

# AURORA



Q2

2024  
REPORT



AURORA EIENDOM Q2 2024 REPORT

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## HIGHLIGHTS AND SUMMARY OF THE

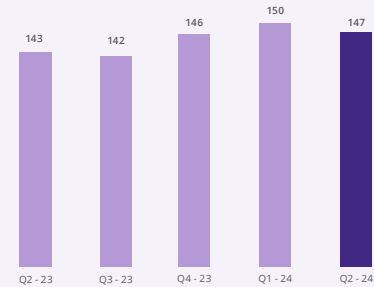
# Second quarter of 2024

- Rental income in Q2 was NOK 147 million (NOK 143 million), which corresponds to a like-for-like growth of 2,7 %.
- Net income from property management was NOK 120 million in the quarter (NOK 118 million).
- In Q2, new leases were started on a total area of 5 094 sqm, while leases for 8 683 sqm expired. Occupancy was 96,6 % at the end of the quarter.
  - Vacancy increased in this quarter compared to the previous quarter. This is in part due to the termination of two large leases in the portfolio. In August, a new lease was signed to replace one of these contracts.
- The quarter's gross tenant turnover in our wholly owned centers was NOK 2 191 million, which is a like-for-like growth of 2,5 % compared to Q2 2023.
- During Q2 Alti Forvaltning increased its shopping center portfolio by two centers, now managing a total of 51 centers across Norway.
- All of Aurora Eiendom's shopping centers are now BREEAM In-Use certified, with the following results:
  - Alti Farmandstredet and Alti Nordbyen: Very Good.
  - Alti Amanda, Alti Nerstranda, Alti Gulskogen, and Arkaden: Excellent.
  - Alti Buskerud and Alti Vinterbro: Outstanding.



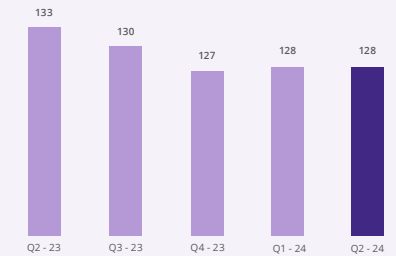
### Rental income

(NOK million)



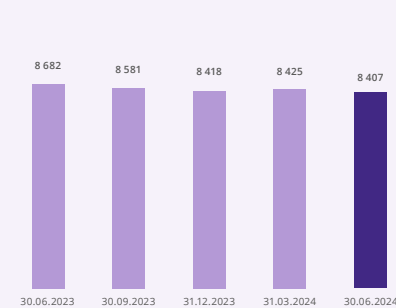
### EPRA NRV per share

(NOK)



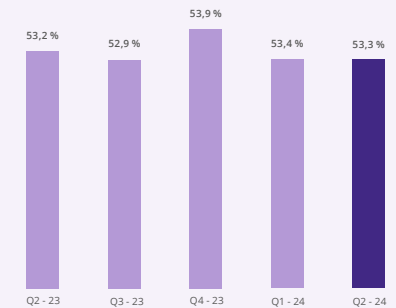
### Value of investment properties

(NOK million)



### Loan to value

(LTV)



# Adaptation is key

Following a strong start to the year for tenant turnover in our shopping centers during the first quarter, the positive trend continued with steady growth in the second quarter. Overall, the quarter saw a 2,5 % increase in sales. Notably, there was a shift in sales from June to May, driven by unusually favorable weather conditions in May, which accelerated the sales of summer clothing ahead of last year's timeline.

As is typical in the shopping center industry, tenant changes are constantly occurring. This quarter has been particularly dynamic, with an increase in our weighted average unexpired lease term and a slight decrease in our occupancy rate due to the conclusion of two significant lease agreements. We view this decrease in occupancy as a temporary situation and are pleased to announce that Holdbart will be moving into one of these spaces at Alti Vinterbro this fall. This addition will further solidify the center's position as a leading grocery destination.

In our previous quarterly report, we provided an update on the extensive changes at Alti Farmandstredet, which are now largely completed and have been met with positive customer feedback. We are now making significant progress on a major renovation of the second floor at Alti Vinterbro, where two retail corridors are being merged into one, and several new concepts will be introduced. This project is on track to be completed in time for the holiday shopping season this year.

We continuously adapt our centers to stay aligned with current trends and meet customer needs, ensuring we remain relevant and attractive as shopping destinations. However, the projects at Alti Farmandstredet and Alti Vinterbro represent the two largest individual undertakings to date. We are confident that these initiatives will further enhance the popularity of the centers and contribute to strong results in the future.

