

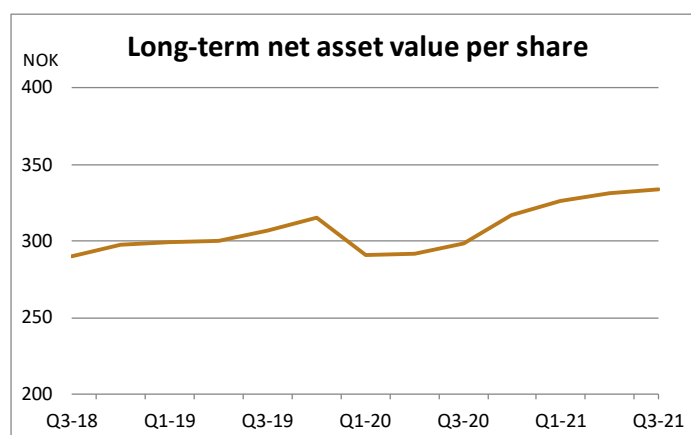
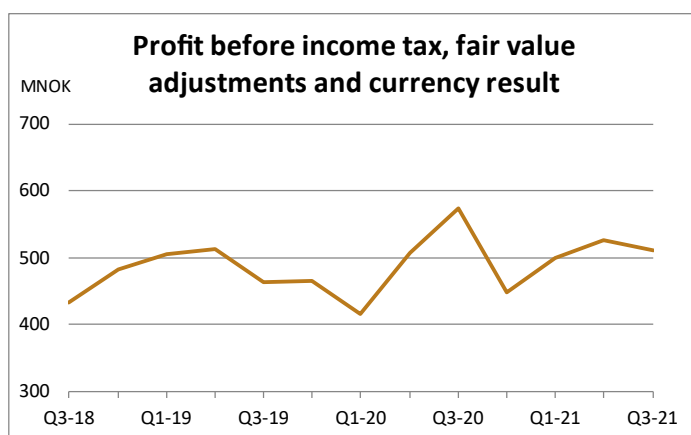


Report for Q3 2021

KEY FIGURES

Amounts in MNOK	APM*	Q3 2021	Q3 2020	30.09.2021	30.09.2020	31.12.2020
Net rental income		687	722	2 077	2 036	2 707
Fair value adjustments in investment properties and interest rate derivative	1	592	158	1 109	-3 302	-1 548
Profit before income tax		1 099	712	2 690	-1 850	338
Profit before income tax, fair value adjustments and currency result	2	512	575	1 537	1 494	1 936
Equity ratio	3			49 %	46 %	47 %
Equity per share (NOK)	4			283	251	268
Long-term net asset value per share (NOK)	4			334	298	318
Net cash flow from operations	5	468	420	1 468	1 264	1 710
Liquidity reserves	6			8 425	6 111	7 226
Amortisation next 12 months	7			4 422	6 985	5 533
Interest-bearing debt	8			20 389	20 995	21 003
Interest per balance sheet date	9			3,04 %	3,00 %	3,06 %
Loan to value ratio	8			36 %	39 %	38 %
Net investments	10	223	200	365	576	914
Market value properties	11			55 289	52 889	54 656
Annualized rental income level	12			3 260	3 200	3 250
Net yield properties	13			5,12 %	5,31 %	5,19 %
Sales, owned shopping centres		14 077	13 832	37 863	36 610	52 951
Share price per balance sheet date (NOK)				186,0	139,0	183,5

* Definitions, calculations and explanations on the use of alternative performance measures (APM) are included at the end of the report.



Olav Thon Eiendomsselskap

Report for Q3 2021

Highlights: ¹

- The Group had a solid development in Q3, posting profit before income tax of NOK 1,099 (712) million
- Profit before income tax, fair value adjustments and currency effects amounted to NOK 512 (575) million in Q3
- The Group's financial position has strengthened further, and the Group's equity ratio at the end of Q3 was 49 % (46 %), while its liquidity reserves were NOK 8,425 (6,111) million
- Retail sales in the shopping centre portfolio owned by the Group were NOK 14,077 million in Q3, up 2 % on Q3 2020 and 15% on Q3 2019



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

FINANCIAL POSITION/BALANCE SHEET AS AT 30 SEPTEMBER 2021

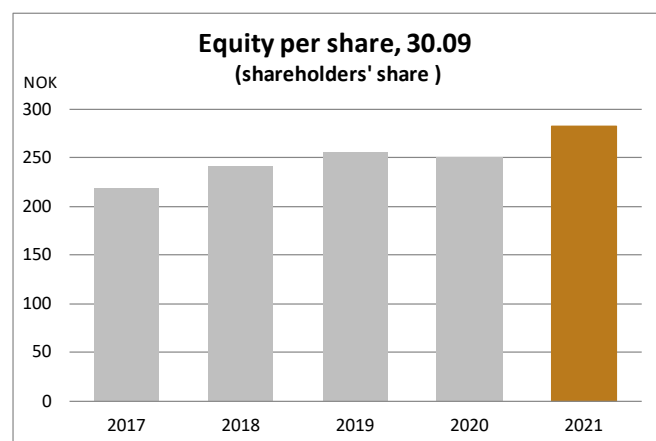
The Group's total assets were NOK 60,485 (57,951) million, with investment properties accounting for NOK 55,084 (52,686) million of that figure.

Total equity was NOK 29,674 (26,396) million and the equity ratio was 49 % (46 %).

Equity per share (majority share) was NOK 283 (251), while the long-term net asset value per share was NOK 334 (298).

Interest-bearing debt was NOK 20,389 (20,995) million, with a loan to value ratio² of 36 % (39 %).

The Group's share of the equity in joint ventures and associated companies was NOK 2,891 (2,728) million.



Equity per share has increased by 29 % since 30 September 2017.

SUMMARY OF THE RESULTS FOR Q3

Profit before income tax was NOK 1,099 (712) million.

Fair value adjustments in investment property and interest rate derivatives totalled NOK 592 (158) million³.

Profit before income tax, fair value adjustments and currency effects therefore amounted to NOK 512 (575) million.

