

ANNUAL



Q2 2022
REPORT



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HIGHLIGHTS AND SUMMARY OF THE

Second quarter of 2022

- Rental income in Q2 was NOK 93.5 million, which is up NOK 10.4 million / 12.5 % from Q1. The increase mainly comes from Buskerud Storsenter, which was acquired 1st of March and contributed to its first whole quarter.
- The quarter's gross tenant turnover in our fully owned centers was 6.8 % over Q2 2021, and in the first half of 2022 gross tenant turnover was 8.4 % over the first half of 2021.
- The leasing activity in the quarter resulted in several signed new leases, and the opening of a few new stores. New leases were started on a total area of 1 230 sqm, and none expired, resulting in a positive development in occupancy. In addition, leases of a total area of 1 978 were extended, with an average extension of 4.3 years.
- Aurora announced new investments that increased the portfolio of shopping centers significantly from July 2022: Gulskogen Senter in Drammen was acquired at net yield 5.2 % (GAV NOK 2 070 million), Arkaden Senter in Stavanger at 5.7 % (GAV NOK 380 million) and 25 % of Maxi Storsenter in Hamar at 7.1 %¹ (GAV NOK 490 million).
 - The purchase was financed by net proceeds from the private placement of NOK 600 million in June 2022.
 - Furthermore, as part of the financing, a new green loan facility of NOK 1.470 million was established as well as a seller's credit of NOK 200 million.
- The shopping centers Farmandstredet Kjøpesenter (Tønsberg) and Vinterbro Senter (Ås) were rebranded to Alti Farmandstredet and Alti Vinterbro during the quarter.
- Alti Forvaltning, owned 50 % by Aurora Eiendom AS, currently manages 37 shopping centers, including Aurora's portfolio.

¹ Implicit net yield calculated on GAV excluding development on Maxi Storsenter.

LETTER FROM THE CEO

Growth delivered

1st of July last year we completed our first transaction, acquiring four shopping centers with a total property value of NOK 3bn. Our hypothesis was that after several years where the investor community had been skeptical of shopping centers as an investment, and price expectations were reduced, there was a window of opportunity before interest in the segment would increase again. Based on this, we set our short-term goal to increase our shopping center portfolio to NOK 8 - 10bn within 12 to 24 months.

One year after the first transaction, we were excited to complete the acquisition of Gulskogen Senter, Arkaden Kjøpesenter and a 25 % share of Maxi Storsenter. Which takes our property portfolio up to the next level, reaching our short-term growth ambitions.

We consider Gulskogen Senter among the most attractive shopping center assets in the country, being the leading shopping destination in Drammen with more than 100 stores and located in a thriving area in rapid growth. A high-quality addition.

Arkaden Senter is a smaller asset but has an excellent location in the city center of Stavanger. Because the competition is mainly located in the city's fringes, Arkaden has the potential to enhance its position as the preferred shopping destination in the city center, similar to the position of Nerstranda Senter in Tromsø.

Maxi Storsenter is a well-established shopping destination in Hamar that has struggled with strong competition in the region the recent years, but with a great development potential. We are glad to be a part of a team consisting of Dolphin Eiendom, Rica Eiendom, Utstillingsplassen Eiendom and Aurora Eiendom to take the center to new heights with development of both retail and residential areas.

We continue to take advantage of the economies of scale and quality of the shopping center marketing brand Alti, and

during the last months both Farmandstredet and Vinterbro have adopted the Alti brand and marketing campaigns. Both rebrandings were carried out successfully by the local center teams with several activities and happenings, high customer attendance and positive publicity.

We had in the second quarter new leases starting on a total area of 1 230 sqm, where the two main store openings were H&M Home at Amanda Storsenter, and Dollarstore at Alti Nordbyen. Both concepts enrich the tenant mix at the two shopping centers. There are also signed new leases with a total area of 3 505 sqm, which we can look forward to in the near future. The leasing activity combined with higher expectations for short-term growth in rental income due to the expected inflation levels have resulted in an increase in the property values, despite a slight addition to the exit yields in the independent valuations.

Aurora started its operations on the eve of the pandemic, and our assumption since the beginning has been that at some point we will see a normalization of the high tenant turnover levels that we have seen the last couple of years. However, this scenario has taken longer to kick in than expected. The first half of the year delivered turnover figures above the same period in the last three years, and the second quarter an increase of 6.8 % compared to last year. We still expect the tenant turnover levels to normalize and we have seen the first tendencies this summer, with more people traveling abroad on holiday, but the turnover is still well above pre-pandemic levels. Increasing interest rates and electricity costs are factors that might affect customer spending, but at the same time there are counterweights such as low unemployment and high expected wage growth.

One of our focus areas is to enrich the food and beverage experiences for our visitors, and we were happy to recently announce not one, but two new restaurants openings at Amanda Storsenter this fall. We continue our work to establish a greater offering of services in the shopping centers, to maintain and develop our properties' positions as leading shopping destinations.

