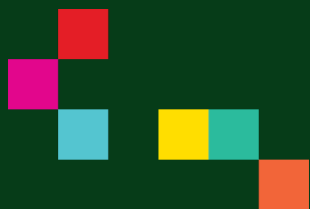




OLAV THON GRUPPEN

ANNUAL REPORT 2022





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KEY FIGURES

MNOK	31.12.22	31.12.21
Operating income	12 184	10 282
Fair value adjustments/depreciation properties and financial instruments ¹⁾	364	4 369
Profit before income tax ²⁾	4 300	7 815
Profit before income tax, fair value adjustments/depreciation and currency result ³⁾	3 918	3 420
Equity	67 758	65 053
Equity ratio	57 %	56 %
Net cash flow from operations ⁴⁾	4 010	3 583
Liquidity reserves ⁵⁾	10 382	11 589
Amortisation next 12 months	3 704	5 574
Interest-bearing debt ⁶⁾	30 987	30 850
Interest rate per balance sheet date	4,36 %	3,01 %
Loan to value ratio ⁷⁾	27 %	28 %
Net investments ⁸⁾	2 238	2 660
Market value properties ⁹⁾	111 216	108 480
Annualized rental income level ¹⁰⁾	6 140	5 830
Net yield properties	4,93 %	4,76 %
Sales, owned shopping centres	75 632	66 619
Revenue per available room (NOK) ¹¹⁾	597	345

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 12,450 million (31.12.22) and NOK 13,363 million (31.12.21)
- 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 7,070 million (31.12.22) and NOK 7,096 million (31.12.21)
- 10) Market rent for rented and vacant premises
- 11) Thon Hotels

BOARD OF DIRECTORS' REPORT

HIGHLIGHTS:

OPERATING INCOME

Total operating income amounted to NOK 12,184 (10,282) million.

PROFIT

Profit before tax was NOK 4,300 (7,815) million.

FINANCIAL POSITION

The Group's equity at year end amounted to NOK 67,758 (65,053) million and its equity ratio was 57% (56%). Total liquidity reserves were NOK 10,382 (11,589) million.

PROPERTY PORTFOLIO

The rental income level in the property portfolio at the end of 2022 was NOK 6,140 (5,830) million and the vacancy rate was 4.4% (4.6%).

SHOPPING CENTRE RETAIL SALES

Retail sales in the shopping centre portfolio owned by the Group amounted to NOK 75.6 (66.6) billion. At year end, the Group owned 70 shopping centres and managed 23 for other owners.

THON HOTELS

At year end, Thon Hotels had 13,386 (12,537) rooms in 89 (83) hotels in Norway and abroad.

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 present. The annual financial statements for 2022 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 31.12.2022.

SUMMARY OF INCOME STATEMENT AND BALANCE SHEET

Financial position/balance sheet as at 31.12.2022

The Group's total assets were NOK 118,330 (116,005) million, with its property portfolio accounting for NOK 107,284 (105,477) million of that figure.

The property portfolio consists of investment properties valued at NOK 92,191 (90,230) million and owner-occupied properties with a book value of NOK 15,093 (15,247) 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 67,758 (65,053) million and the equity ratio was 57% (56%).

The Group's interest-bearing debt was NOK 30,987 (30,850) million, while the loan-to-value ratio was 27% (28%).

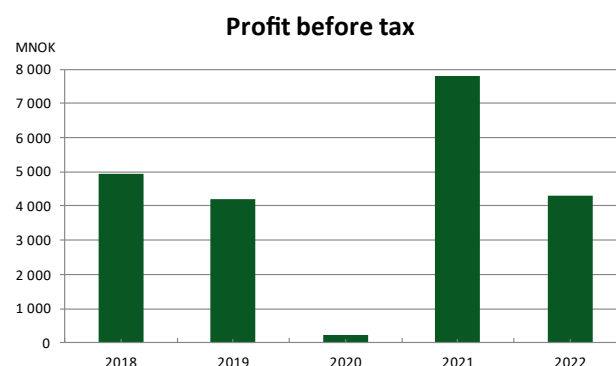
The Group's share of the equity in joint ventures and associates was NOK 4,276 (4,342) million.

