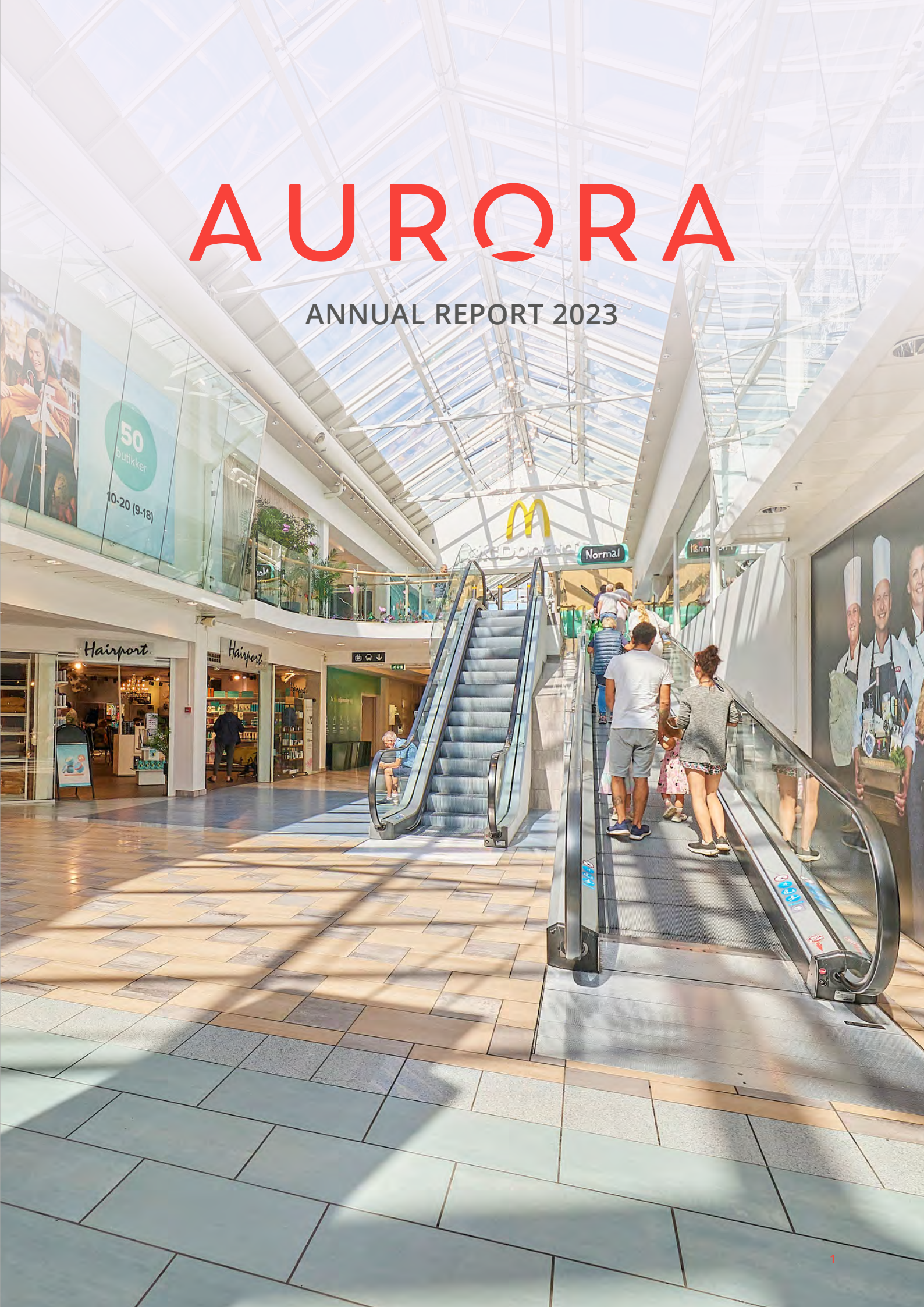


AURORA

ANNUAL REPORT 2023



Aurora Eiendom

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

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

Aurora Eiendom owns eight shopping centers in Norway: Alti Vinterbro in Ås municipality near Oslo, Alti Amanda in Haugesund, Alti Nerstranda in Tromsø, Alti Farmandstredet in Tønsberg, Alti Nordbyen in Larvik, Arkaden Senter in Stavanger as well as Alti Buskerud and Gulsbogen Senter – both in Drammen. We will continue to invest in strongly positioned shopping centers with attractive locations and an exciting offering of shops and services.

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

AURORA

AURORA EIENDOM 2023 REPORT

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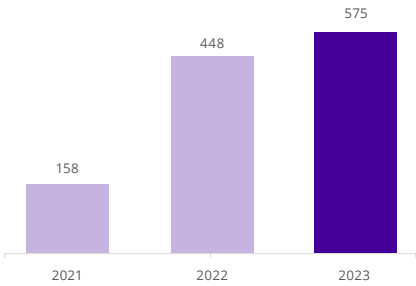
Aurora Eiendom 2023

Aurora Eiendom is a Norwegian real estate company listed on Euronext Growth Oslo. The company started its operations in July 2021 by acquiring five shopping centers, as well as 50 % of Alti Forvaltning AS. In this report, the parent company of Aurora Eiendom is referred to as Aurora Eiendom AS. The group is referred to as “The Group” or Aurora Eiendom.

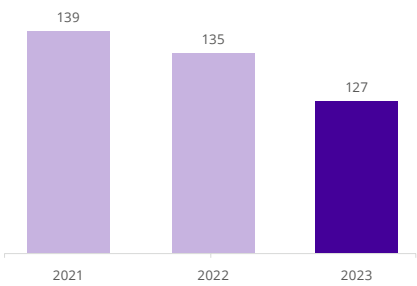
Highlights and Summary 2023

- Rental income in 2023 was NOK 575 million (NOK 448 million).
 - Aurora Eiendom acquired three shopping centers during 2022 (Alti Buskerud in March, as well as Gulsbogen Senter and Arkaden Senter in July). The increase in rental income thus primarily comes from a larger property portfolio.
- Net income from property management was NOK 477 million (NOK 377 million)
- Pre-tax profit, including fair value adjustments of investment properties and interest rate derivatives, was NOK -213.9 million (NOK 470.0 million). Fair-value adjustments on investment properties amounted to NOK -461.9 million and on financial derivatives NOK 4.7 million.
- In 2023, new leases were started on a total area of 17 476 sqm, while leases for 15 020 sqm expired. Occupancy was 97.7 % at year-end.
- WAULT for the portfolio was 3.5 years.
- The quarter’s tenant turnover in our fully owned centers was NOK 8 821 million, which is a like-for-like growth of 4.6 % compared 2022.
- During the year 2023 Alti Forvaltning increased its shopping center portfolio under management by 7 to 45 centers across Norway.

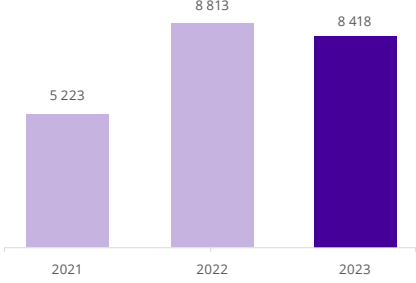
Rental income
(NOK million)



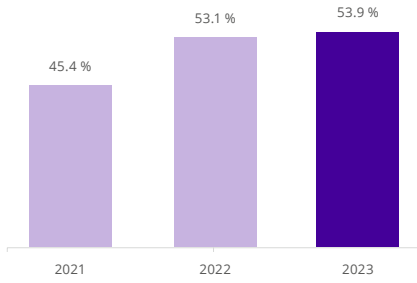
EPRA NRV per share
(NOK)



Value of investment properties
(NOK million)



Loan to value
(LTV)



Operational thrive in economic headwinds

At the onset of 2023, we had already witnessed the emergence of a phase marked by elevated inflation and rising interest rates. Following several years of robust tenant turnover figures, we anticipated that these economic conditions would negatively impact activity in shopping centers. However, over the course of the year, the shopping center sector demonstrated its resilience, achieving growth in both footfall and tenant revenue, despite the challenging macroeconomic environment.

Our wholly owned portfolio of shopping centers reported a tenant turnover amounting to NOK 8.8 billion, representing a 4.6% increase compared to 2022. Every shopping center within our portfolio experienced an upturn in turnover, with Alti Amanda and Alti Nerstranda approaching double-digit growth. These accomplishments not only exceed the industry average, but also underscore our satisfaction with the vibrant activity across our centers. The increase in tenant turnover is driven by inflation, yet the overall volume of goods has been broadly maintained, albeit with variations across different sectors.

The three categories experiencing the most significant growth in turnover were health foods, perfumeries, and pharmacies. Conversely, furniture, kiosks, and sporting goods saw the largest decline in turnover.

As a result of the challenges posed by high inflation and rising interest rates, which have diminished consumer purchasing power, we notice a reallocation of sales across categories. Decreased expenditures on durable goods has freed up funds for everyday items. It is evident that despite the reduction in spending on high-value purchases, consumers continue to highly value and prioritize life's simple pleasures – which comprise the majority of offerings in our shopping centers.

A key determinant of success for the shopping center model lies in its ability to provide offerings and services that resonate with customers across various economic conditions. The expertise and capability of our team are vital for dynamically adapting our tenant mix to remain engaging and relevant. This entails not only staying abreast of retail market trends but also incorporating unconventional concepts beyond traditional stores.

In 2023, notable initiatives to introduce new services included the launch of the IKEA planning studio at Gulsbogen Senter in the summer and the transformation of 1 100 square meters on the fourth floor of Alti Nerstranda from office space into a state-of-the-art orthopedic clinic. We believe that integrating such services, from the health sector and beyond, plays a crucial role in shaping the future of shopping centers.

We have observed a growing interest in new establishments within our centers, culminating in the highest occupancy of retail space by the end of 2023 since the inception of the company, with very few commercial spaces remaining vacant. As turnover figures continue to present favorably, we expect the enthusiasm for opening new stores to persist.

A concern related to the economic wellbeing of our tenants stems from the substantial inflation and the weakening performance of the Norwegian krone's exchange rate, which have consequential impacts on tenants' gross profits and overall profitability. Although there has not yet been a discernible negative trend in outstanding receivables, we have received signals that this worry is echoed by multiple stakeholders.

Progress on the Elveparken project in Krokstadelva and the Hovlandbanen project in Larvik is moving forward, with planning proposals submitted for both sites. Importantly, the planning proposal for Hovlandbanen was unanimously approved by the executive committee of Larvik Municipality in May. This endorsement marks our progression into the subsequent regulatory phase.

Since our founding, sustainability has been a cornerstone of our operations. Our dedication to sustainable practices has been recognized by the European Public Real Estate Association (EPRA), which honored our 2022 annual report with the sBPR gold level for outstanding ESG data disclosure. Additionally, we were awarded the sBPR Most Improved Award, placing us among the top three ESG reporting practice improvement out of the 173 evaluated members. In 2023, we intensified our efforts in sustainability, completing a BREEAM In-Use certification process for our shopping center portfolio. Embarking

on this journey with lofty goals, we're thrilled that our project team has not just achieved but surpassed our expectations. Out of the seven certifications granted so far, two received a "Very Good" rating, three were awarded "Excellent", and two achieved the highest "Outstanding" level. We anticipate completing the final two certifications in the first half of 2024. These initiatives, along with other significant actions like installing solar panels and becoming Norway's first dementia-friendly shopping center, led to Alti Vinterbro receiving the Sustainability Award from The Norwegian Association of Shopping Centers at their annual conference in March 2024. We are immensely proud of our accomplishments over the past year and remain committed to advancing our mission as a transparent and responsible company.

Our jointly owned management company, Alti Forvaltning, expanded its portfolio during the year by adding seven new centers, bringing the total to 45 shopping centers under management by the end of 2023. The increase in managed volume affords the company the opportunity to refine its expertise and enhance its property management services. This growth not only leads to improved operational efficiency and quality but also contributed to a pre-tax profit of NOK 28.1 million for 2023.

For the year 2023, our rental income reached NOK 575 million, up from NOK 448 million the previous year. The pre-tax profit for 2023 stood at NOK -213,9 million, which includes adjustments for fair value on investments properties and interest rate derivatives. Without these adjustments, the profit was NOK 243,4 million.

With two bank loans set to mature during 2024, we are pleased to have refinanced parts of this already in December 2023. The remainder has been confirmed to be renewed from July.

The rising interest rates have continued to negatively impact our profitability. Having a significant portion of our financing hedged has been essential in mitigating this effect.

Furthermore, these interest rate trends have influenced the valuation yields applied in external property valuations, largely accounting for the write-downs in property values. Despite the challenges posed by property valuation declines and high interest rates, we are pleased that our shopping center operations have yielded strong operating results. This success is evidenced by high occupancy rates, an increase in rental income, and stable operating costs.

In summary, our shopping centers are experiencing a positive momentum, characterized by rising sales and foot traffic, which in turn has spurred a surge in interest for commercial space within our portfolio. Over the past year, we have introduced a diverse range of new concepts, achieving a high occupancy rate with minimal commercial vacancies. Although escalating financial costs have posed challenges to our financial performance, the robust performance of our shopping centers provides a strong foundation for optimism in the coming year.

We will continue to invest in our shopping centers, enhancing their appeal as shopping destinations and community hubs. In collaboration with the Alti Forvaltning team, we are steadily increasing our strength and quality, and our capacity to recognize and seize opportunities.

Lars Ove Løseth
CEO Aurora Eiendom AS



Key figures

Group Key Figures	Unit	2023	2022
Rental Income	NOK	574 831 016	447 915 298
Net income from property management	NOK	476 734 706	377 828 438
		31.12.2023	31.12.2022
Market value of property portfolio	NOK	8 417 600 000	8 813 000 000
Net interest bearing debt*	NOK	4 538 019 382	4 681 651 166
Outstanding shares	#	30 962 431	30 962 431
Equity per share	NOK	125.1	130.5

Alternative Performance Measures*		2023	2022
Interest coverage ratio		1.9	2.2
Loan to value (LTV)	%	53.9	53.1
EPRA earnings per share (EPS)	NOK	6.16	6.42
EPRA NRV per share	NOK	127	135
EPRA NTA per share	NOK	124	130
EPRA NDV per share	NOK	125	131
EPRA Net Initial Yield	%	6.26	5.76
EPRA Topped-Up Net Initial Yield	%	6.36	5.85
Net Initial Yield Fully Let	%	6.53	6.01
EPRA Vacancy Rate	%	2.3	2.2

* See Alternative Performance Measures for details

Leasing activity		2023	2022
Total area leases started	sqm	17 476	8 786
Total area leases expired	sqm	15 020	6 510
Net area leased	sqm	2 455	2 276
Net area leased	%	1.2	1.1
Total area of leases extended	sqm	21 378	24 743
Total area of leases extended	%	10.8	12.3

Leasing portfolio summary		31.12.2023	31.12.2022
Properties fully owned	#	8	8
GLA	sqm	198 654	202 323
Occupancy*	%	97.7	97.8
WAULT	year	3.5	3.3
Annualised cash passing rental income**	MNOK	597	576

* Occupancy: market rent of leased areas divided by estimated market rent of the whole portfolio
 ** Consumer price index adjusted to rental income per 01.01.2023 and 01.01.2024

Real estate portfolio



SUMMARY

Portfolio key figures



Key figures shopping centers

Shopping center	Alti Amanda	Alti Buskerud	Alti Farmandstredet	Alti Nordbyen	Alti Vinterbro	Arkaden Senter	Gulskogen Senter	Alti Nerstranda
Location	Haugesund	Drammen	Tønsberg	Larvik	Ås	Stavanger	Drammen	Tromsø
Gross lettable area (sqm)	15 166	31 916	34 953	15 996	33 686	14 428	40 623	11 887
Retail area (sqm)	14 216	28 582	27 049	14 576	30 211	8 917	37 622	8 897
Footfall (millions)*	2.4	2.0	4.3	1.6	3.1	2.6	3.1	1.8
Footfall per retail area **	117.5	70.0	159.0	109.8	102.6	256.9	82.4	202.3
Turnover tenants (MNOK)*	1 234	1 219	1 545	616	1 684	355	1 665	503
Turnover per retail area**	60 434	42 649	57 119	42 261	50 942	35 083	44 256	56 536
Turnover per visitor **	514	610	359	385	496	137	537	279
Rental income (MNOK)	57	69	124	44	85	28	130	38

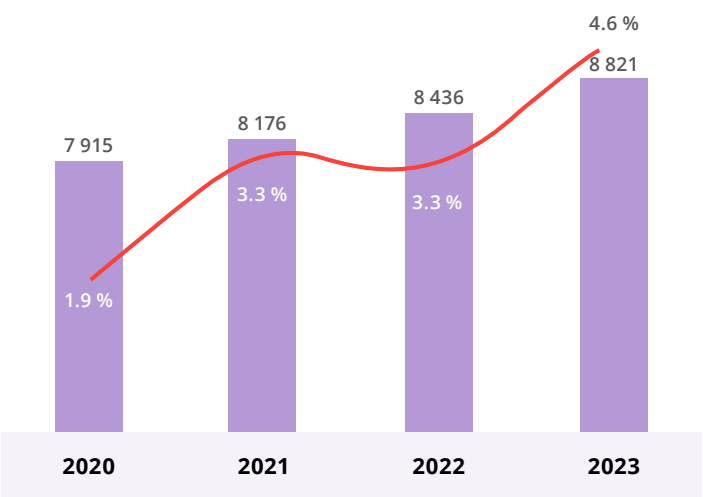
* Turnover tenants and footfall Alti Amanda and Arkaden Senter includes Coop OBS! & Coop Extra which are not owned by Aurora
* Turnover tenants Alti Vinterbro includes adjacent big-box retailers not owned by Aurora
** Key figures corrected to include Coop OBS! at Alti Amanda, Coop Extra at Arkaden Senter and exclude big-box retailers at Alti Vinterbro

Key figures associated companies

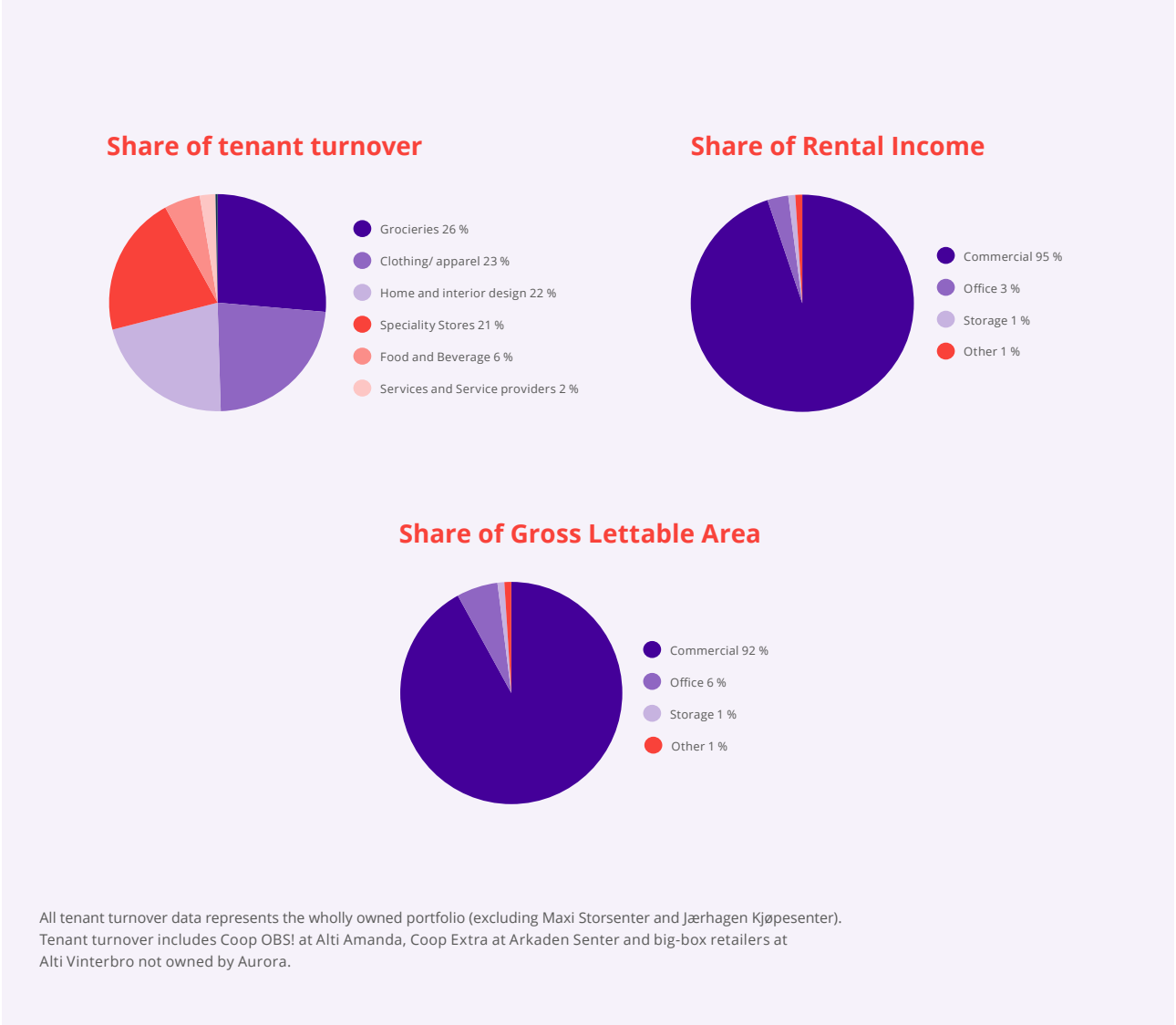
Shopping center	Jærhagen Kjøpesenter	Maxi Storsenter
Location	Kleppe	Hamar
Gross lettable area (sqm)	47 060	21 791
Retail area (sqm)	39 948	20 669
Footfall (millions)	2.8	1.6
Footfall per retail area	70.1	77.4
Turnover tenants (MNOK)	1 562	600
Turnover per retail area	39 101	29 029
Turnover per visitor	558	375
Rental income (MNOK)	72.1	34.4



Tenant Turnover



Center	2022	2023	%
Alti Amanda	1 123	1 234	9.9 %
Alti Buskerud	1 177	1 219	3.6 %
Alti Farmandstredet	1 460	1 544	5.8 %
Alti Nerstranda	458	503	9.8 %
Alti Nordbyen	602	616	2.4 %
Alti Vinterbro	1 666	1 684	1.1 %
Arkaden Senter	336	355	5.5 %
Gulskogen Senter	1 615	1 665	3.1 %
Total	8 436	8 821	4.6 %



- Aurora’s center portfolio experienced a turnover increase of 4.6% in 2023.
- All centers reported positive figures in 2023, with Alti Amanda and Alti Nerstranda narrowly missing double-digit percentage growth.
- Several categories demonstrated robust turnover figures, notably health food, pharmacies, and perfumeries, which experienced significant growth.
- However, certain categories such as home and interior design, kiosks, and sports faced setbacks.
- Many industries that thrived during the pandemic are now witnessing a decline in performance, particularly those with a high reliance on capital goods.
- While there’s a noticeable decrease in spending on larger capital goods, our data suggests that consumers prioritize smaller everyday indulgences during economic downturns, often found within shopping centers.
- Overall, shopping centers have displayed resilience compared to other sectors, delivering strong results despite the challenges posed by reduced consumer purchasing power.



Alti Amanda

THE LEADING SHOPPING CENTER IN HAUGESUND

Alti Amanda, situated in the Raglamyr area in Haugesund, serves as the primary shopping hub and meeting point for locals since 1997.

The center boasts exceptional accessibility with 1 600 free parking spaces and convenient bus connections to primary and secondary areas, only 6 km from downtown. Haugesund, undergoing notable population growth, acts as a regional hub with a long tradition of commerce and a culturally active community.

Alti Amanda features an array of retail options including major retailers like H&M and Normal, as well as popular dining spots like Kompis and Sabrura. The center offers a bright and welcoming atmosphere, emphasising family-friendly concepts, women's and men's fashion, making it a sought-after destination for shopping and socialising in the region.



RETAIL AREA (SQM) / STORES (#)
14 216 / 60



TENANT TURNOVER 2023
MNOK 1 234



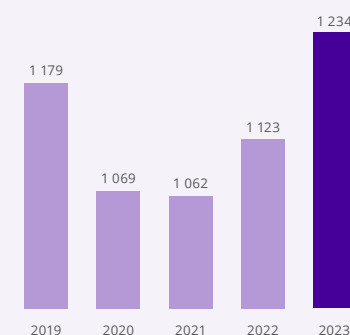
FOOTFALL 2023
2.4m



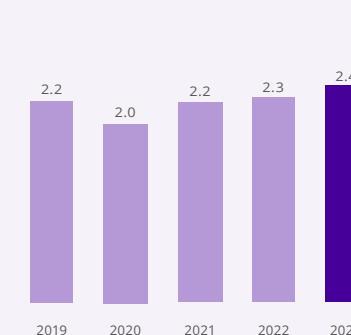
RENTAL INCOME 2023
MNOK 57



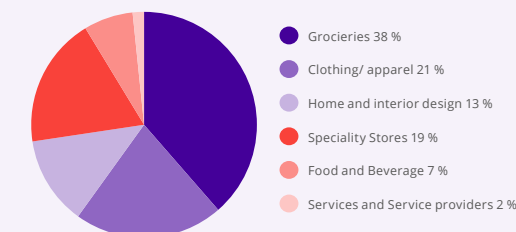
Tenant Turnover
(NOK million)



Footfall
(million)



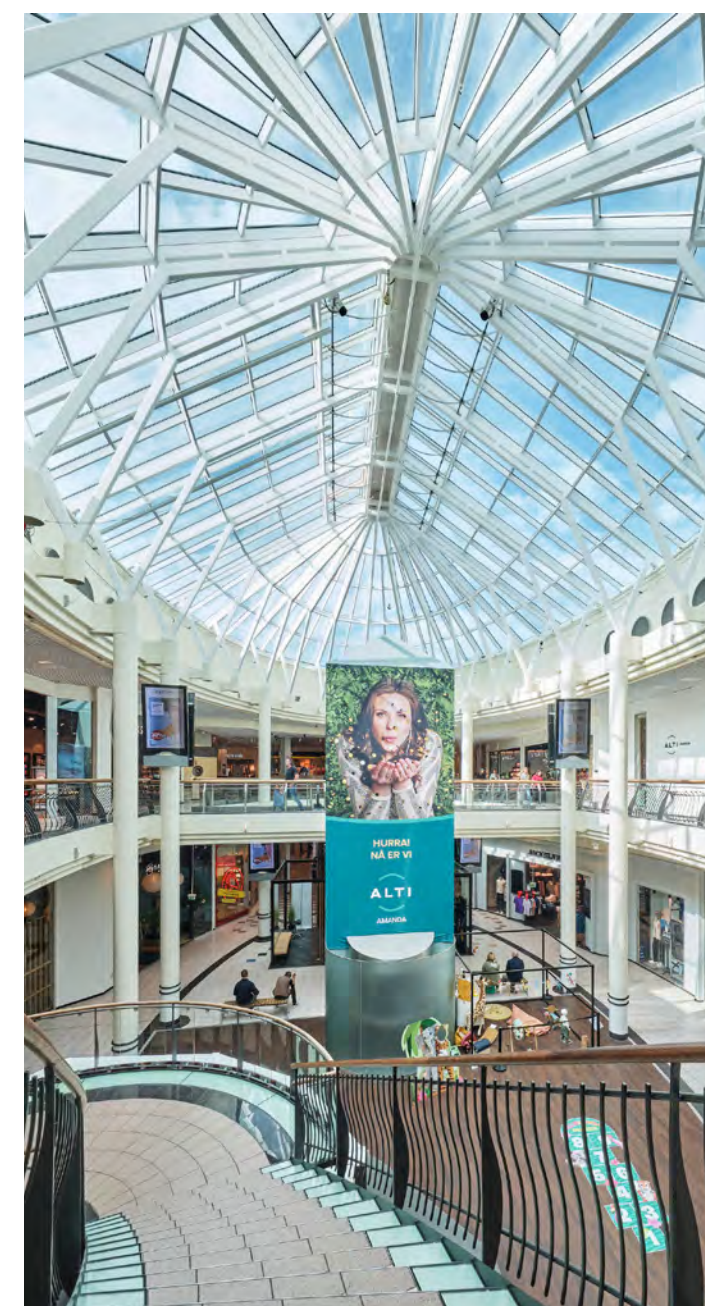
Share of tenant turnover



Key events 2023

- Restaurant concept Kompis opened in June.
- Replaced a significant portion of indoor and outdoor lighting with LED fixtures.
- Renovation of toilets and nursing room, including the integration a unique "discodass" (disco toilet) that has already become an attraction.
- BREEAM In-Use "Excellent".

