

SELVAAG BOLIG

Q4 2023

Fourth quarter results



Highlights of the fourth quarter 2023

Selvaag Bolig delivered 276 units in the fourth quarter. Both revenues and earnings per share were lower than the corresponding quarter one year earlier, primarily because of fewer delivered units. The market for new homes has been quiet in the quarter, mainly due to increased home loan interest rates, higher construction costs and general macroeconomic uncertainty. The board proposes a dividend of NOK 1.00 per share for the second half, and the total dividend for 2023 will thus be NOK 2.00/share.

- Operating revenues¹ NOK 1 247 million (NOK 669 million)
- Adjusted EBITDA³ NOK 203 million (NOK 87 million) and ordinary EBITDA² NOK 130 million (NOK 66 million)
- Pre-tax profit of NOK 137 million (NOK 67 million)
- 88 units sold⁶ (44) and construction started on 130 units (146)
- 331 units completed (160) and 276 delivered (147)
- A total of 784 units (1 253) under construction at 31 December, with a combined sales value of NOK 4 496 million (NOK 6 408 million)
- 62 per cent of units under construction sold (67 per cent) sold by the end of the quarter. 69 per cent of the homes that will be completed in 2024 are sold (75 per cent)
- The board proposes a dividend of NOK 1.00 per share (NOK 2.00) for the second half, and the total dividend for 2023 will thus be NOK 2.00/share (NOK 4.00)

(Figures in brackets relate to the same period of the year before)

Key figures

(figures in NOK 1 000)	Q4 2023	Q4 2022	2023	2022
IFRS main figures				
Operating revenues ¹	1,246,701	668,833	3,254,651	2,896,379
EBITDA ²	130,190	66,342	310,129	432,102
EBITDA adjusted ³	202,622	86,756	451,680	517,097
Operating profit/(loss)	127,831	63,800	300,898	422,385
Profit/(loss) before taxes	137,419	66,604	319,477	425,115
Net income	108,319	45,413	244,677	338,853
Cash flow from operating activities	814,892	(51,602)	1,196,613	63,441
Net cash flow	73,557	(162,132)	(346,148)	85,235
Interest-bearing liabilities	1,410,212	2,485,790	1,410,212	2,485,790
Total assets	4,754,411	5,949,559	4,754,411	5,949,559
Equity	2,306,964	2,345,883	2,306,964	2,345,883
Equity ratio	48.5%	39.4%	48.5%	39.4%
Earnings per share in NOK	1.16	0.48	2.62	3.63
Segment reporting (NGAAP⁴)				
Operating revenues	564,704	525,668	2,153,082	2,856,035
EBITDA ⁵	39,450	70,913	202,392	376,958
EBITDA margin	7.0%	13.5%	9.4%	13.2%
Key figures (net, adjusted for share in joint ventures)				
Number of units sold ⁶	88	44	360	448
Number of construction starts	130	146	275	517
Number of units delivered	276	147	655	585
Number of units completed	331	160	744	586

¹ Operating revenues do not include revenues from joint ventures.

² EBITDA is operating profit before interest, taxes, depreciation, amortisation and other gains (losses).

³ EBITDA adjusted excludes financial expenses included in project cost. See note 6 for details.

⁴ The NGAAP accounts utilise the percentage of completion method, i.e. percentage of completion multiplied by the sales ratio.

⁵ EBITDA is operating profit before interest, tax, depreciation, amortisation, profit from joint ventures and other gains (losses).

⁶ Units sold are sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act and the Swedish Bostadsrättslagen. In accordance with the IFRS, they are recognised as income on delivery.

Financial review

Summary of overall results

(figures in NOK 1 000)	Q4 2023	Q4 2022	2023	2022
Total operating revenues	1,246,701	668,833	3,254,651	2,896,379
Project expenses	(1,042,822)	(514,423)	(2,677,166)	(2,313,735)
Other operating expenses, salaries and personnel costs, depreciation and amortisation	(83,589)	(82,376)	(263,235)	(245,985)
Total operating expenses	(1,126,411)	(596,799)	(2,940,401)	(2,559,720)
Associated companies and joint ventures	7,541	(8,234)	(13,352)	85,726
Other gains (losses), net	-	-	-	-
Operating profit	127,831	63,800	300,898	422,385
Net financial expenses	9,588	2,804	18,579	2,730
Profit before taxes	137,419	66,604	319,477	425,115
Income taxes	(29,100)	(21,191)	(74,800)	(86,262)
Net income	108,319	45,413	244,677	338,853

Results for the fourth quarter of 2023

(Figures in brackets relate to the corresponding period of 2022. The figures are unaudited.)

Selvaag Bolig had operating revenues of NOK 1 246.7 million (NOK 668.8 million) in the fourth quarter. Revenues from units delivered accounted for NOK 1 172.0 million (NOK 649.4 million) of the total. In addition, a land plot in Bærum was sold by the group for NOK 57.5 million to financing partner Urban Property. For more information, see Note 7 - Cooperation with Urban Property. Other revenues derived from non-core activities, mainly provision of services.

A total of 276 units (147) were delivered in the quarter, including 248 (146) from consolidated project companies and 28 (one) from joint ventures.

Project costs for the quarter totalled NOK 1 042.8 million (NOK 514.4 million), of which NOK 72.4 million (NOK 20.4 million) represented previously capitalised financial expenses. Total project expenses primarily represented construction costs for units delivered as well as costs in projects which did not qualify for capitalisation as inventory.

Operating costs excluding project costs totalled NOK 83.6 million (NOK 82.4 million) for the period. Payroll costs accounted for NOK 49.3 million (NOK 50.2 million) of this figure. In addition, NOK 19.7 million (NOK 16.7 million) in payroll costs relating to housing under construction, including bonus costs, was capitalised during the quarter. These payroll costs will be expensed as project costs on future delivery.

Other operating costs came to NOK 32.0 million (NOK 29.6 million) for the quarter, including NOK 11.2 million (NOK 10.7 million) for sales and marketing.

The share of profit from associates and joint ventures was positive at NOK 7.5 million (negative at NOK 8.2 million) for the quarter. The increase from the same period of 2022 primarily reflected more units delivered from joint ventures.

Reported EBITDA was NOK 130.2 million (NOK 66.3 million), corresponding to a margin of 10.4 per cent (9.9 per cent). EBITDA adjusted for the share of project costs in financial expenses came to NOK 202.6 million (NOK 86.8 million), corresponding to a margin of 16.3 per cent (13.0 per cent). The increase in the EBITDA margin from the previous year primarily reflected more delivered units and a positive contribution from joint ventures. Results from joint ventures are presented net and thus their revenues are not included in the group's turnover. For more information, see note 8 on proportional consolidation.

Consolidated depreciation and amortisation totalled NOK 2.4 million (NOK 2.5 million) for the quarter. Operating profit thereby came to NOK 127.8 million (NOK 63.8 million).

Net financial items amounted to NOK 9.6 million (NOK 2.8 million). Pre-tax profit for the quarter thereby came to NOK 137.4 million (NOK 66.6 million).

Tax expense for the period was NOK 29.1 million (NOK 21.2 million). Comprehensive income for the fourth quarter came to NOK 108.3 million (NOK 45.4 million). NOK 108.3 million

of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 45.4 million), and NOK 0.0 million to non-controlling shareholders (NOK 0.0 million).

Results for the full year 2023

Selvaag Bolig had operating revenues of NOK 3 254.7 million (NOK 2 896.4 million) for the year. Revenues from units delivered accounted for NOK 3 065.8 million (NOK 2 791.9 million) of the total. In addition, land plots and commercial property in Rogaland were sold for NOK 62.9 million and a land plot in Bærum was sold by the group for NOK 57.5 million to financing partner Urban Property, see also note 7. In 2022, land plots were sold by the group for a total of NOK 38.9 million. Other revenues related to non-core activities, mainly provision of services.

