

SELVAAG BOLIG

Q2 2022

Second quarter results



Highlights of the second quarter 2022

There were many units delivered and results for the quarter were good. The board has approved a dividend of NOK 2.00 per share for the first half.

- Operating revenues¹ NOK 966 million (394)
- Adjusted EBITDA³ NOK 233 million (88) and ordinary EBITDA² NOK 206 million (79)
- Pre-tax profit of NOK 204 million (74)
- 120 units sold⁶ (173) and construction started on 190 (142)
- 210 units completed (120) and 217 delivered (132)
- A total of 1 342 units (1 371) under construction at 30 June, with a combined sales value of NOK 6 807 million (6 749)
- 75 per cent of units under construction (82 per cent) sold. 92 per cent of the units being completed in 2022 are sold (94)
- In accordance with its mandate from the most recent AGM, the board has approved a dividend of NOK 2.00 per share for the first half (NOK 2.00)

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

Key figures

(figures in NOK 1 000)	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
IFRS main figures					
Operating revenues ¹	965 914	394 178	1 322 157	962 032	3 402 746
EBITDA ²	205 838	78 914	257 596	196 779	658 597
EBITDA adjusted ³	232 537	87 941	293 296	216 939	755 854
Operating profit/(loss)	203 368	76 341	252 828	191 644	648 325
Profit/(loss) before taxes	203 899	74 020	251 174	185 329	645 331
Net income	176 815	56 433	214 368	133 080	504 905
Cash flow from operating activities	297 489	(415 176)	(11 035)	(503 019)	392 588
Net cash flow	15 053	(117 776)	182 064	(305 181)	(357 898)
Interest-bearing liabilities	2 538 788	3 000 865	2 538 788	3 000 865	2 147 683
Total assets	5 988 136	6 414 806	5 988 136	6 414 806	5 781 958
Equity	2 394 991	2 288 346	2 394 991	2 288 346	2 468 841
Equity ratio	40.0%	35.7%	40.0%	35.7%	42.7%
Earnings per share in NOK	1.90	0.60	2.30	1.42	5.40
Segment reporting (NGAAP⁴)					
Operating revenues	784 337	881 078	1 542 238	1 738 962	3 308 143
EBITDA ⁵	103 681	148 532	209 925	295 923	523 504
EBITDA margin	13.2%	16.9%	13.6%	17.0%	15.8%
Key figures (net, adjusted for share in joint ventures)					
Number of units sold ⁶	120	173	321	421	821
Number of construction starts	190	142	303	276	880
Number of units delivered	217	132	294	256	894
Number of units completed	210	120	284	215	867

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. In accordance with the IFRS, they are recognised as income on delivery.

Financial review

Summary of overall results

(figures in NOK 1 000)	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Total operating revenues	965 914	394 178	1 322 157	962 032	3 402 746
Project expenses	(804 068)	(304 827)	(1 057 248)	(706 024)	(2 617 422)
Other operating expenses, salaries and personnel costs, depreciation and amortisation	(59 665)	(52 451)	(108 271)	(109 757)	(246 696)
Total operating expenses	(863 733)	(357 278)	(1 165 519)	(815 781)	(2 864 118)
Associated companies and joint ventures	101 187	39 441	96 190	45 393	109 697
Other gains (losses), net	-	-	-	-	-
Operating profit	203 368	76 341	252 828	191 644	648 325
Net financial expenses	531	(2 321)	(1 654)	(6 315)	(2 994)
Profit before taxes	203 899	74 020	251 174	185 329	645 331
Income taxes	(27 084)	(17 587)	(36 806)	(52 249)	(140 426)
Net income	176 815	56 433	214 368	133 080	504 905

Results for the second quarter of 2022

(Figures in brackets relate to the corresponding period of 2021. The figures are unaudited.)

Selvaag Bolig had operating revenues of NOK 965.9 million (NOK 394.2 million) in the second quarter. Revenues from units delivered accounted for NOK 911.3 million (NOK 357.1 million) of the total. In addition, the group sold three land plots for a total of NOK 36.9 million. Other revenues derived from non-core activities, mainly provision of services.

A total of 217 units (132) were delivered in the quarter, including 148 (86) from consolidated project companies and 69 (46) from joint ventures.

Project costs for the quarter totalled NOK 804.1 million (NOK 304.8 million), of which NOK 27.0 million (NOK 9.0 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 59.7 million (NOK 52.5 million) for the period. Payroll costs accounted for NOK 28.9 million (NOK 24.6 million) of this figure. In addition, NOK 4.5 million (NOK 4.8 million) in payroll costs relating to housing under construction were capitalised during the quarter and will be expensed as project costs on future delivery.

Other operating costs came to NOK 28.3 million (NOK 25.3 million) for the quarter, including NOK 9.4 million (NOK 9.3 million) for sales and marketing.

The share of profit from associates and joint ventures came to NOK 101.2 million (NOK 39.4 million) for the quarter. This

increase from the same period of 2021 primarily reflected more units delivered from joint ventures.

Reported EBITDA was NOK 205.8 million (NOK 78.9 million), corresponding to a margin of 21.3 per cent (20.0 per cent). EBITDA adjusted for financial expenses included in project costs came to NOK 232.5 million (NOK 87.9 million), corresponding to a margin of 24.1 per cent (22.3 per cent). The change in EBITDA from the second quarter of 2021 primarily reflected an increase in units delivered. The EBITDA margin was also influenced positively this quarter by an increase in deliveries in joint ventures because results from joint ventures are presented net and thus not included in turnover. For more information, see note 8 on proportional consolidation.

Consolidated depreciation and amortisation totalled NOK 2.5 million (NOK 2.6 million) for the quarter. Operating profit thereby came to NOK 203.4 million (NOK 76.3 million).

Net financial income amounted to NOK 0.5 million (minus at NOK 2.3 million). Pre-tax profit for the quarter thereby came to NOK 203.9 million (NOK 74.0 million).

