and the profit before tax was NOK 575 (509) million.

The profit for the year was NOK 551 (492) million, and the Board of Directors proposes the following allocation of the parent company's result for the year:

Proposed dividend:	NOK 150 million
Transferred to other equity:	NOK 401 million
Allocated net profit:	NOK 551 million

The book value of the parent company's assets was NOK 2 926 (2 499) million at year end. Recognised equity totalled NOK 2 576 (2 175) million and the equity ratio was 88 % (87 %).

## BUSINESS AREAS

### The property business area

Total operating income in the property business area amounted to NOK 8 991 (8 920) million (including internal sales) in 2024.

The increase from last year is explained by higher rental income, but is tempered by a decline in income from residential sales. Residential sales income in 2024 totalled NOK 35 (542) million.

The Group's external rental income amounted to NOK 5 933 (5 625) million.



### The Property portfolio as at 31.12.24

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 the valuation of the property portfolio, see Note 13 to the Annual Report, which is available only in the Norwegian version.

### Investment properties

The Group's investment properties were valued at NOK 94 064 (88 529) million at year end.

The valuation was based on an average required yield of 5,9 % (5,7 %).

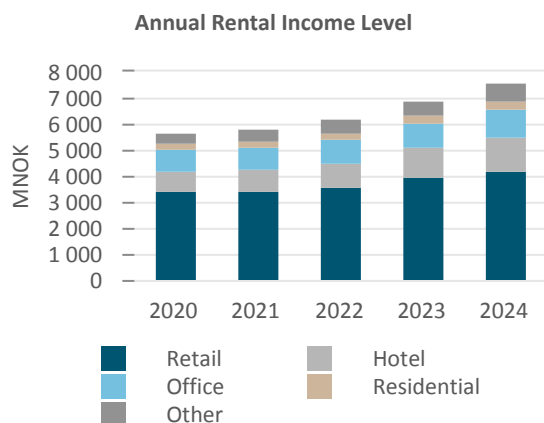
### Owner-occupied properties

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 16 043 (15 769).

### Rental income level as at 31.12.24

At year end, the Group's total property portfolio had a rental income level of NOK 7 625 (6 900) million including market rents on vacant premises.

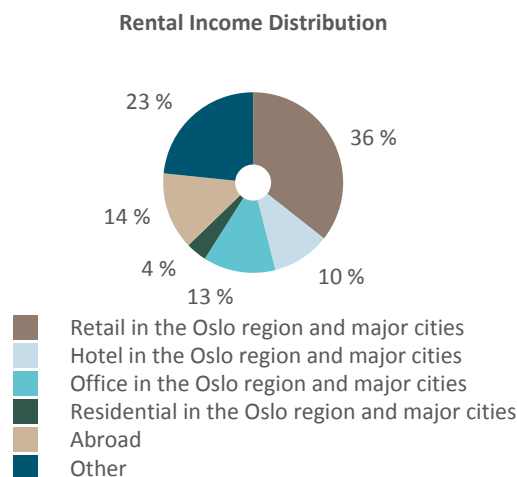


The property portfolio is distributed over the following segments:

- 56 % Retail
- 17 % Hotel
- 15 % Office
- 4 % Residential
- 9 % Other

The rental income comes from the following geographical areas:

- 53 % Oslo region
- 33 % Rest of Norway
- 14 % Abroad



As at 31.12.24, the vacancy rate in the property portfolio was 3,7 % (3,7 %).

### 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 235 (350) million, while the Group's share of the property values was recognised at NOK 3 835 (5 791) million.