Retail area	14 216 m ²
Office area	320 m ²
Storage area	630 m ²
Other exclusive area	0 m ²
Gross lettable area (GLA)	15 166 m²
Common areas	5 864 m ²
Gross productive area (GPA)	21 030 m²
Technical / Non productive areas	2 501 m ²
Indoor parking	0 m ²
Total area	23 531 m²



Alti Buskerud

REGIONAL SHOPPING CENTER WITH A GROWING CATCHMENT AREA POPULATION



Positioned in Krokstadelva, 15 minutes west of Drammen, Alti Buskerud serves as a significant shopping center with easy access to a growing population within a 15-minute drive.

Renovated in 2017, Alti Buskerud boasts 61 stores across two floors, featuring anchor retailers like Coop Obsl, Clas Ohlson, and H&M, catering to a diverse range of shopping needs. With ample free parking for 800 vehicles and 38 charging points for electric cars, accessibility is a highlight of Alti Buskerud, located conveniently near major transportation routes.

As one of the leading shopping centers in the region, Alti Buskerud offers a varied retail mix, making it the preferred destination for shopping among locals in the catchment area. Originally opened in 1985 as Spareland, Alti Buskerud has undergone extensive renovations on several occasions, most recently in 2017, featuring new stores and amenities.



RETAIL AREA (SQM) / STORES (#)
28 582 / 61



TENANT TURNOVER 2023
MNOK 1 219



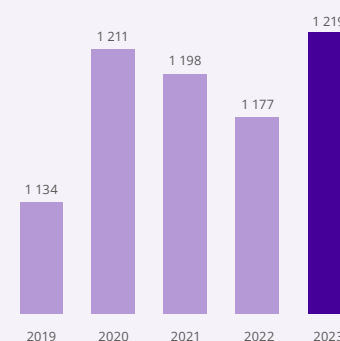
FOOTFALL 2023
2.0m



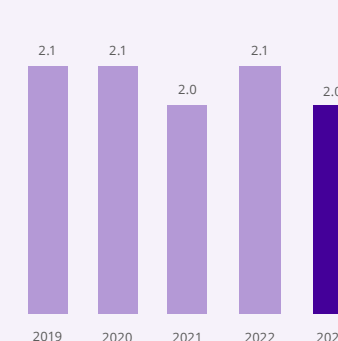
RENTAL INCOME 2023
MNOK 69



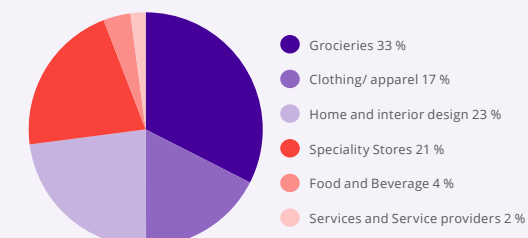
Tenant Turnover
(NOK million)



Footfall
(million)



Share of tenant turnover



Key events 2023

- New stores
 - Dollarstore in August
 - Match in August
 - Sport Outlet in October
- Alti Buskerud became a proud member of «Hold Norge Rent», a Norwegian Organisation dedicated to combating littering and promoting environmental conservation.
- BREEAM In-Use certified "Outstanding", holding as of the end of 2023 the highest BIU score in Norway, at 93.5 %, and the second highest in the world.

Retail area	28 582 m ²
Office area	418 m ²
Storage area	1 756 m ²
Other exclusive area	1 160 m ²
Gross lettable area (GLA)	31 916 m²
Common areas	4 371 m ²
Gross productive area (GPA)	36 287 m²
Technical / Non productive areas	546 m ²
Indoor parking	0 m ²
Total area	36 832 m²



Alti Farmandstredet

ONE OF SOUTH-EASTERN NORWAY'S PREMIERE SHOPPING CENTERS

Positioned in the heart of Tønsberg, Alti Farmandstredet stands out as one of south-eastern Norway's premier shopping destinations, attracting a significant influx of visitors, especially during the summer tourist season.

As the region's largest shopping center, Alti Farmandstredet boasts over 80 stores, including cafes, restaurants, and essential services like pharmacies and grocery stores, catering to the diverse needs of customers.

The center's central location in Tønsberg, along with its ample parking facilities, including 740 covered parking spaces, ensures convenient accessibility for shoppers, complemented by proximity to bus and train stations.

Serving as the market leader in the region, Alti Farmandstredet provides a vibrant city center atmosphere with high customer footfall, making it the preferred choice for shoppers from Horten to Sandefjord.



RETAIL AREA (SQM) / STORES (#)
27 049 / 85



TENANT TURNOVER 2023
MNOK 1 545

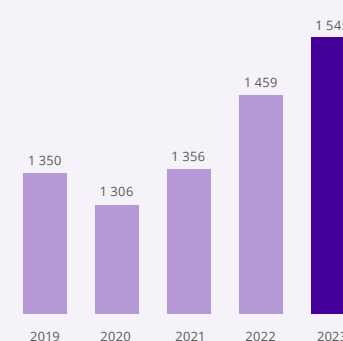


FOOTFALL 2023
4.3m

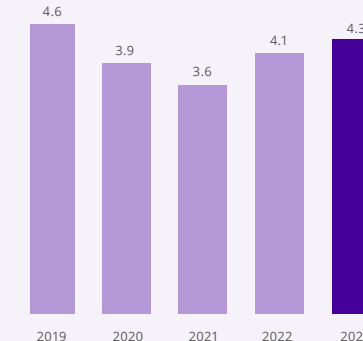


RENTAL INCOME 2023
MNOK 124

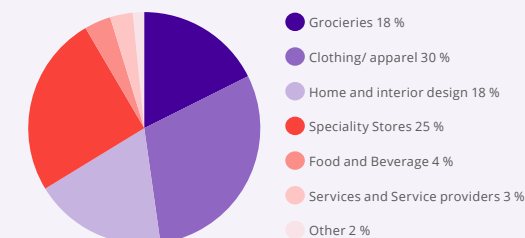
Tenant Turnover
(NOK million)



Footfall
(million)



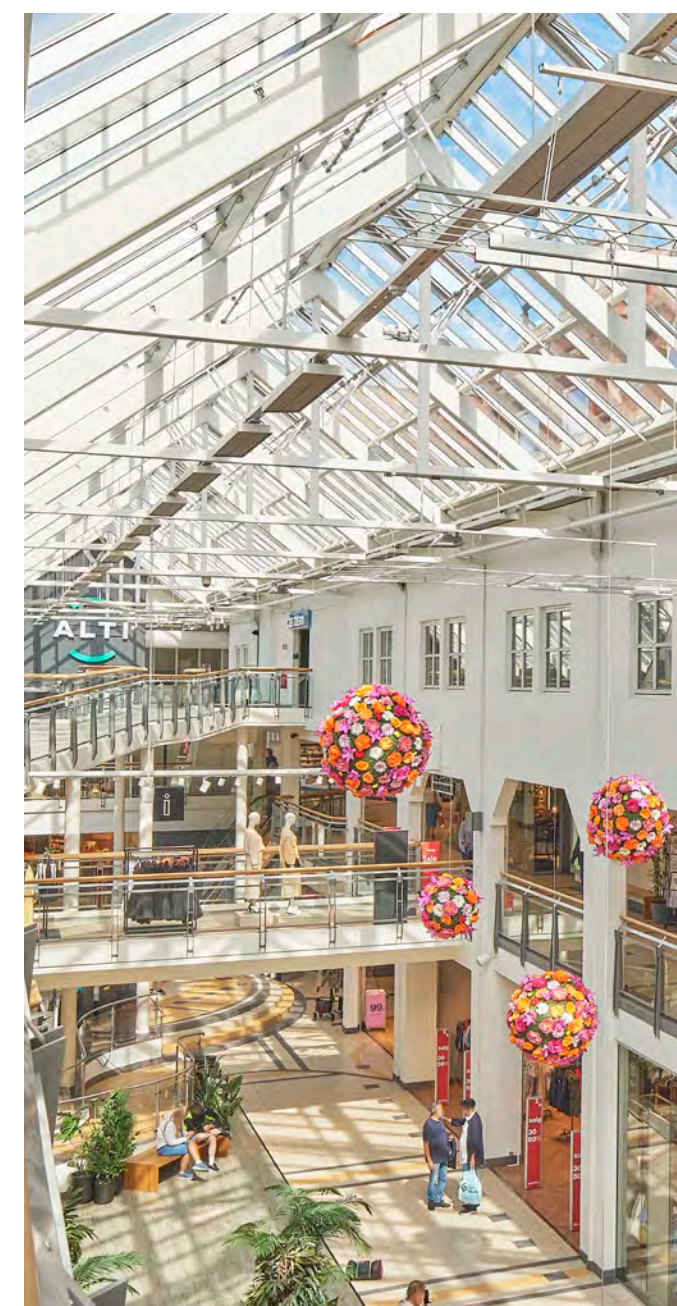
Share of tenant turnover



Key events 2023

- Opened a new and expanded Normal store.
- Received the "Growth Company of the Year in Tønsberg" award at the Tønsberg Awards event.
- Nikita opened a new and larger salon on level 1 in Glassgården.
- Rituals opened a new large store.
- Completely upgraded Carl E. Paulsen Square outside the entrance towards the city center.
- New entrance areas from the parking garage.
- BREEAM In-use certified to "Very Good."

Retail area	27 049 m ²
Office area	2 688 m ²
Storage area	3 438 m ²
Other exclusive area	1 777 m ²
Gross lettable area (GLA)	34 952 m²
Common areas	11 790 m ²
Gross productive area (GPA)	46 742 m²
Technical / Non productive areas	3 932 m ²
Indoor parking	27 641 m ²
Total area	78 316 m²



Alti Nerstranda

FULL-SCALE SHOPPING CENTER IN THE HEART OF TROMSØ

Alti Nerstranda, situated at Strandtorget in Tromsø city center, enjoys a prime location with easy access by foot or bus, serving as a social hub for the Tromsø region since 1998. Boasting a diverse range of shops and services within a welcoming atmosphere, Alti Nerstranda stands out as the number one shopping destination and meeting place in Tromsø's city center.

With a primary market of Tromsø municipality, which has a rapidly growing population, Alti Nerstranda caters to the high purchasing power in the area, offering upgraded communal areas and excellent accessibility.

Alti Nerstranda's parking facility in the basement provides 220 paid spots directly accessible to the shopping area, complementing the public transportation options available nearby.

Whether it's a leisurely stroll along the waterfront or a quick visit during a busy day in Tromsø, Alti Nerstranda serves as a vibrant retail destination, attracting residents, workers, and tourists alike with its rich assortment of shops, including essentials like pharmacies and Vinmonopolet, as well as various dining options.



RETAIL AREA (SQM) / STORES (#)
8 897 / 38



TENANT TURNOVER 2023
MNOK 503

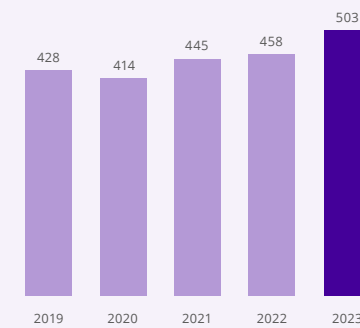


FOOTFALL 2023
1.8m

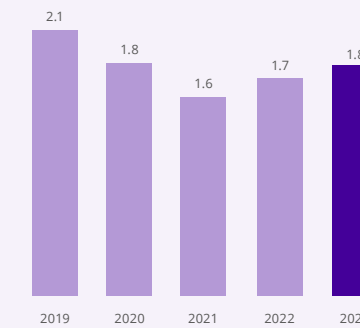


RENTAL INCOME 2023
MNOK 38

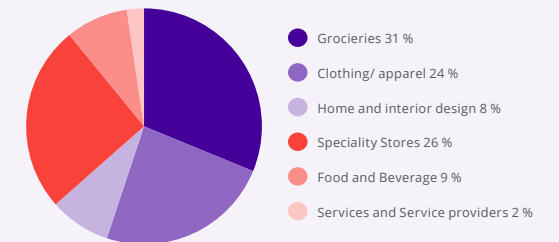
Tenant Turnover
(NOK million)



Footfall
(million)



Share of tenant turnover



Key events 2023

- Surpassed tenant revenue of 500 MNOK for the first time in 2023 (9.8 % increase from 2022).
- Rebranded to Alti Nerstranda.
- Norrøna Concept Store opened in February.
- Vinmonopolet updated store to latest concept.
- BREEAM In-Use certified "Excellent".
- In the Autumn of 2023, conversion of 1 200 sqm from office space to what will become the region's most modern orthopedic clinic began.
- OCH Ortopedi will open in Q1 2024.

Retail area	8 897 m ²
Office area	2 064 m ²
Storage area	579 m ²
Other exclusive area	347 m ²
Gross lettable area (GLA)	11 887 m²
Common areas	5 382 m ²
Gross productive area (GPA)	17 269 m²
Technical / Non productive areas	1 005 m ²
Indoor parking	6 687 m ²
Total area	24 961 m²



Alti Nordbyen

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

Alti Nordbyen, located just north of Larvik city center offers a diverse range of shops and services to cater to the needs of residents and tourists alike.

The center holds the market leadership position in Larvik and the surrounding areas of Sandefjord and Lardal, with a strong customer base of approximately 47 000 residents and a significant increase in population during the summer tourist season. Alti Nordbyen is located in an area with high residential development activity, accompanied by an influx of residents, in the district.

With convenient access from the E18 and good bus connections in the area, Alti Nordbyen offers accessibility for shoppers, complemented by its ample parking facilities providing 3 hours of free parking. Alti Nordbyen's strategic location and strong market presence make it a preferred choice for both everyday shopping and leisurely outings, providing a comprehensive retail experience with over 40 stores, including essentials like pharmacies and grocery stores, along with several dining options.



RETAIL AREA (SQM) / STORES (#)
14 576 / 46

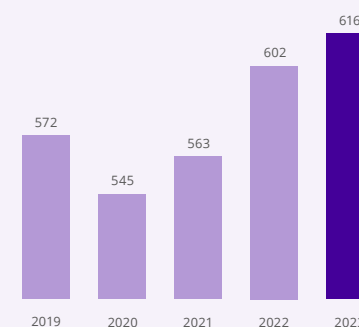
TENANT TURNOVER 2023
MNOK 616

FOOTFALL 2023
1.6m

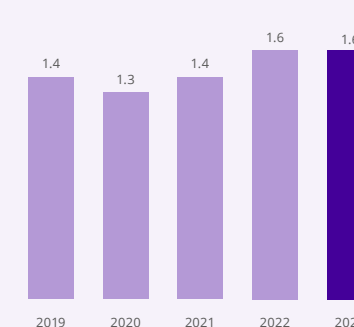
RENTAL INCOME 2023
MNOK 44



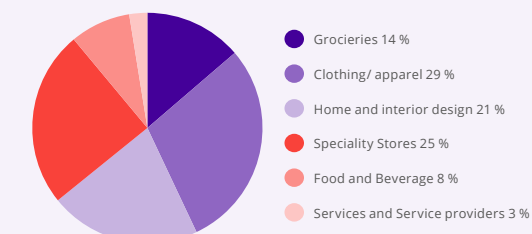
Tenant Turnover (NOK million)



Footfall (million)



Share of tenant turnover



Key events 2023

- Expanded Leans Cafe by 80 sqm.
- Installed a new revolving door downstairs on level 1.
- New Telenor store.
- Zavanna opened its first store in Larvik at Alti Nordbyen.
- Skoringen opened its Bagfocus department.
- BREEAM In-Use certified to "Very Good."

Retail area	14 576 m ²
Office area	358 m ²
Storage area	1 061 m ²
Other exclusive area	0 m ²
Gross lettable area (GLA)	15 996 m²
Common areas	3 891 m ²
Gross productive area (GPA)	19 887 m²
Technical / Non productive areas	716 m ²
Indoor parking	0 m ²
Total area	20 603 m²



Alti Vinterbro

A COMPLETE SHOPPING DESTINATION AT THE JUNCTION OF TWO MAIN HIGHWAYS

Positioned at the intersection of highways E6 and E18, Alti Vinterbro serves as a prominent shopping center, conveniently located approximately 20 minutes south of Oslo and adjacent to the popular Tusenfryd amusement park.

With over 80 stores, including well-known retailers like Coop OBS and Rusta, Alti Vinterbro offers a comprehensive shopping experience in the Follo region, known for its strong purchasing power and expected population growth. The center offers 1 250 parking spaces and accessibility via both car and public transportation.

Positioned within Ås municipality, Alti Vinterbro caters to a population of approximately 21 500 residents with a catchment area with more than 240 000 residents within a 20-minute drive, and a significant daily vehicle traffic of 60 000.



RETAIL AREA (SQM) / STORES (#)

30 211 / 80



TENANT TURNOVER 2023

MNOK 1 684¹



FOOTFALL 2023

3.1m



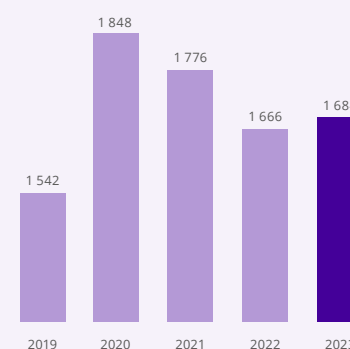
RENTAL INCOME 2023

MNOK 85

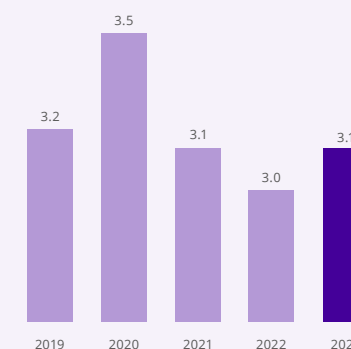
¹ Turnover tenants at Alti Vinterbro includes adjacent big-box retailers not owned by Aurora.



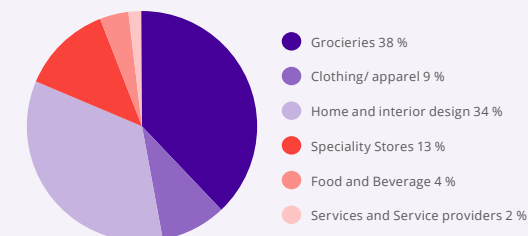
Tenant Turnover (NOK million)



Footfall (million)



Share of tenant turnover



Key events 2023

- BREEAM In-use certified with an "Outstanding" rating.
- Establishment of Rusta on 2 062 sqm.
- Solar panels on the roof with an annual production of 1.14 GWh established in 2023.
- Certified as Norway's first dementia-friendly shopping center in the fall of 2023.
- Establishment of one of the region's largest electric vehicle charging parks.

Retail area	30 211 m ²
Office area	1 846 m ²
Storage area	1 629 m ²
Other exclusive area	0 m ²
Gross lettable area (GLA)	33 686 m²
Common areas	8 422 m ²
Gross productive area (GPA)	42 108 m²
Technical / Non productive areas	837 m ²
Indoor parking	14 407 m ²
Total area	57 353 m²



Under BREEAM In-Use certification. Expected to be certified "Very Good" during first half of 2024.

Arkaden Senter

ONE OF THE MOST CENTRAL SHOPPING CENTERS IN STAVANGER

Positioned in the heart of Stavanger city center, Arkaden Senter enjoys a strong presence as a vibrant urban shopping destination, with a variety of stores and a health services hub. Arkaden Senter offers easy accessibility via public transportation, ensuring convenience for shoppers who can also enjoy the nearby bus and boat connections.

Anchored by major retailers like H&M, Starbucks, and Kicks, Arkaden Senter stands out as a key shopping destination in Stavanger.

With its dynamic layout and covered walkway connecting multiple buildings, Arkaden Senter provides shoppers with the opportunity to navigate the city comfortably regardless of weather conditions, enhancing the overall shopping experience and reinforcing its status as a central hub in Stavanger's retail landscape.

RETAIL AREA (SQM) / STORES (#)
8 917 / 16

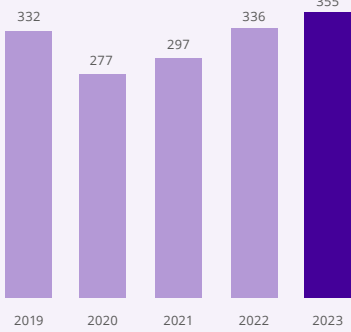
TENANT TURNOVER 2023
MNOK 355¹

FOOTFALL 2023
2.6m

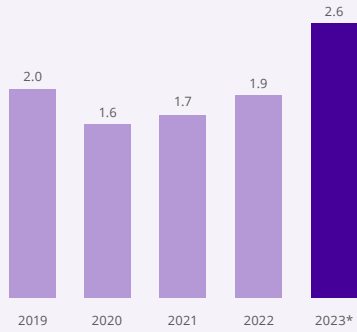
RENTAL INCOME 2023
MNOK 28

¹ Turnover tenants at Arkaden Senter includes Coop Extra not owned by Aurora.

Tenant Turnover (NOK million)

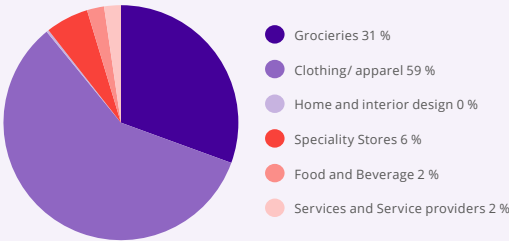


Footfall (million)



* The center changed its measurement point for footfall in 2023

Share of tenant turnover



Key events 2023

- Celebration of the center's 35th anniversary.
- Replacement of all lights with LED in the parking hall and outdoors, as part of ongoing BREEAM In-Use certification.
- Launched a new visual profile in collaboration with the Stavanger City Center Association.
- Reduced electricity consumption for the 4th consecutive year without major investments in new equipment (approximately -30 % reduction over 3 years).
- Upgraded entrance area and parts of the facade at the Petri entrance (the center's 3rd most visited entrance).

Retail area	8 917 m ²
Office area	4 402 m ²
Storage area	1 109 m ²
Other exclusive area	0 m ²
Gross lettable area (GLA)	14 428 m²
Common areas	3 150 m ²
Gross productive area (GPA)	17 578 m²
Technical / Non productive areas	1 257 m ²
Indoor parking	2 169 m ²
Total area	21 004 m²



Under BREEAM In-Use
Certification. Expected to
be certified to
“Excellent” during first half
of 2024.

Gulskogen Senter

REGIONAL SHOPPING CENTER AND THE LARGEST SHOPPING
CENTER IN DRAMMEN

Gulskogen Senter, located in the fastest-growing part
of Drammen, serves as the largest and most preferred
shopping destination in the region, boasting a diverse
selection of over 110 stores and 10 dining options.
With more than 300 000 residents within a 30-minute drive,
Gulskogen Senter benefits from a strong customer base and
promising market potential.

Anchored by renowned retailers such as Elkjøp, Meny, and
H&M, Gulskogen Senter offers an attractive mix of stores,
services, and dining establishments, ensuring a fulfilling
shopping experience for visitors.
Positioned in a well-established retail cluster and adjacent to
a new residential district development of around 1 500 units,
Gulskogen Senter anticipates further growth and expansion
in the coming years, reinforcing its status as a thriving hub in
the local community.
The center’s modern, bright, and inviting interior design,
combined with its convenient location and ample parking of
850 spaces, enhances its appeal as a popular gathering place
for families and friends in the area.



RETAIL AREA (SQM) / STORES (#)

37 622 / 113



TENANT TURNOVER 2023

MNOK 1 665



FOOTFALL 2023

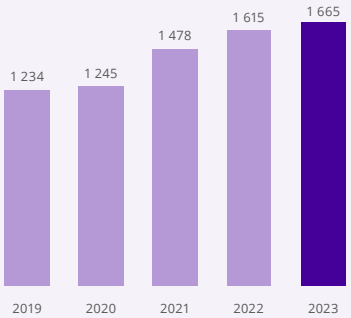
3.1m



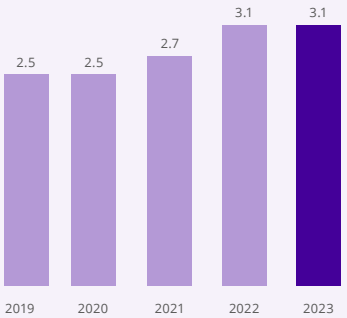
RENTAL INCOME 2023

MNOK 130

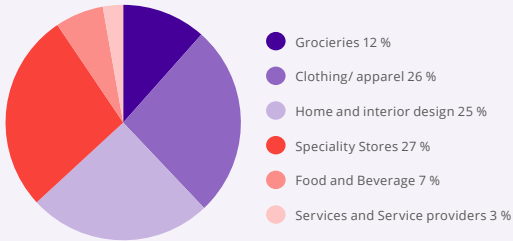
Tenant Turnover
(NOK million)



Footfall
(million)



Share of tenant turnover



Key events 2023

- New store openings:
 - IKEA Planning Studio
 - Hunkemöller
 - SmoothieXchange
 - Sunkost
 - Lagerhaus
- Intersport underwent a transformation to Anton Sport.
- Floyd, Nille, Kremmerhuset updated stores.
- Hosted several activities for the local community - “Gulskogendagene” in June and several flea markets (one of which is nominated for the “Best Innovative Idea 2023» at the Shopping Center Conference 2024).
- Relaunched customer club currently reaching 47 000 members.

Retail area	37 622 m²
Office area	1 212 m²
Storage area	1 774 m²
Other exclusive area	15 m²
Gross lettable area (GLA)	40 623 m²
Common areas	11 316 m²
Gross productive area (GPA)	51 939 m²
Technical / Non productive areas	1 529 m²
Indoor parking	26 727 m²
Total area	80 195 m²



Jærhagen

A COMPLETE SHOPPING DESTINATION ANCHORED WITH BIG-BOX TENANTS

Located in the heart of Klepp municipality, Jærhagen is a distinctive shopping center, providing a wide variety of retail choices.

Boasting a strategic traffic junction with approximately 28 000 daily passing vehicles, Jærhagen enjoys excellent visibility and accessibility, making it a prime location for retailers and attracting customers from Klepp and nearby areas.

Following a major expansion completed in 2018, Jærhagen has evolved into an exciting shopping center spanning 67 000 square meters, blending elements of a traditional shopping mall with those of a big-box retail center, catering to a wide range of consumer preferences.

Strategically positioned as Klepp's central hub and benefiting from its location along RV44 and RV510, Jærhagen offers over 1 200 free parking spaces, ensuring convenient access for shoppers and enhancing the overall shopping experience. Jærhagen features a mix of retailers and services, including Coop Mega, one of the district's highest-grossing grocery stores, making it a dynamic and appealing destination for local residents and visitors alike.



RETAIL AREA (SQM) / STORES (#)
39 948 / 63



TENANT TURNOVER 2023
MNOK 1 562

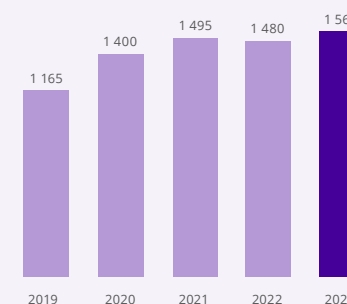


FOOTFALL 2023
2.8m

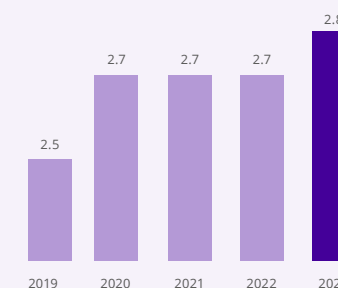


RENTAL INCOME 2023
MNOK 72

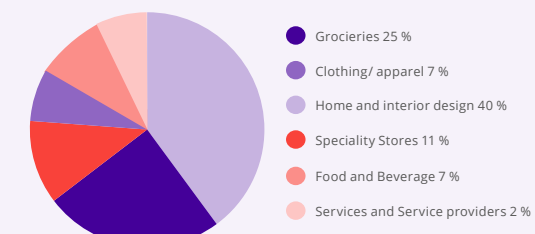
Tenant Turnover
(NOK million)



Footfall
(million)



Share of tenant turnover



Key events 2023

- New store openings:
 - Telenorbutikken
 - Dollarstore 790 sqm
 - Elite Foto
 - Christiania Glasmagasinet
- Upgraded KappAhl and hairdresser Sayso rebranded to Nikita.

