

SELVAAG BOLIG

Q4 2022

Oslo, 14 February 2023

Sverre Molvik, CEO

Christopher Brunvoll, CFO

Agenda

Highlights

Operational update

Financial update

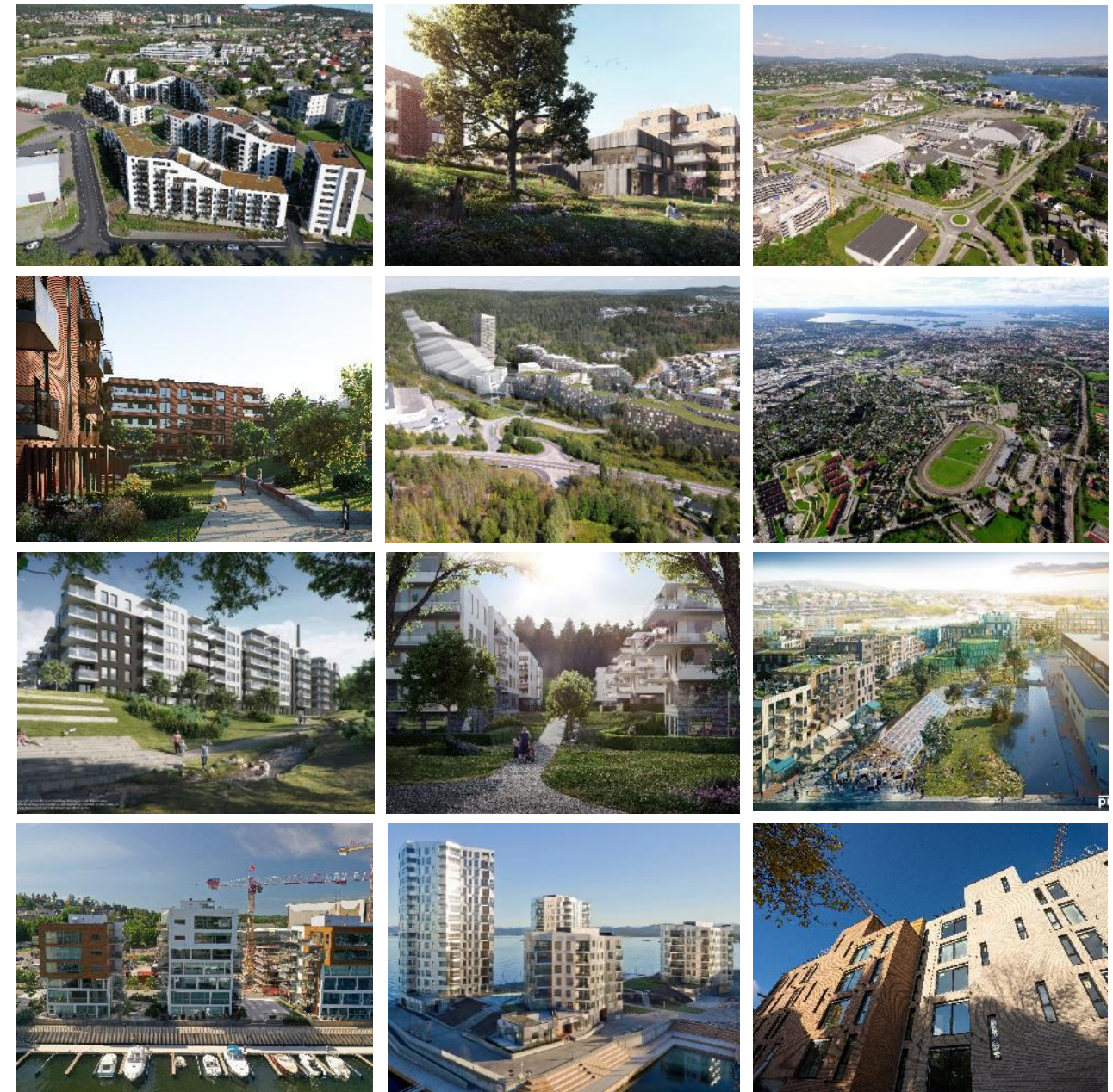
Market

Outlook and summary



Highlights Q4 and FY 2022

- Solid results considering few units delivered
- Sales impacted by challenging market conditions
- 146 construction starts vs. 160 completions, and increased value of units under construction
- Construction costs falling
- External valuation of remaining land bank of NOK 1.2bn vs. book value of NOK 0.7bn
- Proposed H2 22 dividend of NOK 2.00 per share*, NOK 4.00 per share for the full year



Completed, ongoing and upcoming projects

* Pay-out on 9 May 2023.

Key financials Q4 and FY 2022

Q4 2022

669

Operating revenues
NOK million

13.0

Adjusted EBITDA* margin
Per cent

Full year 2022

2 896

Operating revenues
NOK million

17.9

Adjusted EBITDA* margin
Per cent

526

Operating revenues (NGAAP)
NOK million

13.5

EBITDA** margin (NGAAP)
Per cent

2 856

Operating revenues (NGAAP)
NOK million

13.2

EBITDA** margin (NGAAP)
Per cent

* Profit before interest, taxes, depreciation and amortization.

** Operating profit before depreciation, gains (losses) and profit from associated companies

Agenda

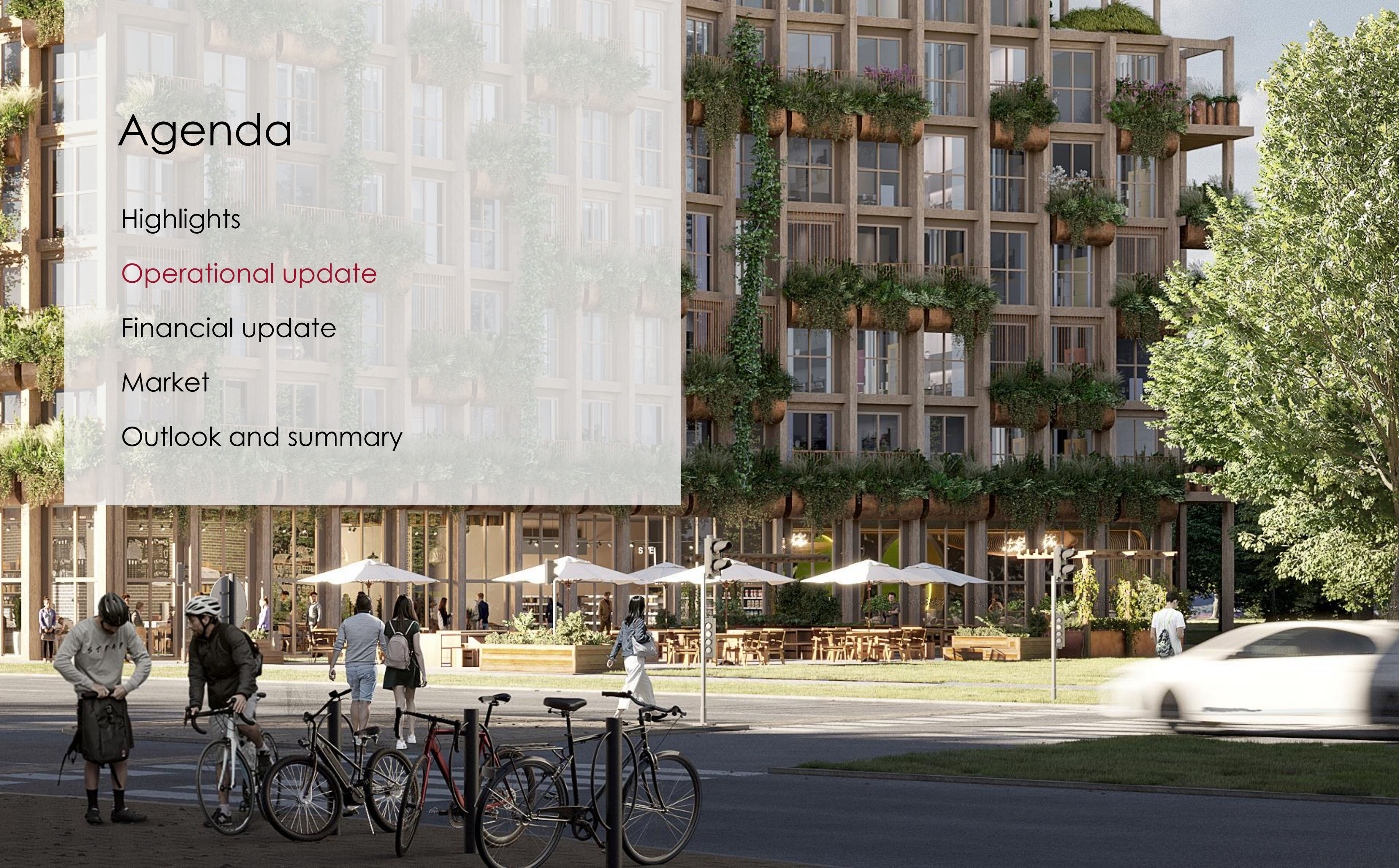
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Operational news

Construction cost

- Increased due to geopolitical unrest and shortages after COVID-19 pandemic
- New projects in certain areas postponed due to high construction costs
- Construction costs now falling

Operating model

- Risk-minimizing sales model
 - Minimum presale of 60% and fixed construction cost secured for all units under construction
- Temporary adjustment to operating model, adapting to market uncertainty
 - Additional contractual reservation: Construction start subject to construction cost

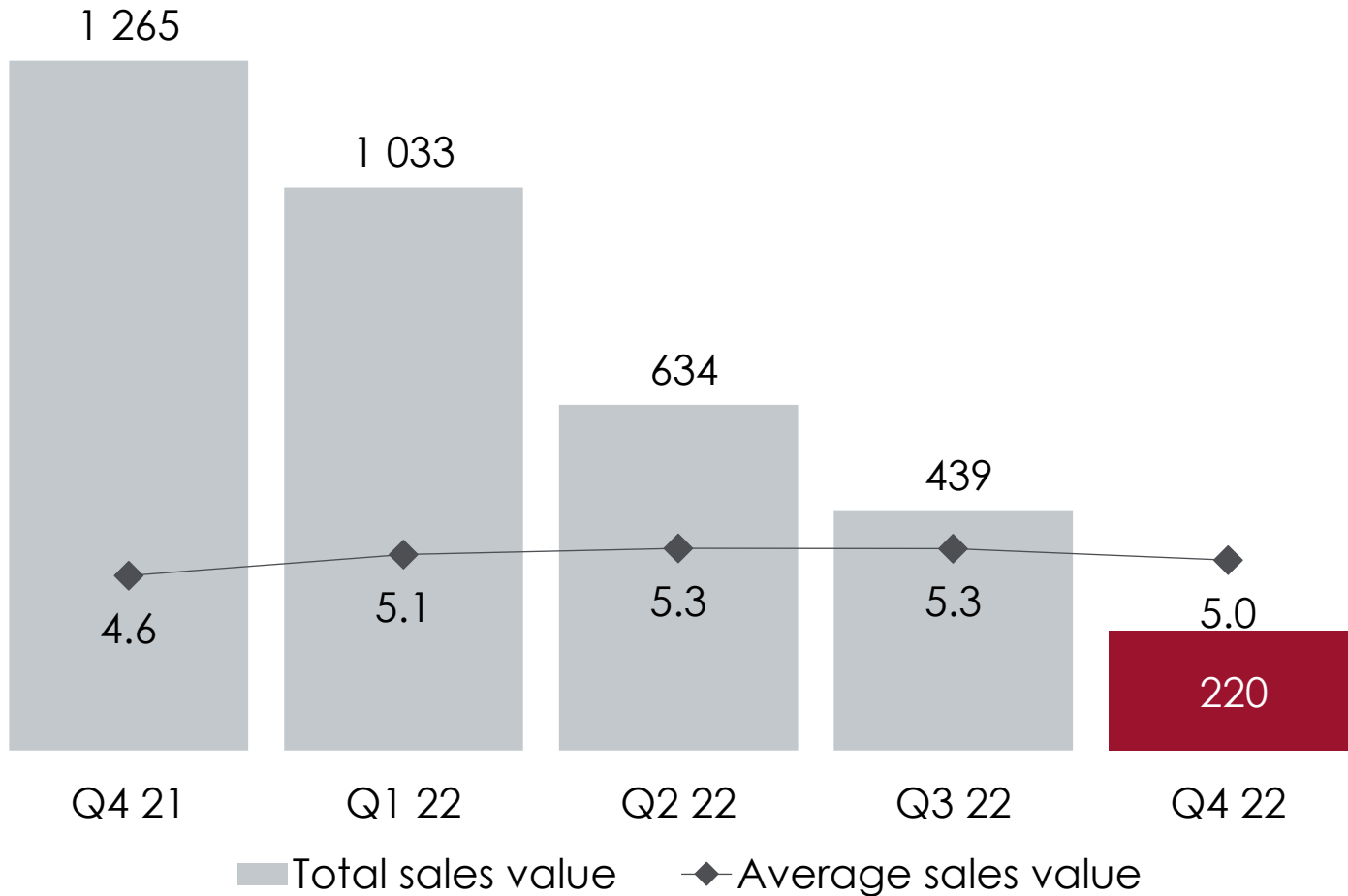
Land bank

- Started construction of 517 units in 2022
- Acquisition of new land in 2022 for ~800 units (in Stockholm, Oslo and Drammen)

Sales value and units sold

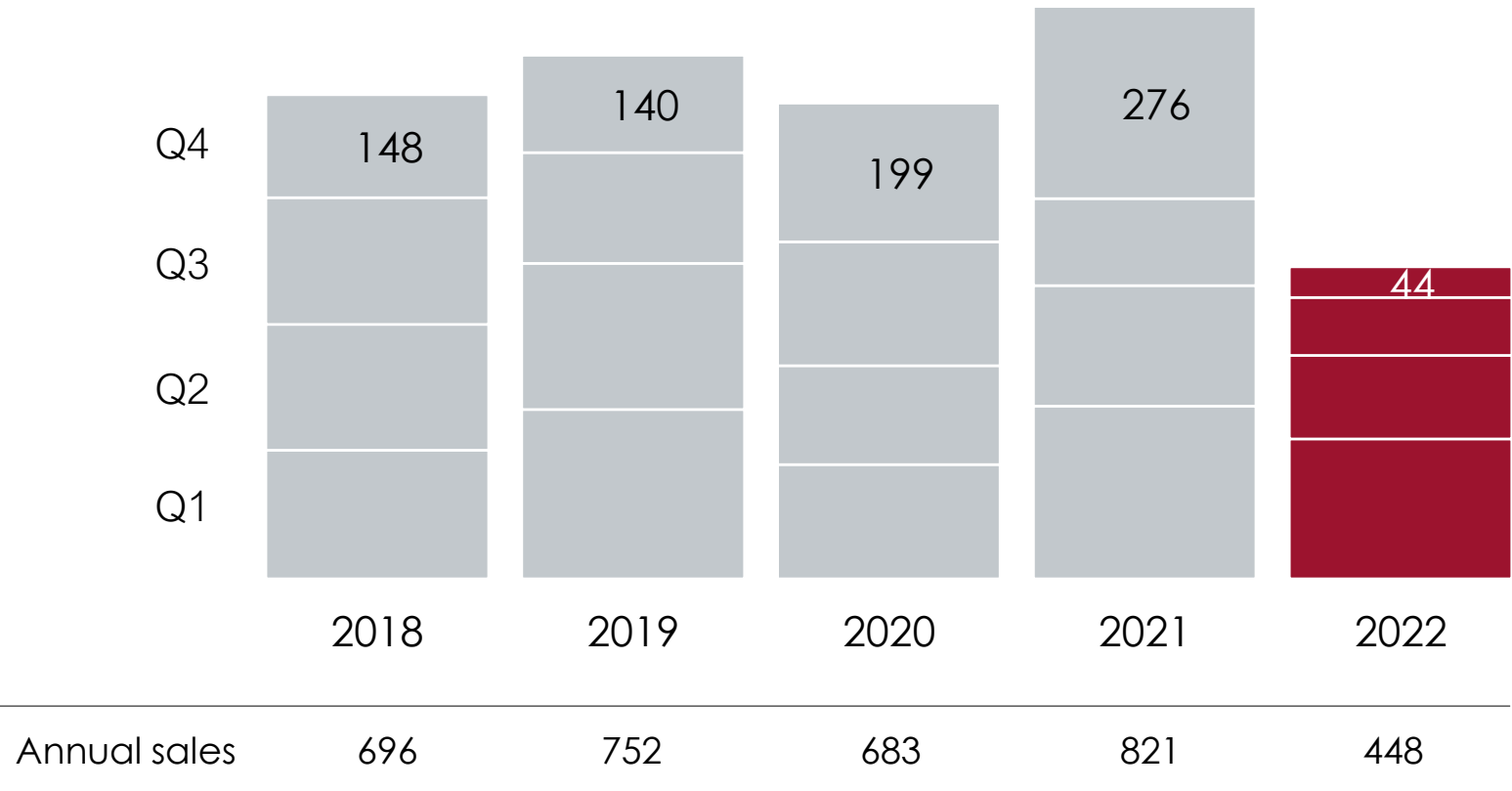
Sales value

NOK million



Number of units sold per quarter

Units



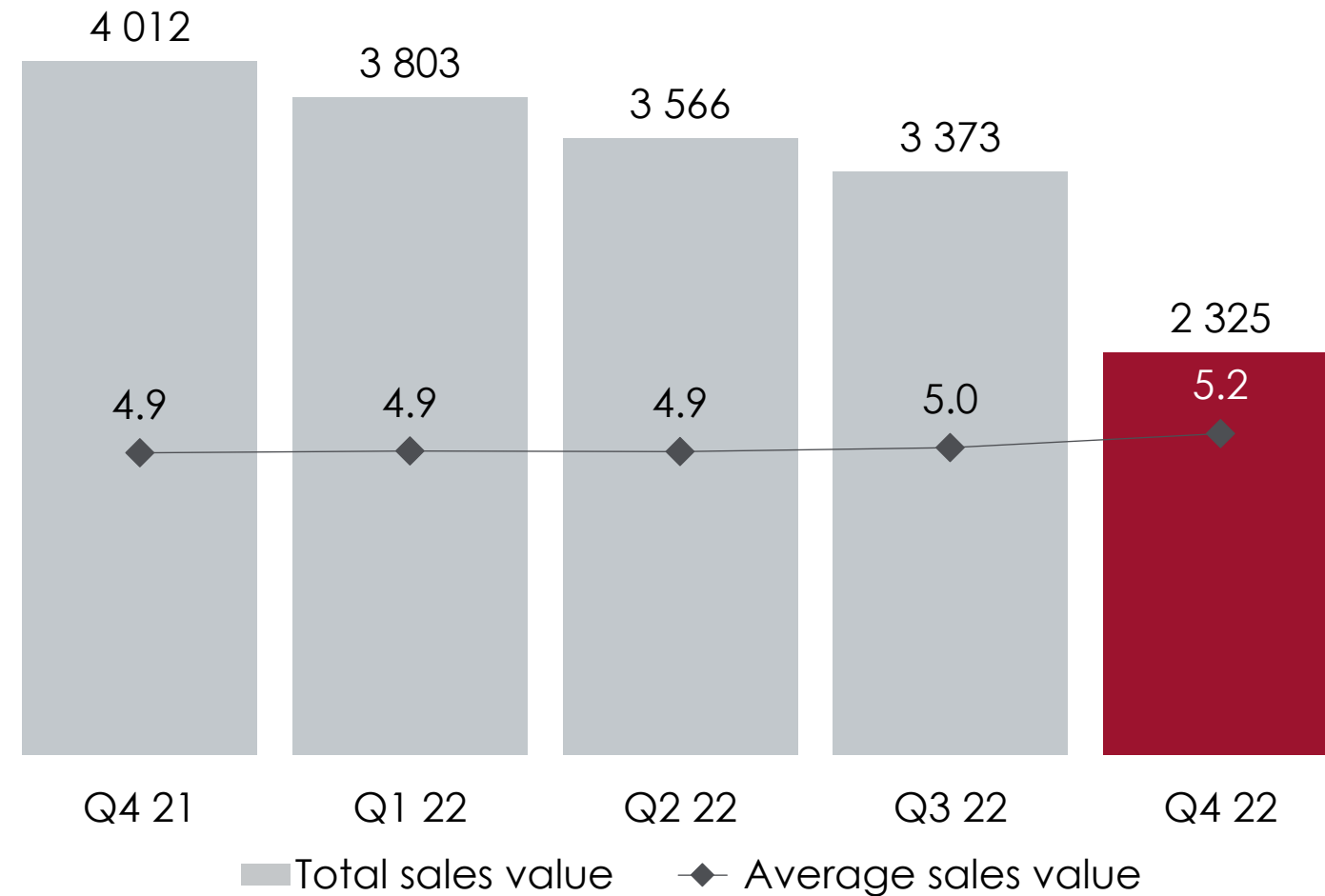
Note: Sales value is adjusted for Selvaag Bolig's share in joint ventures.

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.

Rolling sales value and units sold

Sales value 12-month rolling

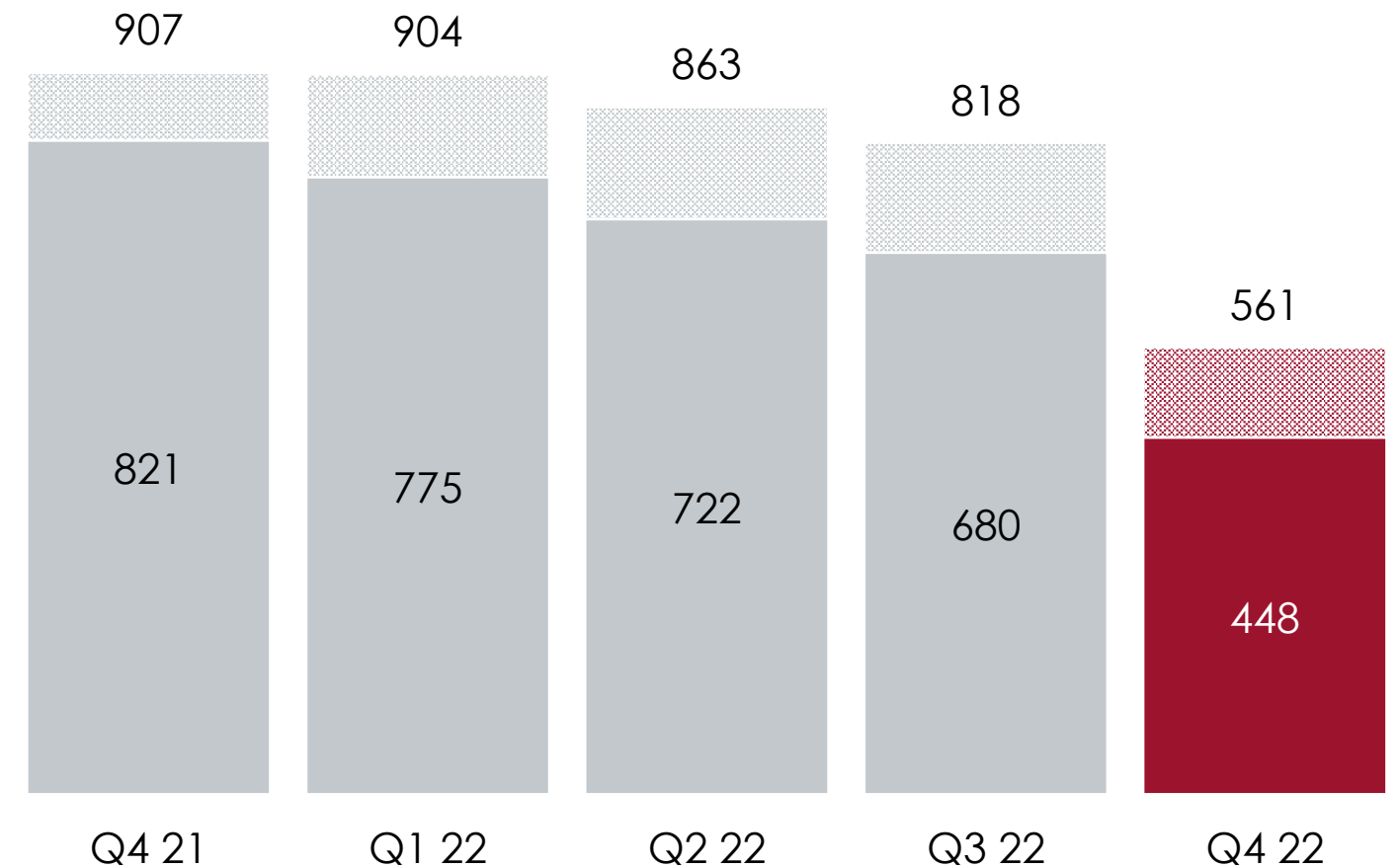
NOK million



Note: Sales value is adjusted for Selvaag Bolig's share in joint ventures.

Units sold 12-month rolling

Units



*Total columns show Selvaag Bolig's gross sales.

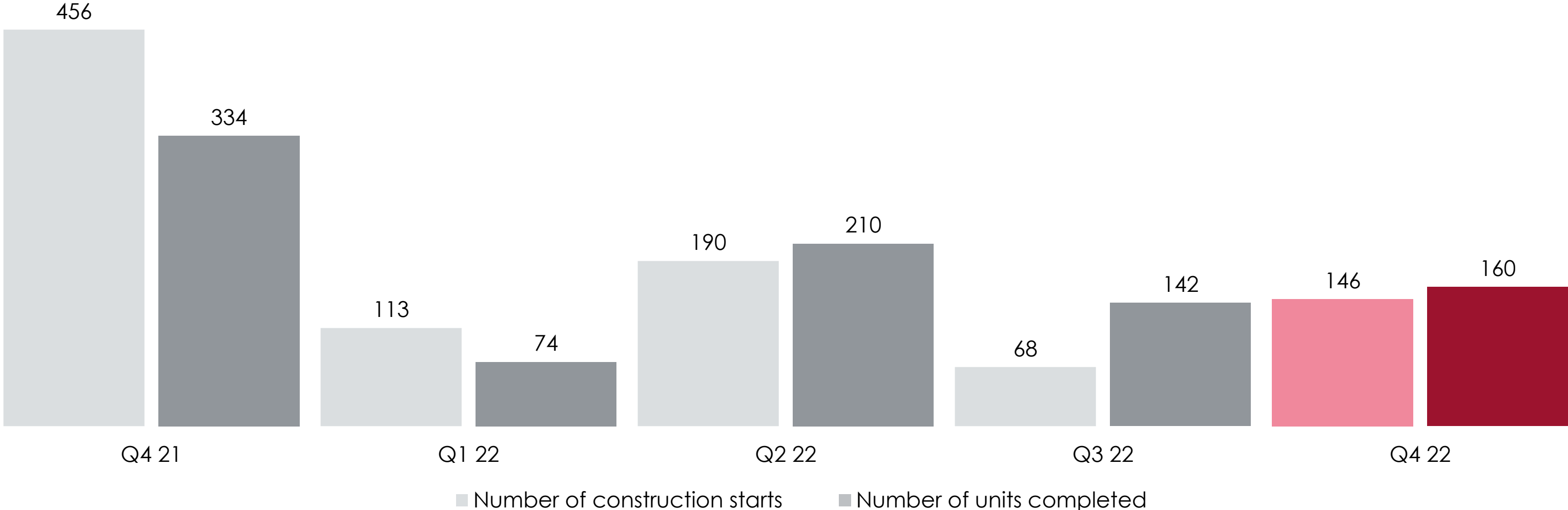
**Columns excluding dotted areas show Selvaag Bolig's net sales.

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.

Construction starts and completions

Construction starts and completions per quarter

Units

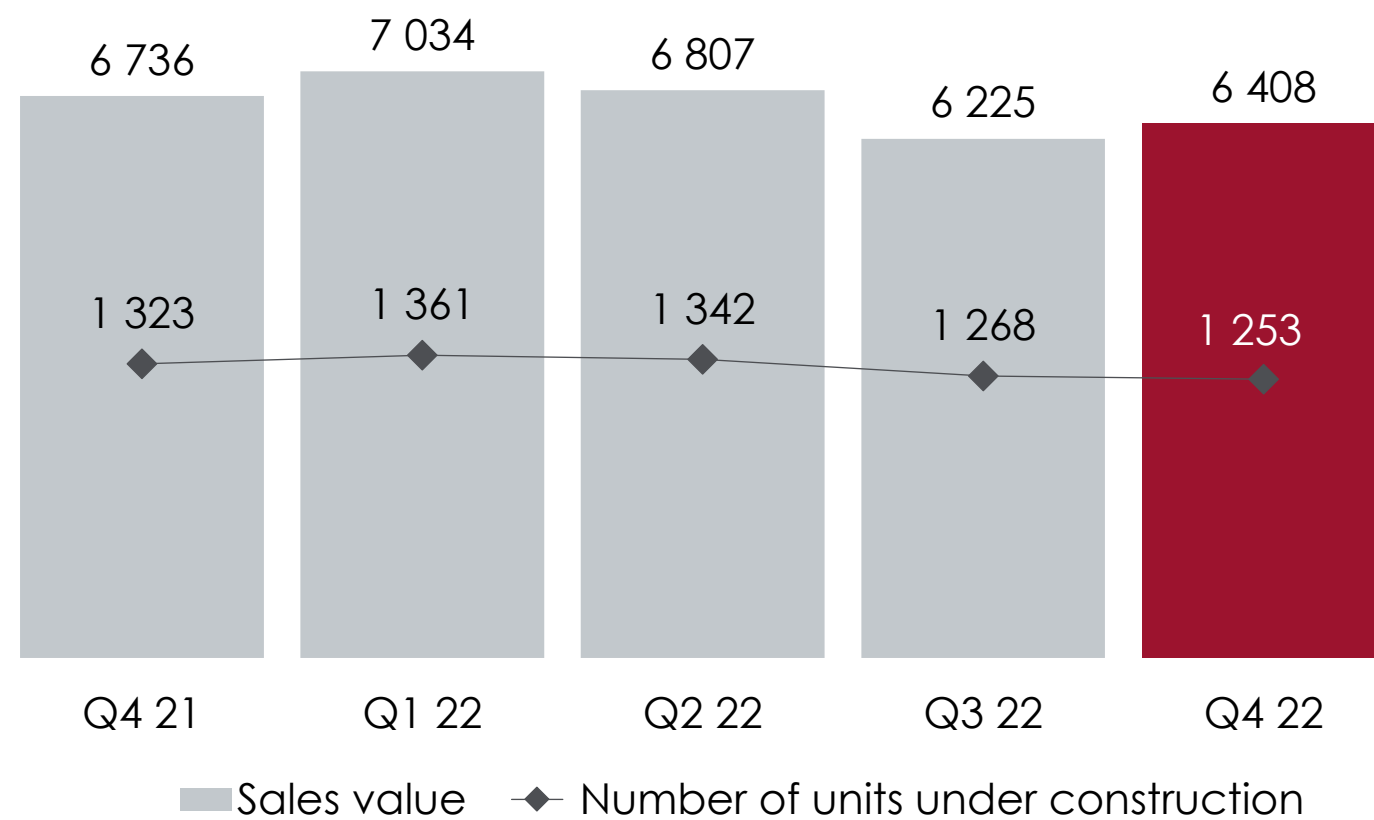


Note: Number of units are adjusted for Selvaag Bolig's share in joint ventures.

