

AURORA





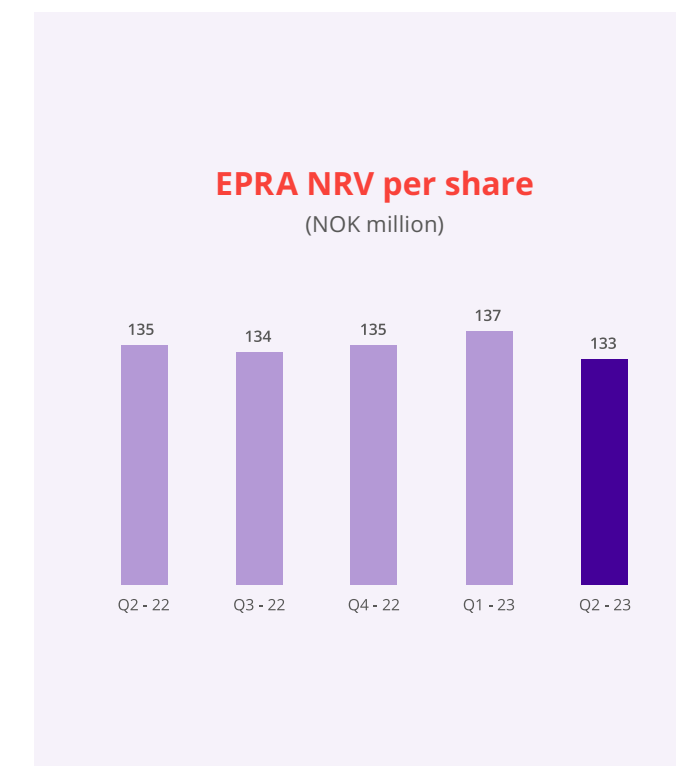
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HIGHLIGHTS AND SUMMARY OF THE

Second quarter of 2023

- Rental income in Q2 was NOK 142.9 million (NOK 93.5 million).
 - The increase is mainly due to expansion of our shopping center portfolio in 2022, with the acquisition of Gulskogen Senter and Arkaden Senter in July.
- The quarter's gross tenant turnover in our fully owned centers was NOK 2 137 million, which is a like-for-like growth of 3.2 % compared to Q2 2022.
 - For the first half-year, like-for-like growth in gross tenant turnover was 4.6 % compared to 1H 2022.
- In Q2, new leases were started on a total area of 3 209 sqm, while leases for 3 690 sqm expired. This led to a decrease in occupancy from 93.5 % to 93.3 %, compared to the previous quarter. At the end of the quarter there are signed new lease agreements for a total of 2 460 sqm, equivalent to 1.2 % of GLA.
- Aurora Eiendom's 50 % owned subsidiary Alti Forvaltning offers centers under management to become part of the Alti common market profile. Currently, a total of 30 shopping centers across Norway bear the "ALTI" branding. Among the recent additions are Alti Eikunda and Alti Flekkefjord, both rebranded in the month of June.



LETTER FROM THE CEO

Resilience, progress and opportunities

The second quarter of the year continues to build on the positive momentum from the first quarter, with a strong development in tenant turnover of 3.2 % at the shopping centers compared to the same period last year. Although high inflation and increased interest rates have a negative impact on purchasing power among consumers, we observe that sales are shifting between categories, and reduced expenditure on durable goods are freeing up additional funds for everyday products, which constitute the predominant offerings within the shopping center assortment.

As long as the tenant turnover figures remain at favorable levels, we anticipate that the interest in establishing new stores will follow suit. Notwithstanding a marginal decline in our portfolio's occupancy rate for this quarter, we have at the end of the quarter signed lease agreements covering 2.460 square meters, equivalent to 1.2 % of gross lettable area, with commencement scheduled for the upcoming six months.

The escalation of interest rates continues to adversely affect the company's profitability, and the fact that we have a substantial portion of the financing interest rate hedged has been crucial. Additionally it is influencing the valuation yields used in the external property valuations, which predominantly explains the property value write-downs this quarter. As counteracting factors, we have

an increased expectation of inflation and market rents compared to the previous quarter.

One area of concern revolves around the significant inflation and the weak performance of the Norwegian krone's exchange rate, and the subsequent influence on tenants' gross profits and overall profitability. While there hasn't been a noticeable adverse trend in outstanding receivables thus far, we have received indications that this concern is shared by several parties.

During the second quarter, our co-owned management company, Alti Forvaltning, has maintained its robust pace of expansion. Securing three new shopping center management contracts, with a fourth one set to commence in the upcoming quarter, brings the combined portfolio to 42 shopping centers, inclusive of the Aurora portfolio.

Our sustainability efforts are consistently progressing. In the second quarter, we took a significant step by ordering our inaugural solar panel system. The installation, underway on the roof of Alti Vinterbro, is expected to provide approximately 20 % of the shopping centers' overall electricity needs upon completion in the upcoming autumn. Simultaneously, we have initiated mapping projects to evaluate potential establishments at other centers.

Development work is continuing on the Elveparken

project in Krokstadelva and the Hovlandbanen project in Larvik. Plan initiatives have been submitted for both locations. Notably, the plan initiative for Hovlandbanen received unanimous approval from Larvik Municipality's executive committee in May. This approval signifies our advancement into the next regulatory phase.

Reiterating our strong belief, we are dedicated to enriching our well-positioned shopping destinations by broadening our range of offerings, including healthcare facilities. Therefore, we are pleased to have announced the impending inauguration of an state-of-the-art orthopedic clinic, covering an extensive 1.100 square meters on the fourth level of Nerstranda in Tromsø. The conversion of this floor from traditional office spaces to healthcare facilities aligns with our vision since the center's acquisition. It will enable us to provide an even more comprehensive suite of services under one roof and attract an increased number of customers.

In summary, Q2 builds on Q1's momentum, marked by a 3.2 % surge in tenant turnover. Despite inflation and interest rate challenges, the centers' adapting sales patterns underscore their resilience. The potential for new stores remains promising, and the growing interest from diverse players in various offerings and services towards shopping center locations is creating fresh avenues of opportunity.