Retail area	36 948 m ²
Office area	475 m ²
Storage area	1 706 m ²
Other exclusive area	7 932 m ²
Gross lettable area (GLA)	47 060 m²
Common areas	10 080 m ²
Gross productive area (GPA)	57 140 m²
Technical / Non productive areas	1 985 m ²
Indoor parking	8 228 m ²
Total area	67 353 m²





Maxi Storsenter

REGIONAL SHOPPING CENTER LOCATED IN HAMAR

Situated in Hamar, Maxi Storsenter serves as a regional shopping hub, conveniently located within a 15-minute drive for over 60 000 residents in a well-established residential area experiencing robust population growth.

With 39 stores spread across 20 669 square meters of retail space, Maxi Storsenter is anchored by popular retailers such as McDonald's, Coop Extra, Holdbart, and Normal, offering a diverse range of shopping options.

Maxi Storsenter boasts excellent accessibility, featuring ample free parking with 1 050 spaces and convenient public transportation options, making it easy for shoppers to visit and enjoy the center's offerings.



RETAIL AREA (SQM) / STORES (#)

20 669 / 39



TENANT TURNOVER 2023

MNOK 600



FOOTFALL 2023

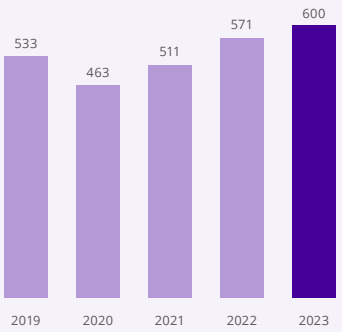
1.6m



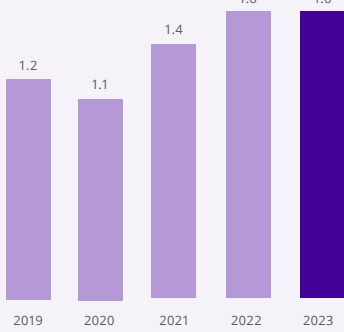
RENTAL INCOME 2023

MNOK 34

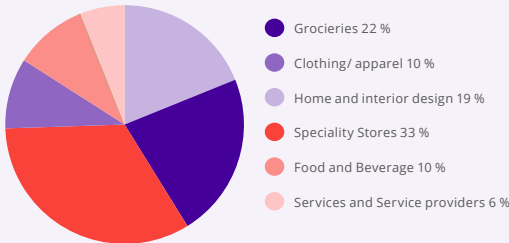
Tenant Turnover
(NOK million)



Footfall
(million)



Share of tenant turnover



Key events 2023

- New store openings:
 - Musikkverket.
 - Hamar Reiseeffekter.
 - Kirppis – thrift supermarket.
- BREEAM In-use certified with an “Excellent” rating.
- Collaboration initiated with OBOS for residential development.

Retail area	20 669 m²
Office area	205 m²
Storage area	783 m²
Other exclusive area	134 m²
Gross lettable area (GLA)	21 791 m²
Common areas	5 113 m²
Gross productive area (GPA)	26 904 m²
Technical / Non productive areas	1 269 m²
Indoor parking	5 228 m²
Total area	33 401 m²



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+.



Maxi Hamar

About the Project

- 25 % owned by Aurora Eiendom.
- Collaboration with OBOS for residential development.
- 150 residential units.
- 8 000 sqm additional commercial space.

Status

- The project is approved in the zoning plan.
- The leasing of the retail area has commenced, and completion of the project is contingent upon the results of the leasing efforts and construction costs.
- Sales of residential units will commence in Autumn 2024 for phase 1. Construction begins Q1-2025.



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+.





Organisation, management and Board of Directors

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



Alti Forvaltning AS

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

Alti Forvaltning AS is a professional property manager, and currently manages 45 shopping centers, among these the centers owned by Aurora Eiendom.

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

The head office is located in Surnadal, Nordmøre region, with branch offices in Arendal, Trondheim, Mandal, Stavanger, Oslo and Ålesund. Alti Forvaltning AS has around 70 employees in administration, as well as employees out in the shopping centres (approximately 130). All management resources dedicated to Aurora Eiendom AS are employed in Alti Forvaltning AS.



PORTFOLIO AREA / PROPERTIES

970 000 sqm / 115



TENANT TURNOVER SHOPPING CENTERS

NOK +27.7 bn



RENTAL INCOME

NOK +1.7 bn



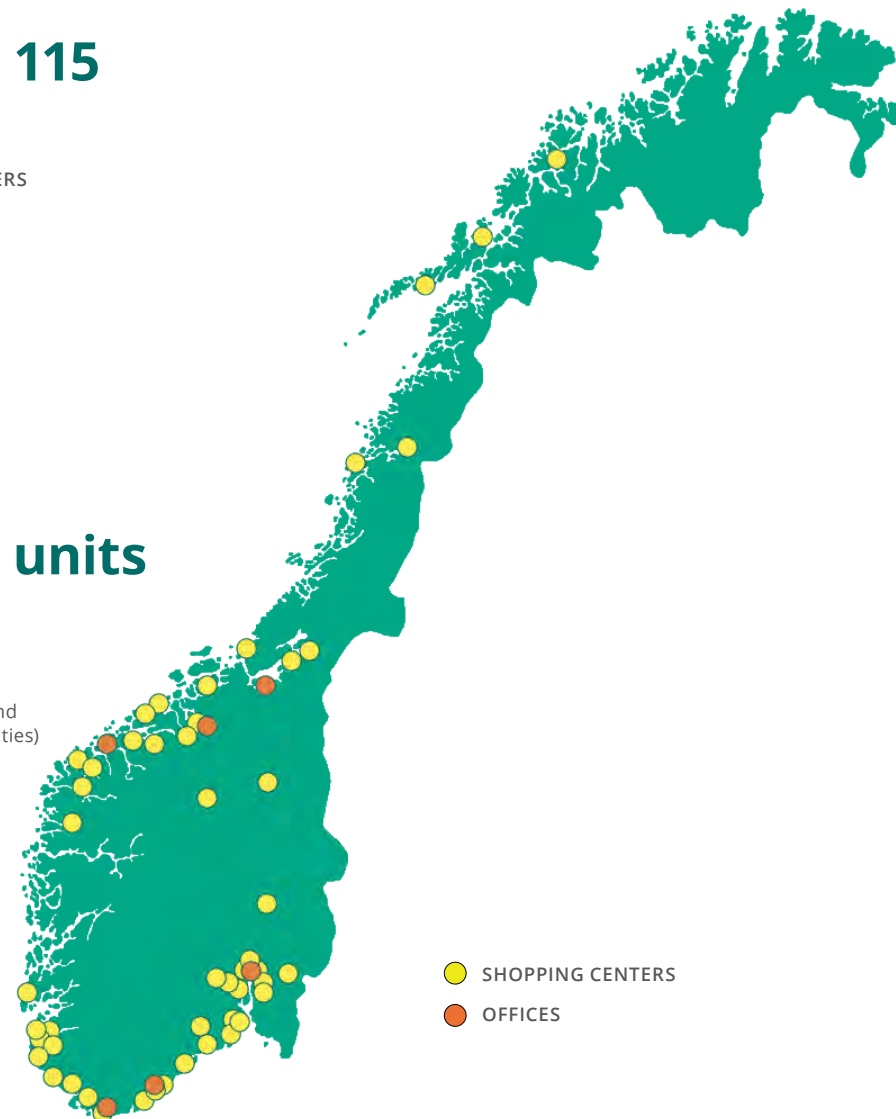
RESIDENTIAL DEVELOPMENT

1 500 housing units



EMPLOYEES

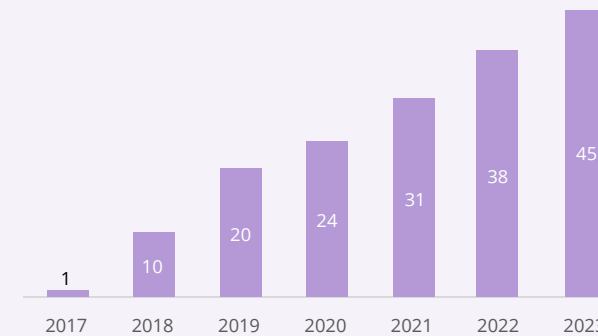
200 (70 in the administration and 130 at the managed properties)



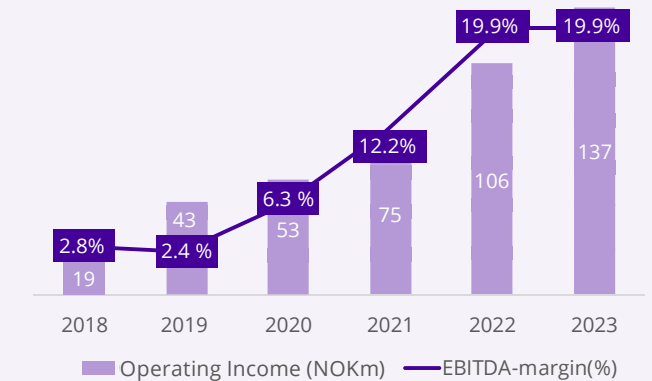
● SHOPPING CENTERS
● OFFICES

Key figures

Shopping centers under management



Operating income and margin



Our history

Alti Forvaltning, formerly known as LL Drift AS, has a rich history intertwined with the evolution of LL Holding AS, a family-owned real estate company based in Surnadal, Nordmøre. Established in the fall of 2017, Alti Forvaltning was founded with the aim of enhancing the organisation and management of LL Holding's properties as well as shopping centers.

Over the years, Alti Forvaltning expanded its services, offering management solutions to external clients, leading to rapid growth. Additionally, in spring 2021, LL Holding's involvement in the establishment of Aurora Eiendom AS further solidified Alti Forvaltning's position in the real estate industry. Alti Forvaltning became a 50% owned company under Aurora Eiendom, reflecting its continued evolution and contribution to the sector.



Board of Directors



Petter A. Stordalen
CHAIRMAN

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



Johan Johansson
BOARD MEMBER

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



Lars Løseth
BOARD MEMBER

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



Marius Varner
BOARD MEMBER

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



Sigurd Stray
BOARD MEMBER

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

Morten Nordheim is observer to the Board of Directors.

Management



Lars Ove Løseth
CEO

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



Aage Lilleberg
COO

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



Kathrine Maset
CFO

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





Sustainability

A vital part of our business revolves around operations with a substantial effect on different aspects of sustainability, both environmental and social. With a portfolio of shopping centers, utilizing large amounts of different resources, and involving a lot of people, both employees, customers, suppliers and visitors, our approach towards sustainability has the potential of making a real contribution to society. We therefore find it important to disclose our efforts and results within the area of sustainability.

Sustainability in Aurora and Alti Forvaltning

Sustainability is becoming an increasingly important aspect of all commercial activities, including real estate and the shopping center sector. New regulations steer the companies in the direction of a more efficient use of resources, more conscious choices, and in the end lower emissions of greenhouse gases, all while considering the well-being and basic rights of the people involved. With an ambition to contribute to the collective efforts towards lower emissions and lower negative impact on our planet, Aurora Eiendom holds sustainability as a key element in our operations, acknowledging its importance for our business, our environment, and our people.

Aurora Eiendom AS is the owner of a portfolio of shopping centers in Norway that are all managed by Alti Forvaltning AS. Aurora's goals and general approach towards sustainability are therefore closely intertwined with that of Alti Forvaltning. While the direction, strategy and goals will be set by Aurora Eiendom, it will be the role of Alti Forvaltning to apply sustainability measures in the everyday operation of the properties. Equally, the strategies and management approach established in Alti Forvaltning will put its mark on the shopping centers owned by Aurora.

The road towards CSRD compliance

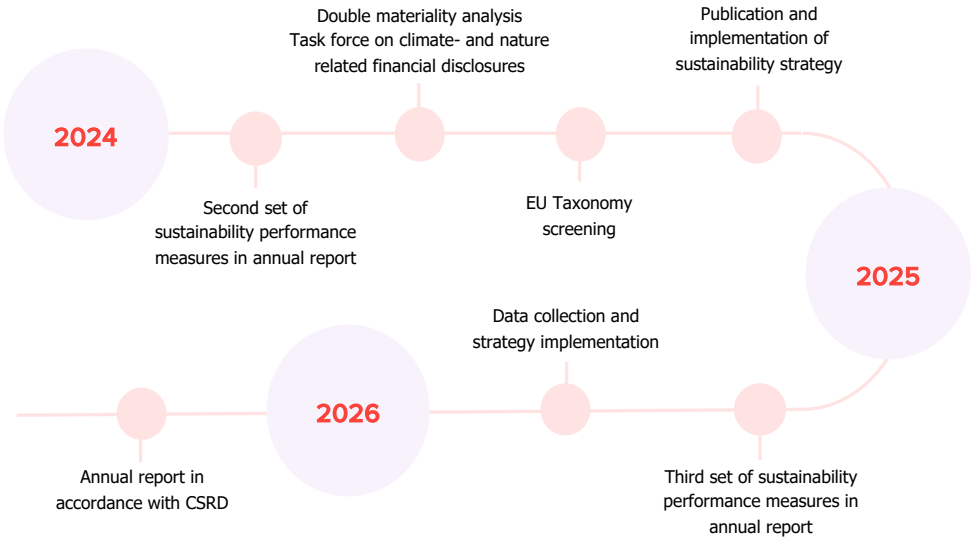
In 2023 the Corporate Sustainability Reporting Directive (CSRD) was passed by the EU and Norwegian government. The directive sets a clear path for sustainability reporting through its European Sustainability Reporting Standards (ESRS) for a large number of companies, including Aurora Eiendom starting from 2025. The purpose of the CSRD is to elevate the quality and align the contents of different companies' sustainability reporting, making it more relevant and more comparable for stakeholders and the companies themselves.

For Aurora Eiendom this means that we will need to adapt and improve our work with sustainability further,

and make sure we as a part of our general approach towards the subject fulfills all demands of the directive. We have already started on this path by adapting our plans for conducting stakeholder and materiality analysis and establishing an official sustainability strategy. Originally planned to be completed in 2023, the process of developing an official sustainability strategy has been postponed to 2024 in order to meet all demands of the CSRD. The stakeholder and materiality analysis will be adapted to take the form of a double materiality analysis (DMA), considering both how the company affects the environment and the people we are involved with, and how the different aspects of sustainability affect the company. In this regard, we will also aim to conduct analysis in accordance with the task force on climate-related financial disclosures (TCFD), as well as nature-related financial disclosures (TNFD).

In last year's annual report, we presented Aurora's first set of sustainability performance measures. Collecting and systemizing ESG data lays the foundation for setting the ambitions and adapting operations accordingly. It provides insight in our asset's strengths and weaknesses, and allows us to monitor our operations and identify where the potential for improvement is greatest. Expanding on this topic, the double materiality analysis will help us make sure that we are including all material topics and performance measures in our work with sustainability.

As of today, we find that Aurora Eiendom has already taken several steps towards CSRD compliance. Sustainability is already a well-established part of our business and operations, and for the second year in a row, out of the three years the company have existed, we disclose quantified data on a broad variety of sustainability performance measures. In addition, this year's sustainability report has undergone third party assurance by an official auditing company, which is one of the requirements of the CSRD.



At the same time, there are several areas where we will need to improve. Firstly, while sustainability is an important aspect of our business and operations, we lack the official policies and written strategies. This is important both for providing insight to our stakeholders, and for standardising our work with sustainability across the whole organisation, making sure everybody is pulling in the same direction. Secondly, we need to better understand our position in the market when considering both the potential impact different environmental and social topics may have on our business, and also how exposed the company is to different types of climate- and nature-related risks, both in a short and long term. This is where we will seek a better insight through our double materiality analysis, in addition to a climate and nature risk assessment for our assets and general business. Lastly, our reporting on sustainability will need to be adapted to the ESRS that we find material after our DMA, and we also need to include reporting according to the EU Taxonomy, which we do not provide at this point. However, we are well aware of where we are, where we are going, and when we need to get there, being confident on our road to an even better sustainability profile, and CSRD compliance.

BREEAM In-Use

Sustainability certification of our buildings work as an example of how Aurora Eiendom implements sustainability in its business. BREEAM In-Use is an international scheme for certifying existing buildings, and is used by a large variety of companies to put a label on their building's sustainability qualities. The certification standards take into account a large variety of factors to assess the buildings qualities.

In 2023 Aurora Eiendom completed the work of getting 9 assets (including Maxi Storsenter) BREEAM In-Use (BIU) certified, in line with the company's strategy of having all assets in the portfolio certified with the minimum score of "Very Good". In August the collected evidence was handed over to BRE, the certification organ, and by the end of the year we have received 7 of 9 certificates with Gulskogen Senter and Arkaden Senter remaining. Of the 7 assets, 2 achieved Very Good, 3 achieved Excellent, and 2 achieved the highest marks, Outstanding. Notably, by the end of 2023, there were only 6 buildings in Norway with an Outstanding certificate, 2 of which are owned by Aurora Eiendom. Of the 2 shopping centers achieving Outstanding, Alti Vinterbro and Alti Buskerud, the latter was as of the end of 2023 the building with the second highest score in the world, at 93.5 %.

The great scores are first and foremost a result of the systematic and meticulous work of the shopping centers` local management and individual members of the administration of Alti Forvaltning. In addition, Aurora Eiendom has prioritized to implement measures relevant to the certification process, for example by

moving forward investments in LED lighting in common areas. Besides providing us with a great result, the process has given us a deeper insight in our own assets, making it easier to identify areas where the potential for improvement of the buildings sustainability qualities is greatest. This provides valuable information for the continuous work on improving our assets.

The two remaining assets are expected to receive their certificates during the first quarter of 2024. With these in hand, we expect that Aurora Eiendom will have reached the goal set in 2022, having all assets BIU certified with the level of Very Good or better.



Alti Buskerud was at the end of 2023 the building with the second highest BIU score in the world.

Green energy

Buildings are responsible for a major part of the total amount of electricity consumption in the EU. Access to energy is as always high in demand, putting pressure on the producer and the national and international electric grids. With the transition to lower carbon emission, it is not only how much energy that is produced and consumed that is relevant, but how the energy has been produced. Transitioning to green energy from renewable sources will play a major part in the global transformation to lower carbon emissions, as set in the EU Solar Energy Strategy, and national directives.

Aurora Eiendom holds several assets with the potential of establishing solar panels on the roof to produce renewable energy for own consumption. The first step towards realizing this potential was completed in November, when Alti Vinterbro plugged in 1 500 kWp worth of solar panels on the roof of the shopping center. The solar panels are estimated to produce over 1.1 GWh each year, covering over 20 % of the total annual energy consumption of the building, providing both common areas and tenant areas with heating, cooling and ventilation generated from a renewable energy source. During 2023 two additional assets went through a preparatory project with the goal of establishing solar panels on the shopping center roof. The ambition is to see at least one of the two projects realized in 2024.

While having self-generated renewable energy on the assets is a positive contribution towards lower emissions, we take into account all aspects of establishing solar panels on the shopping centers roof. We have acquired environmental performance declarations (EPD) on the installed solar panels in order to track both emissions from the production, and to pursue traceability in order to minimize the risk of human rights violations in the supply chain. We disclose the emissions associated with the production and installation of the solar panels under *Indirect GHG emissions*. For more information about the assessment of the supply chain, see Aurora Eiendom's annual *Account for Due Diligence Assessments*, published on our website.

Community engagement and social responsibility

Sustainability is a broad concept consisting of more than the environmental impacts on our planet. The local communities and the people that are part of them is also a part of the picture, making community engagement and social responsibility an important aspect of every business. Aurora Eiendom's assets all play a major role in the local communities they are a part of, and see millions of visitors every year. It is important to be aware of the responsibility that follows, and the opportunity it provides for us to contribute to society and the people in it. To this end several measures are taken, both big and small, to provide a safe and enjoyable environment for our visitors, tenants and working staff, as well as giving back to the local communities that support us. More on the different measures that are being taken can be found under *Community engagement* in the *Social performance measures* chapter. Here, we highlight two initiatives from Alti Vinterbro and Gulskogen Senter.

In September 2023, Alti Vinterbro became Norway's first dementia-friendly shopping center, meaning it was



The manager of Alti Vinterbro, Grethe Johnsen, receiving congratulations from the mayor of Ås municipality on becoming Norway's first "demensvennlige" shopping center. Photo: Østlandets Blad.

the first shopping center in the country where the local staff and tenants completed a three parts course in how to act when meeting visitors suffering from dementia. In 2022, Ås municipality was named the municipality in Norway with the best program for caring for people with dementia. Being a part of Ås municipality, Alti Vinterbro cooperated with the municipal administration and the national association for public health to put in place a course that would teach the staff and tenants how to identify, act, and help when encountering people with dementia during their working hours. The goal was to ensure Alti Vinterbro would be a shopping center that felt like a safe place to visit both for people with dementia and for their next of kin.

Gulskogen Senter is established in Gulskogen district in Drammen, which is among the areas of the city with the highest rate of child poverty. The local sports team, Strømsgodset IF, experiences a high turnover in children's sports, often due to financial problems. To help cope with this problem, Gulskogen Senter have cooperated with Strømsgodset IF and Gulskogen School. In September 2023 "The Big Recycling Market" was arranged at Gulskogen Senter, with the goal of reuse of used sportswear and fundraising for sport membership fees. Strømsgodset collected used and new sportswear from the professional players to be sold at the market, Gulskogen School contributed with sorting, pricing, marketing and general preparations, and tenants put out collection boxes for visitors and staff to donated used sportswear to the market. The event generated NOK 70 000 that was handed over to the recreational department of Strømsgodset IF. The event also earned Gulskogen Senter a place among the three finalists in the Norwegian Shopping Center Association's award for most innovative idea (winner to be announced in March 2024).



Used sportswear ready to be sold and reused to help raise funds for children's local sport team membership.

Alti Forvaltning

Alti Forvaltning is continuing to grow as one of Norway's biggest managers of shopping centers. The expansion in 2023 ended with the company having 45 shopping centers in its portfolio at the end of the year. With a continuously growing portfolio of assets under management, the impact of the company's work with sustainability also grows. The importance of standardized methods and solutions in place to ensure sustainable operations across all assets is emphasized by the growing number of properties under management.

As sustainability is a broad concept, it also has to be implemented in all parts of the management organisation, touching both environmental and social topics within real estate operations, while also considering the governance aspects of the company. To elaborate on this topic, we present some of Alti Forvaltning's approach towards some relevant areas within environmental and social sustainability.

Energy management

Buildings are responsible for a major part of the total energy consumption in Europe, and so one should aim to have buildings run as energy efficiently as possible, and at the same time seek to utilize energy sources that are renewable. To this end Alti Forvaltning focuses on digital energy control systems in order to optimize consumption so that as little energy as possible is wasted or used for unnecessary operations. The local management team at each asset monitors the energy use and implement measures to have the systems run as efficiently as possible. During 2023 additional resources were put in place to work on optimization of the control systems.

The collaboration with the Norwegian real estate management company Kjeldsberg Eiendomsforvaltning AS that was set in place in 2022 has carried on in 2023, and all shopping centers under Aurora Eiendom have gone through an energy screening. As a result of the screening each individual asset has received a report highlighting the potential for reduced energy consumption. The measures suggested in the reports will be assessed and put in the upcoming investment plans for the assets, as part of Aurora Eiendom's plan to make investments that contribute to reduced energy consumption, and consequently lower emissions.

Marketing strategies

In marketing, Alti possess a unique possibility to reach a very large crowd, and thinks of it as a responsibility to use this opportunity to spread information about the sustainable choices you can make as a customer. An increasing number of tenants provide sustainable options as part of their product range, and Alti Forvaltning wants to contribute by distributing this information through its marketing channels.

The different marketing departments are instructed that a part of all marketing content in social media should be focused on sustainable options. The percentage of content dedicated to sustainability is as of today set by each local marketing department. In addition, Alti seeks to intensify this message during certain periods throughout the year.

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

Purchases, suppliers and the transparency act

Alti Forvaltning will seek to favour suppliers that in their specific markets focus on sustainability and offers sustainable products. The distance the purchased product or service travels to our properties will also be taken into consideration, and Alti will strive to choose local suppliers in different categories where such offers exist, in order to contribute to reducing CO2-emissions.

With regards to sustainable transportation, Alti Forvaltning has teamed up with Eviny, who install and operate EV charging stations. They share the ambition of rapidly expanding the opportunities for electric vehicles nationwide and wish to provide the customers the opportunity to make sustainable choices. As a result of this partnership, 7 of the 10 shopping centers in the portfolio of Aurora have a well-developed EV charging station in their parking area at the end of 2023, of the last three, two are expected to have their stations ready during 2024.

In 2023 both Alti Forvaltning and Aurora Eiendom conducted a screening to get the full overview of all their suppliers. The different suppliers were categorized and prioritized for risk assessments based on their geographical affiliations, type of industry and available information about the company. Based on the first screening additional measures was taken where the risk was considered the highest, with interviews and collection of additional documentation.

A detailed description of the due diligence assessments of Alti Forvaltning and Aurora Eiendom was published on the company's websites respectively, in accordance with the national transparency act. The work on assessing and minimizing risk and actual damage in our supply chain is

a continuous process. In 2024 an official code of conduct for suppliers will be published, together with an updated internal policy for procurement that highlights human rights, working conditions and environmental impact.

Health and security

With an increasing focus on sustainability comes an increasing focus on health and safety, both with regards to the assets and to the wellbeing of the people that visit them, as well as Alti's own employees. Alti Forvaltning has several routines and procedures in place to meet the demands of a well-organized H&S approach. The overarching goals of the organisation is stated in the H&S handbook:

The overarching goal states that it shall be safe and good to work at our company, and that we will facilitate and run our business in a way that causes no harm to personnel, material, or the environment. This will be achieved through:

- Ensuring all employees have sufficient knowledge of H&S,
- Conducting regular employee surveys,
- Annual review of the H&S systems,
- Safety inspections,
- Fire safety inspections,
- Maintenance of work-related equipment, electrical installations, etc., in compliance with authority requirements,
- Facilitate physical activity,
- Facilitate social interaction through different types of events,
- Available, functional, and safe buildings.

The H&S work is reviewed and documented at the end of each calendar year, and specific goals and measures for the following year are listed. These procedures are documented, reviewed, and signed by the CEO to ensure that the H&S work is rooted at the top of the management. To live up to these goals, the work is organized in different groups, with a H&S group consisting of four members of the administration, including the leader of HR and the sustainability leader. There is also a Work Environment Committee put in place, meeting up once a quarter to address the relevant aspects of the ongoing H&S work. This committee consists of three members representing the employer, and three members representing the employees. The executive responsibility of the H&S work for the individual assets is on the local management team. Reporting on asset level H&S incidents and compliance is carried out by the local management team through the company's digital MOM (management, operation, and maintenance) system. Furthermore, the H&S handbook of Alti Forvaltning sets out the goals and guidelines and provides documents for application within the following subjects:

- Risk assessments.
- Action plans and management of deviations/ incidents.

- Routines for notification of objectionable circumstances.
- Facilitation of physical activity.
- Instructions on employee surveys.
- Annual assessments of the workplace.
- A list of annual activities within the H&S work.

It is important to make sure the employees have a safe work environment and a positive experience of being an employee at Alti Forvaltning. Several measures are being taken to ensure a good physical and psychosocial work environment, both at the head office and at the branch offices/shopping centers. In addition, Alti wishes to be a contributor to the education of its employees and ensure the proper training for all employees in the different positions. In 2023 Alti Forvaltning started using Xtramile, an e-learning platform that provides various courses in different subjects. A new leader training program was also put in place in cooperation with Front Leadership, in order to make Alti Forvaltning's management increase their competence as leaders. Beyond internal training, Alti Forvaltning contributes to the formal education of its employees. When employees take on education that is considered relevant for their position in the company, Alti Forvaltning covers 50 % of the expenses associated with the education. During the reporting year of 2023, four employees have been given such contributions.

With regards to the H&S of the different assets, the responsibility is rooted at the top of the management, but transferred down to each asset's local management team, who possess the executive responsibility of the H&S work. The company has put in place procedure considering the following aspects of asset level H&S work:

- Handling of asbestos.
- Fire security.
- Construction sites and construction projects.
- Handling of chemicals.
- Use of personal protective equipment.
- Indoor climate, temperature, and noise.

Systems are put in place to control and report on the continuous H&S measures and assessments. The procedure of reporting incidents of non-compliance is set an internal note distributed through the H&S handbook. Incidents are reported on two levels; incidents that are considered to be of less severity are reported through Facilit, Alti Forvaltning's MOM system, and are treated locally by the management team. More severe incidents are to be reported in the quarterly reports, as part of a broader assessment of the assets technical condition.