Both the property values and the rental income levels are significantly influenced by the Group's ownership share in the Diagonal properties in Oslo city center being increased from 50% to 100% in the first half of 2024

### The shopping centre business area

At year end, Thon Gruppen wholly or partly owned 73 shopping centers, of which 63 were in Norway and 10 in Sweden. In addition, 16 shopping centers were managed on behalf of external owners

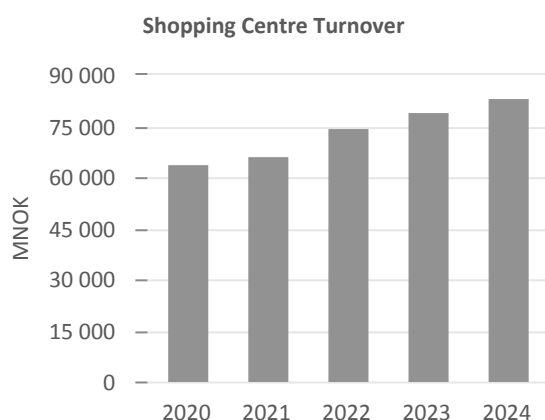
The Group enjoys a strong market position, with the shopping centre portfolio including Norway's six largest shopping centres and one of the largest in Sweden in terms of retail sales.

Thon Gruppen 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 83 249 million in 2024, up 4,5 % on 2023.

Distributed between Norway and Sweden, the shopping centers had the following retail turnover compared to 2023.

Millions	2024	2023	Change
Norway (NOK)	67 041	64 685	3,6%
Sweden (SEK)	15 936	15 030	6,0%



## HOTELS

### The hotel and restaurant business area

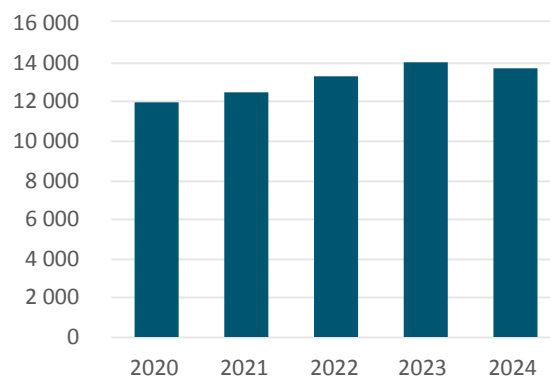
Operating income in the hotel business area (including internal sales) amounted to NOK 5 361 (5 086) million, including operating income of NOK 230 (229) million from 15 independent restaurants.

### Thon Hotels

At the end of 2024, Thon Hotels had 13 799 rooms in distributed across 81 hotels in Norway and 13 abroad.

In Norway, Thon Hotels is a nationwide hotel chain with 11 699 rooms in 81 hotels, 32 of which are operated by external franchisees and partner hotels.

**Hotel Room 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 2 100 rooms distributed across 13 different hotels, of which 4 are operated by external franchisees and partner hotels.

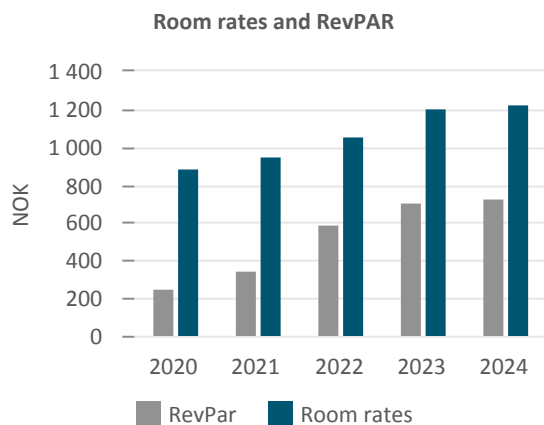
Outside of Norway, the hotels are distributed as follows:

- 5 hotels and 2 apartment hotels in Brussels, Belgium.
- 1 hotel and 1 apartment hotel in Rotterdam, Netherlands.
- 3 franchise and partner hotels in Sweden.
- 2 franchise and partner hotels in Denmark.