Tax expense for the period was NOK 27.1 million (NOK 17.6 million). Comprehensive income for the second quarter came to NOK 176.8 million (NOK 56.4 million). NOK 176.8 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 56.4 million), and NOK 0 to non-controlling shareholders (NOK 0).

Results for the first half of 2022

Selvaag Bolig had operating revenues of NOK 1 322.2 million (NOK 962.0 million) in the first half. Revenues from units delivered accounted for NOK 1 253.7 million (NOK 900.7 million) of the total. In addition, the group sold three land plots for a total of NOK 36.9 million. Other revenues related to non-core activities, mainly provision of services.

A total of 294 units (256) were delivered in the quarter, including 224 (200) from consolidated project companies and 70 (56) from joint ventures.

Project costs for the first half totalled NOK 1 057.2 million (NOK 706.0 million). Total project expenses primarily represented 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 108.3 million (NOK 109.8 million) for the period. Payroll costs accounted for NOK 55.1 million (NOK 52.5 million) of this figure. In addition, NOK 9.3 million (NOK 9.6 million) in payroll costs relating to housing under construction was capitalised during the first half and will be expensed as project costs on future delivery.

Other operating costs came to NOK 48.5 million (NOK 52.1 million), including NOK 13.1 million (NOK 18.6 million) for sales and marketing.

The share of profit from associates and joint ventures came to NOK 96.2 million (NOK 45.4 million). This increase from the same period of 2021 reflected more units delivered from joint ventures.

Reported EBITDA for the first half was NOK 257.6 million (NOK 196.8 million), corresponding to a margin of 19.5 per cent (20.5 per cent). EBITDA adjusted for financial expenses included in project costs came to NOK 293.3 million (NOK 216.9 million), corresponding to a margin of 22.2 per cent (22.6 per cent). The increase in EBITDA from the first half of 2021 primarily reflected more units delivered, while the EBITDA margin is 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 first half came to NOK 252.8 million (NOK 191.6 million). Net financial expenses amounted to NOK 1.7 million (NOK 6.3 million).

Pre-tax profit for the first half was NOK 251.2 million (NOK 185.3 million). Estimated tax expense for the period is NOK 36.8 million (NOK 52.2 million).

Comprehensive income for the first half came to NOK 214.4 million (NOK 133.1 million). NOK 214.4 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 133.1 million), and NOK 0 to non-controlling shareholders (NOK 0).

Cash flow

Consolidated net cash flow from operational activities was NOK 297.5 million (negative at NOK 415.2 million) for the second quarter. The increase from the same period of 2021 was primarily because of more units delivered.

In the first half, consolidated net cash flow from operational activities was negative at NOK 11 million (negative at NOK 503 million). The increase from the same period of 2021 was primarily due to a change in inventories. See note 5 for more information.

Net cash flow from investing activities amounted to NOK 44.8 million (NOK 41.3 million) for the quarter.

In the first half, cash flow from investing activities amounted to NOK 131.2 million (NOK 35.7 million). The change from

the previous year is primarily due to dividends from joint ventures received in 2022.

Net cash flow from financing activities was negative at NOK 327.2 million (positive at NOK 256.1 million) for the quarter. The change from the same period of 2021 primarily reflected the redemption of construction loans this year.

In the first half, net cash flow from financing activities was NOK 61.9 million (NOK 162.1 million). The change from last year primarily reflected lower net drawdown of construction loans.

The group's holding of cash and cash equivalents at 30 June totalled NOK 709.5 million (NOK 580.2 million), an increase of NOK 15.1 million from 31 March and NOK 129.3 million from a year earlier.

Cash flow summary

(figures in NOK 1 000)	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Profit before taxes	203 899	74 020	251 174	185 329	645 331
Net cash flow from operating activities	297 489	(415 176)	(11 035)	(503 019)	392 588
Net cash flow from investment activities	44 757	41 288	131 191	35 738	167 129
Net cash flow from financing activities	(327 193)	256 112	61 908	162 099	(917 616)
Net change in cash and cash equivalents	15 053	(117 776)	182 064	(305 181)	(357 898)
Cash and cash equivalents at start of period	694 446	697 928	527 435	885 333	885 333
Cash and cash equivalents at end of period	709 499	580 152	709 499	580 152	527 435

Financial position

The carrying amount of Selvaag Bolig's total inventory (land, units under construction and completed units) at 30 June was NOK 4 122.2 million, compared with NOK 4 357.1 million at 31 March and NOK 4 681.1 million a year earlier. The decrease in the second quarter primarily reflected delivered units. See note 5 for a further specification of inventory.

Equity was NOK 2 395.0 million (NOK 2 288.3 million) at 30 June, corresponding to an equity ratio of 40.0 per cent (35.7 per cent). Selvaag Bolig ASA paid a dividend of NOK 279.8 million in the second quarter (NOK 280.5 million), based on profit for the second half of 2021. 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 545.9 million (NOK 636.8 million) at 30 June, of which NOK 203.0 million (NOK 302.6 million) represented advance payments from customers.

At 30 June, consolidated interest-bearing debt amounted to NOK 2 538.8 million (NOK 3 000.9 million), of which 1 239.8 million (NOK 1 481.8 million) was non-current and NOK 1 299.0 million (NOK 1 519.1 million) was current. NOK 616.1 million (NOK 739.5 million) of current debt related to repurchase agreements with and seller credits for Urban Property. See note 7 for more information.