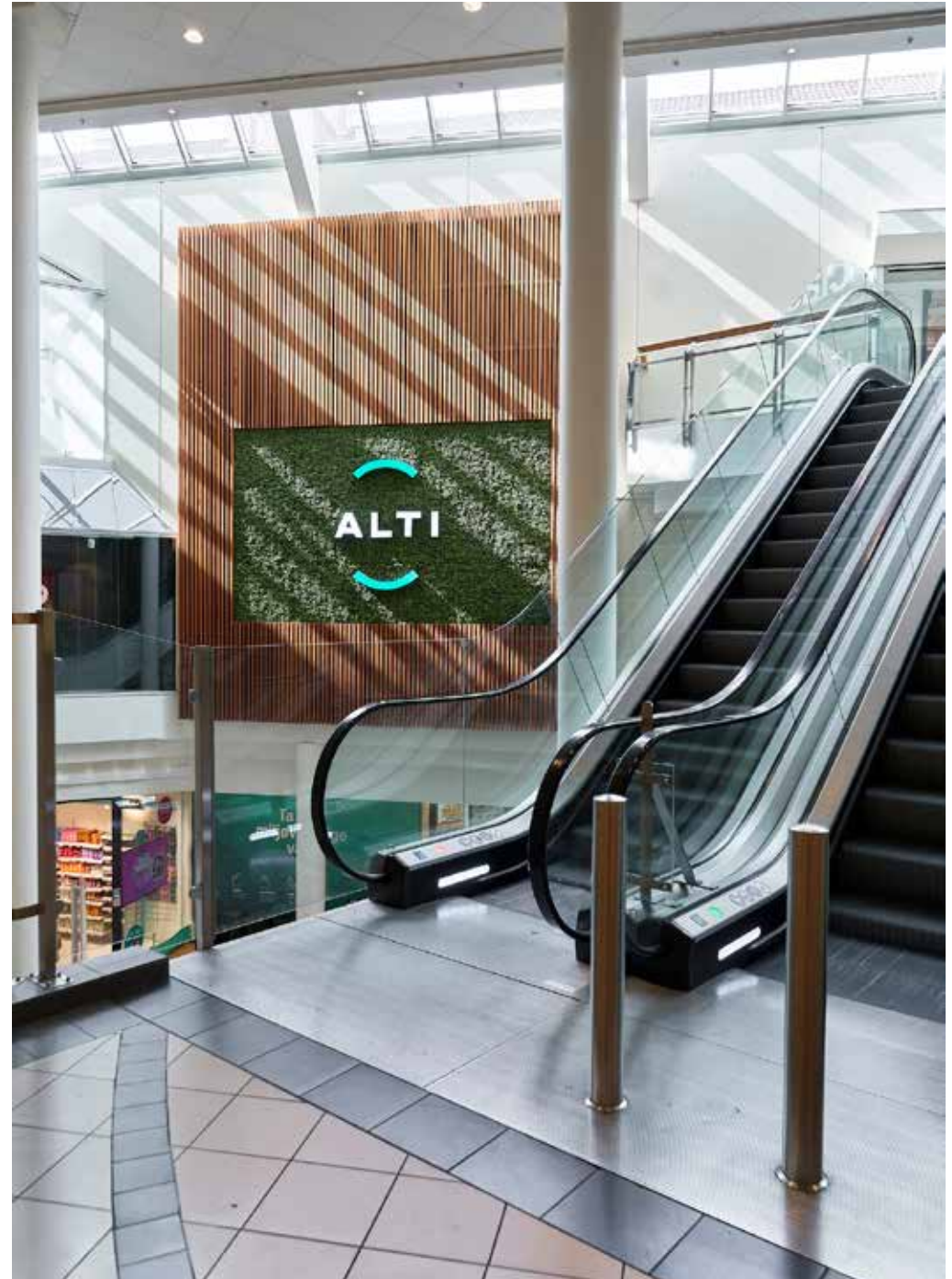
Another crucial aspect of staying relevant is our commitment to sustainability, and our ongoing process of obtaining sustainability certifications for our shopping center portfolio has continued this spring. As previously mentioned, we set the goal of achieving a "Very Good" rating or higher for all our shopping centers under the BREEAM In-Use certification scheme. Last year, we proudly shared our preliminary results, and we are now thrilled to announce that we have received certificates for every center in our portfolio. We have not only met but exceeded our targets, with two centers earning a "Very Good" rating, four centers achieving "Excellent," and two centers attaining the highest rating of "Outstanding."

Sustainability is set to play an increasingly prominent role in the real estate and retail markets, and environmental certification of our buildings is a key part of our sustainability efforts. We will continue to invest in environmentally efficient solutions and are eager to achieve even more positive results in the future.



A handwritten signature in blue ink that reads "Lars Ove Løseth".

**Lars Ove Løseth**  
CEO



# Key figures

## Group Key Figures

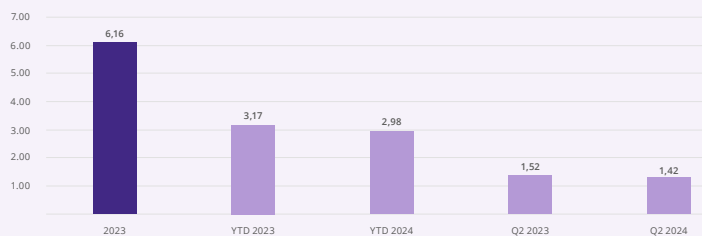
		Q2 2024	Q2 2023	YTD 2024	2023
Rental Income	NOK	146 631 186	142 850 892	296 528 357	574 831 016
Net income from property management	NOK	119 780 946	117 795 520	246 594 213	476 734 706
		<b>30.06.2024</b>	<b>30.06.2023</b>	<b>30.06.2024</b>	<b>31.12.2023</b>
Market value of property portfolio	NOK	8 407 100 000	8 681 500 000	8 407 100 000	8 417 600 000
Net interest bearing debt*	NOK	4 481 240 104	4 614 821 220	4 481 240 104	4 538 019 382
Equity per share	NOK	128	131	128	125

## Alternative Performance Measures\*

		30.06.2024	30.06.2023	YTD 2024	31.12.2023
Interest coverage ratio		1,8	1,9	1,8	1,9
Loan to value (LTV)	%	53,3	53,2	53,3	53,9
EPRA NRV per share	NOK	128	133	128	127
EPRA NTA per share	NOK	125	129	125	124
EPRA NDV per share	NOK	128	131	128	125
EPRA Net Initial Yield	%	6,10	5,80	6,10	6,26
EPRA Topped-Up Net Initial Yield	%	6,28	5,90	6,28	6,36
Net Initial Yield Fully Let	%	6,53	6,06	6,53	6,53
EPRA Vacancy Rate	%	3,4	2,3	3,4	2,3

\* See Alternative Performance Measures for details

## EPRA earnings per share (NOK)



## Leasing portfolio summary

		Q2 2024	Q1 2024	31.12.2023
Properties wholly owned	#	8	8	8
GLA	sqm	198 729	198 655	198 654
Occupancy*	%	96,6	97,7	97,7
WAULT	year	4,0	3,6	3,5
Annualised cash passing rental income	MNOK	583	595	597**

\* Occupancy: market rent of leased areas divided by estimated market rent of the whole portfolio

\*\* Consumer price index adjusted to rental income per 01.01.2024

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.