Units under construction and completions

Sales value units under construction

NOK million

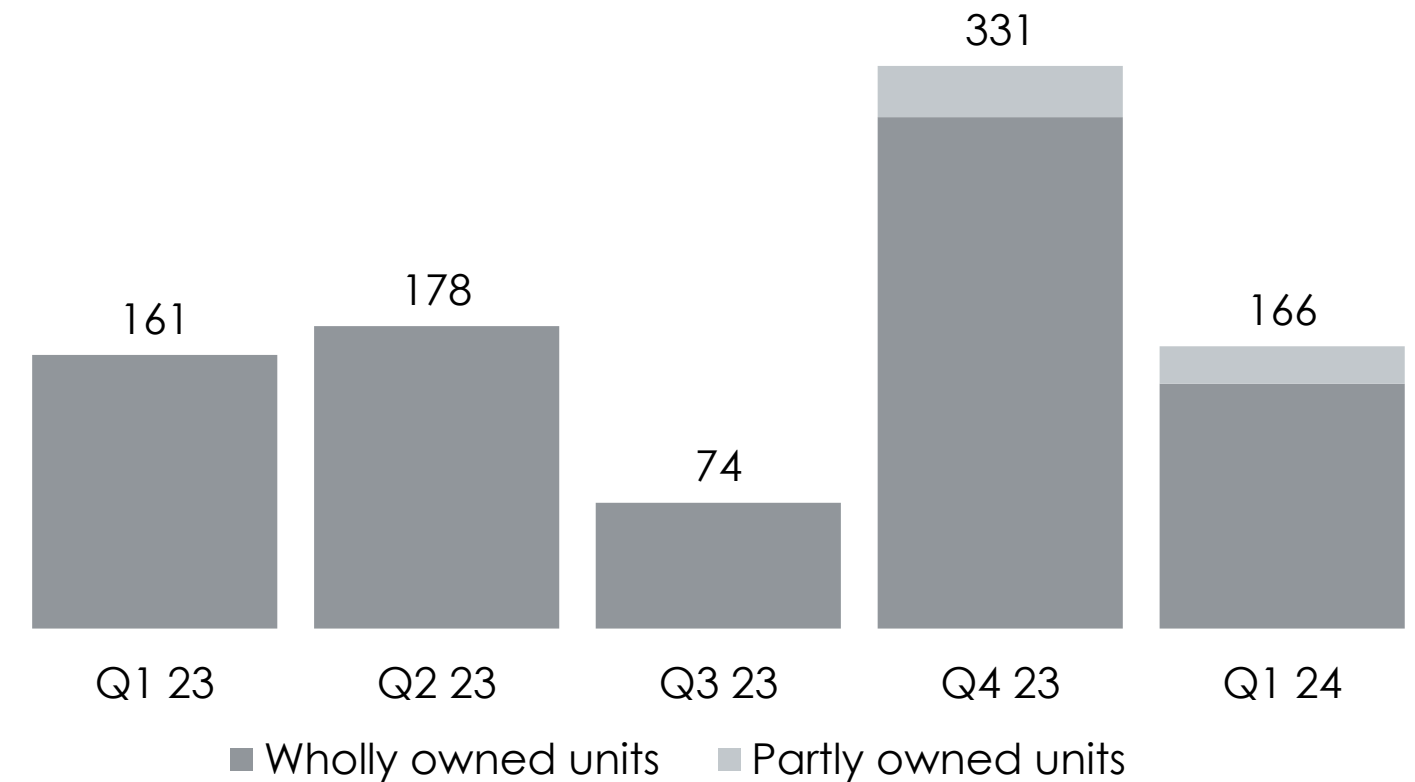


- 67% of units under construction sold by Q4 2022
- 80% of construction volume in Greater Oslo Area* in Q4 2022

Note: Sales value and number of units are adjusted for Selvaag Bolig's share in joint ventures.
* Includes: Oslo, Lørenskog, Follo, Tønsberg, Asker.

Expected completions per quarter

Units



- Expected completions for the full year 2023: 744
- 75% of 2023 completions sold by Q4 2022

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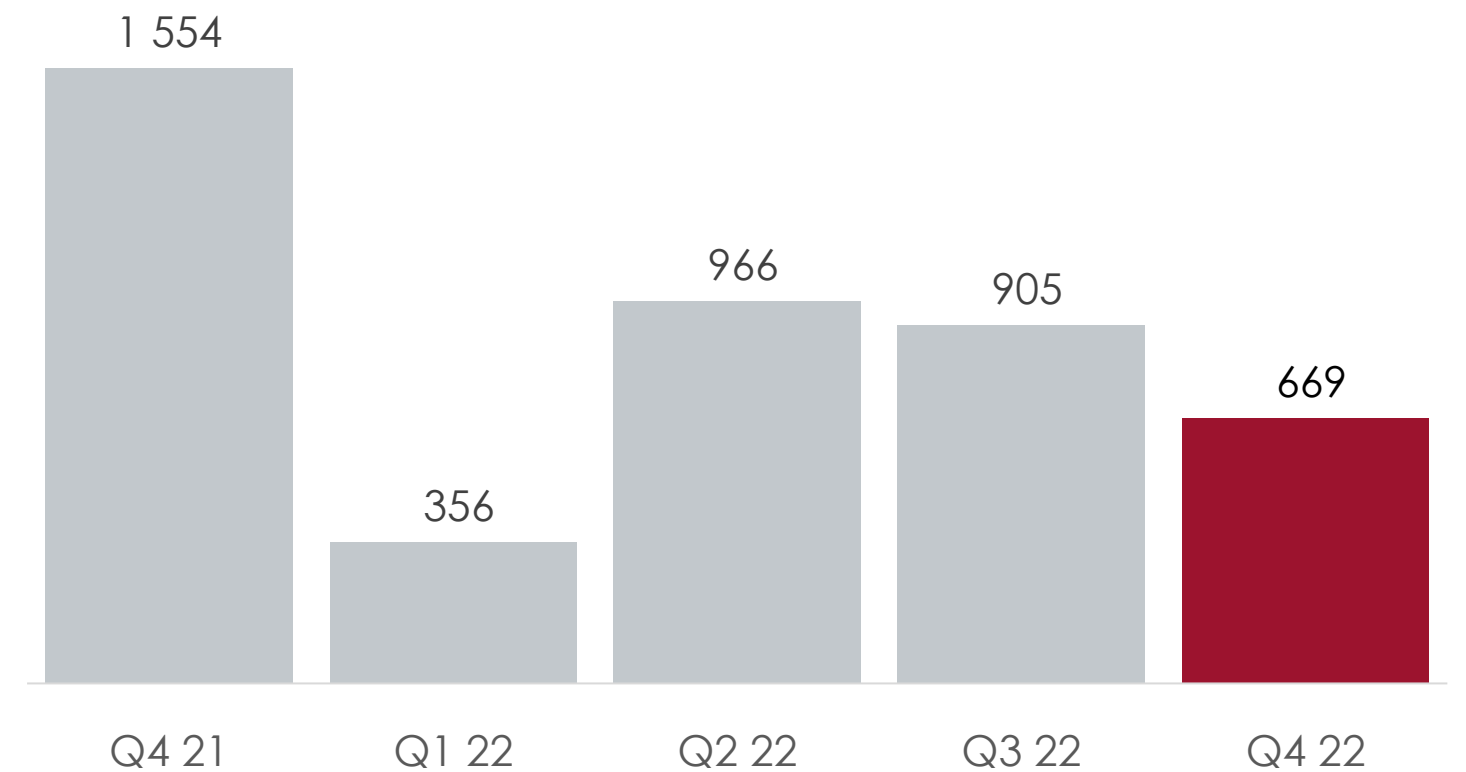


Income statement highlights Q4 2022 (IFRS)

- 147 units delivered (324)
 - 1 unit from share of JVs (33)
- Revenues NOK 669m (1554)
 - Other revenues NOK 19m (14)
- Project costs NOK 514m (1 113)
 - Of which NOK 20m is interest (45)
- Other costs NOK 82m (81)
- Adjusted EBITDA* NOK 87m (317)
- EBITDA* NOK 66m (272)
- EPS in the quarter NOK 0.48 (2.34)

Operating revenues (IFRS)

NOK million



Adjusted EBITDA margin

20%

17%

24%

15%

13%

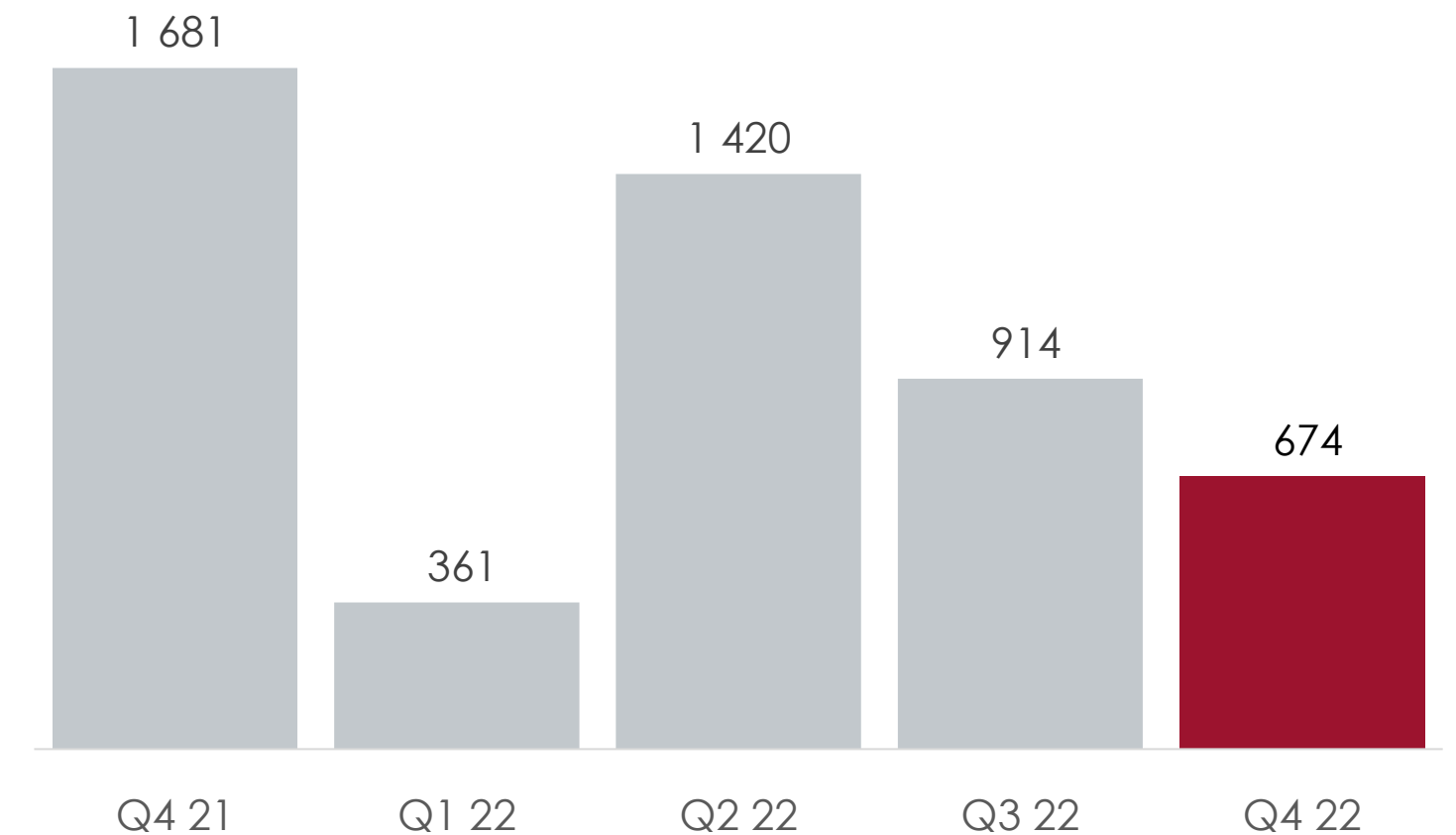
* EBITDA is profit before interest, taxes, depreciation and amortization. EBITDA adjusted is excluding financial expenses included in project costs.

Q4 2022 proforma figures including proportionate share of JV

- 147 units delivered (324)
- Revenues NOK 674 (1 680)
 - Other revenues NOK 22m (17)
- Project costs NOK 525m (1 317)
 - Of which NOK 20m is interest (47)
- Other costs NOK 85m (88)
- Adjusted EBITDA** NOK 88m (327)
- EBITDA* NOK 67m (279)
- EPS in the quarter NOK 0.48 (2.34)

Operating revenues (IFRS)

NOK million



	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Adjusted EBITDA margin	19%	17%	19%	15%	13%

* EBITDA is profit before interest, taxes, depreciation and amortization.

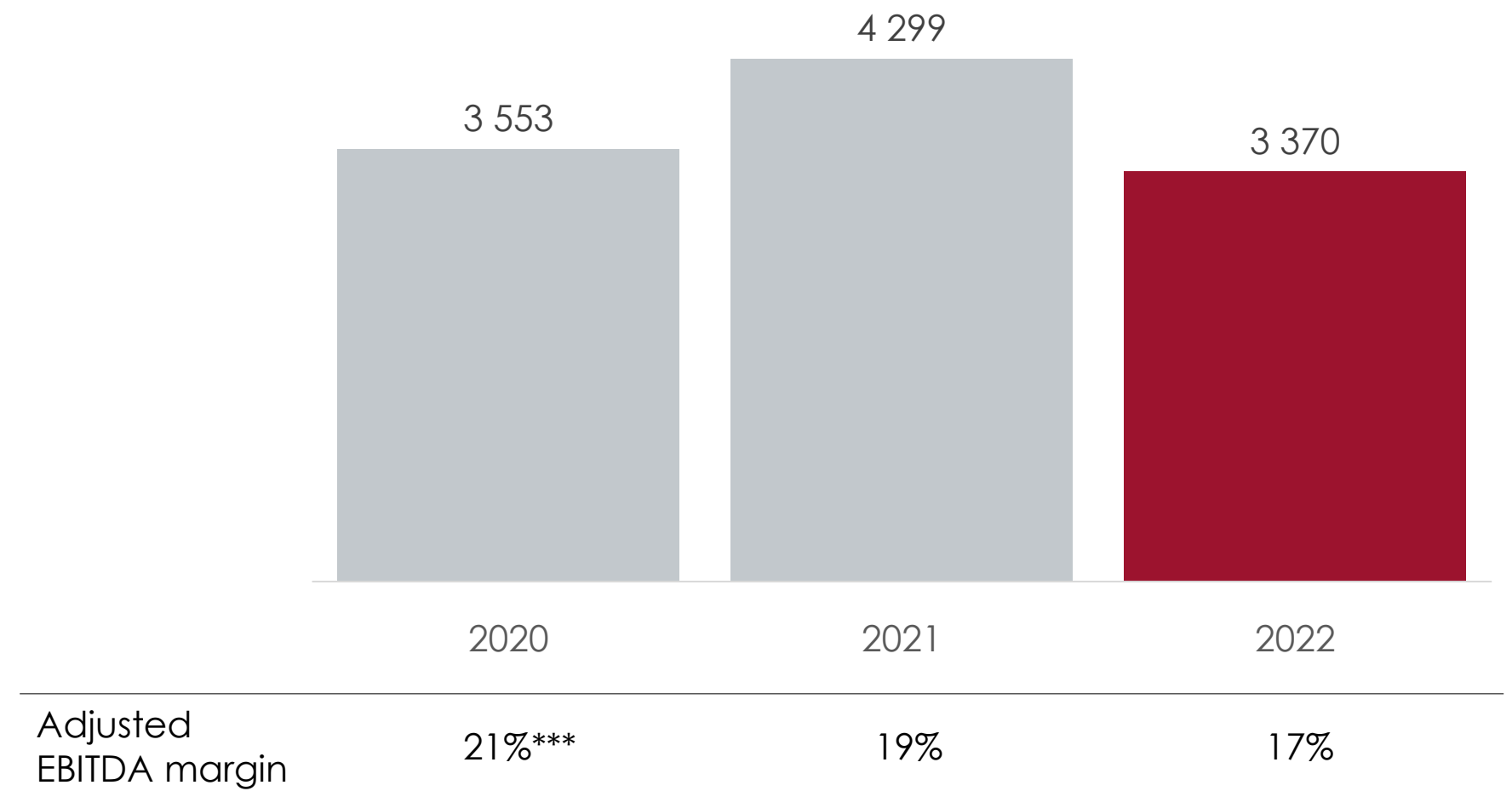
** EBITDA adjusted is excluding financial expenses included in project costs. The difference compared to reported EBITDA is due to interest, taxes, depreciation and amortization in JVs.

FY 2022 proforma figures including proportionate share of JV

- 585 units delivered (894)
- Revenues NOK 3 370m (4 299)
 - Other revenues NOK 75m (74)
- Project costs NOK 2 643m (3 342)
 - Of which NOK 95m is interest (128)
- Adjusted EBITDA NOK 562m (827)
- EBITDA NOK 466m (698)
- EPS in 2022 NOK 3.63 (5.40)

Operating revenues (IFRS)

NOK million

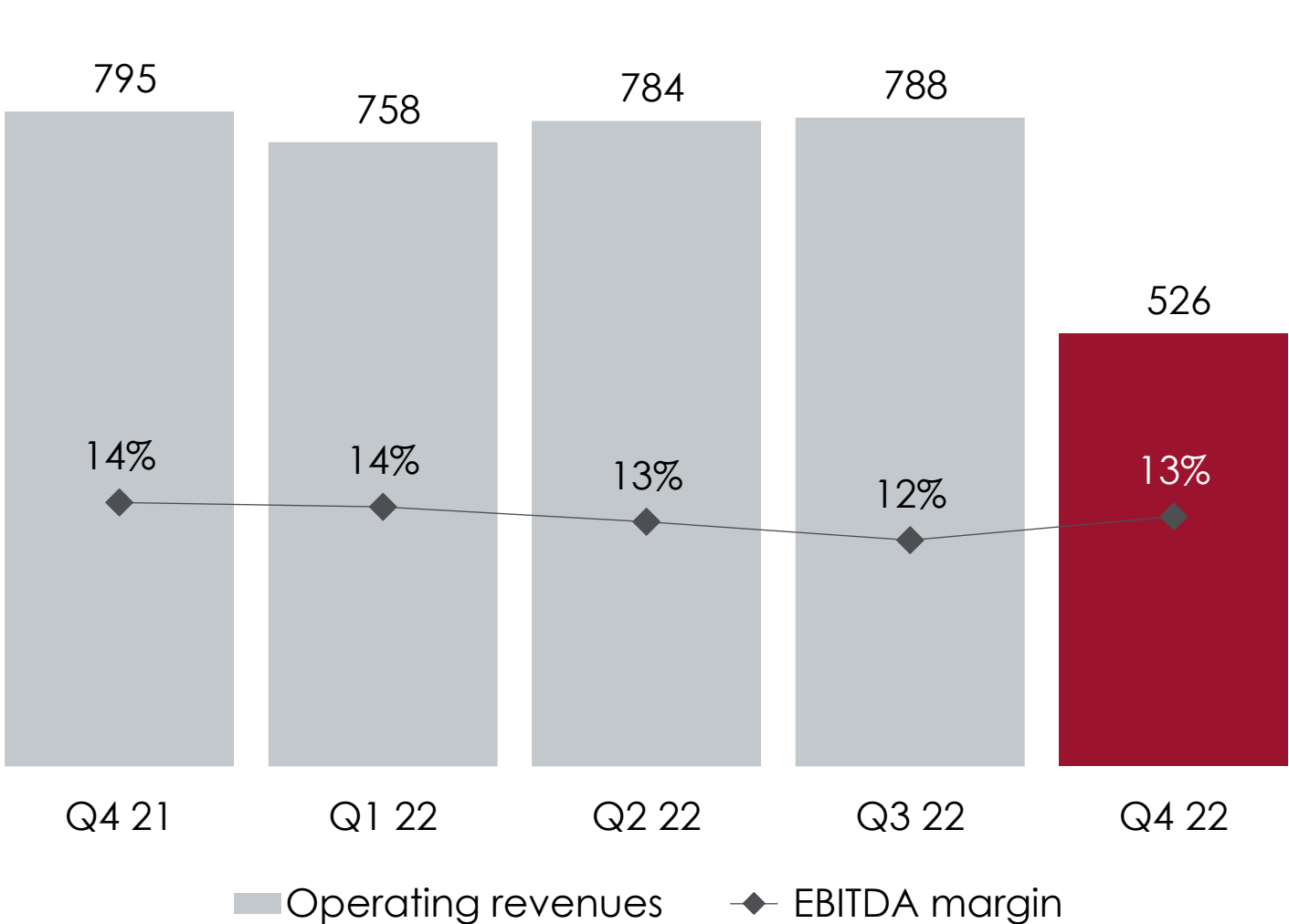


*** Excluding other gains of NOK 1 029m from UP transaction

Income statement highlights Q4 2022 (NGAAP)

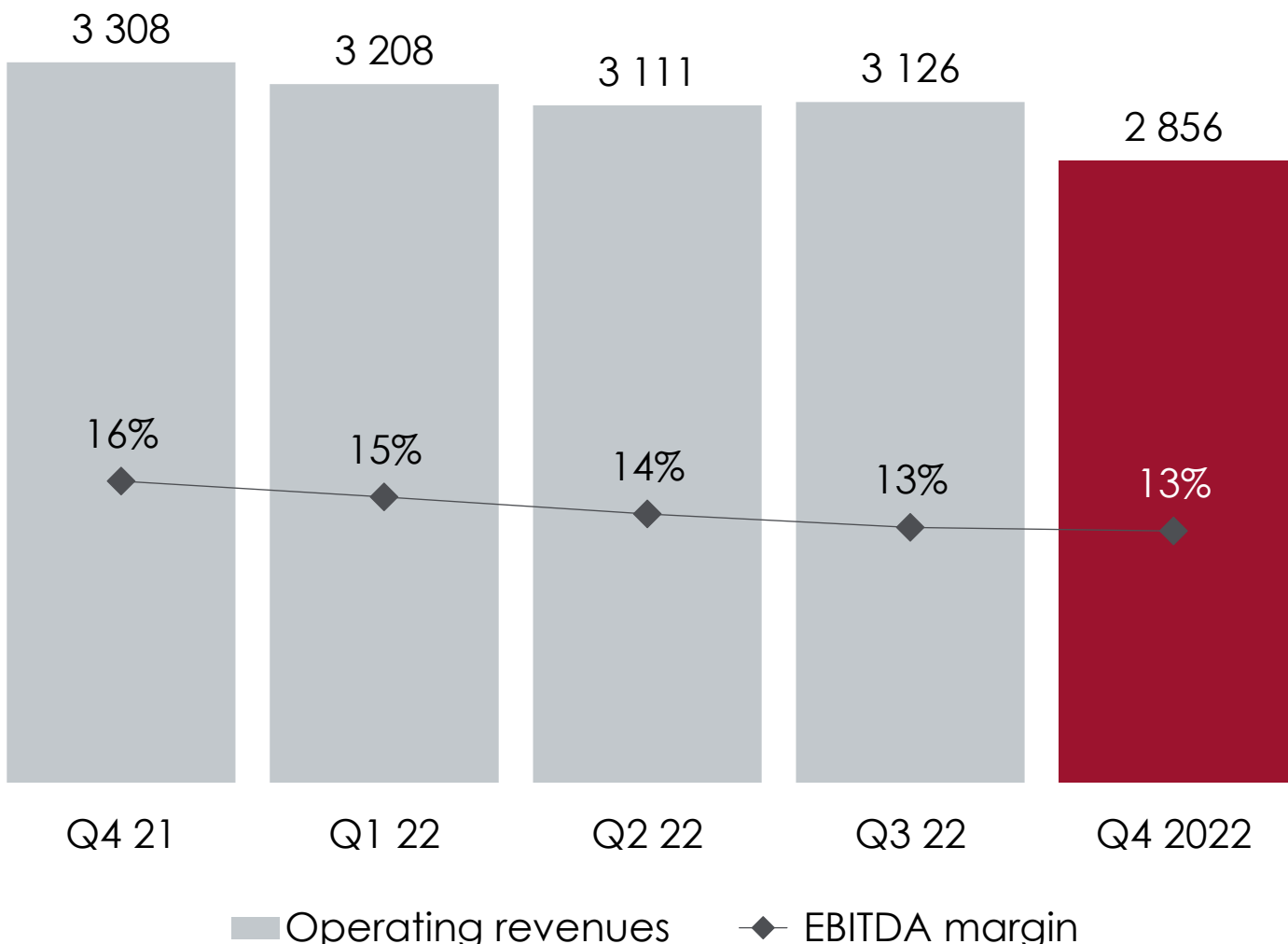
Revenues and EBITDA margin (NGAAP)*

NOK million



12 month-rolling revenues (NGAAP)*

NOK million



* Construction costs are exclusive of financial expenses in the segment reporting (NGAAP).
 Note: EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies.

Cash flow development Q4 2022

NOK million



- Cash flow from operations negative at NOK 52m driven by increased inventories and lower receivables
- Cash flow from investing activities negative at NOK 11m
- Cash flow from financing activities negative at NOK 100m due to a net decrease in debt

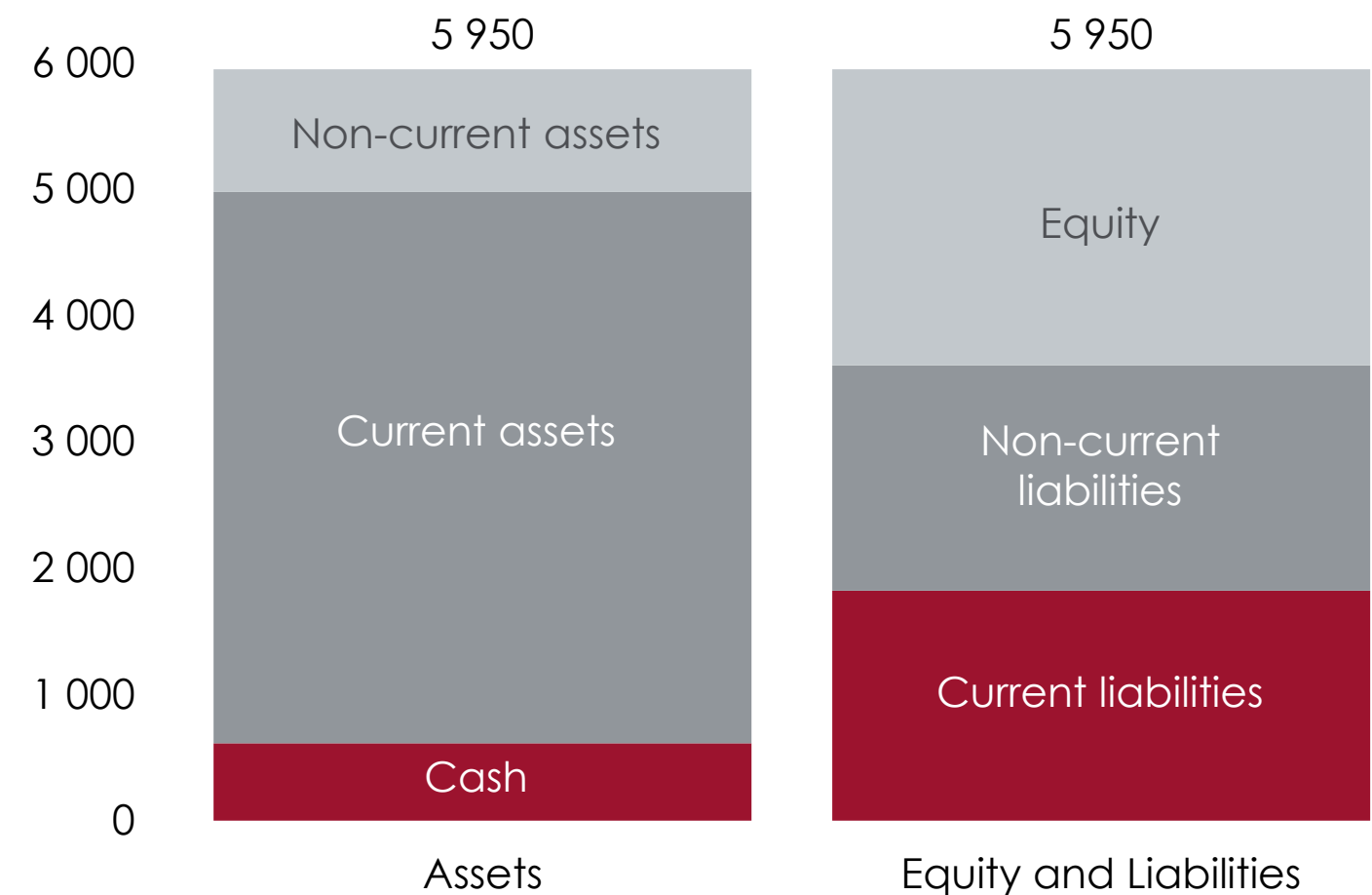
Note: Items of less than NOK 55 million are excluded from the cash flow overview.