The group had land loans totalling 239.5 million (NOK 249.5 million) at 30 June. 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 150 million with DNB, which matures in April 2023. The group also has an annually renewed overdraft facility of NOK 150 million with the same bank. Furthermore, the company established

in 2021 a credit facility of NOK 300 million with DNB for infrastructure financing. This matures in January 2024. No

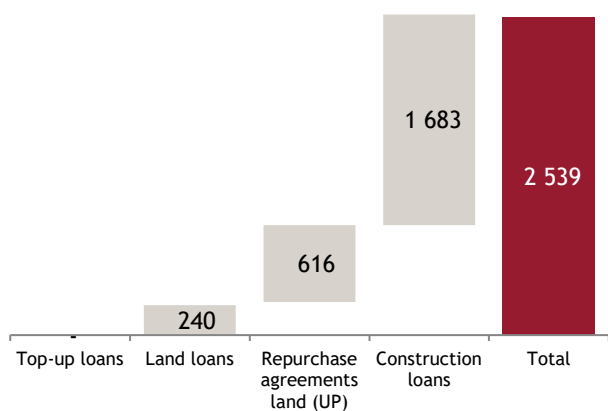
drawings had been made against any of these facilities at 30 June.

Net interest-bearing debt

(figures in NOK 1 000)	Q2 2022	Q1 2022	Q2 2021	2021
Non-current interest-bearing debt	1 239 753	1 189 888	1 481 762	777 200
Current interest-bearing debt	682 921	620 922	779 652	688 330
Current liabilities repurchase agreements and seller	616 114	751 178	739 451	682 153
Cash and cash equivalents	(709 499)	(694 446)	(580 152)	(527 435)
Net interest-bearing debt	1 829 289	1 867 542	2 420 713	1 620 248

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 30 June, the group had no top-up loans, land loans of NOK 240 million, repurchase agreements with Urban Property of NOK 616 million and total construction loans of NOK 1 683 million.

Interest-bearing debt at 30 June 2022 (NOK mill)



Interest costs on land loans are normally recognised in profit and loss until the site secures planning permission. They are 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 30 June, interest of NOK 156 million on land loans had been capitalised, while interest of NOK 84 million relating to land loans was recognised in profit and loss.

In connection with the Urban Property transaction on 21 January 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 UP. 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 the 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 3.7 million (NOK 4.4 million) for the second quarter and NOK 7.0 million (NOK 9.7 million) for the first half.

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 second quarter came to NOK 23.3 million (NOK 21.5 million). Provision for and capitalisation of option premiums for portfolio C in the first half came to NOK 45.1 million (NOK 42.9 million). At 30 June, total provision and capitalisation came to NOK 125.2 million (NOK 56.9 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 second quarter and first half 2022

Second quarter

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q2 22	Q2 21	Q2 22	Q2 21	Q2 22	Q2 21
Housing development (NGAAP)	767 771	868 518	136 191	176 163	149 209	197 853
Other	16 566	12 560	(32 510)	(27 631)	(32 877)	(27 873)
IFRS adjustments	181 577	(486 900)	102 157	(69 618)	87 036	(93 639)
Total group (IFRS)	965 914	394 178	205 838	78 914	203 368	76 341

Jan-Jun

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	6M 22	6M 21	6M 22	6M 21	6M 22	6M 21
Housing development (NGAAP)	1 512 797	1 711 808	272 417	352 409	294 686	409 934
Other	29 441	27 154	(62 492)	(56 486)	(63 075)	(56 969)
IFRS adjustments	(220 081)	(776 930)	47 671	(99 144)	21 217	(161 321)
Total group (IFRS)	1 322 157	962 032	257 596	196 779	252 828	191 644

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 second quarter were NOK 767.8 million (NOK 868.5 million). They derived from 21 projects (17) in production.

Operating costs, primarily for construction and sales, are directly related to the projects and amounted to NOK 631.6 million (NOK 692.3 million) for the second 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 136.2 million (NOK 176.2 million) for the quarter, corresponding to a profit margin of 17.7 per cent (20.3 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 second quarter came to NOK 16.6 million (NOK 12.6 million), while operating costs amounted to NOK 49.1 million (NOK 40.2 million). Costs relate largely to remuneration for the administration and management, as well as other costs. EBITDA was thereby negative at NOK 32.5 million (negative at NOK 27.6 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. Pursuant to the IFRS, these are recognised as income on delivery.

Operations

Gross sales during the quarter totalled 139 units with a combined value of NOK 751 million. Selvaag Bolig's share amounted to 120 units with a combined value of NOK 634 million.

Work started on constructing 190 units during the second quarter, so that Selvaag Bolig had 1 342 units worth some NOK 6.8 billion under construction at 30 June. A total of 210 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 second quarter.

Quarterly development of the project portfolio

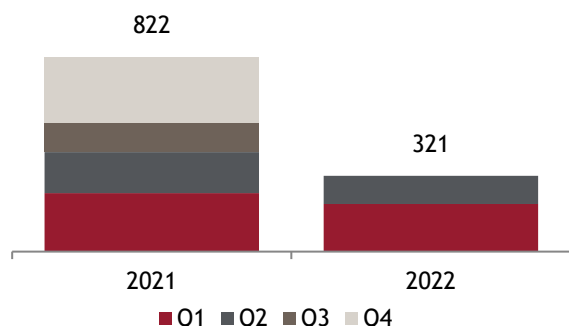
	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
Units sold	173	125	276	201	120
Construction starts	142	148	456	113	190
Units completed	120	318	334	74	210
Units delivered	132	314	324	77	217
Units under construction	1 371	1 201	1 323	1 361	1 342
Proportion of sold units under construction	82 %	76 %	67 %	73 %	75 %
Completed unsold units	15	16	25	19	13
Sales value of units under construction (NOK million)	6 749	6 200	6 736	7 034	6 807

Purchase and sale of land

Selvaag Bolig sold three land plots for a total of NOK 36.9 million during the quarter. No new agreements were entered into for the purchase of land plots during the quarter.