Summary of the income statement for 2022

Profit before tax was NOK 4,300 (7,815) million.

Fair value adjustments and depreciation of the property portfolio and financial instruments (including joint ventures/associates) amounted to NOK 364 (4,369) million.

Profit before tax and fair value adjustments/depreciation therefore amounted to NOK 3,918 (3,420) million.



Operating income

The Group's total operating income was NOK 12,184 (10,282) million in 2022 and came from the following business areas:

MNOK	2022	2021
Rental income in Thon Eiendom	4,882	4,478
Accommodation income in Thon Hotels	2,503	1,319
Residential sales in Thon Eiendom	443	926
Sale of goods in Thon Hotels/restaurants	902	559
Sale of goods in other operations and industry	1,353	1,197
Other operating income	2,101	1,802
TOTAL	12,184	10,282

The comparative figures are affected by, among other things, the recognition as income in 2021 of NOK 86 million in cash support from the Norwegian and Swedish authorities in connection with the coronavirus pandemic (see note 30).

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 cost method and the capitalised value is depreciated over the expected lifetime.

In 2022, depreciation of owner-occupied properties amounted to NOK 412 (312) million.

At the end of 2022, the value of the Group's portfolio of owner-occupied properties was written down by NOK 16 (0) million as a result of the fair value being lower than the capitalised value.

Share of results of joint ventures and associates

The Group's share of the results of joint ventures and associates amounted to NOK 182 (528) million.

The decline from 2021 is largely due to fair value adjustments of investment properties and financial instruments in these companies amounting to NOK -79 (338) million.

Financial income and expenses

The Group's net financial items amounted to NOK 121 (395) million, with fair value adjustments of financial instruments accounting for NOK 1,216 (1,255) million of that figure.

Net interest expenses amounted to NOK 1,065 (949) million, in addition to which interest expenses related to lease liabilities amounted to NOK 34 (46) million.

The net exchange gain amounted to NOK 38 (158) million, and dividend received amounted to NOK 5 (4) 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.

Operating expenses

Total operating expenses amounted to NOK 7,901 (6,534) million in 2022 and can be broken down as follows:

MNOK	2022	2021
Payroll expenses	1,742	1,335
Maintenance expenses	529	356
Cost of goods sold other than residential sales	1,080	834
Expenses from residential sales in Thon Eiendom	383	700
Ordinary depreciation and write-downs	833	707
Energy expenses	280	165
Other operating expenses	3,054	2,437
TOTAL	7,901	6,534

In 2022, the Group received NOK 58 (12) million in pay compensation from the Norwegian and Swedish authorities in connection with the coronavirus pandemic. (See note 30.)

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 4,283 (3,748) million.

Fair value adjustments of investment properties

The value of the Group's investment properties fell by NOK 286 (3,144) million.

The value of the property portfolio fell primarily as a result of a higher average required yield when the property portfolio was valued.

In 2022, long-term market interest rates rose in Norway, Sweden and the eurozone. The Norwegian krone strengthened against the Swedish krona but weakened in relation to the euro.

The value of the Group's financial instruments and listed shares increased by NOK 1,216 (1,255) million overall.

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

Fair value adjustments financial instruments	2022	2021
Interest rate swaps	1,365	1,031
Interest rate and currency derivatives	-91	187
Currency futures	-37	30
Listed shares	-21	7
TOTAL	1,216	1,255

Cash flow and liquidity

Net cash flow from the Group's operations was NOK 4,010 (3,583) million, while net cash flow from operating activities was NOK 3,278 (3,876) million.

Net cash flow from investing activities was NOK -2,482 (-2,648) million, while financing activities reduced liquidity by NOK 179 (1,303) million.

The exchange rate effect on cash and cash equivalents amounted to NOK 6 (-9) million, and liquidity reserves therefore increased by NOK 624 (-84) million in 2022.