In 2023 Alti Forvaltning also increased the focus on contingency, making it the main theme of the company's gathering in Drammen. All shopping centers has also updated and extended the assets contingency plan, making the organisation more robust and better prepared for a broad variety of different unfortunate situations that may occur.

Sustainability performance measures

In order to continually assess the actions taken to ensure a sustainable real estate management, we need to be systematic in our approach towards gathering and organizing ESG (environmental, social, governance) data. This way we will be able to identify the effect of implemented measures, and continually adjust our approach. Reporting key sustainability indicators will also give Aurora Eiendom a status quo, be part of a basis for setting quantified short- and long-term sustainability goals and help to decide where to put the main focus.

Furthermore, reporting on ESG data allows for Aurora Eiendom to disclose information of key interest to our stakeholders. By adopting the method of EPRA sustainability best practices recommendations (sBPR) we ensure that the reporting is set up in a standardized and acknowledged format, ensuring relevant information that is easy to utilize.

In last year's report Aurora Eiendom presented the first set of sustainability performance measures in accordance with EPRA sBPR as part of the annual report. As a result of our work with collecting and carefully organizing and disclosing the data, EPRA considered Aurora Eiendom's sustainability report for 2022 to be at gold level compliance with their recommendations. In addition, the leap that was made from 2021 to 2022 earned Aurora Eiendom the Most Improved Award, being highlighted as one of three award winners with the most significant improvements.

The acknowledgment of last year's report has given us a good indication that we are on the right track of disclosing relevant ESG data in a meaningful way. While being happy and proud about the result, we do not take it as an excuse to not further improve the accuracy, scope, and general quality of our reporting. To develop on last year's reporting we have made progress in several areas. First and foremost, we are disclosing data for all performance measures, whereas we in last year's report were not able to disclose data for Emp-Training, H&S-Asset and H&S-Comp. Secondly, this year's sustainability report has undergone third party assurance, carried out by BDO. See *Third party assurance* under *Reporting methodology* for more information on this matter.



Reporting methodology

The approach taken when collecting, organizing, and disclosing ESG data is based on EPRA's sBPR. This lays out which performance measures should be reported for all three categories of ESG. It also gives best practice recommendations for the general approach towards reporting in overarching recommendations, covering the topics of organisational boundaries, coverage, estimations, third party assurance, boundaries, normalization, segmental analysis, disclosure of own offices, narrative on performance, reporting period and materiality. The specific adaption of these recommendations taken by Aurora Eiendom in this report is described below.

Organisational boundaries

For asset-level performance measures we take the same approach as for the financial reporting, including the assets of which Aurora has operational control. This includes eight assets, all of which are shopping centers. These are Alti Amanda, Alti Buskerud, Alti Farmandstredet, Alti Nordbyen, Alti Nerstranda, Alti Vinterbro, Arkaden Senter, and Gulsbogen Senter. In addition to these eight shopping centers, Aurora has ownership in two additional shopping centers which are Maxi Storsenter and Jærehagen Kjøpesenter. Aurora owns 25 % and 10 % of these two shopping centers respectively, and does not as such have the full authority to introduce and implement its operating policies. Therefore, they are not included in any of the asset-level performance measures. Effectively, out the ten shopping centers in Auroras portfolio, eight of the assets are included in the approach taken.

In addition, Aurora holds 50 % of the shares in Alti Forvaltning AS. Alti Forvaltning manage all the shopping centers in which Aurora has ownership, among 35 others. As Aurora Eiendom AS has no individuals in direct employment, the corporate-level performance measures considering employees would not be applicable. However, after direct dialog with EPRA, and with an ambition of disclosing as comprehensive and meaningful ESG-data as possible, it has been decided that Aurora Eiendom will include data regarding the employees of Alti Forvaltning in this report. See section *Social Performance Measures* for a more comprehensive narrative on this topic.

Coverage

For all asset-level performance measures in this report, all eight assets (8/8) within the organisational boundaries approach are included. The exception is for the part of energy intensity where we disclose both energy intensity for landlord obtained energy consumption, and for total obtained energy consumption including tenant obtained energy. The tenant obtained energy consumption, and consequently the total energy consumption of the building, is accessible for six out of eight (6/8) assets. It will be the ambition of the company to access the total energy consumption for all assets within the organisational boundaries in the future.

Estimations

No estimations are used for utility consumption data for asset-level performance measures.

Third party assurance

The sustainability performance measures disclosed in this report have undergone third party assurance by BDO, an international consulting and auditing company, who audits and certifies sustainability reports according to international attestation standards. BDO has audited and certified the full content of the sustainability chapter of this report. The audit has been carried out in accordance with the best available practice for auditing sustainability reports, which is certification with limited assurance in accordance with the ISAE 3000 standard. See BDO's statement on this matter at the end of the sustainability chapter.

Boundaries

It is complicated to determine the best approach towards disclosing landlord- and tenant-obtained utility consumption for shopping centers. In the case of obtained electricity in particular, the system in place at each individual asset may differ, as well as the availability of the data. For energy utilities we report landlord obtained consumption, which is supplying the common areas and, in part, the tenant areas. For 6/8 assets, the energy obtained directly by the tenants is accessible for the landlord. While accessible, it is not considered landlord obtained because of the direct purchase agreements in place between the tenants and the suppliers. For intensity performance measures we differ between landlord obtained energy consumption and, where accessible, total energy consumption including the tenant obtained energy (see *Coverage* and *Normalization* for further elaboration on this topic).

For water-absolutes and intensity measures the total consumption of the building is accessible. The totals are landlord obtained, but not submetered to the tenants by litres/cubic meters. The proportion of the landlord obtained water consumed by the tenants can therefore not be reported separately but is included in the totals and intensity measures.

Considering waste management, the situation may differ between assets. Generally, the main bulk of waste generated at the shopping centers originate from the tenants operations, but is handled by the landlord. The tenants are billed for the service of getting their waste handled, but the landlord holds the contract with the waste management company. Therefore, the waste generated will be part of the landlords GHG emissions in scope 3, as the landlord is the one buying the service from the waste management company. However, for some assets there may be waste generated that are not handled by the contracted waste management company, but reported separately, and some tenants that partly or fully have their waste handled by a separate contract between the tenant and the waste management company. Waste produced by tenants that are handled by a separate contract between the tenant and the waste management company is not included in the reporting of waste absolutes or scope 3 emissions, as it is outside of the landlord's operational control.

Normalization

As all assets are shopping centers, floor area (sqm) is deemed the most appropriate denominator for the intensity measures. For floor area we use the term Gross Productive Area (GPA), which includes both areas exclusive to the tenant including storage units (GLA), and the common areas. Technical rooms and parking lots (whether inside or outside) are excluded. On that note it should be mentioned that the energy consumption from lighting and heating, ventilation, and air conditioning (HVAC) in technical rooms and parking lots, and general outdoor lighting will be included in the energy totals, but not accounted for in the GPA.

For all assets within the organisational boundaries the landlord obtained energy supplies both the common areas and the tenant demises with HVAC. In some individual cases, part of the HVAC services will be obtained by the tenant itself, while still influencing the total landlord obtained consumption. There is no system in place that allows to precisely retract the proper amount of floor area from the GPA used for normalization in these particular cases, meaning they are still included in the GPA for intensity measures.

For calculations of intensity measures we disclose two different figures. Energy-Int Landlord Obtained will be the totals calculated from the data disclosed in Elec-Abs, DH&C-Abs and Fuels-Abs divided with the GPA covering 8/8 assets. For this figure it needs to be recognized that the intensity indicator is affected due to the mismatch between the numerator and denominator, as tenant-obtained energy is not included, while tenant floor area is. It is still deemed as a relevant disclosure because

- 1) it gives an intensity indicator based on the energy consumption directly controlled by the landlord, and
 - 2) it is considered a standard approach for calculating energy intensity within the shopping center segment, making it an indicator suitable for comparison.
- To give an intensity indicator with a better match between numerator and denominator we also calculate Energy-Int Whole Building, using the sum of landlord and tenant obtained energy consumption for the nominator and GPA as the denominator, covering the 6 out of 8 assets where tenant obtained energy data is available.

Segmental analysis

No segmental analysis of the assets has been carried out, neither by property type, geography or other. This is in line with the approach taken in the financial reporting. As all assets are of the same property type (shopping centers) and are located in the same country (Norway), segmental analysis has not been considered to give greater insight into asset-level performance measures.

Narrative on performance

Where appropriate, additional information and commentary or explanation will be provided in addition to the data. This way we aim to enhance stakeholders’ understanding of the data and add context to the performance measure in question.

Reporting period

The numbers presented are from the calendar year of 2023. The asset-level utility measures are accumulated annual totals. The performance measures with unit of total number, percentage of total or rate, like those considering certified assets and employees, present the situation as it was of 31.12.2023. This is in line with EPRA's recommendations.

In this year's report we also present the numbers from 2022 and provide a change in percent between 2022 and 2023 for the different performance measures, where relevant. Having complete data from the last two years, we are also able to provide like-for-like performance measures. The like-for-like numbers will be the same as the absolute numbers, as there has been no change in the portfolio in 2023 compared to 2022.

Materiality

At this time, Aurora Eiendom has not conducted a complete materiality review with regards to sustainability performance measures. On the other hand, the different performance measures have been given due consideration, and are considered to be of importance both for optimisation of operations, and of interest for our stakeholders and others seeking relevant information about Aurora Eiendom. Therefore, all performance measures are considered to be material, and are included in this report.

About data collection

Data for energy, water and waste are extracted from the data platform Energinet, a digital energy surveillance system implemented for all eight assets. The system gives access to data extracted digitally from the water and power meters of the building, and data from the digital platform of our waste management suppliers. For one asset the water data is based on invoices because of technical issues with the water surveillance system. For waste management, some additional data is put in manually by the local operational staff, that are not included in the platform of our supplier, for example wooden pallets. The data considering waste disposal routes are provided by the waste management company. This means it only applies to the waste handled by the waste management company, and not manually registered wooden pallets that are handled by the suppliers. In the lack of verifiable information about the disposal route of wooden pallets, they are not included when calculating the proportion between the different disposal routes, or in the calculation of emissions arising from waste in scope 3.

The reliability of the metered data has been given due consideration. The data system and meter system were established at the assets before they were acquired by Aurora Eiendom and operations were handed over to Alti Forvaltning. Samples have been extracted to compare the metered energy consumption to the invoiced energy consumption in order to test the reliability of the numbers. Still, during 2024, we plan to have a full evaluation and assessment of the set up for reporting energy data for all Aurora Eiendom's assets, aiming to identify sources of errors in the existing set up, and increasing the quality and reliability of the reported data. The suppliers of waste management are well established professional actors with a solid reporting system in place.

Even though the data have been considered reasonably reliable, we wish to further map the situation to make sure all meters are included in the reading. For this year's reporting we have paid extra attention to waste data in particular, which have led us to uncover mistakes in last year's reporting. For other performance measures, like energy absolutes, some minor mistakes in last year's reporting have also been found. Where identified, we will give the corrected value for 2022, and comment that the value given in this year's report differ from that of last year because of the correction. In consequence, we will also correct the relating GHG emissions for 2022.

This year's direct and indirect emissions of green-house gases are calculated based on the disclosed data for 2023. The calculations have been carried out by Kjeldsberg Eiendomsforvaltning in line with the GHG-protocol. A statement from Kjeldsberg regarding the calculations is found at the end of the *Sustainability* chapter.

For social performance measures the data has been extracted from the data systems of Alti Forvaltning by HR. This includes the gender distribution of the employees, gender pay ratio and the different absentee rates. The turnover and retention numbers are based on the number of onboarding and off-boarding schemes. Employee performance appraisals data have been collected by a questionnaire survey, where each employee was asked whether they had completed the appraisal or not. Based on the answers of those who completed the survey (65 %) the percentage of total participation has been estimated, assuming the distribution of those who participated, and their reported results are representative for the workforce as a whole. For the appraisal questionnaires, the participation rate given is the average of the participation rate from each month.

Environmental sustainability performance measures

Energy

This section includes Aurora Eiendom’s total electricity, district heating and cooling and fuel consumption for the year of 2023, summed for all 8 assets if not stated otherwise. In accordance with the reporting boundaries, the absolutes include all landlord-obtained utilities, supplying both common areas and tenant demises.

Electricity

Electricity is the primary source of energy for the assets of Aurora Eiendom. Total landlord obtained electricity consumption is given in the table below. The proportion from renewable sources is calculated by Kjeldsberg Eiendomsforvaltning AS and can be viewed in two different ways. For all assets overall, purchased energy from the grid is the counting factor. NVEs (“Norges Vassdrag- og energidirektorat”/The Norwegian Water Resources and Energy Directorate) residual mix states a percentage of 14 % of renewable sources for the purchased energy when no Guarantees of Origin are purchased. This will be equivalent to the approach of calculating scope 2 emissions according to the market-based method. Equivalent to the location-based method of calculating scope 2 emissions, the proportion from renewable sources will be significantly higher, at 98 %. See Kjeldsberg’s statement after the *Sustainability* chapter for elaboration on this topic. In 2023 one asset had solar panels installed on the roof, supplying the building with electrical energy by a direct line. The energy production, on-site consumption and energy exported from the on-site system to the grid is monitored and reported by Veni Metering. The solar panels were installed in November 2023, and total production for 2023 have consequently been low compared to the calculated production for a full year, at approximately 1 100 000 kWh. During 2023 there was no export of excess power back to the grid, meaning all produced energy was utilized on-site.

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
Electricity (Elec-Abs, Elec-Lfl)	kWh	13 407 554	12 771 079 ¹	5.0 %
On-site production from solar panels	kWh	5 936	0	-
Proportion from renewable sources	Percent	14 % (98 %)	15 % (98 %)	
Coverage: 8/8 shopping centers.				

¹The reported data for Elec-Abs for 2022 have been corrected, due to new information in 2023.

For total electricity consumption we see an increase of 5.0 % compared to 2022. Across the assets, three have decreased their consumption while five have increased their consumption. Of the five assets with increased electricity consumption, one asset in particular increased its consumption with 25.4 %. The asset in question has identified issues with significant technical installations, set to be replaced and improved as part of an energy efficiency project at the asset set for 2024.

District heating and cooling

Total landlord obtained district heating and cooling consumption is given in the table below. Only one of the eight assets utilize energy obtained through district heating and cooling. The proportion from renewable sources is calculated by Kjeldsberg Eiendomsforvaltning AS, who have been in direct contact with the local supplier of district heating and cooling. See Kjeldsberg’s statement after the Sustainability chapter for elaboration on this topic.

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
District heating and cooling (DH&C-Abs, DH&C-Lfl)	kWh	554 694	357 450	55.2 %
Proportion from renewable sources	Percent	98.6 %	98.6 %	
Coverage: 8/8 shopping centers.				

There is a significant increase in energy consumption from district heating and cooling at the one asset utilizing this source of energy. The majority of the increased consumption originated from the period of January through March with overall lower temperatures, and an increased need for a higher set temperature to ensure the quality of comfort of the indoor environment.

Fuels

Total landlord obtained fuels is given in the table below. Three of Aurora’s assets utilize energy obtained through on-site burning of fuels. The proportion from renewable sources is calculated based on the list given by EPRA as to which fuels are to be considered renewable.

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
Fuels (Fuels-Abs, Fuels-Lfl)	kWh	358 907	300 035	19.6 %
Proportion from renewable sources	Percent	14 %	10 %	
Coverage: 8/8 shopping centers.				

Utilization of fuels for building energy has increased by 19.6 % compared to 2022. Of three assets utilizing fuel for building energy, one has decreased its consumption while two have increased their consumption. Among the two assets with increased consumption, we find the one asset who utilizes biofuel, which in consequence increased the proportion of fuels from renewable sources. The other asset increased its fuel consumption by 124.7 % and is the same asset with the most significant increase of electricity consumption.

Energy intensity

We present two different figures for energy intensity; one based on the total landlord obtained energy consumption, and one based on the total energy consumption of the whole building, tenant obtained energy included, where this data is available, which is the case for 6 out of 8 assets. The same denominator (GPA) is used for both calculations. For energy intensity total, naturally, the GPA of the two shopping centers outside the coverage is not included when summing up the total GPA for the denominator. See section *Normalization* for elaboration on this topic.

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
Energy intensity landlord obtained (Energy-Int) ¹	kWh/sqm/year	58	54 ³	7.3 %
Energy intensity total (Energy-Int) ²	kWh/sqm/year	158	157 ³	0.3 %
¹ Coverage: 8/8 shopping centers.				
² Coverage: 6/8 shopping centers.				

³ The reported data for Energy-Int for 2022 have been corrected, due to new information in 2023.

As we find an increase in energy consumption across all three energy sources and, in addition, a small decrease in reported GPA at -0.6 %, we also have an increase in energy intensity. The increase of the energy intensity from landlord obtain energy is larger compared to that of the total energy consumption of the building, as the landlord obtained energy consumption has increased at a higher rate than the tenant obtained energy consumption. We still find the average energy intensity figures for the assets of Aurora Eiendom at a relatively low level. However, the goal of the company is to lower its energy consumption across individual assets, as there are relatively large differences to be found between assets.

As mentioned in section *Normalization* the energy totals (numerator) include outdoor lighting, lighting of parking areas (both outdoor and indoor), ventilation of indoor parking areas and other electronic devices installed in these areas. These floor areas are not included in the denominator, making the disclosed intensity figures larger than reality in this regard. On the other hand, some individual tenants are only in part supplied by the landlord obtained HVAC services, while still being part of the total GPA used as denominator for calculating energy intensity from landlord obtained energy.

Greenhouse gas emissions

Greenhouse gas (GHG) emissions is a significant part of the work on sustainability. In many ways, the impact of the different environmental performance measures and the general work with environmental sustainability is measured in the company’s climate accounting. As operating a shopping center requires large quantities of energy and generates large quantities of waste, in addition to a wide range of goods and services generating emissions through its value chains, accounting GHG emissions is an important process. Knowledge of the company’s emissions is crucial for Aurora Eiendom’s work on sustainability, so that we can set goals and implement actions accordingly, and contribute to the reduction of total emissions across all categories, ultimately aiming for net zero in accordance with the 1.5 degree target.

As mentioned in section *About the data collection*, all calculations of GHG emissions have been carried out by Kjeldsberg Eiendomsforvaltning on behalf of Aurora Eiendom AS. The calculations have been done in accordance with the GHG protocol. In this year’s report we include emissions arising from scope 1 and 2, in addition to emissions from waste management, which falls under category 5 in scope 3, and individual capital goods in category 2. This is the first step towards a complete scope 3 calculation. In addition to category 2 and 5, category 1 and 13 in particular are expected to make up a substantial part of the company’s total emissions in scope 3. Also, category 5 is where we are able to access reliable and near complete data at the present time. A narrative and verification of the calculation process is given by Kjeldsberg following the *Sustainability* chapter.

Direct GHG emissions (scope 1)

The total direct GHG emission within scope 1 is given in the table below. In addition, we report emissions arising from burning biogenic separately, as these emissions are not to be included in the scope 1 totals. The calculations are based on the data given under Fuel-Abs.

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
Direct GHG emissions (GHG-Dir-Abs)	Annual metric tonnes CO ₂ e	63.8	54.9 ¹	16.1 %
Emissions form biogenic sources	Annual metric tonnes CO ₂ e	11.7	7.9	48.1 %
Coverage: 8/8 shopping centers.				

¹ The reported data for GHG-Dir-Abs for 2022 has been corrected, as emissions from biogenic sources are to be reported separately, and not included in the scope 1 totals.

An increase in fuel consumption leads to increased direct GHG emissions, as two assets utilize non-renewable sources for fuel. In order to eradicate the company’s direct emissions from the stationary burning of fuels, we are assessing alternatives, including rebuilding the combustion engines so that we can substitute gas with biogenic fuels.

Indirect GHG emissions (scopes 2 and 3)

For the indirect GHG emissions, two different approaches have been applied for calculations; both location-based, and market-based. As none of the shopping centers of Aurora Eiendom have a contractual agreement with the external energy suppliers for the purchase of energy from renewable sources, the market-based emissions are considerably higher than the location-based. The calculations are based on the data given under Elec-Abs and DH&C-Abs. For the Elec-Abs figures, the energy from the on-site production from solar panels that are consumed on-site are subtracted from the total consumption of electric energy, leaving the electric energy that is imported from the grid.

In scope 3 we report emissions that arise from waste management and individual capital goods. As mentioned in *About the data collection*, emissions generated by waste are calculations based on the volumes of waste handled by the waste management company, and does not include manually reported waste such as wooden pallets, which is still part of the total volumes given in Waste-Abs. In the future we will aim to verify the disposal routes of the manually reported waste in order to include them in the scope 3 emissions. For capital goods, we have not carried out a complete analysis of the company’s goods subject to be reported in this category. However, for the solar plant installed at the roof of Alti Vinterbro, we have by the environmental product declaration (EPD) and the supplier been able to calculate the associated emissions accurately. The solar plant is therefore included in scope 3, under category 2.

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
Scope 2				
Indirect GHG emissions location-based (GHG-Indir-Abs)	Annual metric tonnes CO ₂ e	252.7	231.3 ¹	9.3 %
Indirect GHG emissions market-based (GHG-Indir-Abs)	Annual metric tonnes CO ₂ e	6 739.1	5 172.3 ¹	30.3 %
>>				

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
Scope 3				
Category 2 Capital goods	Annual metric tonnes CO ₂ e	877.6	-	-
Category 5 Waste	Annual metric tonnes CO ₂ e	61.1	-	-
Coverage: 8/8 shopping centers.				

¹ The reported data for GHG-Indir-Abs for 2022 has been corrected, as a consequence of the correction of the 2022 figures under Elec-Abs.

As a consequence of an increased overall energy consumption, we see increased emissions is scope 2. For the location-based method the same emission factor has been used for both years. For the market-based method, the emission factor has increased by 24 %, adding to the market-based emissions. There is a big gap between the location-based and market-based emissions in scope 2. As all assets of Aurora Eiendom are located in Norway, which generates electricity by a larger proportion of renewable sources, the location-based factor is considerably lower than the market-based factor. Regardless of which calculation method one chooses, the first step for Aurora Eiendom to cut scope 2 emissions will be to cut energy consumption as much as possible. Only then will compensating for the remaining emissions be the next step, partly in the form of guarantees of origin for the purchased electricity, cutting emissions in the market-based category. In 2023 we took the first large step towards cutting scope 2 emissions by installing over 1 500 kWp worth of solar panels on the roof of Alti Vinterbro.

Aurora Eiendom will expand its scope 3 reporting over the coming years in order to be able to set a baseline for the total emissions of the company, and implement an action plan to make cuts across all categories as part of the sustainability strategy. For category 5 we expect to see continuous data suited for comparison, where we will aim to make emission cuts by increasing the sorting percentage of waste, and cooperating with our waste management companies regarding the use of different disposal routes.

GHG emissions intensity from building energy consumption

In the same way as for energy intensity, we present two different figures for GHG emissions intensity; one based on the total landlord obtained energy consumption (scope 1 and 2), and one based on the total energy consumption of the whole building, tenant obtained energy included. The same denominator (GPA) is used for both calculations. For GHG emissions intensity total, naturally, the GPA of the two shopping centers outside the coverage is not included when summing up the total GPA for the denominator. See section *Normalization* for elaboration on this topic.

Only location-based calculations of GHG-emissions are used for this performance measure. This is because the EPRA sBPR does not mention market-based calculations as an additional performance measure for GHG-Int, and because Aurora Eiendom does not have knowledge of the contractual agreements considering renewable sources for the tenant obtained energy consumption.

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
GHG emissions intensity landlord obtained (GHG-Int) ¹	kgCO ₂ e/sqm/year	1.29	1.16 ³	11.3 %
GHG emissions intensity total (GHG-Int) ²	kgCO ₂ e/sqm/year	3.12	3.04 ⁴	2.5 %
¹ Coverage: 8/8 shopping centers.				
² Coverage: 6/8 shopping centers.				

^{3,4} The reported data for GHG-Int for 2022 has been corrected, as a consequence of the correction of the 2022 figures under GHG-Indir-Abs, and correction of the GPA used for the calculation.

Equal to the energy intensity figures we find an increase in GHG intensity, following increased consumption across all three energy sources and a small decrease in reported GPA. The increase of the GHG intensity from landlord obtained energy is larger compared to that of the total energy consumption of the building, as the landlord obtained energy consumption has increased at a higher rate than the tenant obtained energy consumption. As part of Aurora Eiendom’s plan to cut emissions, we will benchmark quantified goals for the GHG intensity and monitor them annually to keep track of our progress towards the long-term goals, that will be part of the company’s sustainability strategy.

Commentary on the GHG emissions

For 2023, we see an increase in Aurora Eiendom’s total GHG emissions compared to 2022. This is due to an increased energy consumption, higher emission factors (for market-based calculations in scope 2) and new data in scope 3. In the coming years we expect to see continuous higher emissions due to extended reporting across scope 3 categories. However, in the scopes with consistent data (i.e. scope 1 and 2), we will aim to cut emissions. As mentioned, a strategy with short- and long-term goals for cuts in GHG emission will be part of the sustainability strategy. In addition, measures are already being taken, installing solar panels on the assets’ roof, and having a larger project planned to be implemented during 2024 in order to lower the individual assets energy consumption.

Still, fuels make up for a small portion of the total landlord obtained energy consumption (2.5 %), while it makes up a considerable portion of the total emissions under scope 1 and 2 when applying the location-based approach (25 %). This is due to the fact that 86 % of the fuels are considered non-renewable, and consequently come with relatively high emission factors. At the same time, they play a vital role for the individual assets’ energy generation in periods with unusual high energy consumption (like cold periods). Despite the fact that fuels only make up for 2.5 % of the total energy consumption, it should still be considered a potential effective measure to reduce emissions. Therefore, we are currently assessing options that will make us able to phase out the non-renewable fuels.

Water

This section includes Aurora Eiendom’s total water consumption for the year of 2023. In accordance with the reporting boundaries the absolutes include all landlord-obtained utilities. This includes water consumed by tenants. As of 2022, no comprehensive submetering of water consumption is in place, and the tenant consumption is therefore not disclosed separately. The water intensity is calculated using the same denominator as for energy intensity.

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
Water (Water-Abs, Water-Lfl)	m³	61 398	59 908	2.5 %
Water intensity (Water-Int)	m³/sqm/year	0.25	0.24	3.6 %
Coverage: 8/8 shopping centers.				

We see a small increase in water consumption and water intensity. Possible explanations for the increased consumption may be increased occupancy rates, increased number of visitors, and a larger proportion of water consuming tenants, such as restaurants. Projects concerning water monitoring are planned for 2024, in order to increase the degree of detail in the reporting, and to better be able to detect leaks of irregular consumption rates.

Waste

This section includes Aurora Eiendom’s total waste produced and disposed of via various disposal routes for the year of 2023. This is primarily waste produced by the tenants but disposed of by the shopping centers and their waste management supplier. There will be some variations between the different assets regarding which fractions waste will be sorted by. As mentioned in *About the data collection* the calculations of proportions of the different disposal routes include the volumes of waste handled by the waste management company, and do not include manually reported waste such as wooden pallets, which is still part of the total volumes given in Waste-Abs. In the future we will aim to verify the disposal routes of the manually reported waste in order to include them in the calculation of the reported disposal routes.

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
Waste (Waste-Abs, Waste-Lfl) ¹				
Non-hazardous waste	Metric tonnes	2 557	2 641	-3.2 %
Hazardous waste	Metric tonnes	11.5	17.0	-32 %
Total waste	Metric tonnes	2 569	2 658	-3.4 %
Proportion of waste sorted for recycling	Percent	75 %	74 %	1.4 %
>>				

Indicator (EPRA Code)	Unit of measure	2023	2022	Change
Non-hazardous waste				
Proportion of waste disposed of by materials recovery	Percent	60 %	-	-
Proportion of waste disposed of by incineration	Percent	34 %	-	-
Proportion of waste disposed of by landfill	Percent	5 %	-	-
Hazardous waste				
Proportion of waste disposed of by materials recovery	Percent	55 %	-	-
Proportion of waste disposed of by incineration	Percent	43 %	-	-
Proportion of waste disposed of by landfill	Percent	2 %	-	-
Waste total				
Proportion of waste disposed of by materials recovery	Percent	60 %	56 %	7.2 %
Proportion of waste disposed of by incineration	Percent	35 %	42 %	-17 %
Proportion of waste disposed of by landfill	Percent	5 %	2 %	140 %
Coverage: 8/8 shopping centers.				