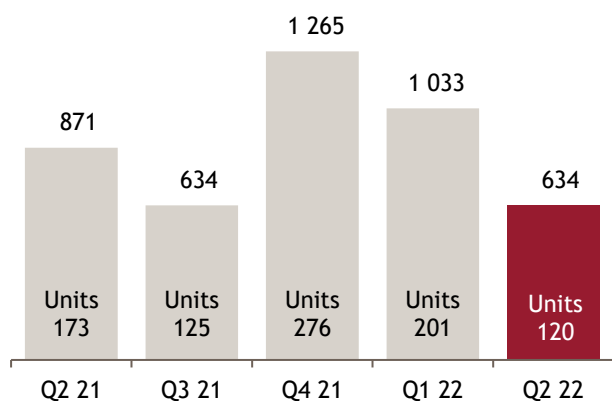
Sales development and progress

Units sold



Total housing sales during the second quarter, including Selvaag Bolig's relative share of joint ventures, amounted to 120 units with a combined sales value of NOK 634 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 2021 totalled 173 units with a combined value of NOK 871 million.

Value of units sold (NOK mill)



Selvaag Bolig started sales during the quarter in four projects, comprising 213 residential units (154).

Sales starts in the quarter

Project	No of units	Category	Region
Skårerbyen Gårdskvartalet	104	Flat	Greater Oslo
Pallplassen Lørenskog	53	Flat	Greater Oslo
Skifabrikken	32	Flat	Greater Oslo
Lille Løren Park	24	Flat	Greater Oslo
Total	213		

Construction began on 190 (142) units during the quarter. At 30 June, Selvaag Bolig consequently had 1 342 (1 371) units under construction. They included 1 014 units in Greater

Oslo, 78 units in Trondheim, 135 units in Bergen and 115 in Rogaland county.

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 30 June - in other words, the sales value of the 1 342 (1 371) units then under construction - was NOK 6 807 million (NOK 6 749 million).

A total of 210 (120) units were completed in the second quarter, and 217 (132) - including ones completed earlier - were delivered. The completed units were spread over five projects.

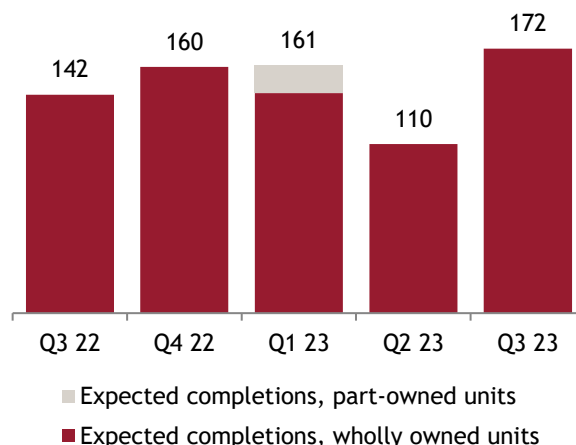
At 30 June, the group held 13 (15) completed but unsold units. Consolidated project companies accounted for 148 (86) of the units delivered, while 69 (46) were in part-owned project companies.

Units completed by project

Project	No of units	Category	Region
Lørenskog Stasjonsby Silkeføret	48	Flat	Greater Oslo
Landås Pluss	49	Flat	Greater Oslo
Tiedemannsparken	71	Flat	Greater Oslo
Aase Gaard	12	Terraced	Rogaland
Lervig Brygge Epletunet	30	Flat	Rogaland
Total	210		

Based on anticipated progress for the projects, 142 units are expected to be completed in the third quarter of 2022. Estimated completions for 2022 as a whole amount to 586 units.

Expected number of completions



Share information

The company had 93.77 million issued shares at 30 June, divided between 5 127 shareholders.

The 20 largest shareholders controlled 82.8 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 35.55 to NOK 50.40. The closing price at 30 June was NOK 35.55. That compared with NOK 50 at 31 March, and the share price accordingly fell by 28.9 per cent over the quarter. A dividend of NOK 3.00 per share was paid in the second quarter. Corrected for this payout, the share price fell by 22.9 per cent over the period.

In accordance with its mandate from the most recent AGM, the board has approved a dividend of NOK 2.00 per share for the first half (NOK 2.00). This will be paid on 31 August.

Just over 2.2 million shares, or 2.4 per cent of the overall number outstanding, were traded during the period. Share turnover totalled NOK 96.7 million during the quarter, corresponding to an average daily figure of roughly NOK 1.6 million.

20 largest shareholders at 30 June 2022

Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
Skandinaviska Enskilda Banken AB *	6 812 642	7.3%
PARETO INVEST NORGE AS	4 311 772	4.6%
VERDIPAPIRFONDET ALFRED BERG GAMBA	3 117 700	3.3%
The Northern Trust Comp, London Br *	2 186 000	2.3%
JPMorgan Chase Bank, N.A., London *	1 989 006	2.1%
Skandinaviska Enskilda Banken AB *	1 000 000	1.1%
MUSTAD INDUSTRIER AS	950 707	1.0%
SANDEN EQUITY AS	900 000	1.0%
The Northern Trust Comp, London Br *	840 200	0.9%
State Street Bank and Trust Comp *	838 613	0.9%
BANAN II AS	750 000	0.8%
Landkreditt Utbytte	700 000	0.7%
Brown Brothers Harriman & Co. *	684 200	0.7%
Brown Brothers Harriman & Co. *	515 656	0.5%
SELVAAG BOLIG ASA	511 933	0.5%
HOLTA INVEST AS	370 000	0.4%
The Bank of New York Mellon SA/NV *	354 994	0.4%
State Street Bank and Trust Comp *	326 352	0.3%
Citibank, N.A. *	325 020	0.3%
Total 20 largest shareholders	77 664 882	82.8%
Other shareholders	16 100 806	17.2%
Total number of shares	93 765 688	100.0%

* Further information regarding shareholders is presented at:
<http://sboasa.no/en>

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 progress.

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. 75 per cent of total units under construction and 92 per cent of planned completions in 2022 had been sold at 30 June.