A total of 655 units (585) were delivered in the year, including 612 (513) from consolidated project companies and 43 (72) from joint ventures.

Project costs for the year totalled NOK 2 677.2 million (NOK 2 313.7 million), primarily construction costs for units delivered, as well as costs in other projects which did not qualify for capitalisation as inventory.

Operating costs excluding project costs and associates totalled NOK 263.2 million (NOK 246.0 million) for the period. Payroll costs accounted for NOK 145.3 million (NOK 139.0 million) of this figure. In addition, NOK 33.7 million (NOK 30.2 million) in payroll costs relating to housing under construction, including bonus costs, was capitalised and will be expensed as project costs on future delivery.

Other operating costs came to NOK 108.7 million (NOK 97.2 million), including NOK 38.5 million (NOK 29.2 million) for sales and marketing.

Cash flow

Consolidated net cash flow from operational activities was NOK 814.9 million (negative NOK 51.6 million) for the fourth quarter. The increase from the same period of 2022 primarily reflected more delivered units and a positive impact from the net change in inventory.

For the full year 2023, consolidated cash flow from operational activities was NOK 1 196.6 million (NOK 63.4 million). The increase from last year primarily reflected the positive effect of the net change in inventory. See note 5 for more information.

The share of profit from associates and joint ventures was negative at NOK 13.4 million (positive at NOK 85.7 million). The decline from the previous year primarily reflected fewer delivered units in joint ventures and lower margins.

Reported EBITDA was NOK 310.1 million (NOK 432.1 million), corresponding to a margin of 9.5 per cent (14.9 per cent). EBITDA adjusted for financial expenses included in project costs came to NOK 451.7 million (NOK 517.1 million), corresponding to a margin of 13.9 per cent (17.9 per cent). The decline in EBITDA from the previous year primarily reflected lower margins on completed projects and a lower contribution from joint ventures. EBITDA margins are influenced by presenting results from joint ventures net rather than including them in turnover. For more information, see note 8 on proportional consolidation.

Consolidated operating profit for the year came to NOK 300.9 million (NOK 422.4 million). Net financial income amounted to NOK 18.6 million (NOK 2.7 million in income).

That brought pre-tax profit for the year to NOK 319.5 million (NOK 425.1 million). Estimated tax expense for the year is NOK 74.8 million (NOK 86.3 million).

Comprehensive income for 2023 came to NOK 244.7 million (NOK 338.9 million). NOK 244.7 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 338.9 million), and NOK 0.0 to non-controlling shareholders (NOK 0.0 million).

Net cash flow from investing activities was NOK 22.3 million (negative at NOK 10.6 million) for the quarter. The change from last year is primarily due to the receipt of settlements for receivables.

Cash flow from investing activities for the year was negative at NOK 45.3 million (positive at NOK 239.8 million). The change from 2022 primarily reflected dividends received from joint ventures and settlement of seller credits in 2022.

Net cash flow from financing activities was negative at NOK 763.6 million (negative at NOK 99.9 million) for the quarter. The change from the same period of 2022 primarily reflected

lower drawdowns and increased net repayment of construction loans.

During the full year, net cash flow from financing activities was negative at NOK 1 497.5 million (negative at NOK 218.0 million). The change from last year primarily reflected lower

drawdowns and increased net repayment of construction loans.

The group's holding of cash and cash equivalents at 31 December totalled NOK 266.5 million (NOK 612.7 million), an increase of NOK 73.6 million from 30 September and a decline of NOK 346.1 million from a year earlier.

Cash flow summary

(figures in NOK 1 000)	Q4 2023	Q4 2022	2023	2022
Profit before taxes	137,419	66,604	319,477	425,115
Net cash flow from operating activities	814,892	(51,602)	1,196,613	63,441
Net cash flow from investment activities	22,275	(10,608)	(45,251)	239,822
Net cash flow from financing activities	(763,610)	(99,922)	(1,497,510)	(218,028)
Net change in cash and cash equivalents	73,557	(162,132)	(346,148)	85,235
Cash and cash equivalents at start of period	192,965	774,802	612,670	527,435
Cash and cash equivalents at end of period	266,522	612,670	266,522	612,670

Financial position

The carrying amount of Selvaag Bolig's total inventory (land, units under construction and completed units) at 31 December was NOK 3 199.5 million, compared with NOK 3 949.7 million at 30 September and NOK 4 273.2 million a year earlier. See note 5 for a further specification of inventory.

The group's accounts receivable were NOK 60.2 million at the end of the quarter. In comparison, accounts receivable were NOK 120.5 million at the end of the previous quarter and NOK 81.5 million at the same time the year before. The decline in the fourth quarter was because flats that were delivered towards the end of the third quarter had their payment postponed to the fourth quarter. These are considered normal fluctuations and do not involve any credit risk as the funds are in the client's account with the settlement intermediary from the handover of the flat to the final receipt of settlement.

Equity was NOK 2 307.0 million (NOK 2 345.9 million) at 31 December, corresponding to an equity ratio of 48.5 per cent (39.4 per cent). Selvaag Bolig ASA paid a dividend of NOK 187.4 million in the second quarter (NOK 279.8 million), based on profit for the second half of 2022. An additional dividend of NOK 93.7 million (NOK 186.5) was paid in the third quarter, based on the result in the first half of 2023. Non-controlling interests amounted to NOK 7.8 million (NOK 7.8 million) of equity.

Other current non-interest-bearing liabilities for the group totalled NOK 356.3 million (NOK 541.9 million) at 31 December, of which NOK 21.1 million (NOK 152.1 million) represented advance payments from customers.

At 31 December, consolidated interest-bearing debt amounted to NOK 1 410.2 million (NOK 2 485.8 million), of which NOK 681.8 million (NOK 1 400.4 million) was non-current and NOK 728.4 million (NOK 1 085.4 million) was current. NOK 404.6 million (NOK 582.3 million) of current debt was related to repurchase agreements with and seller credits for Urban Property. See note 7 for more information.

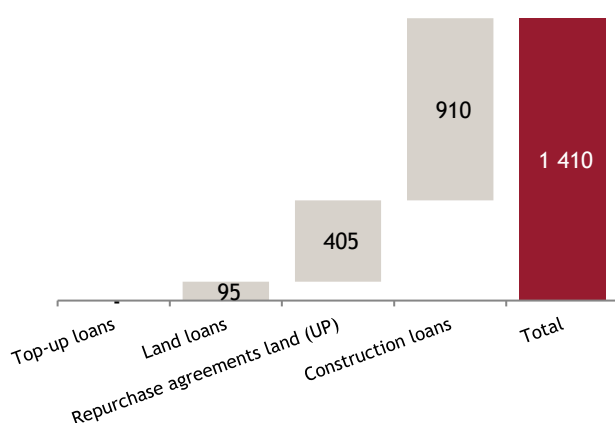
The group had land loans totalling 95.0 million (NOK 225.5 million) at 31 December. This relatively low level reflects the fact that a large part of the properties is financed through Urban Property and classified as current liabilities, repurchase agreements and seller credits. Land loans are normally converted to construction loans in line with the progress of the respective development projects.

Selvaag Bolig ASA has a credit facility agreement of NOK 300 million with DNB, which matures in December 2025. The agreement contains financial covenants, see note 10. The group also has an annually renewed overdraft facility of NOK 150 million with the same bank. No drawings had been made against any of these facilities at 31 December.

Net interest-bearing debt

(figures in NOK 1 000)	Q4 2023	Q3 2023	2022
Non-current interest-bearing debt	681,776	1,091,547	1,400,352
Current interest-bearing debt	323,826	580,462	503,091
Current liabilities repurchase agreements and seller credits	404,610	490,511	582,347
Cash and cash equivalents	(266,522)	(192,965)	(612,670)
Net interest-bearing debt	1,143,690	1,969,555	1,873,120

The group's interest-bearing debt falls primarily into four categories: 1) top-up loans, which are liabilities in parent company Selvaag Bolig ASA, 2) land loans, 3) repurchase agreements with Urban Property and 4) construction loans. At 31 December 2023, the group had no top-up loans. Land loans totalled NOK 95 million, repurchase agreements with Urban Property were NOK 405 million and total construction loans were NOK 910 million.