The Group's liquidity reserves at year end amounted to NOK 10,382 (11,589) million.

Liquidity reserves consisted of short-term investments of NOK 1,416 (809) million and undrawn long-term credit facilities of NOK 8,966 (10,780) million.

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 consists of net financial income and share dividends from subsidiaries.

Profit before tax was NOK 468 (344) million.

Profit for the year was NOK 460 (342) million, and the Board of Director's proposes the following allocation of the parent company's profit for the year:

Proposed dividend:	NOK 100 million
Transferred to other equity:	NOK 360 million
Allocated net profit:	NOK 460 million

The book value of the parent company's assets was NOK 2,104 (1,711) million at year end. Book equity was NOK 1,783 (1,422) million and the equity ratio was 85% (83%).

BUSINESS AREAS

The property business area

Total operating income in the property business area amounted to NOK 7,954 (7,620) million (including internal sales) in 2022.

The increase on last year is due to higher rental income, but the growth was moderated by lower income from residential sales. Income from residential sales was NOK 443 (926) million in 2022.

The Group's external rental income amounted to NOK 4,882 (4,478) million.

Property portfolio as at 31.12.2022

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 92,191 (90,230) million at year end.

The valuation was based on an average required yield of 4.93%. (4.79%).

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 capitalised value of the Group's owner-occupied properties was NOK 15,093 (15,247) million.

Rental income level as at 31.12.2022

At year end, the Group's total property portfolio had a rental income level of NOK 6,140 (5,830) million (including market rents on vacant premises).

The property portfolio is distributed over the following segments:

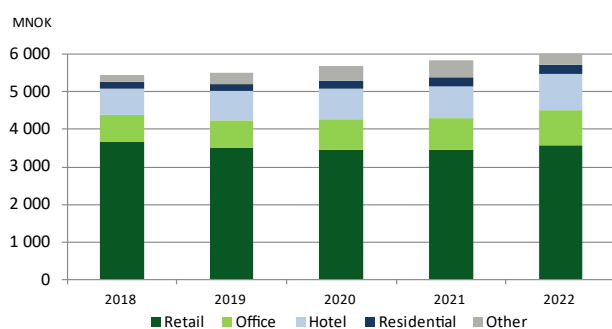
- 58% Retail
- 15% Hotels
- 15% Offices
- 4% Residential
- 8% Miscellaneous

The rental income comes from the following geographical areas:

- 54% Oslo region
- 33% Rest of Norway
- 13% Abroad

As at 31.12.2022, the vacancy rate in the property portfolio was 4.1% (4.6%).

Annual rental income level



The shopping centre business area

At year end, the shopping centre business area comprised 93 shopping centres in Norway and Sweden, 23 of which are 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 75.6 billion in 2022, up 14% on 2021.

Norway

In Norway, retail sales increased by 4.8% to NOK 61.0 billion.

Sweden

In Sweden, total retail sales amounted to SEK 14.4 billion, up 73.5% on 2021.

The comparative figures for the Swedish shopping centres are affected by the fact that the border with Sweden was essentially closed to Norwegian customers for much of 2021.

Property portfolio owned by joint ventures and associates

The Group has ownership interests in shopping centres, hotels, residential properties and other commercial properties owned through joint ventures/associates.

The stakes in these companies, which are between 12.5% and 50%, 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 410 (385) million, while the Group's share of the property values was valued at NOK 6,999 (7,063) million.

HOTELS

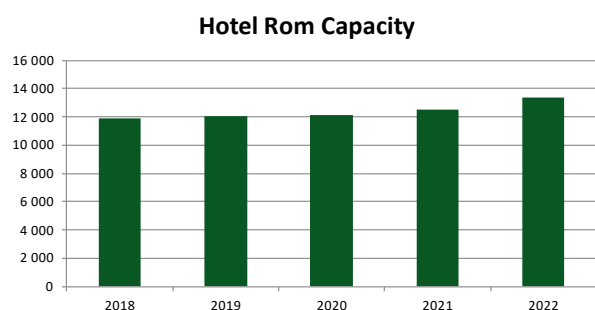
The hotel and restaurant business area

Operating income in the hotel business area (including internal sales) amounted to NOK 4,306 (2,654) million, including operating income of NOK 196 (90) million from separate restaurants.