Lars Ove Løseth
CEO

Key figures

Group Key Figures		Q2 2022	Q1 2022	YTD 2022	2021
Rental Income	NOK	93 509 589	83 122 490	176 632 079	158 043 738
Net income from property management	NOK	81 169 373	71 321 160	152 490 533	129 008 000
		30.06.2022	31.03.2022	YTD 2022	31.12.2021
Market value of property portfolio	NOK	6 575 200 000	6 487 100 000	6 575 200 000	5 222 900 000
Net interest bearing debt *	NOK	2 395 016 428	2 987 144 912	2 395 016 428	2 377 271 564
Outstanding shares		30 962 431	24 510 796	30 962 431	20 550 400
Equity per share	NOK	131.3	135.8	131.3	130.7
Alternative performance measures*		Q2 2022	Q1 2022	YTD 2022	2021
Interest coverage ratio		2.4	2.6	2.5	3.2
Loan to Value (LTV) / Pro-forma**	%	36.4 / 52.5**	46.0	36.4 / 52.5**	45.5
EPRA earnings per share (EPS)	NOK	1.61	1.74	2.94	6.37
EPRA NRV per share	NOK	135	142	135	139
EPRA NTA per share	NOK	131	137	131	135
EPRA NDV per share	NOK	131	136	131	131
EPRA Net Initial Yield	%	5.16	5.24	5.16	5.56
EPRA Topped-Up Net Initial Yield	%	5.32	5.40	5.32	5.53
Net Initial Yield Fully Let	%	5.48	5.62	5.48	5.64
EPRA Vacancy Rate	%	2.8	3.9	2.8	2.0
* See Alternative Performance Measures for details.					
** Pro-forma balance sheet, including Gulskogen Senter and Arkaden Senter, see page 24 for explanation.					

Leasing portfolio summary		Q2 2022	Q1 2022	
Properties fully owned	#	6	6	
GLA	sqm	146 558	146 152	
Occupancy *	%	91.8	91.2	
WAULT	year	2.6	2.7	
Annualised cash passing rental income	MNOK	383 197	382 670	
* Occupancy = vacant leasing area / GLA.				
Leasing activity				
Leases started / expired		Q2 2022	Q1 2022	YTD 2022
Total area leases started	sqm	1 230	428	1 658
Total area leases expired	sqm	-	2 229	2 229
Net area leased	sqm	1 230	-1 801	-571
Net area leased	%	0.8	-1.2	-0.4
Average lease term	year	4.3	3.1	3.8
Leases extended				
Total area	sqm	1 978	4 192	6 170
Total area	%	1.3	2.9	4.2
Average extension	year	4.3	4.0	4.1
Leases signed (not started)				
Total area	sqm	3 505	4 314	
Total area	%	2.4	3.0	
Average lease term	year	9.2	9.2	
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.				



Acquisitions announced in Q2



Gulskogen Senter 100 % OWNERSHIP

The leading center in the Drammen region and a geographical overlap with Aurora Eiendom’s and Alti Forvaltning’s current presence.

Arkaden Senter 100 % OWNERSHIP

The most central shopping destination in Stavanger with good upside in active asset management.

Maxi Storsenter 25 % OWNERSHIP

A well-established shopping destination in Hamar, and exposure to a very attractive residential and retail development project.

Key facts		Gulskogen Senter	Arkaden Senter	Maxi Storsenter
Gross total area	sqm	81 428	21 980	33 510
Gross lettable area	sqm	40 019	13 645	20 794
Retail area	sqm	37 952	8 035	20 557
Vacant area	%	2	10	25
Parking spaces	#	1 100	70	1 050
Footfall 2021	millions	2.7	1.7	1.4
Gross turnover 2021	NOKm	1 482	304	515
Gross rental income – Run rate at 01.01.2022 ²	NOKm	124.3	27.6	34.4
Net rental income – Run rate at 01.01.2022 ³	NOKm	107.9	21.6	25.8
Gross asset value, excl. developement ⁴	NOKm	2 070	380	365
Gross asset value, incl. developement ^{4,5}	NOKm	2 070	380	490
Net asset value, incl. developement ⁴	NOKm	2 029	377	471
Gross asset value per GLA ⁴	NOK	51 725	27 849	17 553
Gross asset value per total gross area ⁴	NOK	25 421	17 288	10 279
Net yield ⁶	%	5.2	5.7	7.1

¹ Aurora Eiendom acquires 25 % of Maxi Storsenter.

² GRI excluded steps and discounts, added ongoing leasing operations and lease up of vacant area, less 2 % structural vacancy.

³ NRI equals GRI (run rate), less owner's costs (including owner's share of common costs) and management fee to Alti Forvaltning (5 % of GRI).

⁴ Gross and Net asset value before agreed deductions resulting from the technical due diligence.

⁵ Consideration payable (NOK 2 400m) is less than GAV due to tax discount, due diligence reduction and the equity portion in Maxi Storsenter which is only NOK 31m.

⁶ Implicit net yield calculated on GAV excluding developement on Maxi Storsenter.

