

AURORA

Q3

2022
REPORT



AURORA EIENDOM Q3 2022 REPORT

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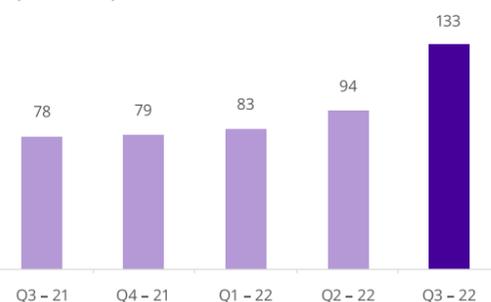
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HIGHLIGHTS AND SUMMARY OF THE

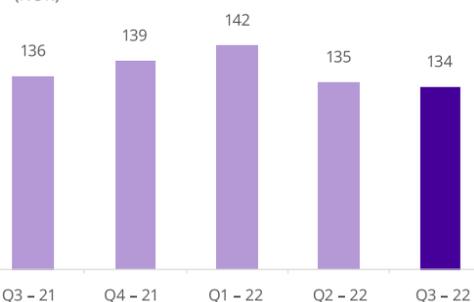
Third quarter of 2022

- Rental income in Q3 was NOK 132.6 million (NOK 78.6 million). Aurora Eiendom's portfolio in 2021 consisted of five shopping centers acquired in July 2021. Aurora Eiendom has increased its portfolio of shopping centers with Buskerud Storsenter, Gulskogen Senter and Arkaden Senter during 2022.
- The quarter's gross tenant turnover in our wholly owned centers was NOK 2 019 million, which is a reduction of 4.4 % compared to Q3 2021.
- The quarter witnessed positive development in leasing activity, Net new area leased was 2 566 sqm, resulting in a positive development in occupancy of 1.3 %. In addition, leases of a total area of 11 039 were extended, with an average extension of 7.1 years.
- The acquisition of Gulskogen Senter, Arkaden Senter and 25 % of Maxi Storsenter was successfully closed on July 1st. The centers are now managed by Alti Forvaltning.

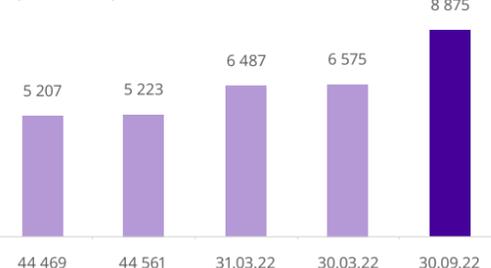
Gross rental income
(NOK million)



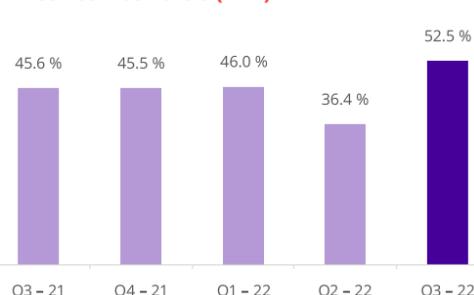
EPRA NRV per share
(NOK)



Value of investment properties
(NOK million)



Net Loan to value (LTV)



LETTER FROM THE CEO

Solid operations



The quarter has been characterized by widespread price growth and the continued effort by Norges Bank to curb inflation by interest rate hikes. This volatile macroeconomic climate affects Aurora Eiendom directly through increased interest rates, and indirectly by causing a rise in costs for our tenants.

As expected, tenant turnover levels, adjusted for inflation, are moving towards normalization after the pandemic levels. With so many macroeconomic factors at play, it's difficult to measure which ones have an effect and which ones don't. With tenant turnover levels still above 2019 it does not seem that the reduced purchasing power has had an impact so far. What on the other hand was noticeable was that Norwegians spent their holiday abroad again this summer, with the tenant turnover in July and beginning of August coming down from the high levels of the past two years. Compared to last year the quarter ended with a reduction of 4.4 %, with the lion's share of the reduction connected to the summer holidays.

Our shopping centers offer goods and services of which capital goods make up a smaller proportion. They are thus somewhat less sensitive to the cost increases we are now seeing in the short term. At the same time, we have to be prepared to see a decline in tenant turnover levels going forward if the cost levels remain for a longer period of time.