Thon Hotels

At the end of 2022, Thon Hotels had 13,386 rooms in 89 hotels in Norway and abroad.

In Norway, Thon Hotels is a nationwide hotel chain with 11,560 rooms in 79 hotels, 25 of which are operated by external franchisees.



The hotel portfolio mainly consists of city centre hotels, most of which were 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 1,581 rooms in five hotels and two apartment hotels in Brussels, Belgium, and one hotel in Rotterdam in the Netherlands.

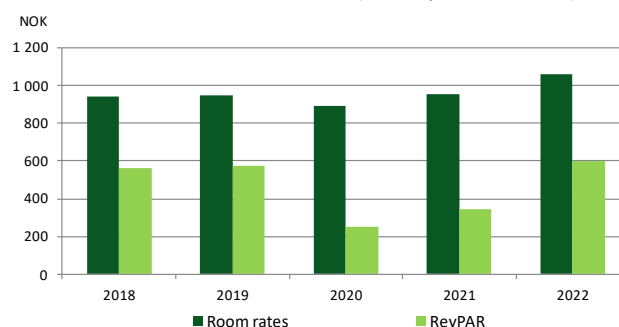
Broken down into geographical segments, Thon Hotels achieved the following key figures in 2022:

	Average room rate	Occupancy rate	RevPAR
Thon Hotels Norway (NOK)	1,057	57	598 (61%)
Thon Hotels Brussels (EUR)	108	54	58 (263%)
Total Thon Hotels (NOK)	1,061	56	597 (73%)

(Change from 2021 in brackets)

Thon Hotels achieved a considerable improvement in performance in 2022.

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 1,278 (1,073) million in 2022.

The largest company, Unger Fabrikker AS, achieved good results once again in 2022. Operating income amounted to NOK 875 (731) million and profit before tax was NOK 47 (56) million.

INVESTMENTS

The Group's net investments in 2022 amounted to NOK 2,238 (2,660) million and includes investments in property projects under construction, refurbishment of the existing property portfolio and property acquisitions.

Major property acquisitions

Amfi Drøbak City, Frogn

In Q1, the Group acquired the owner company of the shopping centre property, which it has leased since 1996.

Amfi Drøbak City is a shopping centre property covering approx. 20,000 square metres with 40 shops in the Municipality of Frogn, around 40 km south of Oslo.

Angvik Areal AS

The Group's interest in Angvik Areal AS increased from 27% to 70% in Q3. Angvik Areal is a regional property company with a portfolio of wholly and partly owned commercial properties with a total area of approx. 60,000 square metres, as well as a substantial plot area. More information can be found in note 5.

Karl Johans gate 2, Oslo

The Group increased its interest in the property from 55% to 100% in the second half of the year. Karl Johans gate 2 is a combined retail and office property with 5,300 square metres of space located near Jernbanetorget in the centre of Oslo.

Sørlandssenteret, Kristiansand

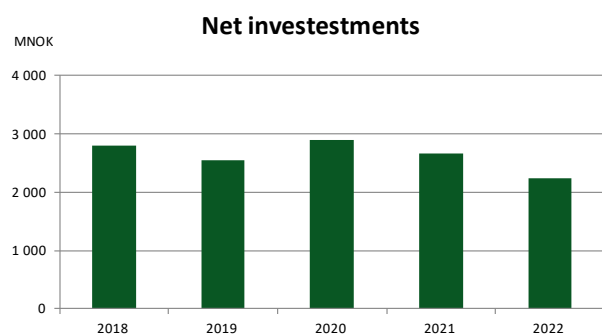
An agreement was signed in Q4 regarding acquisition of the remaining 50% of the Sørlandssenteret shopping centre in the Municipality of Kristiansand. Following the takeover in January 2023, Olav Thon Eiendomsselskap is the sole owner of Sørlandssenteret.