## Leasing activity

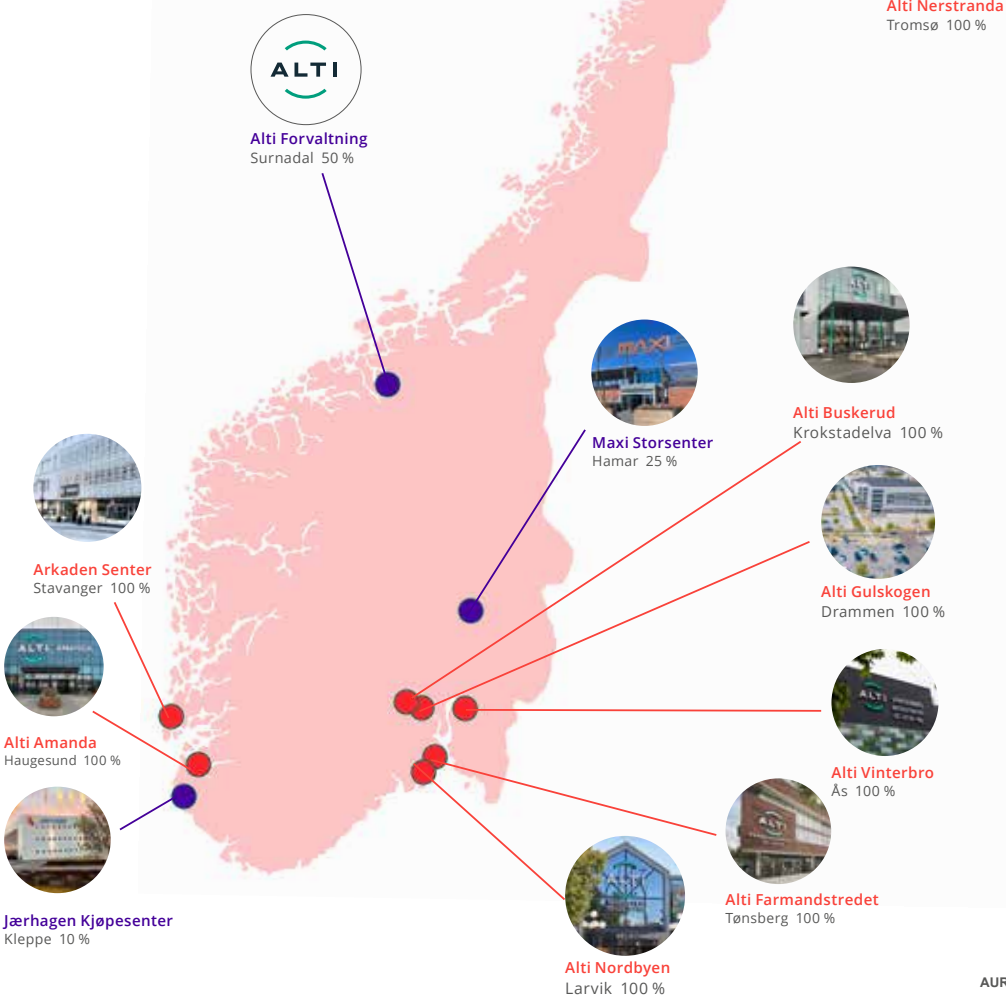
		Q2 2024	Q1 2024	YTD 2024	2023
<i>Leases started / ended</i>					
Total area leases started	sqm	5 094	5 320	10 414	17 476
Total area leases expired	sqm	8 683	3 963	12 646	15 020
Net area leased	sqm	(3 590)	1 357	(2 232)	2 455
Net area leased	%	-1,8 %	0,7 %	-1,1 %	1,2 %
<i>Leases extended</i>					
Total area	sqm	4 450	4 472	8 922	21 378
Total area	%	2,2 %	2,3 %	4,5 %	10,8 %

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.

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

# Real estate portfolio

- SHOPPING CENTER PORTFOLIO
- ASSOCIATED COMPANIES



## Key figures

198 729  
sqm

Gross lettable area

NOK  
8,8 bn

Tenant turnover

NOK  
583 m

Annualised cash passing  
rental income

NOK  
8,4 bn

Portfolio value



# Development projects

## Alti Nordbyen, Larvik

### About the project

- 100 % owned by Aurora Eiendom.
- Approximately 700-800 residential units.
- Combined with retail areas.
- Adjacent to Alti Nordbyen.



### Status

- Under zoning approval process.
- After the regulatory process has been completed, Aurora Eiendom will consider the next steps for developing the property. This may involve proceeding independently, collaborating with others, or selling the project.
- Timeframe 2028+.



## Alti Buskerud, Drammen

### About the project

- 100 % owned by Aurora Eiendom.
- Approximately 600 housing units on 6-8 floors.
- Shoreline to the Drammen river.
- New residential area next to Alti Buskerud.
- Combined with retail areas.



### Status

- Regulatory / zoning process not yet commenced.
- After the regulatory process has been completed, Aurora Eiendom will consider the next steps for developing the property. This may involve proceeding independently, collaborating with others, or selling the project.
- Timeframe 2028+.



# Tenant turnover Q2 2024



# Sustainability in Aurora Eiendom

- Two more shopping centers are set to have solar panels installed on the roof during 2024. Project kick-off took place in Q2, and will result in Aurora Eiendom increasing its total installed peak power from solar panels with over 4 000 kWp.
- Aurora Eiendom published its second account of its due diligence assessments in accordance with the Norwegian Transparency Act. The report can be found on [aurora.no](https://www.aurora.no).
- Arkaden Senter received its BREEAM In-Use certificate, achieving the "Excellent" rating. In August, Alti Gulskogen received its certificate, also rated "Excellent". This means that all 8 shopping centers, as well as the partly owned Hamar Storsenter, have been certified according to BREEAM In-Use.
- We have started the process of conducting a double materiality analysis, in accordance with CSRD. The analysis is set to be completed by the end of Q3, and published in the beginning of Q4.