Despite unpredictable times and increasing cost we are still experiencing a solid demand for retail areas at our shopping centers, and it has been an active third quarter in leasing activities. With a net leased area of 2 566 sqm the occupancy rate is increased with 1.3 % and we have extended lease agreements on a total area of 11 039 sqm, corresponding to 5.5 % of the portfolio's gross lettable area.

Increased interest rates are forcing the valuation yields upwards, and the external appraisers have increased the weighted average valuation yield for the portfolio with 0.28 percentage points since the second quarter. The positive development in leasing activities and further increased inflation expectations have a countervailing effect on the value adjustment, which for the quarter ended at a write down of NOK 85 million for the shopping center portfolio.

We have since the acquisition of Gulskogen Senter, Arkaden Kjøpesenter and a 25 % share of Maxi Storsenter 1st of July been working to take over the operations and getting to know the new centers. The takeover process has been successful, and as we get better acquainted with the centers new opportunities emerge.

As we have previously experienced, we do not only gain a new center through an acquisition, but we also gain new competence to the management company by bringing each center's administration on board. Each and every one is important to our vision of creating an ideal environment for both tenants and customers.

Lars Ove Løseth
CEO

Key figures

Group Key Figures

		Q3 2022	Q3 2021	YTD 2022	2021
Rental Income	NOK	132 567 590	78 624 927	309 199 669	158 043 738
Net income from property management	NOK	109 028 571	61 005 029	261 519 103	129 008 000

		30.09.2022	30.09.2021	YTD 2022	2021
Market value of property portfolio	NOK	8 875 200 000	5 207 400 000	8 875 200 000	5 222 900 000
Net interest bearing debt *	NOK	4 660 744 378	2 374 155 048	4 660 744 378	2 377 271 564
Outstanding shares		30 962 431	20 550 400	30 962 431	20 550 400
Equity per share	NOK	131.0	128.4	131.0	130.7

Alternative performance measures *

		Q3 2022	Q3 2021	YTD 2022	2021
Interest coverage ratio		2.1	3.4	2.3	3.2
Loan to Value (LTV)	%	52.5	45.6	52.5	45.5
EPRA earnings per share (EPS)	NOK	1.49	1.69	4.43	6.37
EPRA NRV per share	NOK	134	136	134	139
EPRA NTA per share	NOK	130	132	130	135
EPRA NDV per share	NOK	131	128	131	131
EPRA Net Initial Yield	%	5.30	5.37	5.30	5.36
EPRA Topped-Up Net Initial Yield	%	5.45	5.54	5.45	5.53
Net Initial Yield Fully Let	%	5.60	5.63	5.60	5.64

* See Alternative Performance Measures for details.

Leasing portfolio summary

		Q3 2022	Q2 2022	Q1 2022
Properties fully owned	#	8	6	6
GLA	sqm	201 905	146 558	146 152
Occupancy *	%	93.6	91.8	91.2
WAULT	year	2.6	2.6	2.7
Annualised cash passing rental income	MNOK	534 427	383 197	382 670

* Occupancy = occupied leasing area / GLA.

Leasing activity

Leases started / expired

		Q3 2022	Q2 2022	Q1 2022	YTD 2022
Total area leases started	sqm	4 406	1 230	428	6 064
Total area leases expired	sqm	1 840	-	2 229	4 069
Net area leased	sqm	2 566	1 230	(1 801)	1 995
Net area leased	%	1.3	0.8	-1.2	1.0
Average lease term	year	7.2	4.2	3.1	6.3

Leases extended

Total area	sqm	11 039	1 978	4 192	17 209
Total area	%	5.5	1.3	2.9	8.5
Average extension	year	7.1	4.3	4.0	5.7

Leases signed (not started)

Total area	sqm	2 281	3 505	4 314
Total area	%	1.1	2.4	3.0
Average lease term	year	9.0	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 and Maxi Storsenter.