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

Lars Ove Løseth

CEO



Key figures

Group Key Figures		Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
Rental Income	NOK	142 850 892	93 509 589	287 361 622	176 632 079	447 915 298
Net income from property management	NOK	117 795 520	81 169 373	242 776 493	152 490 533	377 828 438
		30.06.2023	Pro-forma 30.06.2022**	30.06.2023	30.06.2022	31.12.2022
Market value of property portfolio	NOK	8 681 500 000	9 025 200 000	8 681 500 000	6 575 200 000	8 813 000 000
Net interest bearing debt*	NOK	4 614 821 220	4 737 308 912	4 615 155 001	2 395 016 428	4 681 651 166
Outstanding shares		30 962 431	30 962 431	30 962 431	30 962 431	30 962 431
Equity per share	NOK	131.4	133.2	131.4	131.3	130.5

Alternative performance measures*		Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
Interest coverage ratio		1.9	2.4	2.0	2.5	2.2
Loan to Value (LTV)	%	53.2	36.4 / 52.5 **	53.2	36.4 / 52.5 **	53.1
EPRA earnings per share (EPS)	NOK	1.52	1.61	3.17	2.94	6.42
EPRA NRV per share	NOK	133	135	133	135	135
EPRA NTA per share	NOK	129	131	129	131	130
EPRA NDV per share	NOK	131	131	131	131	131
EPRA Net Initial Yield	%	5.80	5.16	5.80	5.16	5.76
EPRA Topped-Up Net Initial Yield	%	5.90	5.32	5.90	5.32	5.85
Fully Let Net Yield	%	6.06	5.48	6.06	5.48	6.01
EPRA Vacancy Rate	%	2.3	2.8	2.3	2.8	2.2

* See Alternative Performance Measures for details.

** Pro-forma balance sheet, including Gulskogen Senter and Arkaden Senter, see financial development for details.

Leasing portfolio summary		Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Properties fully owned	#	8	8	8	8	6	6
GLA	sqm	202 161	202 055	202 323	201 905	146 558	146 152
Occupancy*	%	93.3	93.5	93.4	93.6	91.8	91.2
WAULT	year	3.1	3.3	3.3	2.6	2.6	2.7
Annualised cash passing rental income	MNOK	571 944	573 429	576 207 **	534 427	383 197	382 670

* Occupied leasing area / GLA

** Consumer price index adjusted to rental income per 01.01.2023

Leasing activity

GLA		Q2 2023	Q1 2023
Change in GLA	sqm	106	(268)
Change in GLA	%	0.1	-0.1

Leases started / ended		Q2 2023	Q1 2023	YTD 2023	Q2 2022	Q1 2022	2022
Total area leases started	sqm	3 209	2 161	5 370	1 230	428	8 786
Total area leases expired	sqm	3 690	2 213	5 903	-	2 229	6 510
Net area leased	sqm	(481)	(52)	(533)	1 230	(1 801)	2 276
Net area leased	%	-0.2	0.0	-0.3	0.8	-1.2	1.1
Average lease term	year	4.6	5.9	5.6	4.2	3.1	6.6

Leases extended		Q2 2023	Q1 2023	YTD 2023	Q2 2022	Q1 2022	2022
Total area	sqm	3 061	8 079	11 140	1 978	4 192	24 743
Total area	%	1.5	4.0	5.5	1.3	2.9	12.3
Average extension	year	3.6	5.9	4.4	4.3	4.0	5.1

Leases signed (not started)		Q2 2023	Q1 2023	Q2 2022	Q1 2022
Total area	sqm	2 460	1 663	3 505	4 314
Total area	%	1.2	0.8	2.4	3.0
Average lease term	year	9.5	10.7	9.2	9.2

Change in GLA could be as a result of acquisition, sale or development of properties, or redefinition of areas from or to common areas or non-lettable areas.

Leases extended are defined as new or extended lease contracts with the same tenant on the same area. All other lease contracts are defined as leases started.

Leases signed (not started) are leases that are signed, but have a later start date than the last day of the quarter. These lease contracts can be for areas that are both vacant and occupied at last day of the quarter. Lease contracts typical for the shopping center industry normally have a start date between three and nine months after the lease is signed.

Leasing portfolio summary and leasing activity key figures do not include Jærhagen Kjøpesenter or Maxi Storsenter.

Real estate portfolio

Shopping center portfolio



Alti Amanda
Haugesund 100 %



Alti Buskerud
Krokstadelva 100 %



Alti Farmandstredet
Tønsberg 100 %



Alti Nordbyen
Larvik 100 %



Alti Vinterbro
Ås 100 %



Arkaden Senter
Stavanger 100 %



Gulskogen Senter
Drammen 100 %



Nerstranda Senter
Tromsø 100 %

Associated companies



Alti Forvaltning
Surnadal 50 %



Maxi Storsenter
Hamar 25 %



Jærhagen Kjøpesenter
Kleppe 10 %

Key figures



Gross lettable area



Tenant revenue



Annualised cash passing rental income



Portfolio value

Development projects



Elveparken, Krokstadelva

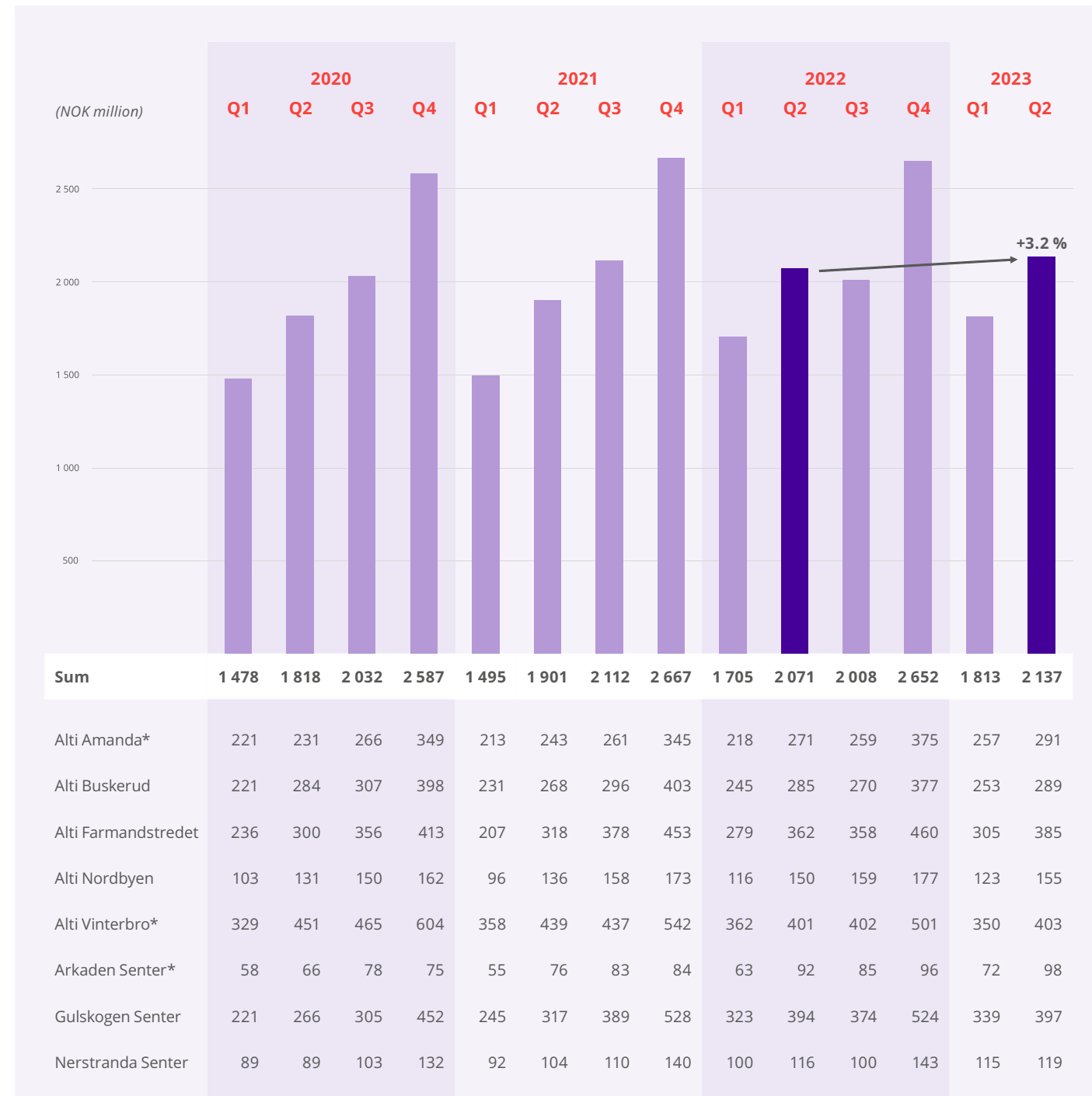
At Krokstad in Drammen, we have under development approx. 550 housing units with shoreline to the Drammen river. We are developing what will become a new residential area in Drammen next to Alti Buskerud. Part of the land lot will be developed to retail. Planning initiative submitted.