# Financial developments

## Rental income

Rental income in the quarter was NOK 147 million (NOK 143 million) and NOK 297 million for the first half of 2024 (NOK 287 million) This represents a like-for-like growth in income of 3,2 % year to date.

## 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 17 million for the quarter (NOK 15 million) and NOK 30 million YTD (NOK 26 million). Please see note 5 for further information.

Administrative expenses were NOK 8 million (NOK 8 million), and NOK 15 million YTD (NOK 15 million) . This represents the fee paid to Alti Forvaltning AS for managing the eight shopping centers in the Aurora portfolio, and includes board remuneration. Alti Forvaltning AS 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 million in the quarter (NOK 2 million), and NOK 5 million YTD (NOK 4 million).

## Net income from property management

Net income from property management amounted to NOK 120 million in Q2 (NOK 118 million), and NOK 247 million YTD (NOK 243 million).

## Fair value adjustments of investment properties

The fair value of the investment properties was adjusted with NOK -38 million this quarter, and NOK -52 million so far this year. 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 negative change in value is a result of slightly increased discount rate of 3 points.

## 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.

The Group's share of profit in these companies amounted to NOK 2 in Q2 (NOK 5 million), and NOK 4 million YTD (NOK 6 million). This figure includes amortisation of NOK 1,3 million of the excess book value on the shares in Alti Forvaltning per quarter, as well as value changes on the investment properties Jærhagen and Hamar Storsenter.

## Financial income

Financial income is mainly related to interest on cash deposits and amounted to NOK 3 million in the quarter (NOK 4 million), NOK 5 million YTD (NOK 6 million).



### Fair value adjustments on interest rate derivatives

Aurora Eiendom manages interest rate risk through interest rate swaps, and swaptions. Market value and position of the interest swap agreements amounted to NOK 179 million by the end of the quarter. The market value of the swaptions amounted to NOK -9 million. The value change from Q1 amounted to NOK 3 million.

#### Interest rate derivatives

Interest rate swaps			
Maturity	NOKm	Swap rate	
2024	150	2,64 %	
2025-2026	900	2,98 %	
2027-2028	0	0	
2029-2030	0	0	
2031-2032	1 476	1,88 %	
<b>Total</b>	<b>2 526</b>	<b>2,32 %</b>	

Forward starting swaps			
Start	NOKm	Swap rate	Years to maturity
2024	150	3,04 %	2

Swaptions*			
Start	NOKm	Swap rate	Years to maturity
2024	150	2,64 %	5
2025	650	2,85 %	6
2026	250	3,32 %	7
<b>Total</b>	<b>1 050</b>	<b>2,93 %</b>	

\* Option, but no obligation, for the bank to prolong existing interest rate swaps

### Financial expenses

Financial expenses, net of positive cash flow from swap agreements, amounted to NOK 69 million in the quarter (NOK 66 million). The expenses are mainly related to interest and fees on interest-bearing debt. Financial expenses are recognised using the amortised cost method. For the first six months of 2024 financial expenses represented NOK 139 million (NOK 129 million).

### Summary

Profit before income tax **excluding** fair value adjustments of investment properties and interest rate derivatives was NOK 56 million (NOK 61 million), and NOK 117 million YTD (NOK 126 million). The lower profit so far this year compared to last year is largely due to higher interest costs in 2024.

Pre-tax profit, **including** fair value adjustments of investment properties and interest rate derivatives, was NOK 16 million (NOK -27 million), and NOK 81 million YTD (NOK 26 million).

### Balance sheet

The Group's assets amounted to NOK 8 979 million (NOK 9 434 million) Of this, investment properties amounted to NOK 8 407 million (NOK 8 682 million). Interest-bearing debt was NOK 4 655 million (amortised) - NOK 4 661 million in nominal amounts. Nominal value of debt hedged: 54 % per 30.06.2024. Equity totaled NOK 3 957 million (44 %).

### Financing

The Group's debt portfolio consists of long-term and short-term debt with Scandinavian banks. The average remaining term for the debt portfolio is 2,4 years. The proportion of bank loans maturing within 12 months is classified as short-term.

Bank Loan 3 matures in June 2025 and is thus classified as short-term in the balance sheet.

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

NOK million	Nominal amount 30.06.2024	Repayment profile				Total
		2024	2025	2026	2027	
Bank loan 1*	3 003	0	60	59	2 884	3 003
Bank loan 2	276	4	8	264	0	276
Bank loan 3	1 382	22	1 360	0	0	1 382
<b>Total</b>	<b>4 661</b>	<b>26</b>	<b>1 428</b>	<b>323</b>	<b>2 884</b>	<b>4 661</b>

The bank loans have a weighted average credit margin of 2,20 % over 3 month NIBOR  
\* Extension options 1+1 years from 2027

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 30.06.2024.

### Cash flow and liquidity

Net cash flow from operating activities was NOK 37 million (NOK 24 million), and NOK 93 million YTD (NOK 100 million). Net cash flow from investments was NOK -15 million (NOK -18 million), and NOK -36 million YTD (NOK -33 million). Net cash flow from financing activities was NOK -13 million (NOK -12 million). For the first six months of 2024 net cash flow from financing activities was NOK -57 million (NOK -54 million).

The net change in cash and cash equivalents was NOK 9 million (NOK -5 million). Year to date change in cash and cash equivalents was NOK 0 million in 2024 and NOK 14 million in 2023.

Cash and cash equivalents at the end of the period were NOK 179 million (NOK 340 million).