Real estate portfolio

AURORA EIENDOM GROUP



Amanda Storsenter 100 %



Nerstranda Senter 100 %



Alti Nordbyen 100 %



Alti Vinterbro 100 %



Alti Farmandstredet 100 %



Buskerud Storsenter 100 %



Jærhagen Kjøpesenter 8.75 %



Alti Forvaltning 50 %



Gulskogen Senter 100 %



Arkaden Senter 100 %



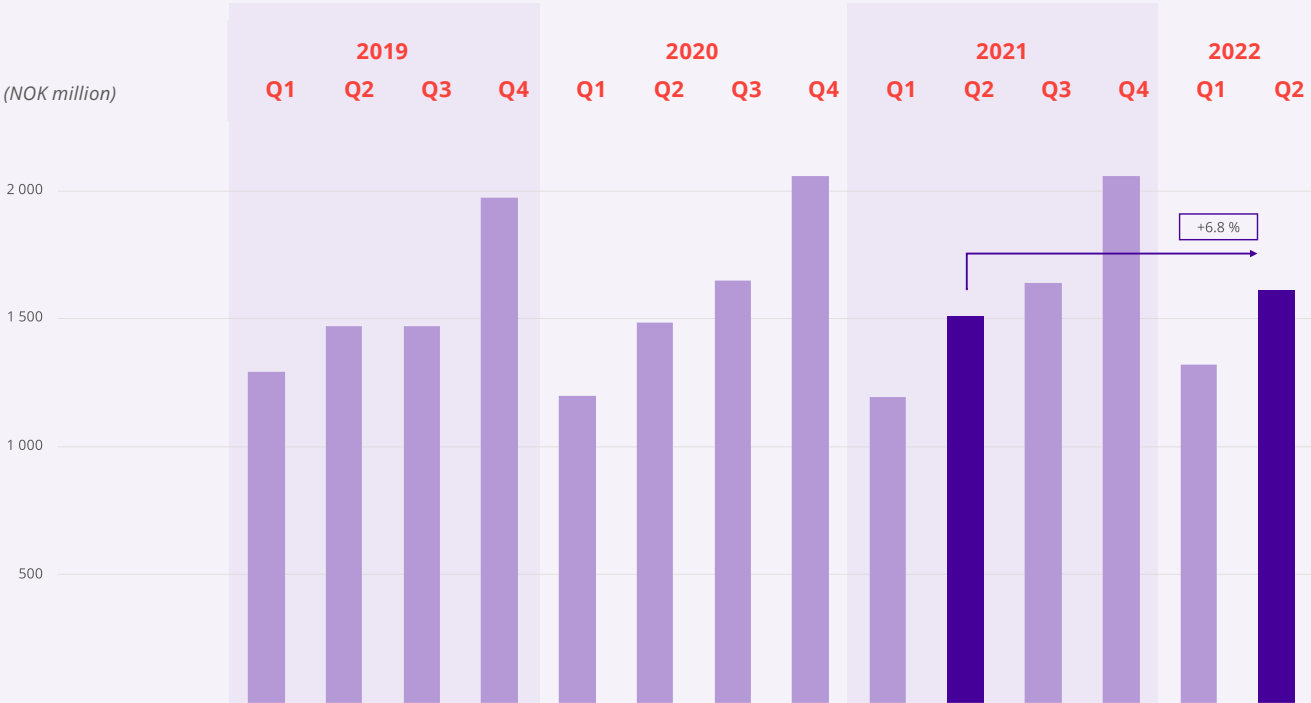
Maxi Storsenter 25 %

From 01.07.2022

- Gross tenant turnover in Aurora's portfolio of fully owned centers increased by 6.8 % from Q2 2021.
- For the first half of 2022 gross tenant turnover was 8.4 % above the first half of 2021.
- We observe that the growth in tenant turnover is slowing down over the summer – due to the extraordinary good summer for retail last year – and the fact that people are travelling more abroad.
- We are still observing positive growth levels compared to the years before the pandemic.

Gross Tenant Turnover

(NOK million)



Sum	1 292	1 469	1 472	1 971	1 200	1 486	1 648	2 059	1 196	1 508	1 641	2 057	1 320	1 611
Amanda Storsenter *	254	277	270	378	221	231	266	349	213	243	261	345	218	271
Nerstranda Senter	97	102	97	132	89	89	103	132	92	104	110	140	100	116
Alti Nordbyen	113	139	151	168	103	131	150	162	96	136	158	173	116	150
Alti Vinterbro	322	364	373	483	329	451	465	604	358	439	437	542	362	401
Alti Farmandstredet	269	323	328	429	236	300	356	413	207	318	378	454	279	362
Buskerud Storsenter	236	263	254	380	221	284	307	398	231	268	296	403	245	311

* Turnover includes Coop OBS!, not owned by Aurora

Financial developments

Rental income

Gross rental income in the quarter was NOK 93.5 million compared to NOK 83.1 million in Q1. The increase is mainly due to Buskerud Storsenter being accounted for the entire quarter vs only for March in Q1.

Property related operational expenses and administrative expenses

Property related operational expenses consist of maintenance, property tax, leasehold insurance, and other direct property costs. These amounted to NOK 5.2 million for Q2, compared to NOK 6.4 million in Q1. Please see note 4 for further details.

Administrative expenses were NOK 5.4 million, compared to NOK 4.0 million in the previous quarter. This represents the fee paid to Alti Forvaltning AS for managing the six 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. The increase from Q1 was mainly due to the payment of board remuneration, and full-quarter management of Buskerud Storsenter.

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 1.7 million and include legal fees and fees to Euronext Growth and VPS in connection with the private placement completed in Q2.

Net income from property management

Net income from property management amounted to NOK 81.2 million (NOK 71.3 million in Q1).

Fair value adjustments of investment properties

The fair value of the investment properties was adjusted by NOK 81.2 million in the quarter. The Group's investment properties portfolio consists of six 100 % owned shopping centers. The Group's investment properties are valued by an external valuer on a quarterly basis.

Gulskogen Senter and Arkaden Senter were acquired on July 1st 2022, and from Q3 Aurora will have eight fully owned shopping centers.

Share of results from associated companies

Aurora Eiendom has three associated companies:

- Alti Forvaltning AS owned 50%
- 8,75% indirect ownership in Jærhagen Kjøpesenter through JHG Invest AS
- 25% of Hamar Storsenter Holding AS

The Group's share of profit in these companies amounted to NOK 1.5 million in Q2. This figure includes amortization of NOK 1.3 million of the excess book value on the shares in Alti Forvaltning.

The 25 % stake of Maxi Storsenter in Hamar was acquired on July 1st through the SPV Hamar Storsenter Holding AS. The investment in Hamar Storsenter Holding of NOK 31.25 million was made in June pending the closing of the transaction. The investment in Maxi Storsenter is thus included in the balance sheet per 30.06.22 but has no effect on the profit and loss statement in the quarter.