¹ The reported data for Waste-Abs total volume, sorting percentage and proportion by disposal routes for 2022 has been corrected, due to new information in 2023.

The total volume of waste has decreased, and the proportion of waste sorted for recycling has increased, compared to 2022. This result is a combination of the dedicated work of the asset managers to increase the assets` sorting percentage, and the general supplier focus towards minimizing waste generated by delivered goods to our tenants. To improve further on the sorting of waste at the assets, a project was started in December establishing Carrot, a company with a solution meant to increase the sorting percentage, at one of the assets. The goal is to have Carrot established on all assets if the project proves a success.

Considering disposal routes, we see a positive trend with a 7.2 % increase in waste disposed of by materials recovery. On the other hand, we find a negative trend in a 140 % increased proportion of waste disposed of by landfill, which is generated by an increased volume of masses, including sand and gravel.

Certified assets

In the annual report of 2022, Aurora Eiendom stated the ambition to have all its shopping centers BREEAM In-Use certified as Very Good or higher. Aurora Eiendom started the process of getting all assets certified in line with the new BREEAM In-Use manual (V6) in 2022. By the end of 2023, 6 out of the 8 assets within the organisational boundaries have received their certificate, all with the score of Very Good or higher. In addition, we disclose performance on mandatory certifications in the form of energy performance certificates (EPC).

Indicator (EPRA Code)	Unit of measure	2023	2022
Voluntary (BREEAM In-Use)			
Certified assets (Cert-Tot)	Percent	75 %	0 %
Outstanding	Number of assets	2	0
Excellent	Number of assets	2	0
Very Good	Number of assets	2	0
Mandatory (EPC)			
Certified assets (Cert-Tot)	Percent	88 %	-
B	Number of assets	2	-
C	Number of assets	2	-
D	Number of assets	2	-
E	Number of assets	1	-
Coverage: 8/8 shopping centers.			

The two remaining assets are expected to have received their BREEAM In-Use certificates during the first quarter of 2024. In addition, Maxi Storsenter has also been certified with a score putting it in the Excellent category. See BREEAM In-Use for a more detailed narrative. Regarding the EPCs, the last asset was set for receiving an A, the highest character, which triggers a mandatory air leakage test. The test is to be carried out during the second quarter of 2024.



Social sustainability performance measures

As mentioned in section *Organisational boundaries* Aurora Eiendom has no individuals in direct employment. Effectively, all corporate-level performance measures, except those considering the board of directors, would be considered not applicable for the company. Through a process involving third party consultants and direct dialog with EPRA, it was rendered relevant for Aurora Eiendom to disclose corporate-level data for the employees of Alti Forvaltning AS. It should be pointed out that Aurora Eiendom has no direct influence or control over the employees of Alti Forvaltning, and that the availability of data is dependent on the systems of the administration of Alti Forvaltning.

Alti Forvaltning AS has at the end of 2023 184 individuals in direct employment. Others are also involved in the day-to-day operations of the company, but are hired through external companies, and therefore excluded from the data. The total number of 184 is used for all disclosed corporate-level performance measures.

Among the 184 employees of Alti Forvaltning there will be individuals working exclusively with the assets of Aurora, individuals working with the assets of Aurora among other assets, and individuals who have no tasks in direct connection with the assets of Aurora. However, all employees are part of a common work community influencing each other. Alti Forvaltning is one corporation with all its employees in one way or another taking part in the same exchange of experience and development. Also, Aurora does not only have an operational agreement with Alti Forvaltning for management of its assets, but also holds 50 % of the company’s shares. Therefore, it has been deemed relevant to include all employees in the reporting, instead of attempting to retract a proportion of the employees who are more or less dedicated only to Aurora.

Employees

Alti Forvaltning has a total of 184 individuals in direct employment. For the purpose of reporting these are divided into two categories: managers and non-managers. “Managers” include the corporate management team, middle management and first line management. These are employee categories who are considered to have responsibility for planning, directing, or controlling the activities of the entities. Data is also summarized to disclose the different performance measure for the workforce as a whole, labelled “all employees”. Board of directors refers to the board of Aurora Eiendom, not Alti Forvaltning.

Diversity

Employee diversity and composition of board of directors by gender.

Indicator (EPRA Code)	Unit of measure	2023	2022
<i>Diversity (Diversity-Emp)</i>			
Women in board of directors	Percent	0 %	0 %
Women in manager positions	Percent	49 %	53 %
Women in non-manager positions	Percent	39 %	36 %
Women among all employees	Percent	42 %	42 %

With only minor adjustments as a result of increasing the total number of employees by 26 individuals, the diversity of the workforce with respect to gender remains stable in all categories.

Pay-ratio

Employee pay-ratio given as the average pay of female employees dived by average pay of male employees according to the different categories. “All employees” refer to the employees in manager and non-manager positions summarized.

Indicator (EPRA Code)	Unit of measure	2023	2022
<i>Pay-ratio (Diversity-Pay)</i>			
Pay-ratio women to men in manager positions	Ratio [women/men]	0.91	0.91
Pay-ratio women to men in non-manager positions	Ratio [women/men]	0.96	0.98
Pay-ratio women to men for all employees	Ratio [women/men]	0.98	1.02

Alti Forvaltning is dedicated to being compliant with national regulations regarding discrimination based on gender and offers equal pay for equal work for men and women. Differences in pay between men and women found across different categories will be as a consequence of differences in tenure/seniority or responsibilities of the different positions. For 2023 we find only minor changes in pay ration when compared to 2022.

Training and development

The average number of registered hours of training that employees of Alti Forvaltning have undertaken in 2023 is given in the table below. The average is calculated as the total number of registered hours divided with the total number of employees (head count). It should be noted that Alti Forvaltning does not have a system in place for each employee to register all training he or she undertakes during the year. The numbers used for this performance measure is therefore what could be extracted from the available data. In reality, the average number of hours of training per employees is assumed to be significantly higher.

Indicator (EPRA Code)	Unit of measure	2023	2022
Employee training and development (Emp-Training)	Average number of hours	4.5	-

Alti Forvaltning wants to contribute to the professional development of the employees and considers training and retaining talent important and beneficial both for the company and the employees themselves. General training on a variety of subjects is provided for all employees in the Xtramile platform. In addition, managers with responsibility for personnel and departments undergo leadership training through Front Leadership. In 2023 four employees attended higher education covered partly or in whole by Alti Forvaltning. Also, the company’s certified accountants underwent the mandatory annual training to maintain their certification.

Performance appraisals

This section discloses the percentage of employees who have received performance appraisals during the year of 2023. The performance review is scheduled once a year, schematized and documented. Each employee goes through the process with his or her direct superior. The performance review includes an appraisal of the employee’s performance, and the performance of the direct superior and other superiors in relation to the employee.

In addition, anonymous performance appraisals are carried out through employee surveys monthly through Winningtemp, an employee engagement platform. Questionnaires are sent to all employees once a month with questions regarding management, work environment, well-being, workload, leadership etc. The employees provide answers anonymously. The results from the questionnaires are evaluated every quarter as part of the chief of staff meeting.

Indicator (EPRA Code)	Unit of measure	2023	2022
<i>Employee performance appraisals (Emp-Dev)</i>			
Employee performance appraisal	Percent	93 %	93 %
Appraisal questionnaires	Percent	74 %	-

See section *Data collection* for elaboration on the data collection for this performance measure.

Turnover and retention

Totals and rates of new hires and turnover within the organisation for 2023 is given in the table below.

Indicator (EPRA Code)	Unit of measure	2023	2022
Employee turnover and retention (Emp-Turnover)			
Total number of new employees	#	46	44
Rate of new employees	Percent	25 %	28 %
Total number of employee turnover	#	17	8
Rate of employee turnover	Percent	9 %	5 %

Alti Forvaltning continued its expansion in 2023 adding new shopping centers in to managing portfolio. As the number of shopping centers under management increases, so does the need for more employees, reflected by a rate of new employees of 25 % compared to a 9 % turnover rate.

Health and safety

The health and safety section addresses performance measures for both Alti Forvaltning’s employees and Aurora Eiendom’s assets. For a more detailed narrative on the H&S work, see *Health and security* on page 47.

Employee health and safety

This section includes rates of different types of absence and injury of Alti Forvaltning’s employees. The percentages are calculated by dividing the total number of hours lost by the total number of hours scheduled to be worked by employees for the same period (calendar year of 2023).

Indicator (EPRA Code)	Unit of measure	2023	2022
Employee health and safety (H&S-Emp)			
Injury rate	Percent	0 %	0 %
Lost day rate	Percent	0 %	0 %
Absentee rate	Percent	3.9 %	3.0 %
Work related fatalities	#	0	0

For the second year in a row Alti Forvaltning sees low absentee rates among their employees. The absentee rate is evaluated every quarter as part of the chief of staff meetings, and is also part of the agenda in the meetings of the working environment committee.

Asset health and safety

Health and safety impacts at the assets is an important area for a shopping center, having a large number of visitors, both employees, tenants, and customers, who will be affected by the H&S performance of the asset. For this performance measure, ‘assessments’ refers to voluntary reviews and audits that are part of the continual work on H&S at the assets. For all assets, a large number of tasks related to H&S are to be carried out during a reporting year. In 2023 Alti Forvaltning started a transition to a new MOM system. As a consequence of this process, there is not as of the end of 2023 a system in place that allows for automated reporting of all H&S related impacts. Therefore, a selection of relevant H&S impacts has been chosen for the H&S-Asset performance measure. These include seven impacts in total, five related to fire safety and two related to water quality and contamination. In the table below we present the percentage of assets who during 2023 have assessed or reviewed these health and safety impacts for compliance.

Indicator (EPRA Code)	Unit of measure	2023	2022
Health and safety assessments (H&S-Asset)	Percentage of assets	100 %	-

In 2024 we expect the transition to the new MOM system to be completed, which will allow us to report on all health and safety impacts that are part of our regular assessments and reviews.

Health and safety compliance

While not all relevant health and safety impacts are included in the H&S-Asset performance measure, the number of incidents of non-compliance registered and reported under the H&S-Comp performance measure reflects the number of incidents concerning all health and safety impacts that are part of our regular assessments and reviews.

Indicator (EPRA Code)	Unit of measure	2023	2022
Health and safety compliance (H&S-Comp)	Number of incidents	138	-

The incidents registered cover both minor and severe deviations from the H&S guidelines. None of the reported incidents is an incident of non-compliance from mandatory reviews resulting in a fine or sanction. Of the 138 incidents registered during 2023, 108 were corrected by the end of the year.

Community engagement

All asset management teams are encouraged to implement local community engagement and take part in local initiatives. In 2023 Alti Forvaltning distributed an internal guideline for sponsorships and engagement agreements, applicable for all assets owned by Aurora Eiendom. The guidelines were put in place to ensure all sponsorship and engagement agreements are in line with the standards of the company, putting emphasis on local engagement, sustainability, social responsibility, business ethics and impartiality. Other activities that are implemented may not the covered by the guidelines and are to be considered individual asset-level programmes, while several activities are implemented across several assets.

Indicator (EPRA Code)	Unit of measure	2023	2022
Community engagement (Comty-Eng)	Percentage of assets	100 %	100 %

The asset-level programmes vary across a number of activities and different measures. These include:

- Contributions to different non-profit organisations such as the Church City Mission (“Kirkens bymisjon”).
- Contributions to fundraisers for disadvantaged local individuals and families, or fundraisers for fugitives initiated by local charities.
- Making parts of the common or lettable area available for local initiatives (Red Cross, “Frelsesarmeen”, local artists, etc.).
- Contributions to local sport teams who facilitate happenings generating physical activity for the general public.
- Arranging leisure activities aimed at senior citizens.
- Initiating and participating in programs where local management and tenants take part in cleaning up outdoor waste.
- Initiating programmes for sale and reuse of used clothes and objects.
- Cooperation programs with local police for preventive measures towards juvenile delinquency.

In addition, several assets have been in direct contact with their local community as part of the process of planning upcoming projects. For example, as mentioned in *Community engagement and social responsibility*, Alti Vinterbro became the first shopping center in Norway to be “dementia friendly” after a close cooperation and interaction with the municipality administration. At Gulsbogen in Drammen, the planning of rebuilding part of the outdoor parking lot to establish a square included the facilitation of a meeting with two local Parents’ Council committees, and “Nærutvalgene”, a local committee with the purpose of engaging in matters concerning their local environment, in order to let the local community provide input to the design of the square.

Governance sustainability performance measures

The highest governance body of Aurora Eiendom AS is its board of directors. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the company's business ensuring proper Organisation, preparing plans and budgets for its activities, ensuring that the company's activities, accounts, and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties. Aurora Eiendom is not listed on a regulated market and thus not subject to mandatory corporate governance codes. Trading at Euronext Growth Oslo does not require implementation of a specific corporate governance code, such as the Norwegian Code of Practice for Corporate Governance.

Composition of the highest governance body

The board consists of five members and one observer. Four members have had their position as board member since March 2021. The fifth had the position of observer from March 2021 and became the fifth board member in February 2022. See page 40 for more information about each member. The composition of the board of directors with regard to gender is given in section *Diversity* on page 60. Further disclosure of its composition is given in the table below.

Indicator (EPRA Code)	Unit of measure	2023	2022
Composition of the highest governance body (Gov-Board)			
Executive board members	#	5	5
Independent board members	#	0	0
Average tenure on the governance body	Years	2.7	1.7
Independent board members with competencies relating to environmental or social topics	#	0	0

Selecting the highest governance body (Gov-Select)

The board is elected by the company's shareholders through the General Meeting of shareholders. All shareholders in the company are entitled to attend or be presented by proxy and vote at General Meetings of the company and to table draft resolutions for items to be included on the agenda for a General Meeting. Each share carries one vote. In general, decisions shareholders are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast.

The criteria for the current composition of the board are to ensure broad competence and experience within the real estate, retail, and shopping center segment. The board members are obliged to ensure the common interests of all shareholders.

Managing conflicts of interest (Gov-Col)

Aurora Eiendom has assessed potential conflict of interests among the board members. Stakeholders are disclosed with information about the board of directors' financial interests in the company through direct or indirect shareholdings in note 6 to the annual report. In addition, a member of the Board of Directors (Lars Løseth) and a member of the executive management, CFO Lars Ove Løseth, have a family relationship. Except such interest, no members of the Board of Directors or the management has any private interest which may conflict with the interests of the Company. Regarding the existence of a controlling shareholder, no shareholder is as of the end of 2023 in such a position.

The members of the board have extensive experience from companies associated with property and trade. The experience and network the board members possess gives Aurora Eiendom an advantage. At the same time, the board members also have financial interests in companies within trade and property. This means that conflicts of interest can potentially arise in matters dealt with by Aurora Eiendom's board. If a board member is considered unfit to handle a case due to a potential conflict of interest, the board member refrains from participating in the processing and decision in the case. This is recorded in the board minutes. Assessment of potential conflict of interest is done on a case-to-case basis.



2024.02.14
NOTE – Aurora Eiendom AS emission calculations energy 2023

The emission calculations for the 2023 climate accounting concerning energy and fuel consumption are performed by Kjeldsberg Eiendomsforvaltning AS on behalf of Aurora Eiendom AS by Alti Forvaltning AS. EPRA Sustainability Best Practices Recommendations Guidelines, built on the GHG-protocol, is used as a guidance combined with standards as GRI and NS3720.

Energy
For the energy, the GHG-protocol suggests dividing the reporting into two categories; marked-based and local based. Where the marked-based factor, 502 g/kWh, is calculated by NVE (Norges Vassdrag- og energidirektorat) for the year 2022. NVE does an annual calculation of the energy disclosure for electricity sold without Guarantees of Origin (GOs) the previous year. NVE states, on their website: <https://www.nve.no/energy-supply/electricity-disclosure/>, “By combining the known energy sources with the amount of electricity from the European Attribute Mix we find the basis for the calculation of the distribution of energy sources that is included in the electricity disclosure. The electricity disclosure for power suppliers shows the distribution of the different energy sources and the corresponding CO2 emission and radioactive waste”. According the GHG-protocol the local-based perspective should include: “Average emission factors representing all electricity production information from geographic boundaries that are not necessarily related to dispatch region, such as state or national boundaries.” The local-based factor, 18 g/kWh, originate from the GHG-factors given in NS3720 and is based on an average in the period 2015-2075 and calculated based on Norwegian production today and assumed inclusion of water, wind and thermal power as a share of total energy production in 2050.

The proportion of landlord obtained electricity from renewable sources is calculated by identifying the amount of electricity purchased and consumed from external utility suppliers from non-renewable sources and do the same for renewable sources and then calculate the proportion of electricity consumption from renewable sources as a percentage of the total electricity consumption. NVEs residual mix states a percentage of 14% of renewable sources for the purchased energy when no Guarantees of Origin are purchased, whereas for the local-based factor the percentage is 98%.

Fuel
As stated by EPRA and the GRI Standard, the proportion of landlord obtained fuels from renewable sources is calculated as the proportion of fuels purchased or obtained and consumed within the organization from renewable sources as a percentage of the amount of fuel purchased, obtained, and consumed. Three of Aurora’s shopping malls are using fuel on site. The fuel used are Propane gas, Natural gas and Biofuel, whereby the only renewable source is Biofuel.

The United Nations Framework Convention, according to articles 4 and 12, states that Parties are required to develop, and submit to the UNFCCC, national inventories of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Monetreal Protocol on an annual basis. In the National Inventory Report (NIR), published by the Norwegian Environment Agency, the emission factors for fuel are given. For Bio-oil the emission factor is 0 kg/kWh due to the CO2 absorbed by fast-growing bioenergy sources during their growth and the emissions related to the combustion is taken into account by using the factor 0,23 kg/kWh. These emissions are reported separately (outside of scopes). For Natural gas the emission factor is 0,20 kg/kWh and for Propane 0,23 kg/kWh.

District heating
One of Aurora’s malls is using district heating. Fjernkontrollen is a service provided by the business organization Norsk Fjernvarme. The purpose is to provide customers, builders and other interested parties with up-to-date information on which energy sources are used in district heating systems around Norway. In this case, using <https://www.fjernkontrollen.no/tonsberg/>, it is given a percentage of renewable sources to 98,6% and emission factor to 20,7 g/kWh which is based on Norwegian electricity mix.

Waste
For landfill, the factors in the tables include collection, transportation and landfill emissions (‘gate to grave’). For combustion and recycling, the factors consider transport to an energy recovery or materials reclamation facility only. This is in line with GHG Protocol Guidelines, with subsequent emissions attributed to electricity generation or recycled material production respectively. The factors are found at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023> , published by the Department for Energy Security and Net Zero June 2023 which is made for international organizations to report on 2023 greenhouse gas emissions.



Kristine Fagerheim

Energy and sustainability consultant
Kjeldsberg Eiendomsforvaltning AS

Auditor’s Report on the ESG Report



BDO AS
Kobbes gate 2
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7416 Trondheim

Independent Auditor’s Assurance Report

To the board of directors of Aurora Eiendom AS

We have been engaged by the Management of Aurora Eiendom AS to provide limited assurance in respect of the information presented in the Sustainability Report section (“the Report”) included in the Aurora Eiendom AS - Annual Report 2023.

Conclusion

Based on our work, nothing has come to our attention causing us to believe that:

- Aurora Eiendom AS does not apply a reporting practice for its sustainability reporting aligned with the European Public Real Estate Association (EPRA) Best Practices Recommendations for Sustainability Reporting (sBPR) reporting principles nor that the reporting does not fulfil level Core according to the EPRA sBPR.
- Sustainability information presented for 2023 is not consistent with data accumulated and appropriately presented in the Report.

Management’s Responsibilities

Management of Aurora Eiendom AS is responsible for the preparation and presentation of the Report and that it has been prepared in accordance with the reporting criteria described in the Report, including the EPRA sBPR. Management is also responsible for establishing such internal control management determine is necessary to ensure that the information is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants’ Code of International Ethics for Professional Accountants (including International Independence Standards - IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s responsibilities

Our responsibility is to express a limited assurance conclusion on the information in the Report. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and International Standard on Assurance Engagement 3410, *Assurance Engagement on Greenhouse Gas Statements* (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board.

The procedures performed in a limited assurance engagement vary in nature and timing compared to, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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Penneo Dokumentnøkkel: EWIXS-0EGU1-NSEC2-SJLGS-HGHPA-KNEJE



Considering the risk of material misstatement, our procedures included, among others:

- Meetings with central and local management to discuss issues, risks, important sustainability topics and procedures for collecting and reporting relevant data
- Analytical review of development and changes from prior reporting periods
- Review of evidence supporting the information in the report on a sample basis

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for a conclusion with a limited level of assurance on the subject matters.

Trondheim

BDO AS

Eivind Hombornes
State Authorized Public Accountant
(This document is signed electronically)

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Report of Board of Directors 2023

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

BOARD OF DIRECTORS' REPORT

Overview of the business

2023 was a positive year for Aurora Eiendom. Our shopping centers generated tenant revenues of NOK 8.8 billion in 2023, an increase of 4.6 percent compared to the previous year. All centers in the portfolio experienced sales growth.

Due to increased living costs for consumers, there has been anticipation throughout the year regarding the development in retail, especially during the holiday season. Despite cutting back on larger capital goods, the figures show that even in adversity, we prioritise the small joys of everyday life, which our shopping centers largely consist of. Meeting for a coffee, dressing up for a party, and reading a good book are all part of it. This is reflected well in our statistics on which industries performed well in 2023. Cosmetics, pharmacies, and health food experienced strong growth, while sports and electronics had slightly lower growth.

We observe a strong demand for retail space. The occupancy rate improved in our portfolio of centers in 2023. A large portion of the available space pertains to storage and office space. Looking at the retail space in our portfolio, there is very little vacancy, and in some centers, it is fully leased. Our livelihood depends on our tenants succeeding with their concepts, and it's gratifying to see that both sales, as well as the number of visitors to the shopping centers, is positive. Particularly, we see that the statistics for visitors to the shopping centers show greater visits now than in 2019, which is the last normal year before the pandemic. This indicates that the shopping center concept is solid among the Norwegian population, and that our centers are attractive and offer services that people need in their daily lives.

Alti Forvaltning has worked well in 2023 to update the tenant mix in the shopping centers. Having updated concepts and a contemporary tenant mix is important for the centers' attractiveness. A good mix of retail, experiences, health, dining, and services is the key to success. Alti Forvaltning has grown and is Norway's second-largest provider full-service shopping center management. It's growth has attracted competent personnel in specialised areas, providing positive offerings to all centers in the portfolio. This includes dedicated resources for special income, sustainability, technical personnel, as well as key relationship managers for our most important customers.

Our shopping center portfolio

Our properties are characterised by leading positions in their market areas and have an updated tenant mix tailored to their local communities. For full description of the portfolio and key figures, refer to the portfolio presentation on pages 10 - 33.

Alti Amanda in Haugesund

A center that has experienced decreasing vacancy over the past two years. The offerings have been upgraded with several dining concepts during 2023. The center boasts a prime location and a modern aesthetic, achieving a 9.9 % increase in tenant turnover in 2023, the highest increase in the Aurora portfolio.

Alti Buskerud in Drammen

We are proud that Alti Buskerud is one of the few centers in Norway to have achieved BREEAM In-Use "Outstanding" certification. The center is an attractive destination for those traveling to cabins and the mountains and serves as an important meeting place for the local community.

Alti Farmandstredet in Tønsberg

A magnificent and large center in the heart of Tønsberg, with the highest number of visitors in the portfolio. It is a bustling city center with high footfall, which triples during the summer months.

Alti Nordbyen in Larvik

The center is a popular shopping destination for both tourists and the local community. It boasts a very high occupancy rate and is situated adjacent to an exciting residential project – Hovlandbanen.

Alti Vinterbro in Ås municipality near Oslo

In 2023, solar panels were installed on the roof of Alti Vinterbro, the second largest installation in the Oslo region, only surpassed by Alna Senter (also managed by Alti Forvaltning). New concepts like Rusta have enhanced the center over the past year.

Arkaden Senter in Stavanger

Arkaden holds a strong position in the heart of Stavanger city center. It caters to customers interested in fashion and beauty and benefits from its central location in an area with a lot of commerce and activity.

Gulskogen Senter in Drammen

Our largest center in terms of rental income and tenant turnover. Its location in the midst of a popular and growing residential area has made the center a focal point and natural meeting place for the local community.

Alti Nerstranda in Tromsø

Experienced a very strong turnover growth in 2023 (9.8 %) and serves as a natural meeting place in Tromsø city center. The center has a new and updated facade with the Alti profile since 2023. In the first quarter of 2024, a new and modern orthopedic clinic will move in on the 4th floor.

Jærhagen Kjøpesenter outside Stavanger

Aurora has 10 % indirect ownership. Jærhagen is a traditional shopping center and “big-box” concepts combined, located in the center of Klepp municipality.

Maxi Storsenter in Hamar

25 % owned by Aurora Eiendom. Maxi Storsenter in Hamar is a well-organized and efficient neighborhood center, serving as a local meeting place. The development of a residential project in the area will be very positive for the center.

Development projects

At most of our centers, there are opportunities for the development of retail or residential areas. The two fully-owned projects we have progressed furthest with, and are currently under regulation, are Hovlandbanen near Alti Nordbyen and Krokstadelva near Alti Buskerud. Alti Forvaltning has the expertise to carry out the regulatory planning process. After the regulatory process is completed, Aurora Eiendom will assess whether the plots should be further developed under our management, in collaboration with partners, or potentially sold. Development projects, including the project at Maxi Hamar, are described in pages 34-35.

Alti Forvaltning AS

In-house management from day one is key to Aurora’s vision of creating excellent shopping destinations for the future. Alti Forvaltning manages 45 shopping centers across Norway by year-end. All employees operating the shopping centers, employees in supporting roles as well as management dedicated Aurora Eiendom are employed in Alti Forvaltning. Alti Forvaltning delivers the following services to the centers:

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

Alti Forvaltning offers centers to join the Alti common profile with high quality affordable campaigns and

marketing. Currently, a total of 32 centers are branded “Alti”. Alti Forvaltning’s head office is in Surnadal, Norway. Aurora Eiendom’s day-to-day management is also operated from Surnadal. The shopping centers each have dedicated staff (management, marketing and technical) that are based at each individual center. In addition, Alti Forvaltning has a team of leasing managers that are located at Alti Forvaltning’s offices in Arendal, Trondheim, Mandal, Stavanger, Oslo and Ålesund.

Financial review

Rental income

For 2023, rental income amounted to NOK 574.8 million (NOK 447.9 million). In 2022, Aurora Eiendom acquired three shopping centers (Alti Buskerud in March, as well as Gulskogen and Arkaden in July). Consequently, the contribution from these three centers is not on a full-year basis in 2022, while the 2023 figures include the entire portfolio.

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 62.9 million (NOK 36.9 million) for the full year. Please see note 5 for further information.

Administrative expenses were NOK 28.4 million (NOK 22.6 million). This represents the fee paid to Alti Forvaltning AS for managing the eight shopping centers in the Aurora portfolio. Alti Forvaltning AS provides management services to the parent company Aurora Eiendom AS, the cost of which 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 6.8 million full year (NOK 10.8 million). In 2022, these costs included one-off costs incurred as part of the acquisition of new shopping centers.

Net income from property management

Net income from property management amounted to NOK 476.7 million in 2023 (NOK 377.8 million).

Fair value adjustments of investment properties

The fair value of the investment properties was adjusted with NOK -461.9 million in 2023. The Group’s investment property portfolio consists of eight 100 % owned shopping centers and each individual property is valued by the external appraiser Cushman & Wakefield Realkapital on a quarterly basis. The three main drivers of value in the external assessments are valuation yield, market rent, and long-term inflation expectations. We observe that the primary reason for write-downs is the increase in valuation yield. The portfolio was valued at a weighted valuation yield of 5.89 % in December 2022. By year-end 2023 the weighted

valuation yield had increased to 6.45 %. Expectations for market rent are positive. Furthermore, there has been a shift in long-term inflation expectations towards lower levels than previously, affecting the valuation negatively.

Share of results from associated companies

Aurora Eiendom AS has three associated companies:

- Alti Forvaltning AS – owned 50 %.
- 10 % 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 8.0 million in 2023 (NOK 19.6 million). This figure includes amortisation of NOK 5.2 million of the excess book value on the shares in Alti Forvaltning , representing the value associated with management contracts and customer relationships.. In 2022, NOK 14.5 million of this profit was a result of positive fair-value change of the ownership in Hamar Storsenter Holding, following a valuation conducted on Hamar Storsenter. In 2023, negative value changes on Jærhagen Kjøpesenter has affected the profit from associated companies.