RENTAL INCOME AND PROPERTY-RELATED EXPENSES

Gross rental income was NOK 748 (753) million.

Property-related income amounted to NOK 211 (176) million and consists mainly of payments from the Group's tenants to cover letting and property administration costs as well as costs related to the operation of shopping centre associations.

Property-related expenses amounted to NOK 271 (206) million, including the above-mentioned letting and property administration costs of NOK 169 (170) million.

² For definitions, see alternative performance measures (APM) at the end of the report

³ Includes investments in joint ventures and associated companies

Net rental income was NOK 687 (722) million.

The decline in net rental income from the third quarter of last year is due to, among other things, by the fact that the provision for losses on accounts receivable was reduced (recognized as income) by NOK 31 million in the third quarter last year, while the provision this year was kept unchanged.

Maintenance expenses for the property portfolio amounted to NOK 41 (35) million.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The Group's investment properties increased in value by NOK 350 (130) million in Q3.

The Group's property portfolio consists of the following main segments:

- Shopping centre properties in Norway and Sweden.
- Commercial property including rental housing, primarily in the Oslo area.

The value of the property segments developed differently in Q3.

The value of the Group's commercial properties increased by NOK 76 (180) million, while the value of the shopping centre properties increased by NOK 274 (-50) million.

See also the section on the Group's property portfolio later in the report and note 8 in the quarterly 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 74 (23) million.

Note 9 in the quarterly report shows underlying figures in the income statement and financial position for these companies.

OTHER OPERATING INCOME AND EXPENSES

Other operating income amounted to NOK 34 (35) million and consisted mainly of income from property management for external owners and sales revenue from other activities.

Other operating and administrative expenses amounted to NOK 81 (76) million, while scheduled depreciation amounted NOK 6 (7) million.

FINANCIAL INCOME AND EXPENSES

Net financial expenses were NOK 160 (165) million.

Net interest expenses amounted to NOK 173 (142) million, NOK 6 (6) million of which was interest expenses related to lease liabilities. The change is due in part to NOK 17 million being recognised as income in the same period last year in connection with a change in how amortised cost is carried.

Unrealised gains on currency exchange associated with the SEK exchange rate amounted to NOK 12 (-19) million.

FAIR VALUE ADJUSTMENTS, INTEREST RATE DERIVATIVES

Long-term market interest rates rose in both Norway and Sweden in Q3.

In Norway, the 10-year rate rose by 0.14 of a percentage point to 1.81 %, while the corresponding rate in Sweden rose by 0.09 of a percentage point to 0.86 %.

As a result of the change in interest rates and shorter remaining terms, the market value of the Group's exchange rate derivatives increased by NOK 204 (52) million.

CASH FLOW AND LIQUIDITY

Net cash flow from operations in Q3 was NOK 468 (420) million.

Net cash flow from operating activities was NOK 623 (588) million.

Investment activities reduced liquidity by NOK 198 (113) million, while financing activities reduced liquidity by NOK 313 (448) million.

Foreign currency effects on cash were NOK 4 (3) million and liquidity reserves thereby increased by NOK 115 (30) million.

Liquidity reserves were NOK 8,425 (6,111) million at the end of Q3 and consisted of short-term investments of NOK 407 (341) million and undrawn long-term credit facilities of NOK 8,018 (5,770) million.

INVESTMENTS

The Group's net investments in Q3 were NOK 223 (200) million.

Total net investments in the first nine months of the year amounted to NOK 365 (576) million.

MAJOR PROPERTY ACQUISITIONS

Amfi Drøbak City, Frogn

An acquisition agreement was entered into regarding the holding company of the property in which the Group has leased since 1996. Amfi Drøbak City is a shopping centre property totalling approximately 20,000 square metres with 40 shops in the municipality of Frogn, around 40 kilometres south of Oslo. The takeover is scheduled for Q4 2021.

MAJOR PROPERTY PROJECTS⁴

Under construction

Bernt Ankers Gate 6, Oslo

A property totalling 5,600 square metres in the centre of Oslo with 46 residential units and four smaller commercial premises for

rent. The property is scheduled for completion in the first half of 2022.

Brages Vei 1 and 3, Gardermoen Park, Ullensaker

Two logistics buildings with 23,600 and 23,000 square metres of space, respectively. Scheduled for completion in the first half of 2022.

Arnljot Gellines vei 1, Oslo

A property centrally located in Oslo East with 22 residential units for rent. The property is scheduled for completion in 2022/23.

In planning phase

Olav Thon Eiendomsselskap is developing several major property projects, which are mainly linked to the further development of its property portfolio. Whether projects are executed depends on factors such as official permits and market conditions.

For more information about our property projects, please see olt.no.

PROPERTY PORTFOLIO AS AT 30 SEPTEMBER 2021

The property portfolio was valued at NOK 55,289 (52,689) million, based on an average yield of 5.12 % (5.31 %).

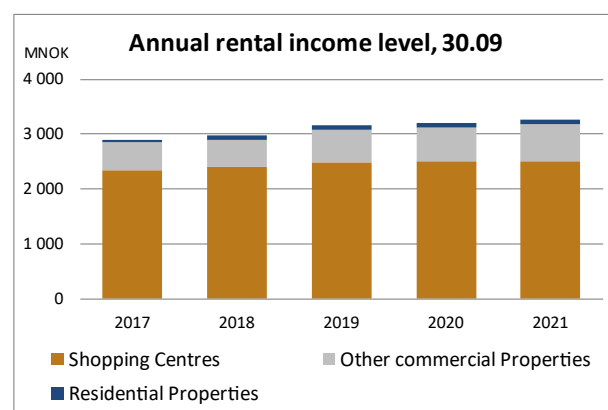
Average yields by property segment were as follows:

Shopping centre properties	5.46 % (5.59 %)
Other commercial properties (incl. residential)	4.24 % (4.52 %)

Annual rental income was NOK 3,260 (3,200) million with the following segment distribution:

Shopping centre properties	77 % (78 %)
Other commercial properties (incl. residential)	23 % (22 %)

The vacancy rate in the property portfolio was 3.8 % (3.6 %).