Hovlandparken, Larvik

At Hovland in Larvik, we have under development approx. 800 housing units on the "old Hovland Trotting Track", combined with retail areas. This is planned to become a residential area just outside the center of Larvik, with Alti Nordbyen as one of the closest neighbours. Planning initiatives politically processed, zoning plan proposal work commenced.

GROSS TENANT TURNOVER PER QUARTER



* Gross turnover tenants Alti Amanda and Arkaden Senter includes Coop OBS! & Coop Extra which are not owned by Aurora. Gross turnover tenants Alti Vinterbro includes adjacent big-box retailers not owned by Aurora.



Sustainability in Aurora Eiendom

- Aurora Eiendom has published its report regarding diligent assessments in accordance with the requirements of the Transparency Act as of July 1st, 2023. The effort undertaken forms a solid foundation for a systematic approach to the company's impact on human rights and the establishment of decent working conditions. This focus is directed both internally within our organisation and externally with our suppliers and business partners.
- All documentation for the new BREEAM In-Use certification has been submitted from all Aurora centers. The expectation is to receive the updated certification by the end of 2023, with a clear long-term ambition for all controlled assets to be certified Very Good or better.
- The project to install a solar panel system on the roof of Alti Vinterbro has commenced. The system is expected to generate sufficient electricity to cover 20 % of the building's power needs.
- Energy efficiency is of high priority in Alti Forvaltning. Ongoing efforts are being implemented to enhance energy efficiency in all buildings within Aurora Eiendom.

Financial developments

Rental income

Gross rental income in the quarter was NOK 142.9 million (NOK 93.5 million). Please note that Q2 2023 includes the full portfolio of eight shopping centers, while Q2 2022 includes the five first centers acquired in 2021 and Alti Buskerud (acquired on March 1st 2022).

Property related operational expenses and administrative expenses

Property related operational expenses consist of owner's share of common costs, maintenance, leasehold insurance, and other direct property cost. These amounted to NOK 15.1 million for the quarter (NOK 5.2 million). Please see note 5 for further information.

Administrative expenses were NOK 8.1 million (NOK 5.4 million). This represents the fee paid to Alti Forvaltning AS for managing the eight shopping centers in the Aurora portfolio. Alti Forvaltning AS provides management services to the parent company Aurora Eiendom AS, and the cost of this is included in the management fee. Board remuneration is also included in this quarters' administrative expenses.

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. These costs amounted to NOK 1.8 million (NOK 1.7 million).

Net income from property management

Net income from property management amounted to NOK 117.8 million (NOK 81.2 million).

Fair value adjustments of investment properties

The fair value of the investment properties was adjusted with NOK -185.2 million this quarter. The Group's investment property portfolio consists of eight 100 % owned shopping centers. Each individual property is valued by the external appraiser Cushman & Wakefield Realkapital on a quarterly basis. The value of the properties in Aurora's balance sheet is defined by this external valuation. From Q1 to Q2 2023 the external valuer has increased the valuation yields for the properties with 23 bps on average, which is the main cause for the write-down.

Share of results from associated companies

Aurora Eiendom AS has three associated companies:

- Alti Forvaltning AS – owned 50 %.
- 10 % indirect ownership in Jærhagen through JHG Invest AS.
- 25 % of Hamar Storsenter Holding AS.

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The Group's share of profit in these companies amounted to NOK 4.5 million in Q2. This figure includes amortisation of NOK 1.3 million of the excess book value on the shares in Alti Forvaltning.

Financial income

Financial income is interests on cash.

Fair value adjustments on interest rate derivatives

Aurora Eiendom AS has twelve swap agreements and two swaptions.

Market value and position of the interest swap agreements amounted to NOK 212.0 million by the end of the quarter. The market value of the swaptions amounted to NOK -7.9 million.

Interest-swap agreements

Financial instrument	Principal amount	Remaining term in years	Swap rate	Start date	Maturity date
Interest rate swap 1	394 000 000	8.3	1.883 %	01.10.2021	01.10.2031
Interest rate swap 2	250 000 000	8.3	1.696 %	17.12.2021	01.10.2031
Interest rate swap 3	140 703 968	8.3	2.050 %	13.10.2021	01.10.2031
Interest rate swap 4	112 592 068	8.3	2.050 %	03.01.2022	01.10.2031
Interest rate swap 5	140 004 018	8.3	1.990 %	03.01.2022	01.10.2031
Interest rate swap 6	88 662 210	8.3	1.880 %	01.10.2021	01.10.2031
Interest rate swap 7	70 000 000	8.5	1.720 %	03.01.2022	02.01.2032
Interest rate swap 8	90 000 000	8.5	1.730 %	03.01.2022	02.01.2032
Interest rate swap 9	90 000 000	8.5	1.730 %	03.01.2022	02.01.2032
Interest rate swap 10	110 000 000	8.7	2.135 %	09.03.2022	09.03.2032
Interest rate swap 11	500 000 000	2.3	1.710 %	30.09.2022	30.09.2025
Interest rate swap 12	150 000 000	1.3	2.640 %	30.09.2022	30.09.2024
	2 135 962 264		2.130 %		
Swaption 1	500 000 000		2.710 %	30.09.2025	30.09.2030
Swaption 2	150 000 000		2.640 %	30.09.2024	30.09.2029

Swaption 1 and 2 are based on agreement that the bank has an option, but no obligation, to prolong interest rate swap 11 and 12 for additional 5 years. The exercise of the option is based on the bank's decision alone, and must be communicated to Aurora before the maturity date of the initial interest rate swaps.