Financial income

Financial income is mainly interests on cash and cash equivalents.

Fair value adjustments on interest rate derivatives

Aurora Eiendom AS has ten swap agreements. Market value and position of these contracts amounted to NOK 143.2 million by the end of the quarter.

Swap agreements

<i>Financial instrument</i>	<i>Principal amount</i>	<i>Remaining term in years</i>	<i>Swap rate</i>	<i>Start date</i>	<i>Maturity date</i>
Interest rate swap 1	396 000 000	9.3	1.883 %	01.10.2021	01.10.2031
Interest rate swap 2	250 000 000	9.3	1.696 %	17.12.2021	01.10.2031
Interest rate swap 3	141 418 201	9.3	2.050 %	13.10.2021	01.10.2031
Interest rate swap 4	113 163 601	9.3	2.050 %	03.01.2022	01.10.2031
Interest rate swap 5	140 711 109	9.3	1.990 %	03.01.2022	01.10.2031
Interest rate swap 6	88 662 210	9.3	1.880 %	01.10.2021	01.10.2031
Interest rate swap 7	70 000 000	9.5	1.720 %	03.01.2022	02.01.2032
Interest rate swap 8	90 000 000	9.5	1.730 %	03.01.2022	02.01.2032
Interest rate swap 9	90 000 000	9.5	1.730 %	03.01.2022	02.01.2032
Interest rate swap 10	110 000 000	9.7	2.135 %	09.03.2022	09.03.2032
1 489 955 121			1.881 %		

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Financial expenses

Financial expenses in the quarter amounted to NOK 34.3 million and are mainly related to interest and fees on interest-bearing debt.

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

(NOK million)	Nominal amount 30.06.2022	Margin over 3 month NIBOR	Repayment profile				
			2022	2023	2024	2025	Total
Bank loan 1	3 126	2.25 %	31	62	3 033	0	3 126
Bank loan 2	266	1.95 %	0	2	264	0	266
Bank loan 3	1 470	1.95 %	22	44	44	1 360	1 470
Total long-term debt	4 862		53	108	3 341	1 360	4 862
From 01.07.22	All-in interest rate						
Seller´s credit	200	5.00 %	0	0	0	200	200

Summary

Profit before income tax was NOK 48.4 million.
Pre-tax profit, including fair value adjustments of investment properties and interest rate derivatives, was NOK 182.6 million.

Balance sheet

The Group's assets amounted to NOK 9 330 million. Of this, investment properties amounted to NOK 6 575 million. The acquisitions of Gulsbogen Senter and Arkaden Senter were completed on July 1st and are not reflected in the balance sheet as assets per 30.06.22.
The investment in Hamar Storsenter Holding of NOK 31.25 million was made in June pending the closing of the acquisition of Maxi Storsenter on July 1st. The investment is thus included as “Investment in joint ventures and associated companies” in the balance sheet.

Interest bearing debt was NOK 4 847 million (amortized) at the end of the quarter (NOK 4 862 million in nominal amounts). New debt – amounting to NOK 1 470 million – established to finance the acquisitions completed in Q3 is included in this amount.

On July 1st, in connection with the acquisition of Gulsbogen Senter and Arkaden Senter, Aurora Eiendom established a seller's credit of NOK 200 million.

The equity totaled NOK 4 065 million (43.6 %). Aurora Eiendom completed a private placement in June 2022 raising a total of NOK 600 million in gross proceeds. The new share capital was registered on 29.06.22. Following the registration, the Company's share capital is NOK 2 322 182 325 divided into 30 962 431 shares.

Financing

The Group's debt portfolio consists of long-term debt with Norwegian banks. The average remaining term for the debt portfolio is 2.17 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 cover ratio. Aurora Eiendom was in compliance with conditions in the credit agreements as of 30.06.2022.

Cash flow and liquidity

Net cash flow from operating activities was NOK 35.3 million. Net cash flow from investments was NOK -33.8 million and net cash flow from financing activities was NOK 2 061 million.

Cash flow from investment activities includes dividends received from Alti Forvaltning (NOK 2,5 million) and JHG Invest (NOK 1,75 million). The net change in cash and cash equivalents was NOK 2 062 million, and cash and cash equivalents at the end of the period were NOK 2 467 million.

The cash deposits include proceeds from the private placement of NOK 600 million and the establishment of a new green loan facility of NOK 1 470 million, both in June. These deposits are held on the account pending completion of the acquisitions of Gulsbogen Senter and Arkaden Senter on July 1st.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Aurora Eiendom	Note	Q2 2022	Q1 2022	YTD 2022	2021
Rental income		93 509 589	83 122 490	176 632 079	158 043 738
Property related operational expenses	4	-5 174 232	-6 447 658	-11 621 890	-15 161 419
Net rental income		88 335 357	76 674 832	165 010 189	142 882 319
Other income		10 264	21 253	31 517	275 602
Other operating expenses	4	-1 733 435	-1 325 110	-3 058 545	-6 635 017
Administrative expenses	4	-5 442 814	-4 049 815	-9 492 629	-7 514 904
Net income from property management		81 169 373	71 321 160	152 490 533	129 008 000
Fair value adjustment, investment property	2	81 252 803	174 113 633	255 366 436	754 614 898
Share of profit from JV and associates		1 482 709	26 718	1 509 427	-166 251
Operating profit		163 904 885	245 461 511	409 366 396	883 456 647
Financial income		59 938	19 228	79 166	160 768
Fair value adjustments, interest rate derivatives	1	52 980 245	98 935 139	151 915 384	-8 710 592
Financial expenses		-34 326 777	-27 308 224	-61 635 001	-40 164 446
Net financial items		18 713 406	71 646 143	90 359 549	-48 714 270
Profit before income tax		182 618 290	317 107 654	499 725 944	834 742 377
Change in deferred tax		-31 490 811	-69 757 806	-101 248 617	-170 008 304
Income tax payable		-6 853 138	-5 204 844	-12 057 982	-11 938 996
Income tax		-38 343 949	-74 962 650	-113 306 599	-181 947 300
Profit		144 274 341	242 145 004	386 419 345	652 795 077
Other Comprehensive income					
Total comprehensive income for the period / year		144 274 341	242 145 004	386 419 345	652 795 077
Profit attributable to:					
Shareholders of the parent		144 274 341	242 145 004	386 419 345	652 795 077
Total comprehensive income attributable to:					
Equity holders of the Company		144 274 341	242 145 004	386 419 345	652 795 077
Basic = diluted earnings per share		5.85	10.98	16.54	59.18

