



OLAV THON GRUPPEN

ANNUAL REPORT 2020





OLAV THON GROUP

2020

ANNUAL REPORT

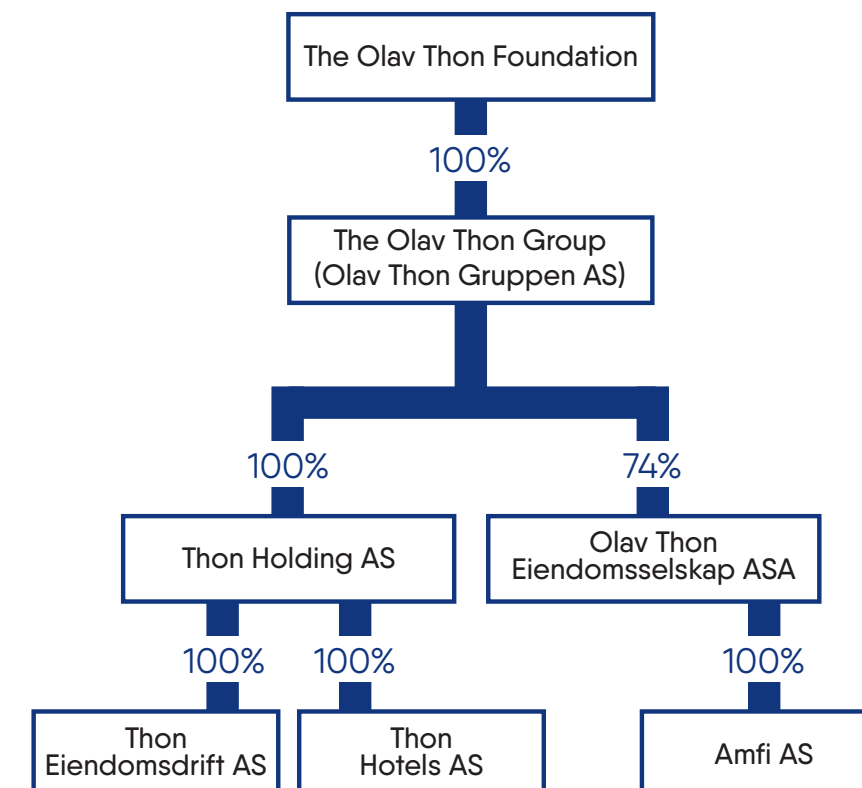
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Cover photo: Storgata 14-18, Oslo.

Corporate structure



Corporate management



OLAV THON
CEO



OLE-CHRISTIAN HALLERUD
Deputy CEO/Executive Vice
President Real Estate



DAG TANGEVALD-JENSEN
Executive Vice President
Finance | Administration



MORTEN THORVALDSEN
Executive Vice President
Hotel | Restaurant

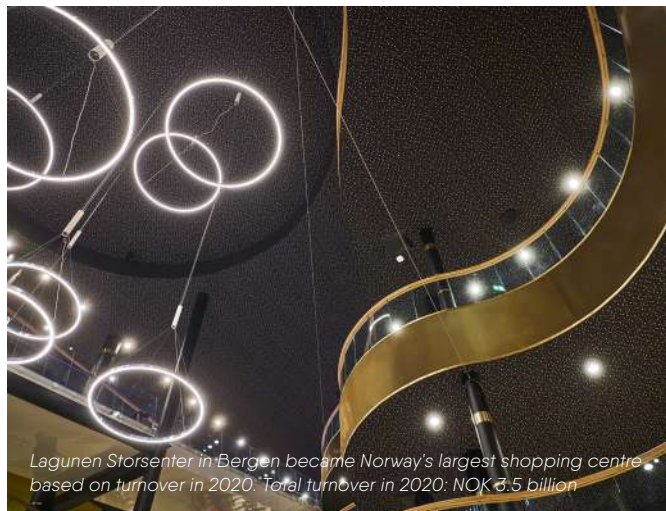


ARNE B. SPERRE
Executive Vice President
Finance

The Olav Thon Group 2020

8 OF THE 10 LARGEST

The Olav Thon Group owns and manages 8 of the 10 largest shopping centres in Norway based on turnover.



Lagunen Storsenter in Bergen became Norway's largest shopping centre based on turnover in 2020. Total turnover in 2020: NOK 3.5 billion

OUR SHOPPING CENTRES AND HOTELS



Shopping centres in Norway: **79**
 Shopping centres in Sweden: **11**
Total: 90



Hotels in Norway: **72**
 Hotels in Brussels and Rotterdam: **8**
Total: 80



Skårerløkka PREMIUM housing project, Lørenskog

DID YOU KNOW THAT...

Thon Hotels was **voted** as **Norway's best hotel chain** by the Norwegian Customer Satisfaction Barometer

Hotel Bristol in Oslo turned **100 years** in 2020

The Olav Thon Foundation distributes approx. **NOK 50 million every year**



Pantelotteriet (The Recycling Lottery), which was started in 2008, exceeded NOK 1 billion in turnover.



Approx. NOK 64.4 billion in store turnover at the Olav Thon Group's Norwegian shopping centres in 2020.





The year that put us to the test

The year 2020 is what I would describe as an extreme year for the Olav Thon Group. Never in my 97 years have I experienced anything like the ripple effects of the corona crisis had on the Norwegian and international economy. Worst affected were the group's hotels and restaurants. Travel restrictions and infection control measures led to a major sales slump for Thon Hotels. We implemented operational optimisation, redundancies and, unfortunately, some downsizing in order to be able to adapt to a new market situation.

The Olav Thon Group has several business areas and thereby more legs to stand on. We experienced some highlights during the corona year. Low interest rates and an increased demand for housing and logistics buildings led to record sales for Thon Eiendom. Unger Fabrikker, which produces surfactant raw materials for cleaning products, also had a 10% increase in turnover and the best result ever.

Our shopping centres had a good year when we look at total turnover, but unfortunately many of our tenants were hit extremely hard by restrictions, closures and a change in consumer buying habits. I am impressed with our employees and partners, suppliers and customers who quickly adapted to a new work situation and who had a fantastic 'do your best at all times' attitude in a tough year.

This year put us all to the test. I have always looked for people with a with a strong work ethic. In the Olav Thon Group, we think long-term and we have our eyes on the goal. There is one thing experienced mountaineers and real estate investors know for sure: No storm can last forever.

Olav Thon
CEO

Key figures

Amount in MNOK	2020	2019
RESULT		
Operating revenues	8,995	10,413
Change in value/depreciation of properties and financial instruments ¹⁾	-2,282	1,353
Profit before tax ²⁾	234	4,211
Profit before tax and change in value/depreciation ³⁾	2,526	2,927
SOLIDITY		
Equity	59,366	58,796
Equity ratio	53%	54%
LIQUIDITY		
Net cash flow from operations ⁴⁾	2,571	2,931
Liquidity reserves ⁵⁾	9,320	9,399
Instalment next 12 months	6,291	8,820
FINANCING		
Interest-bearing debt ⁶⁾	32,356	30,977
Interest per balance sheet date	2.90%	3.13%
Lending ratio ⁷⁾	30%	29%
PROPERTY		
Net investments ⁸⁾	2,894	2,549
Market value of properties ⁹⁾	103,489	101,548
Rent income level properties ¹⁰⁾	5,750	5,685
Yield requirements properties	4.95%	4.89%
SHOPPING CENTRES AND HOTELS		
Turnover owned shopping centres	64,309	66,554
RevPAR (revenue per available room) (NOK) ¹¹⁾	254	575

Note that as a result of rounding differences and reclassifications, numbers and percentages do not always match the total.

1) Change in value of investment properties + Change in value Financial instruments + Depreciation Right to use assets + Depreciation Owner-used property more + Impairments Owner-used properties. Includes joint ventures and affiliates.

2) Including tax expense in joint ventures and associated companies.