Real estate portfolio

AURORA EIENDOM GROUP



Alti Farmandstredet 100 %



Alti Nordbyen 100 %



Alti Vinterbro 100 %



Amanda Storsenter 100 %



Arkaden Senter 100 %



Buskerud Storsenter 100 %



Gulskogen Senter 100 %



Nerstranda Senter 100 %



Alti Forvaltning 50 %



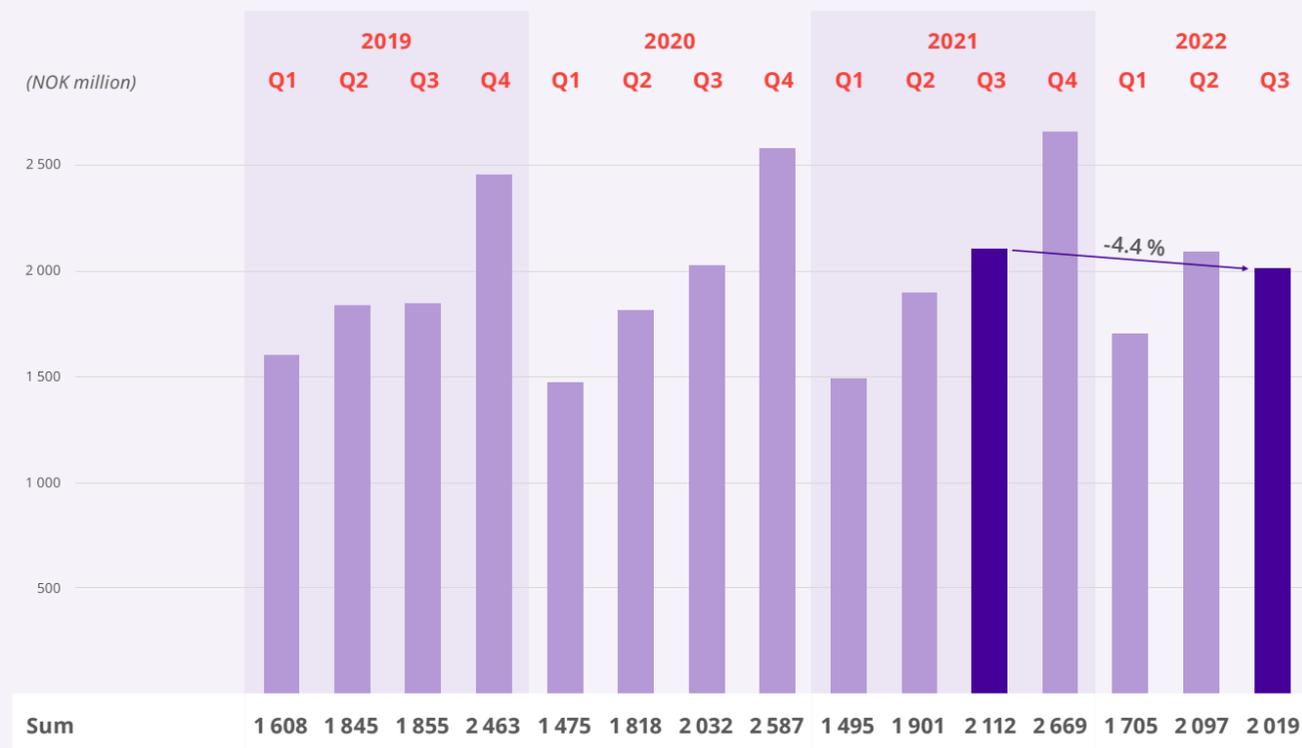
Maxi Storsenter 25 %



Jærhagen Kjøpesenter 8.75 %

- Gross tenant turnover in Aurora's portfolio of wholly owned centers was reduced by 4.4 % compared to Q3 2021.
- Year-to-date gross tenant turnover is 5.7 % over 2021.
- We observe that turnover in June and July was weaker than last year, due to the extraordinarily good summer for retail in 2021.
- September shows better development, but still lags behind last year.
- Categories that show strong turnover are telecom service, coffee shops, bag shops and hairdressers. Categories with weaker sales include alcoholic beverage retail, kiosks, gift and interior stores as well as furniture stores.

Gross Tenant Turnover



	2019				2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Alti Farmandstredet	269	323	328	429	236	300	356	413	207	318	378	454	279	362	358
Alti Nordbyen	113	139	151	168	103	131	150	162	96	136	158	173	116	150	159
Alti Vinterbro	322	364	373	483	329	451	465	604	358	439	437	542	362	401	402
Amanda Storsenter *	254	277	270	378	221	231	266	349	213	243	261	345	218	271	259
Arkaden Senter	74	85	84	90	55	66	78	75	55	76	83	84	63	92	85
Buskerud Storsenter	236	263	254	380	221	284	307	398	231	268	296	403	245	311	282
Gulskogen Senter	242	292	299	402	221	266	305	452	245	317	389	528	323	394	374
Nerstranda Senter	97	102	97	132	89	89	103	132	92	104	110	140	100	116	100

* Turnover includes Coop OBS!, not owned by Aurora

Financial developments

Financial developments for the quarter are presented and compared to Q3 2021. Please note that Aurora Eiendom's portfolio in 2021 consisted of five shopping centers acquired in July 2021. Aurora Eiendom has increased its portfolio of shopping centers with Buskerud Storsenter, Gulskogen Senter and Arkaden Senter during 2022.

