

AURORA

ANNUAL REPORT 2021



Aurora Eiendom

The shopping center plays an important role in society. With shops and services easily accessible under one roof, the busy lives of most people are made easier. For many the shopping centre is also a nice and safe place to be with friends and family.

Shopping habits are changing rapidly, but the need for people to meet and connect is a constant. Aurora Eiendom believes the shopping center will continue to play an important role in peoples' lives whether they need to have a suit cleaned or buy a new TV, bring the grandchildren along for Saturday shopping or pick up something ordered online.

Aurora Eiendom currently owns six shopping centers in Norway: Vinterbro Senter in Ås municipality near Oslo, Amanda Storsenter in Haugesund, Nerstranda in Tromsø, Farmandstredet in Tønsberg, Nordbyen in Larvik and Buskerud Storsenter in Drammen. We will continue to invest in strongly positioned shopping centers with attractive locations and an exciting offering of shops and services.

Through our partly owned real estate management company Alti Forvaltning, Aurora Eiendom has access to the best management team in the market. Aurora Eiendom's and Alti Forvaltning's common mission is to simplify and improve peoples' lives.

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Aurora Eiendom 2021

Aurora Eiendom is a Norwegian real estate company listed on Euronext Growth Oslo. The company started its operations in July 2021 by acquiring five shopping centers, as well as 50% of Alti Forvaltning AS.

LETTER FROM THE CEO

A well-timed launch



After an initial period of negotiations and securing financing, we started our operations last summer with the purchase and takeover of five shopping centers. In hindsight we can conclude that the timing of our launch was as good as one could wish for, with the most demanding period of the pandemic behind us, softened government restrictions and high activity at the centers throughout the year.

We decided to hop on the journey of transformation of the retail industry, with the firm belief that the opportunities outweigh the challenges, and set the vision to build the future model of leading shopping destinations. With the Board of Directors' unmatched expertise from retail, shopping centers and real estate, combined with resources from our co-owned management company Alti Forvaltning, I am certain that we have the optimal setup to succeed.

Since the takeover the focus has been to take on the ongoing operations of the centers, including leasing, technical management and marketing. By the year end the leasing work had resulted in renegotiations and prolonged lease agreements of 10 % of the portfolio's lettable area and new leases at 1 % of the lettable area, which has led to a reduction in vacancy of 0.5 percentage points and increased rental income. During the same period, we have worked to streamline the operations of the centers and reduced common costs on average by 2.7 % for the 2022 budget.

In addition to the shopping center portfolio, we have two greenfield projects with in total 150.000 sqm. land lot, adjacent to Alti Nordbyen and Buskerud Storsenter. Going forward we will initiate the planning process for the development potential, and both projects are likely to be a combination of retail and residential areas.

The shopping center industry, like most, has had an unpredictable couple of years, with Covid-19 and its associated governmental restrictions causing irregular tenant turnover levels. Even though 2021 was also colored by the pandemic, many were prepared to adapt their operations to the situation after the experiences made the year before. After a troubling start of the year, 2021 ended on a high for the industry with strong numbers from June throughout the year. It is especially gratifying to see that retail sectors that took the hardest hit at the start of the

pandemic now have a positive growth and can look back at a far better year in 2021.

The Aurora portfolio had a comparable development to the industry as a whole, with a decline in tenant turnover during the first half of 2021 and strong numbers the second half of the year. In total the year ended equivalent to 2020, and 3 % above 2019.

After putting a few months behind us in 2022 we see that the tenant turnover is on par with pre pandemic levels, while the number of visitors is still some distance behind. With society returning to normal, we expect the tenant turnover levels to normalize, and that we compared to the previous year will see a positive development in tenant turnover in the start of the year, but that the levels from the last six to eight months of 2021 will be difficult to match.

The pandemic has been a stress test of several industries, among these shopping centers and retailers. It has forced many of us to rethink and innovate the operations of our businesses, and it is my perception is that the retail sector has come strengthened through this period with renewed optimism. This is evident through a significant increased interest in establishments and willingness to invest, from both established and new retailers.

Shopping habits are changing, but the flow of returning customers to the shopping centers after the pandemic restrictions were lifted, strengthens our belief that people want to meet and connect. Nevertheless, we see that the pace of change in customer needs and preferences is increasing, which makes hands-on management and keeping our finger on the pulse more important than ever, to continue to offer an attractive mix of shops and service providers and further develop our shopping destinations.

A handwritten signature in blue ink, which appears to read 'Lars Ove Løseth'.

Lars Ove Løseth
CEO Aurora Eiendom AS

HIGHLIGHTS AND SUMMARY OF THE

Year 2021

Aurora Eiendom had a positive first year of operations.
The key figures are for the period July – December 2021.

- Acquisition of the first five shopping centers in July 2021.
- Gross tenant turnover in 2021 (full year) for Aurora's five shopping centers was NOK 5 204 million, compared to NOK 5 182 million in 2020 and NOK 5 070 million in 2019.
- Leasing activity resulted in decreased vacancy of 0.5 percentage points.
- Rental income was NOK 158 million and net income from property management was NOK 129 million.
- Nordbyen shopping center in Larvik was rebranded to Alti Nordbyen in November 2021.
- Aurora Eiendom AS was listed on the Euronext Oslo Exchange on December 15th 2021 with the ticker «AURA».
- In December Aurora Eiendom AS invested in an 8.75% indirect stake in Jærhagen shopping center, which Alti Forvaltning manages.



Key figures

Aurora Eiendom AS

	Unit	2021
Net Rental Income	NOK	158 043 738
Net income from property management	NOK	129 008 000
Interest coverage ratio*		3.2
EPRA Earnings per share*	NOK	6.37

31.12.2021

Market value of property portfolio	NOK	5 222 900 000
Net interest bearing debt	NOK	2 377 271 564
Loan to value (LTV)*	%	45.5
EPRA NRV per share*	NOK	139
EPRA NTA per share*	NOK	135
EPRA NDV per share*	NOK	131
Outstanding shares		20 550 400
Equity per share	NOK	130.7

* See Alternative Performance Measures for details

Leasing activity

2021

Total area of leases started	sqm	1 685
Total area of leases ended	sqm	1 145
Net area leased	sqm	540
Net area leased	%	0.5
Average lease term for new leases	year	5.3
Total area of leases extended	sqm	11 111
Total area of leases extended	%	9.8
Average extension for extended leases	year	3.6

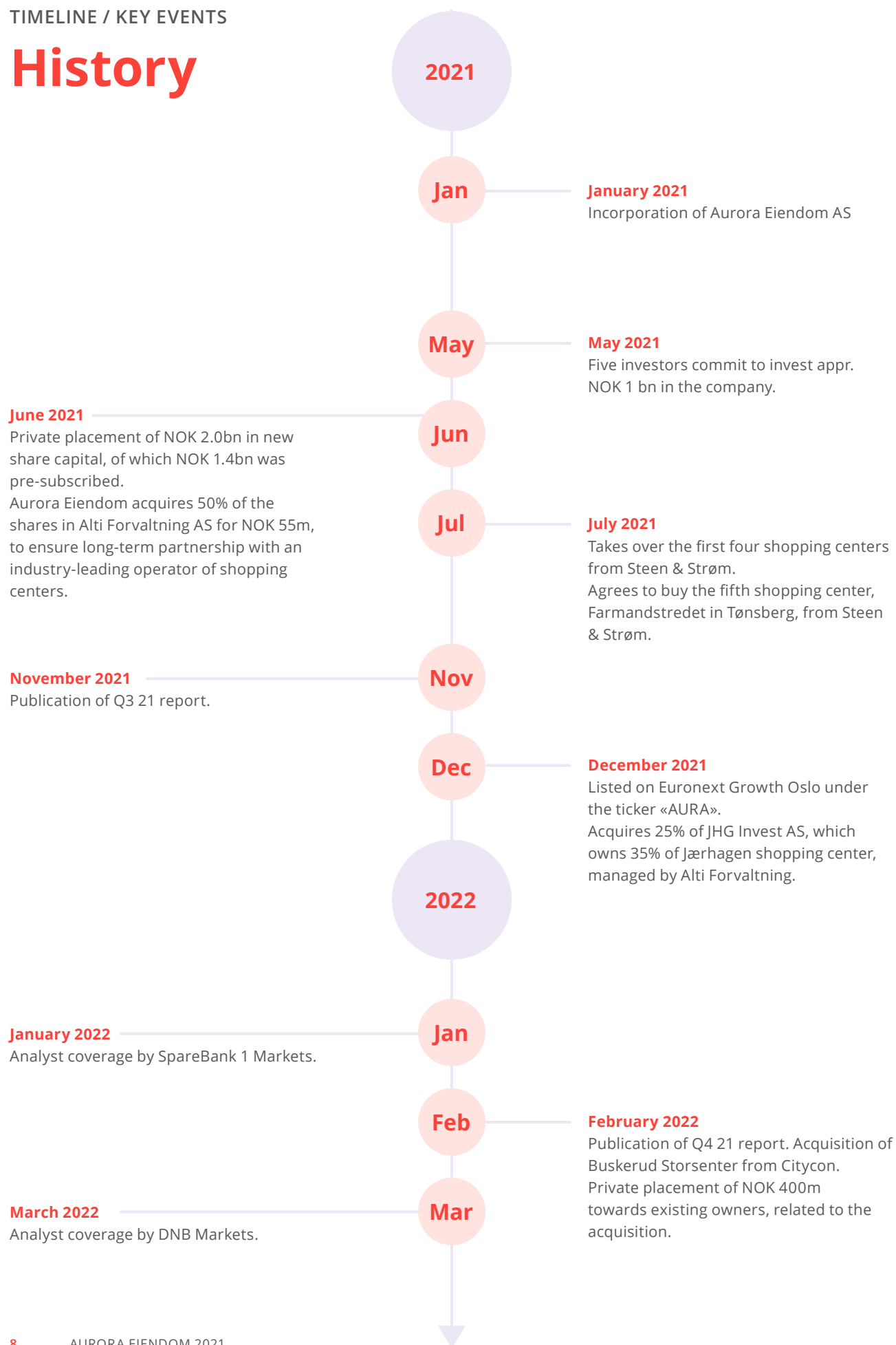
Leasing portfolio summary

31.12.2021

Properties	#	5
GLA	sqm	113 113
Occupancy	%	93.9
WAULT	year	3
12 month rolling rent **	MNOK	301
12 month rolling rent **	NOK / sqm	2 834


**The lease portfolio summary only refers to rent from leases tied to gross lettable area (GLA). For example, income from parking and specialty leasing is not included.

History



SUMMARY

Portfolio key figures

	31.12.2021					28.02.2022	
Shopping center	Amanda	Nerstranda	Alti Nordbyen	Vinterbro	Farmandstredet	Total Aurora	New total Aurora
							
Location	Haugesund	Tromsø	Larvik	Ås	Tønsberg	SUM	Drammen
Gross lettable area (sqm)	14 600	12 000	16 000	34 000	36 500	113 100	32 000
Retail area (sqm)	14 015	8 721	14 558	30 028	27 533	94 856	28 585
Footfall - 2021 (millions) ¹	2.2	1.6	1.4	3.1	3.6	11.9	2.0
Footfall per retail area ³	108.8	183.5	96.2	103.2	130.8	125.5	70.0
Gross turnover tenants - 2021 (MNOK) ¹	1 062	445	563	1 776	1 358	5 204	1 197
Turnover pr retail area ³	52 512	51 070	38 658	54 316	49 319	50 058	41 875
Turnover pr visitor ³	483	278	402	526	377	425	599
Gross rental income 2021 (MNOK)	52.0	33.4	36.5	84.8	109.3	316.0	64.5 ⁴
GAV (MNOK) ²						5 223	1 175

¹ Gross turnover tenants and footfall at Amanda includes Coop OBS! which is not owned by Aurora. Gross turnover tenants at Vinterbro includes adjacent big-box retailers not owned by Aurora

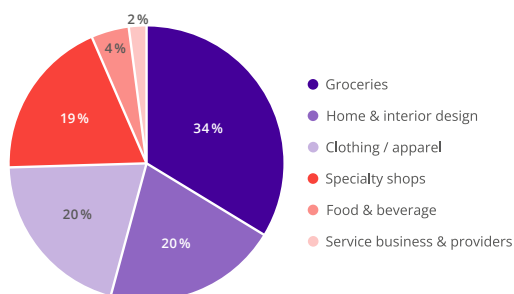
² GAV including development potential at Alti Nordbyen and Buskerud

³ Key figures corrected to include Coop OBS! at Amanda and exclude big-box retailers at Vinterbro

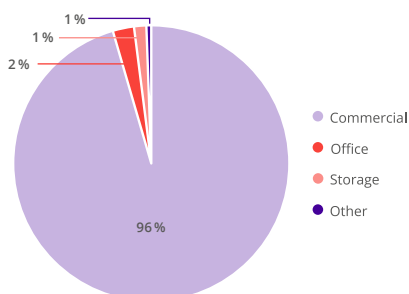
⁴ Run-rate per 01.01.22

Aurora Eiendom AS indirectly owns 8.75 % of Jærhagen shopping center outside Stavanger.

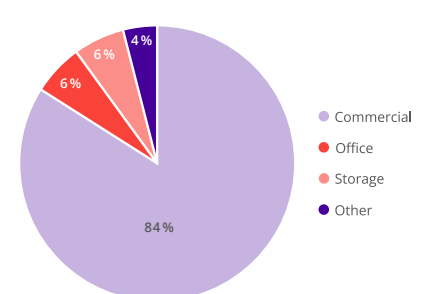
Share of tenant turnover ^{1 2}



Share of GRI ¹



Share of GLA ¹



Amanda Storsenter

THE LEADING SHOPPING CENTER IN HAUGESUND



Haugesund's leading shopping center, located in a strong retail cluster at Raglamyr.

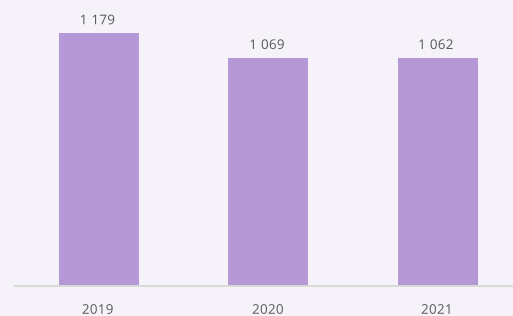
Easily accessible center with direct access to the rail road and public transportation terminal.

Complete shopping destination, complemented by several big-box retailers like Elkjøp, Biltema and Skeidar.

Gross tenant turnover of NOK 1 062 million¹ in 2021, equivalent to NOK 52 000 pr sqm of retail.

Ample parking coverage, with 1 600 spots available to customers free of charge.

Annual turnover
Includes Coop OBS!, not owned by Aurora.



RETAIL AREA (SQM) / STORES (#)

14 015 / 58



ANNUAL FOOTFALL 2021

2.2m



GROSS TENANT TURNOVER 2021

MNOK 1 062 ¹



GROSS RENTAL INCOME 2021

MNOK 52.0

¹ Gross turnover tenants at Amanda includes Coop OBS! which is not owned by Aurora.