Financial expenses

Financial expenses, net of positive cash flow from swap agreements, amounted to NOK 65.8 million in the quarter. The expenses are mainly related to interest and fees on interest-bearing debt. Financial expenses are recognised using the amortised cost method.

Composition and repayment profile of the Group's interest-bearing debt

(NOK million)	Nominal amount 30.06.2023	Repayment profile			Total
		2023	2024	2025	
Bank loan 1	3 063	30	3 033	0	3 063
Bank loan 2	266	2	264	0	266
Bank loan 3	1 426	22	44	1 360	1 426
Seller's credit	200	0	0	200	200
Total long-term debt	4 955	54	3 341	1 560	4 955

The bank loans have a weighted average credit margin of 2.14 % over 3 month NIBOR. The seller's credit has an all-in interest rate of 5 %.

Summary

Profit before income tax was NOK 60.7 million.

Pre-tax profit, including fair value adjustments of investment properties and interest rate derivatives, was NOK -34.8 million.

Balance sheet

The Group's assets amounted to NOK 9 434 million. Of this, investment properties amounted to NOK 8 682 million. Interest bearing debt was NOK 4 945 million (amortised) at the end of the quarter (NOK 4 955 million in nominal amounts). This includes a seller's credit of NOK 200 million. Nominal value of debt hedged: 47 % per 30.06.2023 (includes fixed rate of seller's credit). The equity totalled NOK 4 068 million (43 %).

Financing

The Group's debt portfolio consists of long-term debt with Nordic banks, and a seller's credit. The average remaining term for the debt portfolio is 1.3 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 30.06.2023.

Cash flow and liquidity

Net cash flow from operating activities was NOK 24.0 million. Net cash flow from investments was NOK 17.5 million and net cash flow from financing activities was NOK -11.3 million.

The net change in cash and cash equivalents was NOK -4.9 million, and cash and cash equivalents at the end of the period were NOK 340.5 million.

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Pro-forma balance sheet pr 30.06.2022

Aurora Eiendom announced the acquisition of Gulskogen Senter, Arkaden Senter and 25 % of Maxi Storsenter on 22.06.22.

The acquisition was financed by:

- Equity (private placement with gross proceeds of NOK 600 million).
- Green bank loan facility of NOK 1 470 million.
- A seller's credit of NOK 200 million.

The investment in the SPV that acquired Maxi Storsenter is included in the 30.06.22 balance sheet ("investment in joint ventures and associated companies").

The proceeds of the private placement and the loan facility are included in the 30.06.22 balance sheet – the seller's credit and the purchase of Gulskogen and Arkaden Senter, however, are not, as the transactions were completed on 01.07.22. This has resulted in a significant cash position on 30.06.22 pending closing of the transactions. To provide readers with an understanding of how the acquisitions affected Aurora's balance sheet, management has chosen to produce a pro-forma balance sheet intended to illustrate the impact of the acquisition – as if the transactions were completed on the balance sheet date 30.06.22. The investment properties have been adjusted to fair value (GAV) in the pro-forma balance sheet.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
Aurora Eiendom						
Rental income		142 850 892	93 509 589	287 361 622	176 632 079	447 915 298
Property related operational expenses	5	-15 119 849	-5 174 232	-26 167 652	-11 621 890	-36 869 249
Net rental income		127 731 043	88 335 357	261 193 970	165 010 189	411 046 049
Other income		3 882	10 264	17 826	31 517	182 845
Other operating expenses	5	-1 846 663	-1 733 435	-3 613 305	-3 058 545	-10 830 266
Administrative expenses	5	-8 092 742	-5 442 814	-14 821 998	-9 492 629	-22 570 190
Net income from property management		117 795 520	81 169 372	242 776 493	152 490 532	377 828 438
Fair value adjustment, investment property	2, 3	-185 245 886	81 252 803	-169 247 789	255 366 436	105 770 125
Share of profit from JV and associates		4 525 555	1 482 709	5 872 741	1 509 427	19 582 471
Operating profit		-62 924 811	163 904 884	79 401 445	409 366 395	503 181 034
Financial income		4 234 350	59 938	5 726 573	79 166	8 863 984
Fair value adjustments, interest rate derivatives	2, 4	89 710 166	52 980 245	76 653 257	151 915 384	136 059 830
Financial expenses		-65 814 790	-34 326 777	-128 695 858	-61 635 001	-178 092 948
Net financial items		28 129 726	18 713 406	-46 316 028	90 359 549	-33 169 134
Profit before income tax		-34 795 085	182 618 290	33 085 417	499 725 944	470 011 900
Change in deferred tax		13 535 618	-31 490 811	6 922 724	-101 248 617	-80 404 072
Income tax payable		-6 059 282	-6 853 138	-14 083 717	-12 057 982	-26 389 317
Income tax		7 476 336	-38 343 949	-7 160 993	-113 306 599	-106 793 389
Profit		-27 318 748	144 274 341	25 924 425	386 419 345	363 218 510

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Q2 2023	Q2 2022	YTD 2023	YTD 2022	2022
Other Comprehensive income						
Total comprehensive income for the period/year		-27 318 748	144 274 341	25 924 425	386 419 345	363 218 510
Profit attributable to:						
Shareholders of the parent		-27 318 748	144 274 341	25 924 425	386 419 345	363 218 510
Total comprehensive income attributable to:						
Equity holders of the Company		-27 318 748	144 274 341	25 924 425	386 419 345	363 218 510
Basic = diluted earnings per share		-0.88	5.85	0.84	16.54	13.36

CONSOLIDATED BALANCE SHEET – ASSETS

	Note	30.06.2023	Pro-forma 30.06.2022	30.06.2022	31.12.2022
Non-current assets					
Investment properties	3	8 681 500 000	9 025 200 000	6 575 200 000	8 813 000 000
Investment in joint ventures and associated companies		137 179 273	118 233 488	118 233 488	136 306 532
Receivables		8 785 101	2 022 206	2 022 206	6 795 922
Derivative financial instruments	4	211 923 126	143 204 791	143 204 791	143 629 940
Total non-current assets		9 039 387 500	9 288 660 485	6 838 660 485	9 099 732 394
Current assets					
Trade receivables	4	17 735 230	14 594 769	11 485 395	8 461 847
Other current asset		36 806 527	23 004 744	12 682 835	37 298 920
Cash and cash equivalents	4	340 545 410	324 677 718	2 466 970 202	327 025 464
Total current assets		395 087 167	362 277 231	2 491 138 432	372 786 231
Total assets		9 434 474 667	9 650 937 716	9 329 798 917	9 472 518 625