Interest-bearing debt at 31 Dec 2023 (NOK mill)

Interest costs on land loans are recognised in profit and loss until the site secures planning permission. They are then capitalised against the site from the day the project secures planning permission and recognised in profit and loss as part of the cost of sales when the units are delivered. Interest

charges on construction loans are capitalised during the construction period and recognised under cost of sales in the same way.

At 31 December, interest of NOK 38 million on land loans had been capitalised, while interest of NOK 57 million relating to land loans was recognised in profit and loss.

In connection with the Urban Property transaction in 2020, a large proportion of the group's land loans were redeemed and replaced with liabilities in the form of repurchase agreements with Urban Property. See note 7 for a description of the collaboration with Urban Property. This means that interest charges on land loans related to these sites, which are collectively designated Portfolio B, have been replaced by option premiums paid quarterly. These premiums are treated in the accounts in the same way as land-loan interest charges, being capitalised as inventory and included in the cost of sales on delivery of completed units. Option premiums paid and capitalised for sites in Portfolio B came to NOK 6.0 million (NOK 4.8 million) for the fourth quarter and totalled NOK 21.9 million (NOK 15.7 million) for the year.

Portfolio C comprises land which the group has the right or obligation to purchase from Urban Property in the future. See note 7 for more information. Provision for accrued option premiums is made quarterly as other long-term assets and other long-term liabilities respectively in Selvaag Bolig's consolidated accounts. The asset is reclassified as inventory when the land is taken over. Provision for and capitalisation of option premiums for portfolio C in the fourth quarter came to NOK 48.4 million (NOK 30.9 million). Provision for and capitalisation of option premiums for portfolio C for the year came to NOK 166.4 million (NOK 101.0 million). At 31 December, accumulated provision and capitalisation came to NOK 337.6 million (NOK 174.4 million).

Operational reporting

Each project is followed up individually in daily operations, and operational reporting accordingly comprises one main segment - Housing development. Reporting also comprises the "Other" segment. The latter primarily includes service deliveries in completed Pluss projects as well as group administration not allocated to the main segment. Operational reporting utilises the percentage of completion method for recognising revenues and profit (NGAAP), which differs from the IFRS where profit is recognised on delivery. Note 4 to the financial statements presents segment information reconciled with the financial reporting figures (IFRS).

Segments fourth quarter and full year 2023

Fourth quarter

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q4 23	Q4 22	Q4 23	Q4 22	Q4 23	Q4 22
Housing development (NGAAP)	548,357	506,802	82,082	119,366	89,893	125,778
Other	16,347	18,866	(42,632)	(48,453)	(43,123)	(48,915)
IFRS adjustments	681,997	143,165	90,740	(4,571)	81,061	(13,063)
Total group (IFRS)	1,246,701	668,833	130,190	66,342	127,831	63,800

Jan-Dec

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	12M 23	12M 22	12M 23	12M 22	12M 23	12M 22
Housing development (NGAAP)	2,088,269	2,794,366	344,700	525,138	372,566	568,994
Other	64,813	61,669	(142,308)	(148,180)	(144,055)	(149,548)
IFRS adjustments	1,101,569	40,344	107,737	55,144	72,387	2,939
Total group (IFRS)	3,254,651	2,896,379	310,129	432,102	300,898	422,385

Housing development

This segment comprises all Selvaag Bolig's projects regardless of geographical location since each project is followed up individually.

Operating revenues from housing development for the fourth quarter were NOK 584.4 million (NOK 506.8 million). They were derived from 16 projects (17) in production.

Operating costs, primarily for construction and sales, are directly related to the projects and amounted to NOK 466.3 million (NOK 387.4 million) for the fourth quarter.

Construction costs in the segment reporting are exclusive of directly-related financial expenses (interest on construction loans). This differs from the IFRS accounts, where financial expenses are included in project costs on delivery.

EBITDA presents operating profit (loss) before depreciation, gain (loss), and share of profit (loss) from associates. It came to NOK 82.1 million (NOK 119.4 million) for the quarter, corresponding to a profit margin of 15.0 per cent (23.6 per cent).

Other business - unallocated

The Other business segment comprises a number of activities in the group which are not regarded as part of the core business on a stand-alone basis. It also includes administration and management which cannot be attributed directly to the projects and are accordingly not allocated to the housing development segment.

Operating revenues for the segment in the fourth quarter came to NOK 16.3 million (NOK 18.9 million), while operating costs amounted to NOK 59.0 million (NOK 67.3 million). Costs relate largely to remuneration for the administration and management, as well as to other operating costs. EBITDA was thereby negative at NOK 42.6 million (negative at NOK 48.5 million).

Review of operations

All figures are presented net, adjusted for Selvaag Bolig's share of joint ventures, unless otherwise specified. Units sold are sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act and the Tenancy Act in Sweden. Pursuant to the IFRS, these are recognised as income on delivery.

Operations

Gross sales during the quarter totalled 99 units with a combined value of NOK 602 million. The sales were divided between 95 units in Norway and 4 units in Sweden. Selvaag Bolig's share amounted to 88 units with a combined value of NOK 531 million.

Work started on constructing 130 units during the fourth quarter, so that Selvaag Bolig had 784 units worth some NOK 4.5 billion under construction at 31 December. A total of 331 units were completed during the quarter.

To manifest value creation in the group, segment reporting shows revenue and costs in the various projects using the

percentage of completion method as its accounting principle.

Projects

The group has projects in Oslo, Bærum, Asker, Lørenskog, Ski, Ås, Fredrikstad, Stavanger, Sandnes, Sola, Tønsberg, Trondheim, Bergen and Stockholm. However, no projects were under construction in Bærum, Fredrikstad or Stockholm during the fourth quarter.

Quarterly development of the project portfolio

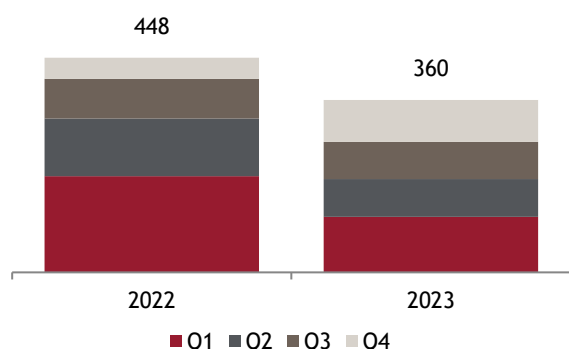
	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Units sold	44	116	79	77	88
Construction starts	146	5	83	57	130
Units completed	160	161	162	90	331
Completed unsold units	31	37	43	60	95
Completed sold units pending delivery	5	10	11	10	30
Units delivered	147	150	155	74	276
Units under construction	1,253	1,097	1,018	985	784
Proportion of sold units under construction	67 %	69 %	68 %	69 %	62 %
Sales value of units under construction (NOK million)	6,408	5,641	5,458	5,292	4,496

Purchase and sale of land

During the quarter, a land plot in Bærum was sold by the group for NOK 57.5 million to financing partner Urban Property, see also note 7.