Nerstranda

FULL-SCALE SHOPPING CENTER IN THE HEART OF TROMSØ



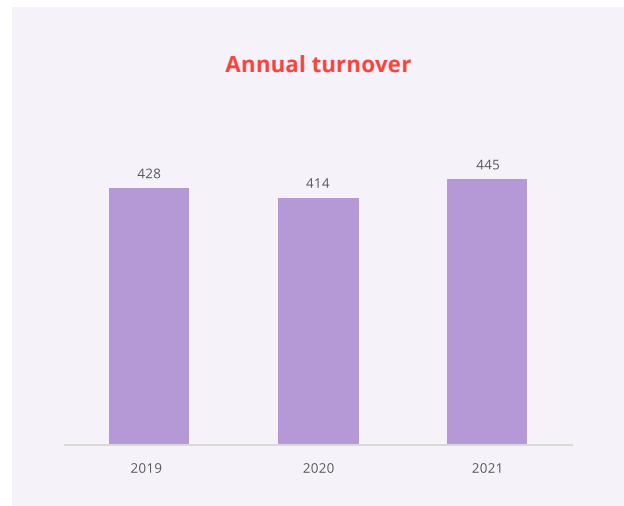
Shopping center with excellent location by the main high street in the city center of Tromsø.

Great access to tourist flow with immediate vicinity to the cruise ship terminal and Clarion Hotel The Edge.

Anchored by well-known retailers and central Tromsø's only Vinmonopolet.

Gross tenant turnover of NOK 445 million in 2021, equivalent to NOK 51 000 per sqm of retail.

Ample parking coverage in basement, with 220 paid spots available to customers.



RETAIL AREA (SQM) / STORES (#)

8 721 / 34



ANNUAL FOOTFALL 2021

1.6m



GROSS TENANT TURNOVER 2021

MNOK 445



GROSS RENTAL INCOME 2021

MNOK 33.4



Alti Nordbyen

STRONGLY POSITIONED AS THE NUMBER ONE SHOPPING CENTER IN THE LARVIK REGION



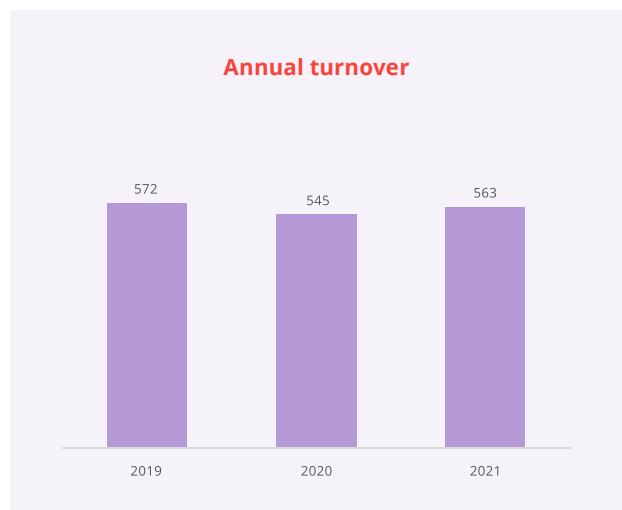
Strongly positioned shopping center in Larvik with no immediate competitors.

Highly popular region for vacation, attracting + 70 000 visitors every summer, which increases the customer base.

The center is anchored by a large grocery store (Meny), and has good parking coverage with 620 spots.

Gross tenant turnover of NOK 563 million in 2021, equivalent to NOK 38 000 per sqm of retail.

Significant development potential related to Hovlandbanen with plans to transform the area alongside the shopping center.



RETAIL AREA (SQM) / STORES (#)

14 558 / 45



ANNUAL FOOTFALL 2021

1.4m



GROSS TENANT TURNOVER 2021

MNOK 563



GROSS RENTAL INCOME 2021

MNOK 36.5



Vinterbro Senter

A COMPLETE SHOPPING DESTINATION AT THE JUNCTION OF TWO MAIN HIGHWAYS



Situated at the junction between highway E6 and E18, approximately 25 minutes by car from Oslo city center.

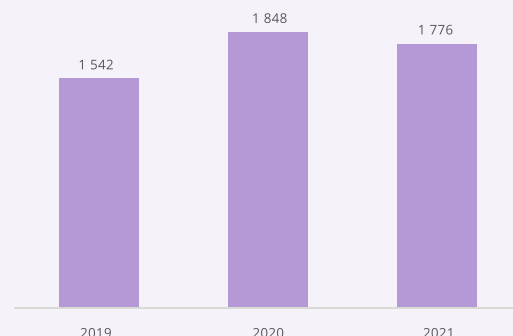
Car-based shopping center with more than 240 000 people within 20-minutes' drive and 60 000 vehicles passing every day.

Catchment area with strong expected population growth and gross income well above the national average.

Gross tenant turnover of NOK 1 776 million in 2021, equivalent to NOK 54 000 per sqm of retail.

Anchored by well-known retailers like Coop, Elkjøp, Clas Ohlson and Vinmonopolet.

Annual turnover
Includes big-box retailers, not owned by Aurora.



RETAIL AREA (SQM) / STORES (#)

30 028 / 68



ANNUAL FOOTFALL 2021

3.1m



GROSS TENANT TURNOVER 2021

MNOK 1 776 ¹



GROSS RENTAL INCOME 2021

MNOK 84.8

¹ Gross turnover tenants at Vinterbro includes adjacent big-box retailers not owned by Aurora.



Farmandstredet

ONE OF SOUTH-EASTERN NORWAY'S PREMIERE SHOPPING CENTERS



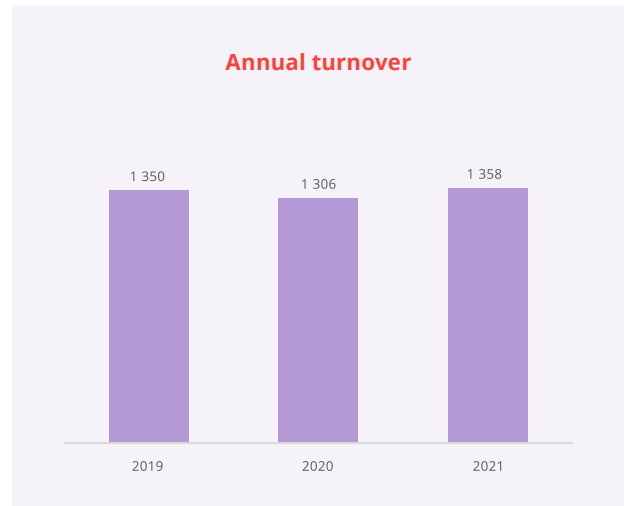
One of south-eastern Norway's premiere shopping centers with prime city center location.

Easily accessible center with strong local presence and no immediate competitors.

Good overall layout for shopping and anchored by renowned retailers such as Meny, Clas Ohlson and Vinmonopolet.

Gross tenant turnover of NOK 1 358 million in 2021, equivalent to NOK 49 000 per sqm of retail.

Significant development potential, including plans to replace an underutilized part of the center with a new entrance and extension.



RETAIL AREA (SQM) / STORES (#)

27 533 / 84



ANNUAL FOOTFALL 2021

3.6m



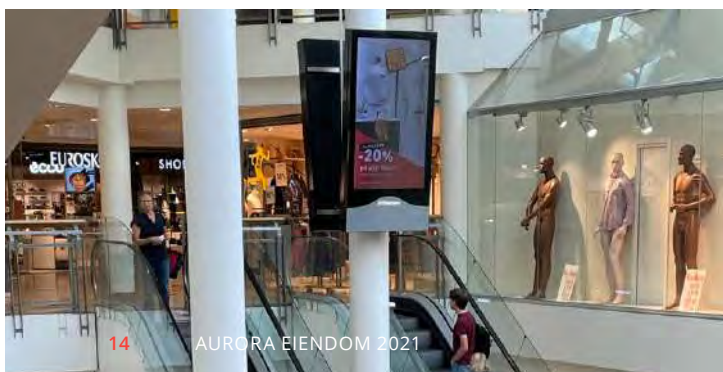
GROSS TENANT TURNOVER 2021

MNOK 1 358



GROSS RENTAL INCOME 2021

MNOK 109.3



Buskerud Storsenter

REGIONAL SHOPPING CENTER WITH A GROWING CATCHMENT AREA POPULATION



Regional shopping center located in Krokstadelva (Drammen municipality), adjacent to Mjøndalen.

More than 80 000 people within 15 minutes' drive, and a growing population within the catchment area.

Located in a well-established retail cluster, directly adjacent to several well-known big-box retailers like XXL, Rusta and Bygghuset.

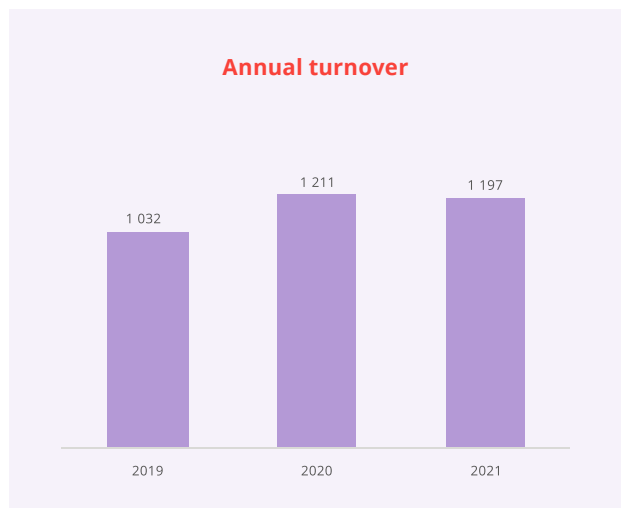
Buskerud Storsenter comprises of 59 stores and 28 585 sqm of retail space over two floors:

- Anchored by well-known retailers like Coop Obs!, Clas Ohlson, Vinmonopolet, Cubus and H&M.
- Easily accessible center with ample free parking (1 200 spaces).
- Gross tenant turnover of NOK 1 197 million in 2021, equivalent to NOK 41 875 per sqm of retail.
- Weighted average lease duration of 2.6 years (as of December 2021).

The property comprises a large freehold lot with significant development potential.

Plans to reform area to both residential and commercial area.

Completely renovated in 2017, including new facade and expanded area.



RETAIL AREA (SQM) / STORES (#)

28 585 / 59



ANNUAL FOOTFALL 2021

2.0m



GROSS TENANT TURNOVER 2021

MNOK 1 197



GROSS RENTAL INCOME 2022E

MNOK 64.5



Jærhagen

A COMPLETE SHOPPING DESTINATION ANCHORED WITH BIG-BOX TENANTS



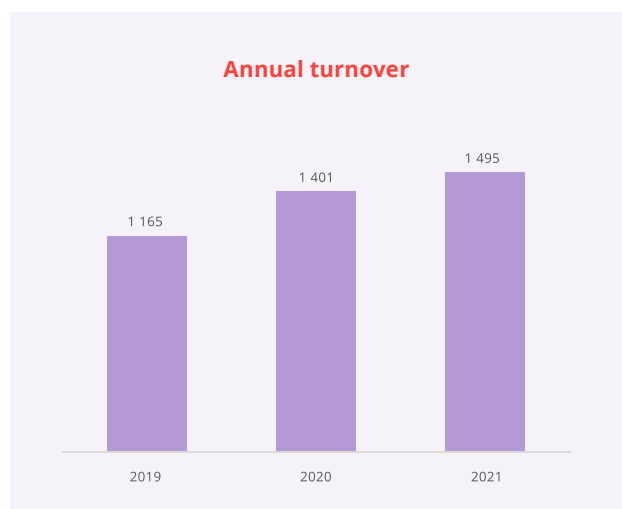
Leading shopping center in Jæren with an attractive grocery and big-box anchored tenant mix.

Ideally located in the junction of the main regional roads Fv 44 and Fv 510 offering tremendous accessibility by car.

Eco-lighthouse certified and energy efficient asset with solar roof-top panels and electric vehicle chargers.

Ample parking coverage with 1 200 spaces available to customers free of charge (700 outdoor and 500 indoor).

Completely renovated in 2018, with large expansion of retail space.



RETAIL AREA (SQM) / STORES (#)

41 574 / 62



ANNUAL FOOTFALL 2021

2.5m



GROSS TENANT TURNOVER 2021

MNOK 1 495



GROSS RENTAL INCOME 2021

MNOK 63.7





Organization & management

Alti Forvaltning AS works as a full-service manager for Aurora Eiendom, managing the portfolio of shopping centers as well as providing the day-to-day management of the parent company.



Alti Forvaltning AS is a full-service manager with leading expertise in shopping center management

- Alti was established by Lars Løseth in 2017 (founder of AMFI)
- Full-service manager with extensive experience
- Leading expertise in management of shopping centers
- Aurora Eiendom owns 50 % of Alti Forvaltning AS

Alti Forvaltning AS is a professional property manager, and currently manages 33 shopping centers, among these the centers owned by Aurora Eiendom.

Alti Forvaltning AS is owned 50% by Aurora Eiendom AS and 50% by Alti AS (LL Holding AS 80% and Sørco Holding AS 20%).

The head office is located in Surnadal, Nordmøre region, with branch offices in Oslo, Trondheim, Arendal and Ålesund. Alti Forvaltning AS has around 50 employees in administration, as well as employees out in the shopping centres (approx 90). All management resources dedicated to Aurora Eiendom AS are employed in Alti Forvaltning AS.

***Aurora and Alti is one of the strongest alliances
in the Norwegian shopping center industry.***



PORTFOLIO AREA / PROPERTIES

840 000 sqm / 105



GROSS TENANT TURNOVER (SHOPPING CENTERS)

MNOK +20bn



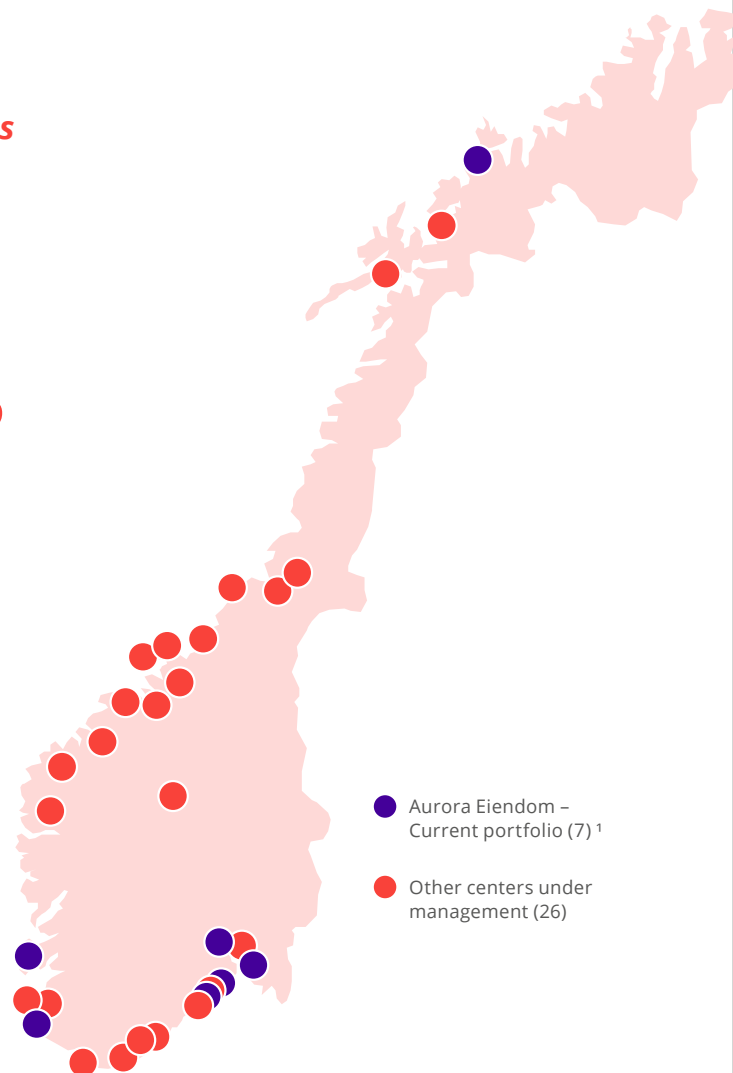
RENTAL INCOME

MNOK +1.2bn



EMPLOYEES

140 (50 in the administration and 90 at the managed properties)



Board of Directors



Petter A. Stordalen

CHAIRMAN

Profiled investor and businessman best known for his ownership in Nordic Choice. Extensive experience with retail – helped rebuild Steen & Strøm in 1991 and was one of the cornerstone investors in Sektor Gruppen before it was sold to Citycon in 2015.