PROPERTY PORTFOLIO OWNED THROUGH JOINT VENTURES AND ASSOCIATED COMPANIES

The Group's share of the rental income of joint ventures and associated companies was NOK 275 (280) million.

⁴ Over NOK 50 million

The Group's share of the property values in these companies was NOK 4,314 (4,321) million.

THE SHOPPING CENTRE BUSINESS AREA

At the end of the quarter, Olav Thon Eiendomsselskap wholly or partly owned 60 shopping centres in Norway and Sweden.

The Group also manages 16 centres for external owners.

Olav Thon Eiendomsselskap is Norway's leading shopping centre actor with a solid market position.

The shopping centre portfolio includes Norway's largest shopping centre in terms of retail sales, Lagunen Storsenter in Bergen, and 7 of the country's 10 largest shopping centres in total.

Shopping centres owned by the Group

Retail sales in the Group's shopping centre portfolio were NOK 14,077 (13,832) million in Q3.

Retail sales in the first nine months of the year amounted to NOK 37,863 (36,610) million.

The shopping centres had the following retail sales in Q3, broken down by month:

MNOK	2021	2020	Change
July	5,064	5,042	0.4 %
August	4,644	4,499	3.2 %
September	4,369	4,291	1.8 %
Total Q3	14,077	13,832	1.8 %

Norway

Retail sales in the Group's Norwegian shopping centres were NOK 13,219 (12,944) million in Q3. Retail sales in the first nine months of the year were NOK 35,355 (34,054) million.

Sweden

Retail sales in the shopping centres in Sweden amounted to SEK 866 (847) million in Q3, and SEK 2,489 (2,485) million in the first nine months of the year.

RISK FACTORS

The biggest risk factors to which Olav Thon Eiendomsselskap is exposed are considered to be market and financial risks associated with the property and financial markets.

THE PROPERTY MARKET

Trends in the property market in Norway and Sweden are affected by both macroeconomic factors and demand for commercial property as an investment object.

Changes in yield and market rents have a direct impact on the value of the property portfolio. Calculations of these effects can

be found in note 8 in the quarterly report and on the company's website: olt.no.

The valuation at 30 September 2021 was based on an average yield of 5.12 %. In the last three years, the yield has varied between 5.10 % and 5.50 %.

THE FINANCIAL MARKETS

The most significant financial risk for Olav Thon Eiendomsselskap is considered to be the Group's access to financing in the banking and capital markets.

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

The Group's financing is described in greater depth in the next section, and more details about financial risk management can be found in the annual report for 2020 and on the company's website: olt.no.

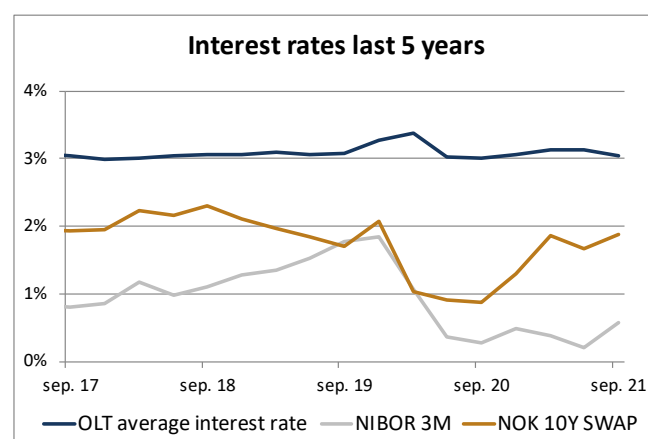
FINANCIAL INSTRUMENTS

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

At the end of Q3, the portfolio of financial instruments was NOK 14,584 (13,875) million and had a fair value of NOK -1,125 (-2,101) million.

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

It is estimated that a change of 1 percentage point in interest rates would change the fair value of the portfolio by approximately NOK 750 - 850 million.



As at 30 September 2021, the Group's average interest rate was 3.04 %⁵.

⁵ Loans in NOK and SEK

FINANCING

The Group's debt portfolio consists of long-term credit facilities with Nordic banks and direct borrowing in the capital markets in Norway and Sweden.

Access to financing is deemed to be very good, and the positive trend in the banking and capital markets continued in Q3.

The Group's financing sources in Q3 remained the capital markets in Norway and Sweden and the Nordic banking market.

Bond- and certificate- loans amounting to NOK 3,050 million and SEK 1,600 million were raised in the capital markets.

In addition, a long-term loan agreement for NOK 1,575 million was entered into with a Norwegian bank.

INTEREST-BEARING DEBT AND MATURITY STRUCTURE

At the end of Q3, outstanding certificate and bond debt amounted to NOK 14,034 (9,835) million, broken down as follows:

Norway:	NOK 11,784 (7,630) million
Sweden:	SEK 2,250 (2,100) million

Total credit facilities were NOK 28,406 (26,765) million, NOK 8,018 (5,770) million of which was undrawn.

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

The debt had an average remaining term of 2.9 (2.1) years. 22 % (33 %) of the debt falls due for repayment within 1 year.

The Group's average interest rate was 3.04 % (3.00 %), divided into the following currencies:

Currency	Share of debt	Average interest rate
NOK	86 %	3.36 %
SEK	14 %	1.06 %

At the end of Q3, the Group had an average fixed-rate period of 3.6 (3.6) years and a fixed-rate ratio of 57 % (54 %).

SHARES AND SHAREHOLDERS

The closing price of the Olav Thon Eiendomsselskap share was NOK 186 at the end of Q3, up from NOK 178 at the start of the quarter. The highest and lowest prices in the quarter were NOK 214 and 178, respectively.

A dividend of NOK 5 per share for 2020 was paid in September.

In the past year, the Olav Thon Eiendomsselskap share has generated the following return compared with the Oslo Stock Exchange:

	Share price OLT	OSEBX
Q3 2021	7 %	4 %
2021 to 30/9	4 %	19 %
Last 12 months	37 %	43 %

555,000 (534,000) shares were traded in Q3, with 5,256 (4,240) trades in the share on the Oslo Stock Exchange.

4.2 (6.5) million shares were traded in the first nine months of the year, with 14,423 (22,640) trades in the share on the Oslo Stock Exchange.