Rental income

Gross rental income in the quarter was NOK 132.6 million (NOK 78.6 million).

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 13.4 million for the quarter (NOK 12.5 million). Please see note 4 for further information.

Administrative expenses were NOK 6.2 million (NOK 3.9 million). This represents the fee paid to Alti Forvaltning AS for managing the eight shopping centers in the Aurora portfolio. Alti Forvaltning AS also provides management services to the parent company Aurora Eiendom AS, and the cost of this is included in the management fee.

Other operating income and expenses

Other operating income and expenses consists of income and expenses not related to the properties, such as provision and consultancy and auditing fees. These costs amounted to NOK 3.9 million (NOK 1.3 million). Some of these costs are legal and advisory fees due to changes in the group structure on company level. Also, some one-off costs were incurred as part of the acquisition of the new shopping centers Gulskogen Senter, Arkaden Senter and 25 % of Maxi Storsenter.

Net income from property management

Net income from property management amounted to NOK 109 million (NOK 61 million).

Fair value adjustments of investment properties

The fair value of the investment properties was adjusted with negative NOK 84.8 million in the quarter. The Group's investment property portfolio consists of eight 100 % owned shopping centers which are valued by an external appraiser on a quarterly basis. The fair value change is mainly due to the external appraiser's increase in valuation yields. This is partly counteracted by expectations of increased inflation and somewhat increased market rent due to leasing activity in the quarter.

Share of results from associated companies

Aurora Eiendom AS has three associated companies:

- Alti Forvaltning AS – owned 50 %.
- 8.75 % indirect ownership in Jærhagen through JHG Invest AS.
- 25 % of Hamar Storsenter Holding AS.

The Group's share of profit in these companies amounted to NOK 1.2 million in Q3. This figure includes amortization of NOK 1.3 million of the excess book value on the shares in Alti Forvaltning.

Financial income

Financial income is mainly interests on cash and cash equivalents.

Fair value adjustments on interest rate derivatives

Aurora Eiendom AS has twelve swap agreements and two swaptions. Two interest swap agreements with associated swaption agreements were entered into during the quarter.

Market value and position of the interest swap agreements amounted to NOK 177.7 million by the end of the quarter. The market value of the swaptions amounted to NOK -19.3 million.

Interest-swap agreements

Financial instrument	Principal amount	Remaining term in years	Swap rate	Start date	Maturity date
Interest rate swap 1	396 000 000	9.0	1.883 %	01.10.2021	01.10.2031
Interest rate swap 2	250 000 000	9.0	1.696 %	17.12.2021	01.10.2031
Interest rate swap 3	141 418 201	9.0	2.050 %	13.10.2021	01.10.2031
Interest rate swap 4	113 163 601	9.0	2.050 %	03.01.2022	01.10.2031
Interest rate swap 5	140 711 109	9.0	1.990 %	03.01.2022	01.10.2031
Interest rate swap 6	88 662 210	9.0	1.880 %	01.10.2021	01.10.2031
Interest rate swap 7	70 000 000	9.3	1.720 %	03.01.2022	02.01.2032
Interest rate swap 8	90 000 000	9.3	1.730 %	03.01.2022	02.01.2032
Interest rate swap 9	90 000 000	9.3	1.730 %	03.01.2022	02.01.2032
Interest rate swap 10	110 000 000	9.4	2.135 %	09.03.2022	09.03.2032
Interest rate swap 11	500 000 000	3.0	2.710 %	30.09.2022	30.09.2025
Interest rate swap 12	150 000 000	2.0	2.640 %	30.09.2022	30.09.2024
	2 139 955 121		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 an agreement that the bank has an option, but no obligation, to prolong Interest Rate swap 11 and 12 for an 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 in the quarter amounted to NOK 51.1 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 30.09.2022	Margin over 3 month NIBOR	All-in interest rate	Repayment profile				
				2022	2023	2024	2025	Total
Bank loan 1	3 095	2.25 %		0	62	3 033	0	3 095
Bank loan 2	266	1.95 %		0	2	264	0	266
Bank loan 3	1 459	1.95 %		11	44	44	1 360	1 459
Seller's credit	200		5.00 %	0	0	0	200	200
Total long-term debt	5 020			11	108	3 341	1 560	5 020

Summary

Profit before income tax was NOK 59.2 million.