Broken down into geographical segments, Thon Hotels achieved the following key figures in 2024:

	Average room rate	Occupancy rate	RevPAR
TH Norway (NOK)	1 200	62 %	747 (682)
TH Brussels (EURO)	135	62 %	83 (82)
Total TH (NOK)	1 245	62 %	774 (713)

Thon Hotels posted another increase in earnings in 2024 on the back of higher room rates and occupancy rates.



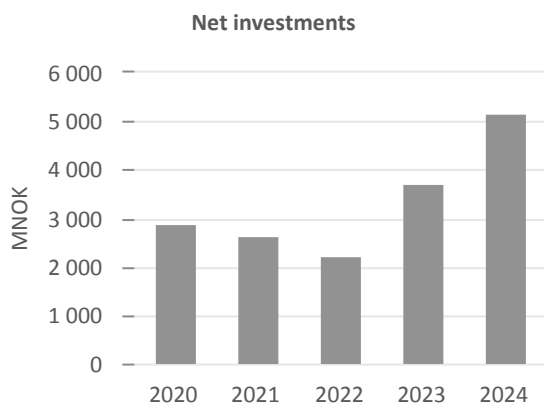
### Other business areas

Companies outside the property and hotel business areas are included in other operations. Total operating income amounted to NOK 1 222 (1 165) million in 2024.

The largest business, Unger Fabrikker AS, recorded operating income of NOK 920 (835) million and a profit before tax of NOK 70 (14) million.

### INVESTMENTS

The Group's net investments in 2024 amounted to NOK 5 190 (3 732) million and included property acquisitions, investments in property projects under construction, and refurbishment of the existing property portfolio.



### Major property acquisitions

#### Diagonale, Oslo

In the second quarter, the Group acquired the remaining 50 % of the shares in the company A9 Palekaia AS, which owns the Diagonale property in Bjørvika. The property consists of two buildings totaling 41,700 square meters, including office space, retail, and dining facilities, as well as 308 student apartments.

#### Strandgata 19, Oslo

In the fourth quarter, the Group entered into an agreement to purchase a 50 % stake in the development property Strandgata 19, centrally located in Oslo, right next to Oslo Central Station.

The property, which currently includes retail areas and parking garage, will see the construction of a new office and retail property covering 17,000 square meters. The ownership stake will be acquired in January 2025.

#### Portfolio Change - Jointly Owned Companies

In connection with a restructuring of the jointly controlled company AmCo Eiendom AS (50 % ownership stake), the Group acquired 100% of the shopping centers Amfi Sogningen in Vestland County and Amfi Eidsvoll in Akershus County.

At the same time, Coop Norge Eiendom acquired Amco's ownership stakes in the shopping centers Amfi Årnes in Akershus County, Amfi Nærbø in Rogaland County, Amfi Otta in Innlandet County, and Amfi Rørvik in Trøndelag County.

The transaction was completed in the fourth quarter.

### PROPERTY DEVELOPMENT

#### Completed

Throughout the year, the following larger projects were completed:

#### Arnliot Gellines vei 1, Oslo

A property centrally located in East Oslo with a total area of 2,500 square meters. The property contains 22 rental apartments.

#### Amfi Elverum, Elverum (50%)

The shopping center property has been expanded with a new extension of approximately 4,500 square meters.

#### Under construction

#### Gardermoen Park, Brages vei 3

The storage and logistics building next to Oslo Airport at Gardermoen is being expanded by 10,500 square meters and is fully leased. The building is scheduled for completion in the second half of 2025.

#### Lagunen Storsenter, Bergen (42% ownership)

The shopping center is being expanded with a new building of 15,100 square meters, in addition to the existing center being enlarged by 2,400 square meters. The expansion, which will include new areas for retail, dining, and offices, is planned to be completed in the fourth quarter of 2025.

### Thon Hotel Vasa, Stockholm

Hotel Terminus, with 155 rooms centrally located in Stockholm, was acquired in December 2023. The hotel, located next to Stockholm Central Station, is undergoing renovations and will open in the first half of 2026 as Thon Hotel Vasa.