CONSOLIDATED BALANCE SHEET – EQUITY & LIABILITIES

	Note	30.06.2023	Pro-forma 30.06.2022	30.06.2022	31.12.2022
Equity					
Share capital		2 322 182 325	2 322 182 325	2 322 182 325	2 322 182 325
Share premium		703 763 154	703 763 154	703 763 154	703 763 154
Retained earning		1 041 938 012	1 097 403 251	1 039 214 422	1 016 013 587
Total equity		4 067 883 491	4 123 348 730	4 065 159 901	4 041 959 066
Long-term liabilities					
Loans	4	4 547 500 695	4 777 734 115	4 577 734 115	4 635 945 456
Derivative financial instruments	4	7 920 631	-	-	16 280 702
Lease liabilities		10 302 374	11 314 176	11 314 176	10 650 491
Deferred tax liabilities		243 489 652	287 669 155	271 256 921	250 412 376
Total long-term liabilities		4 809 213 352	5 076 717 446	4 860 305 212	4 913 289 025
Short-term liabilities					
Loans	4	397 879 509	269 580 518	269 580 518	359 543 176
Income tax payable		24 285 769	46 281 306	39 460 497	35 286 318
Trade payables	4	28 946 172	21 700 061	20 204 810	22 916 574
Current lease liabilities		912 752	1 286 962	1 286 962	1 109 889
Other current liabilities		105 353 622	112 022 693	73 801 018	98 414 576
Total short-term liabilities		557 377 824	450 871 540	404 333 805	517 270 533
Total liabilities		5 366 591 176	5 527 588 986	5 264 639 017	5 430 559 558
Total liabilities and shareholders' equity		9 434 474 667	9 650 937 716	9 329 798 917	9 472 518 624

CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Total equity
Equity 31.12.2021	1 541 280 000	492 656 586	652 795 077	2 686 731 663
Share issue	780 902 325	219 099 726	-	1 000 002 051
Transaction cost equity issue net of tax	-	-7 993 158	-	-7 993 158
Profit for period	-	-	363 218 510	363 218 510
Equity 31.12.2022	2 322 182 325	703 763 154	1 016 013 587	4 041 959 066
Profit for period	-	-	25 924 425	25 924 425
Equity 30.06.2023	2 322 182 325	703 763 154	1 041 938 012	4 067 883 491

STATEMENT OF CASH FLOWS

	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2022
Profit before tax	-34 795 085	182 618 290	33 085 417	499 725 944	470 011 899
Income tax paid	-11 696 782	-	-25 084 266	-	-23 561 936
Net expensed interest and fees on loans and leases	65 814 768	34 326 777	128 689 402	61 635 001	177 749 543
Net interest and fees paid on loans and leases	-62 276 408	-30 168 458	-122 550 581	-52 863 224	-153 779 450
Share of profit from associates and jointly controlled entities	-4 525 555	-1 428 709	-5 872 741	-1 509 427	-19 582 471
Changes in value of investment properties	185 245 886	-81 252 803	169 247 789	-255 366 436	-105 770 125
Changes in value of financial instruments	-89 710 166	-52 980 245	-76 653 257	-151 915 384	-136 059 830
Change in working capital	-24 096 123	-15 822 735	-741 774	2 748 517	436 594
Net cash flow from operating activities	23 960 535	35 292 117	100 119 989	102 454 992	209 444 225
Acquisitions of investment properties	-	-	-	-1 072 393 925	-3 428 414 590
Investment in and upgrades of investment properties	-22 545 886	-6 847 197	-37 747 789	-9 818 639	-42 831 193
Net payment of loans to associates and JVs	-	-	-	-	-3 750 000
Investments in associates and JVs	-	-31 250 000	-	-31 250 000	-31 250 000
Dividends from associates and JVs	5 000 000	4 250 000	5 000 000	4 250 000	4 250 000
Net cash flow from investment activities	-17 545 886	-33 847 197	-32 747 789	-1 109 212 564	-3 501 995 783
Proceeds interest bearing debt	-	1 470 000 000	-	2 220 000 000	2 420 000 000
Repayment interest bearing debt	-11 025 000	-	-53 310 000	-24 000 000	-77 310 000
Repayment of lease liabilities	-269 626	-370 852	-542 254	-741 704	-1 582 456
Proceeds from issue of shares/ repurchase of shares	-	591 054 416	-	989 754 412	989 754 412
Net cash flow from financing activities	-11 294 626	2 060 683 564	-53 852 254	3 185 012 708	3 330 861 956
Change in cash and cash equivalents	-4 879 977	2 062 128 484	13 519 946	2 178 255 136	38 310 398
Cash and cash equivalents at beginning of period	345 425 387	404 841 718	327 025 464	288 715 066	288 715 066
Cash and cash equivalents at end of period	340 545 410	2 466 970 202	340 545 410	2 466 970 202	327 025 464





Notes

- 1 ACCOUNTING PRINCIPLES
- 2 FAIR VALUE
- 3 INVESTMENT PROPERTIES
- 4 FINANCIAL ASSETS AND LIABILITIES
- 5 COSTS

NOTE 1 – ACCOUNTING PRINCIPLES

The financial statements for Q2 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles that have been used are described in the annual report of 2022. The interim financial statements for Q2 2023 have not been audited.

NOTE 2 – FAIR VALUE

Fair value hierarchy:

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
 Level 2: Other techniques where all of the parameters that have a significant impact on measuring fair value are either directly or indirectly observable.
 Level 3: Valuation techniques that use parameters that significantly affect the valuation, but which are not observable.

<i>Aurora Eiendom AS has the following assets and liabilities measured at fair value</i>		Level
Investment properties		3
Derivatives		2

NOTE 3 – INVESTMENT PROPERTIES

	Q2 2023	Pro-forma Q2 2022	Q2 2022	YTD 2023	YTD 2022	2022
Opening balance	8 844 200 000	6 487 100 000	6 487 100 000	8 813 000 000	5 222 900 000	5 222 900 000
Additions from acquisitions	0	2 374 889 505	0	0	1 087 114 925	3 441 498 682
Investment in the property portfolio	22 545 886	6 847 197	6 847 197	37 747 789	9 818 639	42 831 193
Net gain/loss on changes in fair value	(185 245 886)	156 363 298	81 252 803	(169 247 789)	255 366 436	105 770 125
Closing balance	8 681 500 000	9 025 200 000	6 575 200 000	8 681 500 000	6 575 200 000	8 813 000 000

Investment properties are valued at fair value (Level 3) based on independent external valuations. Latest valuation was carried out on 30th of June 2023.

Changes in fair value are recognised as through profit and loss.

NOTE 4 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

ASSETS AND LIABILITIES - FAIR VALUE

The Group uses derivatives to manage its interest rate risk.
The financial derivatives are measured at fair value (Level 2) through profit and loss.