CONSOLIDATED BALANCE SHEET – ASSETS

Non-current assets	Note	30.06.2022	31.03.2022	31.12.2021
Investment properties	2	6 575 200 000	6 487 100 000	5 222 900 000
Investment in joint ventures and associated companies		118 233 488	89 750 779	89 724 061
Receivables		2 022 206	2 411 063	1 256 126
Derivative financial instruments	3	143 204 791	90 224 547	4 428 480
Total non-current assets		6 838 660 485	6 669 486 389	5 318 308 667
Current assets				
Trade receivables	3	11 485 395	10 373 529	2 340 358
Other current asset		12 682 835	5 407 605	13 198 657
Cash and cash equivalents	3	2 466 970 202	404 841 718	288 715 066
Total current assets		2 491 138 432	420 622 852	304 254 081
Total assets		9 329 798 917	7 090 109 241	5 622 562 748

CONSOLIDATED BALANCE SHEET – EQUITY & LIABILITIES

Equity	Note	30.06.2022	31.03.2022	31.12.2021
Share capital		2 322 182 325	1 838 309 700	1 541 280 000
Share premium		703 763 154	594 612 882	492 656 586
Retained earning		1 039 214 422	894 940 081	652 795 077
Total equity		4 065 159 901	3 327 862 663	2 686 731 663
Long-term liabilities				
Loans	3	4 577 734 115	3 209 759 262	2 524 568 870
Derivative financial instruments	3	-	-	13 139 072
Lease liabilities		11 314 176	11 488 577	11 859 429
Deferred tax liabilities		271 256 921	239 766 110	170 008 304
Total long-term liabilities		4 860 305 212	3 461 013 949	2 719 575 675
Short-term liabilities				
Loans	3	269 580 518	169 495 439	129 830 681
Income tax payable		39 460 497	32 607 359	17 169 515
Trade payables	3	20 204 810	23 492 241	15 532 464
Current lease liabilities		1 286 962	1 483 408	1 483 407
Other current liabilities	3	73 801 018	74 154 182	52 239 343
Total short-term liabilities		404 333 805	301 232 629	216 255 410
Total liabilities		5 264 639 017	3 762 246 578	2 935 831 085
Total liabilities and shareholders' equity		9 329 798 917	7 090 109 241	5 622 562 748

CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Total equity
Equity at 31.12.2020	-	-	-	-
Share issue	1 541 280 000	513 750 000	-	2 055 030 000
Transaction cost equity issue net of tax	-	-21 093 414	-	-21 093 414
Profit for period	-	-	652 795 077	652 795 077
Equity at 31.12.2021	1 541 280 000	492 656 586	652 795 077	2 686 731 663
Share issue 25.02.2022	297 029 700	102 970 296	-	399 999 996
Transaction cost equity issue net of tax	-	-1 014 000	-	-1 014 000
Profit for period	-	-	242 145 004	242 145 004
Equity at 31.03.2022	1 838 309 700	594 612 882	894 940 081	3 327 862 663
Share issue 29.06.2022	483 872 625	116 129 430	-	600 002 055
Transaction cost equity issue net of tax	-	-6 979 158	-	-6 979 158
Profit for period	-	-	144 274 341	144 274 341
Total equity at 30.06.2022	2 322 182 325	703 763 154	1 039 214 422	4 065 159 901

STATEMENT OF CASH FLOWS

	Q2 2022	Q1 2022	YTD 2022	2021
Profit before tax	182 618 290	317 107 654	499 725 944	834 742 376
Net expensed interest and fees on loans and leases	34 326 777	27 308 224	61 635 001	39 436 819
Net interest and fees paid on loans and leases	-30 168 458	-22 694 766	-52 863 224	-31 794 110
Share of profit from associates and jointly controlled entities	-1 482 709	-26 718	-1 509 427	166 251
Changes in value of investment properties	-81 252 803	-174 113 633	-255 366 436	-754 614 898
Changes in value of financial instruments	-52 980 245	-98 935 139	-151 915 384	8 710 592
Change in working capital	-15 768 736	18 517 253	2 748 517	-326 264
Net cash flow from operating activities	35 292 116	67 162 875	102 454 991	96 320 767
Acquisitions of investment properties	-	-1 072 393 925	-1 072 393 925	-4 405 106 502
Investment in and upgrades of investment properties	-6 847 197	-2 971 442	-9 818 639	-5 887 158
Investments in associates and JVs	-31 250 000			-89 890 313
Dividends from associates and JVs	4 250 000		-	-
Net cash flow from investment acitivities	-33 847 197	-1 075 365 367	-1 082 212 564	-4 500 883 973
Proceeds interest bearing debt	1 470 000 000	750 000 000	2 220 000 000	2 665 986 630
Repayment interest bearing debt	-	-24 000 000	-24 000 000	-
Repayment of lease liabilities	-370 852	-370 852	-741 704	-732 788
Proceeds from issue of shares / repurchase of shares	591 054 416	398 699 996	989 754 412	2 028 024 430
Net cash flow from financing activities	2 060 683 564	1 124 329 144	3 185 012 708	4 693 279 272
Change in cash and cash equivalents	2 062 128 484	116 126 652	2 178 255 136	288 715 066
Cash and cash equivalents at beginning of period	404 841 718	288 715 066	288 715 066	-
Cash and cash equivalents at end of period	2 466 970 202	404 841 718	2 466 970 202	288 715 066