### Skårerløkka, Lørenskog

Construction phases 2 and 3 of the residential project consist of a total of 289 apartments for sale, a parking garage with 320 parking spaces and a public park with outdoor areas. The project is scheduled for completion in the second half of 2025.

### Sandens Shopping Center, Kristiansand

In the Sandens quarter, a new building of 2,200 square meters is being constructed in connection with the shopping center, featuring retail and office spaces. Additionally, a complete rehabilitation of the shopping center will be carried out. The project is planned to be completed in 2026.

### Residential and Commercial Property at Triaden, Lørenskog

A new building of 9,000 square meters is being constructed in close proximity to the Triaden shopping center. The property will consist of retail and office areas and 51 rental apartments. The project is planned for completion in the second half of 2025.

### Thon Hotel Oslo Airport - Congress Hall 2

The hotel is being expanded with a new congress hall of approximately 9,000 square meters, and after completion, Thon Hotel Oslo Airport will become Norway's largest conference hotel. The project is scheduled for completion in the second half of 2025.

### Renewal and Upgrade of the Hotel Portfolio

In addition to the above projects, the Group is in the process of renewing and upgrading several of its hotel properties.

### Under Construction

Thon Gruppen has several property projects in planning. The projects are primarily related to the further development of its own real estate portfolio. The execution depends, among other things, on public permits and market conditions.

## 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.

### Interest-bearing debt and debt maturities

At year end, total credit facilities were NOK 43 303 (40 564) million, NOK 9 685 (9 245) million of which was undrawn.

Interest-bearing debt therefore amounted to NOK 33 618 (31 319) 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 14 143 (13 559) million, broken down as follows:

Norway: NOK 12 239 (12 839) million

Sweden: SEK 1 850 (700) million

The proportion of interest-bearing debt raised in the capital market was therefore 42 % (43 %).

At the end of the year, the debt had an average remaining term of 3,0 years (2,9), and 15 % (18 %) of the debt matures for payment within 1 year.

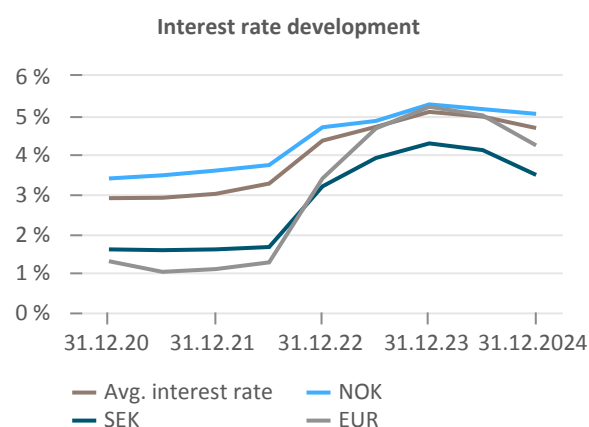
### Average Interest Rate and Interest Maturity

At the end of the year, the Group's average interest rate was 4,68 % (5,09 %).

Interest-bearing debt is distributed across the following currencies:

Currency	Proportion of Debt as of 31.12.24	Interest rate 31.12.24	Interest rate 31.12.23
NOK	74 %	5,04 %	5,28 %
SEK	17 %	3,49 %	4,29 %
Euro	9 %	4,24 %	5,22 %

At the end of the year, the Group had a fixed interest rate share of 57 % (57 %), with an average interest rate binding period of 3,0 years (3,3).



## ORGANIZATION AND WORK ENVIRONMENT

Thon Gruppen 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.

Thon Gruppen 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 2024, there were 3 545 (3 009) FTEs in Thon Gruppen. The parent company, Thon Gruppen AS, had no employees as at the same date.

The FTEs were distributed as follows: 3 076 (2 543) in Norway, 358 (354) in Belgium, 26 (26) in the Netherlands and 84 (86) in Sweden. 49 % (49 %) of the Group's employees are women and 51 % (51 %) are men.