3) Deducting tax expense in joint ventures and associates.

4) Net cash flow from operating activities - Expense interest + Paid interest + Paid taxes - Change in operating time-limited items.

5) Bank deposits, shares, etc. + Unused loan facilities

6) Unsecured part of interest-bearing debt resp. MNOK 7,979 (31.12.20) and 6,374 (31.12.19).

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

8) Purchase/sale/expenses on real estate + Purchase/sale of companies + Property, plant and equipment + Other investments (purchase/sale)

9) Includes market value of Investment Properties and Owner-occupied properties. In addition, through joint ventures and associated companies, the group owns properties with market value (the group's share) resp. MNOK 6,586 (31.12.20) and 6,832 (31.12.19).

10) Market rent rented and vacant premises.

11) Thon Hotels

The Olav Thon Group

The core business of the Olav Thon Group is properties that primarily consist of shopping centres, housing, hotels, offices and warehouses.

In total, the Olav Thon Group has approx. 500 properties in the portfolio. The corona pandemic affected several of the group's businesses and thereby also the result this year. In 2020, the Olav Thon Group's operating revenues were NOK 8.99 billion. In total there were approx. 3,233 full time employees in the group.

The group has a number of brand names and companies. The best-known brand names are: Thon Eiendom, Thon Hotels and the listed company Olav Thon Eiendomsselskap.

"In the early phase of the pandemic, several of our planned projects were put on hold. The unpredictability meant that we had to await the situation and this was a demanding time for the Olav Thon Group. After a while, we chose a

"cautiously optimistic" strategy. We resumed several development projects - including new hotels in Lørenskog and in Lofoten, new apartment buildings and commercial properties," says Deputy CEO Ole-Christian Hallerud and continues:

"At Gardermoen, we are building 46,000 square metres of logistics buildings. Housing sales had a record number of homes sold. The corona pandemic had a negative impact on some of our business areas, but a positive one on others. Our employees have made a fantastic effort to adapt in a demanding year."

*Read about the development at Gardermoen on page 16.
Read about housing projects on page 24.
Read about Unger Fabrikker on page 40.*



Read more:
olt.no
olavthon.no
thoneiendom.no
thonhotels.no
olavthonstiftelsen.no



Ole-Christian Hallerud

3,233
FTEs

TOTAL

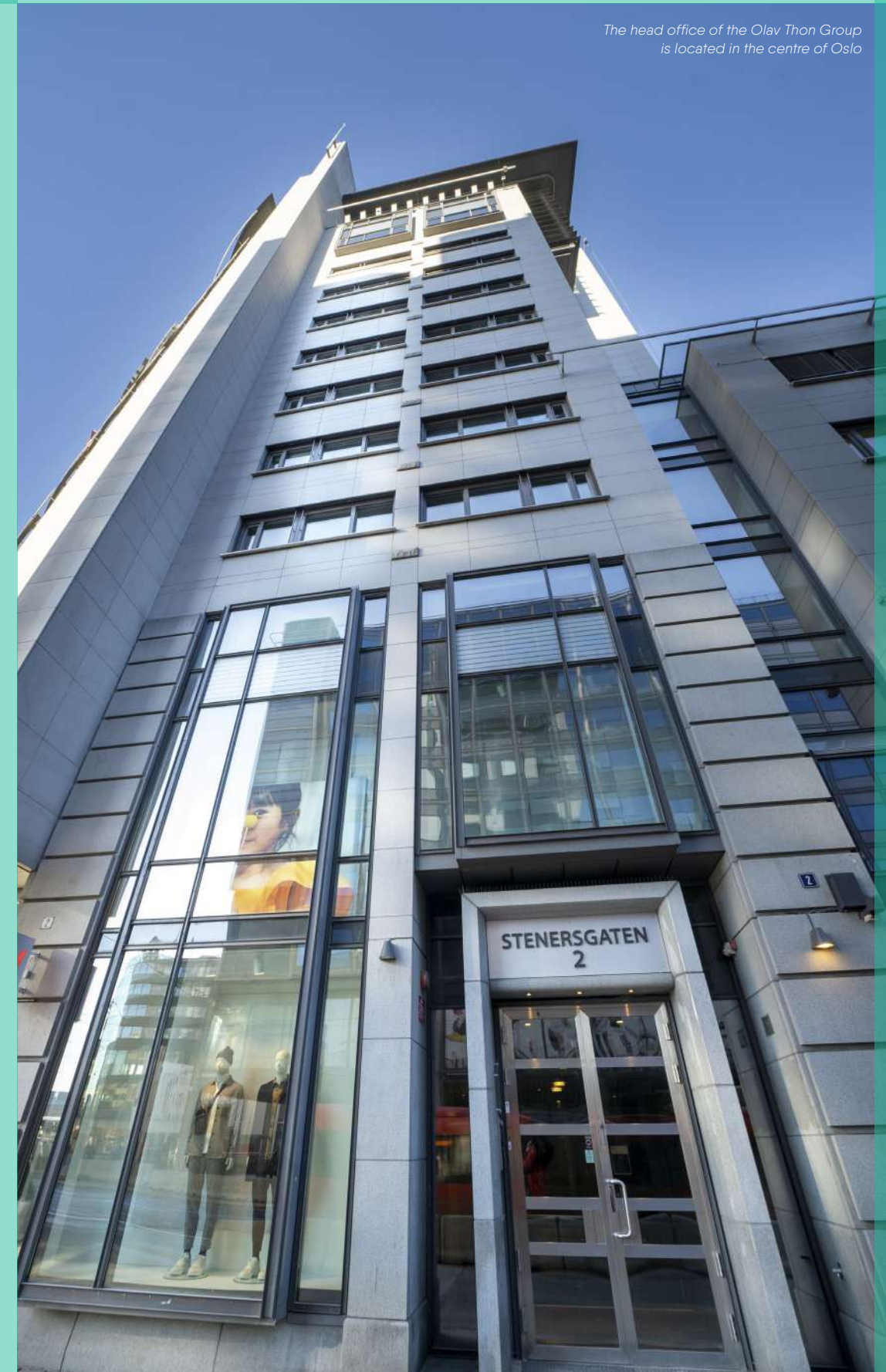
9

billion in
operating revenues

Thon Eiendom
is Norway's
largest
private
real estate player

Thon Hotels
is one of Norway's
largest
hotel chains

The head office of the Olav Thon Group is located in the centre of Oslo



Thon Eiendom

The real estate division includes shopping centres, residential properties, commercial properties, logistics buildings and hotel properties.



Karl Johans gate 2



Akershøyden

Thon Eiendom is one of largest privately owned real estate companies in Norway.

REAL ESTATE PORTFOLIO BROKEN DOWN BY RENTAL INCOME LEVEL:

Retail	60%
Hotels	14%
Offices	15%
Residential	4%
Various	7%

GEOGRAPHICAL DISTRIBUTION OF THE REAL ESTATE PORTFOLIO:

Oslo region:	54%
Other parts of Norway:	31%
Abroad	15%

SHOPPING CENTRES

The Olav Thon Group is Norway's largest shopping centre owner and manager. The group owns and manages shopping centres all over Norway – from Kristiansand in the south to Svalbard in the north. The portfolio includes 8 of Norway's 10 largest shopping centres based on turnover.

Norwegian shopping centres:	79
Swedish shopping centres:	11

Read more about shopping centres on page 22.

HOUSING SALES

Thon Eiendom designs, builds and sells apartments.

In 2020, Thon Eiendom had several large housing projects, including in Vestby, Lørenskog, Tromsø and at Strømmen.

Thon Eiendom sold a total of 117 apartments in 2020. Sales revenues were approx. NOK 530 million.

Read more about housing projects on page 24.

HOUSING RENTALS

Thon Eiendom also has a number of rental properties in Oslo that are rented out to private individuals and students.

In total there are approx. 1,800 apartments for rent.