Balance sheet highlights Q4 2022

- Book value of equity NOK 25.4 per share
 - Equity ratio 39.4%
- Changes from Q3 2022:
 - Inventories increased by NOK 148m
 - Trade and Other receivables decreased by NOK 158m
 - Cash decreased by NOK 162m
- Prepayments from customers represent NOK 152m of other current non-interest-bearing liabilities

Balance sheet composition

NOK million



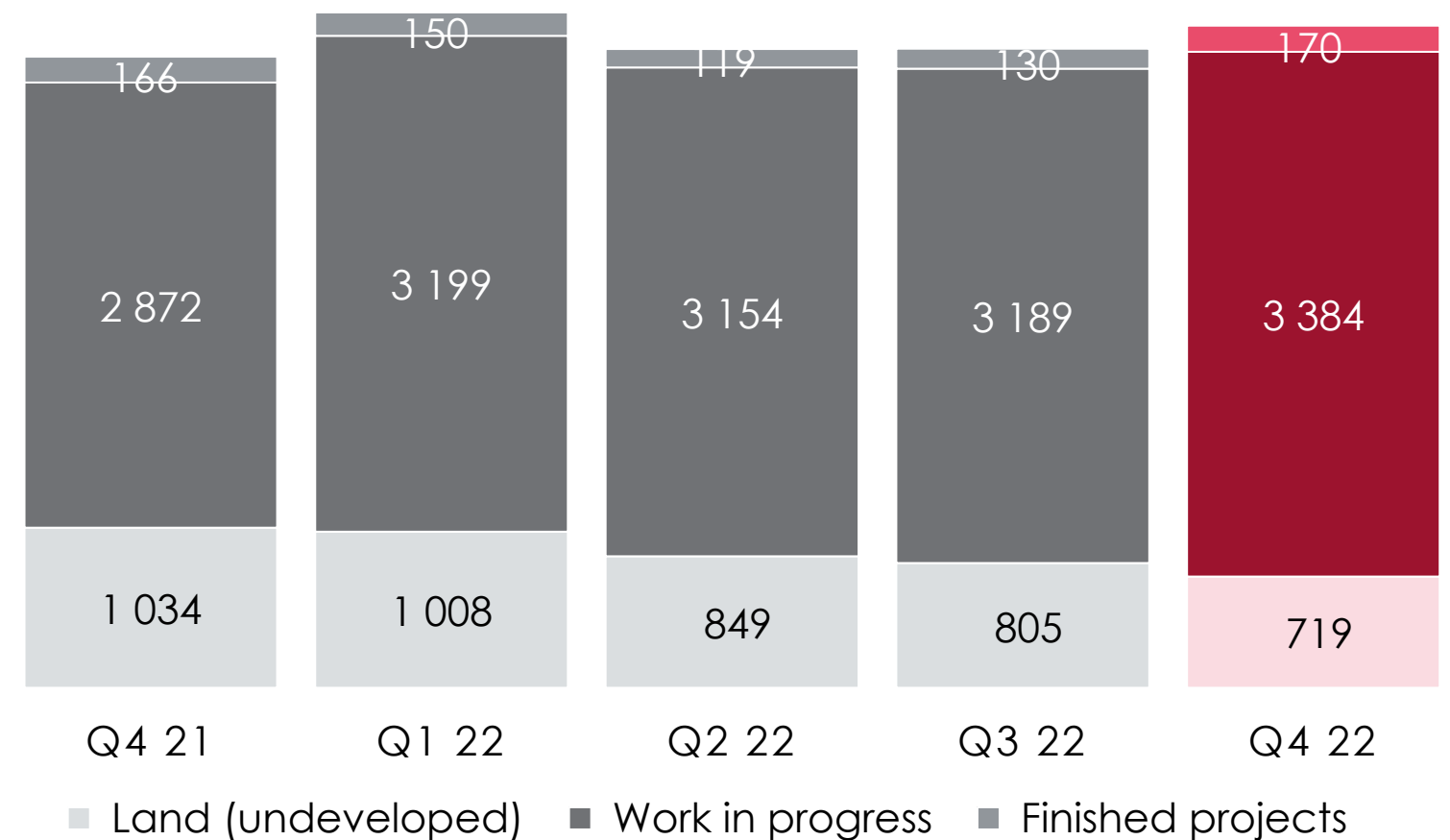
Inventories (property) Q4 2022

Q3 22 vs Q4 22

- Land value down NOK 86m
 - Due to construction starts
- Work in progress up NOK 195m
- Finished goods up NOK 40m

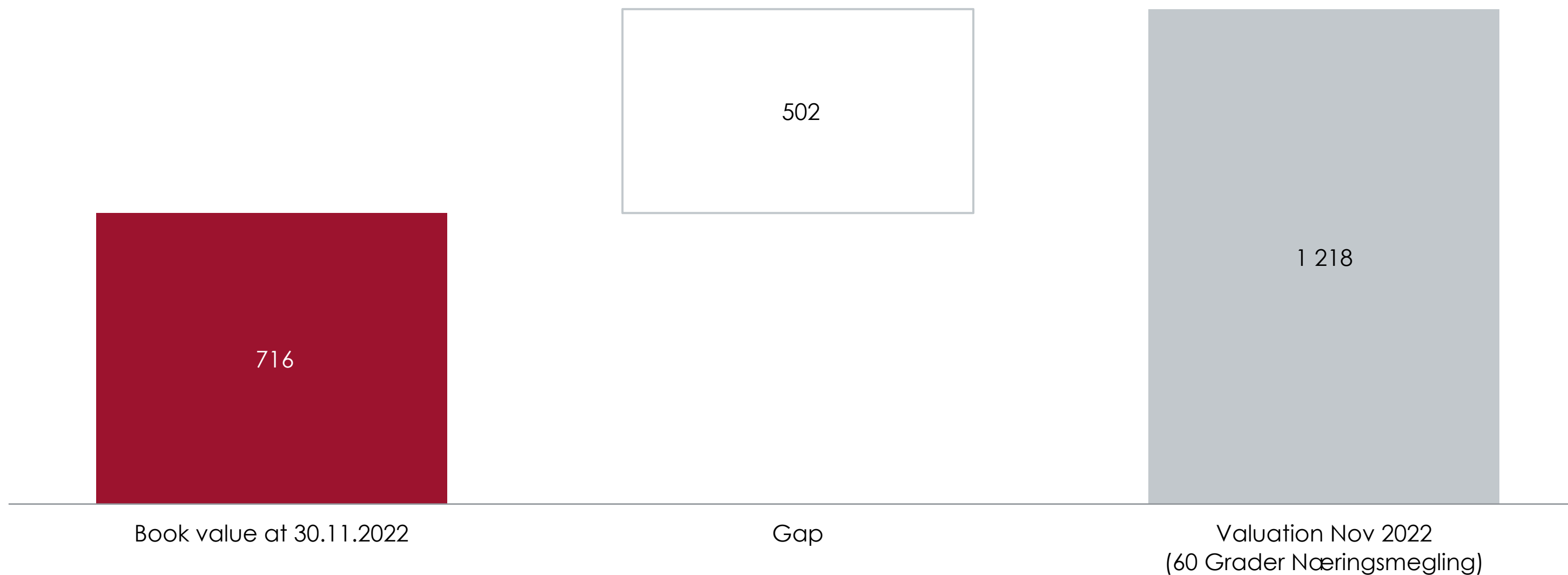
Inventory value development

NOK million



Valuation of remaining land bank*

NOK million

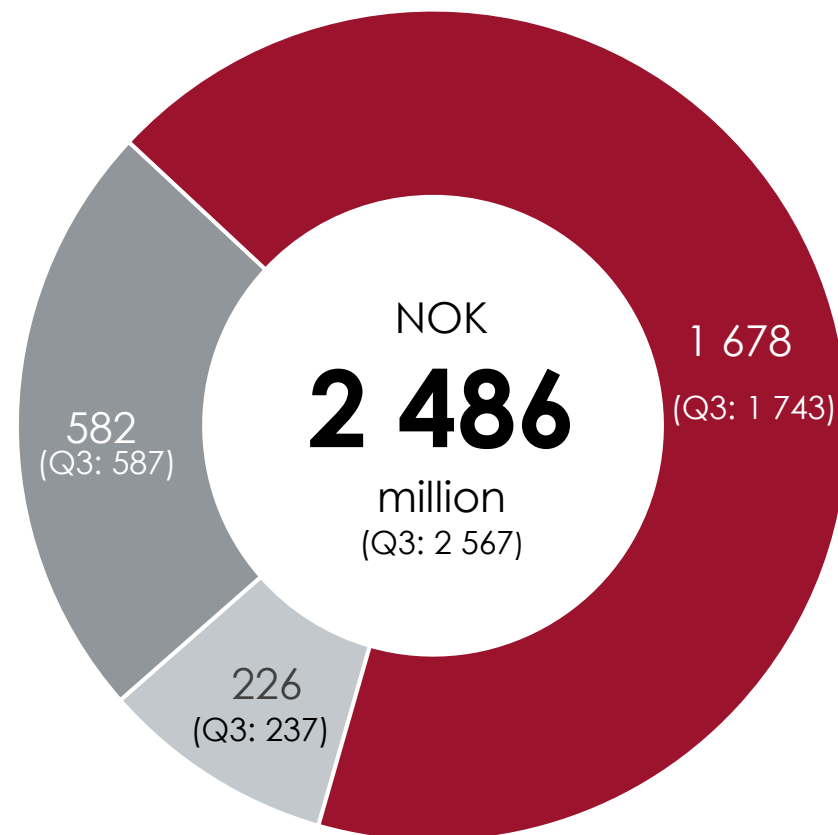


* SBO land bank not included in the UP transaction

Debt structure

Interest-bearing debt at 31.12.22

NOK million



■ Land loan ■ Debt to Urban Property ■ Construction loan

	Loan facility	Drawn at 31.12.22 (NOKm)	Interest rate margin*
1	Construction loan facilities from a range of Nordic credit institutions	1 678	1.65% - 2.40%
2	Debt to Urban Property**	582	3.75%***
3	Land loan facilities from a range of Nordic credit institutions	226	1.50% - 2.95%
4	NOK 300 million revolving credit facility from DNB maturing in 2025	0	2.50% - 3.00%
5	NOK 150 million working capital facility from DNB with annual renewal	0	2.10%

Total Q4 2022 net interest-bearing debt NOK 1 873 million

Total Q3 2022 net interest-bearing debt NOK 1 792 million

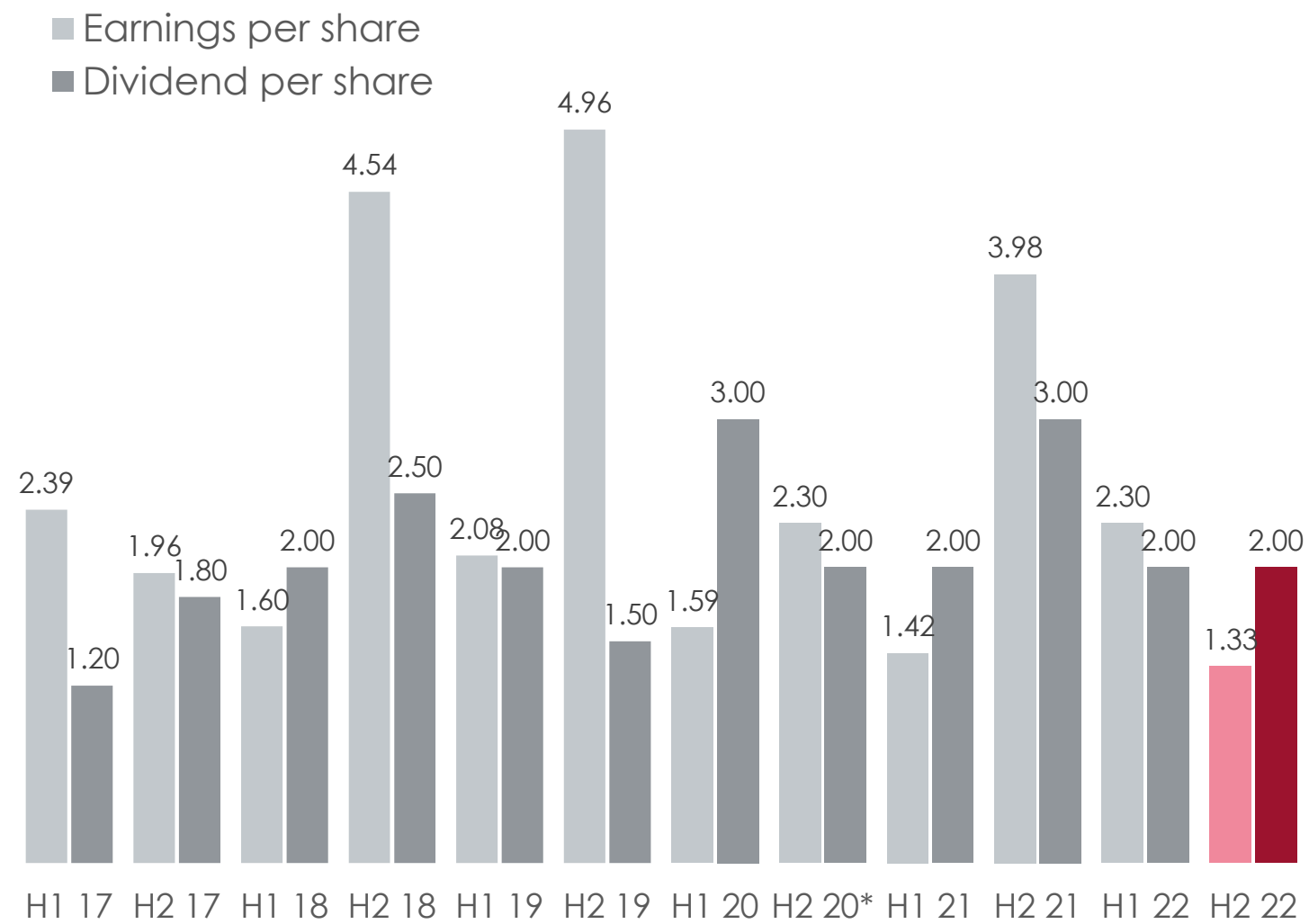
* Margin added to 3m NIBOR.

** Repurchase agreements portfolio B and seller credits.

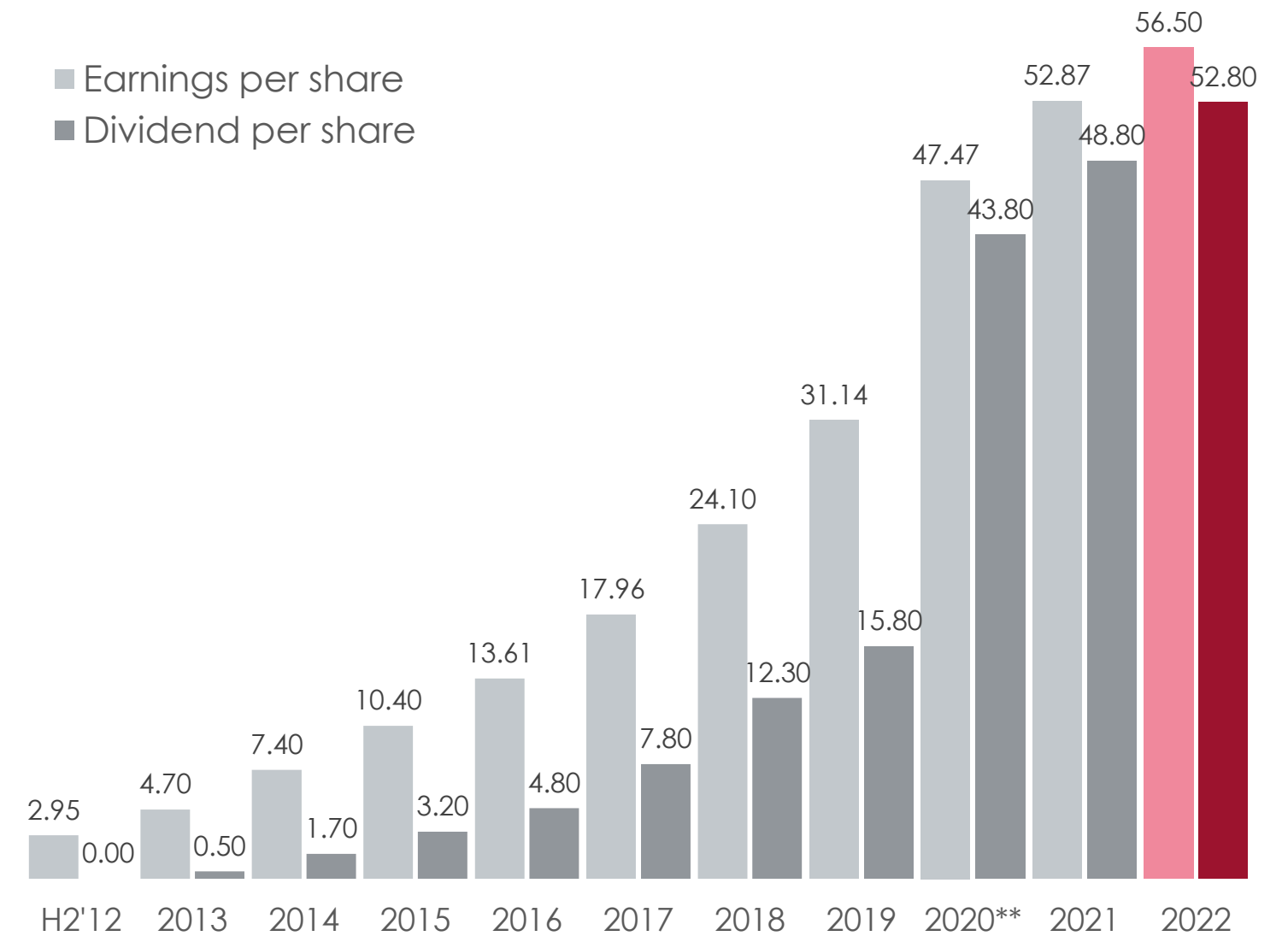
*** + 2.00% fee at property repurchase.

Earnings and dividend per share since IPO

Half year dividend and earnings per share



Accumulated dividend and earnings per share



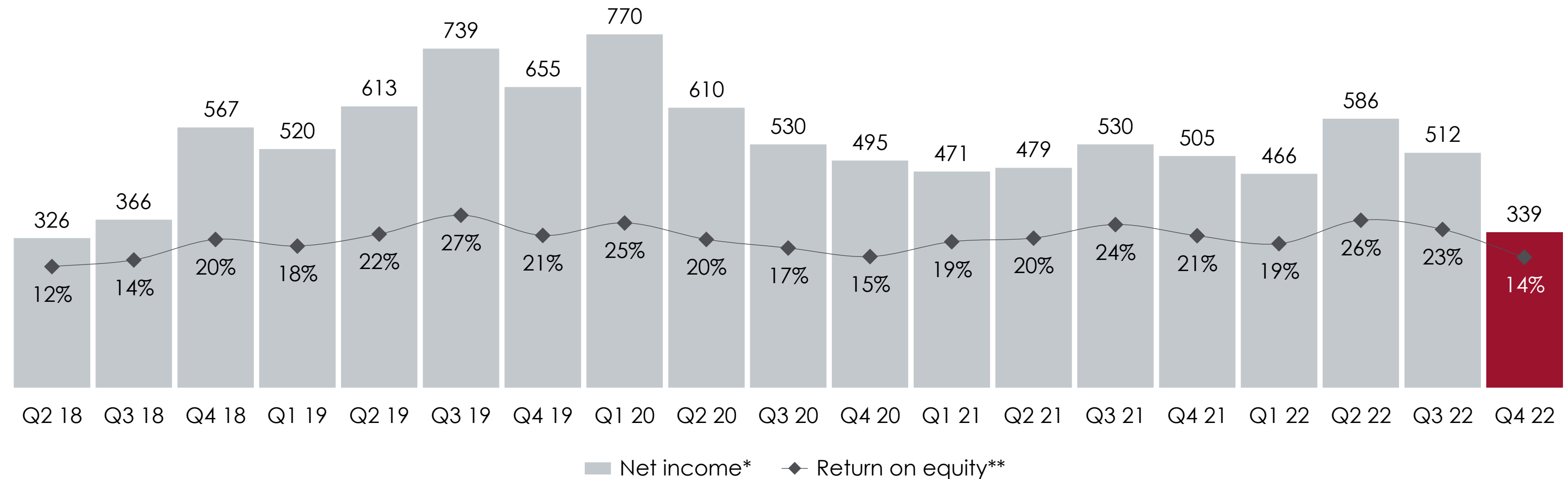
*Excluding earnings and dividend from UP transaction.

**Including EPS of NOK 11.01 and DPS of NOK 22 from UP transaction.

Return on equity (IFRS)

12-month rolling net income (NOKm) ROE (%)

Q1 2020 Net income excluding Other gains of NOK 1 029m



* Net income attributable to shareholders in Selvaag Bolig ASA.

** Based on equity at the start of the period (attributed to shareholders in Selvaag Bolig ASA).

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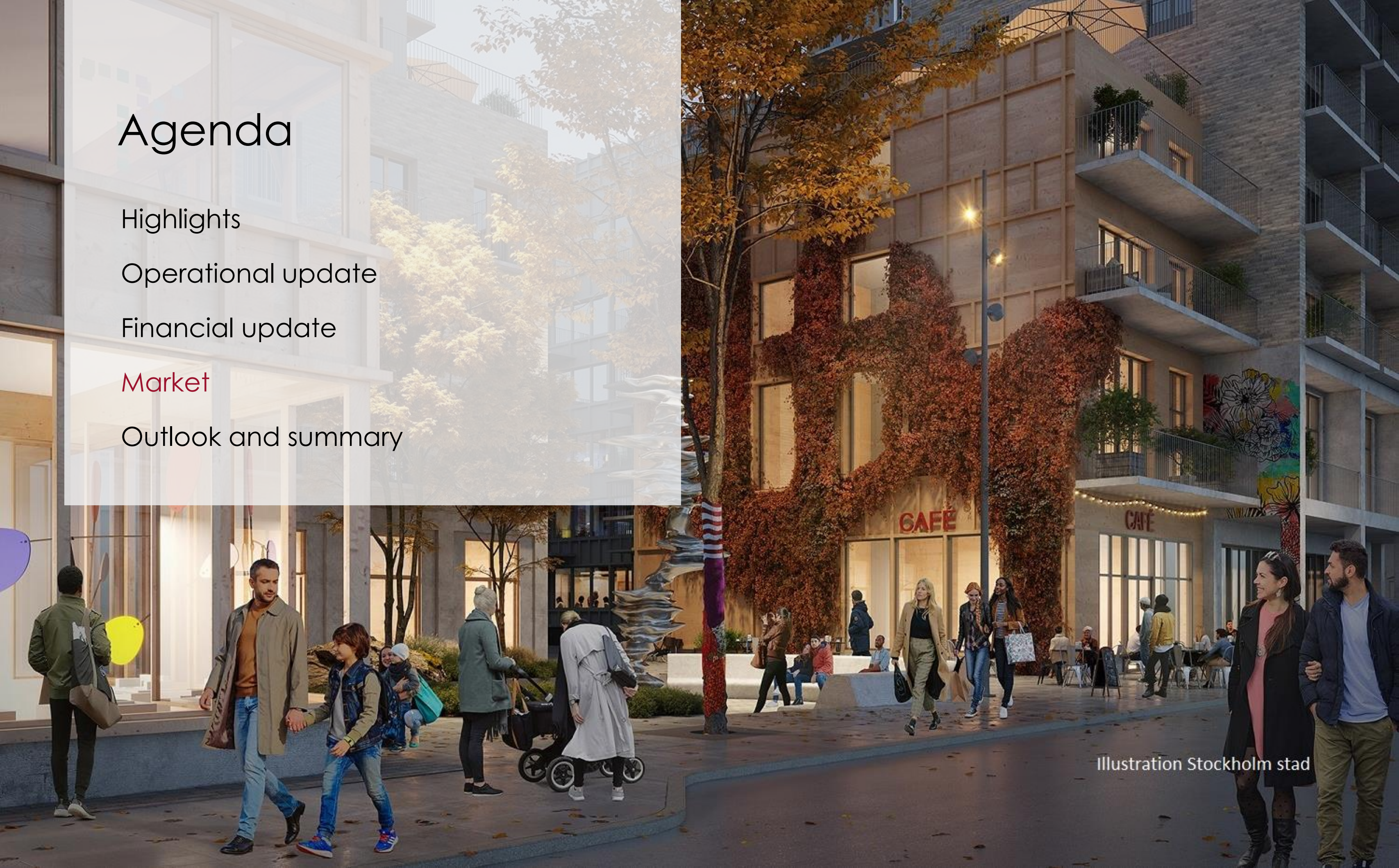
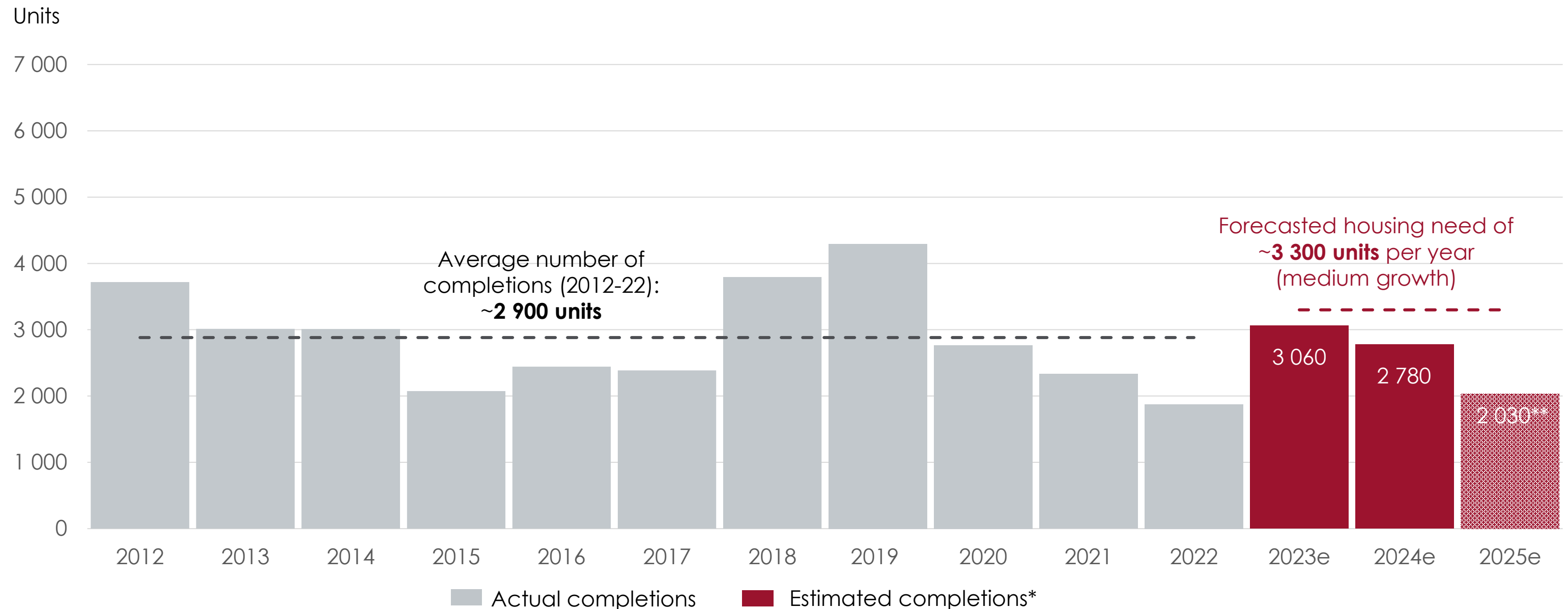


Illustration Stockholm stad

Estimated completions in Oslo well below forecasted need



Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: SA – Hawii Analyse, Forecasted housing need next 5 years: Prognosesenteret.

Note: Number of persons per household in Oslo: 1.90.

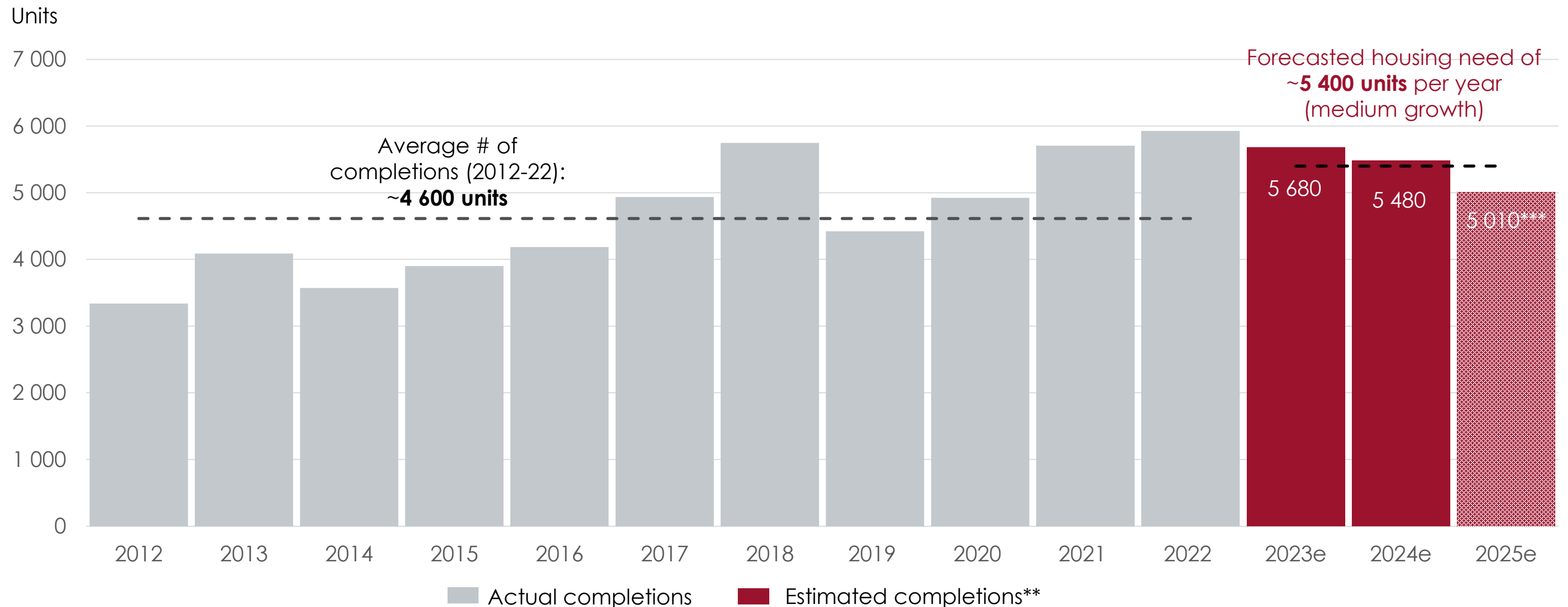
Note: Housing need calculated on parameters such as number of persons per household, lag on housing development, housing demolition.

Note: Completions exclusive of student- and senior housing.

* Estimates based on actual sales, future sales starts, and historical data.

** Uncertainty due to project lead-time.

Estimated completions in Akershus*



Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: Hawii Analyse, Forecasted housing need next 5 years: Prognosesenteret.

Note: Number of persons per household in Oslo: 1.90.

Note: Housing need calculated on parameters such as number of persons per household, lag on housing development, housing demolition.

Note: Completions exclusive of student- and senior housing.

* Akershus county = Viken county ex. Buskerud and Østfold.