The Group's sick leave rate in 2024 was 6,9 % (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 four men and three women.

Thon Gruppen 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

Thon Gruppen 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, Thon Gruppen 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 2024 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

Thon Gruppen 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).

## THON GRUPPEN'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 2024

The market for commercial real estate improved in 2024, and the demand for commercial properties was generally increasing.

The market yields for investments in commercial real estate showed a stable or slightly declining trend, and property values thus mainly exhibited stable development.

The volume of transactions in the commercial real estate market in Norway increased in 2024, and the total transaction volume was significantly higher than the low point recorded in 2023.

The rental prices for center properties mainly showed a stable development.

In the office rental market, rental prices were generally stable or slightly increasing in the Oslo area, but with some varying trends in other parts of Norway.

### The Group's market risk

In 2024, there was a moderate decline in the value of the Group's portfolio of investment properties.

The decline in value is primarily explained by increased yield requirements used in the valuation of the property portfolio, but it has been significantly mitigated by growth in rental income.

The value of the Group's hotel properties, categorized as owner-occupied properties, experienced positive value development in 2024.

Rental prices showed stable development for shopping center properties and a stable or slightly increasing rent for other segments within commercial real estate.

The market risk in hotel market is discussed in a later section.

The risk of significantly increased vacancy rates and a substantial decline in the Group's rental income is assessed as moderate.

Sensitivity related to how changes in yield requirements and rental income affect property values is mentioned in Note 13, which is available only in the Norwegian version.

### The Norwegian hotel market in 2024

The hotel market in Norway performed well in 2024.

The demand for hotel rooms increased, and the number of overnight stays at Norwegian hotels reached 26.7 million, an increase of 6% from 2023.

The average room rate in Norway rose by 6% to NOK 1,377, while occupancy increased by 2 percentage points to 56%.

The key figure RevPAR (Revenue Per Available Room) increased by 10% to NOK 771.

In 2024, the market development in Oslo was in line with the rest of Norway, and RevPAR for Oslo hotels increased by 10% to NOK 1034.

The hotel market is divided into the following three main segments, which experienced somewhat different developments in 2024:

Segment	Share of total market	Change compared with
Holiday and leisure market	58,4 %	1 %
Individual business travellers	31,5 %	0 %
Course and conference market	10,1 %	-1 %

Source: SSB

### 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

Financial risk for Thon Gruppen is primarily assessed through the Group's access to, and the cost of, financing in the bank and capital markets.

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

The risk is mitigated by a low level of leverage, a balanced debt portfolio, and significant liquidity reserves.

The cost of financing depends on market interest rates and the specific credit margin that the Group must 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 is assessed as very good in 2024, with falling credit margins in both the bank and capital markets.

### Interest rate development

In 2024, Norges Bank kept the key interest rate unchanged at 4.50%.

The short Norwegian money market rate (3-month NIBOR) fell marginally from 4.72% to 4.68% at the end of the year. The long money market rate (10-year swap rate) increased from 3.33% to 4.05% by year-end.

In 2024, the Riksbank in Sweden reduced the interest rate from 4.00% to 2.75%. This led to the short money market rate (3-month STIBOR) falling from 4.06% to 2.54% by year-end. The long money market rate (10-year swap rate) increased from 2.36% to 2.71%.

European Central Bank (ECB) reduced the key interest rate in the Euro area from 4.00% to 3.00%, and the short-term market rate (3-month EURIBOR) fell from 3.94% to 2.71%. The long-term market rate (10-year swap rate) rose from 2.50% to 2.71%.

## The Credit market

In the capital market, Thon Gruppen's borrowers are Olav Thon Eiendomsskap ASA and Thon Holding AS.

The credit margin indicated for new loans issued by the Group gradually fell throughout 2024.

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

At the end of the year, the credit margin for 5-year unsecured bond loans in Norway was indicated at 1.10% (1.80), while the 12-month unsecured certificate loans were indicated at 0.40% (0.85).