The apartments are located in central areas such as Grünerløkka, St. Hanshaugen, Frogner, Storo, Grønland and Bjørvika.

COMMERCIAL PROPERTY

Approx. 500,000 square metres of property are rented out as office space and high street commercial premises. The tenants range from large, medium to small businesses.

Office space and workspace solutions are also rented out via the Thon Flex concept at three locations in central Oslo. Thon Eiendom also offers warehouses and logistics buildings.

Read more about Thon Eiendom logistics buildings on page 16.

HOTEL PROPERTIES

The group's hotel properties leased to Thon Hotels are also included in Thon Eiendom's real estate portfolio.

Read more about Thon Hotels on page 30.

i **Read more:**
thoneiendom.no
thonflex.no



THON EIENDOM SOLD APARTMENTS FOR MORE THAN NOK 500 MILLION

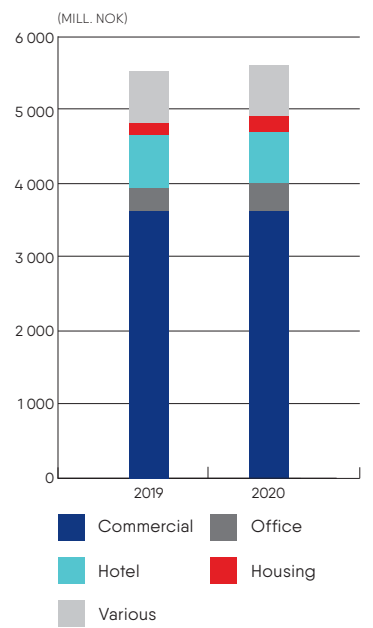


90 SHOPPING CENTRES IN NORWAY AND SWEDEN



1,800 RENTAL APARTMENTS

TOTAL RENTAL INCOME LEVEL





"Gardermoen is a perfect area for logistics businesses"

Annette Hofgaard
Commercial property director

Building central warehouses of 46,000 square metres

In 2020 Thon Eiendom startet to build two new logistics and warehouse buildings at Gardermoen.

Thon Eiendom's commercial property director, Annette Hofgaard, says: "The new warehouse buildings are centrally located at Gardermoen, which is an area perfect for logistics. These are large projects and our tenants receive tailor-made solutions that are adapted to their needs regarding the flow of goods and transport. Moving into their new logistics buildings will be Felleskjøpet Agri SA and the tyre company Starco Norge AS."

Felleskjøpet's warehouse is being built on a 60-acre property. The warehouse will be approx. 23,000 square metres. There will be automation solutions, cold storage, tool storage and an office space of approx. 850 square metres. There will also be outdoor storage for machinery. Starco Norge's warehouse is being built on a 40-acre property. This will be Norway's largest logistics building for tyres and wheels and is approx. 23,000 square metres.

Egil Stenshagen, Chairman of the Board of Starco Norge AS, says: "We are pleased with the new agreement for a new building in Gardermoen Park. The building will be the head office and central warehouse for our companies. Starco Norge already has warehouses in Trondheim, Bodø and Ålesund, as well as several warehouses in Eastern Norway. Our warehouses in Eastern Norway will now be brought together in the new warehouse and logistics building at Gardermoen."

In addition, one of Starco's companies will have its head office here and they will also open a tyre workshop. Veidekke Logistikkbygg AS is the contractor for the two projects. The buildings will be completed in 2022.



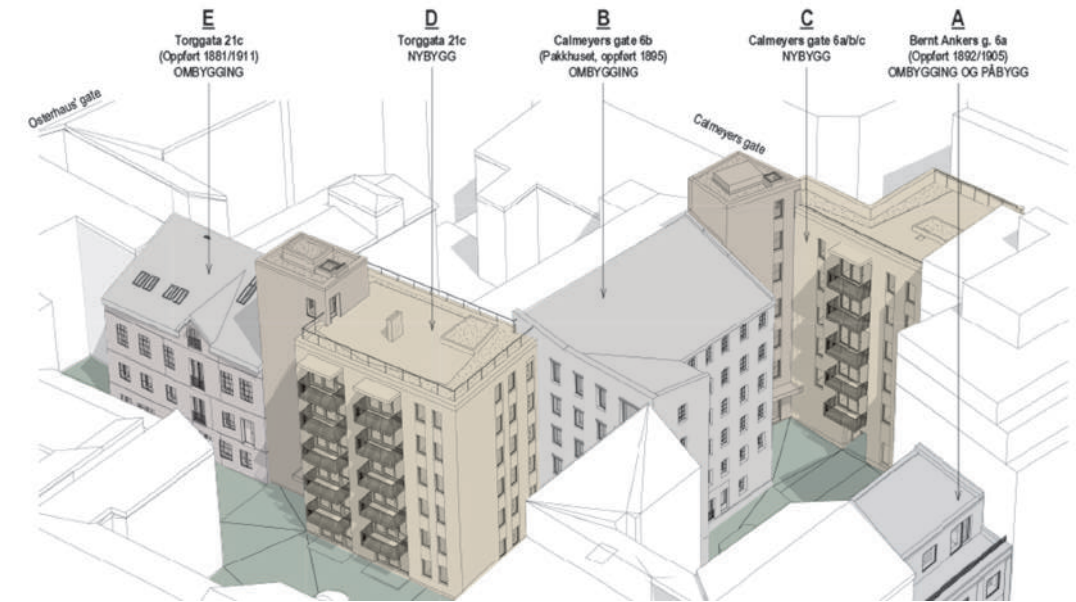
**COMPLETION
1ST HALF OF 2022**



**NORWAY'S LARGEST
LOGISTICS BUILDING FOR
TYRES AND WHEELS**



Aart Architects



Building project in central Oslo

In the properties Bernt Ankers gate 6, Calmeyers gate 6 and parts of Torggata 21 and 23, the Olav Thon Group is in the process of building new rental apartments and commercial premises at street level.

"We are in the process of constructing two new buildings and three buildings will be converted and refurbished. There will be 46 apartments and four commercial premises. This project will contribute to the community with new residents and public-oriented businesses at street level. The location in the middle of the city centre appeals to those who want an urban lifestyle," says project manager Jon Thomas Landerud.

The development project comprises parts of the block Bernt Ankers gate/Torggata/Calmeyers gate/Osterhaus gate. The buildings were designed by Aart Architects. Two rear courtyards will connect a common outdoor area for the buildings. The three buildings to be refurbished date from the end of the 19th century and also need new foundations. The five buildings

are between 4 to 6 storeys high with roof terraces on the new buildings. Civil architect MNAL Nico Sellevold at Aart Architects says: "Respecting history is the main theme in the Bernt Ankers gate/Torggata/Calmeyers gate housing project. We will bring new life into three buildings worthy of preservation that are abandoned buildings currently. We are doing this with deep respect for their history, which dates back to 1880, at the same time as adding two brand new buildings to the location. In this way, new encounters old in a characterful architectural interplay, so that residents will notice the history up close. Roof gardens and courtyards will offer recreational areas with their very own Nordic character, which is also reflected in our work with daylight and materials."



46 APARTMENTS



5 BUILDINGS



5,673 M²
GROSS AREA



COMPLETION:
Q3 2021 & Q1 2022



New office premises with a historic touch

Torggata 11 in Oslo will be completely renovated and converted into office space with an industrially inspired interior.

The offices extend across four floors and are located in the Strøget passageway. In the past, there were many small offices here. Thon Eiendom decided to completely renovate the premises so that they are better suited to a modern working life and with the facilities companies need. The total area is 1,400 square metres.

"When we started demolition, we did not know what was behind the roof and walls. It turned out to be wonderful details. Great ceiling heights with large windows, and the building has beautiful tile and brick walls," says John Braastad who is property manager at Thon Eiendom.

The original brick walls and wooden beams from the 1890s and the height of the windows were retained in the new interior. The premises get a cool industrial feel and the tenants will get the areas adapted as needed. Bicycle parking is available on the same street. At street level are cafes, restaurants and bars - in premises that are also rented out by Thon Eiendom.