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. Macroeconomic conditions and strong household purchasing power mean that Selvaag Bolig expects a stabile newbuild market going forward. There is, however, uncertainty tied to the development in household purchasing power as a result of interest rate increases, energy prices, inflation and geopolitical uncertainty. The war in Ukraine has led to reduced availability of building

materials and increased construction costs. This could lead to delays in sales and construction starts due to construction costs being too high. Recently, however, prices have declined for steel and lumber, among others. Units under construction are not impacted by increased construction costs since nearly all of these have fixed price contracts.

Selvaag Bolig is well prepared organisationally, operationally and financially to support and strengthen its market position going forward. The company has a solid order reserve, upcoming first sales from new projects and capital to buy new land plots.

Transactions with related parties

Pursuant to the accounting rules, Urban Property is a related party to the group. This means that ongoing option premiums and repurchases are regarded as related-party transactions. During the second quarter, the group did not repurchase any land from UP.

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

Housing market

Activity in the Norwegian housing market was normal in the second quarter, with differing price trends in Selvaag Bolig's core areas.

According to Statistics Norway, seasonally adjusted national existing home prices at 30 June were on average 1.7 per cent higher than at 31 March and up by 6.4 per cent from 30 June 2021.

Regionally, prices rose by 1.1 per cent during the quarter in Oslo including Bærum, and were 5.7 per cent higher than at 30 June 2021. In Akershus excluding Bærum, prices rose by 1.2 per cent and were up by 3.9 per cent from 30 June 2021. Prices in Stavanger rose by 0.9 per cent during the quarter,

and were 6.4 per cent higher than at 30 June 2021. Prices in Bergen increased by 2.1 per cent in the quarter and were up by 6.2 per cent from 30 June 2021. In Trondheim, prices rose by 0.8 per cent for the quarter and were 8.7 per cent higher than at 30 June 2021.

Selvaag Bolig sold a gross 139 units with a combined value of NOK 751 million during the quarter and sales for the first half ended at 410 units with a value of NOK 2 152 million. Net sales, calculated by adjusting for Selvaag Bolig's share in joint ventures, were 120 units with a value of NOK 634 million in the second quarter, and 321 units valued at NOK 1 667 million for the first half.

Interim financial statements (IFRS)

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)

	Note	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Revenues		948 252	380 777	1 290 657	933 596	3 341 513
Other revenues		17 662	13 401	31 500	28 436	61 233
Total operating revenues		965 914	394 178	1 322 157	962 032	3 402 746
Project expenses		(804 068)	(304 827)	(1 057 248)	(706 024)	(2 617 422)
Salaries and personnel costs		(28 875)	(24 586)	(55 052)	(52 510)	(136 160)
Depreciation and amortisation		(2 470)	(2 573)	(4 768)	(5 135)	(10 272)
Other operating expenses		(28 320)	(25 292)	(48 451)	(52 112)	(100 264)
Total operating expenses		(863 733)	(357 278)	(1 165 519)	(815 781)	(2 864 118)
Associated companies and joint ventures		101 187	39 441	96 190	45 393	109 697
Other gains (losses), net		-	-	-	-	-
Operating profit		203 368	76 341	252 828	191 644	648 325
Financial income		2 467	872	4 246	2 603	10 691
Financial expenses		(1 936)	(3 193)	(5 900)	(8 918)	(13 685)
Net financial expenses		531	(2 321)	(1 654)	(6 315)	(2 994)
Profit/(loss) before taxes		203 899	74 020	251 174	185 329	645 331
Income taxes		(27 084)	(17 587)	(36 806)	(52 249)	(140 426)
Net income		176 815	56 433	214 368	133 080	504 905
Other comprehensive income/expenses						
Translation differences		3 978	2 533	1 921	(2 053)	(3 223)
Total comprehensive income/(loss) for the period		180 793	58 966	216 289	131 027	501 682
Net income for the period attributable to:						
Non-controlling interests		-	-	-	(1)	(4)
Shareholders in Selvaag Bolig ASA		176 815	56 433	214 368	133 081	504 909
Total comprehensive income/(loss) for the period attributable to:						
Non-controlling interests		-	-	-	(1)	(4)
Shareholders in Selvaag Bolig ASA		180 793	58 966	216 289	131 028	501 686
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:						
Earnings per share (basic and diluted) in NOK		1.90	0.60	2.30	1.42	5.40

The consolidated financial information has not been audited

Statements of financial position

(figures in NOK 1 000)	Note	Q2 2022	Q1 2022	Q2 2021	2021
ASSETS					
Non-current assets					
Goodwill		383 376	383 376	383 376	383 376
Property, plant and equipment		8 084	8 158	6 837	7 380
Right-of-use lease assets		21 589	23 661	30 355	25 733
Investments in associated companies and joint ventures		349 178	239 418	438 621	354 699
Loans to associated companies and joint ventures		96 282	94 865	49 741	75 777
Other non-current assets	7	182 646	221 996	157 711	200 782
Total non-current assets		1 041 155	971 474	1 066 641	1 047 747
Current assets					
Inventories (property)	5, 7	4 122 173	4 357 073	4 681 112	4 072 466
Trade receivables		105 032	50 828	61 560	83 831
Other current receivables		10 277	10 033	25 341	50 479
Cash and cash equivalents		709 499	694 446	580 152	527 435
Total current assets		4 946 981	5 112 380	5 348 165	4 734 211
TOTAL ASSETS		5 988 136	6 083 854	6 414 806	5 781 958
EQUITY AND LIABILITIES					
Equity attributed to shareholders in Selvaag Bolig ASA		2 387 203	2 486 171	2 280 555	2 461 053
Non-controlling interests		7 788	7 788	7 791	7 788
Total equity		2 394 991	2 493 959	2 288 346	2 468 841
LIABILITIES					
Non-current liabilities					
Pension liabilities		1 254	1 254	1 238	1 254
Deferred tax liabilities		38 253	38 579	29 176	38 579
Provisions		62 910	62 910	60 373	62 910
Other non-current liabilities	7	259 426	237 685	179 318	219 622
Non-current lease liabilities		14 780	16 705	22 684	18 630
Non-current interest-bearing liabilities		1 239 753	1 189 888	1 481 762	777 200
Total non-current liabilities		1 616 376	1 547 021	1 774 551	1 118 195
Current liabilities					
Current lease liabilities		7 903	8 006	8 316	8 108
Current interest-bearing liabilities		682 921	620 922	779 652	688 330
Current liabilities repurchase agreements and seller credits	7	616 114	751 178	739 451	682 153
Trade payables		65 242	33 185	116 573	129 986
Current tax payables		58 641	87 530	71 089	133 902
Other current non-interest-bearing liabilities		545 948	542 053	636 828	552 443
Total current liabilities		1 976 769	2 042 874	2 351 909	2 194 922
Total liabilities		3 593 145	3 589 895	4 126 460	3 313 117
TOTAL EQUITY AND LIABILITIES		5 988 136	6 083 854	6 414 806	5 781 958