## 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, which is available only in the Norwegian version.

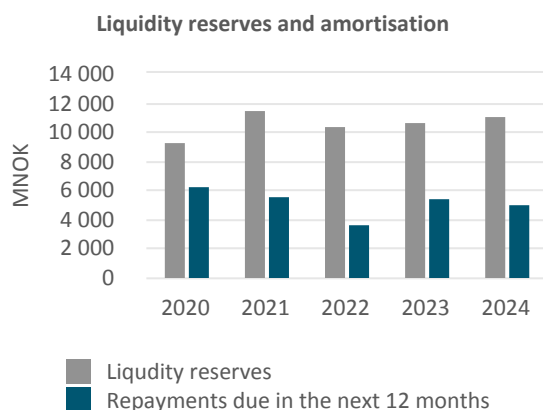
The status of the various risk groups at year end is described below.

### Liquidity risk

At the end of the year, the Group's total liquidity reserve was NOK 11 112 million (10 731).

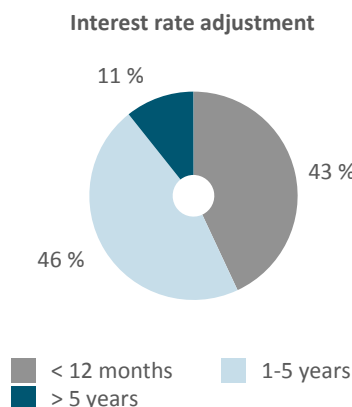
The debt portfolio had, at year-end, an average remaining term of 3,0 years (2,9), and 15 % (18 %) of the debt matures for payment within 1 year.

As of 31.12.2024, the liquidity reserve constituted 216 % (193 %) of the debt maturity in the next 12 months.

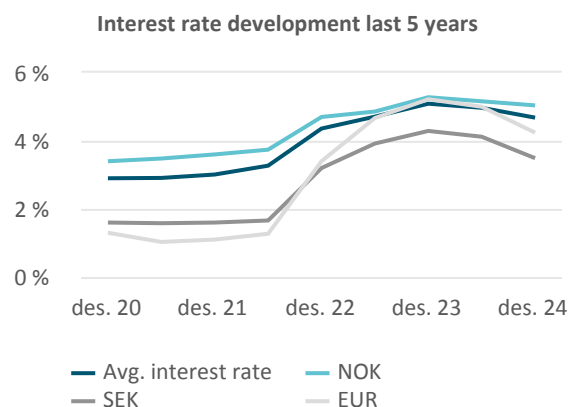


## Interest rate risk

At the end of the year, the Group had a fixed interest rate share with an interest binding period beyond 1 year of 57 % (54 %), with an average fixed-rate period of 3,0 years (3,3).



At the end of the year the Group's average interest rate was 4,68 % (5,09 %).



Interest hedging in the Group is primarily done through the use of financial instruments (interest rate swaps) at the portfolio level.

The portfolio of financial instruments to achieve long-term interest binding was at year-end NOK 28 012 million (29 334) and had a market value of NOK 854 million (268).

The market value is affected by changes in the long-term interest rate level and by the remaining term of the financial instruments. A change in the interest rate level by one percentage point is estimated to change the portfolio's market value by NOK 800 - 900 million.



### Currency risk

At the year end, the Group's interest-bearing debt was NOK 33 618 (31 319) and consist of the following currencies:

	Share of debt	Avg. interest rate 31.12.24	Avg. interest rate 31.12.23
NOK	74 %	5,0 %	5,3 %
SEK	17 %	3,5 %	4,3 %
Euro	9 %	4,2 %	5,2 %
<b>TOTAL</b>	<b>100 %</b>	<b>4,7 %</b>	<b>5,1 %</b>

### Credit risk

The provision for losses in the rental business has increased by NOK 5 million throughout 2024. Realized credit losses in recent years have accounted for less than 0.5% of the Group's rental income.