At the end of Q3, the company's market capitalisation was NOK 19.3 (14.4) billion.

At the same time, the company's largest shareholders were:

Olav Thon Gruppen AS and subsidiaries	73.9 %
Folketrygdfondet	2.4 %
MP Pensjon	2.2 %
VPF Nordea Verdi	1.9 %
Otto Olsen Invest	1.0 %
Other owners	18.6 %
TOTAL	100 %

OUTLOOK

The reopening of society has resulted in a marked upturn in the Norwegian economy, and conditions in the Norwegian economy are returning to normal.

Norges Bank raised its key policy rate from 0 % to 0.25 % in September and is indicating that the rate will rise further as the Norwegian economy returns to normal. Nevertheless, interest rates are expected to remain moderate in the next few years.

The commercial property market in Norway enjoyed positive development and demand for commercial property as an investment object is very high.

It is assumed that the Group's solid market position and finances will contribute to maintain good profit development in the future.

Oslo, 10 November 2021

Board of Directors, Olav Thon Eiendomsselskap ASA

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	Q3 2021	Q3 2020	30.09.2021	30.09.2020	31.12.2020
Rental income	4, 6	748	753	2 221	2 229	2 962
Property-related income		211	176	684	579	857
Property-related expenses		-271	-206	-829	-772	-1 112
Net rental income	7	687	722	2 077	2 036	2 707
Other operating income		34	35	106	100	148
Other operating expenses		-36	-32	-112	-98	-151
Administrative expenses	6	-45	-44	-143	-141	-190
Depreciation		-6	-7	-20	-21	-35
Net income from property management	7	634	674	1 907	1 876	2 479
Fair value adjustments, investment property	4, 8	350	130	454	-2 232	-909
Fair value adjustments, right-of-use assets		-3	-3	-9	-10	-12
Share of profit from joint ventures and associates	9	74	23	160	-118	-22
Operating profit	7	1 055	824	2 512	-485	1 537
Financial income	10	20	1	88	7	10
Financial expenses	10	-180	-166	-533	-600	-802
Fair value adjustments, interest rate derivatives		204	52	623	-773	-407
Net financial items		45	-112	178	-1 366	-1 198
Profit before income tax		1 099	711	2 690	-1 850	338
Change in deferred tax	0	-174	-94	-326	491	89
Income tax payable		-115	-52	-236	-111	-170
Income tax		-289	-146	-562	380	-81
Profit		810	566	2 127	-1 470	257
Other Comprehensive income						
<i>Items to be reclassified to P&L in subsequent periods:</i>						
Currency translation differences from foreign operations		-10	20	-64	171	165
Hedging of net investment in foreign operations		-	-	-	-128	-128
Income taxes on other comprehensive income		-	-	-	28	28
Total comprehensive income		800	585	2 063	-1 399	322
Profit attributable to:						
Shareholders of the parent		804	559	2 114	-1 405	315
Non-controlling interests		6	7	14	-66	-57
Total comprehensive income attributable to:						
Shareholders of the parent		794	578	2 049	-1 333	379
Non-controlling interests		6	7	14	-66	-57
Earnings per share, basic and diluted (NOK)		8	6	20	-13	3

OLAV THON EIENDOMSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

(NOK million)	Note	30.09.2021	30.09.2020	31.12.2020
ASSETS				
Deferred tax asset		327	294	326
Investment properties	4, 8	55 084	52 686	54 453
Owner-occupied properties		188	190	189
Right-of-use assets		340	354	347
Fixed assets		61	79	73
Investments in joint ventures and associates	9	2 891	2 728	2 740
Other non-current assets		410	507	440
Total non-current assets		59 302	56 837	58 570
Trade receivables and other current receivables	4	776	774	905
Cash and cash equivalents		407	341	484
Total current assets		1 183	1 115	1 388
Total assets		60 485	57 951	59 958
EQUITY AND LIABILITIES				
Share capital		104	104	104
Share premium		318	318	318
Other equity		28 855	25 597	27 331
Non-controlling interests		397	376	385
Total equity		29 674	26 396	28 136
Deferred tax liabilities		7 411	6 701	7 138
Lease liabilities		342	350	347
Interest-bearing non-current liabilities	11	15 968	14 010	15 470
Other non-current liabilities	11	825	1 772	1 406
Total non-current liabilities		24 545	22 833	24 360
Income tax payable		267	99	170
Interest-bearing current liabilities	12	4 422	6 985	5 533
Trade payables and other current liabilities	12	1 578	1 639	1 759
Total current liabilities		6 267	8 723	7 462
Total liabilities		30 812	31 556	31 822
Total equity and liabilities		60 485	57 951	59 958

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(NOK million)	Q3 2021	Q3 2020	30.09.2021	30.09.2020	31.12.2020
Net cash flow from operations	468	420	1 468	1 264	1 710
Expensed interest	173	144	511	507	702
Paid interest	-165	-49	-508	-539	-731
Paid income tax	5	-74	-139	-253	-251
Change in working capital	143	147	-87	247	-57
Net cash flow from operating activities	623	588	1 245	1 226	1 373
Payment on the sale of tangible fixed assets	-1	-	366	-	-
Acquisition of investment properties	-216	-151	-695	-484	-680
Acquisition of subsidiaries	-	-	-	-43	-33
Other investments	19	38	38	153	304
Net cash flow from investment activities	-198	-113	-291	-373	-410
Proceeds from interest-bearing liabilities	5 056	1 324	12 291	6 720	10 257
Repayment of interest-bearing liabilities	-4 838	-1 760	-12 784	-7 594	-11 099
Payment on leasing liabilities	-2	-3	-8	-11	-13
Dividends paid	-529	-9	-529	-13	-13
Net cash flow from financing activities	-313	-448	-1 030	-898	-868
Currency translation effects on cash and cash equivalents	4	3	-1	1	4
Net change in cash	115	30	-76	-44	98
Cash at beginning of period	292	311	484	386	386
Cash at end of period	407	341	407	341	484