Johan Johannson

BOARD MEMBER

Majority owner of the largest grocery chain in Norway, Norgesgruppen. Significant real estate owner and one of the cornerstone investors in Sektor Gruppen (31 %) before the company was sold in 2015.



Lars Løseth

BOARD MEMBER

Lars Løseth is regarded as one of the leading shopping center experts in Norway. Best known as the founder of AMFI, a significant owner and the largest operator of shopping centers in Norway.



Marius Varner

BOARD MEMBER

Marius is the CEO and Chairman of Varner, one of Norway's largest retail companies. Cornerstone investor in Sektor Gruppen (27%) before the company was sold to Citycon in 2015.



Sigurd Stray

BOARD MEMBER

Sigurd is COO in Eiendomsspar, which is one of the leading real estate companies in Norway. Prior to Eiendomsspar, he worked 7 years at Olav Thon Gruppen, and 2 years in DnB Asset Management. Sigurd holds an MSc Economics with specialisation in Finance from BI Norwegian Business School.

Morten Nordheim is observer to the Board of Directors.

Management



Lars Ove Løseth

CEO

Lars Ove holds a BSc in Retail Management from BI Norwegian Business School and a MSc in Real Estate Development from NMBU. He has extensive experience in shopping center management, and has been CEO of Alti Forvaltning since 2018. Prior to Alti, Lars Ove was trainee at Olav Thon Gruppen, leasing manager at LL Holding and retail consultant at BigBlue & Company.



Aage Lilleberg

COO

Before joining Alti Forvaltning in September 2021, Aage was Regional Director at Olav Thon Gruppen for 9 years. Aage has previously worked as Leasing Manager and Regional Director at Amfi Drift AS. Before starting his career in shopping center management, Aage worked in retail, production and wholesale. Aage holds degrees at Norsk Kjøpmannsinstitutt and BI.



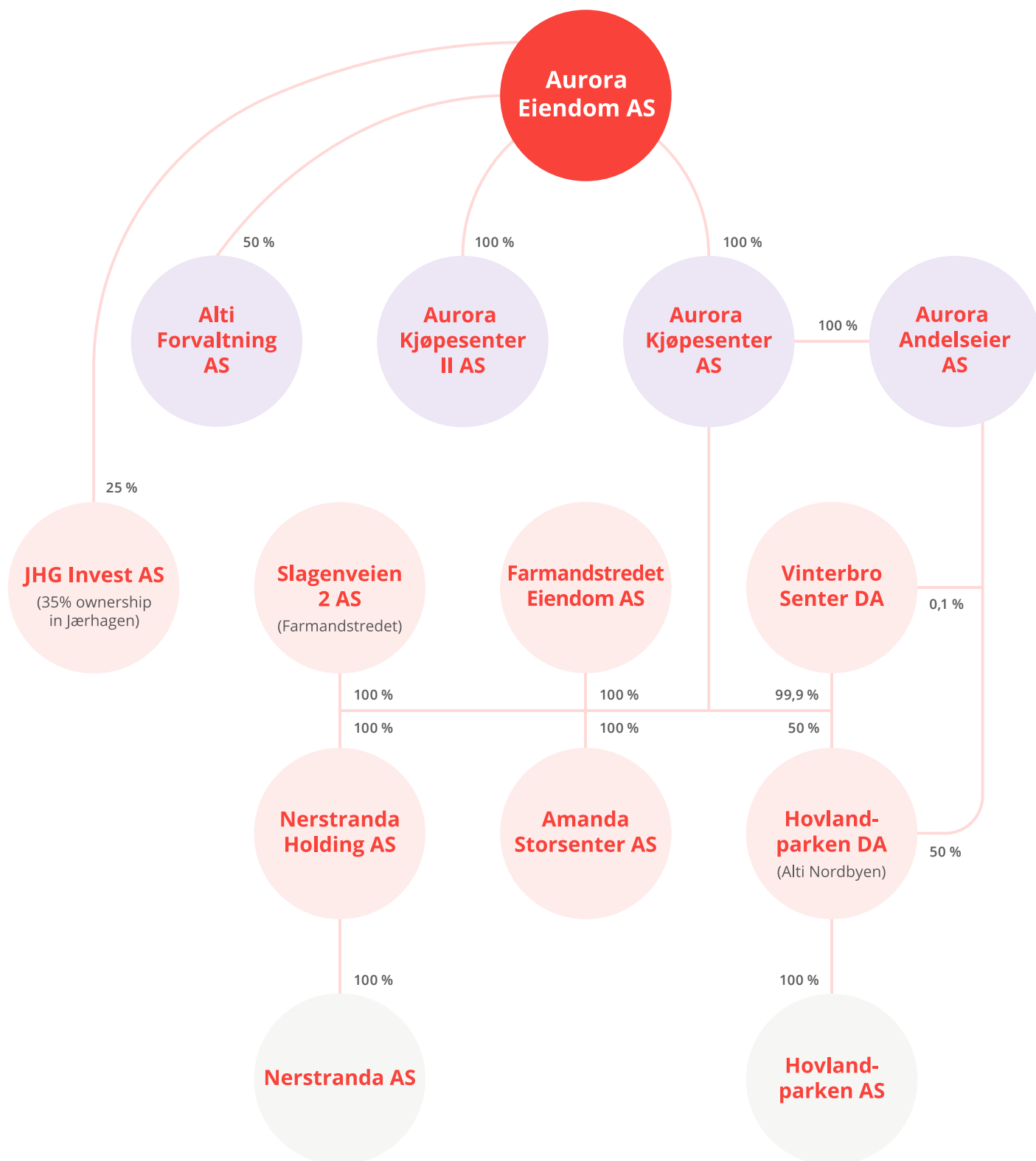
Kathrine Maset

CFO

Kathrine holds an MSc in Economics and Finance from Université Toulouse 1 Capitole in France. She has work experience from IBM, Danske Markets Corporate Finance, Amfi Eiendom AS and Sparebank 1 Nordmøre. Kathrine joined Alti Forvaltning in July 2021.



Group structure



Euronext Growth

Aurora Eiendom AS

Shares admitted to trading on Euronext Growth Oslo

Admission date: 15.12.2021

Ticker: «AURA»

ISIN: NO0011032310

Admitted (as of 25.02.22): 24 510 796





Board of Directors' report

The Board consists of Petter A. Stordalen (Chair), members Lars Løseth, Johan Johannson, Marius Varner and Sigurd Stray. Morten Nordheim is observer to the board. Lars Ove Løseth is CEO of Aurora Eiendom.

Overview of the business

Aurora Eiendom is a Norwegian real estate company listed on Euronext Growth Oslo. The company started its operations in July 2021 by acquiring five shopping centers from Steen & Strøm. Simultaneously the company acquired 50% of the shares in Alti Forvaltning, which is one of Norway's leading shopping center management companies. In December, a minor stake in Jærhagen was acquired and in February 2022 Aurora Eiendom added Buskerud Storsenter to the portfolio.

Aurora Eiendom was founded with the vision to build the future of retail by converging digital and physical retail and create an ideal environment for both tenants and customers. The company will own, operate, and develop leading shopping destinations.

We believe that by selecting assets that fit our investment criteria, together with hands-on shopping center management, Aurora will develop and optimize operations of these shopping destinations so that they respond to changing consumer patterns. This will demand regular investments to assure an optimized tenant base in each center, which is key to continuously attract customers.

Going forward, Aurora Eiendom's shopping centers will become increasingly important hubs for goods and services - places where people gather to do errands as well as to socialize. We firmly believe that the concept of offering a wide range of services at one location, contributing to an efficient everyday life and offering experiences for the special occasions, will ensure the shopping centers' attractiveness in local communities. As a result of the strategy of offering as much as possible under one roof, Aurora is focused on expanding the universe of tenants and offers. Examples are to increase the food and beverage segment in its shopping centers and complete the tenant mix with health services and other public-oriented services.

Aurora aims to grow its portfolio in 2022 and the company's liquidity will be used for further expansion. However, after the initial growth phase the company plans to distribute dividends on a regular basis.

Current portfolio

Aurora Eiendom owns six shopping centers fully and has an 8,75% indirect stake in Jærhagen Shopping Center.

The fully owned centers are Vinterbro Senter in Ås municipality near Oslo, Amanda Storsenter in Haugesund, Nerstranda in Tromsø, Farmandstredet in Tønsberg, Alti

Nordbyen in Larvik and Buskerud Storsenter in Drammen. There is substantial development potential in development plots adjacent to Buskerud Storsenter and Alti Nordbyen. Aurora will consider how to best utilize the development potential to increase the attractiveness of the shopping center, for example by establishing complementary big-box retail. Cooperation with partners to optimize the areas by including housing will also be considered.

For full description of the portfolio and key figures, refer to the portfolio presentation on page 9.

Investment criteria and strategy

Aurora Eiendom will continue to seek out and invest in shopping centers that are carefully selected. Aurora Eiendom, together with Alti Forvaltning, carries out a thorough analysis of rental income, costs, tenants and competition as part of the investment decision. The company actively opts out of deals that do not fit our strategy and portfolio, the focus is on proper growth.

Real estate segment

Shopping centers and adjacent assets and projects that will enhance the retail destination.

Strategic fit

Opt out of deals that do not fit Aurora Eiendom's strategy and portfolio (proper growth).

Geographical exposure

Large and medium-sized cities in Norway with good catchment area.

Leading position

Shopping centers that are leading or have the potential to become leading in their local markets.

>>

Alti Forvaltning AS

In-house management from day one is key to Aurora's vision of creating excellent shopping destinations for the future. Alti Forvaltning currently manages 33 shopping centers across Norway and has built substantial experience since it was founded by the Løseth family in 2018. All employees operating the shopping centers, employees in supporting roles as well as management dedicated Aurora Eiendom are employed in Alti Forvaltning. This allows for Aurora Eiendom to deliver to the acquired shopping centers a large range of top specialized resources to manage the centers. Alti Forvaltning delivers the following services to the centers:

- Day-to-day management (center managers and technical staff)
- Leasing and property management
- Technical and IT
- Human Resources
- Development and construction projects
- Accounting
- Marketing

Alti Forvaltning offers centers to join the Alti common profile with high quality affordable campaigns and marketing. The chain concept preserves local identity and belonging, as Alti strongly believes that "business is local".

Alti Forvaltning's head office is in Surnadal, Norway. Aurora Eiendom's day-to-day management is also operated from Surnadal. The shopping centers each have dedicated staff (management, marketing and technical) that are based at the center. In addition, Alti Forvaltning has a team of leasing managers that are located at Alti Forvaltning's offices in Trondheim, Ålesund, Oslo and Arendal.

Development in 2021

Aurora acquired the first five centers in July 2021 and invested in the stake in Jærhagen in December 2021. In February 2022 Buskerud Storsenter was added to the portfolio. In all, the centers have shown positive development in the second half of 2021.

As soon as we took over the operations of our shopping centers, the team from Alti Forvaltning started its work to become familiar with the new properties and identify opportunities for further development. This resulted in a reduction in vacancy of 0.3 percentage points in Q3 and a further 0.2 percentage points by the end of the year. We experience that there is a growing interest and demand from new tenants and concepts, particularly in the food and beverage segment. There is also active dialogue with new concepts within traditional shopping center offerings, along with new types of tenants such as health services and leisure activities.

Gross tenant turnover has showed positive development in the second half of 2021, but was still somewhat impacted by the covid-19 pandemic. In December 2021, in the middle of the holiday shopping season, Norwegian government imposed restrictions regarding gathering of crowds and social distancing. Although no shopping centers or shops were closed, the public reacted by less frequent visits to shopping destinations. Despite fewer visitors in this period, tenant turnover remained at good levels. The second half of 2021 resulted in a tenant turnover equal to the same period in 2020, but 7 percent higher than in 2019. For the past year as a whole the growth in tenant turnover was 0 percent compared to 2020 and 3 percent compared to 2019. Although the total tenant turnover was at the same level in 2021 as in 2020, there was an abnormal distribution of turnover between the different types of tenants in 2020. In 2021 the distribution was much closer to pre-pandemic levels.

Aurora took over the operation of its shopping centers after the period of most impact from the covid pandemic. We expect that the operations of shopping centers will be normalized and not impacted by covid-19 restrictions in 2022.

Financial review

Rental income

Gross rental income for the year 2021 was NOK 158 million. Of this, 90 % represented minimum lease payments from the tenants. No individual customer account for more than 10 % of the Group's revenue. 2021 was Aurora Eiendom's first year of operation.

Property related operational expenses and administrative expenses

Property related operational expenses consist of maintenance, property tax, leasehold insurance and other direct property cost. These amounted to NOK 15.2 million for 2021.

Administrative expenses were NOK 7.5 million. This represents the fee paid to Alti Forvaltning AS for managing the five shopping centers in the Aurora portfolio. Alti Forvaltning AS also provides management services to the parent company Aurora Eiendom AS, and the cost of this is included in the management fee.

Other operating income and expenses

Other operating income and expenses consists of income and expenses not related to the properties, such as provision and consultancy and auditing fees.

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Other operating expenses mainly consists of fees related to the startup and growth phase of Aurora such as listing on Euronext Growth and assurance services from auditors and consulting with lawyers.

Net income from property management

Net income from property management amounted to NOK 129.0 million for Aurora's first operating year.

Fair value adjustments of investment properties

The fair value of the investment properties was adjusted by NOK 755 million. Per December 31st, the Group portfolio consisted of five shopping centers, acquired in July 2021. The investment properties are measured initially at cost, including transaction costs such as consultant fees. After their initial measurement investment properties are valued at fair value at the end of the quarter following the acquisition.

Share of results from associated companies

Aurora Eiendom AS has two associated companies. The management company Alti Forvaltning AS and JHG Invest AS. The Group's share of profit in these companies amounted to NOK -0.2 million in 2021. During 2021 Aurora amortized NOK 2.7 million in excess book value paid related to their share in Alti Forvaltning AS. This is included in The Group's share of profit.

Financial income

Financial income is mainly interest on cash and cash equivalents.