Pro-forma balance sheet

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 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.

In order 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.

PRO-FORMA BALANCE SHEET – ASSETS			
	Pro-forma 30.06.2022	30.06.2022	31.12.2021
Non-current assets			
Investment properties	9 025 200 000	6 575 200 000	5 222 900 000
Investment in joint ventures and associated companies	118 233 488	118 233 488	89 724 061
Receivables	2 022 206	2 022 206	1 256 126
Derivative financial instruments	143 204 791	143 204 791	4 428 480
Total non-current assets	9 288 660 485	6 838 660 485	5 318 308 667
Current assets			
Trade receivables	14 594 769	11 485 395	2 340 358
Other current asset	23 004 744	12 682 835	13 198 657
Cash and cash equivalents	324 677 718	2 466 970 202	288 715 066
Total current assets	362 277 231	2 491 138 432	304 254 081
Total assets	9 650 937 716	9 329 798 917	5 622 562 748

PRO-FORMA BALANCE SHEET – EQUITY & LIABILITIES

	Pro-forma 30.06.2022	30.06.2022	31.12.2021
Equity			
Share capital	2 322 182 325	2 322 182 325	1 541 280 000
Share premium	703 763 154	703 763 154	492 656 586
Retained earning	1 097 403 251	1 039 214 422	652 795 077
Total equity	4 123 348 730	4 065 159 901	2 686 731 663
Long-term liabilities			
Loans	4 777 734 115	4 577 734 115	2 524 568 870
Derivative financial instruments	0	-	13 139 072
Lease liabilities	11 314 176	11 314 176	11 859 429
Deferred tax liabilities	287 669 155	271 256 921	1 700 083 034
Total long-term liabilities	5 076 717 446	4 860 305 212	2 719 575 675
Short-term liabilities			
Loans	269 580 518	269 580 518	129 830 681
Income tax payable	46 281 306	39 460 497	17 169 515
Trade payables	21 700 061	20 204 810	15 532 464
Current lease liabilities	1 286 962	1 286 962	1 483 407
Other current liabilities	112 022 693	73 801 018	52 239 343
Total short-term liabilities	450 871 540	404 333 804	216 255 410
Total liabilities	5 527 588 986	6 264 639 016	2 935 831 085
Total liabilities and shareholders' equity	9 650 937 716	9 329 798 917	5 622 562 748



Notes

- 1

ACCOUNTING PRINCIPLES
- 2

INVESTMENT PROPERTIES
- 3

FINANCIAL ASSETS AND FINANCIAL LIABILITIES
- 4

COSTS
- 5

EVENTS AFTER THE BALANCE SHEET DATE

NOTE 1 – ACCOUNTING PRINCIPLES

The financial statements for Q2-2022 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 2021. The interim financial statements for Q2-2022 have not been audited.

NOTE 2 – INVESTMENT PROPERTY

	Q2 2022
Opening balance as at 01 April 2022	6 487 100 000
Additions from acquisitions	0
Investment in the property portfolio	6 847 197
Net gain / loss on changes in fair value	81 252 803
As of 30 June 2022	6 575 200 000

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 latest valuation was carried out 30.06.2022.

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.

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NOTE 2 – INVESTMENT PROPERTY

The following main inputs have been used:	
Valuation data	30.06.2022
Valuation method	DCF
Valuation level	3
Weighted average exit yield (%) excluding development projects	5.56 %
Exit yield range	5.29 % - 6.03 %
Long term operating expense growth (%)	2.0 %
Long term growth rate in real rental terms (%)	2.0 %
Number of properties	6
Changes in fair value is recognised in the period to which the profit/loss relates. Investment properties are not depreciated.	
There are no restrictions on when the investment properties can be realised. Revenue from sales must in part 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.	

NOTE 3 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Q2 2022	Q2 2022
Assets	Amortized cost	Fair value
Financial derivatives		143 204 791
Accounts receivable	11 485 395	
Cash and cash equivalents	2 466 970 202	
Total Financial assets	2 478 455 597	143 204 791
>>		

NOTE 3 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Liabilities	Q2 2022	Q2 2022
Interest bearing loans and borrowings	Amortized cost	Fair value
Bank Loan 1	3 114 681 952	
Bank Loan 2	266 028 698	
Bank Loan 3	1 466 603 983	
Trade payables	20 204 810	0
Total financial liabilities	4 867 519 443	0
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 amortized cost. Per 30.06.2022 the Group did not have financial instruments other than those mentioned above.		
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 is 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 2 "Investment property".		