** Estimates based on actual sales, future sales starts, and historical data.

*** Uncertainty due to project lead-time.

Newbuild market update

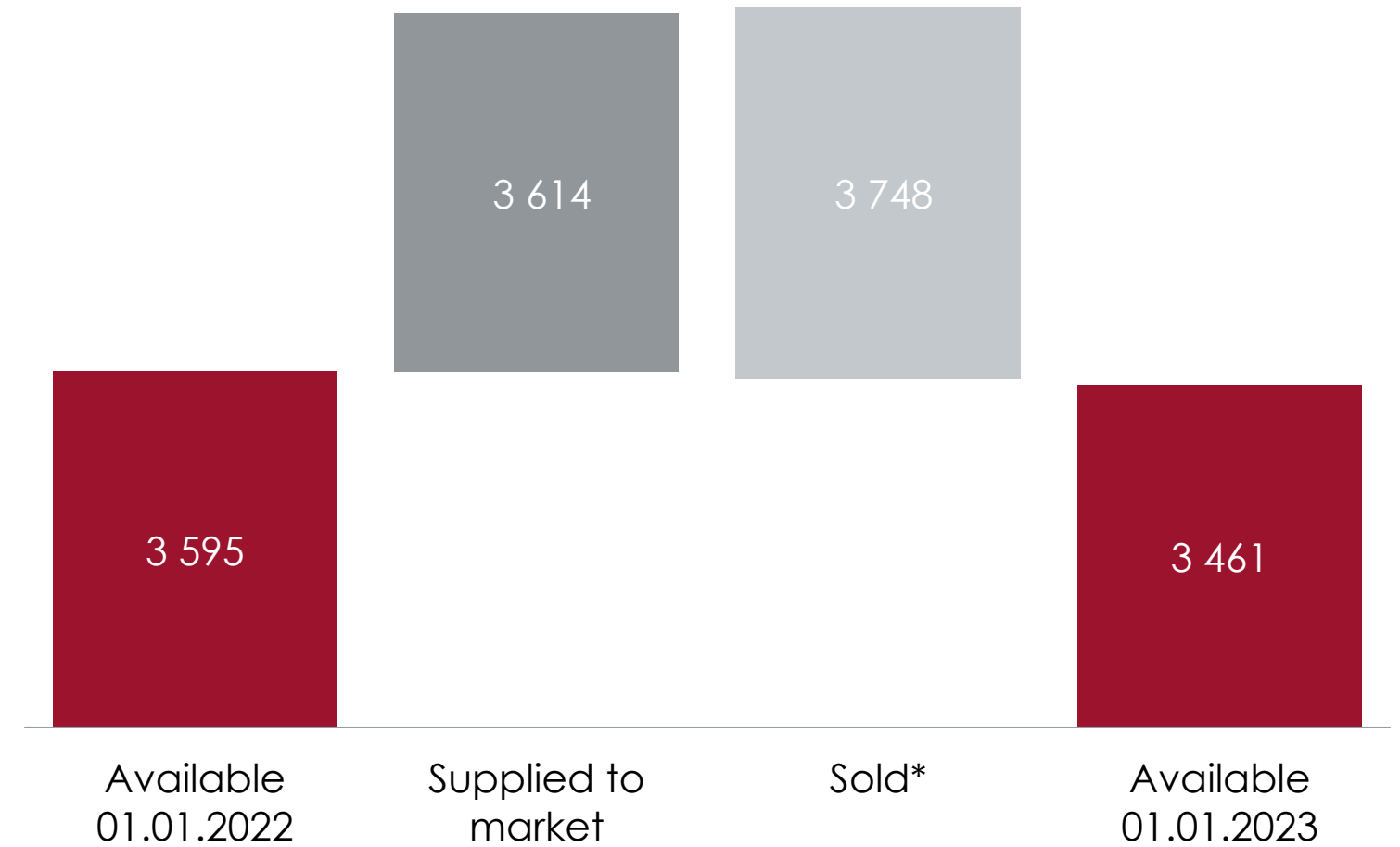
Oslo – 1.1.22 – 1.1. 23

Units



Akershus – 1.1.22 – 1.1. 23

Units

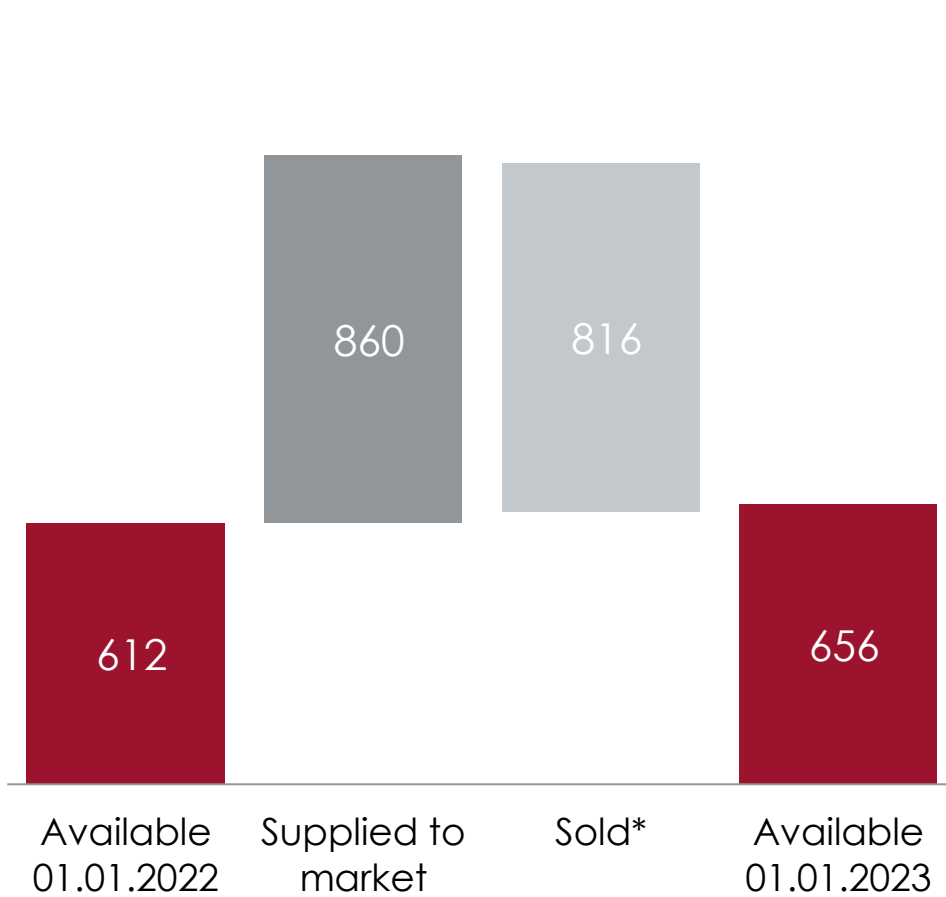


Source: SA – Havi analyse.
* Including withdrawals

Newbuild market update

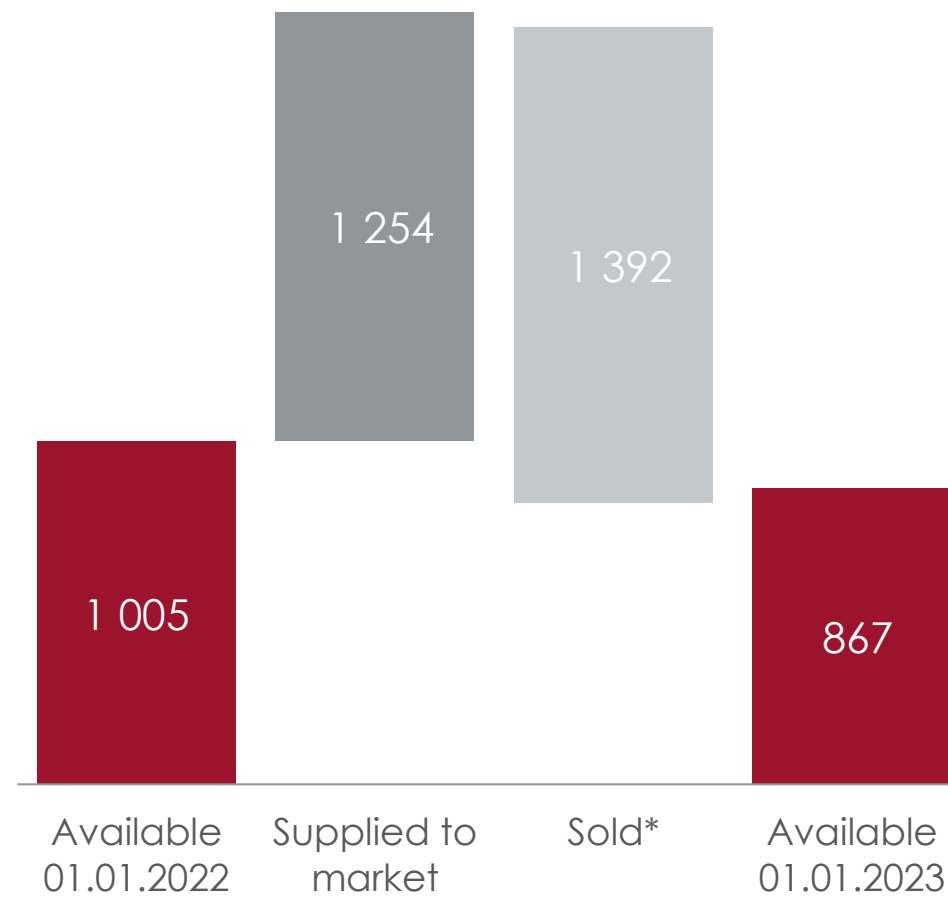
Bergen – 1.1.22 – 1.1.23

Units



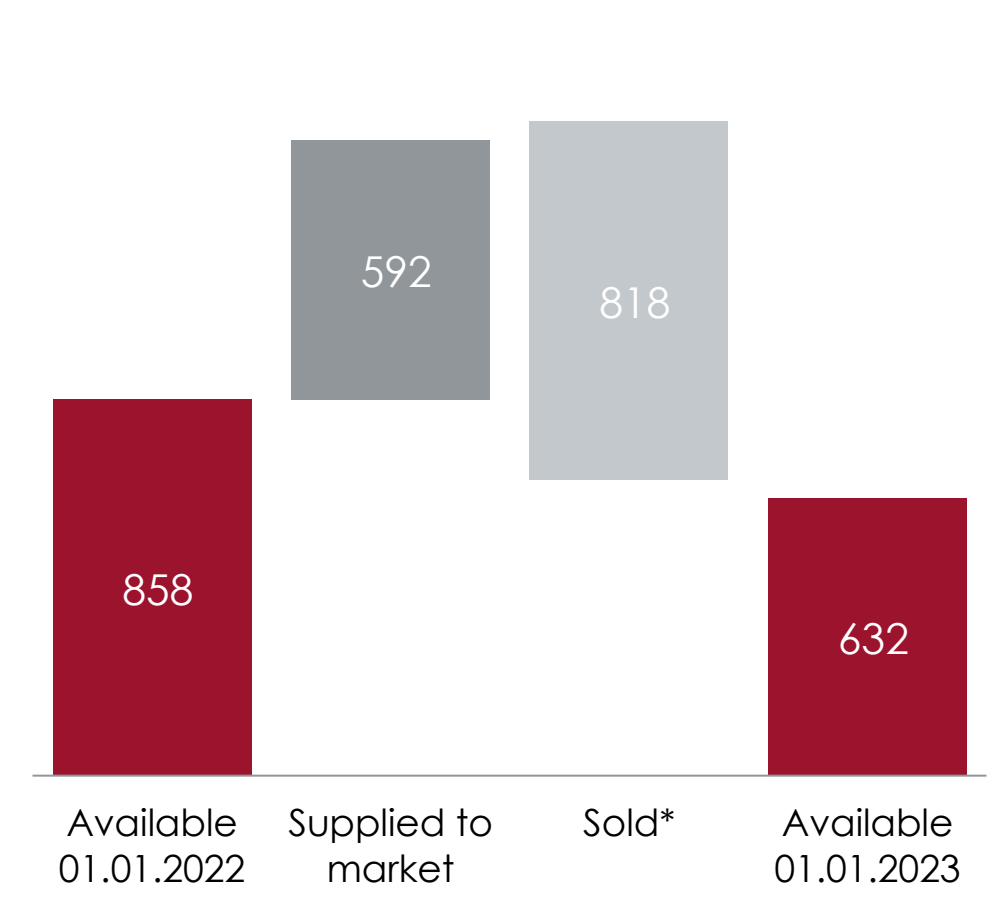
Trondheim – 1.1.22 – 1.1.23

Units



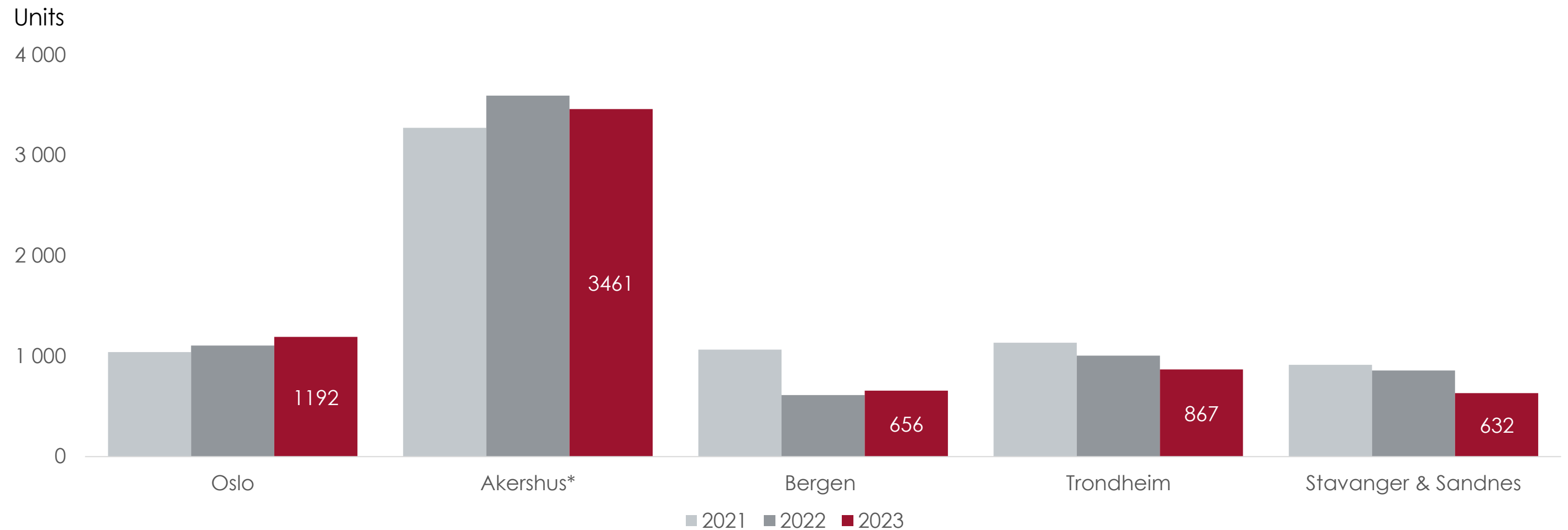
Stavanger & Sandnes – 1.1.22 – 1.1.23

Units



Source: SA – Hawii analyse.
* Including withdrawals

Regional Newbuild availability on 1 January, 2021-23



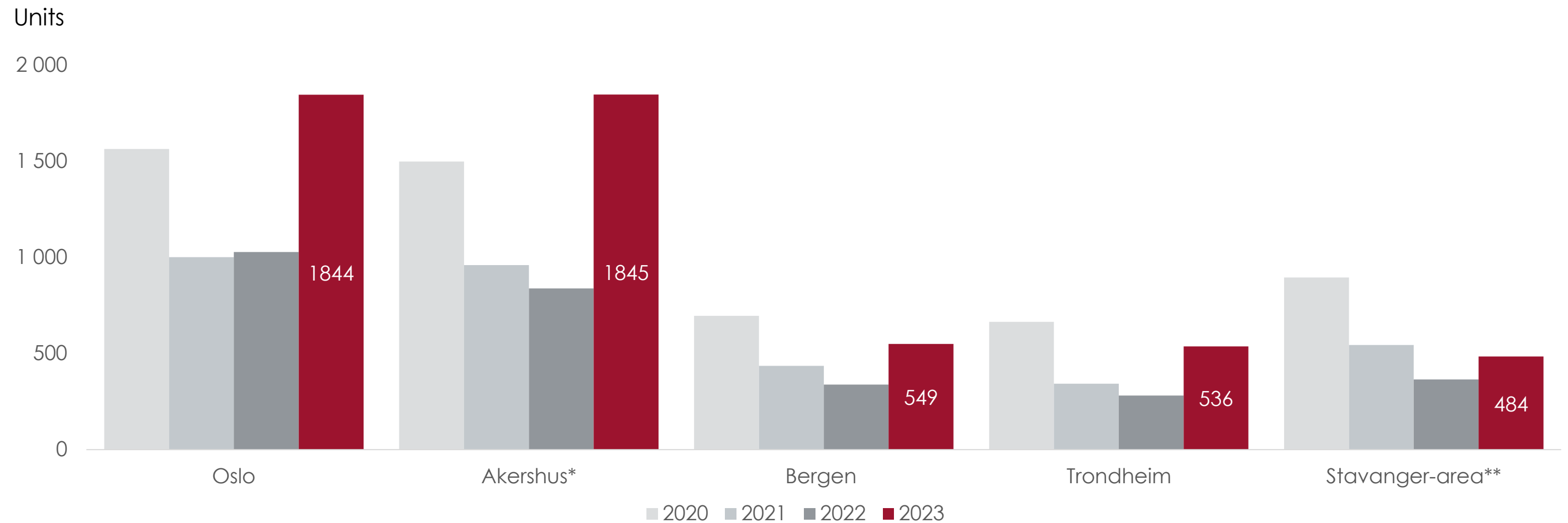
Population**	700 000	686 000	287 000	211 000	226 000
Available units per 1 000 capita 2022	1.6	5.1	2.2	3.9	3.1

Source: Hawii analyse, Statistics Norway.

* Akershus county = Viken ex. counties Buskerud and Østfold.

** Population at YE 2022.

Regional Second-hand inventory on 31 January, 2020-23



Population***	707 500	697 000	289 000	212 000	268 000
Available units per 1 000 capita 31.01.2023	2.6	2.6	1.9	2.5	1.8

Source: Eiendomsverdi, Statistics Norway.

Includes projects with 2 units or more

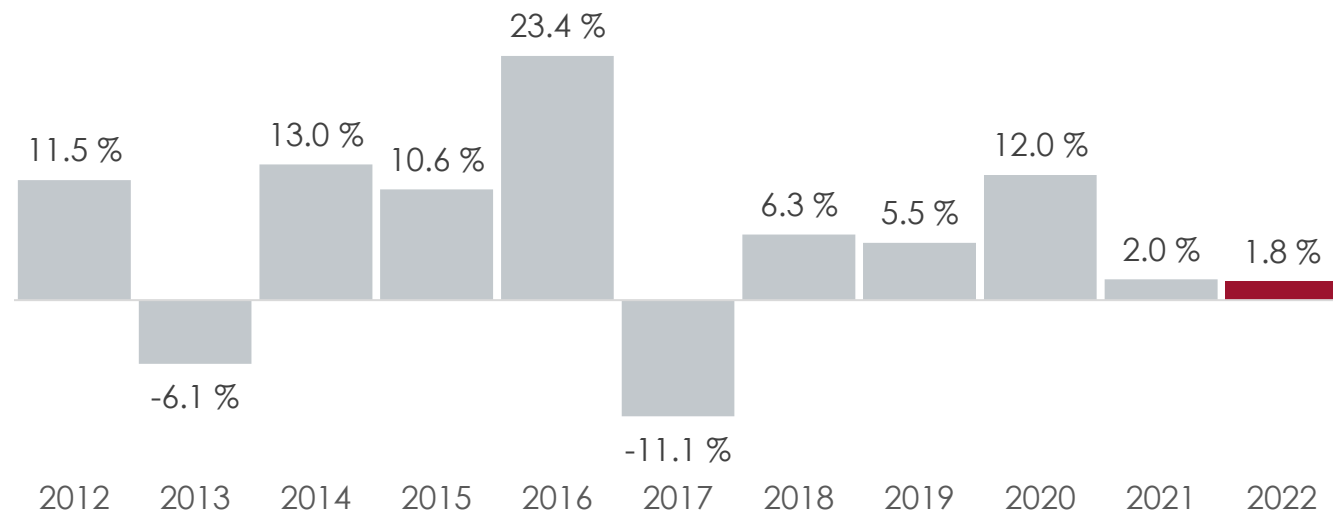
* Akershus county = Viken ex. counties Buskerud and Østfold.

** Includes Stavanger, Sola, Sandnes, Randaberg.

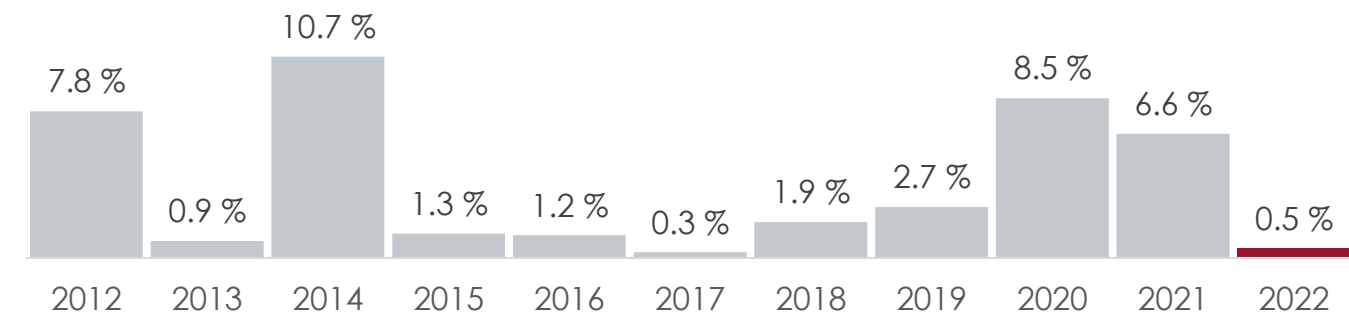
*** Population at 30.09.2022.

Regional price development 1.1-31.12, 2012-22**

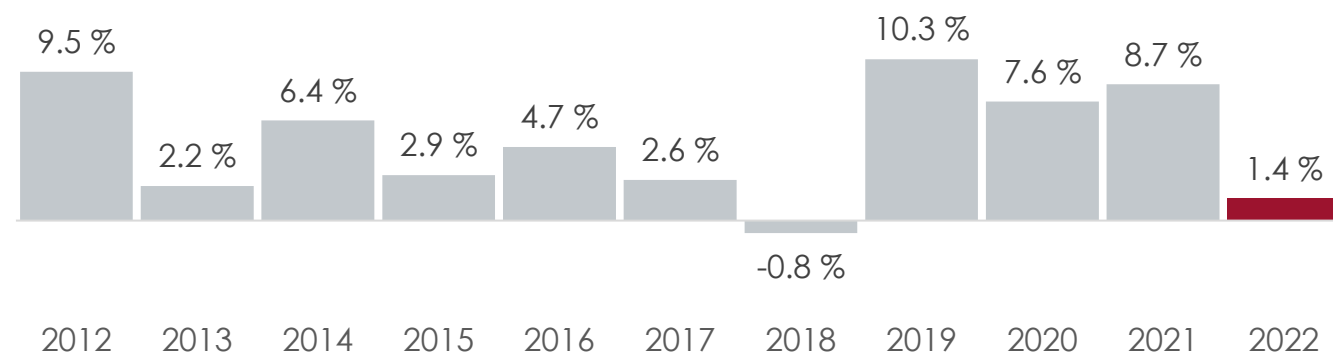
Oslo



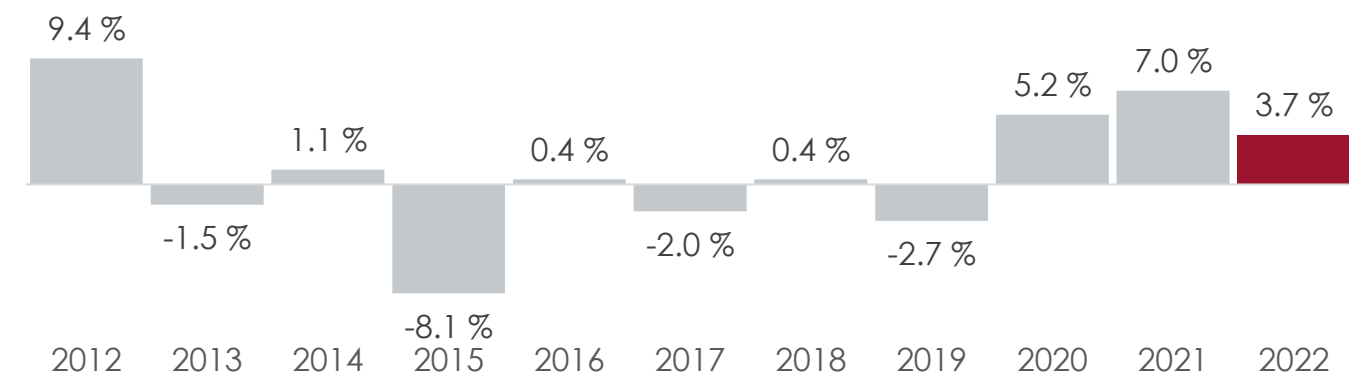
Bergen



Trondheim



Stavanger



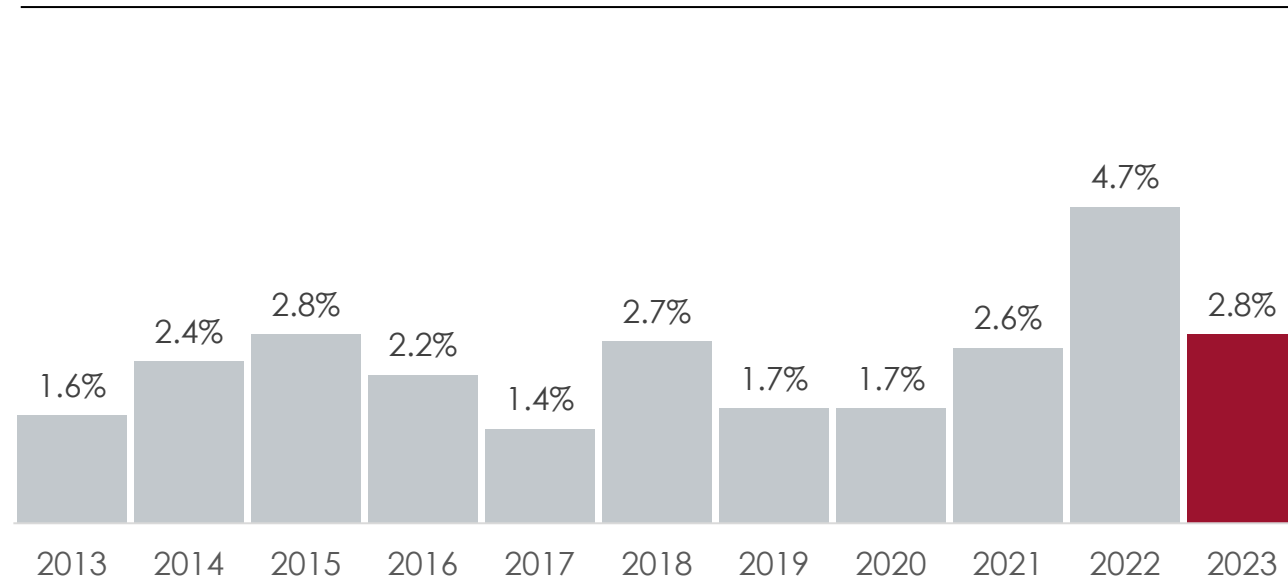
Source: Eiendom Norge.

• Includes Stavanger, Sola, Sandnes, Randaberg.

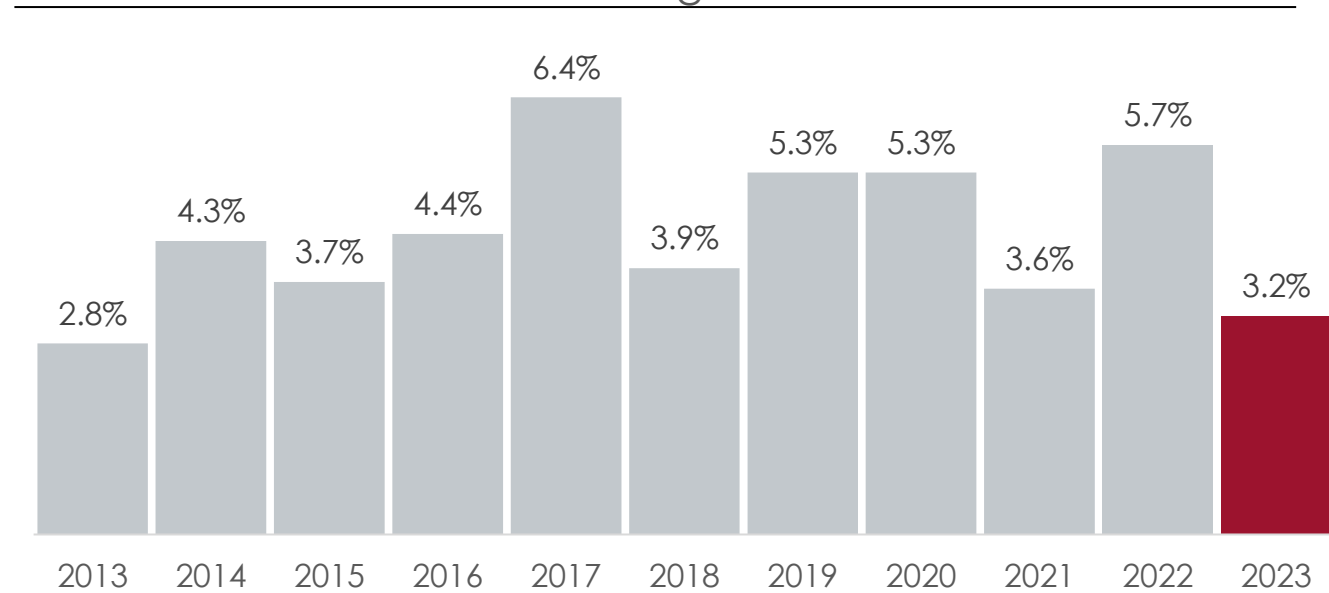
** New method for calculation from 2018.