Fair value adjustments on interest rate derivatives

Aurora Eiendom AS signed nine contracts during 2021. Market value and position of these contracts amounted to NOK -8.7 million by the end of the year.

Financial expenses

Financial expenses in the quarter amounted to NOK 40.2 million and are mainly related to interest and fees on interest-bearing debt.

Summary

Pre-tax profit, including fair value adjustments of investment properties and interest rate derivatives, was NOK 834.7 million.

Balance sheet

The Group's assets amounted to NOK 5 623 million.

Of this, investment properties amounted to NOK 5 223 million (93 %).

Interest bearing debt was NOK 2 654 million (amortized) at the end of the year (NOK 2 666 million in nominal amount).

The equity totaled NOK 2 687 million (48 %).

Financing

The Group's debt portfolio consists of long-term debt with Norwegian banks. The remaining term for the debt portfolio is 2.5 years.

The Group's investment properties are pledged as security for the bank loans.

The Group's bank loans incorporate financial covenants related to minimum liquidity, loan-to-value and interest coverage ratio. Aurora Eiendom was in compliance with conditions in the credit agreements as of 31.12.2021.

Cash flow and liquidity

Net cash flow from operating activities was NOK 96.3 million. Net cash flow from investments was NOK -4 500.9 million and net cash flow from financing activities was NOK 4 693.3 million.

Cash and cash equivalents at the end of the period were NOK 288.7 million.

Allocation of net income

The Board of Directors proposes that the net profit of NOK 652 795 077 to be allocated to retained earnings.

Risk factors and risk management

Aurora Eiendom is exposed to several risks, including market, operational and financial risks.

Market risk

Aurora Eiendom is exposed to the risk of a reduction in general rent levels. Rent levels are affected by a number of factors, many of which are outside the Group's control, such as macroeconomic fluctuations, changes in consumer patterns and consumer confidence, availability, and development of competing shopping facilities in the vicinity of Aurora Eiendom's centers and changes in law and regulations. Rental income constitutes substantially all of the Group's revenue and any fall in rent levels may have a material negative effect on the Group's results of operations and financial positions.

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Operational risk

Aurora Eiendom AS currently owns six shopping centers and has a minority interest in a seventh shopping center. All shopping centers and Aurora Eiendom are managed by resources employed in Alti Forvaltning AS, which is 50% owned by Aurora Eiendom. The Company is dependent on competent management and employees, both employed and consultants, through its management agreement with Alti Forvaltning AS.

Per December 31st 2021 the remaining lease term for the properties was 3 years. Aurora Eiendom has approximately 500+ contracts with tenants, and this implies that contracts must be renegotiated on a regular basis. In the event that the shopping centers are unable to let vacant area and lease agreements are terminated, or not re-let on acceptable terms, the Group may experience a reduction in rental income. The Group may also suffer additional reduction in income because it may have to cover the common costs of vacant areas.

Aurora Eiendom also faces the risk that anchor tenants could potentially choose to terminate their contracts, and thus making the center less attractive as a shopping destination. The Group faces the overall risk of tenants not meeting their obligations to pay lease obligations, which in turn can have negative effect on the Group's cash flow and earnings.

In general, Aurora Eiendom is exposed to property risks – which includes a variety of risks associated with owning real property, such as the risk of landslides, fire, and construction defects.

Financial risks

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating rates. Per 31.12.21 all interest-bearing debt had floating rates. To adjust the exposure to the change in interest rates for the interest-bearing debt, the Group entered into interest rate swap agreements during Q4 with a notional amount of NOK 1 387 million, whereby it receives a variable rate equal to three-month NIBOR and pays a fixed rate of interest on the notional amount. All interest rate swaps are designated as hedging instruments, and the Group will not apply hedge accounting to interest rate swaps. The Board will monitor the development in swap rates and will consider further hedging of interest-rate risks in connection with increases in the Group's interest-bearing debt.

Credit risk / counterparty risk

The main credit risk relates to lease payments according to contractual obligations. Aurora Eiendom AS has a large number of tenants, and the standard rent payment regime is quarterly in advance.

The standard provided security for contractual obligations from tenants is a bank guarantee that sums equivalent to 6 months rent including VAT. However, security for each lease agreement is rated based on the lease agreements total value, associated investments and the tenants' creditworthiness. Overall, the concentration of credit risk relating to lease payments is assessed to be low.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to fulfill its financial obligation as they fall due. The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management uses cash flow simulations to monitor financing required for its business and ensure that commitments are met. Bank deposits as of balance date amounted to NOK 289 million. The Group has an overdraft facility of NOK 30 million. Debt repayments (instalments) for the coming rolling 12 months period are covered by operating cash flow.

There is also financing risk, which is the risk that the Group will be unable to meet its financial obligations when they are due, and that financing will not be available at a reasonable price. The Group will seek to limit this risk by having a diversified maturity structure for the Group's financing going forward. The Group also wishes to maintain good credit rating with finance institutions and generate a healthy cash flow in order to be an attractive borrower.

Environmental report

Aurora Eiendom's shopping centers are included in Alti Forvaltning's work on sustainability and environmental reporting. Alti Forvaltning has initiated several sustainability measures, including framework agreement for high-speed charging stations at all Alti centers. One of Alti's goals is to utilize more of its center's large roof-areas with environmentally friendly initiatives. Alti strives to be a positive force in all their engagements, which includes engaging in, and listening to the local communities. All the fully-owned shopping centers are BREEM in use Very Good (4/6 stars) classified.

Alti Forvaltning is in the process of implementing a framework for reporting on ESG, please refer to chapter about Sustainability for more information.

Going Concern

We confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2022 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

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The working environment and the employees / equal pay

Aurora Eiendom AS does not have employees. All human resources, including management of Aurora Eiendom AS are employed in Alti Forvaltning AS. Aurora Eiendom is headquartered from Surnadal, Norway, where Alti Forvaltning has its headquarters.

Subsequent events

On February 7th Aurora Eiendom announced that it had entered into a share purchase agreement with Citycon Oy for the acquisition of Buskerud Storsenter together with information about a contemplated private placement with gross proceeds of approximately MNOK 400. The private placement was fully subscribed on February 8th. Aurora Eiendom took over the operations of Buskerud Storsenter on February 28th. New interest-bearing debt of MNOK 750 was established as part of the financing of Buskerud. The debt financing was obtained from the syndicate of banks under the Group's existing syndicate loan facility, on terms equal to the existing financings under that facility.

Share and shareholders

Aurora Eiendom's shares are listed on Euronext Growth Oslo under the ticker "AURA".

As of 25th February 2022, the company had issued 24 510 796 shares each with a nominal value of NOK 75. Aurora Eiendom has one share class, and all shares have equal rights. The shares are registered in the Norwegian Central Securities Depository (VPS). The shares carry the securities number ISIN NO0011032310.

Per 2nd March 2022, the 20 largest shareholders were:

Investor / SPV	Number of shares:	Ownership interest:
Eiendomsspar AS	4 174 506	17.03 %
Joh Johansson Eiendom AS	3 866 733	15.78 %
Alti Invest AS	2 898 939	11.83 %
NSF IV Norway Holding 10 AS (NREP)	2 000 000	8.16 %
Strawberry Shopping AS	1 500 000	6.12 %
AS Clipper	1 240 000	5.06 %
Stokke Industri Eiendom AS	1 200 000	4.90 %
Varner Invest AS	1 192 716	4.87 %
Verdipapirfondet Nordea Norge	600 000	2.45 %
Kverva Eiendom AS	497 524	2.03 %
Uthalden Eiendom AS	400 000	1.63 %
Byggeteknikk Invest AS	357 405	1.47 %
Brødrede Johanssen Eiendom AS	300 000	1.22 %
Carucel Invest AS	300 000	1.22 %
Peak Invest AS	238 543	0.97 %
Oviv AS	201 653	0.82 %
Tretindanibba AS	198 663	0.81 %
Fine Line Direct AS	186 683	0.76 %
Ligna AS	179 702	0.73 %
Næringslivets Hovedorganisasjon	168 000	0.69 %
Other	2 807 729	11.46 %
Total (262 investors as of 02-03-2022)	24 510 796	100.00 %

Authorization for the Board to increase the share capital

The Board is authorized to increase the share capital by one or more occasions with maximum NOK 919 154 775 by issuance of maximum 12 255 397 new shares, each with a nominal value of NOK 75. The authorization will expire at the latest on 30th June 2023.

Liability insurance for board members and directors

Per March 24th 2022 the company does not have liability insurance for board members and directors.

Outlook

Our shopping habits are constantly evolving and changing. Aurora wants to respond to this by adapting to the trends in the consumer market. We think that people still want to see each other and be social, while trade should be simple and time efficient. Although e-commerce will continue to increase, it is still the case that the vast majority of trade takes place physically. We want to facilitate seamless shopping experiences where e-commerce and physical commerce enhance each other. At the same time, we want to gather as many errands as possible under one roof, and we are working to develop the shopping centers to attract new tenants and facilitate more social gatherings.

We continuously develop our tenant mix and welcome new trading concepts, we establish more restaurants and offer our visitors services in health, experiences and public affairs. We have also increased our focus on utilizing non-lettable space, such as electric car chargers, pop-up shops and tire changes - to name a few. In addition, we want to take the lead in influencing our shopping habits so that they are transformed towards becoming more sustainable. We market sustainable choices to our consumers and focus on efficient technical operations of the centers.

We see that the shopping centers did well during the pandemic. Although many stores were closed for various periods of the year, several sectors had strong growth. The authorities' financial package of measures for companies also helped many tenants. Aurora Eiendom took over its shopping centers after the biggest challenges of the pandemic were over. Thus, we had a very good first half year of operation. It is gratifying to see that the turnover of our tenants picked up again, and the tenants who had a negative development in the first period of the pandemic have now returned to more normalized turnover levels.

Macroeconomic development as a result of Russia's invasion of Ukraine affects the Norwegian economy through high inflation and increases in interest rates.

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Although not directly exposed to Russia or Ukraine, Aurora Eiendom is indirectly impacted by these two effects. Increased prices – especially on electricity – will have an impact on tenants' common costs, and on owners' share of common costs (part of direct property costs). Alti Forvaltning devotes substantial effort to optimize common costs, monitors the development and seeks to optimize energy consumption at the centers. General CPI increase will be reflected in the annual adjustment of tenants' minimum rent. General price increases will also affect the cost of refurbishments and development projects.

We see positive interest from tenants in several sectors, and especially in the food and beverage segment, which we see as an important and growing share of a shopping center.

Aurora's strength is the meticulous selection of shopping centers that match our strategy - well-located centers with No. 1 position in their market with a good tenant mix. Furthermore, it is crucial that the company's shopping centers are managed by one of Norway's leading management environments within shopping centers – Alti Forvaltning AS.

When taking over a center, a team of skilled specialists are put together to develop the center over time. We have already seen that the leasing work has resulted in renewal of leasing contracts and letted areas to concepts adding to a future orientet tenant mix, and in turn increased rental income. We fully believe that facilitating consumers' expectations of social gathering places, experiences, food culture, sustainable trade and service will ensure that our shopping center destinations will continue as social meeting points also in the future. This requires constant focus on an attractive tenant mix, through staying alert to changes in the consumer behaviours and adapting to trends.

Aurora Eiendom still has ambitions for growth but is careful in the selection of purchase objects. Aurora will optimize the operation of the centers to ensure a steady and good cash flow that will provide regular dividends after the initial growth phase.





Responsibility statement by the Board of Directors and CEO

To the best of our knowledge, we declare that:

- The Aurora Eiendom AS consolidated financial statements for 2021 have been prepared in accordance with IFRS.
- The financial statements for the parent company, Aurora Eiendom AS, have been prepared in accordance with the Norwegian Accounting Act.
- The information in the consolidated financial statements pr 31.12.2021 provides a true and fair picture of the overall assets, liabilities, financial position, and financial result for the Group and for Aurora Eiendom AS.
- The Board of Directors' report provides a true and fair view of the development and performance of the business and the position of the Group, together with a description of the key risks and uncertainty factors that the Group is facing.

Surnadal, March 24th 2022

Petter A. Stordalen
Chairman of the Board

Lars Løseth
Board member

Johan Johannson
Board member

Marius Varner
Board member

Sigurd Stray
Board member

Lars Ove Løseth
CEO



Sustainability

Alti Forvaltning AS has a high focus on the environment and has started a three-step process to improve on the company's overall sustainability. The three steps involve mapping out the current environmental work in the organization, to set defines goals for further environmental work and to do follow-ups and work towards set environmental goals.

VI GJØR DET ALTI ENKLERE Å VELGE *grønt*

Sustainability in Aurora and Alti Forvaltning AS

Aurora Eiendom AS is the owner of a portfolio of shopping centers that are all managed by Alti Forvaltning AS. Aurora's goals and general approach towards sustainability are therefore closely intertwined with that of Alti Forvaltning. As two relatively young companies, several plans are still waiting to be realized, while some action has already been taken. At this stage it is therefore natural to look at what is being done in Aurora as of today, and what plans, strategies and goals that are set to be realized in the time to come.

All of Aurora Eiendom's fully owned shopping centers are classified BREEM in-use Very Good. In addition, Jærhagen is Eco-lighthouse ("Miljøfyrtårn") certified.

UN Sustainability Goals

UNs sustainability goals is the United Nation's common plan to fight poverty, inequality and stop climate change. This plan is divided into 17 main goals, each goal focusing on different parts of the challenges the world is facing today. From these 17 main goals, four have been chosen as focus areas for the management of the shopping centers owned by Aurora Eiendom. These are shown below.



Figure: United Nations

Furthermore the company will seek to map the sustainability work that is being done today, and from there reach a final decision on which main goals to focus on, and formalise the company's sustainability strategy, building on UN's sustainability goals.

Environmental Management

Alti Forvaltning as a real estate management company has five focus areas with regards to HSE and internal control, one of which is environmental management.

The environmental management group consists of selected company representatives that in relation with our employees, tenants, customers, and suppliers seek to develop routines to systematically improve our work with regards to the environment and energy monitoring. The focus is on reducing the company's gross total CO2 emissions, and goals concerning reduced emissions will be embodied in the company's norms. The group ensures that the company's procedures contribute to the use of renewable resources, responsible consumption and purchase, and sustainable operation of the properties we manage.

In order to succeed and reach the goals mentioned above, the environmental group focus on different aspects of environmental management. These are as listed below.

- Building knowledge and competence concerning sustainability, both for the company's employees, tenants and suppliers.
- Energy management and active energy monitoring of our properties.
- Marketing strategies.
- Waste management.
- Real estate management.
- Purchases and suppliers.
- Project management.

Of these focus points we elaborate some of them below, to add further insight in the specific actions that are being taken.

Energy monitoring and digitalization of real estate management

To meet the growing need of sustainable real estate management, we are focusing on speeding up the ongoing process of digitalization of our operations and migration to cloud based systems. Alti Forvaltning has started a process of standardization of the technical systems and equipment, and updating of outdated control systems.

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With regards to the control systems, the goal is to develop a standard for the whole portfolio of shopping centers, all of which will be monitored and managed from the company's head office.