OLAV THON EIENDOMSSSELSKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

(NOK million)	Share capital	Share premium	Currency translation differences	Other Equity	Hedging reserve	Shareholders of the parent	Non-controlling interests	Total
Equity 31.12.2019	106	318	-132	26 987	88	27 367	452	27 819
Profit	-	-	-	-1 405	-	-1 405	-66	-1 470
Other comprehensive incor	-	-	171	-	-100	71	-	71
Amortization own shares	-3	-	-	3	-	-	-	-
Dividends paid	-	-	-	-	-	-	-13	-13
Other changes	-	-	-	-15	-	-15	3	-12
Equity 30.09.2020	104	318	39	25 570	-12	26 019	376	26 396
Profit	-	-	-	1 719	-	1 719	8	1 727
Other comprehensive incor	-	-	-7	-	-	-7	-	-7
Other changes	-	-	-	21	-	21	-1	19
Equity 31.12.2020	104	318	32	27 310	-12	27 752	385	28 136
Profit	-	-	-	2 114	-	2 114	14	2 127
Other comprehensive incor	-	-	-64	-	-	-64	-	-64
Dividends paid	-	-	-	-518	-	-518	-10	-528
Other changes	-	-	-	-6	-	-6	8	2
Equity 30.09.2021	104	318	-32	28 899	-12	29 277	397	29 674

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

(NOK million)

Note 1 GENERAL INFORMATION

Olav Thon Eiendomsselskap ASA is based in Norway and is listed on Oslo Stock Exchange. The head office is situated in Oslo. The Group's consolidated financial statements includes Olav Thon Eiendomsselskap ASA and subsidiaries, as well as the Group's interests in joint ventures and associated companies. The Group has activities in Norway and Sweden. The interim financial statements were adopted by the Board on November 10, 2021. There has been no audit of the interim financial information.

Note 2 ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by IASB and as adopted by EU. The consolidated accounts have been prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting principles on which the interim report is based are in accordance with the principles used in the preparation of the annual report for 2020.

Note 3 CHANGES IN GROUP STRUCTURE

There are no significant changes in the Group structure during the quarter.

Note 4 ESTIMATES

Preparation of interim financial statements involves the use of judgements, estimates and assumptions that affect the application of accounting principles and amounts recognised in the Group's position and results. As a result of the corona pandemic, management's estimates in some areas have a significant impact on the financial statements, and this is explained in the following.

Provision for expected credit losses on accounts receivable

The corona pandemic has resulted in historical loss rates not being considered as a good basis for the future financial situation, and the calculation of provisions for losses is mainly considered per tenant. Provisions for losses on accounts receivable amount to NOK 45 million (47) in the third quarter, and has been at this level through 2021.

Rent reduction

To remedy the negative economic effect of the corona pandemic, tenants in selected industries received a time-limited rent reduction in the second quarter. No significant further rent reduction was given in the third quarter. The rent reduction has had a total effect of NOK 23 million as of the third quarter.

Note 5 SUBSEQUENT EVENTS

No events of significance to the assessment of the Group's position and results have occurred after the reporting date.

Note 6 RELATED PARTY TRANSACTIONS

The company has the following transactions with related parties.

Transactions	Counterparty	30.09.2021	30.09.2020	31.12.2020
Rental income	Companies in Thon Holding Group	61	63	87
Operating and administration agreements	Companies in Thon Holding Group	96	95	126

Note 7 BUSINESS SEGMENTS

The Group has activities within two strategic business segments and two geographical areas. The segment reporting is based on the internal management reporting.

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Q3 2021							
Rental income	547	201	-	748	704	44	748
Property-related income	188	23	-	211	194	17	211
Property-related expenses	-210	-61	-	-271	-243	-28	-271
Net rental income	525	162	-	687	655	32	687
Other operating income	12	-	22	34	34	-	34
Other operating expenses	-17	-	-19	-36	-36	-	-36
Administrative expenses	-37	-8	-	-45	-42	-3	-45
Depreciation	-3	-3	-	-6	-6	0	-6
Net income from property management	480	151	2	634	604	29	634
Fair value adjustments, investment property	274	76	-	350	368	-18	350
Fair value adjustments, right-of-use assets	-2	-1	-	-3	-3	-	-3
Share of profit from joint ventures & associates	73	0	-	74	74	-	74
Operating profit	826	226	2	1 055	1 043	11	1 055

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
Q3 2020							
Rental income	555	197	-	753	700	52	753
Property-related income	157	19	-	176	155	20	176
Property-related expenses	-140	-66	-	-206	-189	-18	-206
Net rental income	572	150	-	722	667	55	722
Other operating income	14	-	21	35	35	-	35
Other operating expenses	-14	-	-18	-32	-32	-	-32
Administrative expenses	-35	-8	-	-44	-40	-3	-44
Depreciation	-4	-3	-	-7	-7	-0	-7
Net income from property management	532	139	3	674	623	51	674
Fair value adjustments, investment property	-50	180	-	130	86	44	130
Fair value adjustments, right-of-use assets	-2	-1	-	-3	-3	-	-3
Share of profit from joint ventures & associates	23	0	-	23	23	-	23
Operating profit	502	319	3	824	728	95	824

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
30.09.2021							
Rental income	1 628	593	-	2 221	2 076	145	2 221
Property-related income	613	72	-	684	629	55	684
Property-related expenses	-623	-206	-	-829	-744	-85	-829
Net rental income	1 617	459	-	2 077	1 962	115	2 077
Other operating income	49	-	57	106	106	-	106
Other operating expenses	-59	-	-53	-112	-112	-	-112
Administrative expenses	-119	-24	-	-143	-133	-10	-143
Depreciation	-11	-9	-	-20	-20	0	-20
Net income from property management	1 478	426	4	1 907	1 802	105	1 907
Fair value adjustments, investment property	195	259	-	454	484	-31	454
Fair value adjustments, right-of-use assets	-6	-2	-	-9	-9	-	-9
Share of profit from joint ventures & associates	163	-3	-	160	160	-	160
Operating profit	1 829	679	4	2 512	2 437	74	2 512