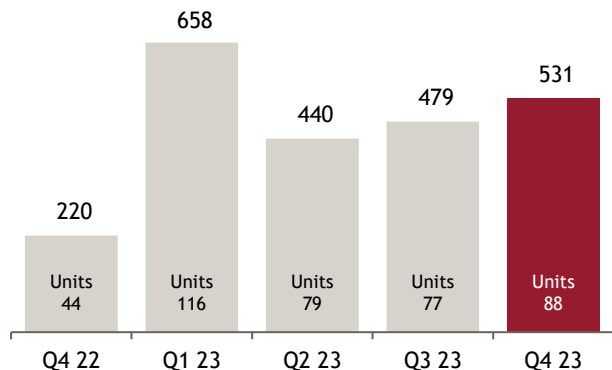
Sales development and progress

Units sold



Total housing sales during the fourth quarter, including Selvaag Bolig's relative share of joint ventures, amounted to 88 units with a combined sales value of NOK 531 million. These sales comprise Selvaag Bolig's consolidated project companies as well as its relative share of units sold in joint-venture projects. Sales in the same period of 2022 totalled 44 units with a combined value of NOK 220 million.

Value of units sold (NOK mill)



Selvaag Bolig did not start sales on any projects during the fourth quarter.

However, construction began on 130 (146) units during the quarter. At 31 December, Selvaag Bolig consequently had 784 (1 253) units under construction. They included 574 units in Greater Oslo, 82 in Trondheim, 64 in Bergen and 64 in Stavanger.

Construction starts can vary substantially from quarter to quarter, since construction normally only begins when 60 per cent of the units in a project have been sold.

The order backlog at 31 December - in other words, the sales value of the 784 units (1 253) units then under construction - was NOK 4 496 million (NOK 6 408 million).

A total of 331 (160) units were completed in the fourth quarter, and 276 (147) - including ones completed earlier - were delivered. The completed units were spread over five projects.

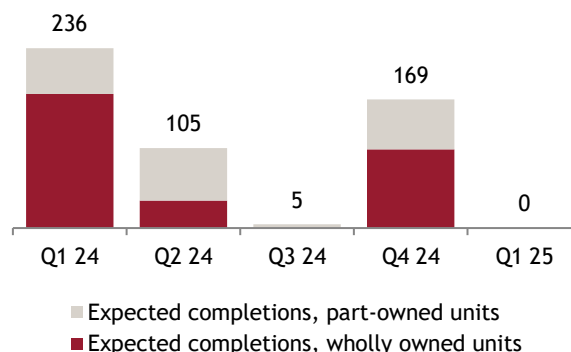
At 31 December, the group held 95 (31) completed but unsold units. The group also had 30 completed units that were sold, but not delivered at the end of the quarter (5). Consolidated project companies accounted for 248 (146) of the units delivered, while 28 (one) were in part-owned project companies.

Units completed by project

Project	No of units	Category	Region
Skårerløkka Pluss	115	Flat	Greater Oslo
Langhus	99	Flat	Greater Oslo
Skifabrikken Hus F	48	Flat	Greater Oslo
Skårerbyen Gårdskvartalet	39	Flat	Greater Oslo
Kaldnes Sjøparken	30	Flat	Greater Oslo
Total	331		

Based on anticipated progress for the projects, 236 units are expected to be completed in the first quarter of 2024. Estimated completions for 2024 as a whole amount to 515 units.

Expected number of completions



Share information

The company had 93.77 million issued shares at 31 December, divided between 6 466 shareholders.

The 20 largest shareholders controlled 80.8 per cent of the total number of issued shares. The largest shareholder was Selvaag AS, with a 53.5 per cent holding.

During the quarter, the Selvaag Bolig share varied in price from NOK 25.35 to NOK 33.10. The closing price at 31 December was NOK 33.10. That compared with NOK 28.40 at 30 September, and the share price accordingly rose by 16.5 per cent over the quarter.

Just over 3.5 million shares, or 3.7 per cent of the overall number outstanding, were traded during the period. Share turnover totalled NOK 99.7 million during the quarter, corresponding to an average daily figure of roughly NOK 1.6 million.

20 largest shareholders at 31 December 2023

Shareholder	# of shares	% share
SELVAAG AS	50,180,087	53.5%
PARETO INVEST NORGE AS	4,680,572	5.0%
VERDIPAPIRFONDET ALFRED BERG GAMBA	3,266,051	3.5%
The Northern Trust Comp, London Br *	2,186,000	2.3%
JPMorgan Chase Bank, N.A., London *	1,912,218	2.0%
EGD CAPITAL AS	1,704,752	1.8%
SANDEN EQUITY AS	1,600,000	1.7%
HAUSTA INVESTOR AS	1,600,000	1.7%
MUSTAD INDUSTRIER AS	1,067,454	1.1%
PERESTROIKA AS	1,066,619	1.1%
Goldman Sachs International *	965,549	1.0%
The Northern Trust Comp, London Br *	840,200	0.9%
BANAN II AS	830,000	0.9%
Brown Brothers Harriman & Co. *	684,331	0.7%
Sverre Molvik	592,684	0.6%
Øystein Klungland	592,684	0.6%
GÅSØ NÆRINGSUTVIKLING AS	530,599	0.6%
BNP Paribas *	530,000	0.6%
Brown Brothers Harriman & Co. *	507,059	0.5%
Skandinaviska Enskilda Banken AB *	399,628	0.4%
Total 20 largest shareholders	75,736,487	80.8%
Other shareholders	18,029,201	19.2%
Total number of shares	93,765,688	100.0%

Risk and uncertainty factors

As a housing developer, Selvaag Bolig is exposed to risks which could affect the group's business and financial position.

Risk factors relate to land development, sales and the execution of housing projects, and can be divided into the categories market risk, operational risk, financial risk and climate risk. The group gives priority to work on managing and dealing with risk, and has established routines and control systems to limit and control risk exposure.

Macroeconomic conditions - particularly unemployment and interest rates - as well as demographic changes are factors which affect the group's development.

As a pure housing developer, without its own construction arm, Selvaag Bolig puts all building work out to competitive tender. This means the group has great operational flexibility and can adapt its operations at short notice to changing levels of activity in the market. As a general rule, it requires 60 per cent advance sales before initiating projects. 62 per cent of total units under construction and 69 per cent of planned completions in 2024 had been sold at 31 December 2023.

See the group's annual report, available on its website, for a more detailed explanation of the risk and uncertainty factors it faces.

Outlook

Selvaag Bolig is well-positioned with large projects centrally located in and near Greater Oslo, Stavanger, Bergen, Trondheim and Stockholm.

According to Statistics Norway, urbanisation and population growth create a large and long-term demand for new housing in Selvaag Bolig's core areas. However, during the last 18 months, demand has been negatively affected by home loan interest rate increases and reduced household purchasing power. In addition, high construction costs have resulted in postponed sales and construction starts for many actors. Selvaag Bolig had no new sales starts during the fourth quarter, but during the second half of the year, sales started on five projects with a total of 234 housing units. During the fourth quarter, the company was able to start construction on two of these projects, with a total of 82 units. However, going forward, there is greater uncertainty than usual associated with the starting date for construction of new projects.

Since Selvaag Bolig has completed more housing units than it has started construction on in 2023, the number of units under construction has fallen over the past year. The reason for this is rising home loan interest rates, high construction costs and general macroeconomic uncertainty. Selvaag Bolig sees, however, signs that construction costs are in the process of stabilising at financially acceptable levels and the new home market is showing signs of improvement in line with Norges Bank's interest rate trajectory indicating cuts at the end of 2024 and the two following years. Uncertainty about the development of new home sales could influence the start of new projects and thereby also the number of homes under construction for the company going forward.

Selvaag Bolig is well equipped organisationally, operationally and financially to support and strengthen its market position going forward. Selvaag Bolig still has a good order backlog, a solid land bank in the company's focus areas as well as available capital through the agreement with UP to acquire new land plots.

Transactions with related parties

According to the accounting rules, Urban Property (UP) is a related party to the group. This means that ongoing option premiums as well as sales and repurchases of land plots are regarded as related-party transactions, see note 7 for further information. During the quarter, a land plot in Bærum was sold by the group for NOK 57.5 million to UP, see also note 7.