Financial income

Financial income is mainly interests on cash and cash equivalents. The financial income also includes a one-off gain on financial items in connection with settlement of liabilities.

Fair value adjustments on interest rate derivatives

Aurora Eiendom AS has twelve swap agreements and two swaptions.

Market value of the interest swap agreements amounted to NOK 141.0 million by the end of the year. The market value of the swaptions amounted to NOK -9.0 million.

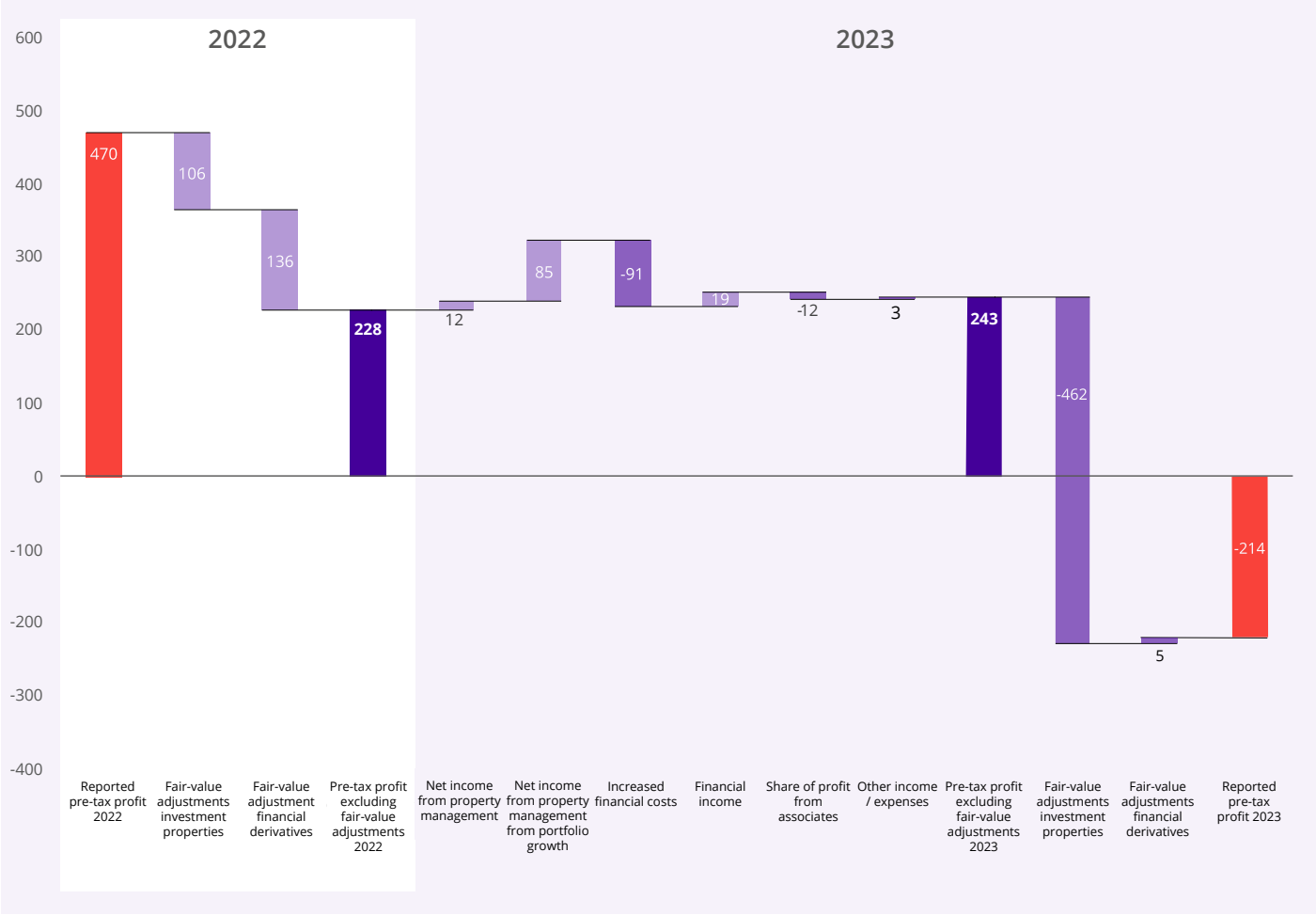
Financial expenses

Financial expenses, net of positive cash flow from swap agreements, amounted to NOK 269 million (NOK 178 million). The expenses are mainly related to interest and fees on interest-bearing debt. Financial expenses are recognised using the amortised cost method. The increase in financial expenses is due to both higher levels of debt as a result of the acquisitions in 2022 as well as the rise in market interest rates during 2023.

Summary

Profit before income tax excluding fair value adjustments of investment properties and interest rate derivatives was NOK 243.4 million (NOK 228.2 million).

The following chart illustrates the contribution of factors such as portfolio growth and increased financial costs on pre-tax profit in 2022 vs 2023.



Pre-tax profit, including fair value adjustments of investment properties and interest rate derivatives, was NOK -213.9 million (NOK 470.0 million). Fair-value adjustments on investment properties amounted to NOK -461.9 million and on financial derivatives NOK 4.7 million.

Balance sheet

The Group’s assets amounted to NOK 8 953 million (NOK 9 473 million). Of this, investment properties amounted to NOK 8 418 million (NOK 8 813 million).

Interest-bearing debt was NOK 4 709 million (amortised) at the end of the year (NOK 4 717 million in nominal amounts). Nominal value of debt hedged: 45 % per 31.12.2023. The equity totalled NOK 3 876 million (43 %).

Financing

Aurora Eiendom’s debt portfolio consists of long-term and short-term debt with Scandinavian banks. The average remaining term for the debt portfolio was 0.9 years by year-end. The proportion of bank loans maturing within 12 months is classified as short-term.

The Group has a total loan maturity of NOK 3 003 million in July 2024. This facility has been confirmed to be renewed for three additional years from the maturity date. Additionally, The Group has the option to extend the loan for 1 + 1 year(s).

Aurora Eiendom’s investment properties are pledged as security for the bank loans.

The Group's bank loans incorporate financial covenants related to minimum liquidity, loan-to-value and interest coverage ratio. Aurora Eiendom was in compliance with conditions in the credit agreements as of 31.12.2023.

Cash flow and liquidity

Net cash flow from operating activities was NOK 211.3 million (NOK 209.4 million). Net cash flow from investments was NOK -66.5 million (NOK – 3 502 million) and net cash flow from financing activities was NOK -292.8 million (NOK 3 330 million).

The net change in cash and cash equivalents was NOK -148,0 million (NOK 38,3 million), and cash and cash equivalents at the end of the year were NOK 179 million (NOK 327 million).

Allocation of net income

The Board of Directors proposes that the net profit of NOK – 165 960 908 to be allocated to retained earnings. Based on the desire to maintain a healthy cash position going into 2024, it is not proposed to pay dividends for 2023.

Financial result of the parent company Aurora Eiendom AS

The parent company Aurora Eiendom AS had revenues of NOK 37 500 (NOK 2 940) in 2023. Net financial items amounted to NOK 14.6 million (NOK 134 million). Financial income is mainly due to interest income from Group companies. In 2023, impairment of financial assets, presented as financial expenses, reduced net financial income from the levels of the previous year. The impairment of financial assets was based on fair-value of the underlying assets of Aurora Eiendom parent company and are adjusted in book value according to principles in the Norwegian Accounting Act.

Profit for the year was NOK -28.8 million (NOK 102.9 million). During 2023, debt was repaid using cash. Cash at year-end was NOK 2.2 million (NOK 136.9 million). Aurora Eiendom AS has few obligations and limited liquidity needs. Operations are conducted within companies further down the group structure, and all remaining loans are in Aurora Eiendom AS’ subsidiaries. The liquidity situation is considered good, and if necessary, Aurora Eiendom AS can obtain liquidity from subsidiaries.

To strengthen the equity in the subsidiaries Aurora Kjøpesenter AS and Aurora Kjøpesenter II AS, debt conversion from debt to equity was carried out in these companies. Investment in subsidiaries increased from NOK 337 million in 2022 to NOK 1 517 million in 2023, and loans to group companies have been reduced from NOK 2 836 million to NOK 1 614 million.

Total assets in 2023 amounted to NOK 3 264 million (NOK 3 434 million). For the full financial report of the parent company, please see page 110.

Risk factors and risk management

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

Market risk

Aurora Eiendom is exposed to the risk of a reduction in general rent levels. Rental income constitutes substantially all of the Group’s revenue and any fall in rent levels may have a material negative effect on results and financial positions. Aurora Eiendom also faces the overall risk of tenants not meeting their obligations to pay lease obligations. Aurora Eiendom’s shopping centers are centrally located and have a leading position in their geographies. Leases are also spread on a large number of tenants (700+ lease contracts) and their weighted average unexpired lease term was 3.5 years by the end of 2023. The portfolio is also marked by low vacancy rates (2.3 % EPRA vacancy rate). Overall, this reduces the market risk in the Aurora shopping center portfolio.

Operational risk

Aurora Eiendom AS owns eight shopping centers and has a minority interest in two shopping centers. All shopping centers and Aurora Eiendom are managed by resources employed in Alti Forvaltning AS, which is 50 % owned by Aurora Eiendom. Alti Forvaltning is Norway’s second-largest provider of full-scale shopping center management and has over 200 employees. Employees and resources can swiftly be allocated from center to center. The operational risk is thus assessed to be low.

Financial risks

- Aurora Eiendom is exposed to the risk of changes in market interest rates, affecting the Group’s debt with floating rates. To adjust this exposure, Aurora Eiendom has entered into interest rate swap agreements with a notional amount of NOK 2.1 bn, and 45 % of the debt was hedged by end of 2023.
- Aurora Eiendom is exposed to credit risk related to lease payments. The Group has a large number of tenants, and the standard rent payment regime is quarterly in advance. There is also a standard provided security for contractual obligations from tenants in the form of a bank guarantee that sums equivalent to 6 months rent including VAT. However, security for each lease agreement is rated based on the lease agreements total value, associated investments and the tenants’ creditworthiness. Overall, the concentration of credit risk relating to lease payments is assessed to be low.
- Liquidity risk is the risk that the Group will not be able to fulfill its financial obligation as they fall due. Management uses cash flow simulations to monitor financing required for its business and ensure that commitments are met. The fact that the majority of revenues come from contracted minimum rent ensures that the liquidity situation is relatively predictable within the Group.
- There is also financing risk, which is the risk that Aurora Eiendom will be unable to meet its financial obligations when they are due, and that financing will not be available at a reasonable price. Aurora Eiendom sees to maintain good credit rating with finance institutions and generate a healthy cash flow to be an attractive borrower to reduce this risk.

Environmental report

Aurora Eiendom has high ambitions to implement concrete measures that can make our properties more efficient and aligned with high ESG (Environmental, Social, and Governance) standards. We aim to focus on everything from suppliers, employee satisfaction, low energy consumption, to the reuse of building materials.

This year’s ESG report has been prepared following the same template as last year, providing us with a good overview of important parameters and their development. Additionally, this year’s ESG report will undergo third

party assurance to ensure its quality. Aurora Eiendom is proud to have received the “Gold” award for its EPRA ESG reporting. Furthermore, we have completed BREEAM In-Use certification processes for all our shopping centers based on the new V6 manual.

Aurora published its Transparency Act statement in June 2023. The focus was on identifying the main operational risks and laying the foundation for annual review of this work. The Transparency Act statement can be found on www.aurora.no. Please refer to page 42 for the Group’s complete sustainability report.

Going Concern

We confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2024 and the Group’s long-term strategic forecasts. Aurora Eiendom’s economic and financial position is sound.

The working environment and the employees / equal pay

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

Share and shareholders

As of 31.12.2023, the company had issued 30 962 431 shares each with a nominal value of NOK 75. Aurora Eiendom has one share class, and all shares have equal rights. The shares are registered in the Norwegian Central Securities Depository (VPS). The shares carry the securities number ISIN NO0011032310. Aurora Eiendom’s shares are listed on Euronext Growth Oslo under the ticker “AURA”. Share price was NOK 74 by the end of 2022 and NOK 82 by the end of 2023. Aurora Eiendom has per December 31st, 2023, 282 shareholders. The 20 largest shareholders were:

Investor / SPV	Number of shares:	Ownership interest:
Joh Johannsson Eiendom AS	6 022 733	19.45 %
Eiendomsspar AS	6 002 462	19.39 %
Alti Invest AS	3 200 014	10.34 %
NSF IV Norway Holding 10 AS (NREP)	2 000 000	6.46 %
Varnar Invest AS	1 730 351	5.59 %
AS Clipper	1 700 215	5.49 %
Strawberry Shopping AS	1 553 763	5.02 %
Stokke Industri Eiendom AS	1 522 581	4.92 %
Verdipapirfondet Nordea Norge	797 962	2.58 %
Byggteknikk Invest AS	509 942	1.65 %
Kverva Eiendom AS	497 524	1.61 %
Uthalden Eiendom AS	400 000	1.29 %
Peak Invest AS	313 811	1.01 %
Carucel Invest AS	272 531	0.88 %
Ligna AS	208 049	0.67 %
Oviv AS	201 653	0.65 %
Næringslivets Hovedorganisasjon	200 475	0.65 %
Tretindanibba AS	198 663	0.64 %
Fine Line Direct AS	186 683	0.60 %
BANAN II AS	179 500	0.58 %
Other	3 263 519	10.54 %
Total (284 investors as of 31-12-2022)	30 962 431	100.00 %

Authorisation for the Board to increase the share capital

On May 30th, 2023, the Board was authorised to increase the share capital of the company, by one or more occasions, by up to NOK 1 161 091 125, by issuance of up to 15 481 215 new shares, each with a par value of NOK 75. The authorisation will expire at the latest on 30th June 2024.

Authorisation for the Board to acquire shares in Aurora Eiendom AS

On May 30th, 2023, the general meeting granted the Board of directors an authorisation to in one or more occasions acquire shares in Aurora Eiendom AS with a nominal value of up to NOK 232 200 000, divided into up to 3 096 000 shares. The authorisation shall be adjusted in the event of share consolidation, share splits, and similar transactions. Acquisitions and sales of the company's own shares can take place in the manner which the Board of directors considers to be in the company's best interest. The authorisation will expire at the latest on 30th June 2024.

Insurance for board members and general manager

The company has insurance for board members and general management. The insurance covers executives, directors and officers from liability arising from their decisions and actions taken on behalf of the organisation.

Outlook

We notice that the positive trend for the shopping centers, with increasing tenant turnover and customer visits, is generating greater interest in establishing businesses with us. Several new concepts have entered over the past year, and we currently have very few vacant commercial premises.

2023 showed good turnover for our tenants, but we expect slightly weaker turnover development in 2024.

The peak in interest rates is expected to be reached within 2024, and consumers are anticipated to benefit from increased purchasing power due to wage settlements. Interest rates are likely to be lowered during the year, and inflation has decreased from high levels. Consumers seem to be adjusting to their new purchasing power, but the significant price increases we have seen in society overall may dampen trade and demand for services in our centers.

A significant portion of the costs in retail are related to foreign currency. The Norwegian krone was weak in 2023. We expect key drivers for trade such as interest rates, real wage development, inflation, and the exchange rate to stabilise in the coming year. This will reduce uncertainty for consumers and provide a more predictable and secure market, especially for our tenants who will seek stability in their costs.

We observe that our tenants largely have satisfactory profitability. While there is considerable variation, we experience low defaults and rare bankruptcies. Aurora Eiendom aims to create an experience in our centers and contribute to the success of our tenants. We see that online shopping continues to increase, but it does not replace physical shopping as many previously feared. People are designed to be together, and we need pleasant meeting places. Our centers have proven to be popular meeting spots, and we work hard to offer the right mix of tenants and experiences for our visitors. We constantly strive to keep occupancy costs low by focusing on efficient operations and low common costs. Our tenants have increased profitability and streamlined their operations during the pandemic. Combined with a central location in our centers, a good mix of tenants, high footfall, and offerings that meet people's everyday needs, we approach 2024 with optimism.



Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2023	2022
Aurora Eiendom			
Rental income	4	574 831 016	447 915 298
Property related operational expenses	5	-62 946 991	-36 869 249
Net rental income		511 884 025	411 046 049
Other income		48 114	182 845
Other operating expenses	7	-6 806 279	-10 830 266
Administrative expenses	3,7	-28 391 154	-22 570 190
Net income from property management		476 734 706	377 828 438
Fair value adjustment, investment property	12	-461 940 688	105 770 125
Share of profit from associates	13	8 024 932	19 582 471
Operating profit		22 818 950	503 181 034
Financial income	8	27 731 484	8 863 984
Fair value adjustments, interest rate derivatives	14	4 678 470	136 059 830
Financial expenses	8	-269 123 511	-178 092 948
Net financial items		-236 713 557	-33 169 134
Profit before income tax		-213 894 607	470 011 900
Change in deferred tax	9	75 336 139	-80 404 072
Income tax payable	9	-27 402 440	-26 389 317
Income tax	9	47 933 699	-106 793 389
Profit		-165 960 908	363 218 510
Other Comprehensive income			
Items to be reclassified to P&L in subsequent periods:			
Currency translation differences from foreign operations		-	-
Hedging of net investment in foreign operations		-	-
Income taxes on other comprehensive income		-	-
Total comprehensive income for the period/year		-165 960 908	363 218 510
Profit attributable to:			
		2023	2022
Shareholders of the parent		-165 960 908	363 218 510
Total comprehensive income attributable to:			
Equity holders of the Company		-165 960 908	363 218 510
Basic = diluted earnings per share	10	-5.36	13.36

CONSOLIDATED BALANCE SHEET – ASSETS

	Note	31.12.2023	31.12.2022
Non-current assets			
Investment properties	1, 12	8 417 600 000	8 813 000 000
Investment in associated companies	2, 13	144 331 464	136 306 532
Receivables		11 300 509	6 795 922
Derivative financial instruments	14	141 030 143	143 629 940
Total non-current assets		8 714 262 115	9 099 732 394
Current assets			
Trade receivables	15, 16	15 703 118	8 461 847
Other current asset	17	44 319 853	37 298 920
Cash and cash equivalents	15, 18	178 985 292	327 025 464
Total current assets		239 008 263	372 786 231
TOTAL ASSETS		8 953 270 378	9 472 518 625

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

Equity	Note	31.12.2023	31.12.2022
Share capital	19	2 322 182 325	2 322 182 325
Share premium	19	703 763 154	703 763 154
Retained earnings		850 052 680	1 016 013 587
Total equity		3 875 998 159	4 041 959 066
Long-term liabilities			
Loans	14, 15, 20	1 523 310 296	4 635 945 456
Derivative financial instruments	14	8 972 169	16 280 702
Lease liabilities	11, 20	9 954 254	10 650 491
Deferred tax liabilities	9	175 076 237	250 412 376
Total long-term liabilities		1 717 312 956	4 913 289 025
Short-term liabilities			
Loans	12, 14, 15, 20	3 185 922 770	359 543 176
Income tax payable	9	27 402 440	35 286 318
Trade payables	15, 21	40 118 164	22 916 574
Current lease liabilities	11, 20	696 237	1 109 889
Other current liabilities	21	105 819 652	98 414 576
Total short-term liabilities		3 359 959 263	517 270 533
Total liabilities		5 077 272 219	5 430 559 558
Total liabilities and shareholders' equity		8 953 270 378	9 472 518 625

Surnadal, March 21st 2024

Petter A. Stordalen
Chairman of the Board

Lars Løseth
Board member

Johan Johannson
Board member

Marius Varner
Board member

Sigurd Stray
Board member

Lars Ove Løseth
CEO

CHANGES IN EQUITY

	Note	Share capital	Share premium	Retained earnings	Total equity
Equity at 31.12.2021		1 541 280 000	492 656 586	652 795 077	2 686 731 663
Share issue		780 902 325	219 099 726	-	1 000 002 051
Transaction cost of equity issue net of tax		-	-7 993 158	-	-7 993 158
Profit for period		-	-	363 218 510	363 218 510
Total equity 31.12.2022		2 322 182 325	703 763 154	1 016 013 587	4 041 959 066
Profit for period		-	-	-165 960 908	-165 960 908
Total equity 31.12.2023		2 322 182 325	703 763 154	850 052 679	3 875 998 158

STATEMENT OF CASH FLOWS

	Note	2023	2022
Profit before tax		-213 894 607	470 011 899
Income tax paid		-35 286 318	-23 561 936
Net expensed interest and fees on loans and derivatives	8, 14	268 720 468	177 749 543
Net interest and fees paid on loans and derivatives	8, 14	-257 581 763	-153 779 450
Share of profit from associates	2, 13	-8 024 932	-19 582 471
Changes in value of investment properties	1, 12	461 940 688	-105 770 125
Changes in value of financial instruments		-4 678 470	-136 059 830
Change in working capital	11, 15, 22	84 296	436 594
Net cash flow from operating activities		211 279 362	209 444 225
Acquisitions of investment properties	2	-	-3 428 414 590
Investment in and upgrades of investment properties	12	-66 540 689	-42 831 193
Net payment of loans to associates		-	-3 750 000
Investments in associates	2, 3	-5 000 000	-31 250 000
Dividends from associates		5 000 000	4 250 000
Net cash flow from investment activities		-66 540 689	-3 501 995 783
Proceeds interest bearing debt	14, 15, 20	280 000 000	2 420 000 000
Repayment interest bearing debt	20	-571 671 956	-77 310 000
Repayment of lease liabilities	11, 20	-1 106 889	-1 582 456
Proceeds from issue of shares/repurchase of shares	19	-	989 754 412
Net cash flow from financing activities		-292 778 845	3 330 861 956
Change in cash and cash equivalents	19	-148 040 172	38 310 398
Cash and cash equivalents at beginning of period		327 025 464	288 715 066
Cash and cash equivalents at end of period		178 985 292	327 025 464



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NOTE 0 – GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Aurora Eiendom AS is a private limited company, incorporated in Norway, headquartered in Surnadal and listed on Euronext Growth Oslo. Address headquarters: Øravegen 4, 6650 Surnadal. The consolidated financial statements of Aurora Eiendom AS for 2023 were approved in the board meeting on March 21st, 2024. Aurora Eiendom AS was incorporated on January 1st 2021. These financial statements include the parent company from incorporation and subsidiaries from the date of acquisition. Until the acquisitions of the subsidiaries the activities in the Group were limited. Aurora Eiendom intends to own, operate and develop leading shopping destinations.

Basis for preparation of the 2023 annual accounts

The consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

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

- Investment properties which are measured at fair value.
 - Financial derivatives are measured at fair value.
- The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

Application of new and revised standards

The Group has implemented the changes in IAS 1, which clarify that the note on accounting policies must disclose information about material accounting principles. These changes also mean that the information on the accounting policies must be company-specific in order to provide greater benefit to the users of the accounts. Other changes in standards and interpretations have not had a significant impact on the consolidated financial statements of Aurora Eiendom.

New standards, interpretations, and amendments not yet effective

IASB has adopted several changes in standards and interpretations with effective dates from 1 January 2025 or later, but none of these changes are expected to have a significant effect on the consolidated financial statements for the Group.

Currency

The Group's presentation currency is NOK. This is also the functional currency of the parent company and all the subsidiaries. Aurora Eiendom only conducts activities in Norway.

Segments

Aurora Eiendom's financial statements are presented as one segment based on the aggregation criteria outlined in IFRS 8 paragraph 12. This decision stems from the fact that all revenue is derived from shopping centers, all geographically located within Norway. Consequently, the management has determined that these shopping centers share similar economic characteristics and can be grouped into a single segment.

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

Consolidation principles

The Group Aurora Eiendom's consolidated financial statements comprise the parent company and its subsidiaries as of December 31, 2023. An entity has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the Group's returns.

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

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

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

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

Investment in associates

The Group has investment in three associates – Alti Forvaltning AS, JHG Invest AS and Hamar Storsenter Holding AS. Associates are entities over which the Group has significant influence, but not control over the financial and operating management.

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

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

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

Income tax

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

- temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination, and which do not affect the accounting or taxable profit at the time of the transaction.

Deferred tax assets are recognised when it is probable that Aurora Eiendom will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

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

Revenue recognition - the Group as a lessor

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

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

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

Investment property

Aurora Eiendom holds investment property with the purpose of achieving rental income, increase in value, or both are classified as investment property.

Measurement at recognition

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

Measurement after recognition

After initial recognition investment property is measured at fair value, which reflects market conditions at the reporting date. Gains or losses from changes in fair value are presented in profit and loss when they arise, under the line item “Changes in fair value of investment property”. Subsequent capital expenditure relating to investment property is included in the carrying amount of the investment property. The cost of day-to-day servicing of investment property is expensed when incurred. Tax discount and transaction costs relating to the acquisition of an investment property (single purpose entities) are recognized in profit or loss as part of the changes in fair value of investment property in the period after the acquisition.

Financial instruments

Aurora Eiendom’s financial liabilities are loans and borrowings, financial derivatives or payables.

Loans, borrowings and payables

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial Derivatives

Aurora Eiendom uses derivatives to manage its interest rate risk. Derivatives are initially recognised at fair

value on the date on which the contract was signed, and subsequently at fair value. Fair value will depend on interest rates and the contracts’ remaining term to maturity. Gains or losses on remeasurement at fair value are recognised in the income statement. Regular payments are presented as interest and other finance expenses. Changes in the value of the derivatives are presented under “Fair value adjustments, interest rate derivatives”.

The derivatives are classified on the balance sheet as current or non-current, depending on whether they are expected to be redeemed under or over 12 months from the balance sheet date.

Impairment of financial assets

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

Trade receivables are considered to be in default when internal or external information indicates that it is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The consideration of impairment of receivables is done at the end of each reporting period.

Cash flow statement

The cash flow statement has been prepared using the indirect method.



NOTE 1 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies in according to IFRS, management has made several judgements and estimates. All estimates are assessed to the most probable outcome based on management's best knowledge. Changes in key assumptions may have significant effect and may cause material adjustments to the carrying amounts of assets and liabilities, equity and the profit for the year.

The company's most important accounting estimates are linked to fair value of investment properties.

Fair value of investment properties

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

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

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

Aurora Eiendom AS - investment properties

Value change		% diff yield				
(NOK)		-0.5 %	-0.25 %	0 %	0.25 %	0.5 %
% diff market rent	-10 %	(203 200 000)	(510 100 000)	(792 600 000)	(1 054 000 000)	(1 296 700 000)
	-5 %	230 500 000	(95 700 000)	(396 200 000)	(674 400 000)	(932 200 000)
	0 %	664 200 000	318 600 000	-	(294 500 000)	(567 900 000)
	5 %	1 104 500 000	732 900 000	396 400 000	85 100 000	(203 400 000)
	10 %	1 531 800 000	1 147 100 000	792 800 000	465 000 000	160 900 000

NOTE 2 – SUBSIDIARIES AND ASSOCIATES

Subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Main operations	Ownership held by	Ownership interest 01.01.23	Voting power 01.01.23	Ownership interest 31.12.23	Voting power 31.12.23
Aurora Kjøpesenter AS	Norway	Holding Company	Aurora Eiendom AS	100 %	100 %	100 %	100 %
Amanda Storsenter AS	Norway	Amanda, property owning	Aurora Kjøpesenter AS	100 %	100 %	100 %	100 %
Nordbyen Senter AS	Norway	Nordbyen, property owning	Aurora Kjøpesenter AS	100 %	100 %	100 %	100 %
Vinterbro Senter AS	Norway	Vinterbo, property owning	Aurora Kjøpesenter AS	100 %	100 %	100 %	100 %
Farmandstredet Eiendom AS	Norway	Farmandstredet, property owning	Aurora Kjøpesenter AS	100 %	100 %	100 %	100 %
Slagenveien 2 AS	Norway	Farmandstredet, property owning and leasehold	Aurora Kjøpesenter AS	100 %	100 %	100 %	100 %
Buskerud Senter AS	Norway	Buskerud, property owning	Aurora Kjøpesenter AS	100 %	100 %	100 %	100 %
Nerstranda Holding AS	Norway	Holding Company	Aurora Eiendom AS	100 %	100 %	100 %	100 %
Nerstranda AS	Norway	Nerstranda, property owning	Nerstranda Holding AS	100 %	100 %	100 %	100 %
Aurora Kjøpesenter II AS	Norway	Holding Company	Aurora Eiendom AS	100 %	100 %	100 %	100 %
Gulskogen Senter AS	Norway	Gulskogen, property owning	Aurora Kjøpesenter II AS	100 %	100 %	100 %	100 %
Stavanger Storsenter AS	Norway	Stavanger, property owning	Aurora Kjøpesenter II AS	100 %	100 %	100 %	100 %

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NOTE 2 – SUBSIDIARIES AND ASSOCIATES

Associates

Aurora Eiendom AS has the following investments in associates:

Entity	Country	Industry	Ownership interest 01.01.2023	Voting power 01.01.2023	Ownership interest 31.12.2023	Voting power 31.12.2023
Alti Forvaltning AS	Norway	Property management	50 %	50 %	50 %	50 %
JHG Invest AS	Norway	Holding Company	25 %	25 %	25 %	25 %
Hamar Storsenter Holding AS	Norway	Holding Company	25 %	25 %	25 %	25 %

Changes in group structure

Hamar Storsenter Holding AS purchased Aslak Bolts Gate 42 AS in 2023. Maxi Boligutvikling Holding AS was established, where Hamar Storsenter Holding AS owns 50%. Aurora Eiendom AS participated in a share issue in Hamar Storsenter Holding AS with NOK 5 million.