Sørlandssenteret, which is located 12 km northeast of Kristiansand, is the largest shopping centre in the County of 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, a shopping centre that 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 acquired in mid-January 2023.

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

The following major projects were completed during the year:

- Two logistics buildings totalling 46,000 square metres at Gardermoen.
- One new building in Oslo city centre with 46 residential units for rent.
- One residential project in the Oslo area (Vestby) with 106 apartments.

Under construction

The following major projects were under construction at the start of 2023:

Lørenskog Storsenter, Lørenskog

The centre is being extended by a further 26,000 square metres of retail space, in addition to which 15,000 square metres of the older part of the centre are being refurbished. The last building phase will be completed in the first half of 2023.

Amfi Vågen, Sandnes

This shopping centre property totalling 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, including a food court. The final phase of the expansion will be completed in the first half of 2023.

Thon Hotel Snø, Lørenskog

A 300-room hotel is being built at the SNØ indoor ski arena in Lørenskog in the Oslo area. The hotel will be completed in the Summer of 2023.

Strømmen Verksted, Strømmen

Construction phase 2 with 102 apartments will be completed in the first half of 2023.

Arnlfot Gellines vei 1, Oslo

A property centrally located in at the East side of Oslo with total space of 2,500 square metres. The building, with 22 residential units for rent, is scheduled for completion in 2024.

In addition to the major property projects, smaller upgrade and refurbishment projects are taking place in the existing real estate portfolio.

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 39,954 (41,631) million, NOK 8,966 (10,780) million of which was undrawn.

Interest-bearing debt therefore amounted to NOK 30,987 (30,850) million.

The capital markets in Norway and Sweden are important sources of financing and a substantial part of the Group's financing is raised in these financing markets.

At year end, outstanding certificate and bond debt amounted to NOK 14,079 (16,873) million, broken down as follows:

Norway: NOK 13,134 (14,580) million
Sweden: SEK 1,000 (2,250) million

The proportion of interest-bearing debt raised in the capital market was therefore 45% (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 2022, there were 2,703 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: 2,283 in Norway, 315 in Belgium, 25 in the Netherlands and 80 in Sweden. 48% of the Group's employees are women and 52% are men.

The Group's sick leave rate in 2022 was 6.5% (5.0%).

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.

Kjetil Nilsen was appointed CEO of the company and Group CEO of the Olav Thon Group in April. Kjetil Nilsen has worked for the Olav Thon Group since 1995. Most recently, he was Group CTO and a member of the Group Management Team.

The Board of Directors thanks outgoing CEO Dag Tangevald-Jensen for his sterling work over the years.

The Olav Thon Group has not taken out insurance for members of the Board of Directors for their possible liability in relation to 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: olavthon.no.

SUSTAINABLE VALUE CREATION 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.

This work is followed up with targets and measures, and is documented in an annual sustainability report, which is prepared in accordance with the framework laid down in the Global Reporting Initiative (GRI).

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 on this work and the sustainability report can be found on the company's website: olavthon.no.

TRANSPARENCY ACT

The Norwegian Transparency Act (Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions) came into force in 2022.

The 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. This has to be done in the form of an account, which must be publicly available.

Thon Holding will publish an "Account of due diligence carried out pursuant to the Transparency Act" on the Group's website at olavthon.no by the deadline stipulated in the Act.

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 2022

The commercial property market showed weak development overall in 2022, and a substantial increase in

financing costs resulted in lower demand for commercial property. This contributed to a general decrease in value in several segments.

The sales volume in the transaction market for commercial property in Norway in 2022 was down on the two previous years, but was nevertheless on a par with 2019, which was high historically.

Rental prices for shopping centre properties largely showed stable development.

The rental price trend was largely up on the office rental market in the Oslo area, but there were some differences in rental price and vacancy rate between the different parts of the city.