The consolidated financial information has not been audited

Statement of changes in equity

	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 2022	186 898	1 394 857	700 629	6 874	3 528	168 266	2 461 055	7 788 *	2 468 841
Transactions with owners:									
Dividend	-	-	-	-	-	(279 761)	(279 761)	-	(279 761)
Share buy back	(392)	-	-	-	-	(9 986)	(10 378)	-	(10 378)
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	214 368	214 368	-	214 368
Other comprehensive income/(loss) for the period	-	-	-	1 921	-	-	1 921	-	1 921
Equity at 30 June 2022	186 506	1 394 857	700 629	8 795	3 528	92 887	2 387 205	7 788 *	2 394 991
Equity at 1 January 2021									
Equity at 1 January 2021	186 996	1 394 857	700 629	10 097	3 528	133 915	2 430 025	7 792 *	2 437 815
Transactions with owners:									
Dividend	-	-	-	-	-	(280 496)	(280 496)	-	(280 496)
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	133 081	133 081	(1)	133 080
Other comprehensive income/(loss) for the period	-	-	-	(2 053)	-	-	(2 053)	-	(2 053)
Equity at 30 June 2021	186 996	1 394 857	700 629	8 044	3 528	-13 500	2 280 558	7 791 *	2 288 346
Transactions with owners:									
Dividend	-	-	-	-	-	(186 997)	(186 997)	-	(186 997)
Share buy back	(1 008)	-	-	-	-	(25 262)	(26 270)	-	(26 270)
Employee share programme	910	-	-	-	-	22 197	23 107	-	23 107
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	371 828	371 828	(3)	371 825
Other comprehensive income/(loss) for the period	-	-	-	(1 170)	-	-	(1 170)	-	(1 170)
Equity at 31 December 2021	186 898	1 394 857	700 629	6 874	3 528	168 266	2 461 056	7 788 *	2 468 841

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	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
CASH FLOW FROM OPERATING ACTIVITIES						
Profit/(loss) before taxes		203 899	74 020	251 174	185 329	645 331
Income taxes paid		(56 094)	(24 588)	(112 187)	(112 155)	(126 725)
Depreciation and amortisation		2 470	2 573	4 768	5 135	10 272
companies and joint ventures		(101 187)	(39 441)	(96 190)	(45 393)	(109 697)
Changes in inventories (property)	5	256 074	(484 308)	(19 738)	(526 129)	114 544
Changes in trade receivables		(54 204)	55 992	(21 201)	8 906	(13 365)
Changes in trade payables		32 057	61 430	(64 744)	(20 653)	(7 240)
Changes in other operating working capital assets		3 920	(10 680)	47 257	15 511	(23 015)
Changes in other operating working capital		10 554	(50 174)	(174)	(13 570)	(97 517)
Net cash flow from operating activities		297 489	(415 176)	(11 035)	(503 019)	392 588
CASH FLOW FROM INVESTMENT ACTIVITIES						
Proceeds from sale of property, plant and equipment and intangible assets		-	-	163	-	-
Purchases of PPE and intangible assets		(296)	(30)	(1 475)	(30)	(1 097)
Proceeds from sale of associated companies and joint ventures		-	8 046	-	8 046	8 046
Purchases of associated companies and joint ventures		(5 000)	-	(5 000)	-	-
Proceeds from sale of other investments and repayment of loans		68 000	37 199	68 000	39 199	45 875
Purchases of other investments and loans		(17 947)	(5 000)	(44 497)	(13 800)	(39 745)
Dividends and disbursements from associated companies and joint ventures		-	1 073	114 000	2 323	154 050
Net cash flow from investment activities		44 757	41 288	131 191	35 738	167 129
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from borrowings	7	600 961	649 603	1 121 858	994 547	2 311 996
Repayments of borrowings	7	(646 671)	(111 167)	(766 517)	(548 295)	(2 743 972)
Repayments of lease liabilities		(2 027)	(2 131)	(4 054)	(4 262)	(8 524)
Dividends paid to equity holders of Selvaag Bolig		(279 761)	(280 496)	(279 761)	(280 496)	(467 493)
Share buy back Selvaag Bolig ASA		-	-	(10 378)	-	(26 270)
Proceeds from disposal of shares Selvaag Bolig ASA		305	303	760	605	16 647
Net cash flow from financing activities		(327 193)	256 112	61 908	162 099	(917 616)
Net change in cash and cash equivalents		15 053	(117 776)	182 064	(305 181)	(357 898)
Cash and cash equivalents at start of period		694 446	697 928	527 435	885 333	885 333
Cash and cash equivalents at end of period		709 499	580 152	709 499	580 152	527 435

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 2021.

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 2021.

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 2021.

3. Transactions with related parties

See note 23 to the consolidated financial statements for 2021 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 profit (loss) 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.