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
30.09.2020							
Rental income	1 637	593	-	2 229	2 076	154	2 229
Property-related income	518	61	-	579	531	48	579
Property-related expenses	-548	-225	-	-772	-686	-86	-772
Net rental income	1 607	429	-	2 036	1 920	116	2 036
Other operating income	50	-	50	100	100	-	100
Other operating expenses	-44	-	-53	-98	-98	-	-98
Administrative expenses	-117	-24	-	-141	-130	-10	-141
Depreciation	-12	-9	-	-21	-21	-0	-21
Net income from property management	1 483	396	-3	1 876	1 770	106	1 876
Fair value adjustments, investment property	-2 052	-181	-	-2 232	-1 777	-455	-2 232
Fair value adjustments, right-of-use assets	-7	-2	-	-10	-10	-	-10
Share of profit from joint ventures & associates	-117	-1	-	-118	-118	-	-118
Operating profit	-693	212	-3	-485	-135	-349	-485

Business segments	Operating segments				Geographical areas		
	Shopping centres	Commercial property	Other activity	Group	Norway	Sweden	Group
31.12.2020							
Rental income	2 169	794	-	2 962	2 752	210	2 962
Other property-related income	772	86	-	857	794	63	857
Property-related expenses	-802	-310	-	-1 112	-1 008	-104	-1 112
Net rental income	2 138	569	-	2 707	2 538	169	2 707
Other operating income	84	-	64	148	148	-	148
Other operating expenses	-90	-	-60	-151	-151	-	-151
Administrative expenses	-158	-33	-	-190	-176	-14	-190
Depreciation	-22	-13	-	-35	-35	-	-35
Net income from property management	1 952	523	4	2 479	2 324	155	2 479
Fair value adjustments, investment property	-1 960	1 051	-	-909	-436	-472	-909
Fair value adjustments, right-of-use assets	-9	-3	-	-12	-12	-	-12
Share of profit from joint ventures & associates	-21	-1	-	-22	-22	-	-22
Operating profit	-38	1 570	4	1 537	1 854	-317	1 537

Note 8 INVESTMENT PROPERTY

	30.09.2021	30.09.2020	31.12.2020
Opening balance	54 453	54 037	54 037
Acquisitions/expenditure on properties	689	473	706
Acquisitions and divestments companies/investment property	-369	43	269
Change in fair value recognised in the period	454	-2 232	-909
Effect of currency exchange differences in foreign operations	-144	375	357
Other changes	2	-11	-7
Closing balance	55 084	52 686	54 453

In the second quarter, shares were sold in a subsidiary that owns a property, which reduces the book value of investment property. A deferred tax of NOK 60 million has been recognized in the Group as a result of changes in fair value of the property, which is recognized in the income statement as part of the tax expense in connection with the transaction. See also the assessment in the quarterly report for the second quarter.

The Group's annual financial statement presents a sensitivity analysis showing changes in fair value of investment properties when yield and rent levels is changed. As a result of the corona pandemic, we show how the sensitivity analysis will be as of September 30, 2021.

	Fair Value	Rent level		
	Investment property	- 10 %	Unchanged	+ 10 %
Yield				
	- 1 %-points	61 578	68 390	75 201
	- 0,5 %-points	54 943	61 017	67 091
	Unchanged	49 603	55 084	60 566
	+ 0,5 %-points	45 214	50 208	55 201
	+ 1,0 %-points	41 542	46 128	50 713

Note 9 JOINT VENTURES AND ASSOCIATED COMPANIES

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

Joint ventures	Q3 2021	Q3 2020	30.09.2021	30.09.2020	31.12.2020
Net rental income	90	82	276	262	379
Fair value adjustments, investment property	37	-21	41	-199	-175
Fair value adjustments, interest rate derivatives	4	1	14	-35	-20
Expenses	-50	-45	-152	-153	-234
Income taxes	-14	-0	-28	27	16
Profit	66	16	150	-98	-34
Investment properties			3 471	3 493	3 401
Other assets			254	291	225
Total assets			3 725	3 784	3 626
Equity			2 351	2 216	2 201
Non-current liabilities			1 267	1 431	1 308
Current liabilities			107	137	117
Total equity and liabilities			3 725	3 784	3 626

Associated companies	Q3 2021	Q3 2020	30.09.2021	30.09.2020	31.12.2020
Net rental income	14	13	40	43	60
Fair value adjustments, investment property	0	-1	-14	-54	-24
Expenses	-4	-4	-14	-15	-20
Income taxes	-2	-2	-3	6	-4
Profit	8	7	10	-21	13
Investment properties			843	828	859
Other assets			175	162	159
Total assets			1 018	989	1 019
Equity			540	512	539
Non-current liabilities			464	455	463
Current liabilities			14	22	17
Total equity and liabilities			1 018	989	1 019

Note 10 FINANCIAL INCOME AND FINANCIAL EXPENSES

	Q3 2021	Q3 2020	30.09.2021	30.09.2020	31.12.2020
Interest income	0	1	5	7	10
Currency gain	12	0	75	0	0
Other financial income	8	0	8	0	0
Total financial income	20	1	88	7	10
Interest expenses	-167	-137	-492	-487	-676
Interest expenses related to lease liabilities	-6	-6	-19	-19	-26
Currency loss	0	-19	-0	-75	-63
Other financial expenses	-7	-4	-22	-19	-37
Total financial expenses	-180	-166	-533	-600	-802

CURRENCY ITEMS

Currency translation differences from foreign operations	-10	20	-64	171	165
Currency translation effects on cash and cash equivalents	4	3	-1	1	4
Hedging of net investment in foreign operations*	-	-	-	-128	-128
Other currency items	8	-22	76	-76	-67
Total currency effects	2	1	10	-32	-26

* The Group has chosen to discontinue hedge accounting from Q3 2020.