NOTE 3 – TRANSACTIONS WITH RELATED PARTIES

Name of company	Country	Ownership interest	
		01.01.2023	31.12.2022
Alti Forvaltning AS	Norway	50%	50 %

Transactions with associated companies

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

		Sales to related parties	Purchases from related parties	Amounts owed to related parties
Alti Forvaltning AS	2023	0	28 391 154	0
Alti Forvaltning AS	2022	0	22 570 190	0

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

	31.12.2023	31.12.2023
Account receivables	-	2 990
Account payables	13 469 733	126 316
Total	13 469 733	129 306

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

NOTE 4 – RENTAL INCOME

The Group as a lessor

Operating leases

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

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

Lease income from operating leases	2023	2022
Minimum lease payments	540 212 768	412 165 872
Variable lease revenue	34 618 248	35 749 427
Total income from operating leases	574 831 016	447 915 298

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

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

NOK	31.12.2023	31.12.2022
Less than 1 year	508 072 529	488 203 095
1-2 years	396 348 792	382 730 591
2-3 years	288 674 074	273 289 753
3-4 years	221 640 220	181 959 985
4-5 years	162 472 339	123 662 370
More than 5 years	443 464 345	394 848 505
Total undiscounted operating lease payments to be received as of 31 December 2022	2 020 672 299	1 844 694 299

	31.12.2023	31.12.2022
WAULT* of total portfolio (in years)	3.5	3.3

*WAULT is weighted average unexpired lease term.

NOTE 5 – REAL ESTATE RELATED COSTS

Operating costs	2023	2022
Maintenance	26 550 111	8 167 416
Leasehold and property insurance	5 696 372	5 085 641
Owner's share of common costs of investment properties	28 705 427	18 411 727
Other expenses / direct property costs	2 321 470	5 204 465
SUM	62 946 991	36 869 249

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

NOTE 6 – SALARY AND PERSONNEL EXPENSE AND MANAGEMENT REMUNERATION

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

These are:
Lars Ove Løseth (CEO)
Kathrine Mausest (CFO)
Aage Lilleberg (COO)
Olav Smevoll (CFO Alti Forvaltning AS)
Bjørnar Skralthaug (Business Controller)

Members of the Board	Board remuneration
Petter A Stordalen (Chairman)	300 000
Lars Løseth (Member)	150 000
Marius Varner (Member)	150 000
Johan Johansson (Member)	150 000
Sigurd Stray (Member)	150 000
Morten Nordheim (Observer)	75 000
Total remuneration	975 000

Management remuneration

Group Management is remunerated through their employment contracts in Alti Forvaltning AS. The CEO, Lars Ove Løseth, has through his employment in Alti Forvaltning AS received a total remuneration of NOK 1 751 462 including pension and other benefits. For more information about administrative expenses see note 3 and 7.

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

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NOTE 6 – SALARY AND PERSONNEL EXPENSE AND MANAGEMENT REMUNERATION

Shares held by Group Management and board members:	Number of shares:	
Petter A Stordalen (Chairman)	1 553 763	Shares owned by Strawberry Shopping AS, directly and/or indirectly controlled by Petter A. Stordalen. ordalen.
Lars Løseth (Member)	31 162	Shares owned by LLH 2 AS, directly and/or indirectly controlled by Lars Løseth with familiy.
Marius Varner (Member)	1 730 351	Shares owned by Varner Invest AS, directly and/or indirectly controlled by Marius Varner with family. ordalen.
Johan Johannson (Member)	6 022 733	Shares owned by Joh Johannson Eiendom AS, directly and/or indirectly controlled by Johan Johannson.
Sigurd Stray (Member)	29 957	Shares owned by Solstråle AS, directly and/ or indirectly controlled by Sigurd Stray.
Lars Ove Løseth (CEO)	3 200 014	Shares owned by Alti Invest AS and LL Medinvest AS, directly and/or indirectly controlled by Lars Ove Løseth.
Kathrine Mausest (CFO)	4 792	Shares owned by KWM Rådgivning AS, directly and/or indirectly controlled by Kathrine Mausest
Aage Lilleberg (COO)	3 000	Shares owned by AGL Holding AS, directly and/or indirectly controlled by Aage Lilleberg
Olav Smevoll (CFO Alti Forvaltning AS)	100	
Bjørnar Skralthaug (Business Controller)	1 000	
Total	12 576 872	

NOTE 7 – ADMINISTRATIVE AND OTHER COSTS

Other operating expenses	2023	2022
Advertising	0	175 884
Consultancy fees and external personnel	1 824 194	3 655 320
Other operating costs	4 982 085	6 999 062
Total operating expenses	6 806 279	10 830 266
Specification auditor's fee	2023	2022
Statutory audit	1 741 067	757 134
Other assurance services	93 638	150 875
Total	1 834 705	908 009
Administrative expenses	2023	2022
Administrative expenses	28 391 154	22 570 190
Administrative expenses represent the management fee paid to Alti Forvaltning AS for mangagement of the shopping center portfolio. Alti Forvaltning AS also provides management services for the parent company Aurora Eiendom AS, the cost of which is included in the management fee.		

NOTE 8 – FINANCIAL INCOME AND EXPENSES

Financial income	2023	2022
Gain on loans and receivables	15 161 777	467 482
Interest income	12 566 214	8 386 774
Foreign exchange gains	3 493	9 728
Total financial income	27 731 484	8 863 984
Financial expenses	2023	2022
Expensed interest and fees on loans and derivatives	302 763 085	169 882 076
Payments related to derivatives	-34 247 938	1 748 368
Foreign exchange losses	15 449	91 544
Other financial expenses	592 915	6 370 960
Total financial expenses	269 123 511	178 092 948

NOTE 9 – INCOME TAX AND DEFERRED TAX

Income tax	31.12.2023	31.12.2022
Tax payable	27 402 440	26 389 317
Change in deferred tax	-75 336 139	80 404 072
Income tax expense	-47 933 699	106 793 389
Profit/loss before income tax	-213 894 607	470 011 900
Income tax expense calculated at 22 %	-47 056 814	103 402 618
Changes in deferred tax not recognized at intital recognition	0	0
Expenses not deductible for tax purposes	234 940	74 917
Other	-1 111 825	3 315 854
Income tax expense	-47 933 699	106 793 389

Deferred tax liabilities

	Loss carried forward	Financial derivative instruments	Investment property	Other items	Total
01.01.2022	0	-1 916 330	730 295 500	0	728 379 170
Change related to new acquisitions	0	0	222 323 149	0	222 323 149
Changes in deferred tax recognized in income statement	0	23 269 428	57 134 645	0	80 404 073
31.12.2022	0	21 353 098	1 009 753 294	0	1 031 106 392
Changes in deferred tax recognized in income statement	0	1 029 263	-76 365 402	0	-75 336 139
Deferred tax as of 31.12.2023	0	22 382 361	933 387 892	0	955 770 252

Temporary differences not included in the calculation of deferred tax

	2023	2022
01.01.	780 694 015	558 370 866
Change related to new acquisitions	0	222 323 149
Reversals	0	0
Effect of changed tax rate	0	0
31.12.	780 694 015	780 694 015

Recognised deferred tax assets	0	0
Recognised deferred tax liability	175 076 237	250 412 376

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NOTE 9 – INCOME TAX AND DEFERRED TAX

Movement in deferred tax liabilities

	2023	2022
01.01.	250 412 376	170 008 304
Changes not recognised in income statement (mainly acquired tax losses)	0	0
Changes in deferred tax recognized in income statement	-75 336 139	80 404 072
31.12	175 076 237	250 412 376

According to IFRS a deferred tax liability is not recognized on initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. The exception is generally referred to as the “initial recognition exception”. The acquisition of investment properties through single purpose entities that are not viewed as business combinations fall under the initial recognition exception. As a consequence, deferred tax liability of NOK 780.7 million was not recognized at the balance sheet date.

Current income tax liabilities

	31.12.2023	31.12.2022
Current income tax charge through profit or loss**	27 402 440	26 389 317
Correction*	-	1 500 096
Current income tax from acquisitions	-	7 396 905
Total current income tax liabilities**	27 402 440	35 286 318

* Correction stems from a correction of profit from companies with divided liability in 2021 corrected ultimo 2022.

** Aurora Eiendom AS had two share capital increases during 2022. The income tax effect of these transaction costs on equity transaction amounted to NOK 2 254 480.

Loss carried forward as of 31st December:

Loss carried forward

	31.12.2023	31.12.2022
Indefinite	0	0
Total loss carried forward	0	0

NOTE 10 – EARNINGS PER SHARE

	2023	2022
Profit for the year/period	-165 960 908	363 218 510
Average number of shares	30 962 431	27 190 856
Earnings per share for the period	(5.36)	13.36

NOTE 11 – LEASES

Lease liabilities		
Undiscounted lease liabilities and maturity of cash outflows	2023	2022
Less than 1 year	914 000	1 325 072
1-2 years	914 000	914 000
2-3 years	914 000	914 000
3-4 years	914 000	914 000
4-5 years	914 000	914 000
More than 5 years	9 140 000	9 140 000
Total undiscounted lease liabilities at 31.12.	13 710 000	14 121 072
Summary of the lease liabilities	2023	2022
At initial application 01.01.	11 760 380	13 342 836
New lease liabilities recognised in the year (from acquierred companies)	0	0
Cash payments for the principal portion of the lease liability	-1 109 889	-1 582 456
Cash payments for the interest portion of the lease liability	-234 558	-252 734
Interest expense on lease liabilities	234 558	252 734
Currency exchange differences	0	0
Total lease liabilities at year end	10 650 491	11 760 380
Current lease liabilities	696 237	1 109 889
Non-current lease liabilities	9 954 254	10 650 491
Total cash outflows for leases	-1 344 447	-1 835 190
The leases relate to building plots covered by long term leasehold contracts.		

NOTE 12 – INVESTMENT PROPERTIES

NOK	2023	2022
Opening balance as at 01 January	8 813 000 000	5 222 900 000
Additions from acquisitions	-	3 441 498 682
Investments in the property portfolio	66 540 688	42 831 193
Net gain/loss on changes in fair value	(461 940 688)	105 770 125
As of 31 December	8 417 600 000	8 813 000 000
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).		
The investment properties are valued at fair value based on a valuation carried out by the independent appraisers Cushman & Wakefield Realkapital AS. The latest independent valuation was carried out on 31 December 2023. The method used follows International Valuation Standard Council's (IVSC) guidelines. The value is calculated using the discounted cash flow method, which involves discounting future cash flows over a specified time period using an estimated discount rate.		
The following parameters are included in the valuation:		
Market rent		
The market rent for each property takes into account the property's location, situation, technical standard and leases signed. Future cash flows are calculated on the basis of cash flows from signed leases, as well as estimated future cash flows based on an expected market rent at the end of the lease terms.		
Discount rate / valuation yield		
The discount rate is estimated using reference transactions and adding the risk of vacancy beyond structural vacancy, mix of tenants, competition, location, technical standard, ownership, development potential and contract structure into account.		
Ownership costs		
Ownership costs include ongoing operating expenses including maintenance, tenant improvements, lease discounts, and structural vacancy. The costs are based on benchmark figures from observed market practices.		
Vacancy		
Structural vacancy is calculated based on a fixed percentage of future rental income per year. This expense reflects the fact that there will always be some vacancy at a center, as tenants move in and out. Additionally, a vacancy period for vacant space at the valuation date is also included.		
Inflation		
Inflation is estimated using the consensus of a selection of banks and official statistics.		
When carrying out their valuations, the appraisers receive comprehensive details on the properties, lease contracts, floor space and details of any vacant premises. Aurora Eiendom's mangement ensure the the information sent to the appraiser is up to date and correct. The appraisers perform their valuations on the basis of the information they have received, and estimated future market rents, yields, inflation and other relevant parameters. Each individual property is assessed in terms of its market position, rental income and ownership costs, with estimates being made for anticipated vacancy levels and the need for alterations and upgrades. The remaining term of the leases is also assessed for risk. Each property is also compared with recently sold properties in the same segment (location, type of property, technical standard, mix of tenants etc.). The appraisers monitor the transaction market closely. Market transactions serve as important reference points for the appraisers.		
Climate-related risk		
For Aurora Eiendom, climate-related risk is related to possible damage to buildings and property as a result of climate change. As of the reporting date, no risks have been identified that should be taken into account in the valuation of the properties.		
During 2024, Aurora Eiendom will carry out several surveys in this field. For more information, please see our Sustainability report.		

The following main inputs have been used:

Valuation inputs	31.12.2023	31.12.2022
Valuation method	DCF	DCF
Valuation level	3	3
Weighted average valuation yield	6.45 %	5.89 %
Exit valuation yield range	6.29 % - 6.92 %	5.67 % - 6.42%
Long term inflation	2.0 %	2.0 %
Number of properties	8	8
GLA sqm	198 654	202 323
Market rent*	619 402 165	597 465 475
Ownership cost %	12.5 %	12.8 %
* Annualised cash passing rental income, notional rent expiration of rent free periods or other lease incentives and market rent of vacant space.		
	31.12.2023	31.12.2022
Rental income recognised in profit or loss statement	574 831 016	447 915 298
See note 5 for details on ownership costs / real estate related costs and note 7 for administrative and other costs recognised in profit or loss statement		
Changes in fair value is recognised in the period to which the profit/loss relates.		
There are no restrictions on when the investment properties can be sold.		
Part of the consideration from the sale of investment property must be used to repay bank loans.		
There are no significant contractual obligations to buy, build or develop investment properties.		
The investment properties are pledged as security for the bank loans. See note 20 Long-term debt.		

NOTE 13 – INVESTMENTS IN ASSOCIATED COMPANIES

The associated companies are recognised using the equity method. Investment properties are valued annually in order to adjust the value of the equity holding.

	2023	2022
Book value 31.12.	136 306 532	89 724 061
Investments / disposals	5 000 000	31 250 000
Share of profit post-tax	13 268 337	24 825 876
Depreciation excess value	(5 243 405)	(5 243 405)
Dividend	(5 000 000)	(4 250 000)
Book value 31.12.	144 331 464	136 306 532

Alti Forvaltning AS

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

JHG Invest AS

Aurora Eiendom AS owns 25 % of the shares and voting rights in JHG Invest AS. In turn, JHG Invest AS indirectly owns 40 % of Jærhagen Shopping center outside Stavanger.

NOTE 13 – INVESTMENTS IN ASSOCIATED COMPANIES

Hamar Storsenter Holding AS

Aurora Eiendom AS owns 25 % of the shares and voting rights in Hamar Storsenter Holding AS. In turn, Hamar Storsenter Holding AS owns 100 % of Maxi Storsenter AS, Aslak Bolts gt 42 AS, and 50% of Maxi Boligutvikling AS - all in Hamar.

Description of the activities of major associates

Alti Forvaltning AS

Alti Forvaltning AS is responsible for the management and daily operations of 45 shopping centers, among those the shopping centers owned by Aurora Eiendom. The company delivers services such as business management, accounting, leasing, marketing, technical support, project management and HR. Alti Forvaltning also provides management services to the parent company Aurora Eiendom AS.

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

	2023	2022
Total revenue	137 109 686	106 230 333
Other income and expenses	-109 036 831	-86 316 978
Comprehensive income post tax	21 924 042	15 542 300
The Group`s share of comprehensive income after amortisation	5 718 616	2 527 745
Current assets	151 353 496	130 128 240
Non-current assets	10 874 506	6 593 262
Current liabilities	129 418 094	115 818 438
Non-current liabilities	-	-
Equity	32 809 908	20 903 063
The Group`s share of equity	16 404 954	10 451 532
+ goodwill		
+ excess value from acquisition*	52 434 049	52 434 049
- total amortisation from acquisition	-13 144 420	-7 909 614
+translation differences	-	-
-eliminations	-	-
= Book value 31.12.	55 694 583	54 975 967

* Excess value from acquisition is due to long-term management agreements.

Alti Forvaltning has no contingent liabilities or capital commitments as of 31.12.2023

Aggregate financial information for other associates

	2023	2022
Revenue	34 303 985	17 592 919
Net income	23 694 219	12 633 703
Net value changes	13 024 658	72 611 287
Comprehensive income post tax	9 225 262	68 218 904
The Group`s share of comprehensive income	2 306 316	17 054 726
Total assets	745 379 816	712 887 462
Shareholders´ equity	354 547 524	325 322 260
Total liabilities	390 832 292	387 565 202

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

Interest rate risk

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

See note 20 "Long-term debt" for information about debt structure. To adjust the exposure to the change in interest rates for the interest-bearing debt, the Group has entered into several interest rate swap agreements and two swaptions. Aurora receives a variable rate equal to three-month NIBOR and pays a fixed rate of interest on the notional amount. All interest rate swaps are designated as hedging instruments, and the Group will not apply hedge accounting to interest rate swaps.

The board of Aurora Eiendom continuously monitors the financial markets and interest rate risk of the Group, and enters into new agreements when this is expedient.

At year-end, 45 % of Aurora´s nominal debt was hedged.

Below is a specification of the interest rate swap agreements and swaptions per 31.12.2023. No new interest rate swap agreements were initiated and none terminated in 2023.

Financial instrument	Principal amount	Swap rate	Maturity date	Amortisation
Interest rate swap 1	392 000 000	1.883 %	01.10.2031	4 000 000
Interest rate swap 2	139 296 927	1.990 %	01.10.2031	1 414 182
Interest rate swap 3	139 989 735	2.050 %	01.10.2031	1 428 466
Interest rate swap 4	112 020 535	2.050 %	01.10.2031	1 143 066
Interest rate swap 5	250 000 000	1.696 %	01.10.2031	-
Interest rate swap 6	90 000 000	1.725 %	02.01.2032	-
Interest rate swap 7	90 000 000	1.715 %	02.01.2032	-
Interest rate swap 8	70 000 000	1.715 %	02.01.2032	-
Interest rate swap 9	88 026 496	1.884 %	01.10.2031	2 542 856
Interest rate swap 10	110 000 000	2.135 %	09.03.2032	-
Interest rate swap 11	500 000 000	2.710 %	30.09.2025	
Interest rate swap 12	150 000 000	2.640 %	30.09.2024	
Total	2 131 333 693	2.129 %		

Swaption 1 (Interest rate swap 11)	500 000 000
Swaption 2 (Interest rate swap 12)	150 000 000

Swaption 1 and 2 are based on agreement that the bank has an option, but no obligation, to prolong interest rate swap 11 and 12 for 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.

Maturity structure of the Group's interest swap agreements (NOK million)

Per 31.12.2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	TOTAL
Percentage	7.5 %	24.0 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	49.0 %	16.8 %	100 %
Amount	161	511	11	11	11	11	11	1 048	360	2 131

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	2023	2022
Change in fair value of financial derivatives during the year	4 678 470	136 059 830
Financial derivatives asset	141 030 143	143 629 940
Financial derivatives liability	8 972 169	16 280 702

Valuation level 2

The valuation of the the financial derivatives are carried out by the counterpart (Nordic banks) and is stated on our Mark-To-Market (MtM) information which we receive at the end of each quarter. The floating interest rate is three-month NIBOR for all contracts.

Per 31.12.23 nominal interest-bearing debt amounted to NOK 4 717 million. Of this, NOK 2 131 million was hedged using interest rate swaps. As a result NOK 2 586 million was not hedged. This implies that an increase in interest rates by 1 % would increase financial expenses with NOK 25.9 million.

Credit risk / counterparty risk

The main credit risk relates to lease payments according to contractual obligations. Aurora Eiendom has a large number of tenants, and the standard rent payment regime is quarterly in advance. Trade receivables was NOK 15 703 118,- per year end, and provisions for bad debt NOK 1 317 999,-.

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

There is an increase in trade receivables over 91 days past due from 2022 to 2023. This is linked to two major matters where agreements have been concluded for both, and the increase is expected to be temporary.

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

Liquidity risk

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

Bank deposits as of balance date amounted to 179 MNOK (327) MNOK. The Group has an overdraft facility of 30 MNOK.

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

For maturity structure of borrowings, see note 20.

The table below illustrates the maturity structure of borrowings. The table shows nominal cash flows.

31.12.2023	Expected cash flows						
Financial liability	Booked amount	Year 1	Year 2	Year 3	Year 3-5	After year 5	Sum
Borrowings	4 717 004 674	3 085 254 674	1 367 750 000	264 000 000			4 717 004 674
Interest costs*		218 409 425	64 393 438	17 556 000			300 358 862

* Assumed average NIBOR of 4,70%

31.12.2022	Expected cash flows						
Financial liability	Booked amount	Year 1	Year 2	Year 3	Year 3-5	After year 5	Sum
Borrowings	5 008 676 630	107 901 943	3 341 024 687	1 559 750 000	-	-	5 008 676 630
Interest costs*		278 323 926	179 698 566	42 053 188			500 075 679

* Assumed average NIBOR of 3,5 %

Financial covenants

There are covenants the Group`s loan agreements relating to loan to value (LTV), equity ratio, interest cover ratio and minimum liquidity. All loans are in Aurora Eiendom`s subsidiaries (Aurora Kjøpesenter AS, Aurora Kjøpesenter II AS, Nerstranda Holding AS), thus covenants are placed and measured on sub-group level.

The Group was not in breach of any covenants during 2023 and per 31.12.2023.

Capital management

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

Loan to Value (LTV)	31.12.2023	31.12.2022
Fair value of investment properties (*)	8 417 600 000	8 813 000 000
Loan to value (**)	53.8 %	53.1 %

(*) See note 12 "Investment Property"

(**) Net debt/ Fair value

NOK	31.12.2023	31.12.2022
Interest-bearing loans and borrowings	4 709 233 066	5 008 676 630
Less: cash and cash equivalents	178 985 292	327 025 464
Net interest-bearing debt	4 530 247 774	4 681 651 166

Equity	3 875 998 159	4 041 959 066
Total assets	8 953 270 378	9 472 518 625

Equity ratio (equity / total assets)	43.3 %	42.7 %
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NOTE 15 – FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial instruments at amortised cost		31.12.2023	
Assets	Financial instruments at fair value through profit or loss	Financial instruments at amortised cost	Assessed according to Fair Value Hierarchy
Receivables		11 300 509	
Derivative financial instruments	141 030 143		Level 2
Accounts receivable		15 703 118	
Cash and cash equivalents		178 985 292	
Total financial assets	141 030 143	205 988 919	
Liabilities			
Interest bearing loans and borrowings			
Loans (non-current)		1 523 310 296	
Derivative financial instruments	8 972 169		Level 2
Loans (current)		3 185 922 770	
Trade and other payables		40 118 164	
Other current liabilities		105 819 652	
Total financial liabilities	8 972 169	4 855 170 882	
Financial instruments at amortised cost		31.12.2022	
Assets	Financial instruments at fair value through profit or loss	Financial instruments at amortised cost	Assessed according to Fair Value Hierarchy
Receivables		6 795 922	
Derivative financial instruments	143 629 940		Level 2
Accounts receivable		8 461 847	
Cash and cash equivalents		327 025 464	
Total financial assets	143 629 940	342 283 233	
Liabilities			
Interest bearing loans and borrowings			
Loans (non-current)		4 635 945 456	
Derivative financial instruments	16 280 702		Level 2
Loans (current)		359 543 176	
Trade and other payables		22 916 574	
Other current liabilities		98 414 576	
Total financial liabilities	16 280 702	5 116 819 782	
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.			
Interest-bearing debt is classified as financial liabilities at amortised cost, and are measured at fair value upon initial recognition, and subsequently at amortised cost using the effective interest rate method.			
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as net realised financials in the statement of profit or loss. The liabilities are measured at their nominal value when the effect of discounting is immaterial. For more information about debt see note 20 "Long-term debt"			

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

For Fair Value of Investment Properties see note 12 “Investment property”. Fair value of investment properties is determined by Level 3 valuation techniques.

For Fair Value of Derivative financial instrumens see note 14 “Financial risk management”

Fair value hierarchy

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

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

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

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

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

NOTE 16 – TRADE RECEIVABLES

	31.12.2023	31.12.2022
Trade receivables	17 021 117	8 652 895
Provision for bad debt	1 317 999	191 048
Net trade receivables	15 703 118	8 461 847

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

Ageing analysis

The ageing analysis of the trade receivables is as follows.

Trade receivables							
Days past due							
Year end	Current	Prepayments	< 30 days	30-60 days	61-90 days	> 91 days	Total
2023	17 578 439	-12 858 742	3 640 586	593 809	146 471	7 920 554	17 021 117
2022	14 648 190	-12 268 057	2 012 034	876 140	584 412	2 800 175	8 652 895

NOTE 17 – OTHER CURRENT ASSETS

	31.12.2023	31.12.2022
Accrued income, not invoiced	10 189 722	11 110 689
Pre-paid costs, advance payments and accruals	34 130 131	26 188 231
Total other current assets	44 319 853	37 298 920

NOTE 18 – CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31.12.23		
	31.12.2023	31.12.2022
Short-term bank deposits	178 985 292	327 025 464
Cash and cash equivalents in the balance sheet	178 985 292	327 025 464
	31.12.2023	31.12.2022
Cash at banks	178 985 292	327 025 464
Overdraft facility	30 000 000	30 000 000
Available liquidity	208 985 292	357 025 464
The Group had unused credit facilities of MNOK 30 as of 31 December 2023.		

NOTE 19 – SHARE CAPITAL AND SHAREHOLDER INFORMATION

Aurora Eiendom´s share capital per 31.12.2023					
Number of shares					30 962 431
Par value					75
Share capital					2 322 182 325
Aurora Eiendom has one class of shares. All issued shares have equal voting rights and the righth to receive dividend. There are no share options or other rights to subscribe for or acquire shares issued by Aurora Eiendom per 31.12.2023.					
Changes to share capital and premium:					
	No. of shares	Share capital	Par value	Subscription price	Premium
Ordinary shares					
Share capital at 31 December 2021	20 550 400	1 541 280 000	75	100	492 656 586
Equity issue 25.02.2022	3 960 396	297 029 700	75	101	102 970 296
Equity issue 29.06.2022	6 451 635	483 872 625	75	93	116 129 430
Transaction costs net of tax					-7 993 158
Share capital at 31 st December 2023	30 962 431	2 322 182 325	75	99	703 763 154
Aurora Eiendom holds no treasury shares. For computation of earning per share see Note 10.					
>>					

At 31.12.2023, Aurora Eiendom had 282 shareholders. The 20 main shareholders were:

	Number of shares:	Ownership interest:
Joh Johannson Eiendom AS	6 022 733	19.45 %
Eiendomsspar AS	6 002 462	19.39 %
Alti Invest AS	3 200 014	10.34 %
NSF IV Norway Holding 10 AS (NREP)	2 000 000	6.46 %
Varner invest AS	1 730 351	5.59 %
AS Clipper	1 700 215	5.49 %
Strawberry Shopping AS	1 553 763	5.02 %
Stokke Industri Eiendom AS	1 522 581	4.92 %
Verdipapirfondet Nordea Norge	797 962	2.58 %
Byggteknikk Invest AS	509 942	1.65 %
Kverva Eiendom AS	497 524	1.61 %
Uthalden Eiendom AS	400 000	1.29 %
Peak Invest AS	313 811	1.01 %
Carucel Invest AS	272 531	0.88 %
Ligna AS	208 049	0.67 %
Oviv AS	201 653	0.65 %
Næringslivets Hovedorganisasjon	200 475	0.65 %
Tretindanibba AS	198 663	0.64 %
Fine Line Direct AS	186 683	0.60 %
BANAN II AS	179 500	0.58 %
Total 20 largest shareholders	27 698 912	89.46 %
Total	30 962 431	100.00 %

NOTE 20 – BORROWINGS

Secured	Maturity date	Carrying amount
		31.12.2023
Bank loan	01.07.2024	3 033 154 674
Bank loan	20.12.2028	280 000 000
Bank loan	28.06.2025	1 403 850 000
Total secured debt		4 717 004 674
Borrowings due 01.07.2024		-3 033 154 674
Total long-term debt		1 683 850 000
1 st year’s principal repayments on long-term debt		157 777 358
Unamortised fees		2 762 346
Total long-term debt excluding the 1 st year’s principal repayments		1 523 310 296
The bank loans have a weighted average credit margin of 2.14 % over 3 month NIBOR.		