The Group's market risk

Both shopping centre property and commercial property saw negative value development in 2022, with increased market yields contributing to a decrease in value.

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 2022

2022 was a good year for the tourism industry despite the national infection control measures during some part of Q1 in Norway.

Demand for hotel rooms increased and there were 23.9 million overnight stays in Norwegian hotels, up 46% on 2021. The number of overnight stays was, however, 4% lower than in 2019.

The average room rate in Norway rose 13% to NOK 1,197, while the occupancy rate increased by 11 percentage points to 51%.

The RevPAR (Revenue Per Available Room) key figure rose 44% to NOK 610. RevPAR for 2022 is 11% higher than in 2019.

The hotel market is divided into the following three main segments, which developed somewhat differently in 2022:

Segment	Share of total market	Change from 2021 (percentage points)
Holiday and leisure market	56.9%	-0.4%
Individual business travellers	32.0%	-2.2%
Course and conference market	11.0%	+2.6%

Source: Statistics Norway

Market performance in Oslo was stronger than the national average in 2022, with RevPAR for the Oslo hotels increasing by 103% to NOK 804. In Oslo, RevPAR was 9% up on 2019.

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 increased economic uncertainty both in Norway and internationally, it is assumed that the hotel market will weaken going forward.

Financial risk

The Olav Thon Group's financial risk is considered mainly to be 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 of the financial markets

Access to financing is judged satisfactory in 2022 despite relatively weak credit markets.

Interest rate developments

In 2022, Norges Bank raised its policy rate from 0.50% to 2.75%.

The short-term Norwegian money market interest rate (3-month NIBOR) rose from 0.95% to 3.21% at year end. The long-term money market rate (10-year swap rate) rose from 1.90% to 3.17% at year end.

The Swedish Central Bank raised its interest rate from 0% to 2.50% in 2022, while the short-term money market interest rate (3-month STIBOR) rose from -0.05% to 2.70% at year end. The long-term money market rate (10-year swap rate) rose from 0.96% to 3.09% at year end.

The European Central Bank (ECB) raised the policy rate in the eurozone from -0.5% to 2.00%, while the short-term market rate (3-month EURIBOR) rose from -0.57% to 2.51% at year end. The long-term market rate (10-year swap rate) rose from 0.29% to 3.08% at year end.

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 gradually increased in the first three quarters but fell back slightly in Q4.

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 spread for 5-year unsecured bond issues in Norway for Olav Thon Eiendomsselskap was indicated at 2.05% (1.00%), while 12-month unsecured commercial papers were indicated at 1.25% (0.30%).

The Group's financial risk

The Group's financial risk can be divided into:

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

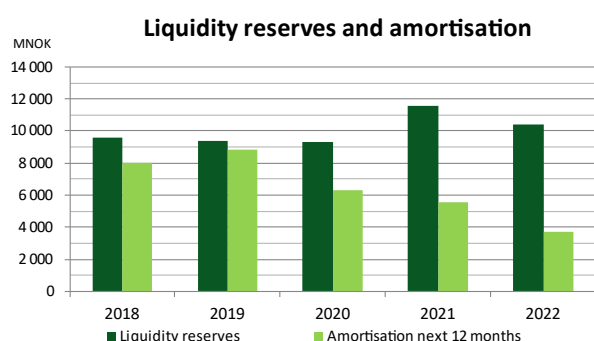
Descriptions of financial risk factors and financial risk management can be found in note 18 to the annual report. The status of the different risk groups at year end is described below.

Liquidity risk

The Group's total liquidity reserves at year end amounted to NOK 10,382 (11,589) million.

At year end, the Group's interest-bearing debt had an average remaining term of 2.7 (2.8) years, and 12% (18%) of the debt is due for repayment within one year.