NOTE 4 – COSTS

REAL ESTATE RELATED COSTS				
Operating costs	Q2 2022	Q1 2022	YTD 2022	2021
Maintenance	340 546	411 261	751 807	4 513 453
Leasehold and property insurance	1 017 561	918 801	1 936 362	2 060 509
Other expenses / direct property costs	3 816 125	5 117 596	8 933 721	8 587 457
Sum	5 174 232	6 447 658	11 621 890	15 161 419
Expenses directly related to the operation of existing properties are presented as real estate related costs.				
>>				

NOTE 4 – COSTS

OTHER COSTS				
Other operating expenses	Q2 2022	Q1 2022	YTD 2022	2021
Advertising	64 125	30 759	94 884	630 250
Consultancy fees and external personnel	1 097 999	971 210	2 069 209	2 364 740
Other operating costs	571 311	323 141	894 452	3 640 027
Total operating expenses	1 733 435	1 325 110	3 058 545	6 635 017
Administrative expenses				
Administrative expenses	4 405 414	4 049 815	8 455 229	7 514 904
Board remuneration	1 037 400	0	1 037 400	0
Total	5 442 814	4 049 815	9 492 629	7 514 904
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 5 – EVENTS AFTER THE BALANCE SHEET DATE

The acquisition of Gulsbogen Senter, Arkaden Senter and 25 % of Maxi Storsenter was closed on July 1st. Alti Forvaltning took over the management of these shopping centers from this date.

Outlook

Aurora Eiendom started its operations in July 2021 by investing in five shopping centers. A year after this, we now own eight and have ownership in further two centers. Our 50 % owned management company Alti Forvaltning has also grown and today has 37 centers under management, which makes the company the second largest in Norway for shopping center management.

Aurora Eiendom and Alti form a strong alliance in the Norwegian shopping center industry, which is the key to further growth and positive development of our centers. Aurora Eiendom's ambition is to create value for our owners and tenants. We will do this by continuing to develop the shopping centers to become tomorrow's meeting places, which respond to consumer expectations and changing trends.

We see that shopping centers continue to be attractive places to shop and that consumers largely make use of physical shopping. After the pandemic, we saw strong turnover growth in the shopping centers and good profitability in most industries. In 2022, we see turnover growth leveling off, but visitor numbers picking up. The shopping centers' tenant turnover growth is still well above 2019, which was the last normal year before the pandemic.

The world situation has changed dramatically this half year, with war in Europe, energy crisis, inflation and higher market interest rates. For Aurora, this will have three specific consequences.

- Financing costs will rise for the floating part of our interest-bearing debt. Some of the increase will, however, be compensated by most of our leases being 100 % CPI adjusted.
- The cost of electricity has soared in the areas where most of our shopping centers are located. Alti Forvaltning has established fixed price agreements for parts of the energy consumption, and extraordinary measures are implemented especially with regards to energy efficiency. Although our properties are still exposed to the increase in electricity costs, these measures will somewhat reduce the impact. The increased costs will not have an immediate impact on Aurora, because electricity mainly is a part of the common costs, but lead to increased costs and reduced profitability for our tenants, which entails a risk for the company in the longer term.
- Consumers experience higher costs. However, there is high employment in Norway and Norwegian workers have had a good wage development this year. So far, we see that turnover in the shopping centers is developing positively.

Aurora Eiendom, together with Alti Forvaltning, will work systematically to develop future meeting places where visitors can do as many errands as possible under the same roof. We believe that the combination of the best locations and one of Norway's strongest shopping center management environments is the key to further growth and development – and value creation for our investors and tenants.



Petter A. Stordalen
Chairman of the Board



Lars Løseth
Board member



Johan Johannson
Board member



Sigurd Stray
Board member



Marius Varner
Board member



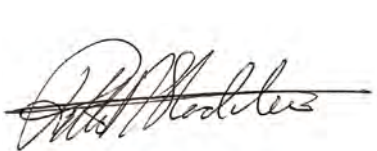
Lars Ove Løseth
CEO

Responsibility Statement

To the best of our knowledge, we declare that:

- The consolidated financial statements for the half-year report 2022 have been prepared in accordance with IAS 34 – Interim reporting.
- The information in the consolidated financial statements pr 30.06.2022 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, 15TH AUGUST 2022



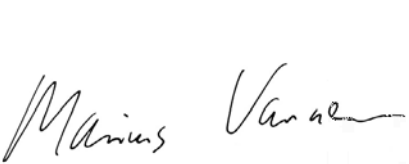
Petter A. Stordalen
Chairman of the Board



Lars Løseth
Board member



Johan Johansson
Board member



Marius Varner
Board member



Sigurd Stray
Board member



Lars Ove Løseth
CEO

Sustainability in Aurora Eiendom

Aurora's work in this area aims to enhance the properties' sustainability, increase the company's attractiveness as a lessor and strengthen the centers as shopping destinations.

The work is mainly focused on around two aspects. First, environmental efficiency improvement of the properties, where our highest focus is given to conserving energy and reducing waste. Second, Alti uses its broad visibility in local communities, combined with our marketing channels, to inform our visitors about sustainable choices in products and services offered at the centers.

The property portfolio is managed by Alti Forvaltning AS, and Aurora's goals and general approach towards sustainability are therefore closely intertwined with that of the management company. Alti Forvaltning has taken its work in sustainability to the next level this quarter, by hiring a sustainability manager.

Most of the property portfolio is classified BREEAM in-use Very Good. In addition, Jærhagen is Eco-lighthouse ("Miljøfyrtårn") certified. The remaining properties are undergoing certification and expected to be certified around the turn of the year.