Regional price* development January, 2013-23**

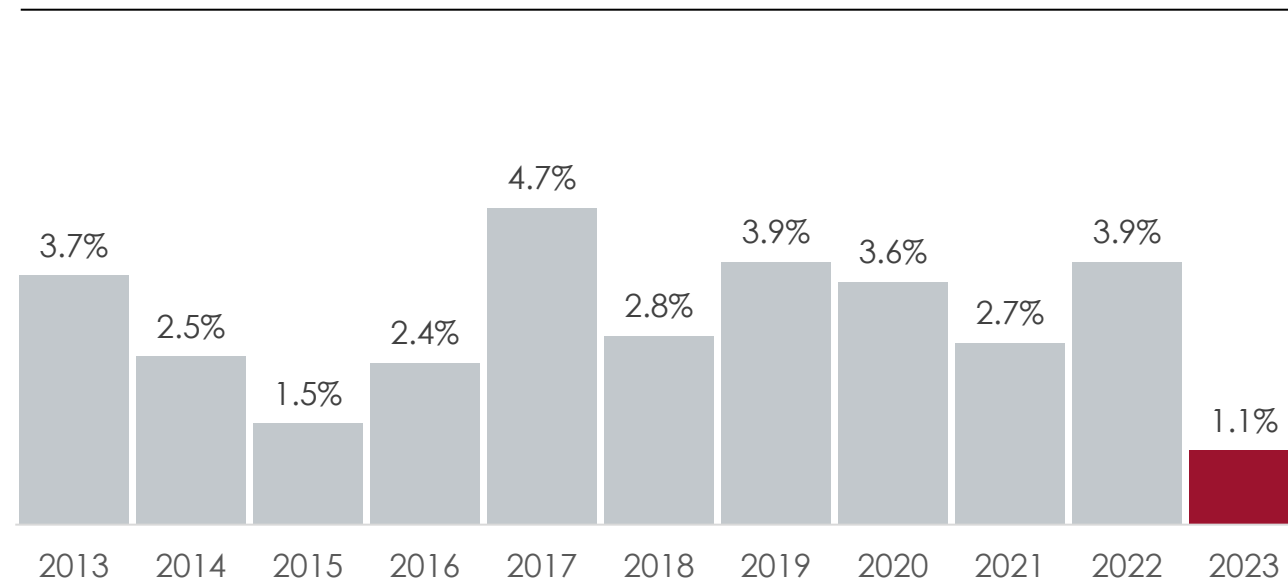
Oslo



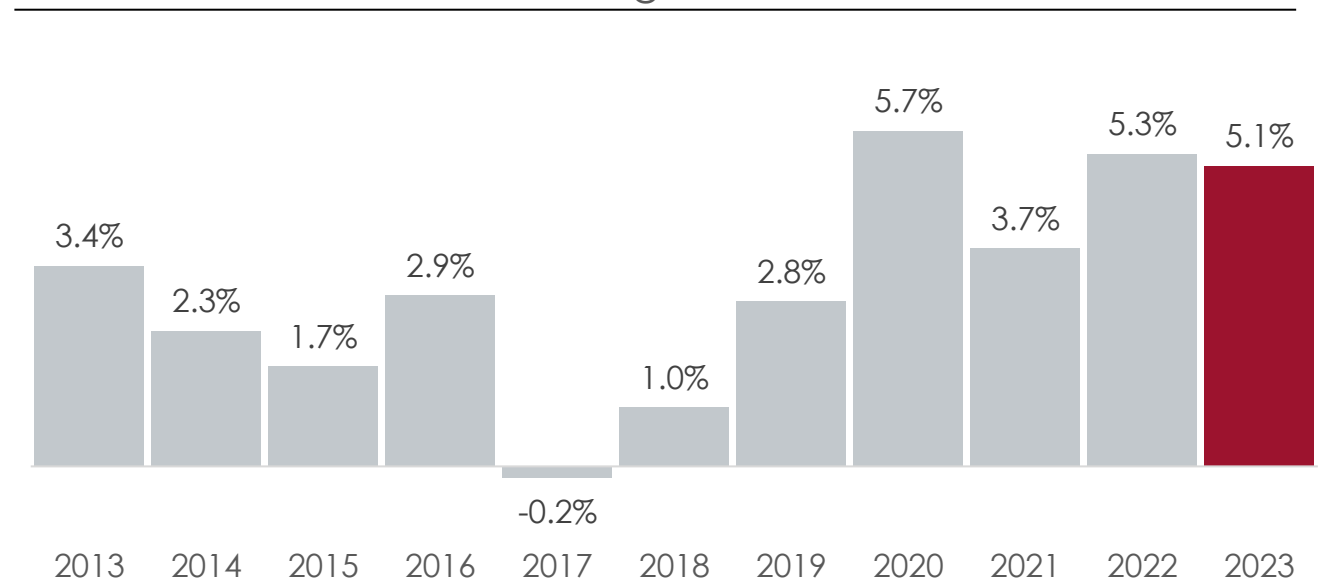
Bergen



Trondheim



Stavanger-area***



Source: Eiendom Norge.

* Nominal price change.

** New method for calculation from 2018.

*** Includes Stavanger, Sola, Sandnes, Randaberg.

Ongoing and upcoming projects



Lørenskog stasjonsby | Greater Oslo

- ~ 2 000 units total
 - ~ 200 Pluss units
- ~ 800 units remaining for sale



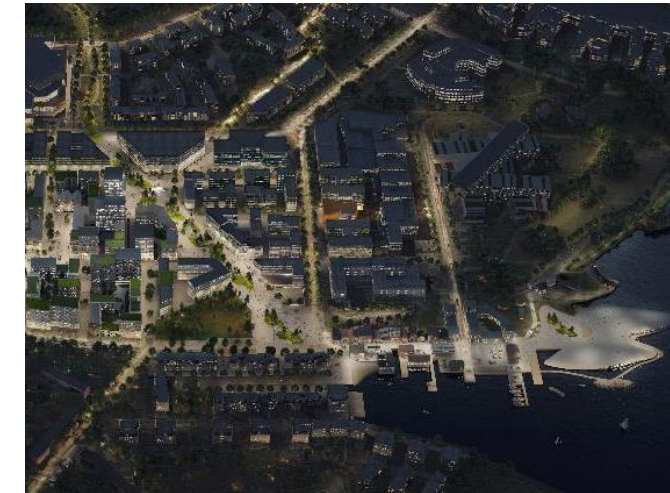
Skårerbyen | Greater Oslo

- ~ 1 100 units total
 - ~ 250 Pluss units
- ~ 400 units remaining for sale



Bjerke | Oslo

- ~ 1 500 units total
 - ~ 300 Pluss units
- Expected sales start: 2026



Fornebu | Greater Oslo

- ~ 2 000 units total (JV)
 - ~ 500 Pluss units
- Expected sales start: 2025

Ongoing and upcoming projects



Ringve Pluss | Trondheim

- ~ 600 units total (JV)
 - ~ 400 Pluss units
- ~ 500 units remaining for sale



Sandsli | Bergen

- ~ 600 units total
 - ~ 250 Pluss units
- ~ 400 units remaining for sale



Minde | Bergen

- ~ 650 units (JV)
 - ~ 200 Pluss units
- Expected sales start: 2023



Fredrikstad | Greater Oslo

- ~ 2 000 units (JV)
 - ~ 400 Pluss units
- Expected sales start: 2024

Ongoing and upcoming projects



Landås | Greater Oslo

- ~ 650 units total
 - ~ 400 Pluss units
- ~ 450 units remaining for sale



Solbergskogen Pluss | Greater Oslo

- ~ 300 units
 - ~ 300 Pluss units
- Expected sales start: 2023



Kaldnes Brygge | Greater Oslo

- ~ 1 500 units total (JV)
 - ~500 Pluss units
- ~ 550 units remaining for sale



Barkarby Pluss | Stockholm

- ~ 220 units
 - ~ 220 Pluss units
- Expected sales start: 2023

Ongoing and upcoming projects



Lilleaker | Oslo

- ~ 150 units
- ~ Expected sales start: 2024



Lørenvangen | Oslo

- ~ 200 units
- Expected sales start: 2024



Ballerud | Greater Oslo

- ~ 160 units
- Expected sales start: 2023



Lervig Brygge | Stavanger

- ~ 800 units total
 - ~ 200 Pluss units
- ~ 200 units remaining for sale

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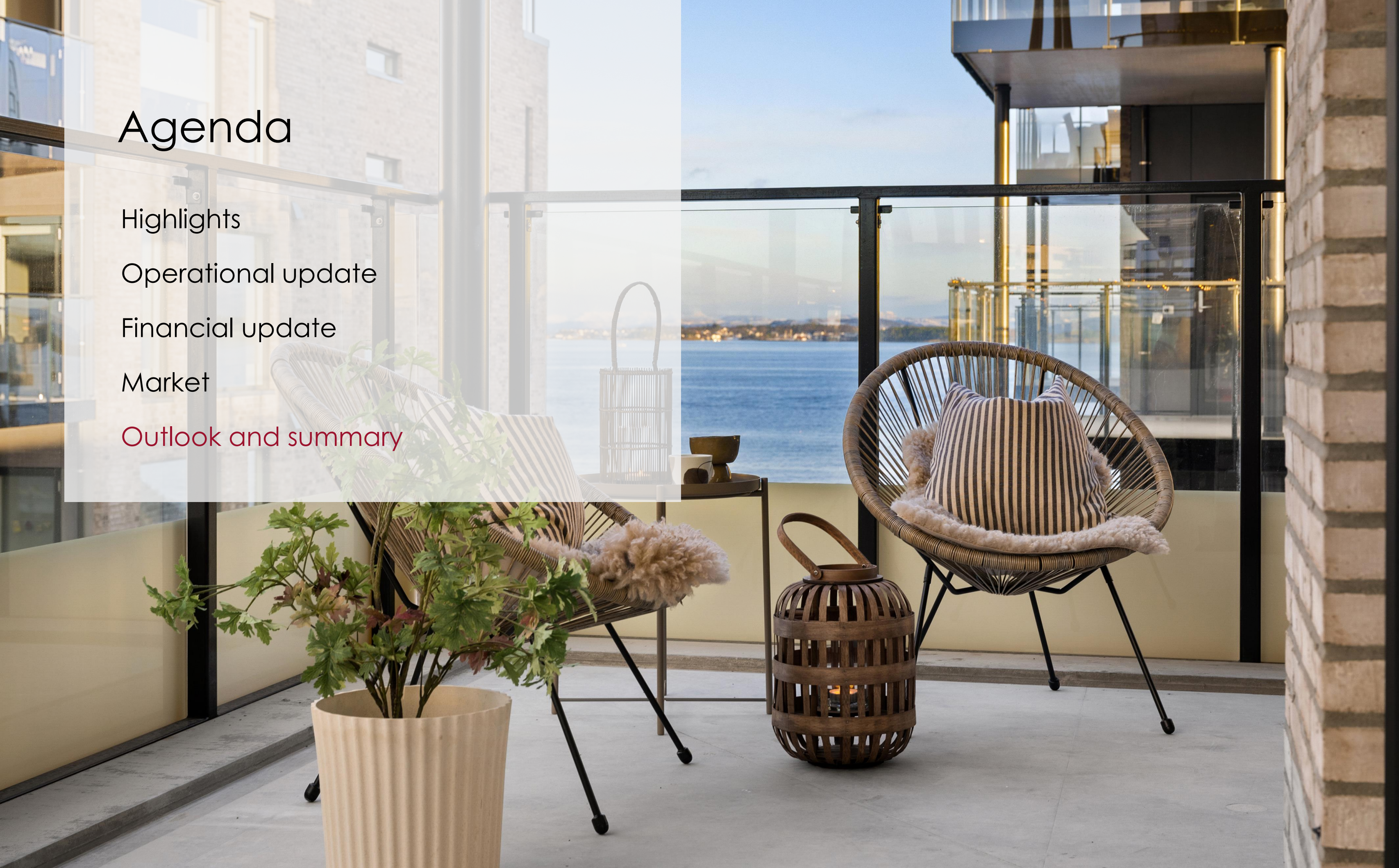
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Outlook

- Housing shortage in Oslo area provides favorable conditions for new housing
- Increased viewing activity and positive sales development so far in 2023
- Improved momentum from easing of lending regulations
- Expecting reduction in construction cost going forward
- Well positioned for market recovery
 - App. 350 units for sale at 14 February
 - Potential for app. 1 100 additional units during 2023, dependent on market condition



Summary

- Solid results considering few units delivered
- Sales impacted by challenging market conditions
- 146 construction starts vs. 160 completions, and increased value of units under construction
- Construction costs falling
- External valuation of remaining land bank of NOK 1.2bn vs. book value of NOK 0.7bn
- Proposed H2 22 dividend of NOK 2.00 per share*, NOK 4.00 per share for the full year

* Pay-out on 9 May 2023.



Thank you for your attention – follow us online!

Next event:
1st quarter 2023
24 May 2023



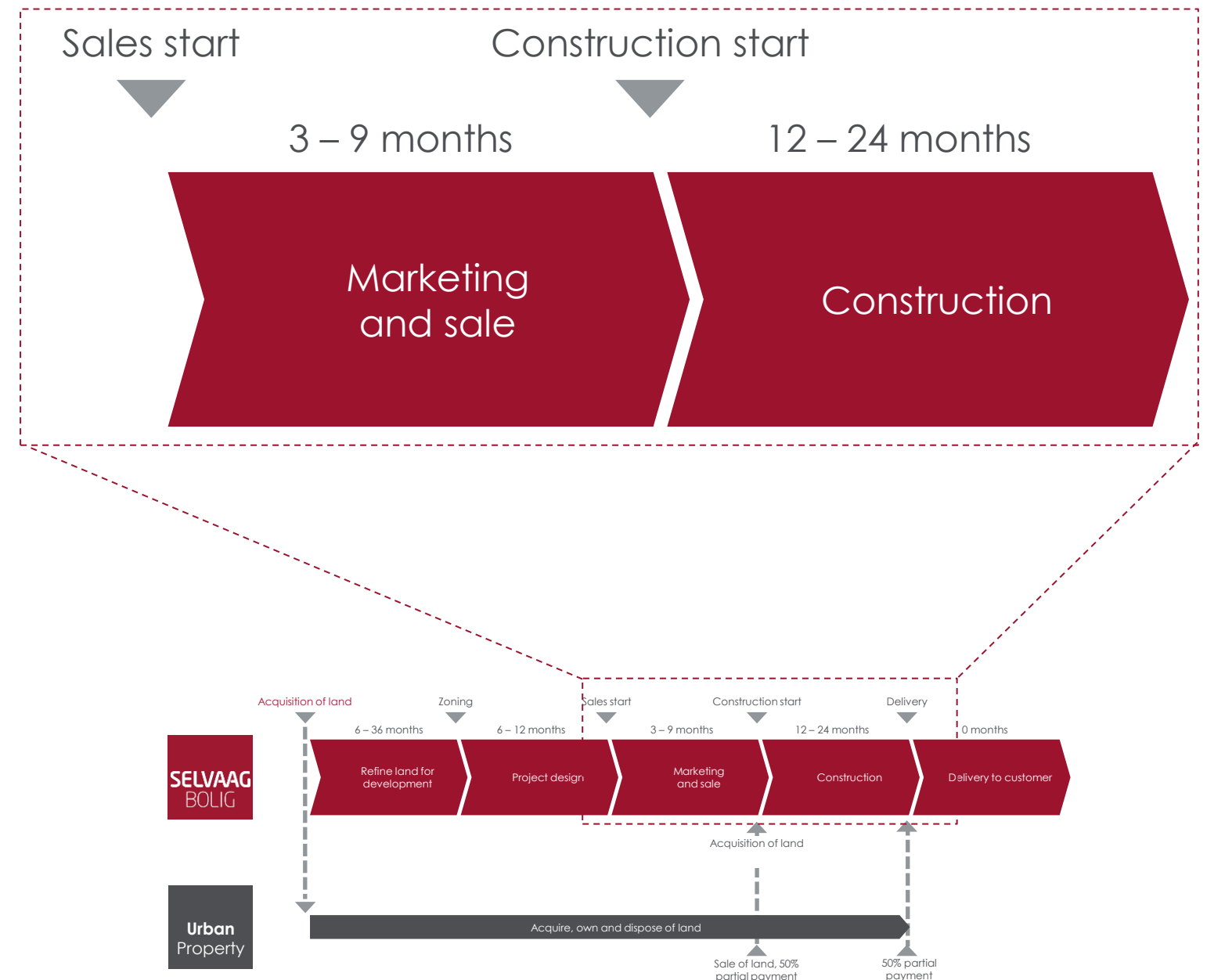
@SelvaagAksjen

Appendix



Business model minimizes risk

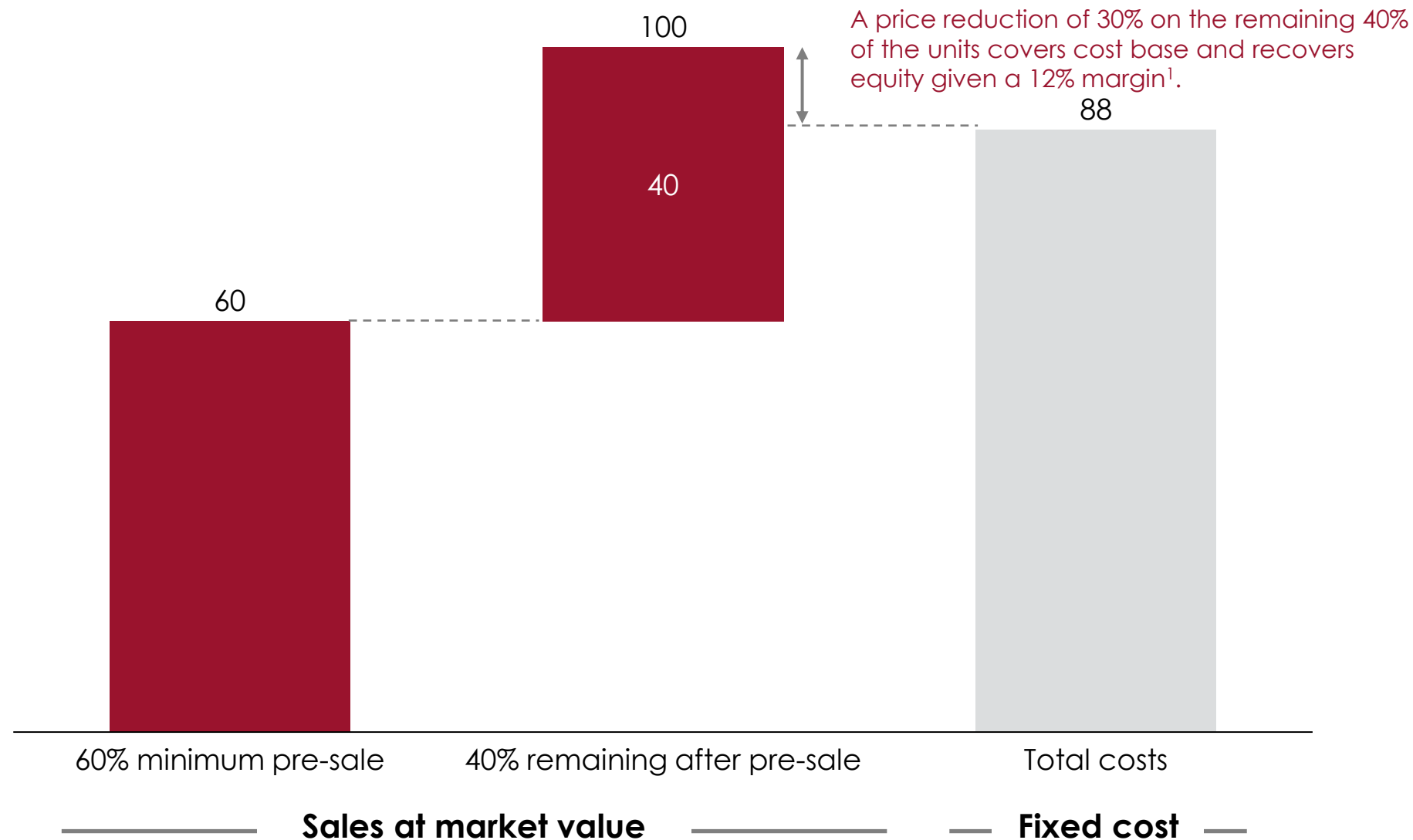
- Construction cost development
 - Increased due to geopolitical unrest and shortages after COVID-19 pandemic
 - New projects in certain areas postponed due to high construction costs
 - Construction costs now falling
- Risk mitigation
 - Fixed construction cost secured for all units under construction
 - Minimum presale of 60% before construction start
- Well prepared for shift in market sentiment
 - Approximately 650 units ready for market introduction in H1 2023
 - Sales starts dependent on market conditions



Costs and majority of sales value fixed pre-construction

Illustrative risk profile at construction start of a NOK 100 million project with a 12% margin

NOK billion



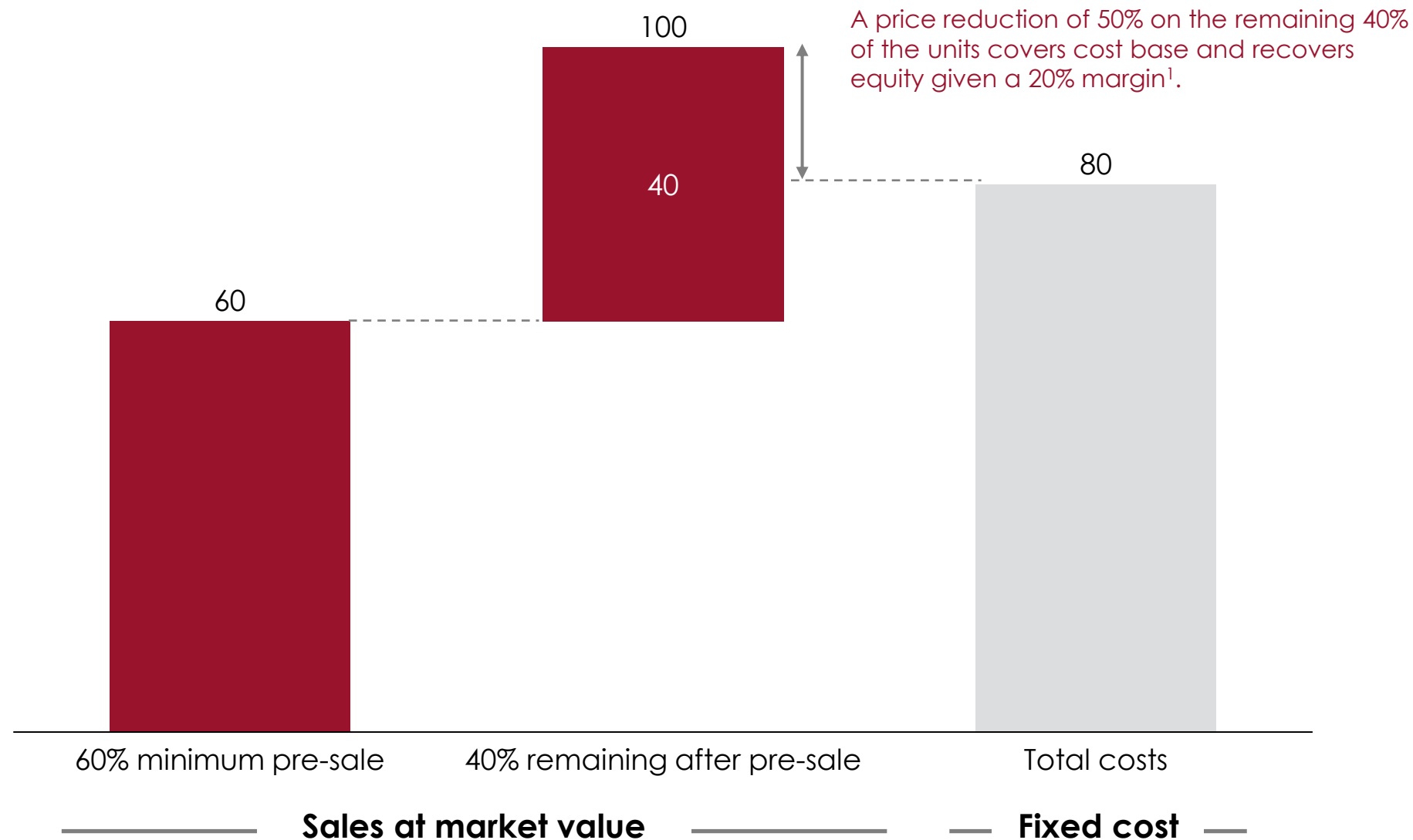
Limited equity risk

- Construction starts after minimum 60% pre-sale
- Sales subject to project cost reservations
- Remaining risk very limited

Costs and majority of sales value fixed pre-construction

Illustrative risk profile at construction start of a NOK 100 million project with a 20% margin

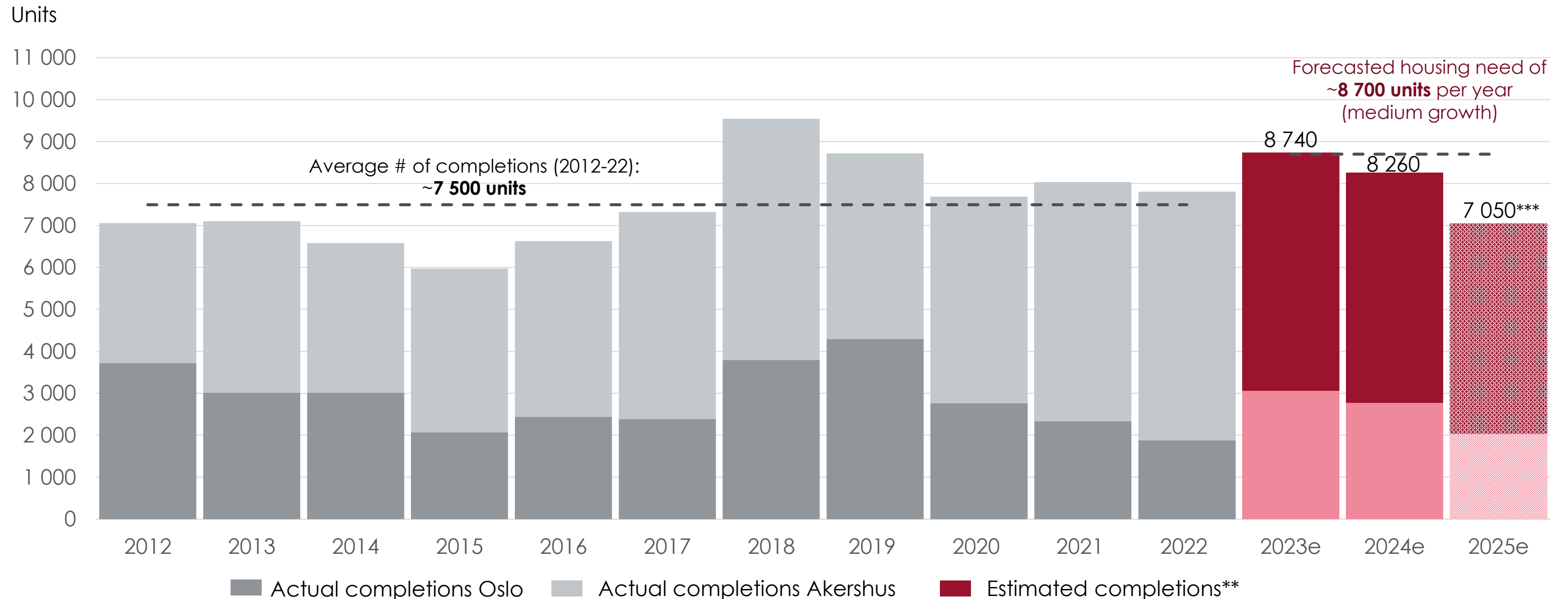
NOK billion



Limited equity risk

- Construction starts after minimum 60% pre-sale
- Sales subject to project cost reservations
- Remaining risk very limited

Estimated completions in Oslo and Akershus*



Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: Hawii Analyse, Forecasted housing need next 5 years: Prognosesenteret.

Note: Number of persons per household in Oslo: 1.90.

Note: Housing need calculated on parameters such as number of persons per household, lag on housing development, housing demolition.

Note: Completions exclusive of student- and senior housing.

* Akershus county = Viken county ex. Buskerud and Østfold.

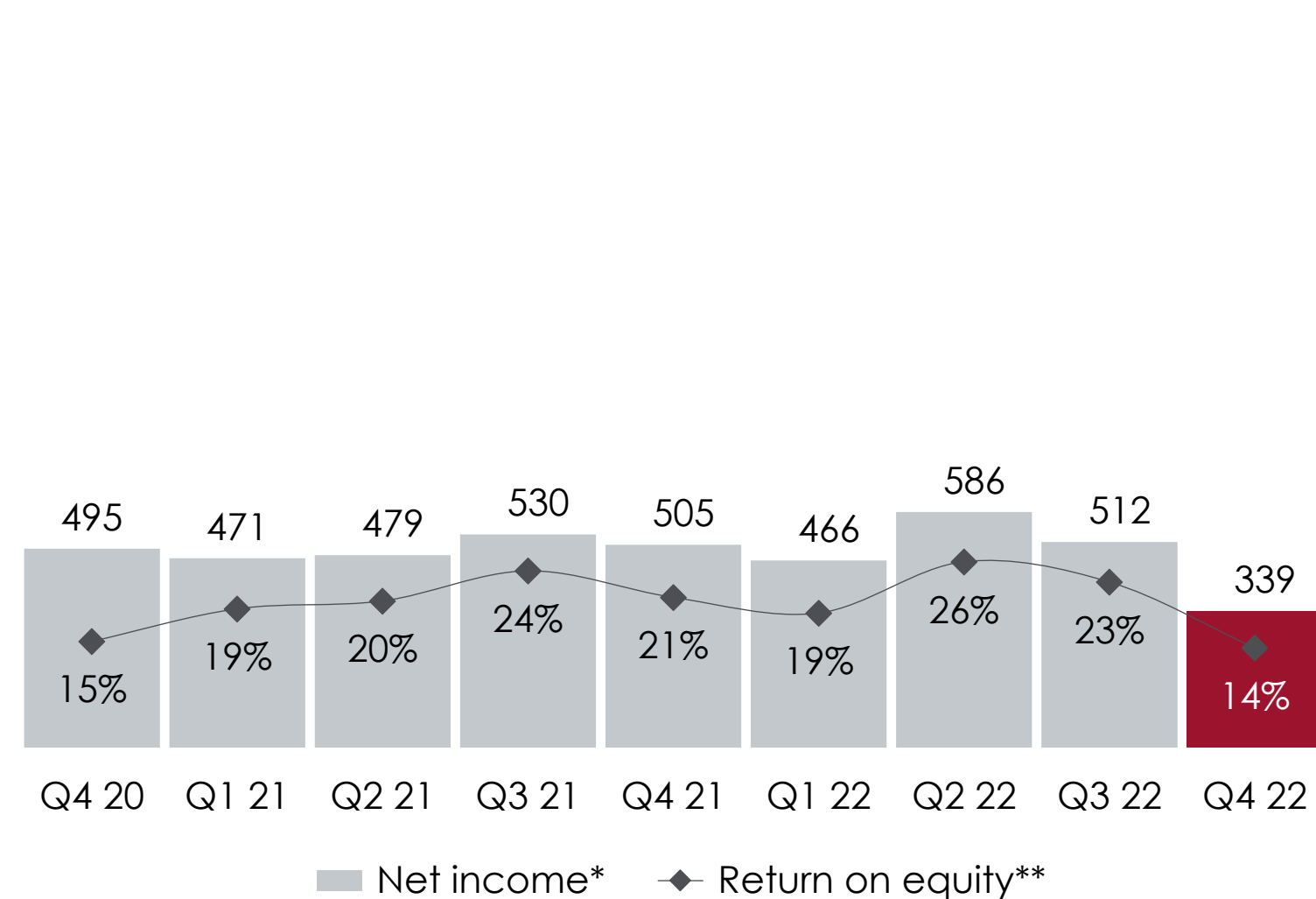
** Estimates based on actual sales, future sales starts, and historical data.