Note 11 NON-CURRENT LIABILITIES

	30.09.2021	30.09.2020	31.12.2020
Bonds	9 680	6 062	6 008
Other interest-bearing liabilities	6 288	7 948	9 461
Total Interest-bearing current liabilities	15 968	14 010	15 470
Fair value interest rate swaps*	796	1 697	1 365
Other liabilities	29	76	41
Total non-current liabilities	825	1 772	1 406

Note 12 CURRENT LIABILITIES

	30.09.2021	30.09.2020	31.12.2020
Commercial papers	1 950	1 230	926
Bonds	2 404	2 543	3 980
Bank loans	68	3 212	627
Total Interest-bearing current liabilities	4 422	6 985	5 533
Fair value interest rate swaps*	329	404	383
Lease liabilities	9	9	9
Trade payables	143	115	122
Accrued interest	31	24	28
Duties payable	122	153	83
Other current liabilities	944	933	1 135
Total trade payables and other current liabilities	1 578	1 639	1 759

OLAV THON EIENDOMSSSELKAP ASA, CONSOLIDATED FINANCIAL STATEMENTS

ALTERNATIVE PERFORMANCE MEASURES

Amounts in NOK million

Olav Thon Eiendomsselskap ASA prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS).

The company also wishes to present alternative performance measures (APM) in order to provide readers with a better understanding of the company's underlying financial results.

As a result of rounding differences, numbers and percentages do not always match the total.

1. Fair value adjustments in investment properties and interest rate derivatives

Fair value adjustments in investment properties and interest rate derivatives affect the company's profit before tax, both in the Group's financial statements and in joint ventures and associated companies. These income statement items are considered to be more exogenously determined than the other income statement items.

	Q3 2021	Q3 2020	30.09.2021	30.09.2020	31.12.2020
Fair value adjustments in;					
investment properties recognised in profit and loss	350	130	454	-2 232	-909
right-of-use assets recognised in profit and loss	-3	-3	-9	-10	-12
investment properties in joint ventures	37	-21	41	-199	-175
investment properties in associated companies	0	-1	-14	-54	-24
interest rate derivatives recognised in profit and loss	204	52	623	-773	-407
interest rate derivatives in joint ventures	4	1	14	-35	-20
Fair value adjustments, investment properties and derivatives	592	158	1 109	-3 302	-1 548

2. Profit before income tax, fair value adjustment and currency result

Profit before tax, fair value adjustments and currency is intended to give readers a better understanding of the Group's operating business development.

	Q3 2021	Q3 2020	30.09.2021	30.09.2020	31.12.2020
Profit before income tax	1 099	711	2 690	-1 850	338
Income tax in joint ventures	14	0	28	-27	-16
Income tax in associated companies	2	2	3	-6	4
Fair value adjustments investment properties / derivatives	-592	-158	-1 109	3 302	1 548
Currency gain	-12	-0	-75	-0	-0
Currency loss	-0	19	0	75	63
Profit before income tax, fair value adjustment and currency result	512	574	1 537	1 494	1 936

3. Equity ratio

Equity ratio is the Group's total book equity divided by the Group's total equity and debt on the balance sheet date, and indicates the relative proportion of equity used to finance a company's assets.

	30.09.2021	30.09.2020	31.12.2020
Total equity	29 674	26 396	28 136
Total equity and debt	60 485	57 951	59 958
Equity ratio	49 %	46 %	47 %

ALTERNATIVE PERFORMANCE MEASURES (continued)**4. Long term net asset value per share and equity per share**

Long term net asset value per share takes into account a fair value assessment of the deferred tax liabilities. Equity per share is calculated as the majority's share of equity divided by the number of shares.

	30.09.2021	30.09.2020	31.12.2020
Majority share of equity	29 277	26 019	27 750
Deferred tax liabilities (deferred tax liabilities current assets excluded)	7 403	6 701	7 120
Fair value of debt - deferred tax liabilities - 6 %	-2 019	-1 828	-1 942
Long term net asset value	34 661	30 893	32 928
Number of shares (own shares not included)	103 623 171	103 623 171	103 623 171
Long term net asset value per share in NOK	334	298	318
Equity per share in NOK	283	251	268

5. Net cash flow from operating activities

Net cash flow from operations is considered to give readers a better understanding of the liquidity generated from the Group's operating activities. This is important for assessing the Group's financial results and financial position.

	Q3 2021	Q3 2020	30.09.2021	30.09.2020	31.12.2020
Net cash flow from operating activities	623	588	1 245	1 226	1 373
Expensed / paid interest	8	95	3	-33	-29
Paid income tax	5	-74	-139	-253	-251
Change in working capital	143	147	-87	247	-57
Net cash flow from operations	468	420	1 468	1 264	1 710

6. Liquidity reserves

Calculation of liquidity reserves is considered to give the reader a better understanding of the Group's ability to service short-term liquidity needs.

	30.09.2021	30.09.2020	31.12.2020
Unutilized overdrafts and other credit facilities	8 018	5 770	6 742
Cash and cash equivalents	407	341	484
Liquidity reserves	8 425	6 111	7 226

7. Amortisation next 12 months

Amortisation for the next 12 months show interest-bearing debt that falls due over the next 12 months, and provides a picture of the Group's future obligations.

	30.09.2021	30.09.2020	31.12.2020
Commercial papers	1 950	1 230	926
Bonds	2 404	2 543	3 980
Bank loans	68	3 212	627
Amortisation next 12 months	4 422	6 985	5 533

ALTERNATIVE PERFORMANCE MEASURES (continued)**8. Net Interest-bearing debt and loan to value ratio**

Splitting the Group's total debt into interest-bearing debt and non-interest-bearing debt is intended to give readers a better understanding of the Group's debt situation and the Group's financial position. Net interest-bearing debt is calculated by deducting the Group's cash and cash equivalents from its interest-bearing debt. Net interest-bearing debt is used in, among other things, the calculation of the Group's loan to value ratio.

	30.09.2021	30.09.2020	31.12.2020
Bonds, non-current	9 680	6 062	6 008
Bonds, current	2 404	2 543	3 980
Commercial papers, current	1 950	1 230	926
Debt to credit institutions, long-term	6 288	7 948	9 461
Debt to credit institutions, short-term	68	3 212	627
Interest-bearing debt*	20 389	20 995	21 003
Cash and cash equivalents	-407	-341	-484
Net interest-bearing debt	19 982	20 654	20 519
Market value properties	55 289	52 889	54 656
Loan to value ratio	36 %	39 %	38 %
* Unsecured part of interest-bearing debt (where the Group has not provided collateral)	11 489	4 855	6 341

9. Interest per balance sheet date

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

	30.09.2021	30.09.2020	31.12.2020
Annualized interest expenses on interest-bearing debt as of the balance sheet date	277	249	269
Annualized interest expenses on current interest rate swaps per balance sheet date	342	381	373
Annualized interest expenses per balance sheet date	619	630	643
Interest-bearing debt*	20 389	20 995	21 003
Interest per balance sheet date	3,04 %	3,00 %	3,06 %

10. Net investments

Net investments is calculated by using fair value of investments in investment properties in addition to net supply of other fixed assets and other investments.