Strøget is the passageway between Torggata 11 and Storgata 13. CEO Olav Thon bought several properties here in the 60s and joined the rear courtyards together into a pedestrian street with shops and restaurants. Strøget opened in 1970.

Thon Flex opened at a new location central in Oslo

In the autumn of 2020 Thon Flex opened at Karl Johans gate 5 in Oslo.



"The location is one of the best in the Oslo city centre with entrance from Karl Johans gate and a short distance to Oslo Central Station. The solution we went for at this property is individual private offices in different sizes, as well as access to a kitchenette, lounge, meeting rooms, privacy booths and a beautiful courtyard terrace," says property manager for Thon Flex, Jøran Nenseth.

In 2018, the Olav Thon Group launched the Thon Flex concept - flexible space and pricing options well suited for professionals and growing teams in need of a productive work experience with the benefits of shared, flexible workspace. Vika Atrium at Aker Brygge and Karl Johans gate 16 were established earlier.

The latest Thon Flex location in Karl Johans gate 5 offers modern offices with 1-10 workplaces. In addition, there are shower facilities and changing rooms. At street level there are shops and cafes belonging to Arkaden shopping centre, which is also owned by The Olav Thon Group. The property Karl Johans gate 5-7 was the first apartment building CEO Olav Thon bought in 1950.

Safe shopping

The Olav Thon Group's Norwegian shopping centres had an increase in turnover of 5% in the corona year 2020.

The group's shopping centres in Norway had a total store turnover of NOK 64.4 billion in 2020, which is a 5% growth compared to 2019. But there was great variation among industries. Periodically centres, shops and businesses also had to be closed due to national and regional measures.

"2020 was an abnormal year with large fluctuations due to the corona pandemic. Our main focus was infection control and creating safe shopping for visitors and employees," says director of the shopping centre, Thomas E. Rønning.

The period from March to June was difficult for Norwegian trade. From mid-June, retail sales increased, but mostly within categories such as groceries, sporting goods and housing related stores.

"Large parts of the retail trade unfortunately experienced a decline, especially clothing and footwear sales, restaurants and leisure venues and cinemas. Local centres did well due to the increase in home offices and Norwegians on holiday in their own country. Groceries and alcohol sales at Vinmonopolet also experienced all-time highs during the pandemic," says Rønning.



SHOPPING CENTRES IN SWEDEN

The Olav Thon Group owned and managed 11 shopping centres in Sweden in 2020. Due to a different COVID-19 strategy in Sweden and closed borders, there was a decrease in turnover of approx. 44% for the Swedish centres in the portfolio.

"We had a turnover of almost SEK 8 billion in 2020 – a significant decrease from previous years. Closed borders and fewer visits from Swedish customers unfortunately led to lower turnover than in a normal year," says Mathias Svensson who is head of Thon Property in Sweden.



90 SHOPPING CENTRES IN NORWAY AND SWEDEN



NOK 64.4 BILLION IN STORE TURNOVER NORWEGIAN SHOPPING CENTRES



8 OF THE 10 LARGEST SHOPPING CENTRES IN NORWAY

"Our main focus was to create a safe shopping environment"

Thomas E. Rønning
Shopping centre director

Housing projects in 2020

For many years Thon Eiendom has worked to simplify and digitise home buying. But development really picked up momentum when the housing market turned overnight during the coronavirus pandemic.

"We were the first major real estate company to launch an online calendar where buyers could book safe private viewings with our agents. In addition, we now offer the entire purchase process digitally – everything from digital signing of purchase offers to purchase contracts," says Tonje Marie Haugbro who is director of house sales.

Demand for housing was record high in 2020 and an enormous number of private viewings were held in all of Thon Eiendom's housing projects.

"Digital processes became important tools in 2020 and especially the 360-degree virtual tour of apartments made it possible

for home buyers to get a good impression of the apartments from the comfort of their current home. At the same time, we focused on being up to date with current articles online as more Norwegians had to be at home more and therefore spent more time online. We prepared not only relevant articles about our projects, but also about trends and interiors that we quickly saw Norwegians searching a lot for in general. Selling a property is about being available at all levels and securing the attention of stakeholders," says Tonje Marie.

See Thon Eiendom's housing projects on the next page.



Tonje Marie Haugbro

Skårerløkka

"Our investment in a fully digitalised purchasing process was a success"

Tonje Marie Haugbro, property sales director



Skårerløkka

Lørenskog



95 APARTMENTS
29 - 152 M²
COMPLETION: Q3 2021



Skårerløkka



Skårerløkka



Saras Hage



Wessel Park

Wessel Park

Vestby



106 APARTMENTS
34 - 149 M²
COMPLETION: Q2/Q3 2022



Strømmen Verksted

Solseilet

Tromsø



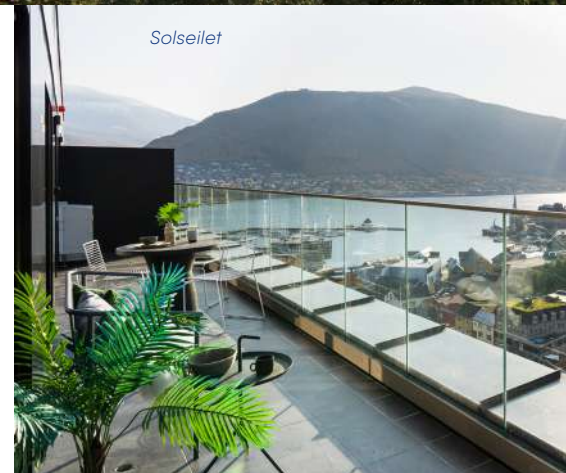
74 APARTMENTS
25 - 157 M²
COMPLETION: Q3 2020