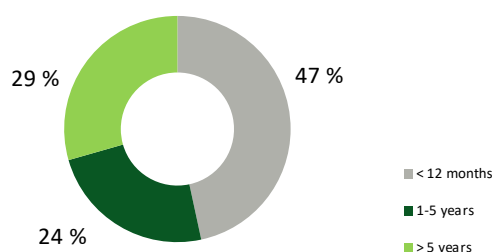
As at 31.12.2022, the liquidity reserve represented 281% (208%) of debt maturing in the next 12 months.



Interest rate risk

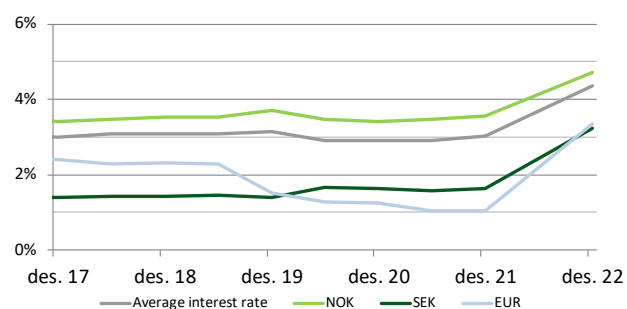
At year end, the Group had a fixed-rate ratio with a fixed-rate period exceeding one year of 53% (55%), with an average fixed-rate period of 3.2 (3.6) years.

Interest rate adjustment



The Group's average interest rate at year end was 4.36% (3.01%).

Interest rates



Interest rate hedging in the Group is mainly using financial instruments (interest rate swaps) at portfolio level.

At year end, the portfolio of financial instruments was NOK 25,258 (24,163) million and had a fair value of NOK -143 (-1,417) million.

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

Currency risk

At year end, the Group's interest-bearing debt was NOK 30,987 (30,850) million and consists of the following currencies:

	Share of debt	Average interest rate as at 31.12.22	Average interest rate as at 31.12.21
NOK	75%	4.7%	3.6%
SEK	16%	3.2%	1.6%
EUR	9%	1.1%	1.1%
TOTAL	100%	3.4%	2.9%

Credit risk

Provisions for rental business losses remained roughly unchanged during 2022. 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

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

In order to curb inflation, Norges Bank has raised its policy rate from 0% to 3.00% since autumn 2021 and is indicating that the interest rate will have to be raised further as a means of curbing inflation.

The war in Ukraine, high inflation and sharp interest rate rises both in Norway and internationally are causing uncertainty regarding economic development going forward.

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

Oslo, 8 May 2023

Board of Directors, Olav Thon Gruppen AS



Olav Thon
Chairman



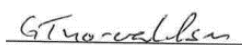
Sissel Berdal Haga Thon
Board Member



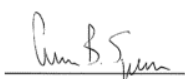
Annette Hofgaard
Board Member



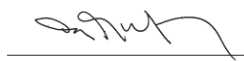
Thomas E. Rønning
Board Member



Geir Tore Thorvaldsen
Board Member



Arne B. Sperre
Board Member



Dag Tangevald-Jensen
Board Member



Kjetil Nilsen
CEO

Every effort has been made to ensure that this translation of the Norwegian text is a true translation. However, in case of any discrepancy, the Norwegian version takes precedence. Full version of the annual report is in Norwegian.

OLAV THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(Figures in NOK millions)	2022	2021
Rental income	4 882	4 478
Room revenue	2 503	1 319
Sale of goods	2 697	2 682
Other operating income	2 101	1 804
Operating income	12 184	10 282
Cost of goods	-1 463	-1 534
Payroll costs	-1 742	-1 335
Ordinary depreciation and impairment	-833	-707
Other operating expenses	-3 863	-2 958
Operating expenses	-7 901	-6 534
Net income from property management	4 283	3 748
Fair value adjustments, investment property	-286	3 144
Results from joint ventures and associates	182	528
Operating profit	4 179	7 421
Financial income	88	178
Financial expenses	-1 183	-1 038
Fair value adjustments, financial instruments	1 216	1 255
Net financial items	121	395
Profit before income tax	4 300	7 815
Change in deferred tax	-549	-1 272
Income tax payable	-363	-339
Income tax	-912	-1 611
Profit	3 388	6 204
Other Comprehensive income		
<i>Items to be reclassified to P&L in subsequent periods:</i>		
Exchange differences from foreign operations	51	-404
Revaluation when reclassifying properties	135	-
Income taxes on other comprehensive income	-30	-
Total comprehensive income	3 545	5 801
Profit attributable to:		
Shareholders of the parent	2 739	5 116
Non-controlling interests	649	1 089
Total comprehensive income attributable to:		
Shareholders of the parent	2 924	4 778
Non-controlling interests	621	1 023