	30.06.2023	Pro-forma 30.06.2022	30.06.2022	31.12.2022
Financial assets measured at fair value				
Derivatives	211 923 126	143 204 791	143 204 791	143 629 940
Financial liabilities measured at fair value				
Derivatives	7 920 631	-	-	16 280 702

ASSETS AND LIABILITIES - AMORTISED COST

The following of the financial assets and liabilities are measured at amortised cost.

	30.06.2023	Pro-forma 30.06.2022	30.06.2022	31.12.2022
Assets				
Accounts receivable	17 735 230	14 594 769	11 485 395	8 461 847
Cash and cash equivalents	340 545 410	324 677 718	2 466 970 202	327 025 464
Total Financial assets	358 280 640	339 272 487	2 478 455 597	335 487 311
Liabilities				
Bank Loan 1	3 056 686 704	3 114 681 952	3 114 681 952	3 085 508 987
Bank Loan 2	265 872 391	266 028 698	266 028 698	265 897 861
Bank Loan 3	1 422 821 109	1 466 603 983	1 466 603 983	1 444 081 784
Seller's credit	200 000 000	200 000 000	0	200 000 000
Trade payables	28 946 172	21 700 061	20 204 810	22 916 574
Total financial liabilities	4 974 326 376	5 069 014 694	4 867 519 443	5 018 405 206

NOTE 5 – COSTS

REAL ESTATE RELATED COSTS

Operating costs	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2022
Maintenance	5 801 607	340 546	8 176 582	751 807	8 167 416
Leasehold and property insurance	1 491 826	1 017 561	2 897 477	1 936 362	5 085 641
Other expenses / direct property costs	7 826 416	3 816 125	15 093 593	8 933 721	23 616 192
Sum	15 119 849	5 174 232	26 167 652	11 621 890	36 869 249

Expenses directly related to the operation of existing properties are presented as real estate related costs.

OTHER COSTS

Other operating expenses	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2022
Advertising	-	64 125	-	94 884	175 884
Consultancy fees and external personnel	548 210	1 097 999	786 585	2 069 209	3 655 320
Other operating costs	1 298 453	571 311	2 826 720	894 452	6 999 062
Total operating expenses	1 846 663	1 733 435	3 613 305	3 058 545	10 830 266

Administrative expenses	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022	2022
Administrative expenses	7 043 777	4 405 414	13 773 033	8 455 229	21 532 790
Board remuneration	1 048 965	1 037 400	1 048 965	1 037 400	1 037 400
Total	8 092 742	5 442 814	14 821 998	9 492 629	22 570 190

Administrative expenses represent the management fee paid to Alti Forvaltning AS for management of the shopping center portfolio. Alti Forvaltning AS provides management services for the parent company Aurora Eiendom AS, the cost of which is included in the management fee. Board remuneration was paid and invoiced by Alti Forvaltning AS and is thus classified under "Administrative expenses" by the Company.



Outlook

The preceding half-year has proven to be a good period for Aurora Eiendom. Our shopping centers have demonstrated robustness in the current macroeconomic environment. In Q2 2023 tenant turnover grew by 3.2 % in compared to Q2 2022, and for the full half-year it increased by 4.6 % compared to the same period last year.

The macroeconomic situation is characterised by strong inflation and rising interest rates. This contributes to weakening the consumer's purchasing power and increases costs for our tenants. As a counterweight, we have a stable energy-producing Norwegian economy, with positive prospects for growth in both 2023 and 2024. Despite the strain stemming from heightened interest rates and escalating food prices, Norway's low unemployment rate and favorable wage settlements provide a cushion of stability for our consumer base.

Our shopping centers' success rests both on the strategic arrangements we as landlords make, as well as on the tenants' ability to offer appealing concepts for consumers. Our main task as landlords is to carefully shape a well-balanced retail mix, as well as to create modern and efficiently managed centers that offer first-class experiences and act as gathering points for the local community. Even though over 90 % of our rental income comes from minimum lease agreements – which ensures stable income

streams in the short term – it is nevertheless crucial for our sustainable future growth that our tenants achieve healthy profitability and run their businesses successfully. Therefore, we diligently overlook the development in tenant turnover in our shopping centers. Although it has been solid so far this year, we have observed a trend towards price-conscious purchasing, resulting in increased demand for affordable goods and private-label products across various categories, such as textiles, groceries, and sports equipment.

The board is pleased to see that the 50 % owned Alti Forvaltning is growing and strengthening its position. The company now has 42 centers under management, including Aurora's portfolio. Shopping center operation is a complex business, which requires continuous change and specialist expertise from many disciplines. With a workforce of approximately 160 professionals, the company has harnessed specialisation to elevate services such as sustainability reporting, solar panel integration, social media marketing, specialty leasing, housing development, and energy optimisation.

As of 30th June, we are carrying out a write-down on the property portfolio of 185 million. This adjustment is mainly due to an increase in the valuation yields set by our external appraisers. These effects are partially mitigated by higher expectations of future inflation, and higher market rents. In total, the valuation yield has increased by 0.71 % points over the last 12 months, when the last centers – Gulsbogen and Arkaden – were acquired. This has contributed to a total write-down on Aurora's investment property portfolio of 3.81 % from the pro-forma balance sheet presented in the

Q2-report last year. As such, it is noteworthy to observe that shopping centers' historical valuation yields have been relatively high compared to other commercial property sectors.

Norges Bank has continued to raise the key interest rate to overcome high inflation in Norway. In line with this, the financing cost has increased also for Aurora Eiendom. Our financial resilience is backed by a robust balance sheet, with nearly half of our debt secured at fixed interest rates. This strategic approach, combined with a healthy cash flow, underscores our commitment to meeting financial obligations and exceed covenant requirements. Aurora Eiendom's debt is mainly with Nordic banks. Anticipating a significant loan maturity next year, we are encouraged by positive indications from our banking partners regarding refinancing prospects.

Aurora Eiendom has a strong focus on sustainability, and we are pleased to have delivered a complete ESG report based on EPRA's standards in 2022. This gives us a good basis for being able to work with the individual sustainability goals going forward. All Aurora centers are currently undergoing recertification against the BREEAM framework, with new certificates anticipated by the end of this year. On 1st July 2023, the requirement to publish an account of due diligence assessments in accordance with the Transparency Act came into effect. Here, thorough work has been done to map our vulnerabilities, both in our own operations and in the supply chain, and the assessment forms the basis for further work with all aspects covered by the Transparency Act.

Our portfolio is underscored by strategically positioned

shopping centers that reign as market leaders. This gives us a very good starting point for continuous refinement and adaptation to the evolving preferences of the modern consumer. We work every day to fill the shopping centers with attractive offers, both in trade and experiences. In particular, the ongoing integration of health and well-being services augments the centers' role as community hubs, reinforcing their significance as essential gathering places for local residents.