Saras Hage

Tromsø



26 APARTMENTS
29 - 99 M²
COMPLETION: Q4 2020



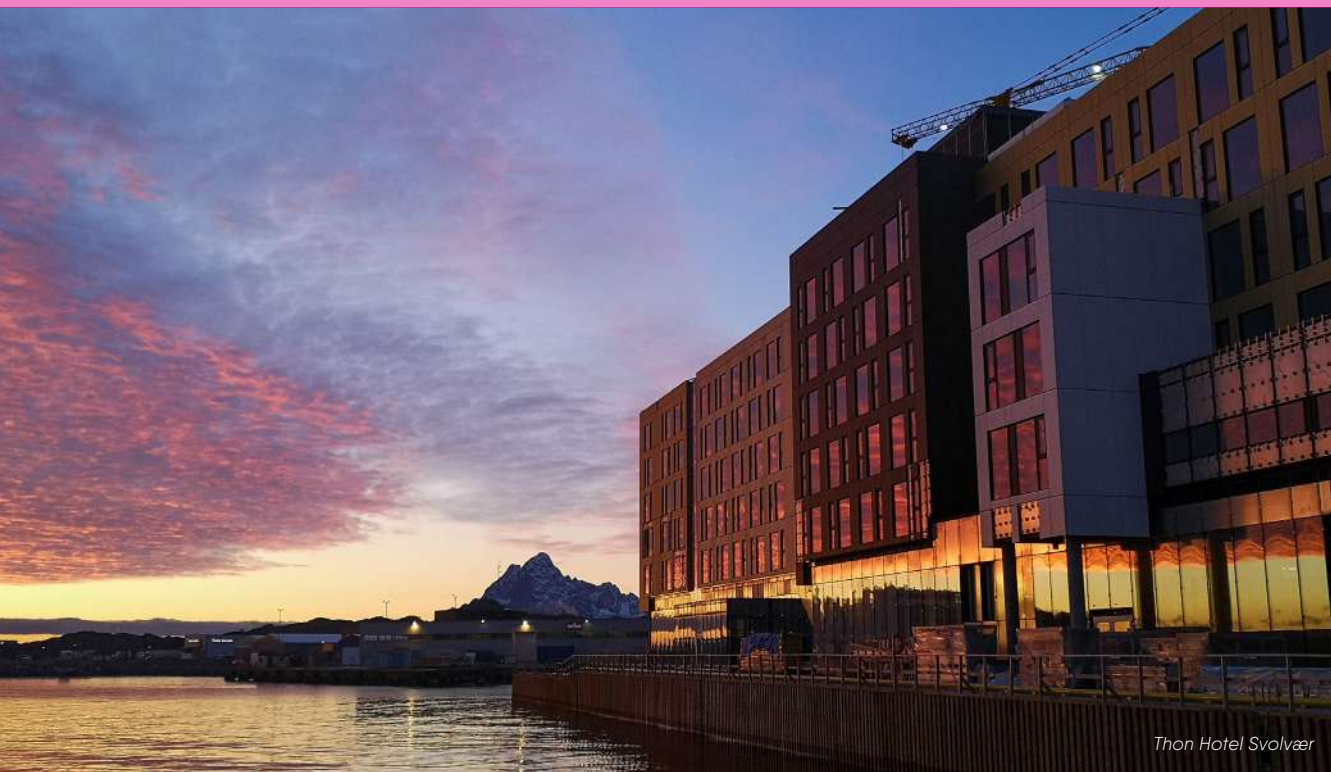
Solseilet

Strømmen Verksted

Strømmen



172 APARTMENTS
40 - 147 M²
COMPLETION: Q1 2021/Q2 2023



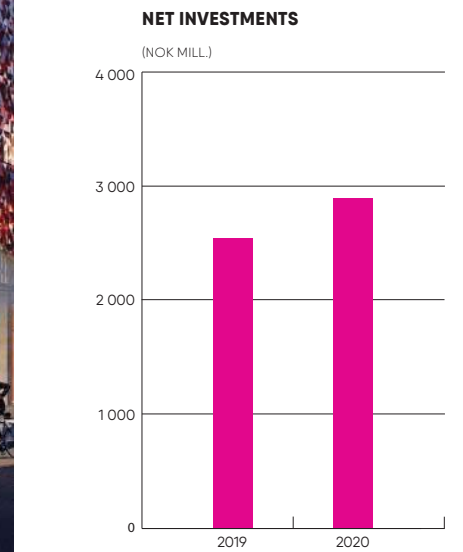
Thon Hotel Svolvær



Amfi Rørvik



Triaden, Lørenskog



Wessel Park, Vestby

Major construction and development projects

Completed real estate projects

PROJECT	LOCATION	SEGMENT	AREA/EXTENSION
Amfi Rørvik (25%)	Vikna	Housing/commercial	30 apartments for sale, 3,400 sqm extension commercial
Torp Köpcentrum	Uddevalla, Sweden	Commercial	23,000 sqm.
Strømmen Verksted	Strømmen	Housing	70 apartments for sale
Rektor Steens gate 7/ Solseilet	Tromsø	Housing	74 apartments for sale
Saras Hage	Tromsø	Housing	26 apartments for sale

Under construction

PROJECT	LOCATION	SEGMENT	COMPLETION	AREA/EXTENSION
Skårerløkka	Lørenskog	Housing	2021	95 apartments for sale
Wessel Park	Vestby	Housing	2021	106 apartments for sale
Triaden	Lørenskog	Commercial	2021	26,000 sqm.
Thon Hotel Svolvær	Svolvær	Hotel	2021	200 rooms
Bernt Ankers gate 6	Oslo	Housing/Commercial	2021	46 apartments and 4 commercial premises for rent
Bragesvei 1 and 3	Ullensaker	Logistics	2022	46,600 sqm
Arnljot Gellines vei 1	Oslo	Housing	2022	22 apartments for rent
Thon Hotel Snø	Lørenskog	Hotel	2022	289 rooms

In addition, major renovations and renewal projects are being carried out at several of the group's hotels.

Thon Hotels in the Worst Year in Tourism History



Thon Hotel Lofoten in Svolvær

DID YOU KNOW THAT...

Thon Hotels **opened new hotels** in Verdal and Kristiansand in 2020

Thon Hotels won the **"Newcomer"-prize for the commercial "Add colour to your day"**

Thon Hotels scored **the highest of Norwegian hotel chains in 2020 in the Kundebarometer-survey**



Thon Hotels introduced strict infection control procedures



Morten Thorvaldsen, Executive Vice President of Thon Hotels



Thon Hotels Slottparken, Oslo

At the beginning of 2020, Thon Hotels was well on its way to setting new sales records. But everything changed in March. Travel bans and restrictions due to the COVID-19 pandemic led to a dramatic decline in hotel bookings.

"From March 13th, the market dropped by 80-90% overnight. We have never experienced anything like this before," says Morten Thorvaldsen, Executive Vice President of Thon Hotels.

New infection control procedures were implemented at all hotels, but bookings declined due to strict travel restrictions. Unfortunately a number of hotels had to close temporarily due to low occupancy.

"Our focus during this time was operational optimisation and infection control. I am impressed with our employees who adapted quickly in relation to ever-changing national and regional measures. We provided safe hotel stays and security for our guests. That was the most important thing. We had to adapt the staffing to a new market situation and redundancies unfortunately became inevitable over time," says Thorvaldsen.

THON HOTELS NORWAY

Thon Hotels has 72 hotels in 46 different destinations in Norway - from Kirkenes in the north to Kristiansand in the south. In total, the hotel chain offers approx. 10,470 rooms in Norway. 53 of the hotels are operated by the group, while 19 are operated by external franchisees. The hotel portfolio mainly consists of centrally located city hotels.

Thon Hotels opened two new hotels during 2020: Thon Hotel Verdal and the franchise hotel Thon Hotel Norge in Kristiansand.

Some hotels were also refurbished and renovated. Responsible for the interior is the design manager in the Olav Thon Group, Sissel Berdal Haga Thon, and interior architect MNIL Trond Ramsøskar.

THE NORWEGIAN HOTEL MARKET IN 2020

2020 was also a dramatic year for the tourism industry.

The corona pandemic and the measures that were introduced led to a serious situation for the hotel industry and a significant number of hotels had to close.

The demand for hotel rooms fell sharply and the number of overnight stays at Norwegian hotels was 14.7 million, a decrease of 41% from 2019. As a consequence of the market development, the number of available rooms decreased by 12% from 2019 to 2020.

The average room price fell by 1% to NOK 979, while occupancy fell by 38 percentage points to 38%. The key figure RevPAR (Revenue Per Available Room) thereby decreased by 32% to NOK 372.

In Oslo, market development was significantly weaker than the national average, and RevPAR for Oslo hotels fell by 58% to NOK 311.

THON HOTELS ABROAD

The hotel business in Brussels and Rotterdam consists of 8 hotels and apartment buildings with a total of 1,580 rooms. In 2020, the portfolio saw a decline in turnover by 70%. The average occupancy rate in 2020 was 23%, with a RevPAR of NOK 220.

Nils Hauge is Area Director for Thon Hotels abroad and says: "Belgium and the Netherlands, like many other European countries, were hit hard by the COVID-19 pandemic and the countries introduced strict infection control measures for longer periods. This, of course, had major consequences for hotel demand from international business travellers who are the most important customer group for our hotels in Brussels. Rotterdam fared somewhat better through 2020 as this destination is not as dependent on international business travellers."