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
<b>Aurora Eiendom AS</b>						
Rental income		146 631 186	142 850 892	296 528 357	287 361 622	574 831 016
Property-related operational expenses	5	-16 536 825	-15 119 849	-30 337 198	-26 167 652	-62 946 991
<b>Net rental income</b>		<b>130 094 361</b>	<b>127 731 043</b>	<b>266 191 159</b>	<b>261 193 970</b>	<b>511 884 025</b>
Other income		330 954	3 882	338 070	17 826	48 114
Other operating expenses	5	-2 646 939	-1 846 663	-4 704 725	-3 613 305	-6 806 279
Administrative expenses	5	-7 997 430	-8 092 742	-15 230 291	-14 821 998	-28 391 154
<b>Net income from property management</b>		<b>119 780 946</b>	<b>117 795 520</b>	<b>246 594 213</b>	<b>242 776 493</b>	<b>476 734 706</b>
Fair value adjustment, investment property	2, 3	-38 019 730	-185 245 886	-51 830 065	-169 247 789	-461 940 688
Share of profit from associates		2 498 516	4 525 555	4 245 985	5 872 741	8 024 932
<b>Operating profit</b>		<b>84 259 732</b>	<b>-62 924 811</b>	<b>199 010 133</b>	<b>79 401 445</b>	<b>22 818 950</b>
Financial income		2 581 571	4 234 350	4 915 529	5 726 573	27 731 484
Fair value adjustments, interest rate derivatives	2, 4	2 551 395	89 710 166	37 442 577	76 653 257	4 678 470
Financial expenses		-69 027 821	-65 814 790	-139 018 911	-128 695 858	-269 123 511
<b>Net financial items</b>		<b>-63 894 855</b>	<b>28 129 726</b>	<b>-96 660 805</b>	<b>-46 316 028</b>	<b>-236 713 557</b>
<b>Profit before income tax</b>		<b>20 364 877</b>	<b>-34 795 085</b>	<b>102 349 328</b>	<b>33 085 417</b>	<b>-213 894 607</b>
Change in deferred tax		1 983 687	13 535 618	-8 165 141	6 922 724	75 336 139
Income tax payable		-5 998 014	-6 059 282	-13 256 437	-14 083 717	-27 402 440
<b>Income tax</b>		<b>-4 014 327</b>	<b>7 476 336</b>	<b>-21 421 578</b>	<b>-7 160 993</b>	<b>47 933 700</b>
<b>Profit</b>		<b>16 350 550</b>	<b>-27 318 748</b>	<b>80 927 750</b>	<b>25 924 424</b>	<b>-165 960 908</b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
<b>Total comprehensive income for the period/year</b>	<b>16 350 550</b>	<b>-27 318 748</b>	<b>80 927 750</b>	<b>25 924 424</b>	<b>-165 960 908</b>
<b>Profit attributable to:</b>	<b>Q2 2024</b>	<b>Q2 2023</b>	<b>YTD 2024</b>	<b>YTD 2023</b>	<b>2023</b>
Shareholders of the parent	16 350 550	-27 318 748	80 927 750	25 924 424	-165 960 908
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company	16 350 550	-27 318 748	80 927 750	25 924 424	-165 960 908
<b>Basic = diluted earnings per share</b>	<b>0,53</b>	<b>-0,88</b>	<b>2,61</b>	<b>0,84</b>	<b>-5,36</b>

**CONSOLIDATED BALANCE SHEET - ASSETS**

	Note	30.06.2024	30.06.2023	31.12.2023
<b>Non-current assets</b>				
Investment properties	3	8 407 100 000	8 681 500 000	8 417 600 000
Investment in associated companies		143 577 449	137 179 273	144 331 464
Receivables		11 265 873	8 785 101	11 300 509
Derivative financial instruments	4	178 841 197	211 923 126	141 030 143
<b>Total non-current assets</b>		<b>8 740 784 519</b>	<b>9 039 387 500</b>	<b>8 714 262 116</b>
<b>Current assets</b>				
Trade receivables	4	18 707 087	17 735 230	15 703 118
Other current asset		40 175 769	36 806 527	44 319 853
Cash and cash equivalents	4	179 383 023	340 545 410	178 985 292
<b>Total current assets</b>		<b>238 265 879</b>	<b>395 087 167</b>	<b>239 008 263</b>
<b>Total assets</b>		<b>8 979 050 398</b>	<b>9 434 474 667</b>	<b>8 953 270 378</b>

## CONSOLIDATED BALANCE SHEET – EQUITY & LIABILITIES

	Note	30.06.2024	30.06.2023	31.12.2023
<b>Equity</b>				
Share capital		2 322 182 325	2 322 182 325	2 322 182 325
Share premium		703 763 154	703 763 154	703 763 154
Retained earning		930 980 430	1 041 938 012	850 052 680
<b>Total equity</b>		<b>3 956 925 909</b>	<b>4 067 883 491</b>	<b>3 875 998 159</b>
<b>Long-term liabilities</b>				
Loans	4	2 995 944 411	4 547 500 695	1 523 310 296
Derivative financial instruments	4	9 340 647	7 920 631	8 972 169
Lease liabilities		9 606 136	10 302 374	9 954 254
Deferred tax liabilities		183 241 378	243 489 652	175 076 237
<b>Total long-term liabilities</b>		<b>3 198 132 572</b>	<b>4 809 213 352</b>	<b>1 717 312 956</b>
<b>Short-term liabilities</b>				
Loans	4	1 659 257 706	397 879 509	3 185 922 770
Income tax payable		24 758 359	24 285 769	27 402 440
Trade payables	4	29 015 437	28 946 172	40 118 164
Current lease liabilities		703 942	912 752	696 237
Other current liabilities		110 256 473	105 353 622	105 819 652
<b>Total short-term liabilities</b>		<b>1 823 991 917</b>	<b>557 377 824</b>	<b>3 359 959 263</b>
<b>Total liabilities</b>		<b>5 022 124 489</b>	<b>5 366 591 176</b>	<b>5 077 272 219</b>
<b>Total liabilities and shareholders' equity</b>		<b>8 979 050 398</b>	<b>9 434 474 667</b>	<b>8 953 270 378</b>

## CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Total equity
<b>Equity 31.12.2022</b>	<b>2 322 182 325</b>	<b>703 763 154</b>	<b>1 016 013 587</b>	<b>4 041 959 066</b>
Profit for period	-	-	-165 960 908	-165 960 908
<b>Equity 31.12.2023</b>	<b>2 322 182 325</b>	<b>703 763 154</b>	<b>850 052 679</b>	<b>3 875 998 159</b>
Profit for period	-	-	80 927 750	80 927 750
<b>Equity 30.06.2024</b>	<b>2 322 182 325</b>	<b>703 763 154</b>	<b>930 980 430</b>	<b>3 956 925 909</b>

## STATEMENT OF CASH FLOWS

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Profit before tax	20 364 877	-34 795 085	102 349 328	33 085 417	-213 894 607
Income tax paid	896 789	-11 696 782	-15 900 518	-25 084 266	-35 286 318
Net expensed interest and fees on loans and derivatives	69 027 821	65 814 768	139 018 911	128 689 402	268 720 468
Net interest and fees paid on loans and derivatives	-67 735 829	-62 276 408	-136 668 313	-122 550 581	-257 581 763
Share of profit from associates	-2 498 516	-4 525 555	-4 245 985	-5 872 741	-8 024 932
Changes in value of investment properties	38 019 730	185 245 886	51 830 065	169 247 789	461 940 688
Changes in value of financial instruments	-2 551 395	-89 710 166	-37 442 577	-76 653 257	-4 678 470
Change in working capital	-18 527 482	-24 096 123	-5 491 155	-741 774	84 296
<b>Net cash flow from operating activities</b>	<b>36 995 995</b>	<b>23 960 535</b>	<b>93 449 756</b>	<b>100 119 990</b>	<b>211 279 362</b>
Acquisitions of investment properties	-	-	-	-	-
Investment in and upgrades of investment properties	-19 719 730	-22 545 886	-41 330 065	-37 747 789	-66 540 689
Investments in associates	-	-	-	-	-5 000 000
Dividends from associates	5 000 000	5 000 000	5 000 000	5 000 000	5 000 000
<b>Net cash flow from investment activities</b>	<b>-14 719 730</b>	<b>-17 545 886</b>	<b>-36 330 065</b>	<b>-32 747 789</b>	<b>-66 540 689</b>
Proceeds interest bearing debt	-	-	-	-	280 000 000
Repayment interest bearing debt	-13 025 000	-11 025 000	-56 381 547	-53 310 000	-571 671 956
Repayment of lease liabilities	-166 354	-269 626	-340 413	-542 254	-1 106 889
Proceeds from issue of shares/ repurchase of shares	-	-	-	-	-
<b>Net cash flow from financing activities</b>	<b>-13 191 354</b>	<b>-11 294 626</b>	<b>-56 721 960</b>	<b>-53 852 254</b>	<b>-292 778 845</b>
Change in cash and cash equivalents	9 084 911	-4 879 977	397 731	13 519 947	-148 040 172
Cash and cash equivalents at beginning of period	170 298 112	345 425 387	178 985 292	327 025 464	327 025 464
<b>Cash and cash equivalents at end of period</b>	<b>179 383 023</b>	<b>340 545 410</b>	<b>179 383 023</b>	<b>340 545 410</b>	<b>178 985 292</b>



# 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 2024 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 2023. The interim financial statements for Q2 2024 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.

*Aurora Eiendom AS has the following assets and liabilities measured at fair value*

	Level
Investment properties	3
Derivatives	2

## NOTE 3 – INVESTMENT PROPERTIES

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Opening balance	8 425 400 000	8 844 200 000	8 417 600 000	8 813 000 000	8 813 000 000
Investment in the property portfolio	19 719 730	22 545 886	41 330 065	37 747 789	66 540 688
Net gain/loss on changes in fair value	(38 019 730)	(185 245 886)	(51 830 065)	(169 247 789)	(461 940 688)
<b>Closing balance</b>	<b>8 407 100 000</b>	<b>8 681 500 000</b>	<b>8 407 100 000</b>	<b>8 681 500 000</b>	<b>8 417 600 000</b>

Investment properties are valued at fair value (Level 3) based on independent external valuations.

Latest valuation was carried out on 30<sup>th</sup> of June 2024.

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

## NOTE 4 - FINANCIAL ASSETS AND 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.

	30.06.2024	30.06.2023	31.12.2023
<b>Financial assets measured at fair value</b>			
Derivatives	178 841 197	211 923 126	141 030 143
<b>Financial liabilities measured at fair value</b>			
Derivatives	9 340 647	7 920 631	8 972 169

### ASSETS AND LIABILITIES - AMORTISED COST

The following of the Group's financial assets and liabilities are measured at amortised cost

	30.06.2024	30.06.2023	31.12.2023
<b>Assets</b>			
Accounts receivable	18 707 087	17 735 230	15 703 118
Cash and cash equivalents	179 383 023	340 545 410	178 985 292
<b>Total Financial assets</b>	<b>198 090 110</b>	<b>358 280 640</b>	<b>194 688 410</b>
<b>Liabilities</b>			
Bank Loan 1	2 999 960 712	3 056 686 704	3 028 145 412
Bank Loan 2	275 909 805	265 872 391	279 920 078
Bank Loan 3	1 379 331 600	1 422 821 109	1 401 167 576
Seller's credit	0	200 000 000	0
Trade payables	29 015 437	28 946 172	40 118 164
<b>Total financial liabilities</b>	<b>4 684 217 554</b>	<b>4 974 326 376</b>	<b>4 749 351 230</b>