Type of system and supplier were chosen at the end of 2020, and the first nine shopping centers are already up and running with the new operating standards. This plays a central role in optimizing energy consumption of our technical installations, hence reducing our total consumption of energy, and will also contribute to a better indoor climate at our centers.

Marketing strategies

In marketing, we possess a unique possibility to reach a very large audience, and we think of it as our responsibility to use this opportunity to spread information about the sustainable choices you can make as a consumer. We experience that an increasing number of tenants provide sustainable options as part of their product range, and Alti Forvaltning wants to contribute by allocating a significantly part of the visibility available in our marketing channels to these products.

To this end the different marketing teams are instructed that a part of all marketing content in social media should be focused on sustainable options. The percentage of content dedicated to sustainability is as of today set by each local marketing team. In addition, we seek to intensify this message during certain periods throughout the year. For example, Vinterbro, among others, posted exclusively about sustainable options, products, and services on social media for two weeks straight, to increase focus on sustainability. From the head marketing department our shopping center's webpages are being supplemented with a guide to which sustainable choices you can make when visiting.

The head marketing department also look to themselves when taking responsibility. As of today, all marketing material that is being purchased is chosen with sustainability taken into consideration. For example, balloons made of plastic are no longer used as marketing material, and all posters/printed material are being delivered with specifications concerning reusable materials. Information about the sustainable position being taken at the head department are distributed and encouraged at each local team, as we seek to increase the volume and quality of our work towards sustainability.

Purchases and suppliers

Alti Forvaltning will seek to favor suppliers that in their specific markets focus on sustainability and offer sustainable products. The distance the purchased product or favor travels to our properties will also be taken into

consideration, and Alti will strive to choose local suppliers in different categories where such offers exist, in order to contribute to the executive goal of reducing CO2 emissions.

There are several decisions regarding suppliers that have been made in compliance with the strategy described above. As an example, we mention that Alti Forvaltning has made a deal with the company N3, who deliver entrance floor mats made of recycled material to our properties. These do also not require to be transported to a different location to be cleaned (unlike most floor mats). Both these factors contribute to floor mats requiring less resources both in the production process and the maintaining process, compared to the alternatives.

With regards to renewable energy, Alti Forvaltning has teamed up with Eviny, who install and operate EV charging stations. We share the ambition of rapidly expanding the opportunities for electric vehicles nationwide, and wish to provide our customers the opportunity to make sustainable choices. As a result of this partnership, two of the seven centers owned by Aurora will have a well-developed EV charging station in its parking area within Q2 2022, two more are set to have their stations ready within Q3 and Q4, and the last three are set to be ready during the first half of 2023. Furthermore, of the remaining 27 centers under the management of Alti Forvaltning, 15 have established EV charging stations since the start of June 2020.

In particular, the EV charging at Jærhagen shopping center gets its power from solar panels installed on the center roof. The excessive energy goes into the center's stores to make sure all the energy is utilized. The concept of energy production through solar panels has now been taken one step further within Alti Forvaltning, as shopping centers often provide a large coherent roof well suited for solar panels. In 2021 the investigation of different possibilities and models was started, and three centers, one of which is owned by Aurora, is well on the way in the planning process.



Financial performance

Gross rental income for the year 2021 was NOK 158 million. The Group's assets amounted to NOK 5 623 million. Of this, investment properties amounted to NOK 5 223 million (93 %). 2021 was Aurora Eiendom's first year of operation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2021
Aurora Eiendom		
Rental income	4	158 043 738
Property related operational expenses	5	-15 161 419
Net rental income		142 882 319
Other income		275 602
Other operating expenses	7	-6 635 017
Administrative expenses	3,7	-7 514 904
Net income from property management		129 008 000
Fair value adjustment, investment property	12	754 614 898
Share of profit from JV and associates	13	-166 251
Operating profit		883 456 647
Financial income	8	160 768
Fair value adjustments, interest rate derivatives	14	-8 710 592
Financial expenses	8	-40 164 446
Net financial items		-48 714 270
Profit before income tax		834 742 377
Change in deferred tax	9	-170 008 304
Income tax payable	9	-11 938 996
Income tax	9	-181 947 300
Profit		652 795 077
Other Comprehensive income		
Items to be reclassified to P&L in subsequent periods:		
Currency translation differences from foreign operations		-
Hedging of net investment in foreign operations		-
Income taxes on other comprehensive income		-
Total comprehensive income for the period/year		652 795 077
Profit attributable to:		2021
Shareholders of the parent		652 795 077
Total comprehensive income attributable to:		
Equity holders of the Company		652 795 077
Basic and diluted earnings per share	10	59.18

CONSOLIDATED BALANCE SHEET – ASSETS

	Note	31.12.2021
Non-current assets		
Investment properties	1, 12	5 222 900 000
Investment in joint ventures and associated companies	2, 13	89 724 061
Receivables		1 256 126
Derivative financial instruments	14	4 428 480
Total non-current assets		5 318 308 667
Current assets		
Trade receivables	15, 16	2 340 358
Other current asset	17	13 198 657
Cash and cash equivalents	15, 18	288 715 066
Total current assets		304 254 081
TOTAL ASSETS		5 622 562 748

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

Equity	Note	31.12.2021
Share capital	19	1 541 280 000
Share premium	19	492 656 586
Retained earnings		652 795 077
Total equity		2 686 731 663
Long-term liabilities		
Loans	14, 15, 20	2 524 568 870
Derivative financial instruments	14	13 139 072
Lease liabilities	11, 20	11 859 429
Deferred tax liabilities	9	170 008 304
Total long-term liabilities		2 719 575 675
Short-term liabilities		
Loans	12, 14, 15, 20	129 830 681
Income tax payable	9	17 169 515
Trade payables	15, 21	15 532 464
Current lease liabilities	11, 20	1 483 407
Other current liabilities	21	52 239 343
Total short-term liabilities		216 255 410
Total liabilities		2 935 831 085
Total liabilities and shareholders' equity		5 622 562 748

Surnadal, March 24th 2022



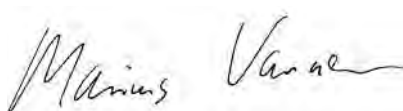
Petter A. Stordalen
Chairman of the Board




Lars Løseth
Board member



Johan Johannson
Board member



Marius Varner
Board member



Sigurd Stray
Board member



Lars Ove Løseth
CEO

CHANGES IN EQUITY

	Note	Share capital	Share premium	Retained earnings	Total equity
Equity at 31.12.2020		-	-	-	-
Share issue	19	1 541 280 000	513 750 000		2 055 030 000
Transaction cost of equity issue net of tax			-21 093 414		-21 093 414
Profit for period		-	-	652 795 077	652 795 077
Other comprehensive income		-	-	-	-
Dividend		-	-	-	-
Total equity 31.12.2021		1 541 280 000	492 656 586	652 795 077	2 686 731 663

STATEMENT OF CASH FLOWS

	Note	2021
Profit before tax		834 742 376
Net expensed interest and fees on loans and leases	8, 14	39 436 819
Net interest and fees paid on loans and leases	8, 14	-31 794 110
Share of profit from associates and jointly controlled entities	2, 13	166 251
Changes in value of investment properties	1, 12	-754 614 898
Changes in value of financial instruments		8 710 592
Change in working capital	11, 15, 22	-326 264
Net cash flow from operating activities		96 320 767
Acquisitions of investment properties	2	-4 405 106 502
Investment in and upgrades of investment properties	12	-5 887 158
Investments in associates and JVs	2, 3	-89 890 313
Net cash flow from investment activities		-4 500 883 973
Proceeds interest bearing debt	14, 15, 20	2 665 986 630
Repayment of lease liabilities	11, 20	-732 788
Proceeds from issue of shares/repurchase of shares	19	2 028 024 430
Net cash flow from financing activities		4 693 279 272
Change in cash and cash equivalents	19	288 715 066
Cash and cash equivalents at beginning of period		
Cash and cash equivalents at end of period		288 715 066

General information and summary of significant accounting policies

Aurora Eiendom AS is a private limited company, incorporated in Norway, headquartered in Surnadal and listed on Euronext Growth Oslo. Address headquarter: Øravegen 2, 6650 Surnadal. The consolidated financial statements of Aurora Eiendom AS for 2021 were approved in the board meeting at March 24th, 2022

Aurora Eiendom AS was incorporated on January 1st 2021. These financial statements include the parent company from incorporation and subsidiaries from the date of acquisition. Until the acquisitions of the subsidiaries the activities in the Group was limited.

Aurora Eiendom intends to own shopping centres that are leading or have the potential to become leading in their local markets.

Basis for preparation of the 2021 annual accounts

The Aurora Eiendom AS's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU and are mandatory for financial years beginning on or after 1 January 2021.

The consolidated financial statements are based on historical cost, with the exception of the following:

- Investment properties which are measured at fair value.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

Currency

The Group's presentation currency is NOK. This is also the functional currency of the parent company and all the subsidiaries.

Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency

at the exchange rate on that date. Foreign exchange translation differences are recognized as part of financial items in profit or loss.

Segments

For management reporting purposes, the Group is organised as one business unit with one reportable segment. The Groups CEO is identified as the chief operating decision maker.

The properties that are the basis for the revenue in the Group is geographically located in Norway. Hence, all revenue is allocated to Norway and all non-current assets of the group are located in Norway.

No individual customers account for more than 10 % of the Group's revenue.

Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of December 31, 2021. An entity has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the Group's returns.

Thus, the Group controls an entity if and only if the Group has all the following:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of the Group's returns.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption the Group considers all relevant facts and circumstances in assessing whether it has power over an entity, including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements.

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The assessments are done for each individual investment.

The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in associates

The Group has investment in one associate – Alti Forvaltning AS. Associates are entities over which the Group has significant influence, but not control over the financial and operating management.

Associates are accounted for using the equity method from the date when significant influence is achieved until such influence ceases.

Investments in an associate are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of:

- temporary differences that arise from the initial recognition of goodwill
- temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and which do not affect the accounting or taxable profit at the time of the transaction.
- temporary differences related to investments in subsidiaries, associates or joint ventures when the Group controls when the temporary differences are

to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Pursuant to the exception in IAS 12, deferred tax is not recognised when buying a company which is not a business. A provision for deferred tax is made after subsequent increases in the value beyond initial cost, while a fall in value below initial cost will only reverse previous provisions for deferred tax. Furthermore, an increase in temporary differences related to tax depreciation will give grounds for a recognition of deferred tax.

Tangible assets

Tangible assets, with the exception of investment property, are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the statement of comprehensive income.

Leases

Identifying a lease

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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The Group as a lessee

Recognition of leases and exemptions

At the lease commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognised at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

Right-of-use assets

The main assets leased by the Group are building plots covered by long term leasehold contracts. The leased properties meet the definition of investment properties, and the fair value model is applied to the right-of-use asset. The right-of-use assets are presented as part of investment properties in the statement of financial position. The Group measures other right-of use assets at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities.

The Group as a lessor / Revenue recognition

Recognition of leases and income

For contracts where the Group acts as a lessor, it classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The group as a lessor does not have any finance leases.

Operating leases

The Group enters into lease agreements as a lessor with respect to its investment properties. Lease contracts where a significant proportion of the risks and benefits of ownership remain with Aurora Eiendom's subsidiaries are classified as operating leases. Revenue recognition under a lease commences at the inception of the lease.

Aurora Eiendom's lease agreements typically contain a minimum rent and a turnover-based rent. The minimum rent is recognized as revenue on a straight line basis over the lease term. Additional revenue from the turnover-linked rent is recognized based on an estimate over the period of which the turnover-linked rent is calculated.

Costs for shared services provided to the tenants by external parties do not affect the result. Shared costs are charged to tenants and recognised in the balance sheet together with payments on account of tenants. Shared costs are settled after the balance sheet date.

The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the rental income.

Investment property

Property held with the purpose of achieving rental income, increase in value, or both are classified as investment property.

Measurement at recognition

Investment property is initially recognized at cost including transaction costs. Transaction costs includes legal fees and due diligence costs. Investment property is normally acquired through the purchase of shares in a company that owns the property. When shares are acquired there is no change in the tax base of the property, resulting in lower tax deductions for depreciations for the acquirer. The purchase price in these transactions normally includes a discount for the reduced future tax deductions. The effect of this is that the property acquired will initially be recorded at a cost lower than the fair value.

Measurement after recognition

After initial recognition investment property is measured at fair value, which reflects market conditions at the reporting date. Gains or losses from changes in fair value are presented in profit and loss when they arise, under the line item "Changes in fair value of investment property". Subsequent capital expenditure relating to investment property is included in the carrying amount of the investment property. The cost of day-to-day servicing of investment property is expensed when incurred.

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Tax discount and transaction costs relating to the acquisition of an investment property (single purpose entities) are recognized in profit or loss as part of the changes in fair value of investment property in the period after the acquisition.

Derecognition

Investment properties are derecognized when sold or permanently out of operation and no future economic benefit is expected. All gains or losses related to sales or disposals are presented in the income statement in the same year as the disposal. Gains or losses from the disposal of investment property is the difference between net selling price and the carrying amount of the asset. Gains or losses are included in the line item "Changes in fair value of investment property".

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Group's financial assets are trade receivables and cash.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial liabilities

The Group's financial liabilities are loans and borrowings or payables.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the

derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach to measure the expected loss on these assets.

The Group considers trade receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The consideration of impairment of trade receivables is done at the end of each reporting period.

Cash and cash equivalents

Cash consists of cash at bank.

Changes in accounting policies

a) New standards, interpretations and amendments adopted from 1 January 2021.

As these are the first financial statements prepared by the Group there are new changes in accounting policies due to new standards, interpretations or amendments effective from 1 January 2021.

b) New standards, interpretations and amendments not yet effective.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

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The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The Group does not expect these changes or any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.



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NOTE 1 – ESTIMATION UNCERTAINTY

Fair value of investment properties

Fair value of Aurora Eiendom's investment properties have been assessed by an independent, external valuer, Cushman & Wakefield Realkapital AS. A number of different assumptions must be made when calculating fair value of the investment properties. Each property is valued individually, and many aspects are considered, such as: development in rental income, ownership costs, vacancy levels, market position, and need for alterations and upgrades.

Assumptions are made on development of economic parameters, such as CPI, yields and inflation.

The table below shows the sensitivity on the value of key drivers for fair value, yield and market rent.