Secured	Maturity date	Carrying amount
		31.12.2022
Bank loan	01.07.2024	3 094 740 000
Bank loan	01.07.2024	265 986 630
Bank loan	28.06.2025	1 447 950 000
Seller’s credit	01.07.2025	200 000 000
Total secured long-term debt		5 008 676 630
Total long-term debt		5 008 676 630
1 st year’s principal repayments on long-term debt		359 286 318
Unamortised fees		13 444 856
Total long-term debt excluding the 1 st year’s principal repayments		4 635 945 456
See Note 14 for description of interest rate risk.		

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

Repayment of loans	Annual Installments NOK
Bank Loan 1	8 000 000
Bank Loan 2*	44 100 000

* Installments depend on the loan-to-value ratio. If LTV is less than 55 % installments will decrease.

Pledged as security
The Group’s assets are pledged as security for the Group’s bank loans.

Additional information to the statement of cash flows				
	Non current loans	Non current lease liabilities	Current portion of loans	Current lease liabilities
At January 2023	4 635 945 456	10 650 491	359 286 318	1 109 889
Repayment	-206 682 390		-359 286 318	
New loans	280 000 000			
Payment of lease liabilities				-1 109 889
Transaction cost on loans	-30 000			
Other movements				
Reclassification to current	-3 185 922 770	-696 237	3 185 922 770	696 237
At 31 st December 2023	1 523 310 296	9 954 254	3 185 922 770	696 237

	Non current loans	Non current lease liabilities	Current portion of loans	Current lease liabilities
At January 2022	2 524 568 870	11 859 429	129 830 681	1 483 407
Repayment			-77 310 000	
New loans	2 420 000 000			
Payment of lease liabilities				-1 582 456
Transaction cost on loans	-6 750 000			
Other movements			4 892 223	
Reclassification to current	-301 873 414	-1 208 938	301 873 414	1 208 938
At 31 st December 2022	4 635 945 456	10 650 491	359 286 318	1 109 889

The proportion of bank loans maturing within 12 moths is classified as current loans. Of this, Aurora Eiendom has a total loan maturity of NOK 3 003 million in July 2024. This existing facility has been confirmed to be renewed for three additional years from the maturity date. Additionally, Aurora Eiendom has the option to extend the loan for 1 + 1 year(s). From Q1 2024 the loan will therefore be classified as long term.

NOTE 21 – TRADE AND OTHER PAYABLES

	31.12.2023	31.12.2022
Trade accounts payables	40 118 164	22 916 574
Debt to associates	0	0
Liabilities to associated companies	0	0
Government taxes, tax deductions etc.	0	764 163
Other current liabilities	49 977 080	53 241 559
Accrued interest expenses	55 842 572	44 408 854
Other payables	105 819 652	98 414 576

Trade payables are non-interest bearing.

NOTE 22 – EVENTS AFTER THE BALANCE SHEET DATE

Aurora Eiendom has a total loan maturity of NOK 3 003 million in July 2024. This facility has been confirmed to be renewed for three additional years from the maturity date. Additionally, Aurora Eiendom has the option to extend the loan for 1 + 1 year(s).

Aurora Eiendom entered into two new swaption agreements during January 2024:

100 MNOK 2Y swap + 5Y swaption starting 30/03/2024: Swap rate 3.3070%

150 MNOK 2Y swap + 8Y swaption starting 30/09/2024: Swap rate 3.0350%

Parent Company financial statement

STATEMENT OF INCOME

	Note	2023	2022
Aurora Eiendom AS			
Revenue		37 500	2 940
Total operating income		37 500	2 940
Other operating expenses	1	3 737 279	6 570 903
Total operating costs		3 737 279	6 570 903
Income from subsidiaries	2, 3, 4	0	29 005 094
Interest income from Group companies		173 374 618	104 201 851
Income from investments in associates		5 000 000	4 250 000
Other financial income	4	19 616 078	2 020 027
Interest expenses		-8 656 341	-5 000 000
Other financial expenses	4	-174 696 760	-5 954
Net financial items		14 637 595	134 471 018
Profit before income tax		10 937 816	127 903 055
Income tax expenses	5	39 772 572	24 977 241
Income tax	3	39 772 572	24 977 241
Profit for year		-28 834 756	102 926 174
Allocated as follows			
Dividend		-	-
Group contribution		-	-
Transferred to equity	6	-28 834 756	102 925 814
Total allocated		-28 834 756	102 925 814

BALANCE SHEET – ASSETS

	Note	31.12.2023	31.12.2022
Non-current assets			
Investments in subsidiaries	3	1 517 367 673	337 286 115
Loans to Group companies	2	1 614 125 217	2 835 956 315
Investments in associated companies	3	126 140 313	121 140 313
Loans to associated companies		3 900 000	3 750 000
Total non-current assets		3 261 533 203	3 209 577 116
Current assets			
Loans to Group companies	2, 4	-	29 005 094
Trade receivables		-	2 990
Other current asset		131 962	56 500
Cash and cash equivalents		2 172 141	136 916 499
Total current assets		2 304 103	165 981 083
Total assets		3 263 837 306	3 464 113 826

BALANCE SHEET – EQUITY AND LIABILITIES

Equity	Note	31.12.2023	31.12.2022
Share capital	6, 7	2 322 182 325	2 322 182 325
Share premium	6	695 596 517	695 596 517
Total paid in equity		3 017 778 842	3 017 778 842
Retained earnings	6	101 096 628	129 931 384
Total equity		3 118 875 470	3 147 710 226
Long-term liabilities			
Loans		-	200 000 000
Derivative financial instruments		-	-
Lease liabilities		-	-
Deferred tax liabilities		-	13
Total non-current liabilities		0	200 000 013
Short-term liabilities			
Income tax payable	5	10 219 771	-
Trade payables		134 330 973	113 532 856
Other current liabilities		297 241	2 572 033
Other current liabilities		113 850	298 698
Total short-term liabilities		144 961 835	116 403 587
Total liabilities		144 961 835	316 403 600
Total liabilities and shareholders' equity		3 263 837 306	3 464 113 826

Surnadal, March 21st 2024

Petter A. Stordalen
Chairman of the Board

Lars Løseth
Board member

Johan Johannson
Board member

Marius Varner
Board member

Sigurd Stray
Board member

Lars Ove Løseth
CEO

STATEMENT OF CASH FLOWS

	Note	2023	2022
Profit before tax		10 937 816	127 903 415
Income tax paid		-	-
Net expensed interest and fees on loans and leases		8 656 341	5 000 000
Net interest and fees paid on loans and leases		-8 656 341	-5 000 000
Income from investment in subsidiaries and associates		-178 374 618	-137 456 945
Impairment of financial assets		174 696 601	-
Change in working capital		-2 532 112	1 432 150
Net cash flow from operating activities		4 727 687	-8 121 740
Acquired from acquisitions of investment properties		-	-
Investments in subsidiaries		-1 250 000 000	-195 248 365
Investment in and upgrades of investment properties		-	-
Lending to subsidiaries		1 310 527 955	-919 158 459
Acquisitions of intangible and other non-current assets		-	-
Net payment financial assets		-	-
Net payment of loans to associates		-	-3 750 000
Investments in associates		-5 000 000	-31 250 000
Dividends from associates		5 000 000	4 250 000
Net cash flow from investment activities		60 527 955	-1 145 156 824
Proceeds interest bearing debt		-	200 000 000
Repayment interest bearing debt		-200 000 000	-
Repayment of lease liabilities		-	-
Proceeds from issue of shares/repurchase of shares		-	989 754 412
Dividend paid		-	-
Dividend paid to non-controlling interests		-	-
Net cash flow from financing activities		-200 000 000	1 189 754 412
Change in cash and cash equivalents		-134 744 358	36 475 848
Cash and cash equivalents at beginning of period		136 916 499	100 440 651
Cash and cash equivalents at end of period		2 172 141	136 916 499

Notes

Accounting Principles

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

Use of estimates

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

Investment in subsidiaries, associates

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

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

Classification of balance sheet items

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

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax.

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

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

Cash and cash equivalents

Cash and cash equivalents consists of bank deposits.

Cash flow statement

The cash flow statement has been prepared according to the indirect method.

NOTE 1 – PERSONNEL COSTS AND OTHER REMUNERATION

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

Remuneration of the Board in 2023

The Board has in 2023 received remuneration in accordance with the approved AGM.

Name	Position	Total remuneration 2023
Petter Anker Stordalen	Chair	300 000
Lars Løseth	Member	150 000
Stein Marius Varner	Member	150 000
Johan Johannson	Member	150 000
Sigurd Borden Stray	Member	150 000
Morten Nordheim	Observer	75 000
Total		975 000

The CEO, Lars Ove Løseth, has through his employment in Alti Forvaltning AS received a total remuneration of NOK 1 751 462 including pension and other benefits.

Auditor’s fee	2023	2022
Statutory Audit	889 873	410 099
Other assurance services	16 413	105 750
Total	906 285	515 849

NOTE 2 – INTRA-GROUP BALANCES

Receivables	2023	2022
Long term loan to Aurora Kjøpesenter AS	1 135 394 284	1 871 156 545
Long term loan to Aurora Kjøpesenter II AS	472 143 254	949 106 426
Long term loan to Nerstranda Holding AS	6 587 679	15 693 344
Group contribution from subsidiaries	0	29 005 094
Total	1 614 125 217	2 864 961 409

Liabilities		
Long term liabilities to Group companies	0	0
Contribution to subsidiaries	134 330 973	113 532 856
Total	134 330 973	113 532 856

NOTE 3 – SUBSIDIARIES AND ASSOCIATES

Company	Business Office	Equity interests %	Equity 31.12.2023	Result 31.12.2023	Book Value
Aurora Kjøpesenter AS	Surnadal	100 %	745 422 058	-134 492 486	910 236 594
Aurora Kjøpesenter II AS	Surnadal	100 %	372 893 070	-169 620 383	372 893 070
Nerstranda Holding AS	Surnadal	100%	179 030 000	0	234 238 010
Alti Forvaltning AS	Surnadal	50 %	32 827 105	21 924 042	55 115 313
JHG Invest AS	Klepp	25 %	131 201 419	-772 308	34 775 000
Hamar Storsenter Holding AS	Surnadal	25 %	145 000 000	0	36 250 000
SHARES IN SUBSIDIARIES OWNED THROUGH AURORA KJØPESENTER AS, AURORA KJØPESENTER II AS AND NERSTRANDA HOLDING AS					
Amanda Storsenter AS (AK)		Vinterbro Senter AS (AK)			
Slagenveien 2 AS (AK)		Farmandstredet Eiendom AS (AK)			
Nordbyen Senter AS (AK)		Gulskogen Senter AS (AK II)			
Stavanger Storsenter AS (AK II)		Nerstranda AS (NH)			

NOTE 4 – SPECIFICATION OF FINANCIAL INCOME AND EXPENSES

Financial income	2023	2022
Interest income from group companies	173 374 618	104 201 851
Group contribution from subsidiaries	0	29 005 094
Dividends from associates	5 000 000	4 250 000
Other interest income	19 616 078	2 020 026
Total financial income	197 990 696	139 476 971
Financial expenses	2023	2022
Other financial expense	159	5 954
Impairment of financial assets	174 696 601	0
Interest expenses	8 656 341	5 000 000
Total	183 353 101	5 005 954

NOTE 5 – TAX

Income tax expense	2023
Tax payable	10 219 771
Change in deferred tax recognised in profit and loss	-13
Taxes on Group Contribution	29 552 814
Total tax expense	39 772 572

	2023	2022
Profit before tax	10 937 816	127 903 055
Cost of equity transactions directly in equity	0	-10 247 639
Permanent differences	169 846 661	-4 122 560
Group contribution	-134 330 973	-113 532 856
Profit for tax purposes	46 453 504	0

Tax payable on the balance sheet	10 219 771	0
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NOTE 6 – EQUITY

	Share capital	Share premium	Retained earnings	Total equity
Pr 1.1	2 322 182 325	695 596 517	129 931 384	3 147 710 226
Profit for the year			-28 834 756	-28 834 756
Pr 31.12	2 322 182 325	695 596 517	101 096 628	3 118 875 470

NOTE 7 – SHARE CAPITAL AND SHAREHOLDER INFORMATION

Aurora Eiendom’s share capital is NOK 2 322 182 325 divided into 30 962 431 shares, with each share having a par value of NOK 75. Aurora Eiendom has one class of shares. All shares provide equal rights, including the right to any dividends. Each of the share carries one vote. There are no share options or other rights to subscribe for or acquire shares issued by Aurora Eiendom. As of 31 December 2023 Aurora Eiendom had 282 shareholders.	
The 20 largest shareholders as registered in the VPS as of 31 December 2023 were as follows	
Shareholder:	Number of shares:
Joh Johannson Eiendom AS	6 022 733
Eiendomsspar AS	6 002 462
Alti Invest AS	3 200 014
NSF IV Norway Holding AS	2 000 000
Varner Invest AS	1 730 351
AS Clipper	1 700 215
Strawberry Shopping AS	1 553 763
Stokke Industri Eiendom AS	1 522 581
Verdipapirfondet Nordea Norge Verd.	797 962
Byggteknikk Invest AS	509 942
Kverva Eiendom AS	497 524
Uthalden Eiendom AS	400 000
Peak Invest AS	313 811
Brødrene Johanssen Eiendom AS	300 000
Carucel Invest AS	272 979
Ligna AS	208 049
Oviv AS	201 653
Næringslivets Hovedorganisasjon	200 475
Tretindanibba AS	198 663
Fine Line Direct AS	186 683
Banan II AS	179 500
Total	27 698 912
Shares held by the Board of Directors and Senior Executives at 31.12.2023	
Name and position held	Number of shares:
Petter A. Stordalen, Chairman of the Board	1 553 763
Lars Ove Løseth, Chief Executive Officer	3 200 014
Johan Johannson, Board Member	6 022 733
Marius Varner, Board Member	1 730 351
Lars Løseth, Board Member	31 162
Sigurd Stray, Board Member	29 957
Kathrine Mausest, Chief Financial Officer	4 792
Aage Lilleberg, Chief Operating Officer	3 000
Bjørnar Skralthaug, Business Controller	1 000
Olav Smevoll, CFO Alti Forvaltning AS	100



Responsibility statement by the Board of Directors and CEO

To the best of our knowledge, we declare that:

- The Aurora Eiendom AS consolidated financial statements for 2023 have been prepared in accordance with IFRS.
- The financial statements for the parent company, Aurora Eiendom AS, have been prepared in accordance with the Norwegian Accounting Act.
- The information in the consolidated financial statements pr 31.12.2023 provides a true and fair picture of the overall assets, liabilities, financial position, and financial result for the Group and for Aurora Eiendom AS.
- The Board of Directors’ report provides a true and fair view of the development and performance of the business and the position of the Group, together with a description of the key risks and uncertainty factors that the Group is facing.

Surnadal, March 21st 2024

Petter A. Stordalen
Chairman of the Board

Lars Løseth
Board member


Johan Johannsson
Board member

Marius Varner
Board member

Sigurd Stray
Board member

Lars Ove Løseth
CEO

Auditor's report



BDO AS
Kobbles gate 2
Postboks 1786 Sentrum
7416 Trondheim

Independent Auditor's Report

To the Annual Shareholders meeting of Aurora Eiendom AS

Opinion

We have audited the financial statements of Aurora Eiendom AS:

<p>The financial statements comprise:</p> <ul style="list-style-type: none">The financial statements of the parent company, which comprise the balance sheet as at 31 December 2023, income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, andThe financial statements of the group, which comprise the balance sheet as at 31 December 2023, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.	<p>In our opinion:</p> <ul style="list-style-type: none">The financial statements comply with applicable statutory requirements.The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.
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Basis for Opinion


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

Other information

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

BDO AS, et norsk aksjeselskap, er deltaker i BDO International Limited, et engelsk selskap med begrenset ansvar, og er en del av det internasjonale nettverket BDO, som består av uavhengige selskaper i de enkelte land. Foretaksregisteret: NO 993 606 650 MVA.

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

Opinion on the Board of Directors' report

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

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

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

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the financial statements of the Group that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Trondheim, March 21, 2024
BDO AS

John Christian Løvaas
State Authorised Public Accountant
(This document is signed electronically)

BDO AS, et norsk aksjeselskap, er deltaker i BDO International Limited, et engelsk selskap med begrenset ansvar, og er en del av det internasjonale nettverket BDO, som består av uavhengige selskaper i de enkelte land. Foretaksregisteret: NO 993 606 650 MVA.

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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

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

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)	31.12.2023	31.12.2022
Fair value of investment properties	8 417 600 000	8 813 000 000
Nominal interest- bearing debt	4 717 004 674	5 008 676 630
Cash and bank deposits	178 985 292	327 025 464
Net interest-bearing debt	4 538 019 382	4 681 651 166
Loan to value	53.9 %	53.1 %

2. INTEREST COVERAGE RATIO (ICR)

	2023	2022
Net income from property management	476 734 706	377 828 348
Financial expenses*	256 390 787	169 228 964
Interest coverage ratio	1.9	2.2
* Financial expenses = amortised interests less interest income for the period		

3. EPRA PERFORMANCE MEASURES

	Unit	2023	2022
A EPRA earnings per share (EPS)	NOK	6.16	6.42
B EPRA NRV per share	NOK	127	135
EPRA NTA per share	NOK	124	130
EPRA NDV per share	NOK	125	131
C EPRA Net Initial Yield	%	6.26	5.76
EPRA Topped-Up Net Initial Yield	%	6.36	5.85
EPRA Vacancy Rate	%	2.3	2.2
A. EPRA earnings			
		2023	
All amounts in NOK million		IFRS reported	EPRA Earnings
Rental income		575	575
Operating costs		-63	-63
Net operating income		512	512
Other revenue		0	0
Other costs		-7	-7
Administrative costs		-28	-28
Share of profit from associates		8	8
Net realised financials		-241	-241
Net income		243	243
Changes in value of investment properties		-462	462
Changes in value of financial instruments		5	-5
Profit before tax/EPRA Earnings before tax		-214	457
Tax payable		-27	-27
Change in deferred tax		75	-101
Profit for period/EPRA Earnings		-166	357
Average outstanding shares (million)			31.0
EPRA Earnings per share (NOK)			6.16
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			
		2022	
All amounts in NOK million		IFRS reported	EPRA Earnings
Rental income		448	448
Operating costs		-37	-37
Net operating income		411	411
Other revenue		0	0
Other costs		-11	-11
Administrative costs		-23	-23
Share of profit from associates		20	20
Net realised financials		-169	-169
Net income		228	228
Changes in value of investment properties		106	-106
Changes in value of financial instruments		136	-136
Profit before tax/EPRA Earnings before tax		470	-242
Tax payable		-26	-26
Change in deferred tax		-80	53
Profit for period/EPRA Earnings		363	-189
Average outstanding shares (million)			27.2
EPRA Earnings per share (NOK)			6.42
EPRA Earnings is a measure of operational performance and represents the net income generated from the company's operational activities.			

3. EPRA PERFORMANCE MEASURES

B. EPRA net asset value metrics

	2023		
	NRV	NTA	NDV
IFRS Equity	3 876	3 876	3 876
Net Asset Value (NAV) at fair value	3 876	3 876	3 876
Deferred tax properties and financial instruments	175	175	
Estimated real tax liability		88	
Net fair value on financial derivatives	-132	-132	
EPRA NAV	3 919	3 831	3 876
Outstanding shares at period end (million)	31	31	31
EPRA NAV per share (NOK)	127	124	125

	2022		
	NRV	NTA	NDV
IFRS Equity	4 042	4 042	4 042
Net Asset Value (NAV) at fair value	4 042	4 042	4 042
Deferred tax properties and financial instruments	250	250	
Estimated real tax liability		125	
Net fair value on financial derivatives	-127	-127	
EPRA NAV	4 165	4 040	4 042
Outstanding shares at period end (million)	31	31	31
EPRA NAV per share (NOK)	135	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 illuatrte 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

All amounts in NOK million

		31.12.2023	31.12.2022
Investment property - wholly owned		8 418	8 813
Less: developments		-140	-156
Completed property portfolio		8 278	8 657
Allowance for estimated purchasers’ costs		17	17
Gross up completed property portfolio valuation	B	8 294	8 674
Annualised cash passing rental income*		597	576*
Property outgoings		-78	-76
Annualised net rents	A	519	500
Add: notional rent expiration of rent free periods or other lease incentives		8	8
Topped-up net annualised rent	C	527	508
Add: market rent of vacant space		15	13
Fully let net annualised rent	D	542	521
EPRA NIY	A/B	6.26 %	5.76 %
EPRA “topped-up” NIY	C/B	6.36 %	5.85 %
Fully let net yield	D/B	6.53 %	6.01 %
Valuation yield		6.45 %	5.89 %

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

Market value of investment properties and development projects are independently valued by Cushman & Wakefield Realkapital. The latest valuation was carried out 31 December 2023.

The allowance for estimated purchaser’s costs is an estimate based on the company’s experiences. The property outgoings are based on the owner’s costs estimated in the independent valuation.

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

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

* Consumer price index adjusted to rental income per 01.01.2023 and 01.01.2024

D. EPRA Vacancy Rate

		31.12.2023	31.12.2022
(NOK million)			
Estimated rental value of vacant space	A	15	13
Estimated rental value of the whole portfolio	B	619	597
EPRA Vacancy Rate	A/B	2.3 %	2.2 %

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

EPRA vacancy rate does not include Jærhagen Kjøpesenter or Maxi Storsenter.

EPRA Sustainability Performance Measures (Environment)					Total portfolio		
Impact area	EPRA Code	Units of measure	Indicator		Absolute performance (Abs) / Like-for-like (Lfl)		% change
					2023	2022	
Energy	Elec-Abs	kWh	Electricity	For landlord shared services	13 407 554	12 771 079	5.0 %
				(Sub)metered exclusively to tenants	0	0	-
				Total landlord-obtained electricity	13 407 554	12 771 079	5.0 %
	DH&C-Abs	kWh	District heating and cooling	Proportion of landlord obtained electricity from renewable sources	14 % (98 %)	15 % (98 %)	-
				For landlord shared services	554 694	357 450	55.2 %
				(Sub)metered exclusively to tenants	0	0	-
				Total landlord-obtained district heating and cooling	554 694	357 450	55.2 %
Energy	Fuels-Abs	kWh	Fuels	Proportion of landlord obtained district heating and cooling from renewable sources	98.6 %	98.6 %	0 %
				for landlord shared services	358 907	300 035	19.6 %
				(sub)metered exclusively to tenants	0	0	-
	Energy-Int	kWh / m² / year	Energy intensity	Total landlord-obtained fuels	358 907	300 035	19.6 %
				Proportion of landlord obtained fuels from renewable sources	14 %	10 %	41.4 %
				Landlord-obtained energy	58	54	7.3 %
				Total building energy	158	157	0.3 %
Greenhouse gas emissions	GHG-Dir-Abs	tonnes CO ₂ e	Direct	Energy and associated GHG disclosure coverage	8/8 ¹	8/8 ¹	-
				Proportion of energy consumption estimated	0 %	0 %	-
				Scope 1	63.8	54.9	16.1 %
	GHG-Indir-Abs	tonnes CO ₂ e	Indirect Location-based	Scope 2 (Location-based)	252.7	231.3	9.3 %
				Scope 2 (Market-based)	6 739.1	5 172.3	30.3 %
				Scope 3 (Category 2, 5)	938.7	-	-
	GHG-Int	kg CO ₂ e / m² / year	GHG emissions intensity	Scope 1 and 2 emissions	1.29	1.16	10.8 %
				Emissions arising from energy for whole building including tenant obtained energy	3.12	3.04	2.3 %
				Total landlord-obtained water	61 398	59 908	2.5 %
	Water-Abs	m³	Water	Landlord-obtained water	0.25	0.24	3.6 %
				Water disclosure coverage	8/8	8/8	-
				Proportion of water consumption estimated	0 %	0 %	-
Water	Water -Int	m³ / m² / year	Water intensity	Total amount of non-hazardous waste	2 557	2 641	-3.2 %
				Total amount of hazardous waste	11.5	17.0	-32 %
				Total amount of waste	2 569	2 658	-3.4 %
	Waste-Abs	%	Waste	Proportion of total waste sorted for recycling	75 %	74 %	1.4 %
				Proportion of waste disposed of by materials recovery	60 %	56 %	7.2 %
				Proportion of waste disposed of by incineration with energy recovery	35 %	42 %	-17 %
				Proportion of waste disposed of by landfill	5 %	2 %	140 %
Waste	Cert-Tot	%	Mandatory (EPC)	Proportion of waste disposed of by landfill	5 %	2 %	140 %
				Waste disclosure coverage	8/8	8/8	-
				Proportion of portfolio certified assets	75 %	0 %	-
	Cert-Tot	%	Mandatory (EPC)	Proportion of portfolio certified assets	88 %	-	-
				Certified assets disclosure coverage	8/8	8/8	-

¹As mentioned in section *Coverage*, for the energy intensity performance measure based on total building energy, the coverage is 6/8 assets.

EPRA Sustainability Performance Measures (Social)					Corporate performance (Altí Forvaltníng)		
Impact area	EPRA Code	Units of measure	Indicator		Absolute performance (Abs)		
					2023	2022	
Diversity	Diversity-Emp	%	Diversity	Proportion of women in board of executives	0 %	0 %	
				Proportion of women in manager positions	49 %	53 %	
				Proportion of women in non-managers	39 %	36 %	
				Proportion of women all employees	42 %	42 %	
	Diversity-Pay	Ratio	Gender pay ratio	Ratio of pay of women to men in manager positions	0.91	0.91	
Employees	Emp-Training	Number of hours	Training and development	Ratio of pay of women to men in non-manager positions	0.96	0.98	
				Ratio of pay of women to men for all employees	0.98	1.02	
				Average number of hours of training and education per employee	4.5	-	
	Emp-Dev	%	Employee performance appraisals	Percentage of total workforce	93 %	93 %	
				Total number of new employee hires	46	44	
				Rate of new employee hires	25 %	28 %	
				Total number of employee turnover	17	8	
				Rate of employee turnover	9 %	5 %	
				Injury rate	0 %	0 %	
				Lost day rate	0 %	0 %	
Assets	H&S-Emp	Ratio	Employee health and safety	Absentee rate	3.9 %	3.0 %	
				Work related fatalities	0	0	
				Health and safety assessments	100 %	-	
	H&S-Comp	Total number	Asset health and safety	Health and safety compliance, number of incidents	138	-	
				Assets engaging in local community	100 %	100 %	
	Comty-Eng	%	Community engagement				
	EPRA Sustainability Performance Measures (Governance)						
	Impact area	EPRA Code	Units of measure	Indicator		Corporate performance	
						Absolute performance (Abs)	
Governance	Gov-Board	Total number	Composition of highest governance body	Executive board members	5	5	
		Total number		Independent board members	0	0	
		Total number		Independent board members with competence in environmental or social topics	0	0	
		Years		Average tenure on the governance body	2.7	1.7	
	Gov-Select	Narrative	Process for highest governance body	Process of nominating and selection the highest governance body		-	
	Gov-Col	Narrative	Process for highest governance body	Process for managing conflict of interest		-	



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 illuatrate 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
Valuation Yield	Valuation yield set by external appraiser, used in the valuation of investment properties
External / Independent Appraisers	Cushman & Wakefield Realkapital AS
GLA	Gross Lettable Area, areas exclusive to the tenant including storage units
ICR	Interest Coverage Ratio, Net income from property management divided by amortised interest less interest income for the period
LTV	Loan To Value, Nominal Interest-bearing debt minus cash and cash deposits divided by fair value of investment properties
Occupancy	Market rent of leased areas divided by estimated market rent of the whole portfolio
WAULT	Weighted Average Unexpired Lease Term

AURORA

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Financial calendar

Date

Tuesday May 14th 2024

Friday August 16th 2024

Friday November 15th 2024

Report

Quarterly Report - Q1 2024

Quarterly Report - Q2 2024

Quarterly Report - Q3 2024

Aurora Eiendom's annual general meeting will be held in Oslo on May 14th 2024.