Further, Selvaag Bolig delivered a residential building with 46 flats to Selvaag Utleiebolig AS, a wholly owned subsidiary of Selvaag AS. The sale generated revenue of NOK 191.7 million.

See note 23 to the group's annual reports for detailed information on transactions with related parties in earlier years.

Housing market

Overall sales activity in the Norwegian housing market for second-hand dwellings was normal in the fourth quarter of 2023. During the two previous quarters, there was a significant increase in the number of unsold homes in the market, but this trend reversed in the fourth quarter when more homes were sold than were put on the market. Compared to the same time in previous years, the inventories in Trondheim and Akershus are somewhat higher now. The inventory in Oslo is low, but also somewhat higher than in previous years. The inventory in Bergen has however fallen and the inventory of homes in the Stavanger area remains record low.

Increased home loan interest rates and the higher cost of living have still not led to a significant fall in home prices. Price developments differed between Selvaag Bolig's core areas. According to Statistics Norway, seasonally adjusted Norwegian second-hand dwelling prices at 31 December were on average 0.7 per cent lower than 31 December 2022, and were unchanged compared to the previous quarter.

Prices rose by 0.4 per cent during the quarter in Oslo including Bærum, and were 0.2 per cent higher than at 31 December 2022. In Akershus excluding Bærum, prices rose by 0.1 per cent and were down by 1.2 per cent from 31 December 2022.

Prices in Stavanger fell by 0.3 per cent during the quarter and were 1.9 per cent higher than one year earlier. Prices in Bergen rose by 0.2 per cent in the quarter and were down by 1.1 per cent from one year earlier. In Trondheim, prices declined by 0.3 per cent for the quarter and were 0.2 per cent higher than one year earlier.

Selvaag Bolig sold 99 homes worth a total of NOK 602 million in the fourth quarter. Sales in 2023 totalled 435 homes worth NOK 2 585 million. Adjusted for Selvaag Bolig's share of joint ventures, net sales came to 88 homes worth NOK 531 million in the fourth quarter, and 360 homes valued at NOK 2 108 million for the year.

Interim financial statements (IFRS)

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Q4 2023	Q4 2022	2023	2022
Revenues	1,229,583	649,435	3,186,235	2,830,818
Other revenues	17,118	19,398	68,416	65,561
Total operating revenues	1,246,701	668,833	3,254,651	2,896,379
Project expenses	(1,042,822)	(514,423)	(2,677,166)	(2,313,735)
Salaries and personnel costs	(49,276)	(50,216)	(145,318)	(139,035)
Depreciation and amortisation	(2,359)	(2,542)	(9,231)	(9,717)
Other operating expenses	(31,954)	(29,618)	(108,686)	(97,233)
Total operating expenses	(1,126,411)	(596,799)	(2,940,401)	(2,559,720)
Associated companies and joint ventures	7,541	(8,234)	(13,352)	85,726
Other gains (losses), net	-	-	-	-
Operating profit	127,831	63,800	300,898	422,385
Financial income	8,567	6,548	29,778	15,384
Financial expenses	1,021	(3,744)	(11,199)	(12,654)
Net financial expenses	9,588	2,804	18,579	2,730
Profit/(loss) before taxes	137,419	66,604	319,477	425,115
Income taxes	(29,100)	(21,191)	(74,800)	(86,262)
Net income	108,319	45,413	244,677	338,853
Other comprehensive income/expenses				
Translation differences	346	(1,116)	1,796	1,432
Total comprehensive income/(loss) for the period	108,665	44,297	246,473	340,285
Net income for the period attributable to:				
Non-controlling interests	10	5	44	7
Shareholders in Selvaag Bolig ASA	108,309	45,408	244,633	338,846
Total comprehensive income/(loss) for the period attributable to:				
Non-controlling interests	10	5	44	7
Shareholders in Selvaag Bolig ASA	108,655	44,292	246,429	340,278
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:				
Earnings per share (basic and diluted) in NOK	1.16	0.48	2.62	3.63

The consolidated financial information has not been audited

Statement of financial position

(figures in NOK 1 000)	Note	Q4 2023	Q3 2023	2022
ASSETS				
Non-current assets				
Goodwill		383,376	383,376	383,376
Property, plant and equipment		9,767	10,020	8,152
Right-of-use lease assets		10,295	12,160	17,754
Investments in associated companies and joint ventures		229,985	217,170	234,730
Loans to associated companies and joint ventures		161,314	145,264	93,674
Other non-current assets	7	408,503	394,023	233,866
Total non-current assets		1,203,240	1,162,013	971,552
Current assets				
Inventories (property)	5, 7	3,199,454	3,949,691	4,273,209
Trade receivables		60,194	120,463	81,455
Other current receivables		25,001	11,775	10,673
Cash and cash equivalents		266,522	192,965	612,670
Total current assets		3,551,171	4,274,894	4,978,007
TOTAL ASSETS		4,754,411	5,436,907	5,949,559
EQUITY AND LIABILITIES				
Equity attributed to shareholders in Selvaag Bolig ASA		2,299,126	2,170,033	2,338,088
Non-controlling interests		7,838	7,828	7,795
Total equity		2,306,964	2,177,861	2,345,883
LIABILITIES				
Non-current liabilities				
Pension liabilities		1,147	1,090	1,090
Deferred tax liabilities		65,806	60,832	60,140
Provisions		70,215	66,999	66,999
Other non-current liabilities	7	385,745	370,031	265,039
Non-current lease liabilities		2,749	4,794	10,930
Non-current interest-bearing liabilities		681,776	1,091,547	1,400,352
Total non-current liabilities		1,207,438	1,595,293	1,804,550
Current liabilities				
Current lease liabilities		8,181	8,101	7,861
Current interest-bearing liabilities		323,826	580,462	503,091
Current liabilities repurchase agreements and seller credits	7	404,610	490,511	582,347
Trade payables		73,094	49,858	99,343
Current tax payables		74,048	68,061	64,541
Other current non-interest-bearing liabilities		356,250	466,760	541,943
Total current liabilities		1,240,009	1,663,753	1,799,126
Total liabilities		2,447,447	3,259,046	3,603,676
TOTAL EQUITY AND LIABILITIES		4,754,411	5,436,907	5,949,559

The consolidated financial information has not been audited

Statement of changes in equity

(figures in NOK 1,000)	Share capital	Share premium account	Other paid-in capital	Cumulative translation differences	Other reserves	Retained earnings	Equity attributed to shareholders in Selvaag Bolig ASA	Non-controlling interests	Total equity
Equity at 1 January 2023	187,440	1,394,857	700,629	8,306	3,528	43,327	2,338,088	7,795 *	2,345,883
Transactions with owners:									
Dividend	-	-	-	-	-	(281,163)	(281,163)	-	(281,163)
Share buy back	(1,832)	-	-	-	-	(25,697)	(27,529)	-	(27,529)
Employee share programme	1,671	-	-	-	-	21,629	23,300	-	23,300
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	244,633	244,633	44	244,677
Other comprehensive income/(loss) for the period	-	-	-	1,796	-	-	1,796	-	1,796
Equity at 31 December 2023	187,279	1,394,857	700,629	10,102	3,528	2,729	2,299,125	7,839 *	2,306,964
Equity at 1 January 2022	186,898	1,394,857	700,629	6,874	3,528	168,266	2,461,053	7,788 *	2,468,841
Transactions with owners:									
Dividend	-	-	-	-	-	(466,269)	(466,269)	-	(466,269)
Share buy back	(992)	-	-	-	-	(18,955)	(19,947)	-	(19,947)
Employee share programme	1,534	-	-	-	-	21,439	22,973	-	22,973
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	338,846	338,846	7	338,853
Other comprehensive income/(loss) for the period	-	-	-	1,432	-	-	1,432	-	1,432
Equity at 31 December 2022	187,440	1,394,857	700,629	8,306	3,528	43,327	2,338,088	7,795 *	2,345,883

The consolidated financial information has not been audited.