Aurora Eiendom AS - investment properties

Value change

(NOK)

% diff yield

% diff market rent

	-0.5 %	-0.25 %	0	0.25 %	0.5 %
-10 %	(-102 772 470)	(340 246 580)	(556 252 214)	(753 579 788)	(934 555 403)
-5 %	202 855 748	(49 020 068)	(278 126 107)	(487 421 901)	(679 374 525)
0	508 483 965	242 206 445	-	(221 264 014)	(424 193 648)
5 %	813 534 361	533 432 957	278 126 107	44 893 873	(169 012 770)
10 %	1 119 740 400	824 659 470	556 252 214	311 051 760	86 168 107

NOTE 2 – LIST OF SUBSIDIARIES AND ASSOCIATES

Subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Main operations	Ownership held by	Ownership interest 01.01.21	Voting power 01.01.21	Ownership interest 31.12.21	Voting power 31.12.21
Aurora Kjøpesenter AS	Norway	Holding Company	Aurora Eiendom AS	0 %	0 %	100 %	100 %
Aurora Andelseier AS	Norway	Holding Company	Aurora Kjøpesenter AS	0 %	0 %	100 %	100 %
Amanda Storsenter AS	Norway	Amanda, property owning	Aurora Kjøpesenter AS	0 %	0 %	100 %	100 %
Hovlandparken DA	Norway	Nordbyen, holding company	Aurora Andelseier AS and Aurora Kjøpesenter AS	0 %	0 %	100 %	100 %
Hovlandparken AS	Norway	Nordbyen, property owning	Hovlandparken DA	0 %	0 %	100 %	100 %
Nerstranda Holding AS	Norway	Holding Company	Aurora Kjøpesenter AS	0 %	0 %	100 %	100 %
Nerstranda AS	Norway	Nerstranda, property owning	Nerstranda Holding AS	0 %	0 %	100 %	100 %
Vinterbro Senter DA	Norway	Vinterbro, property owning	Aurora Andelseier AS and Aurora Kjøpesenter AS	0 %	0 %	100 %	100 %
Slagenveien 2 AS	Norway	Farmandstredet, property owning and leasehold	Aurora Kjøpesenter AS	0 %	0 %	100 %	100 %
Farmandstredet Eiendom AS	Norway	Farmandstredet, property owning	Aurora Kjøpesenter AS	0 %	0 %	100 %	100 %
Aurora Kjøpesenter II AS	Norway	Holding Company	Aurora Eiendom AS	0 %	0 %	100 %	100 %

All subsidiaries were acquired 1 July 2021 or later.

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NOTE 2 – LIST OF SUBSIDIARIES AND ASSOCIATES

Associates

Aurora Eiendom AS has the following investments in associates:

Entity	Country	Industry	Ownership interest 01.01.2021	Voting power 01.01.2021	Ownership interest 31.12.21	Voting power 31.12.21
Alti Forvaltning AS	Norway	Property management	0 %	0 %	50 %	50 %
JHG Invest AS	Norway	Holding Company	0 %	0 %	25 %	25 %

Changes in group structure

Aurora Eiendom AS was registered in January 2021 as a private limited company. In June 2021 the company raised NOK 2 billion in new share capital from a total of 87 investors and entered into an agreement to purchase four shopping centers from Steen & Strøm. These were Vinterbro Senter in Ås, Amanda Storsenter in Haugesund, Nerstranda in Tromsø and Nordbyen in Larvik. The acquisitions were completed on 1 July 2021. In July, an agreement was made to purchase a fifth shopping center - Farmandstredet in Tønsberg, and this transaction was closed with effect from 1 July. Simultaneously, Aurora Eiendom acquired 50% of the shares in Alti Forvaltning AS. Aurora Eiendom took over the daily operation of the shopping centers via Alti Forvaltning from the date of the acquisitions.

In December Aurora Eiendom invested in JHG Invest AS with a 25 % stake, which in turn owns 35 % of Jærhagen Eiendomsinvest AS. Jærhagen Eiendomsinvest AS acquired Jærhagen shopping center outside Stavanger.

2021

Cash consideration	4 468 410 853
Total consideration for shares	4 468 410 853

Net cash payment

Cash consideration including transaction costs	4 468 410 853
Cash received	53 415 657
Net cash payment	4 414 995 196

Allocation of purchase price

Investment property	4 468 285 102
Working capital items	-53 289 906
Cash	53 415 657
Total allocated	4 468 410 853

The acquired companies have contributed with the total of the Group's revenues per 31.12.2021 as stated in the profit & loss statement.

NOTE 3 – TRANSACTIONS WITH RELATED PARTIES

Name of company	Country	Ownership interest	
		01.01.2021	31.12.2021
Alti Forvaltning AS	Norway	0 %	50 %

Transactions with associated companies

The Group has transactions with Alti Forvaltning AS because the associate manages Aurora Eiendom's shopping centers. All the transactions have been carried out as part of the ordinary operations and at arms-length prices. The most significant transactions are as follows:

Alti Forvaltning AS	2021	Sales to related parties	Purchases from related parties	Amounts owed to related parties
		0	7 514 904	0

The balance sheet includes the following receivables and payables resulting from transactions with associated companies:

	31.12.2021
Account receivables	0
Account payables	154 357
Total	154 357

See note 6 for more information on loans and remuneration to management and the board.

NOTE 4 – REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group as a lessor

Operating leases

Aurora Eiendom AS enters into lease contracts with tenants at owned shopping centers - the investment properties. The lease agreements typically consist of a base rent that depends on CPI and a revenue-linked rent, and are normally agreed on 5 year terms.

The Group's lease income from operating leases is presented in the table below:

Lease income from operating leases	2021
Minimum lease payments	141 881 603
Variable lease revenue	16 162 135
Total income from operating leases	158 043 738

No individual customer account for more than 10 % of the Group's revenue.

The Group's undiscounted lease payments to be received after the reporting date is presented in the table below:

NOK millions	31.12.2021
Less than 1 year	305 513 454
1-2 years	250 718 765
2-3 years	183 515 662
3-4 years	105 549 671
4-5 years	86 013 781
More than 5 years	202 454 797
Total undiscounted operating lease payments to be received as of 31 December 2021	1 133 766 130

Does not include Buskerud Storsenter acquired after 31.12.2021

	31.12.2021
WAULT* of total portfolio (in years)	3.0

Due to the Covid-19 pandemic some tenants have been given discounts. The reduction on rental income in 2021 due to these discounts amount to 148 000 NOK

*WAULT is weighted average unexpired lease term.

NOTE 5 – REAL ESTATE RELATED COSTS

Operating costs	2021
Maintenance	4 513 453
Leasehold and property insurance	2 060 509
Other expenses / direct property costs	8 587 457
SUM	15 161 419

Expenses directly related to the operation of existing properties are presented as real estate related costs. Other operating expenses are included as administrative expenses disclosed in note 7.

NOTE 6 – SALARY AND PERSONNEL EXPENSE AND MANAGEMENT REMUNERATION

Aurora Eiendom AS does not have any employees. Alti Forvaltning AS provides management resources to Aurora Eiendom and its subsidiaries. There are, however, employees that are for the most part dedicated Aurora Eiendom and hence constitute the Group's Management Team.

These are:

Lars Ove Løseth (CEO)

Kathrine Mausest (CFO)

Aage Lilleberg (COO)

Olav Smevoll (CFO Alti Forvaltning AS)

Bjørnar Skralthaug (Chief Accounting Manager)

	Board remuneration
Members of the Board	0
Petter A Stordalen (Chairman)	0
Lars Løseth (Member)	0
Marius Varner (Member)	0
Johan Johansson (Member)	0
Sigurd Stray (Member)	0
Total remuneration	0

Management remuneration

Group Management is remunerated through their employment contracts in Alti Forvaltning AS. The CEO, Lars Ove Løseth, has through his employment in Alti Forvaltning AS received a total remuneration of NOK 1 005 693 including pension and other benefits. For more information about administrative expenses see note 3 and 7.

No loans or guarantees have been given to any members of the Group Management or the Board of directors.

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NOTE 6 – SALARY AND PERSONNEL EXPENSE AND MANAGEMENT REMUNERATION

Shares held by Group Management and board members:

Number of shares:

Petter A Stordalen (Chairman)	1 500 000	<i>Shares owned by Strawberry Shopping AS, directly and/or indirectly controlled by Petter A. Stordalen.</i>
Lars Løseth (Member)	10 000	<i>Shares owned by LLH 2 AS, directly and/or indirectly controlled by Lars Løseth with family.</i>
Marius Varner (Member)	1 000 000	<i>Shares owned by Varner Invest AS, directly and/or indirectly controlled by Marius Varner with family.</i>
Johan Johansson (Member)	3 000 000	<i>Shares owned by Joh Johansson Eiendom AS, directly and/or indirectly controlled by Johan Johansson.</i>
Sigurd Stray (Member)	20 000	<i>Shares owned by Solstråle AS, directly and/or indirectly controlled by Sigurd Stray.</i>
Lars Ove Løseth (CEO)	2 170 096	<i>Shares owned by Alti Invest AS and LL Medinvest AS, directly and/or indirectly controlled by Lars Ove Løseth.</i>
Kathrine Maset (CFO)	4 000	<i>Shares owned by KWM Rådgivning AS, directly and/or indirectly controlled by Kathrine Maset</i>
Aage Lilleberg (COO)	3 000	<i>Shares owned by AGL Holding AS, directly and/or indirectly controlled by Aage Lilleberg</i>
Olav Smevoll (CFO Alti Forvaltning AS)	100	
Bjørnar Skralthaug (Chief Accounting Manager)	1 000	
Total	7 708 196	

NOTE 7 – ADMINISTRATIVE AND OTHER COSTS

Other operating expenses 2021

Advertising	630 250
Consultancy fees and external personnel	2 364 740
Other operating costs	3 640 027
Total operating expenses	6 635 017

Specification auditor's fee 2021

Statutory audit	519 598
Other assurance services	658 024
Total	1 177 622

Auditor's fees have been included in the initial recognised cost of the investment properties, as the fees are related to the acquisition of these properties.

Administrative expenses 2021

Administrative expenses	7 514 904
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Administrative expenses represent the management fee paid to Alti Forvaltning AS for management of the shopping center portfolio. Alti Forvaltning AS also provides management services for the parent company Aurora Eiendom AS, the cost of which is included in the management fee.

NOTE 8 – FINANCIAL INCOME AND EXPENSES

Finance income 2021

Gain on loans and receivables	8 584
Interest income	145 423
Foreign exchange gains	6 761
Total financial income	160 768

Finance expenses 2021

Interest on debts and borrowings	38 688 038
Interest arising from revenue contracts	0
Foreign exchange losses	10 084
Other financial expenses	1 466 324
Total financial expenses	40 164 446

NOTE 9 – INCOME TAX AND DEFERRED TAX

Income tax

31.12.2021

Tax payable	11 938 996
Change in deferred tax	170 008 304

Income tax expense	181 947 300
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Profit/loss before income tax	834 742 377
Income tax expense calculated at 22%	183 643 323
Changes in deferred tax not recognized at intital recognition	0
Expenses not deductible for tax purposes	166 251
Other	-1 862 274

Income tax expense	181 947 300
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Deferred tax liabilities

	Loss carried forward	Financial derivative instruments	Investment property	Other items	Total
01.01.2021					0
Change related to new acquisitions			558 370 866		558 370 866
Changes in deferred tax recognized in income statement		-1 916 330	171 924 634		170 008 304
Effect of changes in tax rate					0
Deferred tax as of 31.12.2021	0	-1 916 330	730 295 500	0	728 379 170

Temporary differences not included in the calculation of deferred tax

31.12.2021

01.01.	0
Change related to new acquisitions	558 370 866
Reverseals	0
Effect of changed tax rate	0

31.12.	558 370 866
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Recognized deferred tax assets	0
Recognized deferred tax liability	170 008 304

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NOTE 9 – INCOME TAX AND DEFERRED TAX

Movement in deferred tax liabilities

	31.12.2021
01.01.	0
Changes not recognized in income statement (mainly acquired tax losses)	0
Changes in deferred tax recognized in income statement	170 008 304
31.12.2021	170 008 304

According to IFRS a deferred tax liability is not recognized on initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. The exception is generally referred to as the “initial recognition exception”. The acquisition of investment properties through single purpose entities that are not viewed as business combinations fall under the initial recognition exception. As a consequence, deferred tax liability of NOK 558.4 million was not recognized at the balance sheet date.

Current income tax liabilities

	31.12.2021
Current income tax charge through profit or loss	11 938 996
Current tax effect of transaction cost on equity transaction	-5 912 156
Current income tax from acquisitions	11 142 675
Total current income tax liabilities	17 169 515

Loss carried forward as of 31st December:

Loss carried forward

	31.12.2021
Indefinite	0
Total loss carried forward	0

NOTE 10 – EARNINGS PER SHARE

The basic earnings per share are calculated as the ratio of the profit for the year that is due to the shareholders of the parent of NOK 652 795 077 divided by the weighted average number of ordinary shares outstanding.

	2021
Profit for the year/period	652 795 077
Average number of shares	11 030 945
Earnings per share for the period	59.18

	2021
Profit for the year due to holders of ordinary shares	0
Profit for the year from continuing operations	652 795 077
Loss from discontinued operations	0
Profit for the year due to the holders of ordinary shares	652 795 077

Number of outstanding shares per 31.12.2021 is 20 550 400. For more information see note 19.

NOTE 11 – LEASES

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	1 736 144
1-2 years	1 325 072
2-3 years	914 000
3-4 years	914 000
4-5 years	914 000
More than 5 years	10 054 000
Total undiscounted lease liabilities at 31.12.2021	16 857 216

Summary of the lease liabilities	Total
At initial application 01.01.2021	
New lease liabilities recognised in the year (from acquired companies)	14 075 625
Cash payments for the principal portion of the lease liability	-732 789
Cash payments for the interest portion of the lease liability	-137 254
Interest expense on lease liabilities	137 254
Currency exchange differences	0
Total lease liabilities at 31 December 2021	13 342 836
Current lease liabilities	1 483 407
Non-current lease liabilities	11 859 429
Total cash outflows for leases	-732 788

The leases do not contain any restrictions on the Group's dividend policy or financing. The Group does not have significant residual value guarantees related to its leases to disclose. The leases relate to building plots covered by long term leasehold contracts.

NOTE 12 – INVESTMENT PROPERTIES

NOK million

2021

Opening balance as at 01 January 2021	0
Additions from acquisitions	4 468 285 102
Net gain/loss on changes in fair value	754 614 898
As of 31 December 2021	5 222 900 000

Investment property consist of property (land, building or both) held to earn rental income and to increase value of capital. Investment property is recognised at fair value. The fair value model is also applied to the right-of-use-assets (building plots covered by long term leasehold contracts).

Investment property is valued at its fair value based on a valuation carried out by the independent appraisers Cushman & Wakefield AS. The value is calculated using the discounted cash flow method.

The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and seller in an arm's length transaction at the date of valuation.

The following main inputs have been used:

Valuation inputs

31.12.2021

Valuation method	DCF
Valuation level	3
Fair Value NOK	5 222 900 000
Weighted average yield (%) including development projects	5.53 %
Weighted average yield (%) excluding development projects	5.63 %
Yield range	5.30 % - 6.23 %
Long term operating expense growth (%)	2.0 %
Long term growth in rental income	2.0 %
Number of properties	5
GLA sqm	113 113
Market rent NOK	324 000 000
Owner's costs %	12.2 %
Fair Value NOK / sqm	46 174

Changes in fair value is recognised in the period to which the profit/loss relates. The latest independent valuation was carried out on 31 December 2021.

There are no restrictions on when the investment properties can be realised. Part of the consideration from the sale of investment property must be used to repay bank loans.

There are no significant contractual obligations to buy, build or develop investment properties.

The investment properties are pledged as security for the bank loans. See note 20 Long-term debt

NOTE 13 – INVESTMENTS IN ASSOCIATED COMPANIES

The associated companies are recognized using the equity method. More information about the associated companies is disclosed below:

Alti Forvaltning AS

Book value 31.12.2020	-
Investments/disposals	89 890 313
Share of profit post-tax	2 491 365
Depreciation excess value	(2 657 616)
Exchange rate differences	-
Capital contribution	-
Dividend	-
Book value 31.12.2021	89 724 061

Aurora Eiendom AS owns 50% of the shares and voting rights in Alti Forvaltning AS. The remaining shares and voting rights are owned by one shareholder, Alti AS. Accordingly, it is concluded that the Group does not have control over Alti Forvaltning AS since all decisions required consensus from the other shareholder.