"Throughout 2020, a significant upgrade of our hotel portfolio was carried out in Brussels and our hotels were certified as "Covid Clean" by Safehotels. In other words, we will be strongly equipped when the market picks up "again, says Hauge.

i **Read more:**
thonhotels.no



Thon Hotel Bristol Stephanie, Brussels



10,470
HOTEL ROOMS
IN NORWAY

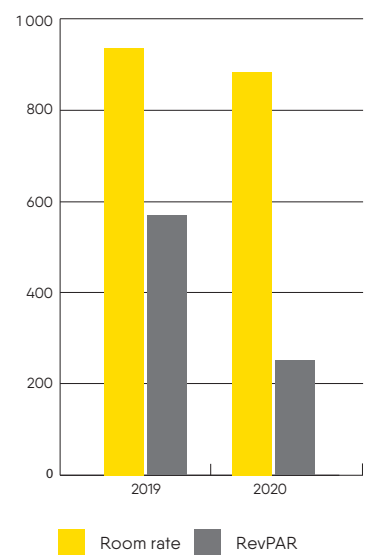


1,580
HOTEL ROOMS
ABROAD



80
HOTELS AND
APARTMENT
HOTELS

ROOM RATE AND REVPAR THON HOTELS
(NOK)





From the commercial for Thon Hotels



Thon Hotel Slottsparken, Oslo

Award-winning commercial

At the Big Screen Awards, Thon Hotels received the "Newcomer of the Year" award.

"Thon Hotels launched the communication concept "Add colour to your day" and made a commercial that was shown at cinemas. We are very happy and proud of the result. That's why it was fun to receive this award from the Big Screen Awards. What's also great is that most of the extras in the commercial are our own employees", says Ida Svenningsen Eide, marketing manager at Thon Hotels.

The commercial is produced by Flambert and directed by Henrik J. Henriksen based on an idea by the Atyp advertising agency. The Wavemaker media agency recommended using cinemas.



SUSTAINABLE BRAND INDEX 2020
Industry winner



NORWEGIAN CUSTOMER SATISFACTION BAROMETER
Industry winner



Norway's best hotel chain in 2020

Many of the annual hotel awards were cancelled in 2020 but two important awards went ahead where Thon Hotels was the industry winner: Norwegian Customer Satisfaction Barometer and Sustainable Brand Index.

Every year, the Norwegian Customer Satisfaction Barometer at the BI Norwegian Business School measures customer satisfaction and loyalty among Norwegian consumers. In 2020, Norwegian consumers were most satisfied with Thon Hotels among all hotel chains in Norway.

Pål Silseth is head of the Norwegian Customer Satisfaction Barometer and lecturer at the BI Norwegian Business School. He explains: "This is a vote of confidence from customers that Thon Hotels delivers good quality and in accordance with customers' expectations. Customer satisfaction is the best performance measure from the customers' point of view. The results show that the direction Thon Hotels has taken in recent years is appreciated by guests."

Thon Hotels also won the industry category in the Sustainable Brand Index 2020.

The founder of this award, Erik Elvingsson Hedén, says: "Thon Hotels takes the first place in the hotel industry this year. This is partly due to the fact that customers are very positive about Thon Hotels' work with social responsibility, both with local involvement and that healthier food and drinks options are offered. Consumers have also noticed the environmental work that has been done to reduce food waste and to streamline resource management, such as laundry."



Hotel director Lars Petter Mathisen

DID YOU KNOW THAT...

President of the Norwegian Parliament, **Carl Joachim Hambro**, lived at the hotel for 18 years?



100 years of luxury at Hotel Bristol

By 2020, the distinguished Hotel Bristol had been open every day for 100 years, including World War II. The hotel is the only one of the traditional luxury hotels in Oslo that remained open during the coronavirus pandemic.



"On 1 June 1920, Hotel Bristol opened its doors to its very first guests. The hotel has been open every single day since," says hotel director Lars Petter Mathisen who is the seventh director in Bristol's 100-year history.

"Hotel Bristol stands out from other hotels. We have chosen to focus on something special and nostalgic at our hotel. There is a lot of history within these walls. Hotel Bristol is distinctive in terms of its interior and design, art and antiques. Our lobby bar has become one of Oslo's famous landmarks and famous for our lavish sandwiches, hot chocolate and Afternoon Tea," says Mathisen.

The hotel is a favourite among the people of Oslo, tourists, celebrities and politicians. Excellent service and first-class food have been served at all the major events and ceremonial events that have been held at the Hotel Bristol for over 100 years. Famous guests include Josephine Baker, Eartha Kitt, Winston Churchill, King Haakon, Lord Mountbatten, Errol Flynn and the Dalai Lama.

OLAV THON: - HOTEL BRISTOL HAS A SPECIAL MEANING TO ME

Hotel Bristol was designed in 1918 by the architect Finn Rahn. CEO Mr. Olav Thon bought the hotel on Kristian IV's gate in 1974.

"Hotel Bristol is the first hotel I bought. The hotel has a special meaning to me. It was the beginning of the Olav Thon Group's hotel business. I think the hotel is stunning. Hotel Bristol is one of my favourite places in Oslo. I come here often. I have had many memorable moments at the hotel. I married my wife Sissel here and we held our wedding party here with 250 guests, says Mr. Olav Thon.

Sissel Berdal Haga Thon, who is responsible for design in the Olav Thon Group, has been in charge of renovating the hotel:

"During the refurbishments, we have put emphasis on maintaining the classic impression of Hotel Bristol, but we have added new elements that give it a certain modern twist."

i Read more: hotelbristol.no



251
GUEST ROOMS AND SUITES



GYM
165 m²



1974
OLAV THON BOUGHT HOTEL BRISTOL

Other businesses

The Olav Thon Group also has several smaller businesses that are part of the group, including a parking company, restaurants and Pantelotteriet (the national Recycling Lottery).



Time Park AS

The privately owned parking company was started by the Olav Thon Group in 2007. Time Park has over 34,000 parking spaces in Norway. The company offers indoor parking spaces, short-term parking, long-term rental of spaces and charging points for electric cars.

Time Park has several large parking garages throughout Oslo. In addition, Time Park operates the car parking at several of the group's shopping centres and hotels. Social restrictions and closed stores in 2020 led to a somewhat lower revenue growth (0.5%) than in a normal year. Digital solutions such as the ParkLink app and License Plate Recognition were successfully implemented at several car parks. In 2020, Time Park had a turnover of more than NOK 169 million and 41 FTEs.

[Read more at timepark.no](https://www.timepark.no)



Resthon

The company operates restaurants and bars in Norway and was founded in 1965. Resthon includes Den Gamle Major, The Scotsman, Dr. Jekyll's Pub, Sir Winston's Public House and Tostrup Uteservering.

In 2020, Tails (formerly Café Victoria) also opened its doors on Karl Johans gate. The two new nightlife concepts: Williamsburg and Duckpin in Oslo were also invented, as well as Liv og Røre at the AMFI Moa shopping centre outside Ålesund. Due to strict national and regional measures in connection with the coronavirus pandemic, the opening dates had to be postponed. The national ban on alcohol sales and social restrictions led to lower annual sales. In 2020, Resthon had a total turnover of NOK 64 million - compared to NOK 121 million in 2019.

[Read more at olavthon.no](https://www.olavthon.no)



Norsk Pantelotteri AS (60%)

The Recycling Lottery (Pantelotteriet) was established by the Olav Thon Group in 2008. Pantelotteriet is a lottery where empty bottles and cans recycled through a Reverse Vending Machine, may be converted into a stake in a national lottery. The beneficiary in Norway of the lottery is the Norwegian Red Cross. 2020 was a record year for the Recycling Lottery. Participants increased to 39% from 30% the previous year. The actual recycling volume went up by 26% according to Infinitum.

The Recycling Lottery had a growth in turnover of 42%, which resulted in the Red Cross receiving more than NOK 90 million in 2020. Since its inception, the Red Cross has received more than NOK 400 million from the Recycling Lottery. The lottery has thereby become one of the organisation's most important sources of income.

[Read more at pantelotteriet.no](https://www.pantelotteriet.no)



Conrad Langaard AS

Conrad Langaard AS was established in 1854 as a family business and from 1986 became a wholly owned subsidiary of the Olav Thon Group. Business areas are imports, selling of goods, wholesale and logistics services, primarily of tobacco products in addition to imports and sales of snacks and confectionery. Turnover in 2020 was NOK 107 million and Conrad Langaard employed 17 FTEs.