Second quarter 2022

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	767 771	16 566	784 337
Project expenses	(620 884)	(235)	(621 119)
Other operating expenses	(10 696)	(48 841)	(59 537)
EBITDA (percentage of completion, NGAAP)	136 191	(32 510)	103 681
Reconciliation EBITDA to operating profit (loss)			
EBITDA (percentage of completion)	136 191	(32 510)	103 681
Sales revenues (adjustment effect of percentage of completion)	(725 757)	-	(725 757)
Sales revenues (completed contract)	907 333	-	907 333
Project expenses (adjustment effect of percentage of completion)	568 835	-	568 835
Project expenses (completed contract)	(751 783)	-	(751 783)
Lease liabilities	-	2 342	2 342
Depreciation and amortisation	-	(2 470)	(2 470)
Share of income (losses) from associated companies and joint ventures	101 187	-	101 187
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	236 006	(32 638)	203 368
Units under construction	1 342	N/A	N/A
Units delivered	217	N/A	N/A

Second quarter 2021

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	868 518	12 560	881 078
Project expenses	(679 997)	(125)	(680 122)
Other operating expenses	(12 358)	(40 066)	(52 424)
EBITDA (percentage of completion, NGAAP)	176 163	(27 631)	148 532
Reconciliation EBITDA to operating profit (loss)			
EBITDA (percentage of completion)	176 163	(27 631)	148 532
Sales revenues (adjustment effect of percentage of completion)	(842 920)	-	(842 920)
Sales revenues (completed contract)	356 020	-	356 020
Project expenses (adjustment effect of percentage of completion)	654 263	-	654 263
Project expenses (completed contract)	(278 968)	-	(278 968)
Lease liabilities	-	2 546	2 546
Depreciation and amortisation	-	(2 573)	(2 573)
Share of income (losses) from associated companies and joint ventures	39 441	-	39 441
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	103 999	(27 658)	76 341
Units under construction	1 371	N/A	N/A
Units delivered	132	N/A	N/A

At 30 June 2022

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	1 512 797	29 441	1 542 238
Project expenses	(1 223 743)	(384)	(1 224 127)
Other operating expenses	(16 637)	(91 549)	(108 186)
EBITDA (percentage of completion, NGAAP)	272 417	(62 492)	209 925
Reconciliation EBITDA to Operating profit (loss):			
EBITDA (percentage of completion)	272 417	(62 492)	209 925
Sales revenues (adjustment effect of percentage of completion)	(1 463 426)	-	(1 463 426)
Sales revenues (completed contract)	1 243 344	-	1 243 344
Project expenses (adjustment effect of percentage of completion)	1 138 659	-	1 138 659
Project expenses (completed contract)	(971 779)	-	(971 779)
Lease liabilities	-	4 683	4 683
Depreciation and amortisation	-	(4 768)	(4 768)
Share of profits (losses) from associated companies and joint ventures	96 190	-	96 190
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	315 405	(62 577)	252 828
Units under construction	1 342	N/A	N/A
Units delivered	294	N/A	N/A

At 30 June 2021

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	1 711 808	27 154	1 738 962
Project expenses	(1 333 108)	(218)	(1 333 326)
Other operating expenses	(26 291)	(83 422)	(109 713)
EBITDA (percentage of completion, NGAAP)	352 409	(56 486)	295 923
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	352 409	(56 486)	295 923
Sales revenues (adjustment effect of percentage of completion)	(1 674 998)	-	(1 674 998)
Sales revenues (completed contract)	898 068	-	898 068
Project expenses (adjustment effect of percentage of completion)	1 292 343	-	1 292 343
Project expenses (completed contract)	(665 041)	-	(665 041)
Lease liabilities	-	5 091	5 091
Depreciation and amortisation	-	(5 135)	(5 135)
Share of profits (losses) from associated companies and joint ventures	45 393	-	45 393
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	248 174	(56 530)	191 644
Units under construction	1 371	N/A	N/A
Units delivered	256	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)	Q2 2022	Q1 2022	Q2 2021	2021
Land (undeveloped)	848 865	1 007 549	1 036 151	1 033 800
Work in progress	3 153 822	3 199 333	3 542 648	2 872 244
Completed units	119 486	150 191	102 313	166 422
Carrying amount	4 122 173	4 357 073	4 681 112	4 072 466

6. Project expenses and EBITDA

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

project cost and EBITDA including and excluding financial expenses.

(figures in NOK 1 000)	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Project expenses	(804 068)	(304 827)	(1 057 248)	(706 024)	(2 617 422)
Finance expenses	(26 699)	(9 027)	(35 700)	(20 160)	(97 257)
Other project expenses	(777 369)	(295 800)	(1 021 548)	(685 864)	(2 520 165)

(figures in NOK 1 000)	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
EBITDA ¹	205 838	78 914	257 596	196 779	658 597
EBITDA margin	21.3%	20.0%	19.5%	20.5%	19.4%
EBITDA adjusted ²	232 537	87 941	293 296	216 939	755 854
EBITDA margin adjusted	24.1%	22.3%	22.2 %	22.6%	22.2%

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, Equinor Pensjon and Selvaag AS, each with a 30 per cent holding, 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 two per cent when SBO buys from UP.
- The agreement includes financial covenants.

Where SBO is concerned, this means:

- that the company eliminates the need for equity to buy land, in that 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
- a higher return on equity
- that a higher share of the profit can be distributed as dividend
- a more efficient and predictable financing of new and existing land
- increased competitiveness when buying land
- that the downside risk for SBO is limited to 48 months of option premiums (break fee)).

The transaction covered properties which were divided into Portfolios A, B and C. Portfolio A was converted to portfolio C with effect from 1 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 3.7 million in the second quarter (NOK 4.4 million). For the first half, premiums paid and capitalised were NOK 7.0 million (NOK 9.7 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 which the group has the right or obligation to purchase 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. 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 when the land is taken over. Provision for and capitalisation of option premiums for Portfolio C amounted to NOK 23.3 million in the second quarter (NOK 21.5 million). For the first half, provisions and capitalisation were NOK 45.1 million (NOK 42.9 million). Accumulated provisions and capitalisation at 30 June totalled NOK 125.2 million (NOK 56.9 million).