*** Uncertainty due to project lead-time.

Return on equity (IFRS)

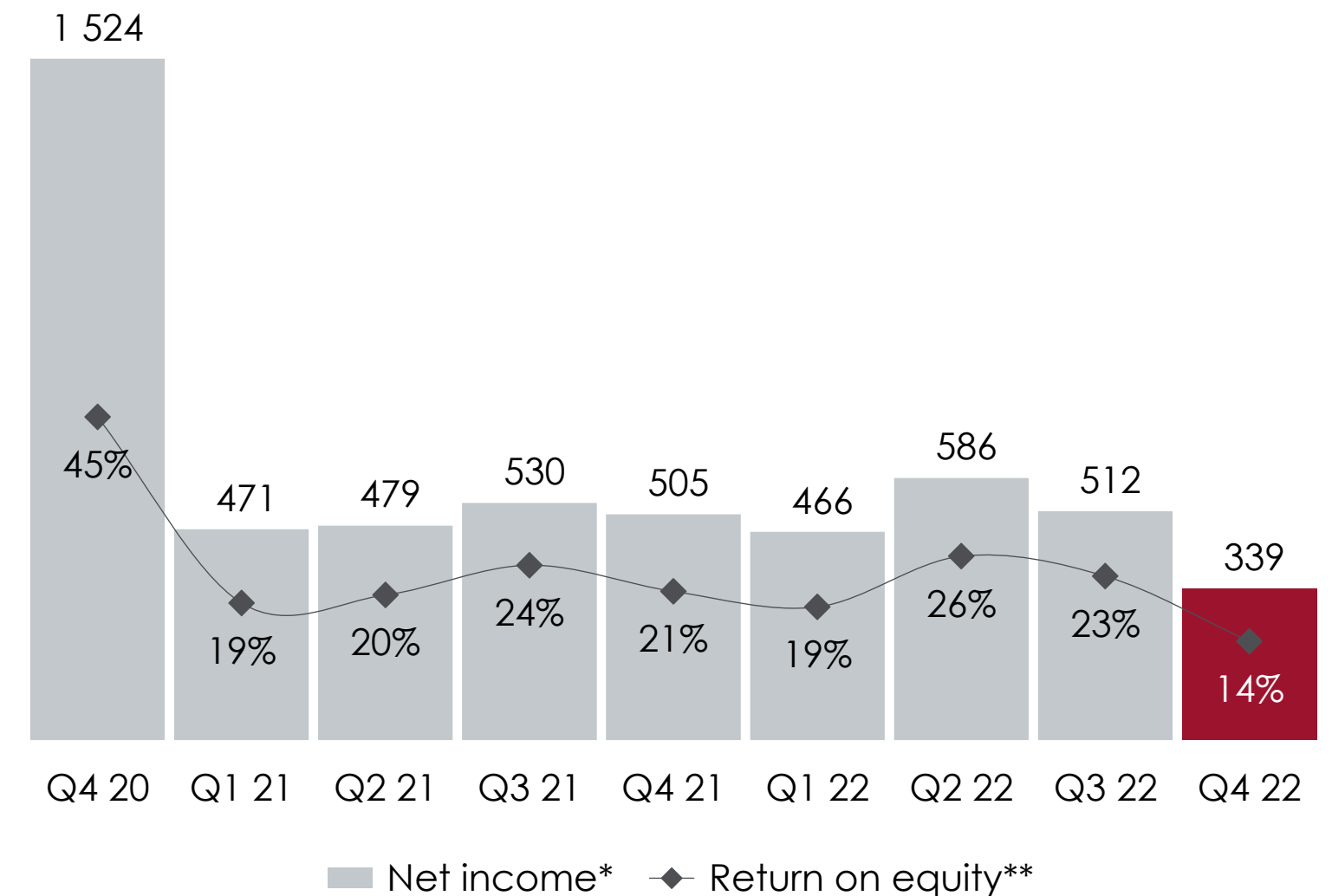
12-month rolling net income (NOKm) ROE (%)

Q1 2020 Net income excluding Other gains of NOK 1 029m



12-month rolling net income (NOKm) ROE (%)

Q1 2020 Net income including Other gains of NOK 1 029m



* Net income attributable to shareholders in Selvaag Bolig ASA.

** Based on equity at the start of the period (attributed to shareholders in Selvaag Bolig ASA).

Dividend policy

Revised dividend policy:

Selvaag Bolig's ambition is to pay high and stable dividends to its owners.

The company aims to pay dividends of minimum 60 per cent of net annual profit, paid in two instalments over the year. However, the size of the dividend will be weighed against the company's liquidity forecasts and capital adequacy.

Old dividend policy:

Selvaag Bolig's ambition is to pay high and stable dividends to its owners.

The company aims to pay dividends of minimum 40 per cent of net annual profit, paid in two instalments over the year. However, the size of the dividend will be weighed against the company's liquidity forecasts and capital adequacy.

The company will maintain an equity ratio of minimum 30 per cent.

Share performance since IPO in June 2012

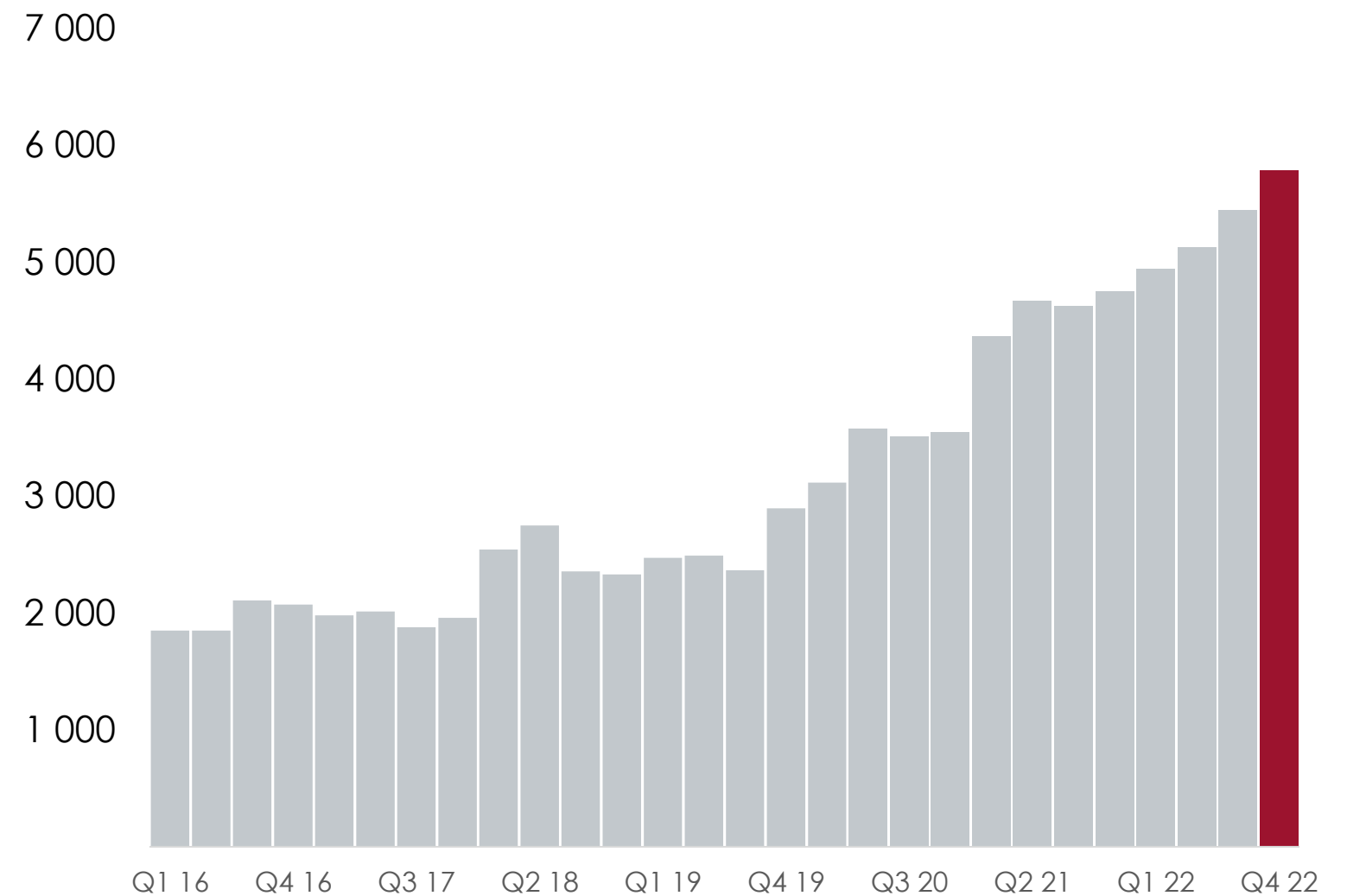


Source: Oslo Børs.

Share information

- Total number of shares: 93.8 million
- Number of shareholders: 5 784 (5 441)*
 - 20 largest controlling 81.3% (82.2)
 - Selvaag AS largest shareholder - 53.5%
- Trading
 - 6.2 million shares during the quarter (2.7), 6.6% of total shares outstanding
 - Share turnover totaled NOK 189 million (106)

Number of shareholders



* All numbers in brackets from previous quarter.

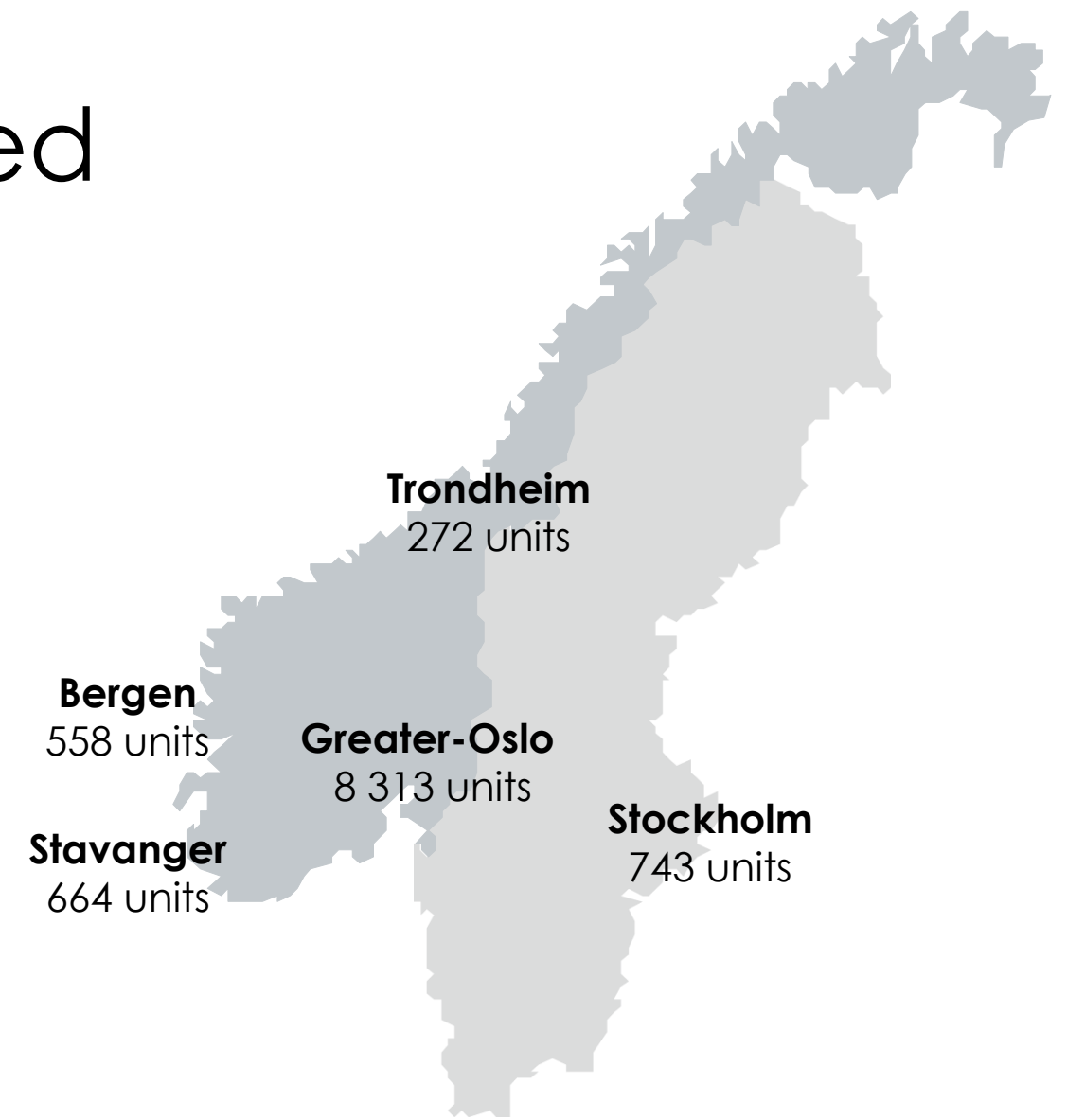
Largest shareholders at 31.12, 2022

Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
Skandinaviska Enskilda Banken AB	4 796 067	5.1%
PARETO INVEST NORGE AS	4 671 772	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%
SANDEN EQUITY AS	1 200 000	1.3%
MUSTAD INDUSTRIER AS	1 136 363	1.2%
The Northern Trust Comp, London Br	840 200	0.9%
Skandinaviska Enskilda Banken AB	750 000	0.8%
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.	513 705	0.5%
Morgan Stanley & Co. International	496 588	0.5%
Sverre Molvik	492 814	0.5%
Øystein Klungland	487 582	0.5%
The Bank of New York Mellon SA/NV	450 810	0.5%
THRANE-STEEN NÆRINGSBYGG AS	342 249	0.4%
Avanza Bank AB	331 199	0.4%
Total 20 largest shareholders	76 187 905	81.3%
Other shareholders	17 577 783	18.7%
Total number of shares	93 765 688	100.0%

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

Addressing the long term housing need

- Nearly 60 000 homes over the last 70 years
- Housing for all
- Focus on fast growing urban regions
- Large projects with more than 150 units



Substantial land bank in Norway's four largest growing urban areas

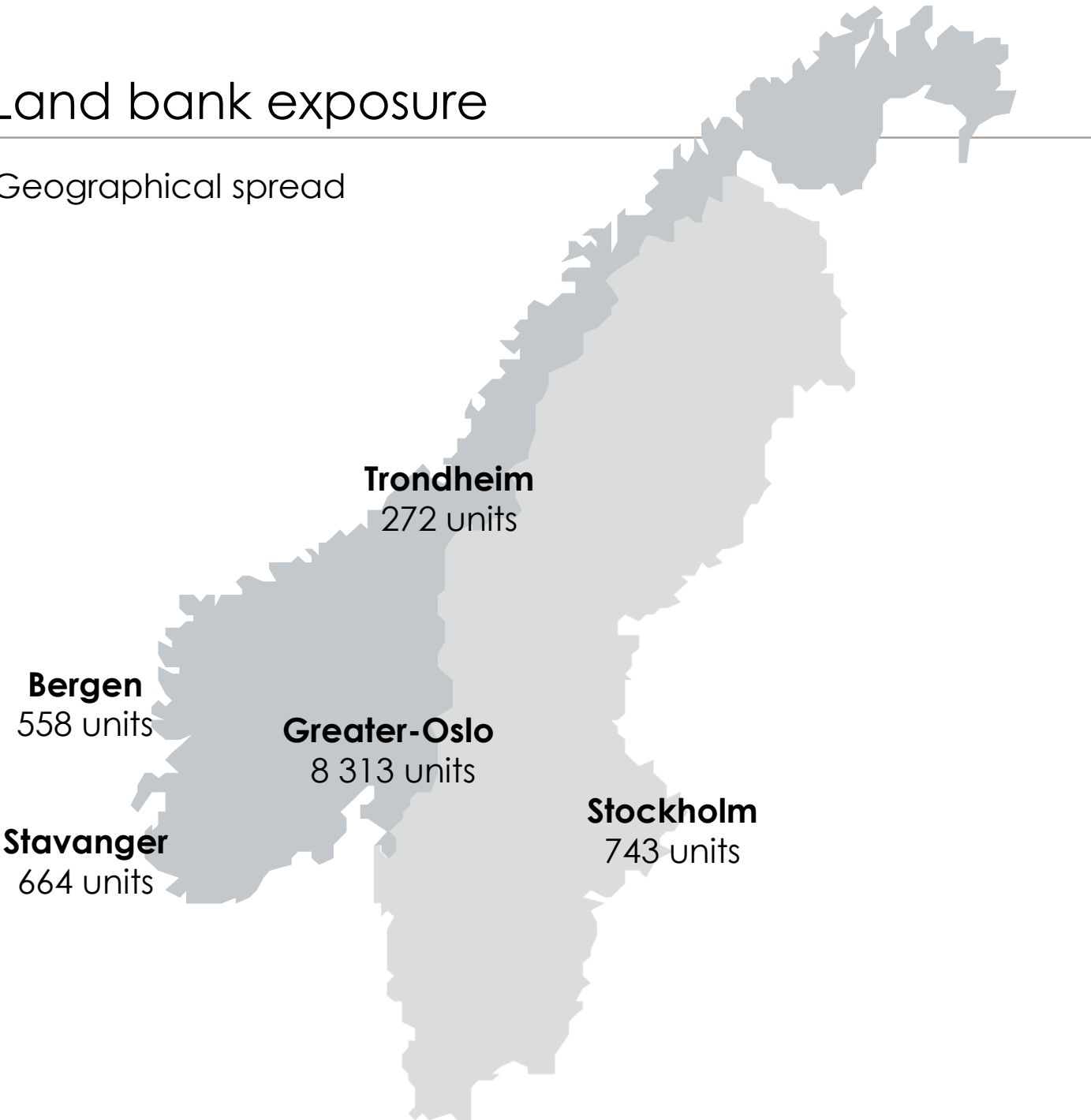
Land-bank strategy

- Acquire the right mix of zoned and unzoned land in suitable locations
- Land acquisitions in defined core areas
- High degree of site utilisation and strategic land development
- Substantial land bank to accommodate targets/growth in core areas
- Good infrastructure and public transport
- Joint ventures (JVs)

Note: The numbers represent the size of the land portfolio at 31 December 2022. All numbers are adjusted for Selvaag Bolig's share in joint ventures. The total portfolio is ~10 550 units. Of these ~5 250 are options and obligations to buy.

Land bank exposure

Geographical spread



Change in needs calls for new concepts

Selvaag Pluss

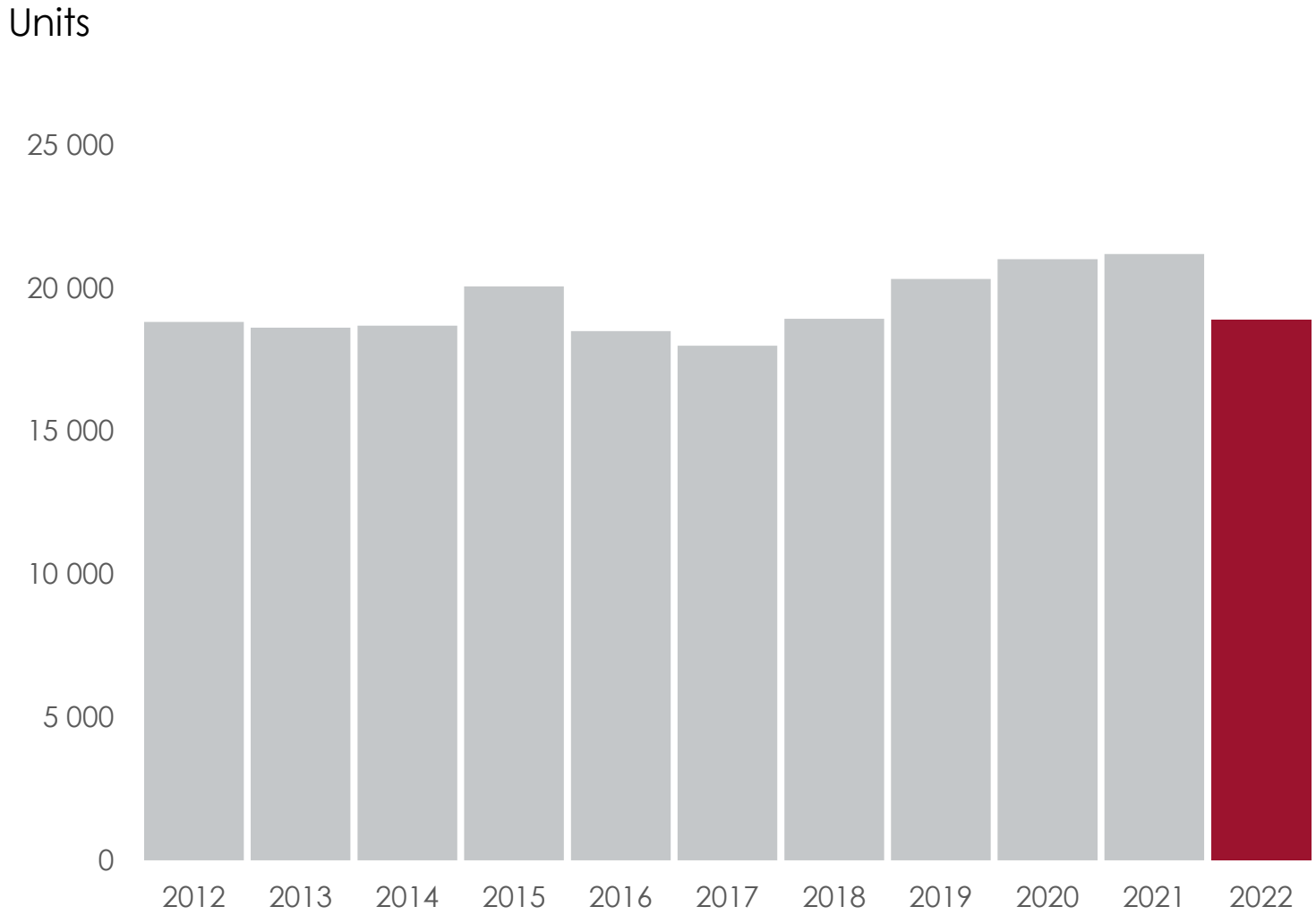
- Lifestyle concept
- Attractive common areas
- Professional hosting services
- Service offerings and good neighbourliness, make every day living easier
- Guestrooms for family and friends
- Work-out- and fitness centre

Selvaag City

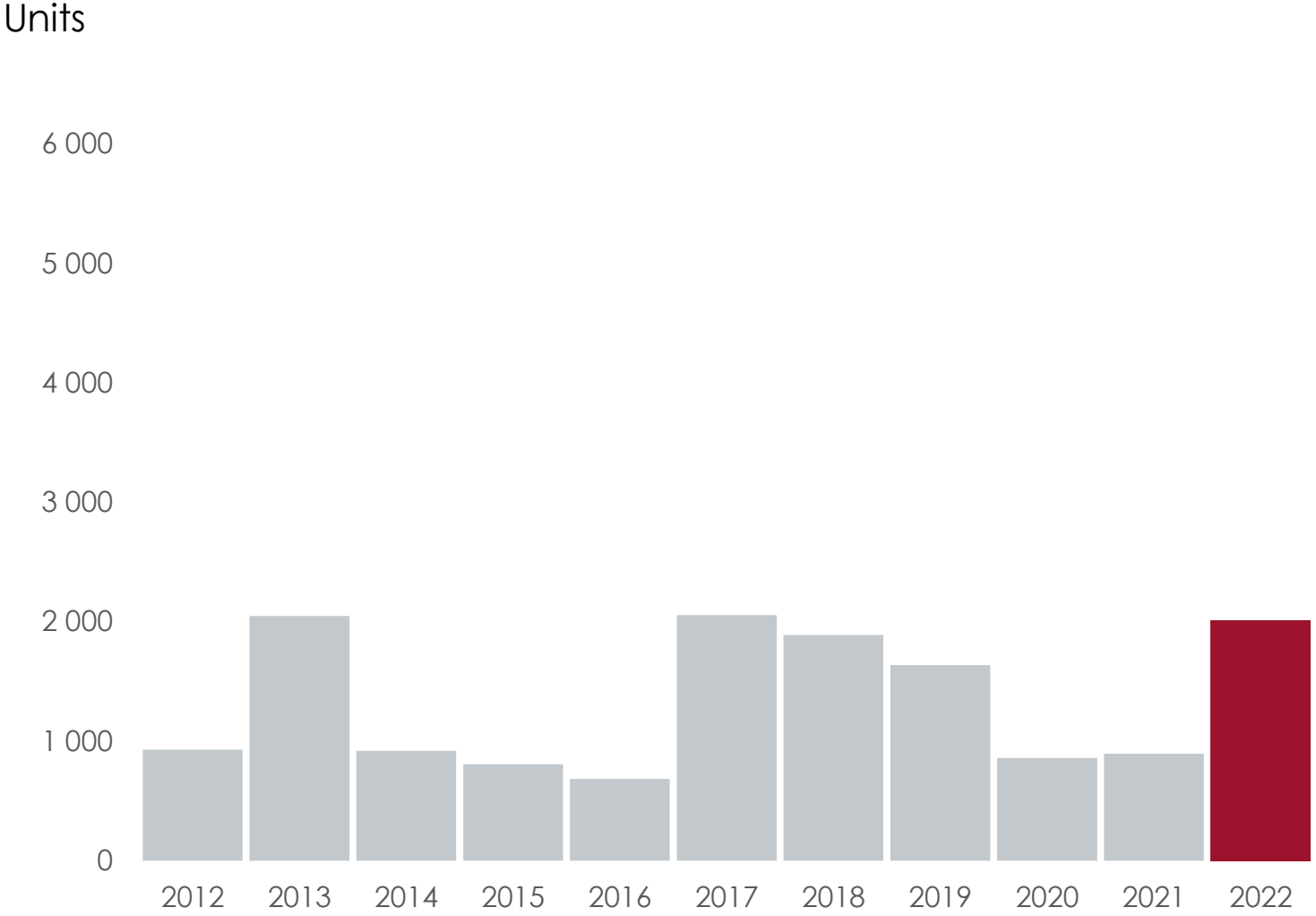
- Urban lifestyle concept with compact apartments
- Attractive common areas
- Professional hosting services
- Service offerings and good neighbourliness, make every day living easier
- Guestrooms for family and friends
- Work-out- and fitness centre

Oslo second-hand market update

Units sold 1.1 - 31.12, 2012-22



Inventory 31.12, 2012-22

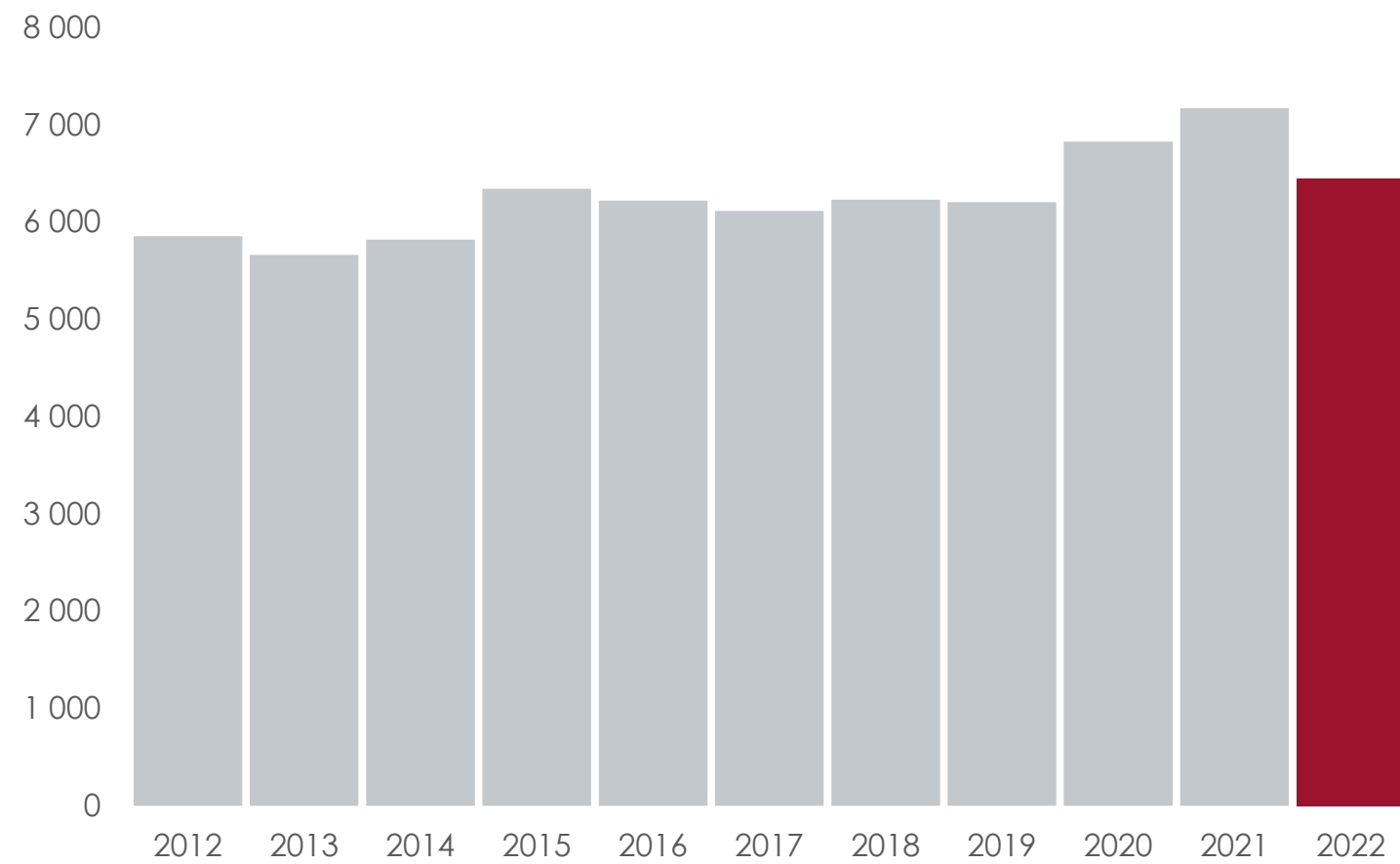


Source: Eiendomsverdi.