SURNADAL, 17TH AUGUST 2023

Petter A. Stordalen
Chairman of the Board

Lars Løseth
Board member

Johan Johansson
Board member

Sigurd Stray
Board member

Marius Varner
Board member

Lars Ove Løseth
CEO

Responsibility Statement

To the best of our knowledge, we declare that:

- The consolidated financial statements for the half-year report 2023 have been prepared in accordance with IAS 34 – Interim reporting.
- The information in the consolidated financial statements pr 30.06.2023 provides a true and fair picture of the overall assets, liabilities, financial position and financial result for the Group.
- The half-year report (outlook) gives a true and fair presentation of the important events that have taken place during the reporting period, their impact on the financial statements and the most important risks and uncertainties facing the Group in the coming accounting period.

SURNADAL, 17TH AUGUST 2023



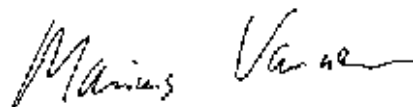
Petter A. Stordalen
Chairman of the Board



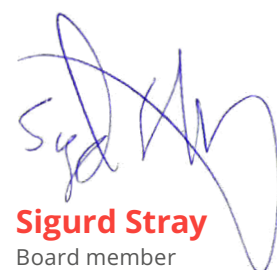
Lars Løseth
Board member



Johan Johannson
Board member



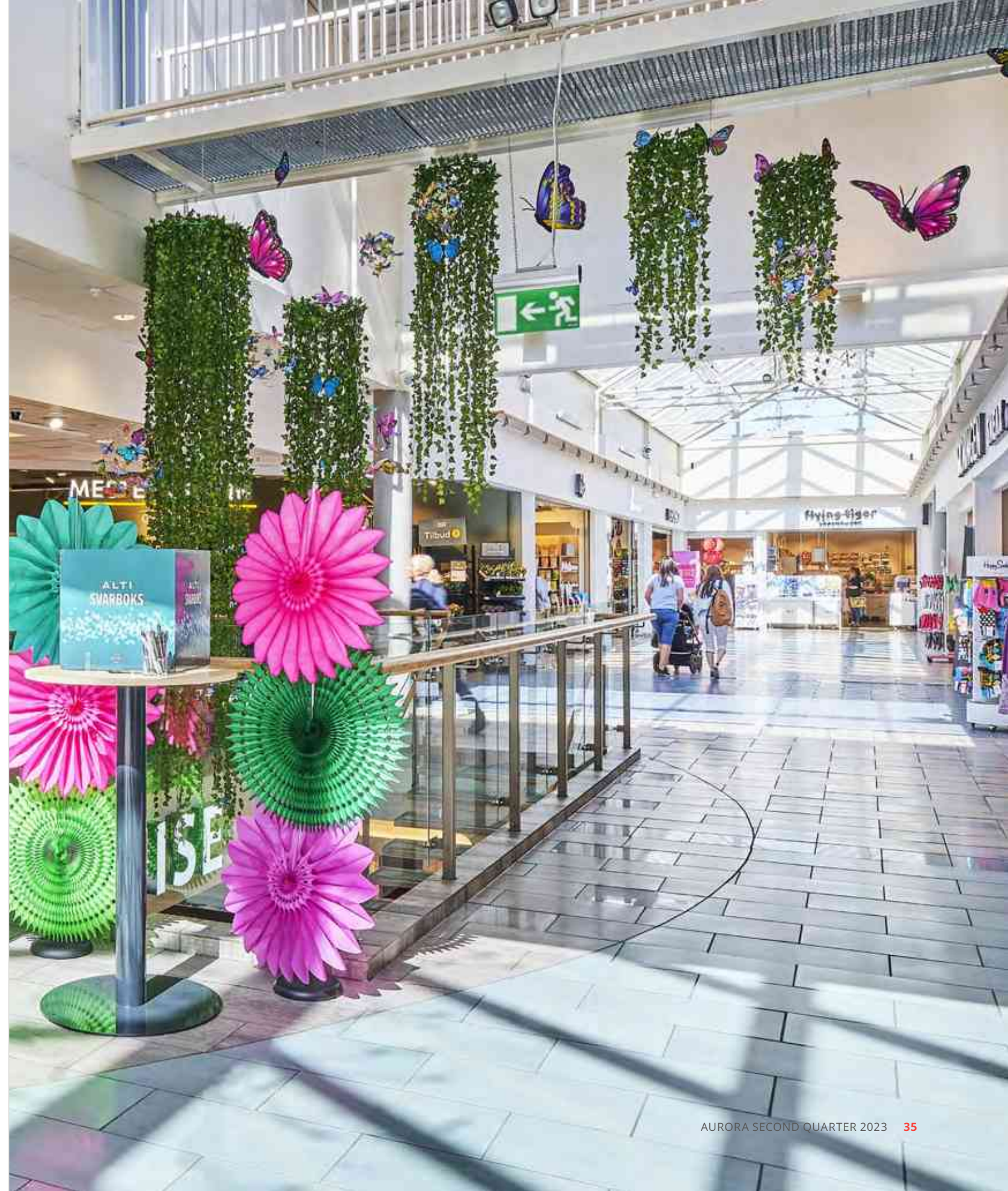
Marius Varner
Board member



Sigurd Stray
Board member



Lars Ove Løseth
CEO



Aurora Eiendom's 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 Group's performance.

AURORA EIENDOM'S ALTERNATIVE PERFORMANCE MEASURES ARE

1. Debt ratio – Loan to value (LTV)

2. Interest Coverage Ratio

3. EPRA Performance Measures

- | | |
|--|---|
| <p>A. EPRA Earnings
EPRA Earnings per share (EPS)</p> <p>B. EPRA Net Asset Value metrics
EPRA Net Reinstatement Value (NRV)
EPRA Net Tangible Assets (NTA)
EPRA Net Disposal Value (NDV)</p> | <p>C. EPRA Net Initial Yield
EPRA Topped-Up Net Initial Yield</p> <p>D. EPRA Vacancy Rate</p> |
|--|---|

EPRA metrics are presented in accordance with the best practices defined by the European Public Real Estate Association BPR 2022.

1. DEBT RATIO – LOAN TO VALUE (LTV)

Loan to Value (LTV)	30.06.2023	Pro-forma 30.06.2022 *	30.06.2022	31.12.2022	31.12.2021
Fair value of investment properties	8 681 500 000	9 025 200 000	6 575 200 000	8 813 000 000	5 222 900 000
Nominal interest-bearing debt	4 955 366 630	5 061 986 630	4 861 986 630	5 008 676 630	2 665 986 630
Cash and bank deposits	340 545 410	324 677 718	2 466 970 202	327 025 464	288 715 066
Net interest-bearing debt	4 614 821 220	4 737 308 912	2 395 016 428	4 681 651 166	2 377 271 564
Loan to value	53.2 %	52.5 %	36.4 %	53.1 %	45.5 %

* Pro-forma balance sheet, including Gulskogen Senter and Arkaden Senter, see Financial Developments for details.