*) Non-controlling interests include tax from profits in companies subject to partnership taxation. Income taxes in the group do not include taxes from tax subjects outside the Selvaag Bolig group..

Statement of cash flow

(figures in NOK 1 000)	Note	Q4 2023	Q4 2022	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(loss) before taxes		137,419	66,604	319,477	425,115
Income taxes paid		(23,474)	(21,808)	(64,821)	(133,995)
Depreciation and amortisation		2,359	2,542	9,231	9,717
Share of profits/(losses) from associated companies and joint ventures		(7,541)	8,234	13,352	(85,726)
Changes in inventories (property)	5	772,504	(141,120)	1,195,705	(141,536)
Changes in trade receivables		60,269	158,553	21,261	2,376
Changes in trade payables		23,236	(31,114)	(26,249)	(30,643)
Changes in other operating working capital assets		(38,522)	(16,523)	(89,573)	33,943
Changes in other operating working capital liabilities		(111,357)	(76,969)	(181,771)	(15,810)
Net cash flow from operating activities		814,892	(51,602)	1,196,613	63,441
CASH FLOW FROM INVESTMENT ACTIVITIES					
Proceeds from sale of property, plant and equipment and intangible assets		-	-	316	163
Purchases of PPE and intangible assets		(248)	(608)	(3,659)	(2,344)
Proceeds from disposal of businesses and subsidiaries, net of cash disposed		-	-	-	-
Purchases of businesses and subsidiaries, net of cash acquired		-	-	-	-
Purchases of associated companies and joint ventures		-	-	-	(5,000)
Proceeds from sale of other investments and repayment of loans		40,573	-	45,573	78,000
Purchases of other investments and loans		(18,050)	(10,000)	(97,904)	(58,997)
Dividends and disbursements from associated companies and joint ventures		-	-	10,423	228,000
Net cash flow from investment activities		22,275	(10,608)	(45,251)	239,822
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings	7	519,735	621,200	1,706,662	2,251,525
Repayments of borrowings	7	(1,244,945)	(707,855)	(2,796,129)	(1,926,750)
Interest payments		(49,365)	(18,719)	(108,061)	(65,290)
Repayments of lease liabilities		(1,965)	(2,027)	(7,861)	(8,108)
Dividends paid to equity holders of Selvaag Bolig ASA		-	-	(281,163)	(466,269)
Share buy back Selvaag Bolig ASA		(2,862)	(8,256)	(27,529)	(19,947)
Proceeds from disposal of shares Selvaag Bolig ASA		15,791	15,734	16,571	16,811
Net cash flow from financing activities		(763,610)	(99,922)	(1,497,510)	(218,028)
Net change in cash and cash equivalents		73,557	(162,132)	(346,148)	85,235
Cash and cash equivalents at start of period		192,965	774,802	612,670	527,435
Cash and cash equivalents at end of period		266,522	612,670	266,522	612,670

The consolidated financial information has not been audited

Selected notes to the quarterly financial statements

1. General information and accounting policies

Selvaag Bolig ASA (the "company") and its subsidiaries (together "the group") is a property development group, involved in the construction of residential property for sale in the ordinary course of business. The condensed consolidated interim financial information consists of the group and the group's interest in associated companies and jointly controlled entities.

The group's consolidated financial information has been prepared in accordance with IAS 34 Interim Financial Reporting. The report does not include all the information and disclosures required for annual financial statements and should be read in conjunction with the group's consolidated financial statements for 2022.

The accounting policies applied in preparing these interim condensed consolidated financial statements are otherwise consistent with those applied in the group's consolidated financial statements for the year ended 31 December 2022.

2. Accounting judgements, estimates and assumptions

The preparation of interim financial information requires management to make judgements, estimates and assumptions which affect the application of accounting principles and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were largely the same as those which applied in the consolidated financial statements for the year ended 31 December 2022.

3. Transactions with related parties

See note 23 to the consolidated financial statements for 2022 for detailed information on related-party transactions in previous years.

4. Segment information

The main segment is defined as Housing development. In addition, the Other segment consists of services and estate agent as well as unallocated revenues and costs.

The group utilises the percentage of completion method in its internal reporting for which the degree of completion is estimated on the basis of expenses incurred relative to total estimated costs and sales rate. Operating revenue under the percentage of completion method also includes an estimated profit element. The consolidated income statement is based on the completed contract method, in which revenue is recognised at the time of transfer of risk and control, being the point of delivery of the property. A reconciliation of this effect (from stage of completion to completed contract) can be found in the segment reporting under "Reconciliation EBITDA to operating profit (loss)".

Group management considers segment results based on the percentage of completion method for determining EBITDA. The method of measurement is defined as operating profit (loss) before "Depreciation and amortisation", "Other gain (loss), net", and "Share of income (losses) from disposals from associated companies and joint ventures". Financial income and expenses are not allocated to operating segments since this type of activity is managed by a central finance function focused on managing the group's liquidity.

Fourth quarter 2023

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	548,357	16,347	564,704
Project expenses	(450,511)	8,617	(441,894)
Other operating expenses	(15,764)	(67,596)	(83,360)
EBITDA (percentage of completion, NGAAP)	82,082	(42,632)	39,450
Reconciliation EBITDA to operating profit (loss)			
EBITDA (percentage of completion)	82,082	(42,632)	39,450
Sales revenues (adjustment effect of percentage of completion)	(489,709)	-	(489,709)
Sales revenues (completed contract)	1,171,708	-	1,171,708
Project expenses (adjustment effect of percentage of completion)	394,746	-	394,746
Project expenses (completed contract)	(995,676)	-	(995,676)
Lease expenses	-	2,130	2,130
Depreciation and amortisation	-	(2,359)	(2,359)
Share of income (losses) from associated companies and joint ventures	7,541	-	7,541
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	170,692	(42,861)	127,831
Units under construction	784	N/A	N/A
Units delivered	276	N/A	N/A

Fourth quarter 2022

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	506,802	18,866	525,668
Project expenses	(373,997)	1,565	(372,432)
Other operating expenses	(13,439)	(68,884)	(82,323)
EBITDA (percentage of completion, NGAAP)	119,366	(48,453)	70,913
Reconciliation EBITDA to operating profit (loss)			
EBITDA (percentage of completion)	119,366	(48,453)	70,913
Sales revenues (adjustment effect of percentage of completion)	(502,525)	-	(502,525)
Sales revenues (completed contract)	645,691	-	645,691
Project expenses (adjustment effect of percentage of completion)	397,478	-	397,478
Project expenses (completed contract)	(539,470)	-	(539,470)
Lease expenses	-	2,489	2,489
Depreciation and amortisation	-	(2,542)	(2,542)
Share of income (losses) from associated companies and joint ventures	(8,234)	-	(8,234)
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	112,306	(48,506)	63,800
Units under construction	1,253	N/A	N/A
Units delivered	147	N/A	N/A

At 31 December 2023

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	2,088,269	64,813	2,153,082
Project expenses	(1,695,426)	7,262	(1,688,164)
Other operating expenses	(48,143)	(214,383)	(262,526)
EBITDA (percentage of completion, NGAAP)	344,700	(142,308)	202,392
Reconciliation EBITDA to Operating profit (loss):			
EBITDA (percentage of completion)	344,700	(142,308)	202,392
Sales revenues (adjustment effect of percentage of completion)	(1,954,173)	-	(1,954,173)
Sales revenues (completed contract)	3,055,744	-	3,055,744
Project expenses (adjustment effect of percentage of completion)	1,575,929	-	1,575,929
Project expenses (completed contract)	(2,564,935)	-	(2,564,935)
Lease expenses	-	8,524	8,524
Depreciation and amortisation	-	(9,231)	(9,231)
Share of profits (losses) from associated companies and joint ventures	(13,352)	-	(13,352)
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	443,913	(143,015)	300,898
Units under construction	784	N/A	N/A
Units delivered	655	N/A	N/A