Bergen second-hand market update

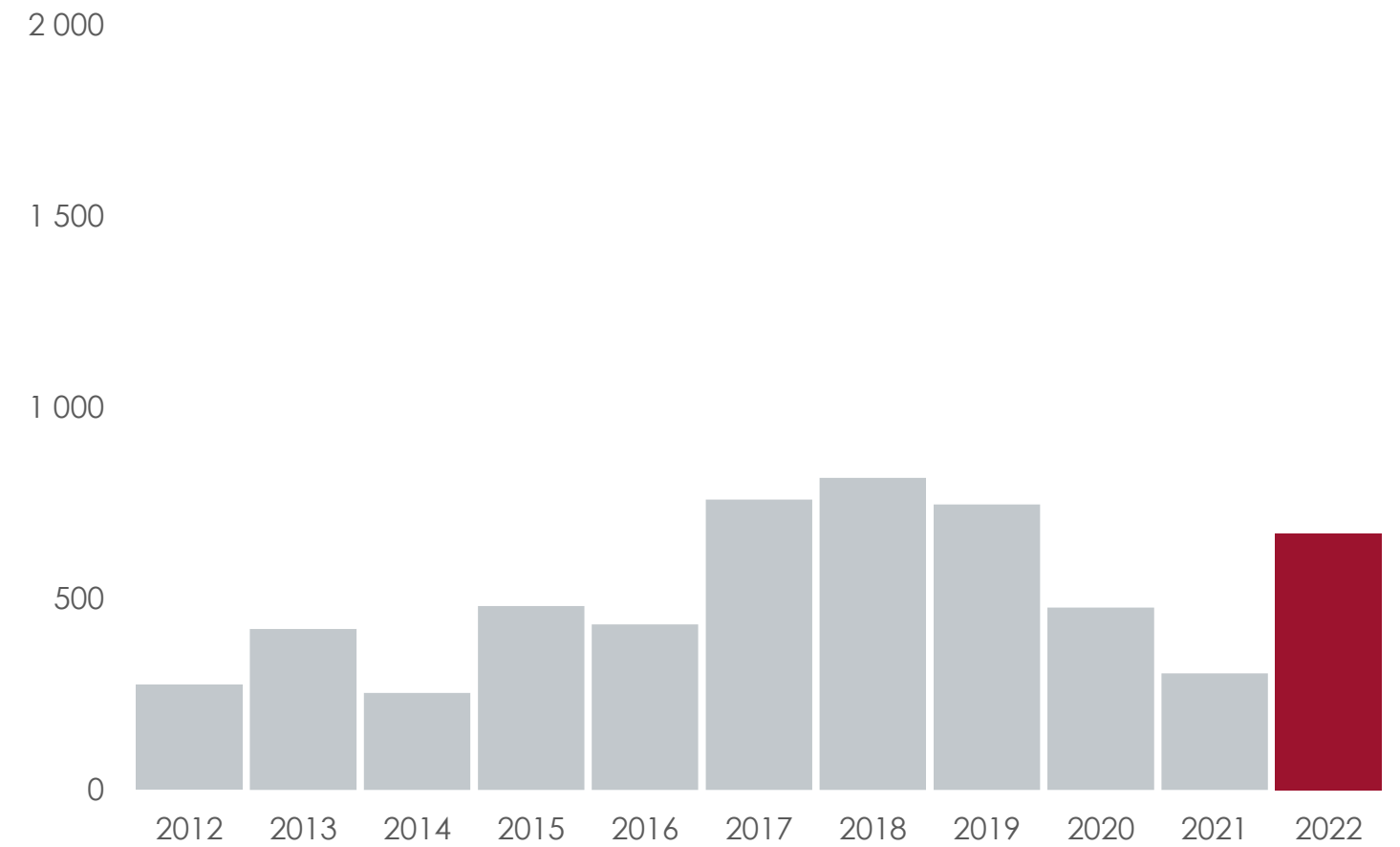
Units sold 1.1 - 31.12, 2012-22

Units



Inventory 31.12, 2012-22

Units

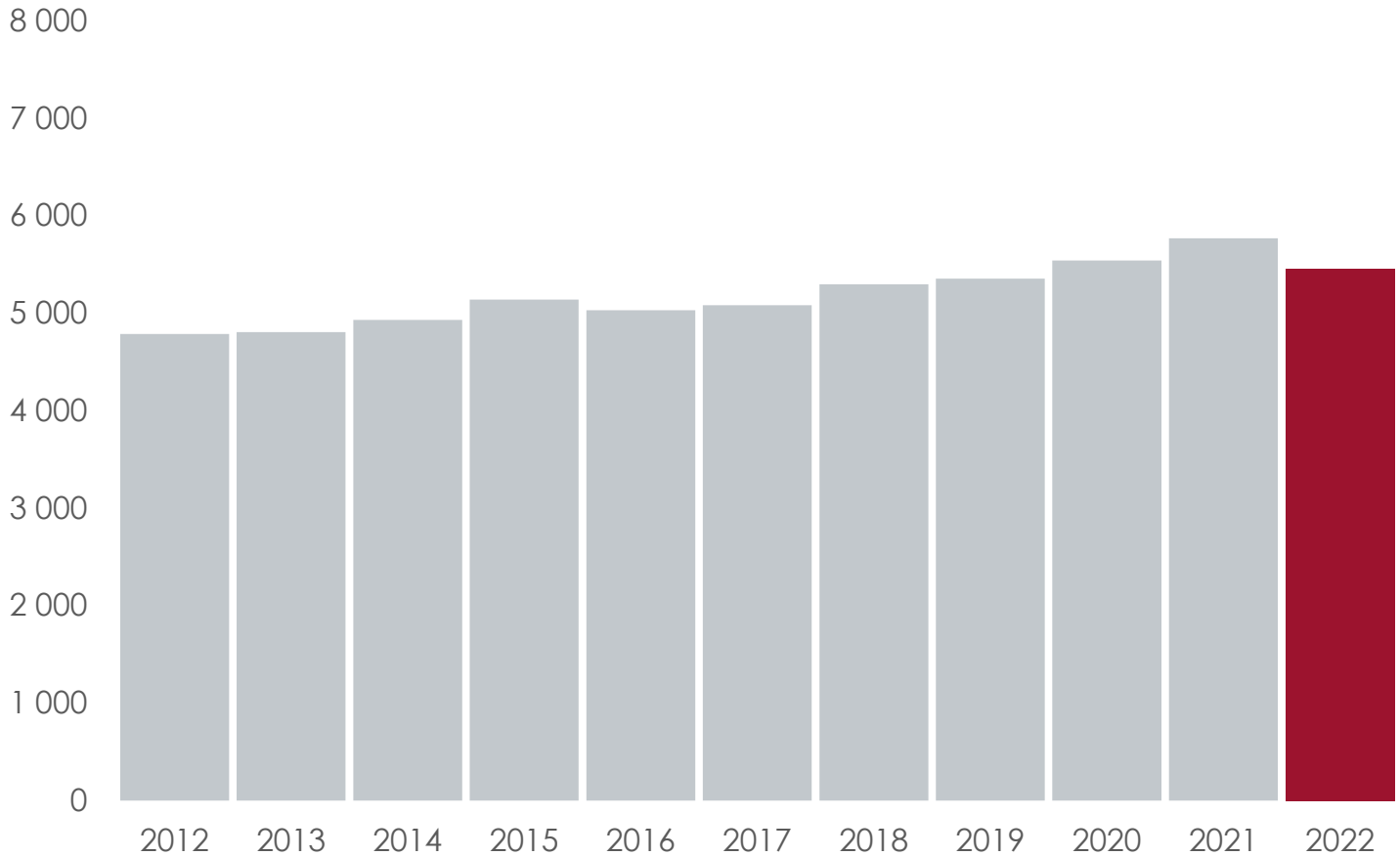


Source: Eiendomsverdi.

Trondheim second-hand market update

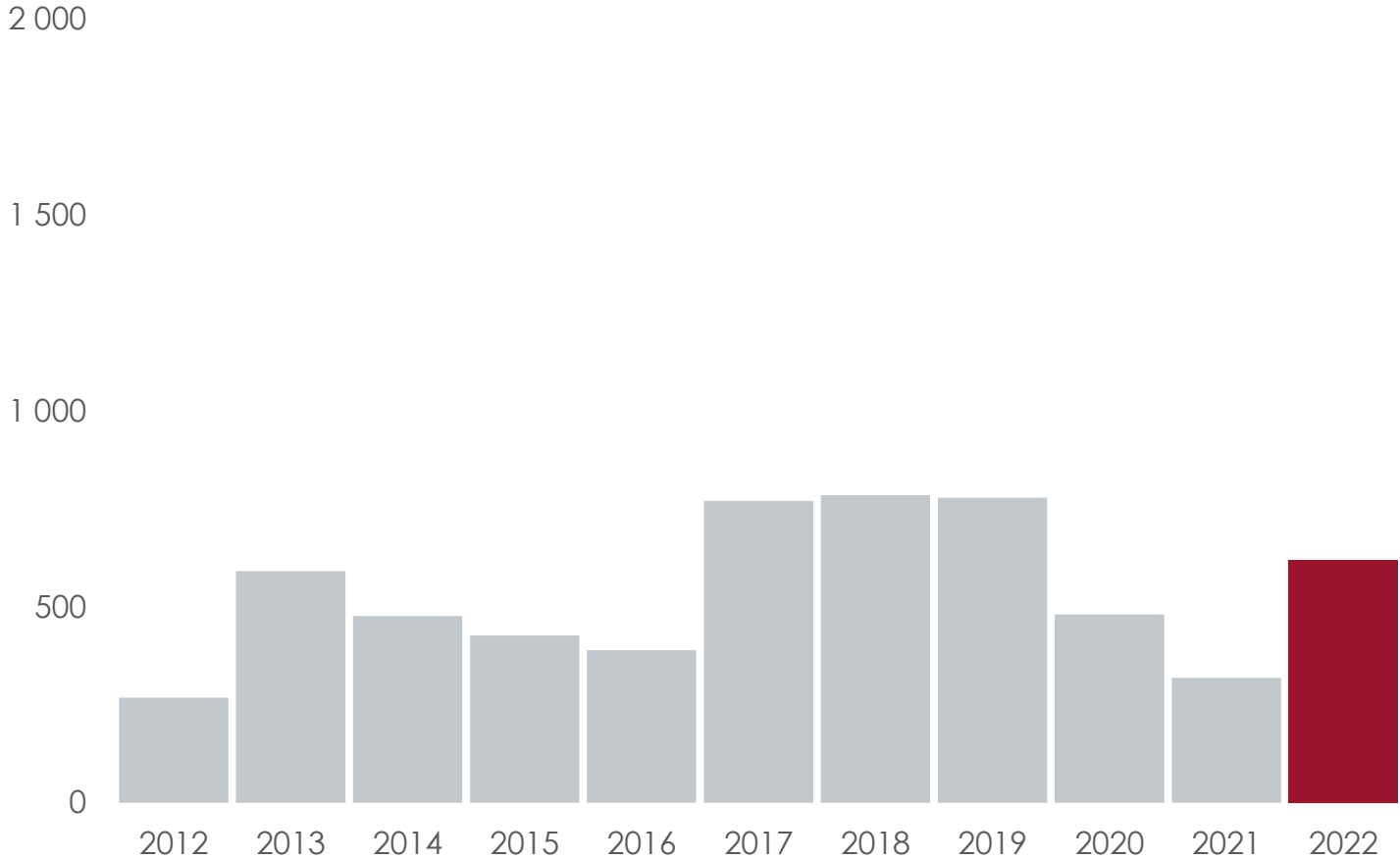
Units sold 1.1 - 31.12, 2012-22

Units



Inventory 31.12, 2012-22

Units

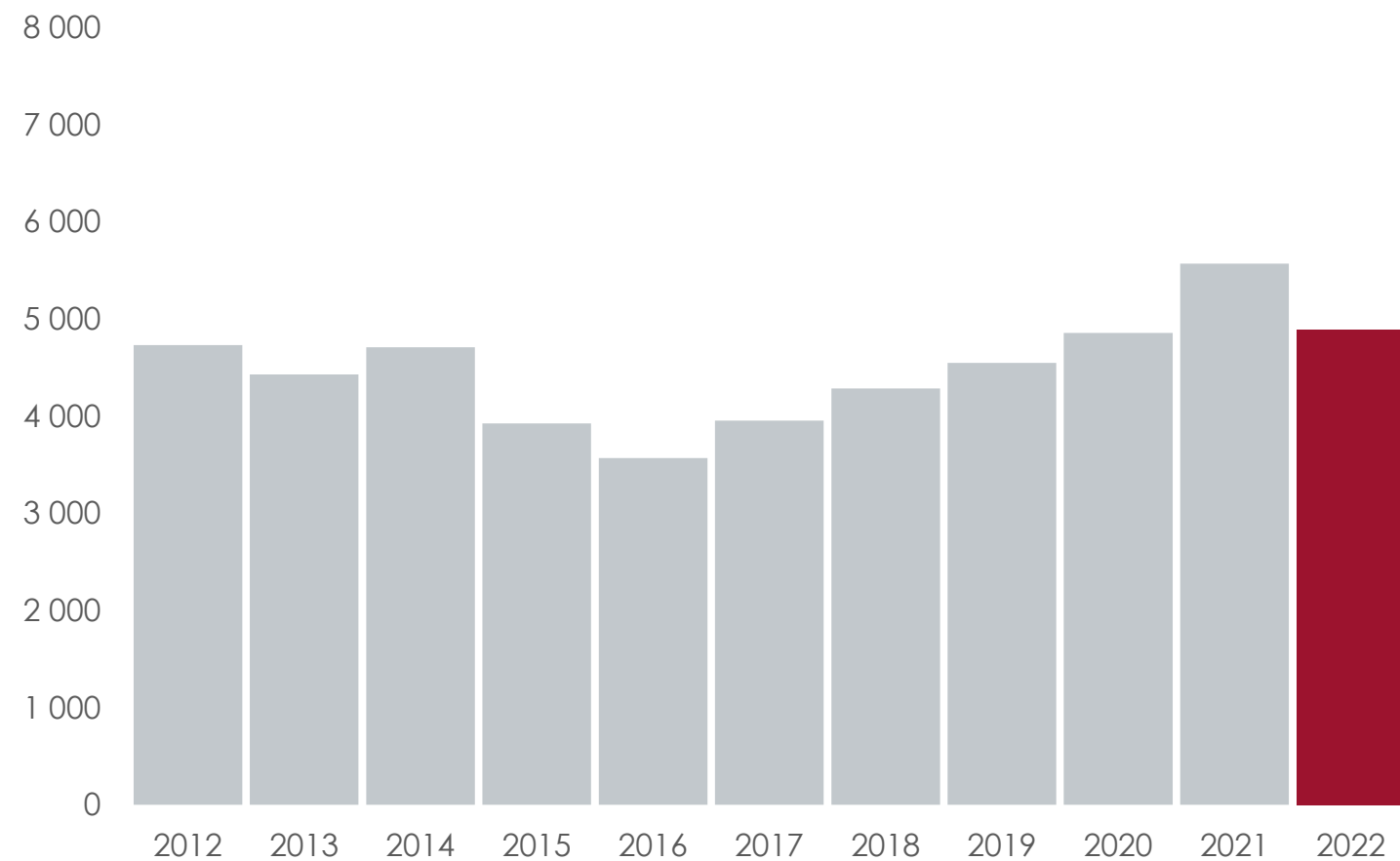


Source: Eiendomsverdi.

Stavanger-area* second-hand market update

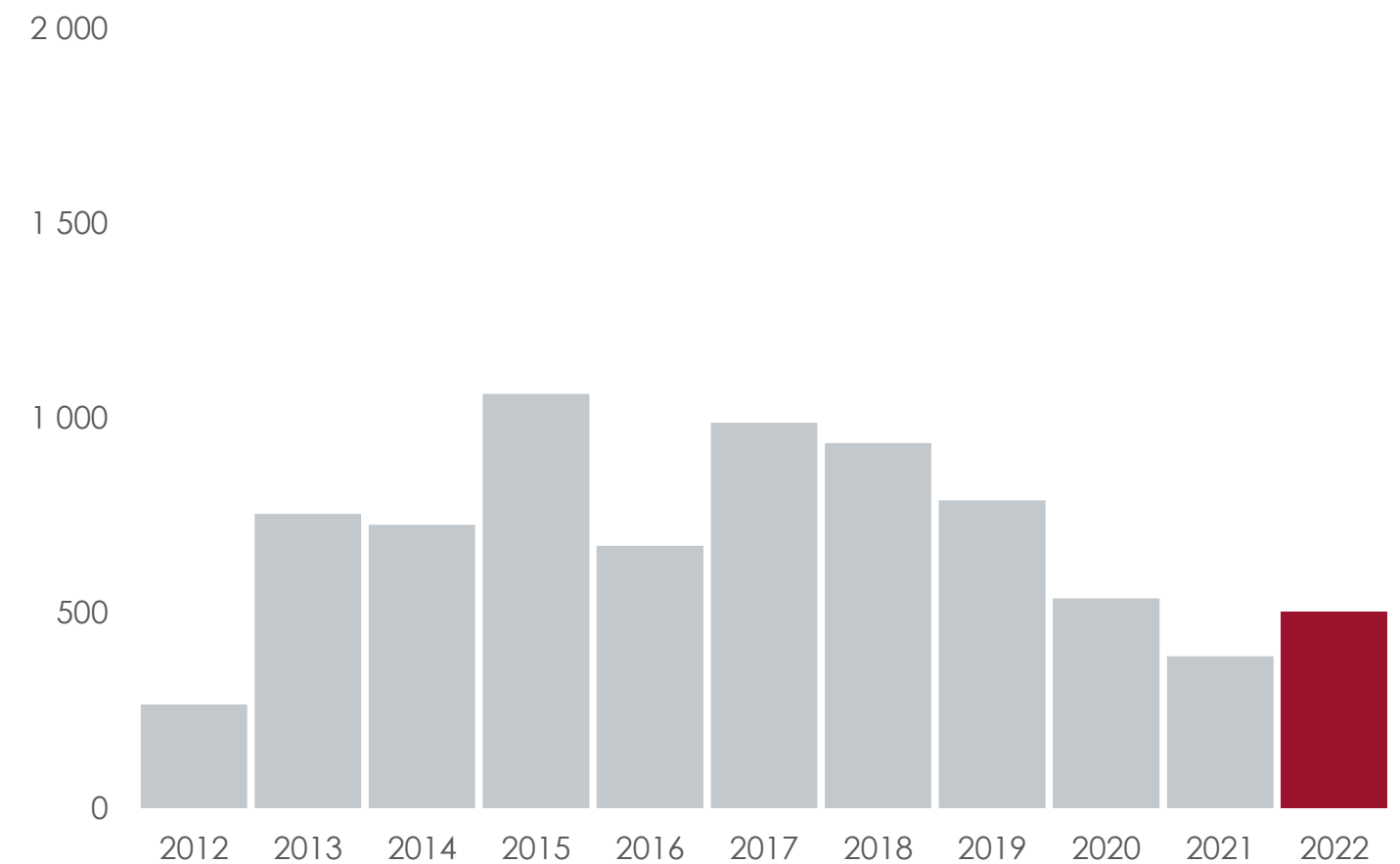
Units sold 1.1 - 31.12, 2012-22

Units



Inventory 31.12, 2012-22

Units



Source: Eiendomsverdi.

* Includes Stavanger, Sola, Sandnes, Randaberg.

Regional price* development – January 2023

Area	% chg -1M	% chg. -1M seasonal adj.	% chg YtD	% chg -12m	% chg -5Y	% chg -10Y	Average price/sqm (NOK)	Average price (NOK)
Oslo	2.8%	0.2%	2.8%	-0.1%	30.9%	76.8%	88 198	6 219 698
Bergen	3.2%	-0.6%	3.2%	-1.8%	20.9%	39.6%	49 405	3 987 026
Trondheim	1.1%	-1.3%	1.1%	-1.4%	17.1%	38.7%	54 620	4 057 946
Stavanger-area**	5.1%	1.0%	5.1%	3.6%	18.7%	4.2%	42 625	4 265 737
Norway	3.0%	0.0%	3.0%	-0.3%	26.6%	53.3%	51 911	4 367 609

Source: Eiendom Norge.

* Nominal price change.

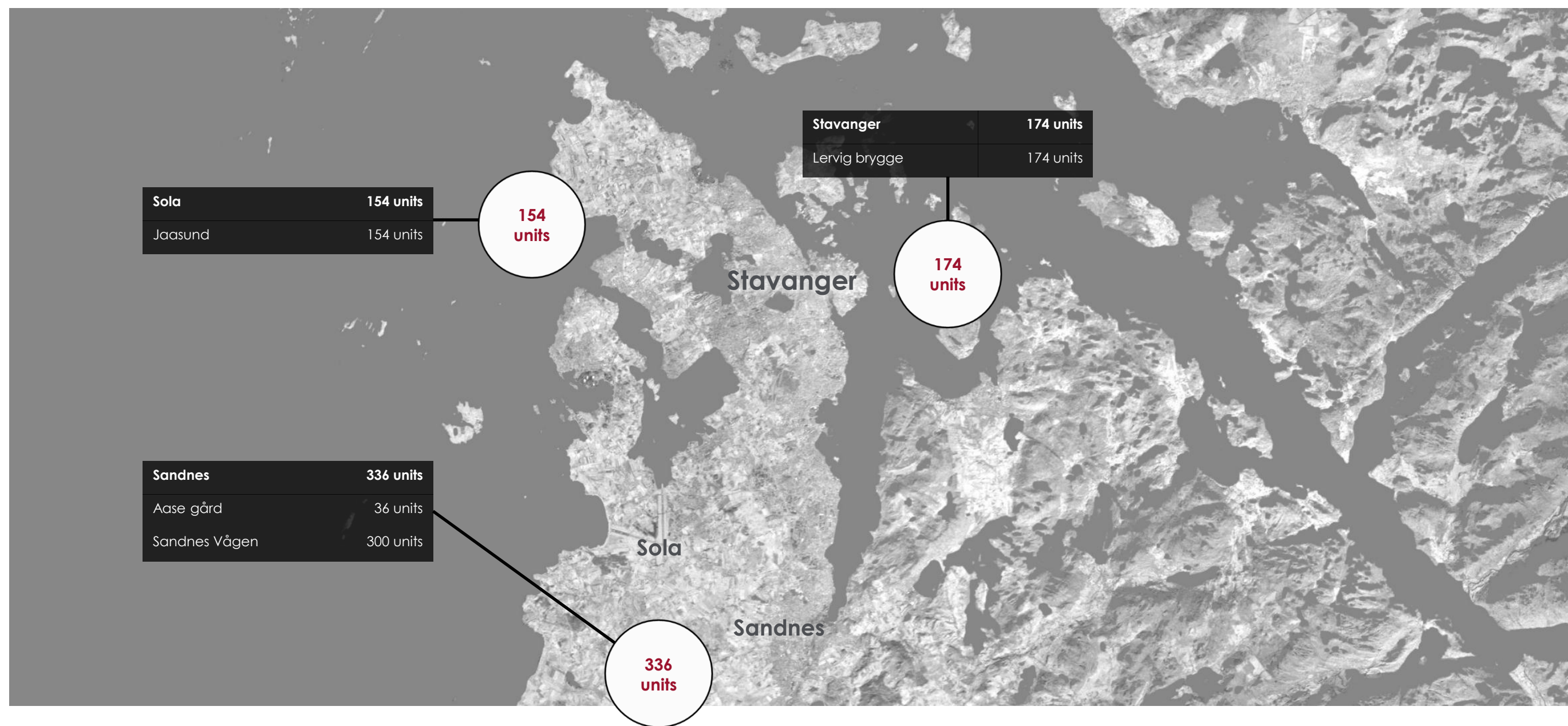
** Includes Stavanger, Sola, Sandnes, Randaberg.

Land bank in Oslo and Greater Oslo at 31.12.22



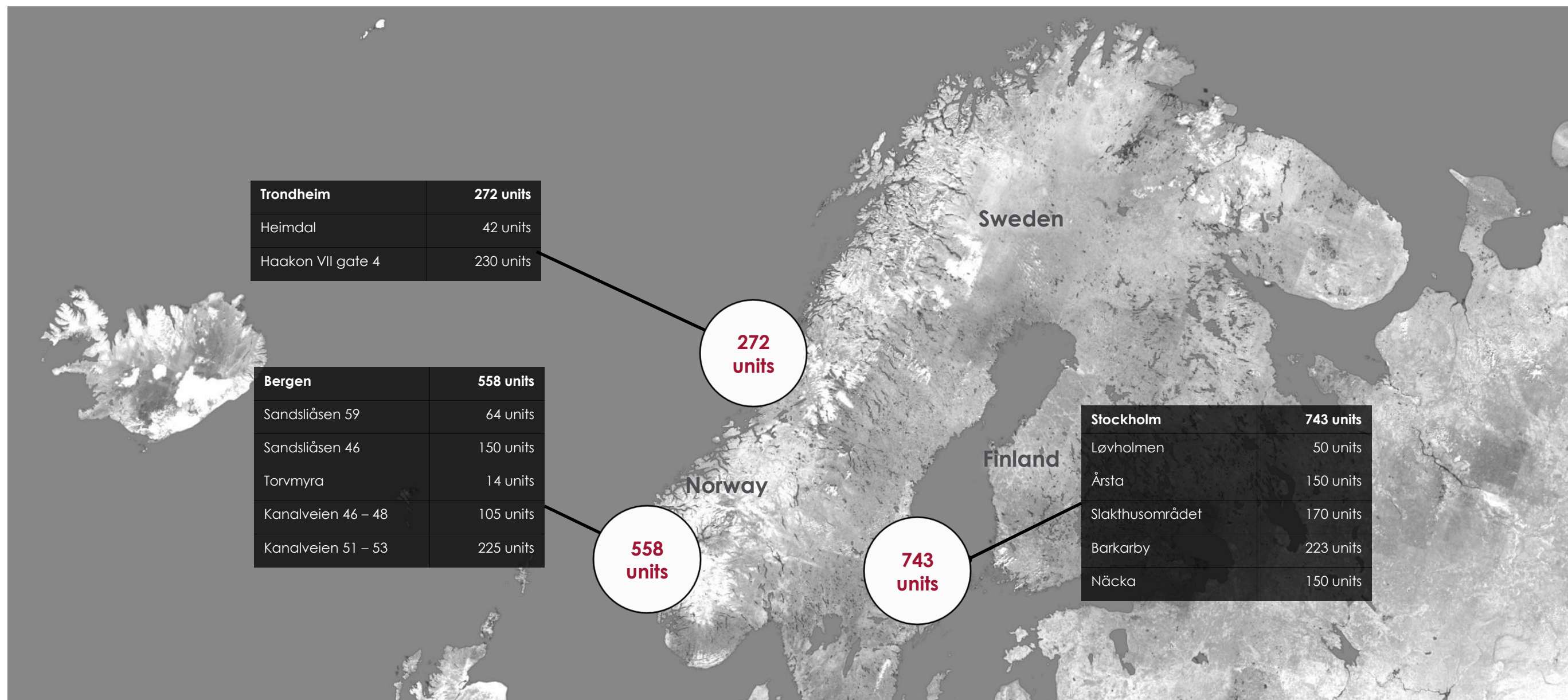
*The numbers are adjusted for Selvaag Bolig's share in joint ventures

Land bank in Stavanger area at 31.12.22



*The numbers are adjusted for Selvaag Bolig's share in joint ventures

Land bank in Bergen, Trondheim and Stockholm at 31.12.22



*The numbers are adjusted for Selvaag Bolig's share in joint ventures.

Cooperation with Urban Property from 1.1.2021

Selvaag Bolig sold most of its land bank to Urban Property in January 2020, entering a long-term and strategic partnership. Urban Property is a financially sound, well capitalized and predictable partner.