### Operational risk

The Group's operational risk is primarily related to the possibility that employees and systems for managing the business do not function as anticipated.

The management is organized in such a way that the risk associated with individual activities and absences is relatively low, and the Group's management systems are assessed as robust.

### OUTLOOK

The growth in the Norwegian economy is still relatively low but showed an increasing trend throughout the past year. Despite a slight increase, unemployment remains low, and wage growth is relatively high.

Price growth has decreased significantly throughout 2024, but it is still higher than Norges Bank's inflation target. Norges Bank kept the key interest rate unchanged at 4.50% throughout 2024 and signals that the key interest rate is likely to be lowered in 2025.

Increasing geopolitical uncertainty, persistent price growth above Norges Bank's inflation target, and a higher interest rate level create uncertainty about the economic development both in Norway and globally in the period ahead. The Group's solid market position and financial standing are expected to contribute to continued good operational result development going forward, despite a higher interest rate level and persistent uncertainty about macroeconomic developments.



Oslo, 23. april 2025  
Board of Directors, Thon Gruppen AS



Kjetil Nilsen  
Chairman/CEO



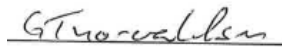
Dag Tangevald-Jensen  
Board member



Arne B. Sperre  
Board member



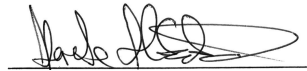
Sissel Berdal Haga Thon  
Board member



Geir T. Thorvaldsen  
Board member



Annette Hofgaard  
Board member



Merete Alfstad  
Board member

## THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

**STATEMENT OF COMPREHENSIVE INCOME**

(Figures in NOK millions)	2024	2023
Rental income	5 933	5 625
Room revenue	3 108	2 979
Sale of goods	2 563	2 908
Other operating income	2 314	2 113
<b>Operating income</b>	<b>13 919</b>	<b>13 625</b>
Cost of goods	-1 210	-1 539
Payroll costs	-2 271	-2 114
Ordinary depreciation and impairment	-538	-823
Other operating expenses	-4 494	-4 084
<b>Operating expenses</b>	<b>-8 513</b>	<b>-8 560</b>
<b>Net income from property management</b>	<b>5 406</b>	<b>5 065</b>
Fair value adjustments, investment property	-359	-7 723
Share of profit from joint ventures and associated companies	134	-122
<b>Operating profit</b>	<b>5 181</b>	<b>-2 780</b>
Financial income	471	224
Financial expenses	-2 411	-1 978
Fair value adjustments, financial instruments	663	174
<b>Net financial items</b>	<b>-1 277</b>	<b>-1 579</b>
<b>Profit before income tax</b>	<b>3 903</b>	<b>-4 359</b>
Change in deferred tax	-453	1 457
Income tax payable	-365	-502
<b>Income tax</b>	<b>-818</b>	<b>955</b>
<b>Profit</b>	<b>3 085</b>	<b>-3 404</b>
<b>Other comprehensive income:</b>		
<i>Items to be reclassified to P&amp;L in subsequent periods:</i>		
Currency translation differences from foreign operations	256	484
Revaluation when reclassifying properties	86	—
Income taxes on other comprehensive income	-19	—
<b>Total comprehensive income</b>	<b>3 408</b>	<b>-2 920</b>
<b>Profit attributable to:</b>		
Shareholders of the parent	2 384	-2 758
Non-controlling interests	701	-646
<b>Total comprehensive income attributable to:</b>		
Shareholders of the parent	2 691	-2 339
Non-controlling interests	717	-581

## THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

(Figures in NOK millions)	2024	2023
<b>ASSETS</b>		
Investment properties	94 064	88 529
Owner-occupied properties	16 043	15 769
Right-of-use assets	250	256
Other fixed assets	1 395	1 372
Investments in joint ventures and associated companies	2 291	3 068
Non-current financial assets	1 640	651
<b>Total non-current assets</b>	<b>115 683</b>	<b>109 645</b>
Inventories	1 230	825
Trade receivables and other current receivables	2 587	2 357
Cash and cash equivalents	1 305	1 363
<b>Total current assets</b>	<b>5 122</b>	<b>4 544</b>
<b>Total assets</b>	<b>120 805</b>	<b>114 189</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	410	410
Share premium	86	86
Other equity	58 352	55 739
Non-controlling interests	8 841	8 265
<b>Total equity</b>	<b>67 690</b>	<b>64 500</b>
Deferred tax liabilities	14 167	13 532
Lease liabilities	448	446
Interest-bearing non-current liabilities	28 477	25 766
Other non-current liabilities	321	240
<b>Total non-current liabilities</b>	<b>43 413</b>	<b>39 984</b>
Income tax payable	331	448
Interest-bearing current liabilities	5 141	5 554
Trade payables and other current liabilities	4 230	3 703
<b>Total current liabilities</b>	<b>9 702</b>	<b>9 705</b>
<b>Total liabilities</b>	<b>53 115</b>	<b>49 689</b>
<b>Total equity and liabilities</b>	<b>120 805</b>	<b>114 189</b>

Oslo 23 April 2025  
Board of Directors, Thon Gruppen AS



Kjetil Nilsen  
Chairman/CEO




Dag Tangevald-Jensen  
Board member



Arne B. Sperre  
Board member



Sissel Berdal Haga Thon  
Board member



Geir T. Thorvaldsen  
Board member



Annette Hofgaard  
Board member



Merete Alfstad  
Board member

## THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY

Figures in NOK millions	Share capital	Share premium	Currency translation differences	Other Equity	Hedging reserve	Majority share of equity	Non-controlling interests	Total
<b>Equity 31.12.22</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 31.12.23</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>
Profit				2 384		2 384	701	3 085
Other comprehensive income			240	–	67	307	17	323
Dividends paid				-100		-100	-178	-278
Other changes				22		22	37	59
<b>Equity 31.12.24</b>	<b>410</b>	<b>86</b>	<b>1 149</b>	<b>57 043</b>	<b>161</b>	<b>58 848</b>	<b>8 841</b>	<b>67 690</b>

# THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

(Figures in NOK millions)	2024	2023
Profit before income tax	3 903	-4 359
Fair value adjustment, investment property	359	7 723
Fair value adjustment, interest rate derivatives	-635	-167
Fair value adjustment, investments	-27	-7
Expensed interest	2 041	1 580
Paid interest	-1 919	-1 538
Paid income tax	-558	-393
Share of profit from joint ventures and associated companies	-134	122
Depreciation of fixed assets	538	823
Change in operating related accruals	-1 892	323
<b>Net cash flow from operating activities</b>	<b>1 676</b>	<b>4 108</b>
Proceeds from sale of property, plant and equipment	—	61
Purchase of investment properties and property, plant and equipment	-2 365	-2 047
Net payments of acquisition of subsidiaries	-1 652	-1 649
Other investment	445	-46
<b>Net cash flow from investment activities</b>	<b>-3 572</b>	<b>-3 681</b>
Proceeds from interest-bearing liabilities	29 882	10 730
Repayment of interest-bearing liabilities	-27 730	-10 789
Payment on leasing liabilities	-49	-67
Dividends paid	-278	-289
<b>Net cash flow from financing activities</b>	<b>1 825</b>	<b>-416</b>
Currency translation effects on cash and cash equivalents	14	24
<b>Net change in cash and cash equivalents</b>	<b>-57</b>	<b>35</b>
Cash and cash equivalents as at 1 January	1 363	1 328
Cash and cash equivalents as at 31 December	1 305	1 363
<b>Unutilized overdrafts and other credit facilities</b>	<b>9 685</b>	<b>9 272</b>



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