Pre-tax profit, including fair value adjustments of investment properties and interest rate derivatives, was NOK -10.4 million.

Balance sheet

The Group's assets amounted to NOK 9 579 million. Of this, investment properties amounted to NOK 8 875 million.

Interest bearing debt was NOK 5 005 million (amortized) at the end of the quarter (NOK 5 020 million in nominal amounts).

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 4 057 million (42 %). 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 29.06.2022. 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, and a seller's credit. The average remaining term for the debt portfolio is 2.1 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 30.09.2022.

Cash flow and liquidity

Net cash flow from operating activities was NOK 96 million. Net cash flow from investments was NOK -2 362 million and net cash flow from financing activities was NOK 157 million.

The net change in cash and cash equivalents was NOK -2 108 million, and cash and cash equivalents at the end of the period were NOK 359 million.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Aurora Eiendom	Note	Q3 2022	Q3 2021	YTD 2022	2021
Rental income		132 567 590	78 624 927	309 199 669	158 043 738
Property related operational expenses	4	-13 393 274	-12 591 026	-25 015 164	-15 161 419
Net rental income		119 174 316	66 033 901	284 184 505	142 882 319
Other income		4 810	209 455	36 327	275 602
Other operating expenses	4	-3 887 991	-1 307 081	-6 946 535	-6 635 017
Administrative expenses	4	-6 262 565	-3 931 246	-15 755 194	-7 514 904
Net income from property management		109 028 571	61 005 029	261 519 103	129 008 000
Fair value adjustment, investment property	2	-84 857 996	739 114 898	170 508 440	754 614 898
Share of profit from JV and associates		1 164 182	381 707	2 673 609	-166 251
Operating profit		25 334 757	800 501 634	434 701 152	883 456 647
Financial income		97 740	6 761	176 906	160 768
Fair value adjustments, interest rate derivatives	1	15 245 093	0	167 160 477	-8 710 592
Financial expenses		-51 116 717	-18 071 646	-112 751 718	-40 164 446
Net financial items		-35 773 884	-18 064 885	54 585 665	-48 714 270
Profit before income tax		-10 439 128	782 436 749	489 286 817	834 742 377
Change in deferred tax		6 217 446	-165 126 762	-95 031 171	-170 008 304
Income tax payable		-3 944 718	-6 006 482	-16 002 700	-11 938 996
Income tax		2 272 728	-171 133 244	-111 033 871	-181 947 300
Profit		-8 166 400	611 303 505	378 252 946	652 795 077
Other Comprehensive income					
Total comprehensive income for the period / year		-8 166 400	611 303 505	378 252 946	652 795 077
Profit attributable to:					
Shareholders of the parent		-8 166 400	611 303 505	378 252 946	652 795 077
Total comprehensive income attributable to:					
Equity holders of the Company		-8 166 400	611 303 505	378 252 946	652 795 077
Basic = diluted earnings per share		-0.26	30.51	14.59	59.18

CONSOLIDATED BALANCE SHEET – ASSETS

Non-current assets	Note	30.09.2022	30.09.2021	31.12.2021
Investment properties	2	8 875 200 000	5 207 400 000	5 222 900 000
Investment in joint ventures and associated companies		119 397 670	55 497 020	89 724 061
Receivables		3 708 241	755 896	1 256 126
Derivative financial instruments	3	177 741 128	-	4 428 480
Total non-current assets		9 176 047 039	5 263 652 916	5 318 308 667
Current assets				
Trade receivables	3	13 290 343	257 609	2 340 358
Other current asset		31 024 104	10 581 495	13 198 657
Cash and cash equivalents	3	358 957 252	291 831 582	288 715 066
Total current assets		403 271 699	302 670 686	304 254 081
Total assets		9 579 318 738	5 566 323 602	5 622 562 748