## NOTE 5 - COSTS

### REAL ESTATE RELATED COSTS

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
<b>Operating costs</b>					
Maintenance	8 804 900	5 801 607	13 289 313	8 176 582	26 550 111
Leasehold and property insurance	1 638 940	1 491 826	3 016 090	2 868 976	5 369 983
Owner's share of common costs of investment properties	5 666 125	7 449 902	11 930 644	14 411 272	28 705 427
Other expenses / direct property costs	426 860	376 514	2 101 151	710 822	2 321 470
<b>SUM</b>	<b>16 536 825</b>	<b>15 119 849</b>	<b>30 337 198</b>	<b>26 167 652</b>	<b>62 946 991</b>

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

### OTHER COSTS

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
<b>Other operating expenses</b>					
Consultancy fees and external personnel	354 656	548 210	793 898	786 585	1 824 194
Other operating costs	2 292 283	1 298 453	3 910 827	2 826 720	4 982 085
<b>Total operating expenses</b>	<b>2 646 939</b>	<b>1 846 663</b>	<b>4 704 725</b>	<b>3 613 305</b>	<b>6 806 279</b>
<b>Administrative expenses</b>					
Administrative expenses	6 960 016	7 043 777	14 192 877	13 773 033	27 342 189
Board remuneration	1 037 414	1 048 965	1 037 414	1 048 965	1 048 965
<b>Total</b>	<b>7 997 430</b>	<b>8 092 742</b>	<b>15 230 291</b>	<b>14 821 998</b>	<b>28 391 154</b>

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.

# Outlook

The past quarter, as well as the first half of the year, has been marked by geopolitical unrest, a weak Norwegian krone, and high market interest rates. It is encouraging to see that our shopping centers continue to perform steadily and well, despite the varying macroeconomic climate.

At Aurora Eiendom, our success is tied to the success of our tenants. April and May showed strong sales figures for our shopping centers, while June saw somewhat slower growth. Nevertheless, it is clear that the broad variation of industries in our centers provides a buffer against market fluctuations, as sectors are impacted differently by macroeconomic conditions.

We are witnessing a strong willingness among our tenants to establish themselves and develop their concepts. Unlike the years before the pandemic, there is now an increasing demand for longer contracts, indicating a greater sense of long-term commitment and confidence in the future. This renewal of concepts is crucial for success in today's market.

Market interest rates have stabilised over the past six months, and after a steady rise since the fall of 2021, the policy rate has remained unchanged at 4,5 % since December 2023. Forecasts from Norges Bank now point to rate cuts over the coming years. Lower interest costs on our long-term debt and increased purchasing power among consumers will strengthen our position. A decline and, in the long term, stability in inflation will provide predictability for both consumers and tenants.

Aurora Eiendom achieved a satisfactory result for the first half of the year, with rental income in line with expectations, but the result is affected by high market interest rates. A significant portion of the company's long-term debt was refinanced in the first half of the year. Aurora's balance sheet is solid, with a loan-to-value ratio of 53%, while half of the debt is secured with interest rate swaps. In all, Aurora is well positioned for further development.

We see that Alti Forvaltning, which manages our centers, continues to deliver an excellent product. The high occupancy rate, continuous renewal of concepts, and strong results from sustainability efforts all bear testimony to this. Investments in upgrading the tenant mix will yield returns going forward. We are pleased to see that the management company is developing well, contributing to even more professional management.

We observe that shopping centers remain strong and stable through economic cycles. Low vacancy rates in commercial spaces are a good sign of this, and it is clear that those who succeed in this market are those who renew themselves and exercise good craftsmanship.

We move forward with confidence that our diversified portfolio, combined with strong management and proactive tenants, will continue to deliver results even in uncertain times.

# Responsibility statement

To the best of our knowledge, we declare that:

- The consolidated financial statements for the half-year report 2024 have been prepared in accordance with IAS 34 – Interim reporting.
- The information in the consolidated financial statements pr 30.06.2024 provides a true and fair picture of the overall assets, liabilities, financial position and financial result for the Group.
- The half-year report 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, 16<sup>TH</sup> AUGUST 2024



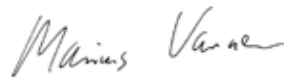
**Petter A. Stordalen**  
Chairman of the Board



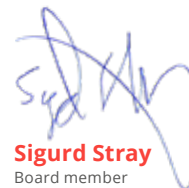
**Tine Herlofsen Slaatten**  
Board member



**Marianne Mazarino Håkensen**  
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><b>A.</b> EPRA Earnings<br/>EPRA Earnings per share (EPS)</p> <p><b>B.</b> EPRA Net Asset Value metrics<br/>EPRA Net Reinstatement Value (NRV)<br/>EPRA Net Tangible Assets (NTA)<br/>EPRA Net Disposal Value (NDV)</p> | <p><b>C.</b> EPRA Net Initial Yield<br/>EPRA Topped-Up Net Initial Yield</p> <p><b>D.</b> 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)	30.06.2024	30.06.2023	31.12.2023
Fair value of investment properties	8 407 100 000	8 681 500 000	8 417 600 000
Nominal interest - bearing debt	4 660 623 127	4 955 366 630	4 717 004 674
Cash and cash equivalents	179 383 023	340 545 410	178 985 292
Net interest-bearing debt	4 481 240 104	4 614 821 220	4 538 019 382
<b>Loan to value</b>	<b>53,3 %</b>	<b>53,2 %</b>	<b>53,9 %</b>

## 2. INTEREST COVERAGE RATIO (ICR)

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Net income from property management	119 780 946	117 795 520	246 594 213	242 776 493	476 734 706
Financial expenses*	66 446 250	61 580 440	139 018 906	122 969 285	256 390 787
<b>Interest coverage ratio</b>	<b>1,8</b>	<b>2,0</b>	<b>1,8</b>	<b>2,0</b>	<b>1,9</b>