[Read more at conrad-langaard.no](https://www.conrad-langaard.no)

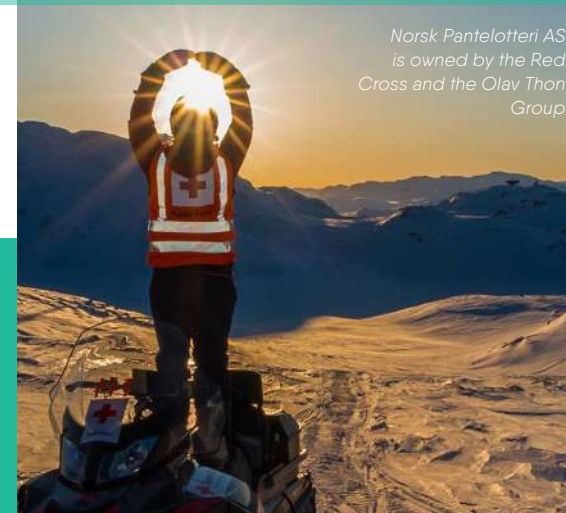


Follo Fjernvarme AS

In 2005, the Olav Thon group took over all the shares in Follo Fjernvarme AS. The company produces, distributes and sells district heating and cooling. The company headquarters are located in Ski, where the municipal council has decided that all new buildings and conversions over 300 square metres must be connected to Follo Fjernvarme. To ensure the Olav Thon Group's properties affordable and environmentally friendly energy, Follo Fjernvarme has also established several district heating plants/local heating systems on the group's properties. The plants use different energy sources for their production.

Follo Fjernvarme has 4 employees and in 2020 had an operating revenue of NOK 41.6 million.

[Read more at follofjernvarme.no](https://www.follofjernvarme.no)



Norsk Pantelotteri AS is owned by the Red Cross and the Olav Thon Group

The Time Park AS parking company

The Café Victoria opened in Karl Johans gate 35



All-time high at Unger Fabrikker



Jan Ivar Ruud, General Manager

The Olav Thon Group's factory, Unger Fabrikker, produces intermediate goods which in turn are used to produce cleaning agents, anti-virus masks and disposable gloves.



Unger Fabrikker's operating revenues amounted to **NOK 662 million**

"Most of what we produce is exported. In the first quarter of 2020, demand skyrocketed and we had to increase production. The coronavirus pandemic created a great international need for cleaning products, but also infection control equipment such as safety goggles and disposable gloves. Most of our products are for cleaning and personal hygiene, but we are also a supplier of components for the production of PVC used in infection control equipment," says general manager Jan Ivar Ruud.

Unger Fabrikker is one of Europe's leading manufacturers of surfactants and functional materials. Production takes place around the clock at the Fredrikstad factory and 97% is exported. Exports go to all continents except Oceania. The largest market for Unger is Europe.

The Olav Thon Group has owned Unger Fabrikker AS since 1992. In the last five years, more than NOK 243 million has been invested in the factory in order to increase deliveries.

"The investments we have made have already yielded a return when we broke all previous records in 2020. We recorded the best results ever in 2020. In addition to increased demand, the recipe for success is that we back all employees in the organisation and that we focus on research and development," says Ruud.

Unger has its own sales staff, a separate development department, has automated production and has focused on expertise and organisational development. 117 employees work at Unger Fabrikker.



UNGER FABRIKKER WILL CELEBRATE 100 YEARS IN 2022

100



NOK **108** MILLION IN PROFIT BEFORE TAX



117 EMPLOYEES

Turufjell – Norway's new mountain destination

On the sunny side in Flå, Turufjell is being built – a new and large cabin real estate project.

Photo: Ole Edvin Tangen and Fred Arne Wergeland



2,000
CABINS

50%
OWNERSHIP

90
MINUTES FROM OSLO

M²
11,000
ACRES

Turufjell is a new destination that the Olav Thon Group has been involved in developing from the beginning.

The area is approx. 11,000 acres and approx. 2,000 cabins are to be built here. In consultation with the municipality, a plan has been drawn up that extends 20 years ahead, including ski lifts, alpine slopes, cross-country trails, bicycle trails, playgrounds and drop-in centres.

"Flå is an area where we have long experience and great faith in as a leisure destination, says Deputy CEO of the Olav Thon Group, Ole-Christian Hallerud.

ALL-YEAR-ROUND DESTINATION

Tore Andreas Gundersen works with leisure properties for Thon Eiendom and believes both the travel distance and the range of activities make the area very attractive.

"Turufjell is only a 90 minute drive from Oslo. This makes the area particularly attractive for families with small children. This makes it possible for cabin owners to come here every weekend if they wish.

The area offers snowy winters, warm summers, miles of ski trails, bike paths, beautiful scenery and many fishing lakes. This makes Turufjell a fantastic year-round destination.

The destination is located towards Vassfaret National Park which is a protected area. There are cross-country trails, ski lifts with three slopes and the opportunity to ski continuously from Turufjell to Gol."

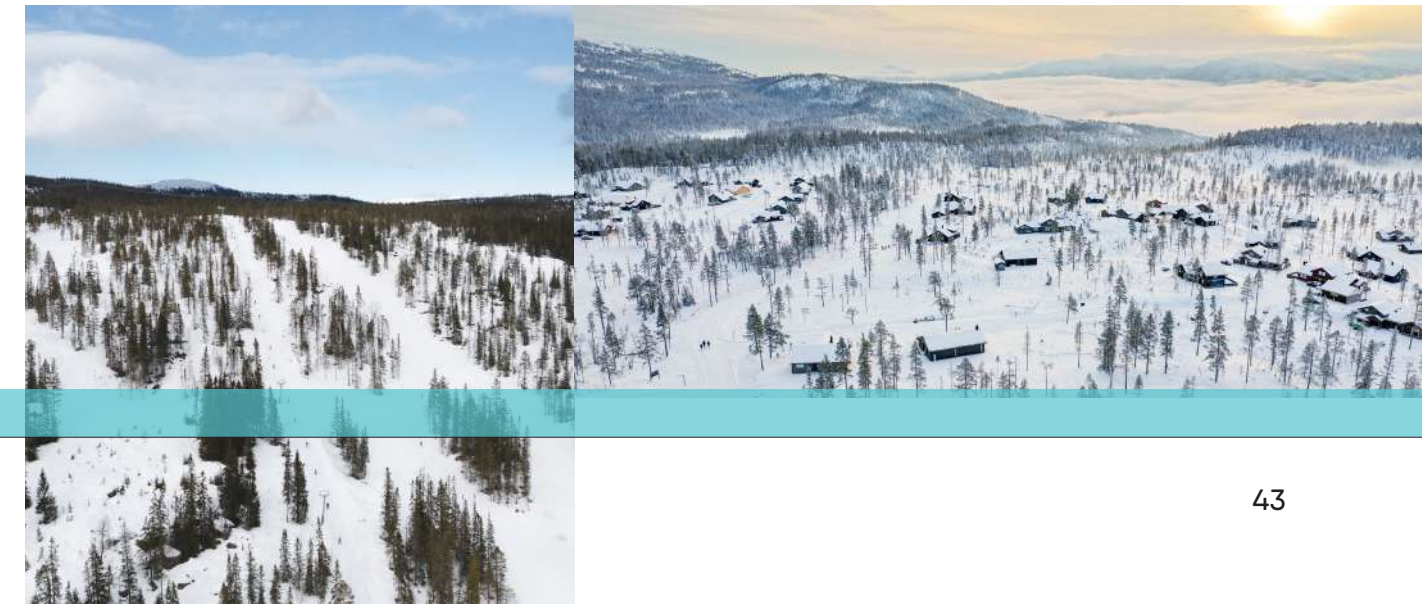
GREAT ACTIVITY IN THE CORONA YEAR

In 2020, more than 200 cabin plots were sold in Turufjell.