CONSOLIDATED BALANCE SHEET – EQUITY & LIABILITIES

Equity	Note	30.09.2022	30.09.2021	31.12.2021
Share capital		2 322 182 325	1 541 280 000	1 541 280 000
Share premium		703 763 154	486 744 430	492 656 586
Retained earnings		1 031 048 022	611 303 505	652 795 077
Total equity		4 056 993 501	2 639 327 935	2 686 731 663
Long-term liabilities				
Loans	3	4 703 463 074	2 539 581 921	2 524 568 870
Derivative financial instruments	3	19 291 244	-	13 139 072
Lease liabilities		11 043 416	12 225 822	11 859 429
Deferred tax liabilities		265 039 475	165 126 762	170 008 304
Total long-term liabilities		4 998 837 209	2 716 934 505	2 719 575 675
Short-term liabilities				
Loans	3	301 594 598	112 021 015	129 830 681
Income tax payable		50 226 024	17 149 157	17 169 515
Trade payables	3	40 698 093	13 299 357	15 532 464
Current lease liabilities		1 188 736	1 483 408	1 483 407
Other current liabilities	3	129 780 577	66 108 225	52 239 343
Total short-term liabilities		523 488 027	210 061 162	216 255 410
Total liabilities		5 522 325 237	2 926 995 667	2 935 831 085
Total liabilities and shareholders' equity		9 579 318 738	5 566 323 602	5 622 562 748

CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Total equity
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
Other comprehensive income	-	-	-	-
Dividend	-	-	-	-
Total equity at 30.06.2022	2 322 182 325	703 763 154	1 039 214 422	4 065 159 901
Profit for period	-	-	-8 166 400	-8 166 400
Total equity at 30.09.2022	2 322 182 325	703 763 154	1 031 048 022	4 056 993 501

STATEMENT OF CASH FLOWS

	Q3 2022	Q3 2021	YTD 2022	2021
Profit before tax	-10 439 128	782 436 748	489 286 816	834 742 376
Net expensed interest and fees on loans and leases	51 116 717	17 344 019	112 751 718	39 436 819
Net interest and fees paid on loans and leases	-46 120 967	-15 645 854	-98 984 191	-31 794 110
Share of profit from associates and jointly controlled entities	-1 164 182	-381 707	-2 673 609	166 251
Changes in value of investment properties	84 857 996	-739 114 898	-170 508 440	-754 614 898
Changes in value of financial instruments	-15 245 093	-	-167 160 477	8 710 592
Change in working capital	33 196 978	23 533 363	35 945 495	-326 264
Net cash flow from operating activities	96 202 321	68 171 671	198 657 312	96 320 767
Acquisitions of investment properties	-2 351 590 931	-4 414 995 196	-3 423 984 856	-4 405 106 502
Investment in and upgrades of investment properties	-9 968 491	-	-19 787 130	-5 887 158
Investments in associates and JVs	-	-55 115 313	-31 250 000	-89 890 313
Dividends from associates and JVs	-	-	4 250 000	-
Net cash flow from investment activities	-2 361 559 422	-4 470 110 509	-3 470 771 986	-4 500 883 973
Proceeds interest bearing debt	200 000 000	2 665 986 630	2 420 000 000	2 665 986 630
Repayment interest bearing debt	-42 285 000	-	-66 285 000	-
Repayment of lease liabilities	-370 849	-366 394	-1 112 553	-732 788
Proceeds from issue of shares / repurchase of shares	-	650 994 433	989 754 412	2 028 024 430
Net cash flow from financing activities	157 344 151	3 316 614 669	3 342 356 859	4 693 278 272
Change in cash and cash equivalents	-2 108 012 950	-1 085 324 169	70 242 185	288 715 066
Cash and cash equivalents at beginning of period	2 466 970 202	1 377 155 751	288 715 066	
Cash and cash equivalents at end of period	358 957 252	291 831 582	358 957 251	288 715 066





Notes

- 1** ACCOUNTING PRINCIPLES
- 2** INVESTMENT PROPERTIES
- 3** FINANCIAL ASSETS AND FINANCIAL LIABILITIES
- 4** COSTS

NOTE 1 – ACCOUNTING PRINCIPLES

The financial statements for Q3 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 Q3 2022 have not been audited.