2. INTEREST COVERAGE RATIO (ICR)

	Q2 2023	Q2 2022	YTD 2023	2022	2021
Net income from property management	117 795 520	81 169 373	242 776 493	377 828 348	129 008 000
Financial expenses*	61 580 440	34 266 839	122 969 285	169 228 964	40 003 678
Interest coverage ratio	1.9	2.4	2.0	2.2	3.2

* Financial expenses = amortised interests less interest income for the period.

3. EPRA PERFORMANCE MEASURES

	Unit	Q2 2023	Q2 2022	YTD 2023	2022	2021
A EPRA earnings per share (EPS)	NOK	1.52	1.61	3.17	6.42	6.37
B EPRA NRV per share	NOK	133	135	133	135	139
EPRA NTA per share	NOK	129	131	129	130	135
EPRA NDV per share	NOK	131	131	131	131	131
C EPRA Net Initial Yield	%	5.80	5.16	5.80	5.76	5.36
EPRA Topped-Up Net Initial Yield	%	5.90	5.32	5.90	5.85	5.53
D EPRA Vacancy Rate	%	2.3	2.8	2.3	2.2	1.8

A. EPRA EARNINGS QUARTERLY

All amounts in NOK million

	Q2 2023		
	IFRS reported	EPRA adjustments	EPRA Earnings
Rental income	143		143
Operating costs	-15		-15
Net operating income	128	0	128
Other revenue	0		0
Other costs	-2		-2
Administrative costs	-8		-8
Share of profit from associates and JVs	5		5
Net realised financials	-62		-62
Net income	61	0	61
Changes in value of investment properties	-185	185	0
Changes in value of financial instruments	90	-90	0
Profit before tax / EPRA Earnings before tax	-35	96	61
Tax payable	-6		-6
Change in deferred tax	14	-21	-7
Profit for period / EPRA Earnings	-27	75	47
Average outstanding shares (million)			31.0
EPRA Earnings per share (NOK)			1.52

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

A. EPRA EARNINGS YEARLY

All amounts in NOK million

	YTD 2023		
	IFRS reported	EPRA adjustments	EPRA Earnings
Rental income	287		287
Operating costs	-26		-26
Net operating income	261	0	261
Other revenue	0		0
Other costs	-4		-4
Administrative costs	-15		-15
Share of profit from associates and JVs	6		6
Net realised financials	-123		-123
Net income	126	0	126
Changes in value of investment properties	-169	169	0
Changes in value of financial instruments	77	-77	0
Profit before tax / EPRA Earnings before tax	33	93	126
Tax payable	-14		-14
Change in deferred tax	7	-20	-13
Profit for period / EPRA Earnings	26	72	98
Average outstanding shares (million)			31.0
EPRA Earnings per share (NOK)			3.17

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3. EPRA PERFORMANCE MEASURES

B. EPRA NET ASSET VALUE METRICS

	Q2 2023		
	NRV	NTA	NDV
IFRS Equity	4 068	4 068	4 068
Net Asset Value (NAV) at fair value	4 068	4 068	4 068
Deferred tax properties and financial instruments	243	243	
Estimated real tax liability		122	
Net fair value on financial derivatives	-204	-204	
EPRA NAV	4 107	3 986	4 068
Outstanding shares at period end (million)	31	31	31
EPRA NAV per share (NOK)	133	129	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.

3. EPRA PERFORMANCE MEASURES

C. EPRA NIY AND 'TOPPED-UP' NIY

		30.06.2023	30.06.2022	31.12.2022	31.12.2021
<i>(NOK million)</i>					
Investment property - wholly owned		8 682	6 575	8 813	5 224
<i>Less: developments</i>		-149	-169	-156	-92
Completed property portfolio		8 533	6 407	8 657	5 132
Allowance for estimated purchasers' costs		17	13	17	10
Gross up completed property portfolio valuation	B	8 550	6 419	8 674	5 142
Annualised cash passing rental income		572	383	576*	315
Property outgoings		-76	-52	-76	-40
Annualised net rents	A	496	331	500	275
Add: notional rent expiration of rent free periods or other lease incentives		9	10	8	9
Topped-up net annualised rent	C	505	342	508	284
Add: market rent of vacant space		13	10	13	6
Fully let net annualised rent	D	518	351	521	290
EPRA NIY	A/B	5.80 %	5.16 %	5.76 %	5.36 %
EPRA "topped-up" NIY	C/B	5.90 %	5.32 %	5.85 %	5.53 %
Fully let net yield	D/B	6.06 %	5.48 %	6.01 %	5.64 %
Exit yield		6.26 %	5.56 %	5.89 %	5.56 %

EPRA initial yields do not include Jærhagen Kjøpesenter or Maxi Storsenter.

Market value of investment properties and development projects are independently valued by Cushman & Wakefield Realkapital. The latest valuation was carried out 30th June 2023.

The allowance for estimated purchaser's costs is an estimate based on the company's experiences.

The property outgoings are based on the owner's costs estimated in the independent valuation.

The market rent of vacant space is based on the independent valuation.

The exit yield is set by the independent valuer, based on reference transactions and adjusted for conditions specific to the individual properties.

* Consumer price index adjusted to rental income per 01.01.2023

3. EPRA PERFORMANCE MEASURES

D. EPRA VACANCY RATE

(NOK million)

		30.06.2023	30.06.2022	31.12.2022	31.12.2021
Estimated rental value of vacant space	A	13	10	13	6
Estimated rental value of the whole portfolio	B	594	403	597	330

EPRA Vacancy Rate	A/B	2.3 %	2.4 %	2.2 %	1.8 %
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The market rent of vacant space is based on the independent valuation.
EPRA vacancy rate does not include Jærhagen Kjøpesenter or Maxi Storsenter.

GLOSSARY

EPRA	European Public Real Estate Association
EPRA NDV	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.
EPRA NRV	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 NTA	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 sBPR	EPRA sustainability best practice recommendations
Exit Yield	Valuation yield set by external appraiser, used in the valuation of investment properties
External / Independent Appraisers	Cushman & Wakefield Realkapital AS
GLA	Gross Lettable Area, areas exclusive to the tenant including storage units
ICR	Interest Coverage Ratio, Net income from property management divided by amortised interest less interest income for the period
LTV	Loan To Value, Nominal Interest-bearing debt minus cash and cash deposits divided by fair value of investment properties
WAULT	Weighted Average Unexpired Lease Term

AURORA

Contact information

Lars Ove Løseth
CEO Aurora Eiendom AS
lars.ove.loeseth@alti.no
+47 928 17 859

Kathrine Mause
CFO Aurora Eiendom AS
kathrine.mause@alti.no
+47 464 48 411

Financial calendar

Date
Friday 17.11.2023

Report
Q3 2023 Report

www.aurora.no