"We experienced a large influx of requests and held many viewings in 2020. It is quite clear that the Norwegian mountains are more popular than ever. People want short-distance access to beautiful nature and active holidays," says Gundersen.

Through the company Thongård AS, the Olav Thon Group has a 50% ownership in the project together with Fredensborg Fritid by Ivar Tollefsen.

Read more about the destination at: turufjell.no



Sustainability and social responsibility

The group has a strong focus on the environment and green operations and has established ethical requirements for suppliers. One of the highlights in 2020 was when Thon Hotels was named the hotel industry's most sustainable brand in Norway.



DID YOU KNOW THAT...

All our own hotels are **Eco-lighthouse certified**

Thon Hotels **topped the list** of the hotel industry's **most sustainable brands**

The Olav Thon Group works towards achieving the **UN's sustainability goals**



ENERGY SAVING IN THE OLAV THON GROUP IN 2020

-12%

The Olav Thon Group focuses on some main aspects within the sustainability work and social responsibility. These are largely governed by membership of the UN Global Compact and reporting using the Global Reporting Initiative (GRI) reporting framework.

Four sustainability areas are being focused on by the Olav Thon Group – finance, environment and green operations, health and safety, diversity and inclusion.

THE HOTEL INDUSTRY'S MOST SUSTAINABLE BRAND

Thon Hotels is one of Norway's largest hotel chains and in recent years has worked to reduce food waste and general waste. All owned Thon hotels are Eco-Lighthouse certified.

In 2020, Thon Hotels topped the list of the hotel industry's most sustainable brand in this year's Sustainable Brand Index.

"We work systematically with sustainability and it feels great that consumers recognise and acknowledge this work. We will use this as an inspiration and motivation to further develop our sustainability work," says the Olav Thon Group's sustainability adviser, Anders Nandrup Rylander.

ETHICAL REQUIREMENTS FOR SUPPLIERS

The Olav Thon Group purchases goods and services from a number of suppliers. The group has therefore set up ethical requirements. Annually, surveys are carried out of approx. 100 of the suppliers through Factlines.

"We ask questions about the supplier's fulfilment of the ethical requirements and the result

of the survey gives us a status of the largest risk categories in which we trade goods and services. In this way, we can go deeper into our value chain and influence our suppliers to improve in areas that may not meet our requirements," says Nandrup Rylander.

ENERGY-REDUCING MEASURES

One of the UN's sustainability goals is responsible consumption and production. The group has many properties and works continuously with energy-reducing measures. The total energy saving was a total of 12% for the entire Olav Thon Group in 2020, which amounted to approx. 38,000,000 kWh. Modern technology, skills development and the right choice of good technical solutions have been important factors.

THON GJENBRUK

In 2020, Thon Gjenbruk was established. This is a new recycling concept where the Olav Thon Group accepts and sells surplus goods and equipment from its own properties.

"One of the best things we can do is reuse what has already been produced and help stop a "use and throw" culture. By keeping what already has an imprint/emission in turnover, we will reduce resource consumption by not producing a new product. Reusing (Gjenbruk) is a win-win," says Anders.

SUPPORTING RESEARCH AND EDUCATION

The Olav Thon Foundation was established in 2013 and each year distributes millions to non-profit organisations, research and outstanding teaching.

Read more about Olav Thon Foundation on pages 48-49. Read more about everything we do in our sustainability report on olavthon.no

Health, Safety and Environment in a pandemic

The Olav Thon Group's HSE department has coordinated infection control and emergency preparedness since the outbreak of the pandemic. "Accessibility and reliability have been important," says HSE manager Merete Alfstad.

"The corona crisis is different from all other crises because it has been so long-lasting and because we have so many business areas that at very short notice had to change their routines due to constantly new recommendations and demands from the authorities," Alfstad says.

INFECTION CONTROL AND SAFETY

New routines, guidelines and working methods were prepared and implemented within the areas. HSE is responsible for safety & emergency preparedness, privacy, sustainability, fire prevention, working environment and OSH.

"Infection control and safety have been the two main areas for the HSE department in connection with the pandemic. We have worked on making employees, guests, customers and visitors feel safe and know that infection control has a very high priority in the group."

24-HOUR EMERGENCY SERVICE

The HSE department has been both advisers and supporters for the group's many hotels, shopping centres, restaurants and properties.

The Olav Thon Group has long been on call 24 hours a day. But in addition, a separate emergency group was established during the coronavirus pandemic to coordinate and assist infection control and safety situations.

"The HSE work in 2020 has been both rewarding and demanding. This was a new situation for all of us. Although we have worked our way through many different crises in the past - this has been unparalleled. Creating security, predictability and a safe working environment is very important both during a pandemic and in the time afterwards. A lot of great work has been done. I am proud and impressed by the cooperation and efforts of everyone in the Olav Thon Group."



Øvre Slottsgate 14



Merete Alfstad

"Creating security, predictability and a safe working environment is very important both during a pandemic and in the time afterwards."

Merete Alfstad, HSE manager in the Olav Thon Group



The award ceremony takes place every year in a ceremony in the University's auditorium in Oslo

Prize winner Vilhelm A. Bohr and Olav Thon

The Olav Thon Foundation

On 5 March 2020, the Olav Thon Foundation's award ceremony was held in Oslo.

The chairman of the board, Mr. Olav Thon, presented prizes to this year's winners. A total of NOK 30.37 million was distributed for research and teaching.

2013
The Olav Thon Foundation was established

NOK 50 million
can be distributed each year for non-profit organisations



Dag Terje Klarp Solvang, Bent Høie, Marianne Borgen, and Tone Wilhelmsen Trøen



Sissel Berdal Haga Thon and Olav Thon

Charity and nonprofit organisations

The Olav Thon Foundation also distributes support for various purposes that are community-building contributions in Norway.

These are some of the organisations that were awarded in 2020:

- Norwegian Association of the Blind, guide dog school
- Mandal Diving Club, Clean Ocean Mandal - Lindesnes
- Ofoten Kystlag, life and rescue boat
- Fet Svømmeklubb and Sørumsdand IF Svømmegruppe "Outdoor swimming - new arenas put into use"
- Tafjord youth team - stage curtain
- Hjørungavåg YWCA - YMCA, lavvu with accessories
- Arctic fox groups at Selbu, Tydal, Røros and Holtålen, conservation of arctic foxes
- Friends of Stølsvegen in Kvanndal, up-grading of Stølsvegen to Kvanndalstølen
- Valldal IL, biathlon arena and hiking trail
- Norwegian rescue dogs Lillehammer, necessary equipment

The international research prize of NOK 5 million was awarded to Professor Vilhelm A. Bohr for his research on DNA repair in the ageing process. In his speech, he thanked Olav Thon and said, among other things:

"I have talked to Olav Thon several times. He is an influential businessman who was far-sighted when it came to seeing the importance of science. He was stoic and persevering and innovative - and this is not very different from science. People think you sit on a sofa and get lots of great ideas, but that's not the case. You work very hard. We can learn from you, Olav. There are many disappointments in science. We get many rejections. But this type of celebration that we have here is wonderful and makes us feel like we are doing something useful. We really appreciate this".

The audience consisted of this year's award winners as well as family and friends. In addition, Oslo's mayor, Marianne Borgen, Minister of Health Bent Høie and the Storting President Tone Wilhelmsen Trøen were present.

Musical interludes were performed by Ole Edvard Antonsen, The Norwegian Student Choral Society, Catharina Chen, and Frode Haltli and Batho's percussion trio: Håkon Drevland, Geir Strande Syrrist and Simen Brenden.



Read more:
olavthonstiftelsen.no

After the award ceremony, a gala dinner was held for the award winners at Hotel Bristol.

*The property Karl Johans gate 2
is beautifully located at the
beginning of Oslo's parade street.*



THE OLAV THON GROUP

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