OLAV THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(Figures in NOK millions)	31.12.2022	31.12.2021
ASSETS		
Investment properties	92 191	90 230
Owner-occupied properties	15 093	15 247
Right-of-use assets	295	317
Other fixed assets	1 279	1 237
Investments in joint ventures and associates	4 276	4 342
Non-current financial assets	573	636
Total non-current assets	113 706	112 009
Inventories	907	795
Trade and other receivables	2 389	2 496
Bank deposits and cash	1 328	704
Total current assets	4 624	3 996
Total assets	118 330	116 005
EQUITY AND LIABILITIES		
Share capital	410	410
Share premium	86	86
Other equity	58 238	55 268
Non-controlling interests	9 024	9 290
Total equity	67 758	65 053
Deferred tax liabilities	14 887	14 280
Lease liabilities	461	623
Interest-bearing non-current liabilities	27 284	25 278
Non-current liabilities	288	1 117
Total non-current liabilities	42 919	41 298
Income tax payable	339	337
Interest-bearing current liabilities	3 704	5 573
Trade payables and other current liabilities	3 610	3 743
Total current liabilities	7 653	9 653
Total liabilities	50 573	50 951
Total equity and liabilities	118 330	116 005

OLAV THON GRUPPEN AS, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

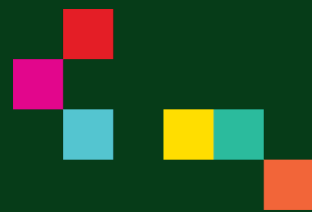
(Figures in NOK millions)	2022	2021
Profit before income tax	4 300	7 815
Fair value adjustment, investment property	275	-3 156
Fair value adjustment, interest rate derivatives	-1 237	-1 248
Fair value adjustment, investments	21	-7
Expensed interest	1 147	1 005
Paid interest	-1 120	-1 001
Paid income tax	-361	-181
Share of profit from joint ventures and associated companies	-182	-528
Depreciation of fixed assets	833	707
Change in operating related accruals	-398	470
Net cash flow from operating activities	3 278	3 876
Proceeds from sale of property, plant and equipment	-	372
Purchase of investment properties and property, plant and equipment	-2 423	-2 777
Payments linked to acquisition of subsidiaries	-419	-122
Other investment	361	-120
Net cash flow from investment activities	-2 482	-2 648
Proceeds from interest-bearing liabilities	14 343	19 138
Repayment of interest-bearing liabilities	-14 035	-20 240
Payment on leasing liabilities	-64	-57
Dividends paid	-423	-143
Net cash flow from financing activities	-179	-1 303
Currency translation effects on cash and cash equivalents	6	-9
Net change in cash and cash equivalents	624	-84
Cash and cash equivalents as at 1 January	704	788
Cash and cash equivalents as at 31 December	1 328	704
Unutilized overdrafts and other credit facilities	8 966	10 780

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
Equity 31 Dec 2020	410	86	748	49 723	-12	50 955	8 413	59 369
Profit	-	-	-	5 116	-	5 116	1 089	6 204
Other comprehensive income	-	-	-338	-	-	-338	-66	-404
Dividends paid	-	-	-	-	-	-	-143	-143
Other changes	-	-	-	30	-	30	-3	27
Equity 31 Dec 2021	410	86	411	54 869	-12	55 764	9 290	65 053
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
Equity 31 Dec 2022	410	86	490	57 654	94	58 734	9 024	67 758

*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

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