NOTE 2 – INVESTMENT PROPERTIES

	Q3 2022
Opening balance as at 01 July 2022	6 575 200 000
Additions from acquisitions	2 374 889 505
Investment in the property portfolio	9 968 491
Net gain / loss on changes in fair value	(84 857 996)
As of 30 September 2022	8 875 200 000

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 discount rate is set by the valuer.

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 PROPERTIES

The following main inputs have been used:

Valuation data	30.09.2022
Valuation method	DCF
Valuation level	3
Fair Value NOK	8 875 200 000
Weighted average valuation yield (%) excluding development projects	5.84 %
Valuation yield range	5.55 % - 6.29 %
Long term operating expense growth (%)	2.0 %
Long term growth rate in real rental terms (%)	2.0 %
Number of properties	8

Changes in fair value is recognised in the period to which the profit/loss relates. The latest independent valuation was carried out on 30 of September 2022. 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

Assets	Q3 2022 Amortized cost	Q3 2022 Fair value
Financial derivatives		177 741 128
Accounts receivable	13 290 343	
Cash and cash equivalents	358 957 252	
Total Financial assets	372 247 595	177 741 128

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NOTE 3 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Liabilities	Q3 2022 Amortized cost	Q3 2022 Fair value
Interest bearing loans and borrowings		
Bank Loan 1	3 083 764 114	
Bank Loan 2	265 956 819	
Bank Loan 3	1 455 336 740	
Seller's credit	200 000 000	
Trade payables	40 698 093	
Derivative financial instruments		19 291 244
Total financial liabilities	5 045 755 766	19 291 244

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 and seller credit have been recognised at amortised cost. Per 30.09.2022 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 properties"

NOTE 4 – COSTS

REAL ESTATE RELATED COSTS

Operating costs	Q3 2022	Q3 2021	YTD 2022	2021
Maintenance	3 653 750	3 821 790	4 405 557	4 513 453
Leasehold and property insurance	1 544 659	1 059 153	3 481 021	2 060 509
Other expenses / direct property costs	8 194 865	7 710 083	17 128 586	8 587 457
Sum	13 393 274	12 591 026	25 015 164	15 161 419

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

OTHER COSTS

Other operating expenses	Q3 2022	Q3 2021	YTD 2022	2021
Advertising	81 000	471 875	175 884	630 250
Consultancy fees and external personnel	1 024 704	194 042	3 093 913	2 364 740
Other operating costs	2 782 287	641 164	3 676 738	3 640 027
Total operating expenses	3 887 991	1 307 081	6 946 535	6 635 017

Administrative expenses

Administrative expenses	6 262 565	3 931 246	14 717 794	7 514 904
Board remuneration	-	0	1 037 400	0
Total	6 262 565	3 931 246	15 755 194	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. Board remuneration was paid and invoiced by Alti Forvaltning AS and is thus classified under "Administrative expenses" by the Company.



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 company's performance.

AURORA EIENDOM'S ALTERNATIVE PERFORMANCE MEASURES ARE

1. Debt ratio – Loan to value (LTV)

2. Interest Coverage Ratio

3. EPRA Performance Measures

- | | |
|--|---|
| <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)	30.09.2022	30.09.2021	31.12.2021
Fair value of investment properties	8 875 200 000	5 207 400 000	5 222 900 000
Nominal interest-bearing debt	5 019 701 630	2 665 986 630	2 665 986 630
Cash and bank deposits	358 957 252	291 831 582	288 715 066
Net interest-bearing debt	4 660 744 378	2 374 155 048	2 377 271 564
Loan to value	52.5 %	45.6 %	45.5 %

2. INTEREST COVERAGE RATIO (ICR)

	Q3 2022	Q3 2021	YTD 2022	2021
Net income from property management	109 028 571	61 005 029	261 519 103	129 008 000
Financial expenses	51 116 717	18 071 646	112 751 718	40 164 446
Interest coverage ratio	2.1	3.4	2.3	3.2

3. EPRA PERFORMANCE MEASURES

	Unit	Q3 2022	Q3 2021	YTD 2022	2021	
A	EPRA earnings per share (EPS)	NOK	1.49	1.69	4.43	6.37
B	EPRA NRV per share	NOK	134	136	134	139
	EPRA NTA per share	NOK	130	132	130	135
	EPRA NDV per share	NOK	131	128	131	131
C	EPRA Net Initial Yield	%	5.30	5.37	5.30	5.36
	EPRA Topped-Up Net Initial Yield	%	5.45	5.54	5.45	5.53
D	EPRA Vacancy Rate	%	2.3	1.4	2.3	1.8