At 31 December 2022

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	2,794,366	61,669	2,856,035
Project expenses	(2,234,250)	954	(2,233,296)
Other operating expenses	(34,978)	(210,803)	(245,781)
EBITDA (percentage of completion, NGAAP)	525,138	(148,180)	376,958
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	525,138	(148,180)	376,958
Sales revenues (adjustment effect of percentage of completion)	(2,729,302)	-	(2,729,302)
Sales revenues (completed contract)	2,769,646	-	2,769,646
Project expenses (adjustment effect of percentage of completion)	2,161,251	-	2,161,251
Project expenses (completed contract)	(2,241,690)	-	(2,241,690)
Lease expenses	-	9,513	9,513
Depreciation and amortisation	-	(9,717)	(9,717)
Share of profits (losses) from associated companies and joint ventures	85,726	-	85,726
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	570,769	(148,384)	422,385
Units under construction	1,253	N/A	N/A
Units delivered	585	N/A	N/A

5. Inventory - property

The group has property which comprises land and buildings intended for sale in the ordinary course of business or in the process of construction or development for such sale. Inventories thus comprise land, property held for resale,

and property under development and construction. Inventories are measured at the lower of cost and net realisable value.

(figures in NOK 1 000)	Q4 2023	Q3 2023	2022
Land (undeveloped)	667,305	693,212	719,324
Work in progress	2,013,825	2,947,222	3,384,214
Completed units	518,324	309,257	169,671
Carrying amount	3,199,454	3,949,691	4,273,209

6. Project expenses and EBITDA

The group expenses all directly attributable costs in construction projects as project expenses. These include financial expenses. Below is a specification showing the

project cost and EBITDA including and excluding financial expenses.

(figures in NOK 1 000)	Q4 2023	Q4 2022	2023	2022
Project expenses	(1,042,822)	(514,423)	(2,677,166)	(2,313,735)
Finance expenses	(72,432)	(20,414)	(141,551)	(84,995)
Other project expenses	(970,390)	(494,009)	(2,535,615)	(2,228,740)

(figures in NOK 1 000)	Q4 2023	Q4 2022	2023	2022
EBITDA ¹	130,190	66,342	310,129	432,102
EBITDA margin	10.4%	9.9%	9.5%	14.9%
EBITDA adjusted ²	202,622	86,756	451,680	517,097
EBITDA margin adjusted	16.3%	13.0%	13.9%	17.9%

¹ EBITDA is operating profit before interest, taxes, depreciation, amortisation and other gains (losses).

² EBITDA adjusted excludes financial expenses included in project costs.

The EBITDA margin is affected positively by presenting results from joint ventures net and excluding them from turnover. For more information, see note 8 on proportional

consolidation, which presents the effect if the joint ventures had been included with their share of turnover, in other words, not presented net.

7. Collaboration with Urban Property

With effect from January 2020, large parts of the available land portfolio for Selvaag Bolig (SBO) have been owned by Urban Property (UP). The companies are long-term and strategic partners. UP is owned by Oslo Pensjonsforsikring AS with a 40 per cent holding, Equinor Pensjon with 30 per cent, Selvaag AS with 20 per cent and Rema Etablering Norge AS with 10 per cent. The Selvaag AS holding in UP makes the latter a related party to SBO pursuant to the IFRS, but not according to the Norwegian Public Limited Companies Act. See note 26 to the consolidated accounts for 2020 for detailed information on the transaction.

UP is a financially sound, well-capitalised and predictable partner. The collaboration agreement includes the following elements:

- UP has a pre-emptive right to buy new land SBO wants to develop.
- SBO has an option to buy back the land from UP.
- The land is repurchased in stages by SBO at its original acquisition price plus an annual option premium of Nibor plus 3.75 per cent. In addition comes a transaction fee, which is 0.5 per cent when UP buys property from the landowner and 2.0 per cent when SBO buys from UP.
- SBO pays 50 per cent of the purchase price to UP on taking over a property (when construction starts) and 50 per cent on completion of the project.
- If SBO decides not to exercise the option on a land plot, there is a 48-month option premium (break fee).
- The agreement includes financial covenants, see note 10.

The transaction covered properties which were divided into Portfolios A, B and C. Portfolio A was converted to portfolio C with effect from January 2021 following a renegotiation of the collaboration agreement between the parties.

Portfolio B

In accounting terms, Portfolio B is treated as a financing arrangement because SBO retains control of these properties. This means that the carrying amount of Portfolio B remains unchanged as inventory after the transaction, while the consideration from the sale of Portfolio B has been recognised as a liability for repurchase agreements (to UP) in the SBO balance sheet.

The option premium related to the properties in Portfolio B is paid quarterly. These premiums are treated for accounting purposes in the same way as interest charges on land loans. They are recognised in the balance sheet as part of inventory and expensed as cost of sales when completed residential units are delivered. Option premiums paid and capitalised for land in Portfolio B amounted to NOK 6.0 million in the fourth quarter (NOK 4.8 million). For the year, option premiums paid and capitalised were NOK 21.9 million (NOK 15.7 million). SBO can cancel the option at any given time on payment of a fixed break fee corresponding to 48 months of option premiums for the property. SBO pays 50 per cent of the purchase price to UP on taking over a property and 50 per cent on completion of the project.

Portfolio C

Portfolio C covers properties that the group has the right or obligation to purchase from UP in the future. An agreement has been entered into which means that UP acquires rights and obligations corresponding to those currently held by the group in relation to the landowners. SBO will remain the formal counterparty to the present landowners. The agreement covers agreements on future property acquisitions where UP will be the formal counterparty to the landowners. After UP has acquired a property, SBO will have an option to buy it back on specified terms.

Fifty per cent of the option premium in Portfolio C falls due when SBO acquires the land from UP, with the remainder falling due on completion of the relevant project. Provision for accrued option premiums is made quarterly in SBO's consolidated accounts, as other non-current assets and other non-current liabilities, respectively. The asset is reclassified as inventory upon the land takeover, while the remaining unpaid option premium is reclassified to short-term liabilities for repurchase agreements and seller credits. Provision for and capitalisation of option premiums for Portfolio C amounted to NOK 48.4 million in the fourth quarter (NOK 30.9 million). For the year, option premiums paid and capitalised were NOK 166.4 million (NOK 101.0 million). Accumulated provisions and capitalisation at 31 December totalled NOK 337.6 million (NOK 174.4 million).

SBO can cancel the option at any given time in exchange for a break fee comprising the accumulated increase in the repurchase price for the property plus a fixed supplement corresponding to 48 months of growth in the repurchase price. When exercising an option, SBO pays 50 per cent of the purchase price to UP upon takeover of the property and 50 per cent upon project completion.

SBO did not purchase any land plots from UP during the fourth quarter. The company sold a land plot in Bærum to UP for NOK 57.5 million during the quarter. In addition,

SBO repaid NOK 89.6 million in seller credits in the fourth (NOK 15.5 million). Debt related to repurchase agreements and seller credits was NOK 404.6 million at the end of the

quarter (NOK 582.3 million). Of this, NOK 292.6 million was portfolio B (NOK 292.6 million) and NOK 112.0 million was seller credits (NOK 289.7 million).

8. Proportional consolidation related to associate companies and joint ventures - pro forma information

Selvaag Bolig executes a number of its housing projects in collaboration with other parties, often on a 50-50 basis. These are recognised in the statement of comprehensive income pursuant to the IFRS using the equity method, where Selvaag Bolig's share of the net result is presented as share of profit/(loss) from associated companies and joint ventures. Selvaag Bolig finds that the share of collaboration projects is increasing and that, in this context, it is relevant to provide information on how the

statement of comprehensive income would have appeared were the equity interest in collaboration projects to be consolidated.