SBO can cancel the option at any given time in exchange for a break fee comprising the accumulated rise in the buy-back price for the property plus a fixed supplement corresponding to 48 months of growth in this price. When exercising an option, SBO pays 50 per cent of the purchase price to UP on taking over the property and 50 per cent on completion of the project.

SBO repaid a total of NOK 140.9 million in seller credits in the second quarter (NOK 0 million). Debt related to

repurchase agreements and seller credits declined to NOK 616.1 million during the quarter (NOK 739.5 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 number 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	Q2 2022			Q2 2021		
	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	948 252	451 183	1 399 435	380 777	247 305	628 082
Other revenues	17 662	2 505	20 167	13 401	3 745	17 146
Total operating revenues	965 914	453 688	1 419 602	394 178	251 049	645 227
Project expenses	(804 068)	(313 326)	(1 117 394)	(304 827)	(197 146)	(501 973)
Salaries and personnel costs	(28 875)	(233)	(29 108)	(24 586)	(431)	(25 017)
Depreciation and amortisation	(2 470)	(963)	(3 433)	(2 573)	(967)	(3 540)
Other operating expenses	(28 320)	(8 178)	(36 498)	(25 292)	(3 486)	(28 778)
Total operating expenses	(863 733)	(322 699)	(1 186 432)	(357 278)	(202 029)	(559 307)
Associated companies and joint ventures	101 187	(101 187)	-	39 441	(39 441)	-
Other gains (losses), net	-	-	-	-	-	-
Operating profit	203 368	29 802	233 170	76 341	9 579	85 920
Financial income	2 467	121	2 588	872	22	894
Financial expenses	(1 936)	(1 384)	(3 320)	(3 193)	(776)	(3 969)
Net financial expenses	531	(1 263)	(732)	(2 321)	(754)	(3 075)
Profit/(loss) before taxes	203 899	28 539	232 438	74 020	8 825	82 845
Income taxes	(27 084)	(28 539)	(55 623)	(17 587)	(8 825)	(26 412)
Net income	176 815	-	176 815	56 433	-	56 433
EBITDA margin¹	21.3%	N/A	16.7%	20.0%	N/A	13.9%
EBITDA margin adj²	24.1%	N/A	19.3%	22.3%	N/A	17.0%

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	1H 2022			1H 2021		
	IFRS	Adj share	Pro forma	IFRS	Adj share	Pro forma
		Assoc/JV	gross		Assoc/JV	Assoc/JV
(figures in NOK 1 000)		gross			gross	
Revenues	1 290 657	454 003	1 744 660	933 596	311 867	1 245 463
Other revenues	31 500	4 932	36 432	28 436	7 478	35 914
Total operating revenues	1 322 157	458 935	1 781 092	962 032	319 344	1 281 376
Project expenses	(1 057 248)	(314 959)	(1 372 207)	(706 024)	(252 013)	(958 037)
Salaries and personnel costs	(55 052)	(589)	(55 641)	(52 510)	(865)	(53 375)
Depreciation and amortisation	(4 768)	(1 926)	(6 694)	(5 135)	(1 931)	(7 066)
Other operating expenses	(48 451)	(15 706)	(64 157)	(52 112)	(9 406)	(61 518)
Total operating expenses	(1 165 519)	(333 180)	(1 498 699)	(815 781)	(264 214)	(1 079 995)
Associated companies and joint ventures	96 190	(96 190)	-	45 393	(45 393)	-
Other gains (losses), net	-	-	-	-	-	-
Operating profit	252 828	29 566	282 394	191 644	9 737	201 381
Financial income	4 246	142	4 388	2 603	30	2 633
Financial expenses	(5 900)	(2 578)	(8 478)	(8 918)	(1 672)	(10 590)
Net financial expenses	(1 654)	(2 436)	(4 090)	(6 315)	(1 642)	(7 957)
Profit/(loss) before taxes	251 174	27 130	278 304	185 329	8 095	193 424
Income taxes	(36 806)	(27 130)	(63 936)	(52 249)	(8 094)	(60 343)
Net income	214 368	-	214 368	133 080	-	133 080
EBITDA margin¹	19.5%	N/A	16.2%	20.5%	N/A	16.3%
EBITDA margin adj²	22.2%	N/A	18.8%	22.6%	N/A	18.8%

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).

(figures in NOK 1 000)	Q2 2022	Q2 2021	1H 2022	1H 2021	2021
Operating profit	203 368	76 341	252 828	191 644	648 325
Depreciation and amortisation	2 470	2 573	4 768	5 135	10 272
Other gains (losses), net	-	-	-	-	-
EBITDA	205 838	78 914	257 596	196 779	658 597
Finance expenses ¹	26 699	9 027	35 700	20 160	97 257
EBITDA adjusted	232 537	87 941	293 296	216 939	755 854

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) give important

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.

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.

Declaration by the board of directors and CEO

We hereby confirm that, to the best of our knowledge, the interim financial statements for the period from 1 January to 30 June 2022 have been prepared in accordance with IAS 34 - Interim Financial Reporting, and that the information in the financial statements gives a true and fair view of the group's assets, liabilities, financial position and profit or loss taken as a whole.

We also confirm that, to the best of our knowledge, the interim report for the first half gives a true and fair view of important events in the accounting period and their influence on the interim report for the first half, as well as the principal risks and uncertainties facing the business in the next accounting period.

The board of directors for
Selvaag Bolig ASA
Oslo 16 August 2022

Olav Hindahl Selvaag
Chair

Sissel Kristensen
Director

Patrik Eriksson
Director

Øystein Thorup
Director

Tore Myrvold
Director

Camilla Wahl
Director

Gisele Marchand
Director

Sverre Molvik
President and CEO

SELVAAG BOLIG

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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 70-year history and experience, and offers a broad variety of property types. The company is headquartered at Ullern in Oslo.

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