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

### 3. EPRA PERFORMANCE MEASURES

	Unit	Q2 2024	Q2 2023	YTD 2024	2023	2022	
<b>A</b>	EPRA earnings per share (EPS)	NOK	1,42	1,52	2,98	6,16	6,42
<b>B</b>	EPRA NRV per share	NOK	128	133	128	127	135
	EPRA NTA per share	NOK	125	129	125	124	130
	EPRA NDV per share	NOK	128	131	127	125	131
<b>C</b>	EPRA Net Initial Yield	%	6,10	5,80	6,10	6,26	5,76
	EPRA Topped-Up Net Initial Yield	%	6,28	5,90	6,28	6,36	5,85
<b>D</b>	EPRA Vacancy Rate	%	3,4	2,3	3,4	2,3	2,2

#### A. EPRA EARNINGS QUARTERLY

All amounts in NOK million

	Q2 2024		
	IFRS reported	EPRA adjustments	EPRA Earnings
Rental income	147		147
Operating costs	-17		-17
<b>Net operating income</b>	<b>130</b>	<b>0</b>	<b>130</b>
Other revenue	0		0
Other costs	-3		-3
Administrative costs	-8		-8
Share of profit from associates	2		2
Net realised financials	-66		-66
<b>Net income</b>	<b>56</b>	<b>0</b>	<b>56</b>
Changes in value of investment properties	-38	38	0
Changes in value of financial instruments	3	-3	0
<b>Profit before tax/EPRA Earnings before tax</b>	<b>20</b>	<b>35</b>	<b>56</b>
Tax payable	-6		-6
Change in deferred tax	2	-8	-6
<b>Profit for period/EPRA Earnings</b>	<b>16</b>	<b>28</b>	<b>44</b>
Average outstanding shares (million)			31,0
<b>EPRA Earnings per share (NOK)</b>			<b>1,42</b>

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

### 3. EPRA PERFORMANCE MEASURES

#### A. EPRA EARNINGS YEARLY

All amounts in NOK million

	YTD 2024		
	IFRS reported	EPRA adjustments	EPRA Earnings
Rental income	297		297
Operating costs	-30		-30
<b>Net operating income</b>	<b>266</b>	<b>0</b>	<b>266</b>
Other revenue	0		0
Other costs	-5		-5
Administrative costs	-15		-15
Share of profit from associates	4		4
Net realised financials	-134		-134
<b>Net income</b>	<b>117</b>	<b>0</b>	<b>117</b>
Changes in value of investment properties	-52	52	0
Changes in value of financial instruments	37	-37	0
<b>Profit before tax/EPRA Earnings before tax</b>	<b>102</b>	<b>14</b>	<b>117</b>
Tax payable	-13		-13
Change in deferred tax	-8	-3	-11
<b>Profit for period/EPRA Earnings</b>	<b>81</b>	<b>11</b>	<b>92</b>
Average outstanding shares (million)			31,0
<b>EPRA Earnings per share (NOK)</b>			<b>2,98</b>

### 3. EPRA PERFORMANCE MEASURES

#### B. EPRA NET ASSET VALUE METRICS

(NOK million)

	30.06.2024		
	NRV	NTA	NDV
IFRS Equity	3 957	3 957	3 957
<b>Net Asset Value (NAV) at fair value</b>	<b>3 957</b>	<b>3 957</b>	<b>3 957</b>
Deferred tax properties and financial instruments	183	183	
Estimated real tax liability		92	
Net fair value on financial derivatives	-170	-170	
<b>EPRA NAV</b>	<b>3 971</b>	<b>3 879</b>	<b>3 957</b>
Outstanding shares at period end (million)	31	31	31
<b>EPRA NAV per share (NOK)</b>	<b>128</b>	<b>125</b>	<b>128</b>

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

(NOK million)

		30.06.2024	30.06.2023	31.12.2023
Investment property - wholly owned		8 407	8 682	8 418
<i>Less: developments</i>		-139	-149	-140
Completed property portfolio		8 268	8 533	8 278
Allowance for estimated purchasers' costs		17	17	17
<b>Gross up completed property portfolio valuation</b>	<b>B</b>	<b>8 285</b>	<b>8 550</b>	<b>8 294</b>
Annualised cash passing rental income		583	572	597 *
Property outgoings		-78	-76	-78
<b>Annualised net rents</b>	<b>A</b>	<b>505</b>	<b>496</b>	<b>519</b>
<i>Add: notional rent expiration of rent free periods or other lease incentives</i>		15	9	8
<b>Topped-up net annualised rent</b>	<b>C</b>	<b>520</b>	<b>505</b>	<b>527</b>
<i>Add: market rent of vacant space</i>		21	13	15
<b>Fully let net annualised rent</b>	<b>D</b>	<b>541</b>	<b>518</b>	<b>542</b>
EPRA NIY	A/B	6,10 %	5,80 %	6,26 %
EPRA "topped-up" NIY	C/B	6,28 %	5,90 %	6,36 %
Fully let net yield	D/B	6,53 %	6,06 %	6,53 %
Valuation yield		6,61 %	6,26 %	6,45 %

\* Consumer price index adjusted to rental income per 01.01.2024  
The numbers 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 30.06.2024

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 valuation 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)

		30.06.2024	30.06.2023	31.12.2023
Estimated rental value of vacant space	A	21	13	15
Estimated rental value of the whole portfolio	B	619	594	619

<b>EPRA Vacancy Rate</b>	<b>A/B</b>	<b>3,4 %</b>	<b>2,3 %</b>	<b>2,3 %</b>
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The market rent of vacant space is based on the independent valuation.  
EPRA vacancy rate does not include Jærhøgen 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
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
Occupancy	Market rent of leased areas divided by estimated market rent of the whole portfolio
Valuation Yield	Valuation yield set by external appraiser, used in the valuation of investment properties
WAULT	Weighted Average Unexpired Lease Term

# AURORA

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## Financial calendar

**Date**  
Friday November 15<sup>th</sup> 2024

**Report**  
Q3 2024

[www.aurora.no](http://www.aurora.no)