In the table below, the statement of comprehensive income pursuant to the IFRS has been restated to show the proportional consolidation of associated companies and joint ventures in accordance with Selvaag Bolig's equity interest in collaboration projects.

Statement of proportional consolidation	Q4 2023			Q4 2022		
	IFRS	Adj share Assoc/JV gross	Pro forma gross Assoc/JV	IFRS	Adj share Assoc/JV gross	Pro forma gross Assoc/JV
(figures in NOK 1 000)						
Revenues	1,229,583	143,039	1,372,622	649,435	2,950	652,385
Other revenues	17,118	2,673	19,791	19,398	2,534	21,932
Total operating revenues	1,246,701	145,712	1,392,413	668,833	5,484	674,317
Project expenses	(1,042,822)	(121,364)	(1,164,186)	(514,423)	(10,710)	(525,133)
Salaries and personnel costs	(49,276)	(265)	(49,541)	(50,216)	(278)	(50,494)
Depreciation and amortisation	(2,359)	(1,100)	(3,459)	(2,542)	(959)	(3,501)
Other operating expenses	(31,954)	(5,709)	(37,663)	(29,618)	(1,608)	(31,226)
Total operating expenses	(1,126,411)	(128,438)	(1,254,849)	(596,799)	(13,554)	(610,353)
Associated companies and joint ventures	7,541	(7,541)	-	(8,234)	8,234	-
Other gains (losses), net	-	-	-	-	-	-
Operating profit	127,831	9,733	137,564	63,800	164	63,964
Financial income	8,567	450	9,017	6,548	571	7,119
Financial expenses	1,021	(3,909)	(2,888)	(3,744)	(2,407)	(6,151)
Net financial expenses	9,588	(3,459)	6,130	2,804	(1,836)	968
Profit/(loss) before taxes	137,419	6,275	143,694	66,604	(1,673)	64,932
Income taxes	(29,100)	(6,274)	(35,374)	(21,191)	1,673	(19,518)
Net income	108,319	-	108,319	45,413	-	45,413
EBITDA¹	130,190	10,833	141,023	66,342	1,123	67,465
EBITDA margin¹	10.4%	N/A	10.1%	9.9%	N/A	10.0%
EBITDA adj²	202,622	16,745	219,367	86,756	1,188	87,944
EBITDA margin adj²	16.3%	N/A	15.8%	13.0%	N/A	13.0%

¹ EBITDA is operating profit before interest, taxes, depreciation, amortisation and other gains (losses).

² EBITDA adjusted excludes financial expenses included in project costs. See note 6.

Statement of proportional consolidation	12M 2023			12M 2022		
	IFRS	Adj share Assoc/JV gross	Pro forma gross Assoc/JV	IFRS	Adj share Assoc/JV gross	Pro forma gross Assoc/JV
(figures in NOK 1 000)						
Revenues	3,186,235	195,802	3,382,037	2,830,818	463,631	3,294,449
Other revenues	68,416	9,347	77,763	65,561	9,801	75,362
Total operating revenues	3,254,651	205,149	3,459,800	2,896,379	473,431	3,369,810
Project expenses	(2,677,166)	(179,330)	(2,856,496)	(2,313,735)	(329,638)	(2,643,373)
Salaries and personnel costs	(145,318)	(1,026)	(146,344)	(139,035)	(1,174)	(140,209)
Depreciation and amortisation	(9,231)	(4,042)	(13,273)	(9,717)	(3,845)	(13,562)
Other operating expenses	(108,686)	(20,938)	(129,624)	(97,233)	(22,652)	(119,885)
Total operating expenses	(2,940,401)	(205,335)	(3,145,736)	(2,559,720)	(357,308)	(2,917,028)
Associated companies and joint ventures	(13,352)	13,352	-	85,726	(85,726)	-
Other gains (losses), net	-	-	-	-	-	-
Operating profit	300,898	13,166	314,064	422,385	30,398	452,783
Financial income	29,778	1,354	31,132	15,384	1,323	16,707
Financial expenses	(11,199)	(13,375)	(24,574)	(12,654)	(6,891)	(19,545)
Net financial expenses	18,579	(12,021)	6,559	2,730	(5,569)	(2,839)
Profit/(loss) before taxes	319,477	1,146	320,623	425,115	24,829	449,944
Income taxes	(74,800)	(1,146)	(75,946)	(86,262)	(24,829)	(111,091)
Net income	244,677	-	244,677	338,853	-	338,853
EBITDA¹	310,129	17,208	327,337	432,102	34,242	466,344
EBITDA margin¹	9.5%	N/A	9.5%	14.9%	N/A	13.8%
EBITDA adj²	451,680	25,088	476,768	517,097	44,580	561,677
EBITDA margin adj²	13.9%	N/A	13.8%	17.9%	N/A	16.7%

¹ EBITDA is operating profit before interest, taxes, depreciation, amortisation and other gains (losses).

² EBITDA adjusted excludes financial expenses included in project costs. See note 6.

9. Alternative Performance Measures (APMs)

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the EU. In addition, Selvaag Bolig presents several Alternative Performance Measures (APMs). APMs are performance measures not defined in the applicable financial reporting framework of IFRS and are therefore not necessarily comparable or equal to the calculation of similar measures used by other companies. The APMs are reported in addition to, but are not substitutes for, the group's consolidated financial statements, prepared in accordance with IFRS. Below we present an overview of which alternative performance measures are included in the quarterly report, why they are used and how they are defined:

EBITDA:

EBITDA is a measure of operating profit before interest, tax, depreciation, amortisation and other gains (losses).

The basis for the calculation of this are the consolidated financial statements according to IFRS, see the table below. The group presents this because group management believes that EBITDA gives useful additional information about the profitability of the group's operations. EBITDA is used by many companies and is well suited to comparing profitability between companies.

Adjusted EBITDA:

Adjusted EBITDA is EBITDA, as defined above, less financial expenses which are a part of project costs, see the table below. Since IFRS requires that financial expenses that are capitalised as a part of inventory must be expensed as costs of goods on delivery, adjusted EBITDA is presented to show the profitability of the group's operations before financial expenses. The group presents this because group management believes that adjusted EBITDA provides useful additional information about the underlying profitability of the group's operations.

(figures in NOK 1 000)	Q4 2023	Q4 2022	2023	2022
Operating profit	127,831	63,800	300,898	422,385
Depreciation and amortisation	2,359	2,542	9,231	9,717
Other gains (losses), net	-	-	-	-
EBITDA	130,190	66,342	310,129	432,102
Finance expenses ¹	72,432	20,414	141,551	84,995
EBITDA adjusted	202,622	86,756	451,680	517,097

¹ See note 6

EBITDA (percentage of completion, NGAAP):

EBITDA (percentage of completion, NGAAP) is the operating profit before interest, tax, depreciation, amortisation, profits from associated companies and joint ventures and other gains (losses). The basis for this is from the group's segment reporting where the percentage of completion method, which is the completion ratio multiplied by sales ratio, is used, see note 4. The group presents this because group management believes that EBITDA (percentage of completion, NGAAP) gives

important additional information about the underlying value creation trends in the group.

Net interest-bearing debt:

Net interest-bearing debt is the sum of interest-bearing debt less cash and cash equivalents, see table on page 5. The group presents this because it believes it to be a useful indicator of the group's debt, financial flexibility and capital structure.

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About Selvaag Bolig

Selvaag Bolig ASA is a residential property developer controlling the entire value chain from acquisition of land to sale of homes. The company has several thousand homes under development at any given time, and focuses on the growth areas in and around Greater Oslo, Bergen, Stavanger, Trondheim and Stockholm. Selvaag Bolig represents a continuation of Selvaag's 75-year history and experience, and offers a broad variety of property types. The company is headquartered at Ullern in Oslo.

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