	Q3 2021	Q3 2020	30.09.2021	30.09.2020	31.12.2020
Investment properties	213	147	689	473	706
New companies	0	0	-369	43	269
Other fixed assets	1	3	5	8	15
Other investments	9	49	40	52	-76
Net investments	223	200	365	576	914

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

Market value of properties shows the sum of the market value of investment properties and owner-occupied properties, which are accounted for according to different accounting principles in the Group's balance sheet.

	30.09.2021	30.09.2020	31.12.2020
Market value investment properties	55 084	52 686	54 453
Market value owner-occupied properties	205	203	203
Market value properties	55 289	52 889	54 656

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

Market value of properties joint venture (Group share)	3 471	3 493	3 401
Market value of properties associated with companies (Group share)	843	828	859

12. Annualized rental income level

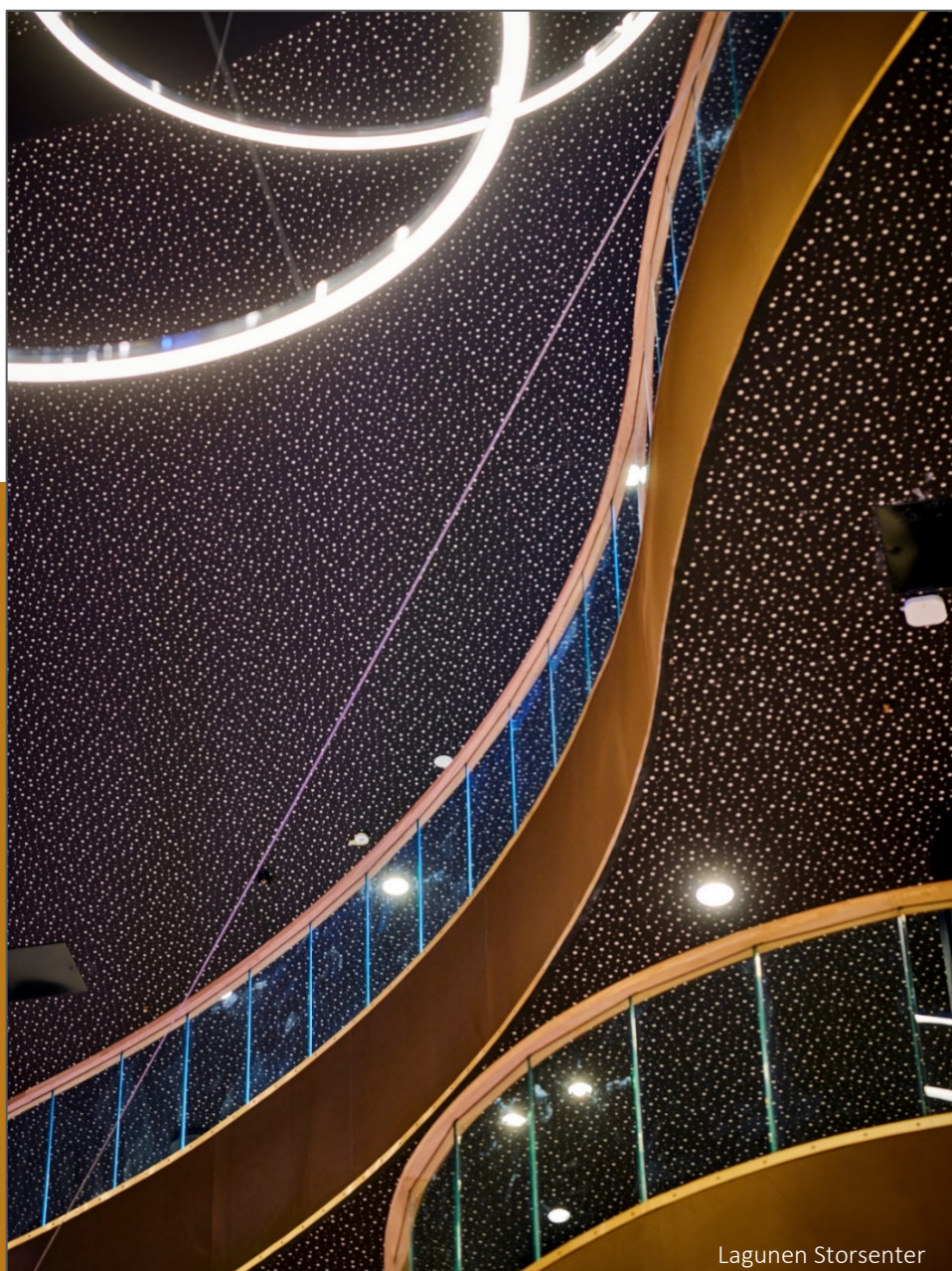
The annualized rental income level shows the real estate portfolio's expected market rent for leased and vacant premises, and provides a picture of the Group's earning potential.

	30.09.2021	30.09.2020	31.12.2020
Annualized market rent leased premises	3 137	3 085	3 122
Annualized market rent vacant premises	123	115	128
Annualized rental income level	3 260	3 200	3 250

13. Net yield properties

Net yield is the annualized rental income level less normalized (over time) lessor's owner costs divided by the market value of properties adjusted for plots and the relevant non-rental part of properties.

	30.09.2021	30.09.2020	31.12.2020
Annualized rental income level	3 260	3 200	3 250
Lessor's owner cost	445	427	432
Annualized net rental income level	2 815	2 773	2 818
Market value properties	55 289	52 889	54 656
Adjustment market value for plots etc	273	699	385
Market value properties after adjustment	55 016	52 190	54 271
Net yield properties	5,12 %	5,31 %	5,19 %



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