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)	Pro-forma * 30.06.2022	30.06.2022	31.03.2022	31.12.2021
Fair value of investment properties	9 025 200 000	6 575 200 000	6 487 100 000	5 222 900 000
Nominal interest- bearing debt	5 061 986 630	4 861 986 630	3 391 986 630	2 665 986 630
Cash and bank deposits	324 677 718	2 466 970 202	404 841 718	288 715 066
Net interest-bearing debt	4 737 308 912	2 395 016 428	2 987 144 912	2 377 271 564
Loan to value	52.5 %	36.4 %	46.0 %	45.5 %

* Pro-forma balance sheet, including Gulskogen Senter and Arkaden Senter, see page 24 for explanation.

2. INTEREST COVERAGE RATIO (ICR)

	Q2 2022	Q1 2022	YTD 2022	2021
Net income from property management	81 169 373	71 321 160	152 490 533	129 008 000
Financial expenses	34 326 777	27 308 224	61 635 001	40 164 446
Interest coverage ratio	2.4	2.6	2.5	3.2

3. EPRA PERFORMANCE MEASURES

		Unit	Q2 2022	Q1 2022	YTD 2022	2021
A	EPRA earnings per share (EPS)	NOK	1.61	1.74	2.94	6.37
B	EPRA NRV per share	NOK	135	142	135	139
	EPRA NTA per share	NOK	131	137	131	135
	EPRA NDV per share	NOK	131	136	131	131
C	EPRA Net Initial Yield	%	5.16	5.24	5.16	5.56
	EPRA Topped-Up Net Initial Yield	%	5.32	5.40	5.32	5.53
D	EPRA Vacancy Rate	%	2.8	3.9	2.8	2.0

A. EPRA EARNINGS QUARTERLY

All amounts in NOK million

	IFRS reported	EPRA adjustments	EPRA Earnings
Rental income	94		94
Operating costs	-5		-5
Net operating income	88	-	88
Other revenue	0		0
Other costs	-2		-2
Administrative costs	-5		-5
Share of profit from associates and JVs	1		1
Net realised financials	-34		-34
Net income	48	-	48
Changes in value of investment properties	81	-81	-
Changes in value of financial instruments	53	-53	-
Profit before tax / EPRA Earnings before tax	183	-134	48
Tax payable	-7		-7
Change in deferred tax	-31	30	-2
Profit for period/EPRA Earnings	144	-105	40
Average outstanding shares (million)			24.7
EPRA Earnings per share (NOK)			1.61

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	Year to date		
All amounts in NOK million	IFRS reported	EPRA adjustments	EPRA Earnings
Rental income	177		177
Operating costs	-12		-12
Net operating income	165	-	165
Other revenue	0		0
Other costs	-3		-3
Administrative costs	-9		-9
Share of profit from associates and JVs	2		2
Net realised financials	-62		-62
Net income	92	-	92
Changes in value of investment properties	255	-255	-
Changes in value of financial instruments	152	-152	-
Profit before tax / EPRA Earnings before tax	500	-407	92
Tax payable	-12		-12
Change in deferred tax	-101	90	-12
Profit for period/EPRA Earnings	386	-318	69
Average outstanding shares (million)			23.4
EPRA Earnings per share (NOK)			2.94

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3. EPRA PERFORMANCE MEASURES

B. EPRA NET ASSET VALUE METRICS	Q2 2022		
	NRV	NTA	NDV
IFRS Equity	4 065	4 065	4 065
Net Asset Value (NAV) at fair value	4 065	4 065	4 065
Deferred tax properties and financial instr	271	271	
Estimated real tax liability		136	
Net fair value on financial derivatives	-143	-143	
EPRA NAV	4 193	4 058	4 065
Outstanding shares at period end (million)	31.0	31.0	31.0
EPRA NAV per share (NOK)	135	131	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 illuatre 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		30.06.2022	31.03.2022	31.12.2021	30.09.2021
(NOK million)					
Investment property – wholly owned		6 575	6 487	5 224	5 207
Less: developments		-169	-169	-92	-94
Completed property portfolio		6 407	6 318	5 132	5 114
Allowance for estimated purchasers' costs		13	13	10	10
Gross up completed property portfolio valuation	B	6 419	6 331	5 142	5 124
Annualised cash passing rental income		383	383	315	314
Property outgoings		-52	-51	-40	-39
Annualised net rents	A	331	332	275	275
Add: notional rent expiration of rent free periods or other lease incentives		10	10	9	9
Topped-up net annualised rent	C	342	342	284	284
Add: market rent of vacant space		10	14	6	5
Fully let net annualised rent	D	351	356	290	289
EPRA NIY	A/B	5.16 %	5.24 %	5.36 %	5.37 %
EPRA “topped-up” NIY	C/B	5.32 %	5.40 %	5.53 %	5.54 %
Fully let net yield	D/B	5.48 %	5.62 %	5.64 %	5.63 %
Exit yield		5.56 %	5.52 %	5.56 %	5.51 %

EPRA initial yields do not include Jærhagen Kjøpesenter.

Market value of investment properties and development projects are independently valued by Cushman & Wakefield. The latest valuation was carried out 30 June 2022.

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.

3. EPRA PERFORMANCE MEASURES

D. EPRA VACANCY RATE		30.06.2022	31.03.2022	31.12.2021	30.09.2021
(NOK million)					
Estimated Rental Value of vacant space	A	10	14	6	5
Estimated rental value of the whole portfolio	B	351	356	290	289
EPRA Vacancy Rate	A/B	2.8 %	3.9 %	2.0 %	1.6 %
The market rent of vacant space is based on the independent valuation. EPRA vacancy rate does not include Jærhagen Kjøpesenter.					



AURORA

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Financial calendar

Date

Wednesday 16.11.2022

Thursday 16.02.2023

Report

Quarterly Report – Q3 2022

Quarterly Report – Q4 2022

www.aurora.no