JHG Invest AS

Aurora Eiendom AS owns 25 % of the shares and voting rights in JHG Invest AS. In turn, JHG Invest AS indirectly owns 35 % of Jærhagen Shopping center outside Stavanger.

Description of the activities of major associates

Alti Forvaltning AS

Alti Forvaltning AS is responsible for the management and daily operations of 30+ shopping centers, among those the shopping centers owned by Aurora Eiendom. The company delivers services such as business management, accounting, leasing, marketing, technical support, project management and HR.

A summary of the financial information on Alti Forvaltning AS, based on 100% figures:

2021

Total revenue	74 729 026
Profit from JV and Associates	359 471
Other income and expenses	-66 525 397
Comprehensive income post tax	6 738 918
The Groups share of comprehensive income	2 490 526
Current assets	78 798 057

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NOTE 13 – INVESTMENTS IN ASSOCIATED COMPANIES

Non-current assets	4 885 773
Current liabilities	73 340 252
Non-current liabilities	-
Equity	10 343 578
The Groups share of equity	5 171 789
+ goodwill	
+ excess value trademark	52 434 049
- amortisation trademark	-2 657 616
+ translation differences	-
- eliminations	-
= Book value 31.12.2021	54 948 222

Alti Forvaltning has no contingent liabilities or capital commitments as of 31.12.2021

NOTE 14 – FINANCIAL RISK MANAGEMENT

Aurora Eiendom's activities imply exposure to a variety of financial risks. The Group is exposed to interest rate risk, credit risk and liquidity risk.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating rates.

See note 21 "Long-term debt" for information about debt structure. Per 31.12.21 all interest-bearing debt had floating rates. To adjust the exposure to the change in interest rates for the interest-bearing debt, the Group entered into interest rate swap agreements during Q4 with a notional amount of NOK 1 387 millions, whereby it receives a variable rate equal to three-month NIBOR and pays a fixed rate of interest on the notional amount. All interest rate swaps are designated as hedging instruments, and the Group will not apply hedge accounting to interest rate swaps.

Below is a specification of these interest rate swap agreements.

Financial instrument	Principal amount	Remaining term in years	Swap rate	Start date	Maturity date
Interest rate swap 1	400 000 000	9.8	1.883 %	01.10.2021	01.10.2031
Interest rate swap 2	250 000 000	9.8	1.696 %	17.12.2021	01.10.2031
Interest rate swap 3	142 846 667	9.8	2.050 %	13.10.2021	01.10.2031
Interest rate swap 4	114 306 667	9.8	2.050 %	03.01.2022	01.10.2031
Interest rate swap 5	141 418 200	9.8	1.990 %	03.01.2022	01.10.2031
Interest rate swap 6	88 662 210	9.8	1.880 %	01.10.2021	01.10.2031
Interest rate swap 7	70 000 000	10.0	1.720 %	03.01.2022	02.01.2032
Interest rate swap 8	90 000 000	10.0	1.730 %	03.01.2022	02.01.2032
Interest rate swap 9	90 000 000	10.0	1.730 %	03.01.2022	02.01.2032
Total	1 387 233 744		1.862 %		

Change in fair value of financial derivatives during the year	-8 170 592
Financial derivatives asset	4 428 480
Financial derivatives liability	13 139 072

The floating interest rate is three-month NIBOR for all contracts.

Per 31.12.21 nominal interest-bearing debt amounted to NOK 2 665 986 630. Of this, NOK 1 387 233 744 was hedged using interest rate swaps. NOK 1 278 752 886 was not hedged. This implies that an increase in interest rates by 1 % would increase financial expenses with NOK 12.7 million.

Credit risk / counterparty risk

The main credit risk relates to lease payments according to contractual obligations. Aurora Eiendom AS has a large number of tenants, and the standard rent payment regime is quarterly in advance. Trade receivables was NOK 2.771.884,- per year end, and expected losses NOK 431.526,-.

The standard provided security for contractual obligations from tenants is a bank guarantee that sums equivalent to 6 months rent including VAT. However, security for each lease agreement is rated based on the lease agreements total value, associated investments and the tenants' creditworthiness.

Overall, the concentration of credit risk relating to lease payments is assessed to be low.

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NOTE 14 – FINANCIAL RISK MANAGEMENT

Liquidity risk

Liquidity risk is the risk that the Group will not be able to fulfill its financial obligation as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management uses cash flow simulations to monitor financing required for its business and ensure that commitments are met.

Bank deposits at 31 December 2021 amounted to NOK 292 million. The Group has an overdraft facility of 30 MNOK. Debt repayments (instalments) for the coming rolling 12 months period are covered by operating cash flow.

There is also financing risk, which is the risk that the Group will be unable to meet its financial obligations when they are due and that financing will not be available at a reasonable price. The Group will seek to limit this risk by having a diversified maturity structure for the Group's financing going forward. The Group also wishes to maintain good credit rating with finance institutions and generate a healthy cash flow in order to be an attractive borrower.

The table below illustrates the maturity structure of long-term debt. The table shows nominal cash flows.

31.12.2021

Expected cash flows

Financial liability	Booked amount	Year 1	Year 2	Year 3-5	After year 5	Sum
Borrowings (bank)*	2 665 986 630	47 760 000	48 713 719	2 569 512 911	-	2 665 986 630
Interest costs**		111 494 368	109 478 911	80 718 106	-	301 691 385

* Assumed semi-annual instalments equal to 1% of outstanding loan for Bank loan 1

** Assumed average NIBOR of 2%

Financial covenants

There are covenants the Group's bank loan agreements relating to the following parameters: loan to value (LTV), interest cover ratio and minimum liquidity.

The Group was not in breach of any covenants per 31.12.2021, they are met with good margin, and management assesses that the risk of breaching these requirements is considered low the next 12 months.

Covenants that apply to Bank Loan 1 (see note 21) are

- LTV (interest-bearing-debt / aggregate value of properties) shall not exceed 75%
- Interest Cover Ratio shall not be less than 1,6
- Minimum liquidity shall be no less than NOK 50 million

Covenants that apply to Bank Loan 2

- Minimum equity of 30%

Capital management

The primary focus of the Group's capital management is to ensure that it maintains healthy capital ratio in order to support its business and maximise shareholders value, as well as complying with loan agreements. A main target is to maintain good credit rating with lenders in order to obtain satisfactory loan terms in the future.

NOTE 15 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial instruments at amortised cost

31.12.2021

Assets	Financial instrument at fair value through profit or loss	Financial instruments at amortised cost
Receivables		1 256 126
Derivative financial instruments	4 428 480	
Accounts receivable		2 340 358
Cash and cash equivalents		288 715 066
Total Financial assets		291 055 424

Liabilities

Interest bearing loans and borrowings

Loans (none-current)		2 524 568 870
Derivative financial instruments	13 139 072	
Loans (current)		129 830 681
Trade and other payables		15 532 464
Other current liabilities		52 239 343
Total financial liabilities	13 139 072	2 722 171 358

Determination of fair value

The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, accounts receivables, other current receivables and payables.

Bank loans have been recognised at amortised cost, see note 20 "Long-term debt"

The carrying amount of cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of account receivables and other current receivables and payables are approximately equal to fair value since they are short term and entered into on "normal" terms and conditions.

For Fair Value of Investment Properties see note 12 "Investment property".

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For recurring level 3 measurements, transfers between the levels in the fair value hierarchy are evaluated when reassessing the categories of the financial instruments at the end of the period.

NOTE 16 – TRADE RECEIVABLES

NOK	31.12.2021
Trade receivables	2 771 884
Provision for bad debt	431 526
Net trade receivables	2 340 358

Accounts receivables are non-interest bearing.
Note 14 provides a description of the Group's credit risk management.

Ageing analysis

The ageing analysis of the trade receivables is as follows.

Year end 2021	Trade receivables						Total
	Current	Prepayments	< 30 days	30-60 days	61-90 days	> 91 days	
Trade receivables	11 588 908	-10 605 113	346 457	514 271	40 000	887 361	2 771 884

NOTE 17 – OTHER CURRENT ASSETS

NOK	31.12.2021
Accrued income, not invoiced	9 672 752
Pre-paid costs, advance payments and accruals	3 525 905
Total other current assets	13 198 657

NOTE 18 – CASH AND CASH EQUIVALENTS

	31.12.2021
Short-term bank deposits	288 715 066
Cash and cash equivalents in the balance sheet	288 715 066

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31.12.21

	31.12.2021
Cash at banks	288 715 066
Overdraft facility	30 000 000
Available liquidity 31.12.2021	318 715 066

The Group had unused credit facilities of MNOK 30 as of 31 December 2021.

NOTE 19 – SHARE CAPITAL AND SHAREHOLDER INFORMATION

Aurora Eiendom's share capital per 31.12.2021

Number of shares	20 550 400
Par value	75
Share capital	1 541 280 000

Aurora Eiendom has one class of shares. All issued shares have equal voting rights and the right to receive dividend. There are no share options or other rights to subscribe for or acquire shares issued by Aurora Eiendom per 31.12.2021

Changes to share capital and premium:

	No. of shares	Share capital	Par value	Subscription price	Premium
Ordinary shares					
Incorporation	3 000	30 000	10	10	0
Reverse share split 09.06.2021	400	30 000	75		
Equity issue 09.06.2021	13 770 000	1 032 750 000	75	100	344 250 000
Equity issue 07.07.2021	6 230 000	467 250 000	75	100	155 750 000
Equity issue 07.07.2021	550 000	41 250 000	75	100	13 750 000
Transaction costs net of tax					-21 093 414
Share capital at 31 December 2021	20 550 400	1 541 280 000			492 656 586

Aurora Eiendom holds no treasury shares. For computation of earning per share see Note 10.

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NOTE 19 – SHARE CAPITAL AND SHAREHOLDER INFORMATION

At 31.12.2021, Aurora Eiendom had 233 shareholders. The 20 main shareholders were:

	Number of shares:	Ownership interest:
EIENDOMSSPAR AS	3 500 000	17.03 %
JOH JOHANNSON EIENDOM AS	3 000 000	14.60 %
ALTI INVEST AS	2 160 000	10.51 %
NSF IV NORWAY HOLDING 10 AS	2 000 000	9.73 %
STRAWBERRY SHOPPING AS	1 500 000	7.30 %
AS CLIPPER	1 000 000	4.87 %
STOKKE INDUSTRI EIENDOM AS	1 000 000	4.87 %
VARNER INVEST AS	1 000 000	4.87 %
VERDIPAPIRFONDET NORDEA NORGE	500 000	2.43 %
CARUCEL INVEST AS	500 000	2.43 %
UTHALDEN EIENDOM AS	400 000	1.95 %
BRØDRENE JOHANSEN EIENDOM AS	300 000	1.46 %
BYGGTEKNIKK INVEST AS	300 000	1.46 %
KVERVA EIENDOM AS	250 000	1.22 %
PEAK INVEST AS	200 000	0.97 %
NÆRINGSLIVETS HOVEDORGANISASJON	168 000	0.82 %
VIVO INVEST AS	167 000	0.81 %
OALD INVEST AS	165 000	0.80 %
SKANDINAVISKA ENSKILDA BANKEN AB	160 000	0.78 %
FINE LINE HOLDING AS	155 000	0.75 %
Total 20 largest shareholders	18 425 000	90.14 %
Total	20 550 400	100.00 %

NOTE 20 – LONG-TERM DEBT

Secured	Credit margin over NIBOR	Maturity date	Carrying amount
			31.12.2021
Bank loan 1	2.25 %	01.07.2024	2 400 000 000
Bank loan 2	1.95 %	01.07.2024	265 986 630
Total secured long-term debt			2 665 986 630
Total long-term debt			2 665 986 630
1 st year's principal repayments on long-term debt			129 830 681
Unamortised fees			11 587 079
Total long-term debt excluding the 1st year's principal repayments			2 524 568 870

See Note 14 for description of interest rate risk.

Bank loans

Bank loans are secured by the Group's assets. The bank loans have been recognised at amortised cost by using the effective interest rate method.

Repayment of bank loans

Bank loan 1

Semi-annual instalments, first time 01.01.2022. The amount of repayment per instalment shall be equal to:

- 0.5 per cent of the outstanding loan if LTV is equal to or below 50 per cent
- 1 per cent of the outstanding loan if LTV is higher than 50 per cent but equal to or below 65 per cent
- 1.5 per cent of the outstanding loan if LTV is above 65 per cent.

Bank loan 2

Quarterly instalments of 1 904 143,- first time falling 2 years after utilization, which is 01.10.2023.

Pledged as security

Investment property is pledged as security for the Group's bank loan.

Carrying value of the investment property pledged as security is MNOK 5 223.

Additional information to the statement of cash flows

	Non current loans	Non current lease liabilities	Current portion of loans	Non current lease liabilities
At January 2021	0	0	0	0
Cash flows				
New loans	2 665 986 630			
Payment of lease liabilities				-732 789
Transaction cost on loans	-11 587 079			
Non cash flows				
Additions thru acquisitions		12 592 217		1 483 408
Reclassification to current	-129 830 681	-732 788	129 830 681	732 788
At 31 December 2021	2 524 567 870	11 859 429	129 830 681	1 483 407

NOTE 21 – TRADE AND OTHER PAYABLES

	31.12.2021
Trade accounts payables	15 532 464
Debt to associates and joint ventures	0
Liabilities to associated companies	0
Government taxes, tax deductions etc.	989 578
Other current liabilities	29 561 585
Accrued interest expenses	21 688 180
Other payables	52 239 343

Trade payables are non-interest bearing.

NOTE 22 – EVENTS AFTER THE BALANCE SHEET DATE

On February 7th Aurora Eiendom AS announced that it had entered into a share purchase agreement with Citycon Oy for the acquisition of Buskerud Storsenter. The transaction closed on 28.02.2022. The transaction will be accounted for as an asset purchase with an estimated property valuation of MNOK 1.175. Simultaneously it was announced a contemplated private placement with gross proceeds of approximately MNOK 400.

The private placement was fully subscribed on February 8th. Aurora Eiendom took over the operations of Buskerud Storsenter on February 28th. New interest-bearing debt of MNOK 750 was established as part of the financing of Buskerud. The debt financing was obtained from the syndicate of banks under the Group's existing syndicate loan facility, on terms of equal to the existing financing under that facility.