A. EPRA EARNINGS QUARTERLY

All amounts in NOK million

	Q3 2022		
	IFRS reported	EPRA adjustments	EPRA Earnings
Rental income	133		133
Operating costs	-13		13
Net operating income	119	-	119
Other revenue	0		0
Other costs	-4		-4
Administrative costs	-6		-6
Share of profit from associates and JVs	1		1
Net realised financials	-51		-51
Net income	59	-	59
Changes in value of investment properties	-85	85	-
Changes in value of financial instruments	15	-15	-
Profit before tax / EPRA Earnings before tax	-11	70	58
Tax payable	-4		-4
Change in deferred tax	6	-15	-9
Profit for period/EPRA Earnings	-8	54	46
Average outstanding shares (million)			31.0
EPRA Earnings per share (NOK)			1.49

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

	Year to date		
	IFRS reported	EPRA adjustments	EPRA Earnings
Rental income	309		309
Operating costs	-25		25
Net operating income	284	-	284
Other revenue	0		0
Other costs	-7		-7
Administrative costs	-16		-16
Share of profit from associates and JVs	3		3
Net realised financials	-113		-113
Net income	152	-	152
Changes in value of investment properties	171	-171	-
Changes in value of financial instruments	167	-167	-
Profit before tax / EPRA Earnings before tax	489	-338	152
Tax payable	-16		-16
Change in deferred tax	-95	74	-201
Profit for period/EPRA Earnings	378	-263	115
Average outstanding shares (million)			25.9
EPRA Earnings per share (NOK)			4.43

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3. EPRA PERFORMANCE MEASURES

B. EPRA NET ASSET VALUE METRICS

	Q3 2022		
	NRV	NTA	NDV
IFRS Equity	4 057	4 057	4 057
Net Asset Value (NAV) at fair value	4 057	4 057	4 057
Deferred tax properties and financial instruments	265	265	
Estimated real tax liability		133	
Net fair value on financial derivatives	-158	-158	
EPRA NAV	4 164	4 031	4 057
Outstanding shares at period end (million)	31.0	31.0	31.0
EPRA NAV per share (NOK)	134	130	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

		30.09.2022	30.06.2022	31.03.2022	31.12.2021	30.09.2021
<i>(NOK million)</i>						
Investment property – wholly owned		8 875	6 575	6 487	5 224	5 207
<i>Less: developments</i>		-156	-169	-169	-92	-94
Completed property portfolio		8 719	6 407	6 318	5 132	5 114
Allowance for estimated purchasers' costs		17	13	13	10	10
Gross up completed property portfolio valuation	B	8 737	6 419	6 331	5 142	5 124
Annualised cash passing rental income		534	383	383	315	314
Property outgoings		-71	-52	-51	-40	-39
Annualised net rents	A	463	331	332	275	275
<i>Add: notional rent expiration of rent free periods or other lease incentives</i>		13	10	10	9	9
Topped-up net annualised rent	C	476	342	342	284	284
<i>Add: market rent of vacant space</i>		13	10	14	6	5
Fully let net annualised rent	D	489	351	356	290	289
EPRA NIY	A/B	5.30 %	5.16 %	5.24 %	5.36 %	5.37 %
EPRA "topped-up" NIY	C/B	5.45 %	5.32 %	5.40 %	5.53 %	5.54 %
Fully let net yield	D/B	5.60 %	5.48 %	5.62 %	5.64 %	5.63 %
Exit yield		5.84 %	5.56 %	5.52 %	5.56 %	5.51 %

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

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

(NOK million)

		30.09.2022	30.06.2022	31.03.2022	31.12.2021	30.09.2021
Estimated rental value of vacant space	A	13	10	14	6	5
Estimated rental value of the whole portfolio	B	560	403	407	330	327

EPRA Vacancy Rate	A/B	2.3 %	2.4 %	3.4 %	1.8 %	1.4 %
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The market rent of vacant space is based on the independent valuation.
EPRA vacancy rate does not include Jærhagen Kjøpesenter and Maxi Storsenter.





AURORA

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Financial calendar

Date

Thursday 16.02.2023

Report

Quarterly Report – Q4 2022

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