To counter interest rate risk Aurora Eiendom made a new interest rate swap agreement in March 2022:

	Principal Amount	Remaining terms in years	Swap rate	Start date	Maturity date
Interest rate swap 10	110 000 000	10	2.1350 %	09.03.2022	09.03.2032

Because of the acquisition of Buskerud Storsenter the Group's undiscounted lease payments to be received after the reporting date is expected to increase with the following payments:

	31.12.2021
Less than 1 year	57 916 719
1-2 years	47 912 881
2-3 years	38 448 853
3-4 years	14 090 712
4-5 years	4 267 044
More than 5 years	3 681 134
Total undiscounted operating lease payments as of 31 December 2021	166 317 343

Macroeconomic development as a result of Russia's invasion of Ukraine affects the Norwegian economy through high inflation and increases in interest rates. Although not directly exposed to Russia or Ukraine, Aurora Eiendom is indirectly impacted by these two effects. Increased prices – especially on electricity – will have an impact on tenants' common costs and on owners' share of common costs (part of direct property costs). Alti Forvaltning devotes substantial effort to optimize common costs, monitors the development and seeks to optimize energy consumption at the centers. General CPI increase will be reflected in the annual adjustment of tenants' minimum rent. General price increases will also affect the cost of refurbishments and development projects.



Parent Company financial statement Aurora Eiendom AS

STATEMENT OF INCOME

	Note	2021
Aurora Eiendom		
Revenue		0
Total operating income		0
Other operating expenses	1	5 623 039
Total operating costs		5 623 039
Income from subsidiaries	2, 4, 5	32 565 426
Other financial income	5	63 183
Other financial expenses		0
Net financial items		32 628 609
Profit before income tax		27 005 057
Income tax expenses	3	0
Income tax	3	0
Profit for year		27 005 057
Allocated as follows		
Dividend		-
Transferred to equity	6	27 005 057
Total allocated		27 005 057

BALANCE SHEET – ASSETS

	Note	31.12.2021
Non-current assets		
Investments in subsidiaries	4	53 482 123
Loans to Group companies	2	1 806 950 860
Investments in JV's and associated companies	4	89 890 313
Total non-current assets		1 950 323 296
Current assets		
Loans to Group companies	2, 5	5 645 506
Other current asset		1 067 123
Cash and cash equivalents		100 440 651
Total current assets		107 153 280
Total assets		2 057 476 576

BALANCE SHEET – EQUITY AND LIABILITIES

Equity	Note	31.12.2021
Share capital	6, 7	1 541 280 000
Share premium	6	486 744 430
Total paid in equity		2 028 024 430
Retained earnings	6	27 005 570
Total equity		2 055 030 000
Long-term liabilities		
Loans		-
Derivative financial instruments		-
Lease liabilities		-
Deferred tax liabilities		-
Total non-current liabilities		0
Short-term liabilities		
Income tax payable	3	-
Trade payables		1 913 225
Other current liabilities		533 350
Total short-term liabilities		2 446 576
Total liabilities		2 446 576
Total liabilities and shareholders' equity		2 057 476 576

Surnadal, March 24th 2022



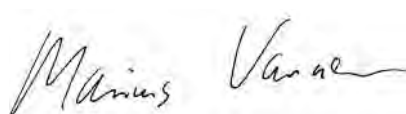
Petter A. Stordalen
Chairman of the Board



Lars Løseth
Board member



Johan Johannson
Board member



Marius Varner
Board member



Sigurd Stray
Board member



Lars Ove Løseth
CEO

STATEMENT OF CASH FLOWS

	Note	2021
Profit before tax		27 005 057
Share of profit from associates and jointly controlled entities		-32 565 426
Change in working capital		1 379 452
Net cash flow from operating activities		-4 180 404
Investments in subsidiaries		53 482 123
Lending to subsidiaries		-1 780 030 940
Investments in associates and JVs		-89 890 313
Net cash flow from investment activities		-1 923 403 375
Proceeds from issue of shares/repurchase of shares		2 028 024 430
Net cash flow from financing activities		2 028 024 430
Change in cash and cash equivalents		100 440 651
Cash and cash equivalents at beginning of period		
Cash and cash equivalents at end of period		100 440 651

Notes

Accounting Principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Investment in subsidiaries, associates and joint ventures

Subsidiaries are all entities which the Group exercises control of financial and operating policies, normally through ownership of more than half the capital with voting rights. Associates are companies over which the Group has significant influence but not control. Significant influence normally exists where the Group's investment represents between 20 and 50 per cent of the capital with voting rights.

The cost method is applied to investments in subsidiaries and associates in the company accounts. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's installment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes). Deferred tax is reflected at nominal value.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances on bank accounts and net deposits in the group account scheme. The difference in net deposits in the company's account in the group account scheme and net deposits in the group account scheme for the Group overall will be presented as intercompany balances.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

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NOTE 1 – PERSONNEL COSTS AND OTHER REMUNERATION

The Company is managed by Alti Forvaltning AS and has no employees of its own. No loans or sureties have been granted to the CEO or the Board of Directors. No remuneration has been given to the CEO or the Board of Directors. The Company is not obliged to have a mandatory occupational pension program.

Auditor's fee	2021
Statutory Audit	412 198
Other assurance services	103 552
Total	515 750

NOTE 2 – INTRA-GROUP BALANCES

Receivables	2021	2020
Long term loan to Aurora Kjøpesenter AS	1 806 950 860	0
Group contribution from subsidiaries	5 645 506	0
Total	1 812 596 366	0

Liabilities		
Long term liabilities to Group companies	0	0
Total	0	0

NOTE 3 – TAX

Income tax expense	2021
Tax payable	0
Change in deferred tax recognised in profit and loss	0
Total tax expense	0

	2021	2020
Profit before tax	27 005 570	0
Cost of equity transactions directly in equity	-27 005 570	0
Profit for tax purposes	0	0

Tax payable on the balance sheet	0	0
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NOTE 4 – SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Company	Business Office	Equity interests %	Equity 31.12.2021	Result 31.12.2021	Book Value
Aurora Kjøpesenter AS	Surnadal	100 %	-24 954 651	-20 575 586	53 452 123
Aurora Kjøpesenter II AS	Surnadal	100 %	24 430	0	30 000
Alti Forvaltning AS	Surnadal	50 %	5 360 763	6 738 918	55 115 313
JHG Invest AS	Klepp	25 %	139 082 037	3 357	34 775 000

Shares in subsidiaries owned through Aurora Kjøpesenter AS

Aurora Andelseier AS	Amanda Storsenter AS
Slagenveien 2 AS	Farmandstredet Eiendom AS
Vinterbro Senter DA	Hovlandparken DA – Hovlandparken AS
Nerstranda Holding AS – Nerstranda AS	

NOTE 5 – SPECIFICATION OF FINANCIAL INCOME AND EXPENSES

Financial income	2021	2020
Interest income from group companies	26 919 920	0
Group contribution from subsidiaries	5 645 506	0
Other interest income	63 183	0
Total financial income	32 628 609	0
Financial expenses	2021	2020
Other financial expense	0	0
Total	0	0

NOTE 6 – EQUITY

	Share capital	Share premium	Retained earnings	Total equity
Incorporation	30 000			30 000
Equity issue 7.6	1 032 750 000	344 250 000		1 377 000 000
Equity issue 7.7	467 250 000	155 750 000		623 000 000
Equity issue 7.7	41 250 000	13 750 000		55 000 000
Transaction costs		-27 005 570		-27 005 570
Profit for the year			27 005 570	27 005 570
Pr 31.12.	1 541 280 000	486 744 430	27 005 570	2 055 030 000

NOTE 7 – SHARE CAPITAL AND SHAREHOLDER INFORMATION

Aurora Eiendom's share capital is NOK 1 541 280 000 divided into 20 550 400 shares, with each share having a par value of NOK 75. Aurora Eiendom has one class of shares. All shares provide equal rights, including the right to any dividends. Each of the share carries one vote. There are no share options or other rights to subscribe for or acquire shares issued by Aurora Eiendom. As of 31 December 2021 Aurora Eiendom had 231 shareholders.

The 20 largest shareholders as registered in the VPS as of 31 December 2021 were as follows:

Shareholder:	Number of shares:
Eiendomsspar AS	3 500 000
Joh Johannson Eiendom AS	3 000 000
Alti Invest AS	2 160 000
NSF IV Norway Holding 10 AS (NREP)	2 000 000
Strawberry Shopping AS	1 500 000
AS Clipper	1 000 000
Stokke Industri Eiendom AS	1 000 000
Varner Invest AS	1 000 000
Verdipapirfondet Nordea Norge	500 000
Carucel Invest AS	500 000
Uthalden Eiendom AS	400 000
Brødreende Johanssen Eiendom AS	300 000
Byggteknikk Invest AS	300 000
Kverva Eiendom AS	250 000
Peak Invest AS	200 000
Næringslivets Hovedorganisasjon	168 000
Vivo Invest AS	167 000
Oald Invest AS	165 000
Skandinaviska Enskilda Banken AB	160 000
Fine Line Holding AS	155 000
Total	18 425 000

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NOTE 7 – SHARE CAPITAL AND SHAREHOLDER INFORMATION

Shares held by the Board of Directors and Senior Executives at 31.12.

Name and position held	Number of shares:
Petter A. Stordalen, Chairman of the Board	1 500 000
Lars Løseth, Board Member	10 000
Marius Varner, Board Member	1 000 000
Johan Johansson, Board Member	3 000 000
Sigurd Stray, Board Member	20 000
Lars Ove Løseth, Chief Executive Officer	2 170 096
Kathrine Mause, Chief Financial Officer	4 000
Aage Lilleberg, Chief Operating Officer	3 000
Olav Smevoll, CFO Alti Forvaltning AS	100
Bjørnar Skralthaug, Chief Accounting Manager	1 000

NOTE 8 – EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

On February 7th Aurora Eiendom AS announced that it had entered into a share purchase agreement with Citycon Oy for the acquisition of Buskerud Storsenter. The transaction closed on 28.02.2022. The transaction will be accounted for as an asset purchase with an estimated property valuation of MNOK 1.175. Simultaneously it was announced a contemplated private placement with gross proceeds of approximately MNOK 400.

The private placement was fully subscribed on February 8th. Aurora Eiendom took over the operations of Buskerud Storsenter on February 28th. New interest-bearing debt of MNOK 750 was established as part of the financing of Buskerud. The debt financing was obtained from the syndicate of banks under the Group's existing syndicate loan facility, on terms of equal to the existing financing under that facility.

To counter interest rate risk Aurora Eiendom made a new interest rate swap agreement in March 2022:

	Principal Amount	Remaining terms in years	Swap rate	Start date	Maturity date
Interest rate swap 10	110 000 000	10	2.1350 %	09.03.2022	09.03.2032

Because of the acquisition of Buskerud Storsenter the Group's undiscounted lease payments to be received after the reporting date is expected to increase with the following payments:

	31.12.2021
Less than 1 year	57 916 719
1-2 years	47 912 881
2-3 years	38 448 853
3-4 years	14 090 712
4-5 years	4 267 044
More than 5 years	3 681 134
Total undiscounted operating lease payments as of 31 December 2021	166 317 343

Macroeconomic development as a result of Russia's invasion of Ukraine affects the Norwegian economy through high inflation and increases in interest rates. Although not directly exposed to Russia or Ukraine, Aurora Eiendom is indirectly impacted by these two effects. Increased prices – especially on electricity – will have an impact on tenants' common costs and on owners' share of common costs (part of direct property costs). Alti Forvaltning devotes substantial effort to optimize common costs, monitors the development and seeks to optimize energy consumption at the centers. General CPI increase will be reflected in the annual adjustment of tenants' minimum rent. General price increases will also affect the cost of refurbishments and development projects.



Independent Auditor's report

Independent Auditor's Report

To the General Meeting in Aurora Eiendom AS

Opinion

We have audited the financial statements of Aurora Eiendom AS.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, income statement, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2021, and income statement, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements comply with applicable statutory requirements.
- The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors and the Managing Director (management) is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on the Board of Director's report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Surnadal, 24. mars 2022

BDO AS



Thomas Bjørseth

State Authorised Public Accountant

Alternative Performance Measures and EPRA Reporting

Aurora Eiendom AS' financial reporting is prepared in accordance with IFRS. As a supplement to the financial statements, the company reports alternative performance measures. These are intended to be a supplement to the financial statements, to enhance the understanding of the company's performance.

Aurora Eiendom's alternative performance measures are:

1. Debt ratio – Loan to value (LTV)

2. Interest Coverage Ratio

3. EPRA Performance Measures

A. EPRA Earnings

EPRA Earnings per share (EPS)

B. EPRA Net Asset Value metrics

EPRA Net Reinstatement Value (NRV)

EPRA Net Tangible Assets (NTA)

EPRA Net Disposal Value (NDV)

EPRA metrics are presented in accordance with the best practices defined by the European Public Real Estate Association BPR 2019.

1. DEBT RATIO – LOAN TO VALUE (LTV)

Loan to Value (LTV)		31.12.2021
Fair value of investment properties		5 222 900 000
Nominal interest- bearing debt		2 665 986 630
Cash and bank deposits		288 715 066
Net interest-bearing debt		2 377 271 564
Loan to value		45.5 %

2. INTEREST COVERAGE RATIO (ICR)

	2021
Net income from property management	129 008 000
Financial expenses	40 164 446
Interest coverage ratio	3.2

3. EPRA PERFORMANCE MEASURES

	Unit	2021
A EPRA earnings per share (EPS)	NOK	6.37
B EPRA NRV per share	NOK	139
EPRA NTA per share	NOK	135
EPRA NDV per share	NOK	131

A. EPRA earnings			
	IFRS reported 2021	EPRA adjustments 2021	EPRA Earnings 2021
All amounts in NOK million			
Rental income	158		158
Operating costs	-15		15
Net operating income	143	-	143
Other revenue	0		0
Other costs	-7		-7
Administrative costs	-8		-8
Share of profit from associates and JVs	0		0
Net realised financials	-40		-40
Net income	89	-	89
Changes in value of investment properties	755	-755	-
Changes in value of financial instruments	-9	9	-
Profit before tax/EPRA Earnings before tax	835	-746	89
Tax payable	-12		-12
Change in deferred tax	-170	163	-7
Profit for period/EPRA Earnings	653	-583	70
Average outstanding shares (million)			11.0
EPRA Earnings per share (NOK)			6.37

EPRA Earnings is a measure of operational performance and represents the net income generated from the company's operational activities.

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3. EPRA PERFORMANCE MEASURES

B. EPRA net asset value metrics

	NRV	2021 NTA	NDV
IFRS Equity	2 687	2 687	2 687
Net Asset Value (NAV) at fair value	2 687	2 687	2 687
Deferred tax properties and financial instr	170	170	
Estimated real tax liability		85	
Net fair value on financial derivatives	9	9	
EPRA NAV	2 865	2 780	2 687
Outstanding shares at period end (million)	20.6	20.6	20.6
EPRA NAV per share (NOK)	139	135	131

EPRA Net Reinstatement Value (NRV): the objective of this metric is to highlight the value of net assets on a long term-basis, assuming that no selling of assets takes place.

EPRA Net Tangible Assets (NTA): the calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability. Aurora Eiendom has chosen option (iii) in the EPRA BPR Guidelines. In this calculation 50% of the deferred taxes are added back.

EPRA Net Disposal Value (NDV) provides the reader with a scenario where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax, this to illustrate shareholder value in a scenario of orderly sale of all the company's assets.

AURORA

Financial calendar

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Contact information

Date

Wednesday 11.05.2022
Tuesday 16.08.2022
Wednesday 16.11.2022

Report

Quarterly Report – Q1 2022
Quarterly Report – Q2 2022
Quarterly Report – Q3 2022

Aurora Eiendom's general meeting for 2021 will
be held in Surnadal on May 10th 2022.