- How it works:

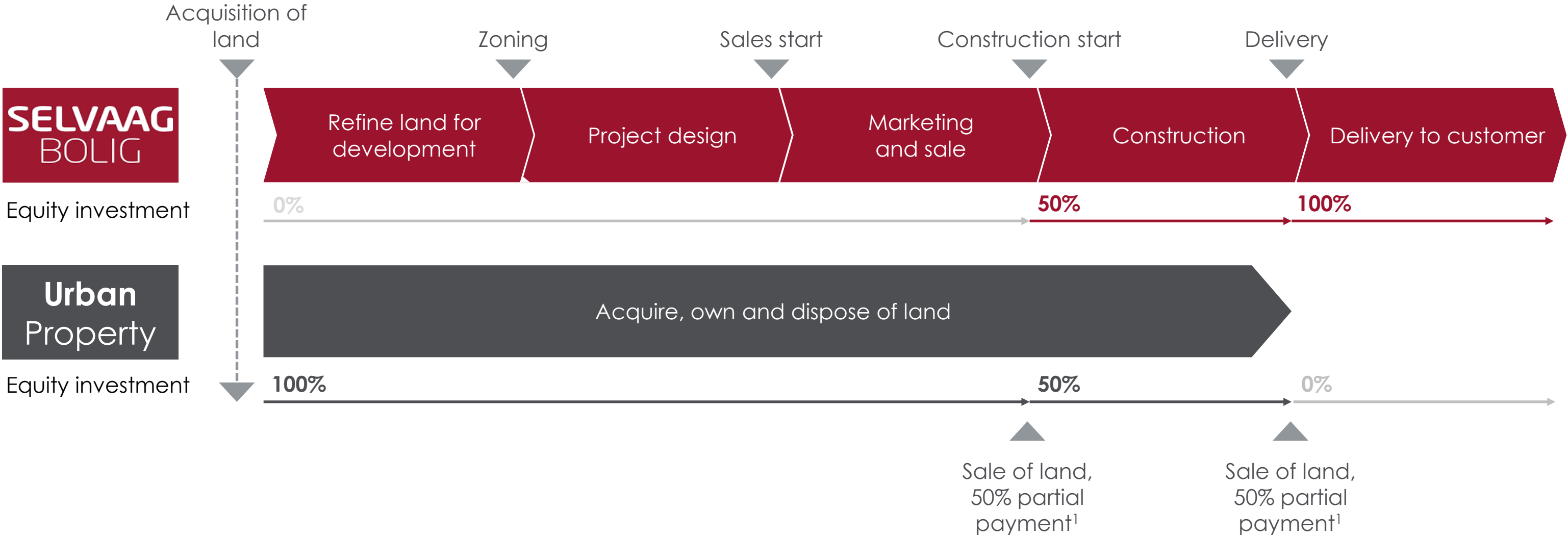
- Urban Property has a right of first refusal (ROFR) to purchase all new land Selvaag Bolig wants to develop
- Urban Property acquires land on Selvaag Bolig recommendations
- Selvaag Bolig has an option to repurchase the land in stages
- Fee structure:
 - 2.5% transaction fee
 - Annual option premium of NIBOR +375bp

- Benefits for Selvaag Bolig:

- Eliminates need for equity when purchasing land, as SBO pay 50% of purchasing price at construction start and 50% at project completion
- Increases return on equity
- Allows for a higher dividend payout ratio
- More efficient and predictable funding of existing and new land plots
- Increases competitiveness when making land purchases
- Down-side risk for SBO limited to 48 months option premium (break fee)

No equity investment in early phase through land bank cooperation with Urban Property

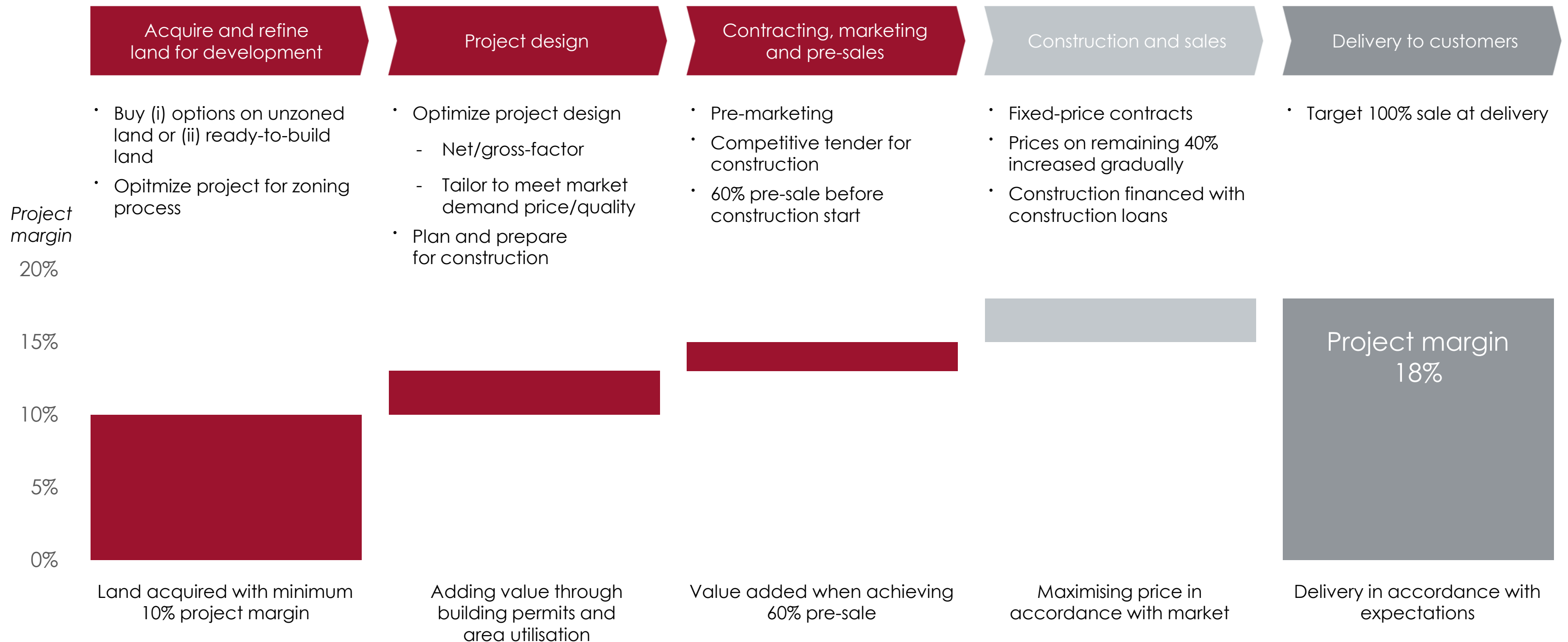
Cooperation between Selvaag Bolig and Urban Property



1) + 2.5% transaction fee and option price (Nibor + 375bps).

Business model securing healthy project margins

Margin development through project stages¹



1) Assuming flat market development.

Example project calculations before and after

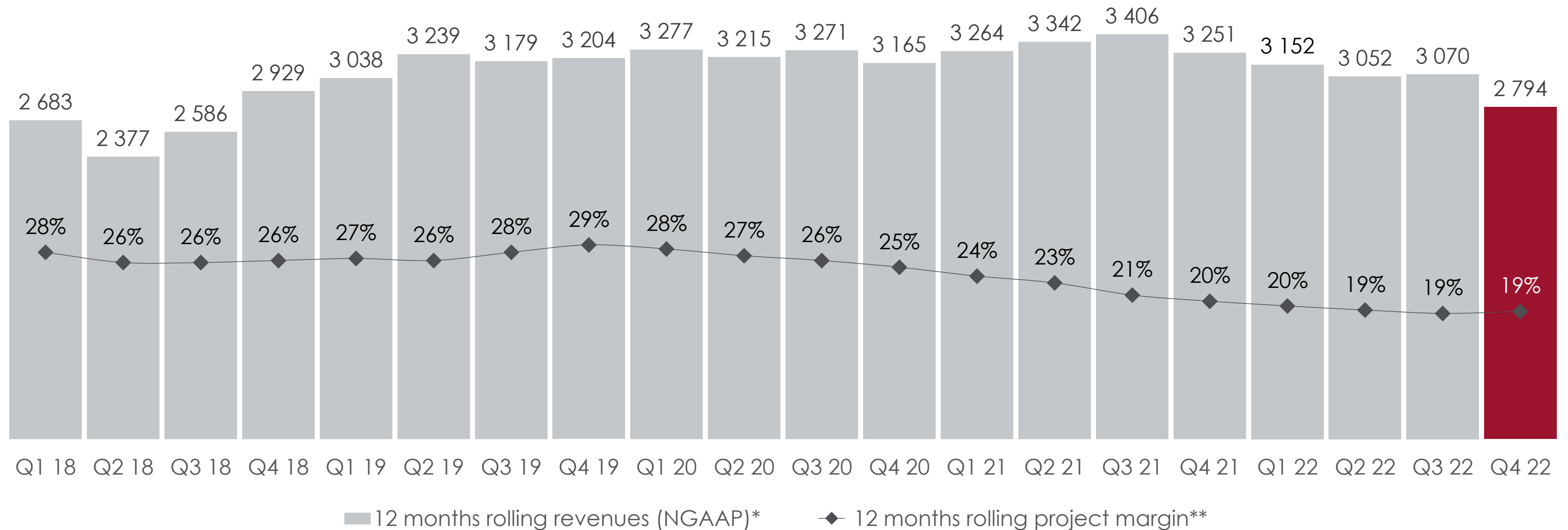
Figures for illustration purposes only	1 PROJECT CALCULATIONS BEFORE URBAN PROPERTY		2 PROJECT CALCULATIONS AFTER URBAN PROPERTY	
	MNOK	%	MNOK	%
Sales revenue	348.5	100.0%	348.5	100.0%
Construction cost	195.8	56.2%	195.8	56.2%
Land cost	69.7	20.0%	85.2	24.4%
Other costs	24.5	7.0%	24.5	7.0%
Project cost	290.0	83.2%	305.5	87.7%
Net finance (excluding Urban Property)	16.8	4.8%	5.3	1.5%
TOTAL REVENUE	348.5	100.0%	348.5	100.0%
TOTAL COST	306.8	88.0%	310.9	89.2%
PROFIT	41.7	12.0%	37.7	10.8%
Internal rate of return (IRR)		12.2%		28.0%

- 1 Initial project margin and IRR before Urban Property when purchasing land at market value
 - 2 Initial project margin and IRR with Urban Property as partner when purchasing land at market value (including option premium)
- ➔ In total marginal lower project margins, but significantly increased IRR and RoE**

Example apply a land ownership period in Urban Property of 3-4 years, and a finance cost of 4% on all capital employed in the project.

Project margin development 12 months rolling

NOK million



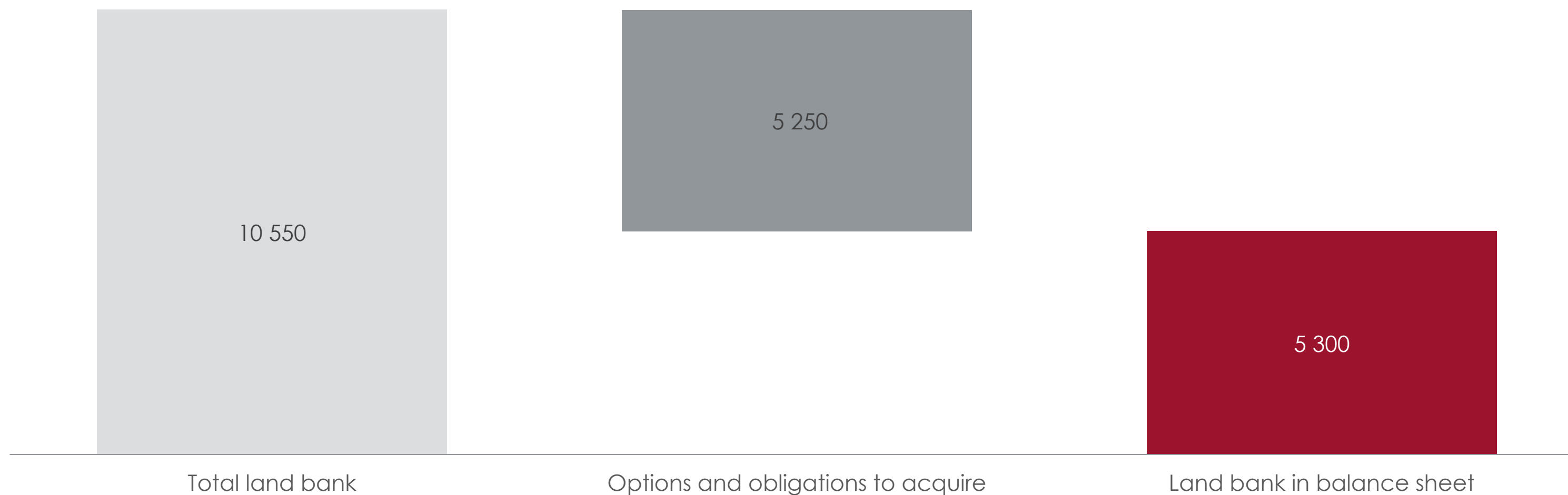
* Includes project revenues only.

** Project margins are exclusive of overhead costs. Construction costs are exclusive of financial expenses in the segment reporting (NGAAP).

Substantial portfolio for development

Total land bank portfolio at 31.12.2022

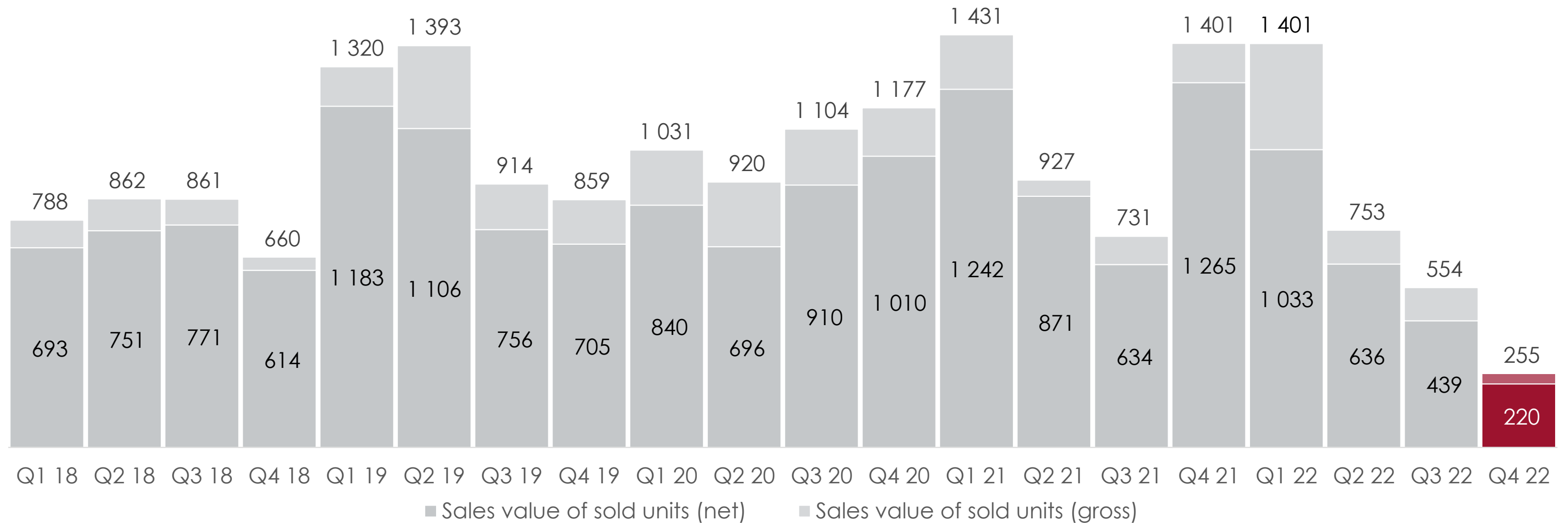
Units



Value of units sold - gross and net

Sales value of units sold

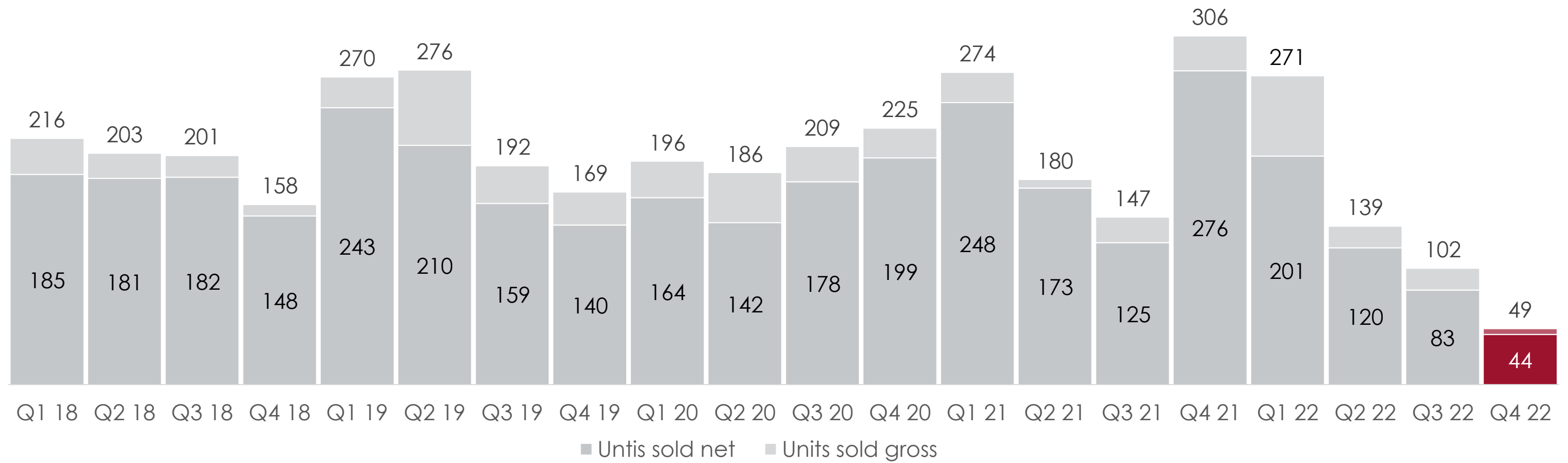
NOK million



Number of units sold - gross and net

Number of units sold

Units



Income statement IFRS

(figures in NOK million)	Q4 2022	Q4 2021	2022	2021
Total operating revenues	668.8	1 553.8	2 896.4	3 402.7
Project expenses	(514.4)	(1 212.9)	(2 313.7)	(2 617.4)
Other operating expenses	(79.8)	(78.0)	(236.3)	(236.4)
Associated companies and joint ventures	(8.2)	9.0	85.7	109.7
EBITDA	66.3	271.9	432.1	658.6
Depreciation and amortisation	(2.5)	(2.6)	(9.7)	(10.3)
Other gains (loss)	-	-	-	-
EBIT	63.8	269.4	422.4	648.3
Net financial expenses	2.8	5.1	2.7	(3.0)
Profit/(loss) before taxes	66.6	274.4	425.1	645.3
Income taxes	(21.2)	(56.0)	(86.3)	(140.4)
Net income	45.4	218.5	338.9	504.9
Net income for the period attributable to:				
Non-controlling interests	0.0	(0.0)	0.0	(0.0)
Shareholders in Selvaag Bolig ASA	45.4	218.5	338.8	504.9
EBITDA-margin	9.9 %	17.5 %	14.9 %	19.4 %
EBITDA-margin uten TS-andel og gevinst	11.2 %	16.9 %	12.0 %	16.1 %
EBITDA-margin justert uten TS-andel og gevinst			14.9 %	

Balance sheet

(figures in NOK million)	Q4 2022	Q3 2022	2021
Intangible assets	383.4	383.4	383.4
Property, plant and equipment	8.2	8.0	7.4
Investments in associated companies and joint ventures	234.7	235.7	354.7
Other non-current assets	345.3	315.1	302.3
Total non-current assets	971.6	942.2	1 047.7
Inventories (property)	4 273.2	4 124.8	4 072.5
- Land	719.3	805.2	1 033.8
- Land held for sale			
- Work in progress	3 384.2	3 189.5	2 872.2
- Finished goods	169.7	130.2	166.4
Other current receivables	92.1	249.7	134.3
Cash and cash equivalents	612.7	774.8	527.4
Total current assets	4 978.0	5 149.4	4 734.2
TOTAL ASSETS	5 949.6	6 091.6	5 782.0
Equity attributed to shareholders in Selvaag Bolig ASA*	2 338.1	2 279.1	2 461.1
Non-controlling interests	7.8	7.8	7.8
Total equity	2 345.9	2 286.9	2 468.8
Non-current interest-bearing liabilities	1 400.4	1 477.2	777.2
Other non-current non interest-bearing liabilities	382.3	401.6	341.0
Total non-current liabilities	1 782.7	1 878.8	1 118.2
Current interest-bearing liabilities	1 085.4	1 090.0	1 370.5
Other current non interest-bearing liabilities	735.5	835.9	824.4
Total current liabilities	1 821.0	1 925.9	2 194.9
TOTAL EQUITY AND LIABILITIES	5 949.6	6 091.6	5 782.0

Cash flow statement

(figures in NOK million)	Q4 2022	Q4 2021	2022	2021
Net cash flow from operating activities	(51.6)	721.1	63.4	392.6
Net cash flow from investment activities	(10.6)	(2.0)	239.8	167.1
Net cash flow from financing activities	(99.9)	(801.4)	(218.0)	(917.6)
Net change in cash and cash equivalents	(162.1)	(82.2)	85.2	(357.9)
Cash and cash equivalents at start of period	774.8	609.7	527.4	885.3
Cash and cash equivalents at end of period	612.7	527.4	612.7	527.4

Operational highlights – key operating figures

	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Units sold	276	201	120	83	44
Construction starts	456	113	190	68	146
Units completed	334	74	210	142	160
Units delivered	324	77	217	144	147
Units under construction	1 323	1 361	1 342	1 268	1 253
Proportion of sold units under construction	67 %	73 %	75 %	73 %	67 %
Completed unsold units	25	19	13	19	31
Sales value of units under construction (NOK million)	6 736	7 034	6 807	6 225	6 408

EBITDA Q4 2022

(figures in NOK million)	Property development	Other	Total
Operating revenues	506.8	18.9	525.7
Project expenses	(374.0)	1.6	(372.4)
Other operating expenses	(13.4)	(68.9)	(82.3)
EBITDA (percentage of completion)	119.4	(48.5)	70.9
Note: Construction costs are exclusive of financial expenses in the segment reporting.			
IFRS EBITDA for the quarter, per segment			
Operating revenues	650.0	18.9	668.8
Project expenses	(516.0)	1.6	(514.4)
Other operating expenses	(13.4)	(66.4)	(79.8)
Share of income (losses) from associated companies and joint ventures	(8.2)	-	(8.2)
EBITDA	112.3	(46.0)	66.3
Units in production	1 253	N/A	N/A
Units delivered	147	N/A	N/A

Note: EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies.

EBITDA FY 2022

(figures in NOK million)	Property development	Other	Total
Operating revenues	2 794.4	61.7	2 856.0
Project expenses	(2 234.3)	1.0	(2 233.3)
Other operating expenses	(35.0)	(210.8)	(245.8)
EBITDA (percentage of completion)	525.1	(148.2)	377.0
Note: Construction costs are exclusive of financial expenses in the segment reporting.			
IFRS EBITDA full year per segment			
Operating revenues	2 834.7	61.7	2 896.4
Project expenses	(2 314.7)	1.0	(2 313.7)
Other operating expenses	(35.0)	(201.3)	(236.3)
Share of income (losses) from associated companies and joint ventures	85.7	-	85.7
EBITDA	570.8	(138.7)	432.1
Units in production	1 253	N/A	N/A
Units delivered	585	N/A	N/A

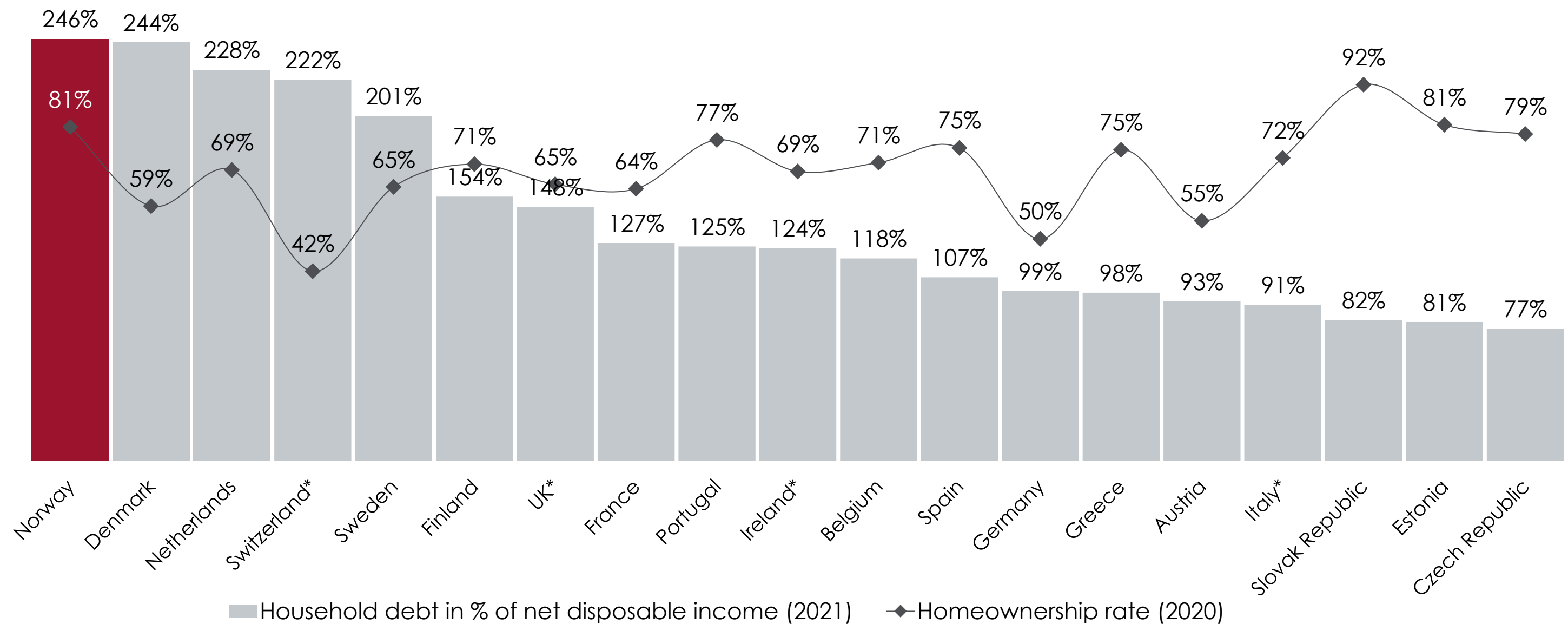
Note: EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies.

Norwegian housing market

- Low risk for housebuilders
 - Advance sales: banks require that 50-70% of homes are sold before construction starts
 - Binding offers: offer to purchase is a binding sales contract, and requires a minimum 10% cash deposit
- High level of home ownership
 - 85% (one of the world's highest)
- Economic benefits for home owners
 - 22% of mortgage loan interest payments are tax deductible
 - Transfer stamp duty for new houses is lower than for second-hand homes
- Strong population growth
 - Norway's urban areas are among the fastest growing in Europe
 - Good market for new homes

Source: Selvaag Bolig and Eurostat.

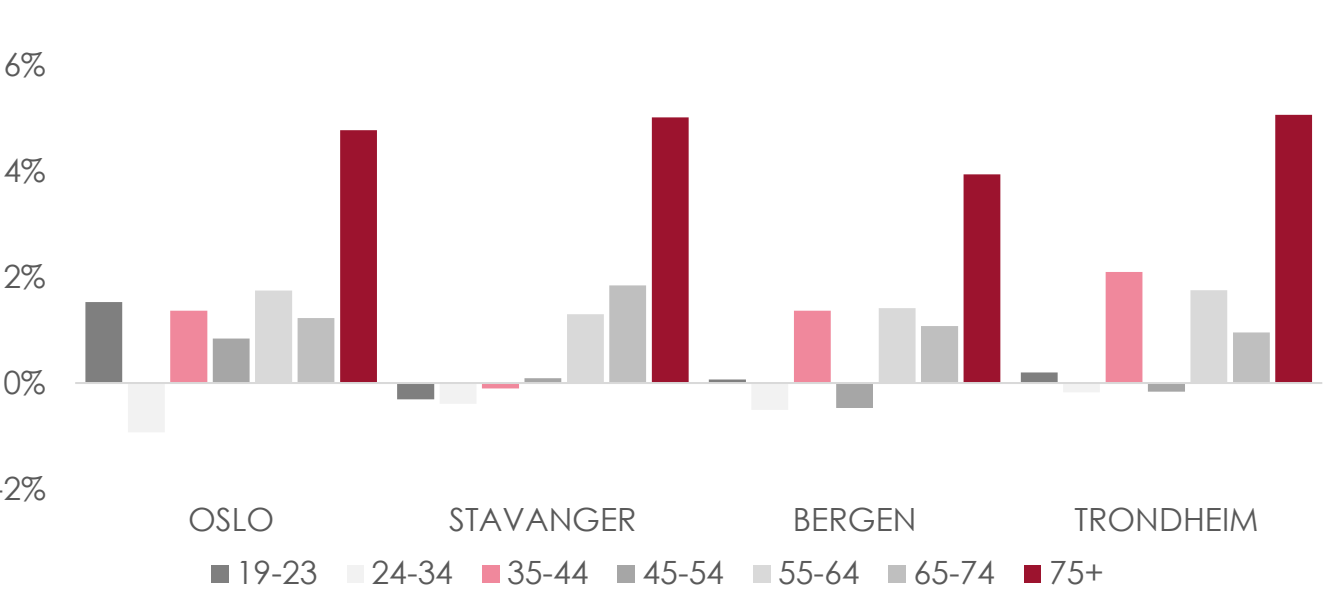
Total household debt and homeownership



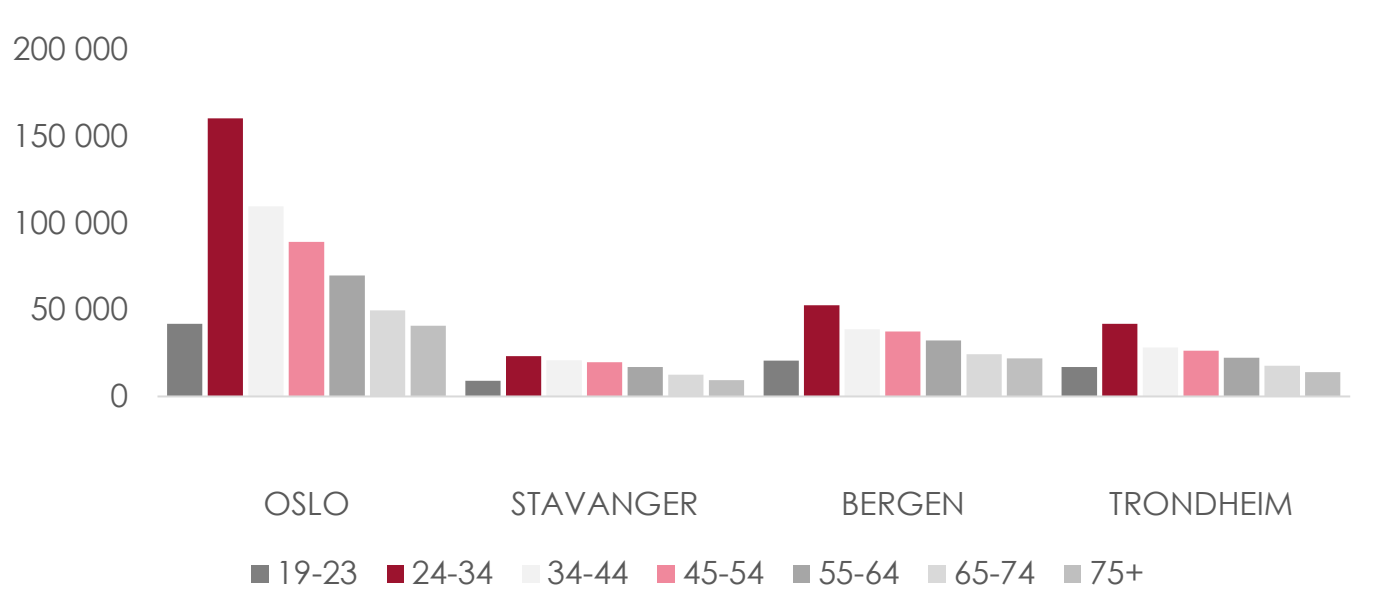
Source: OECD, Statista.

Shift in demographics trigger new housing needs

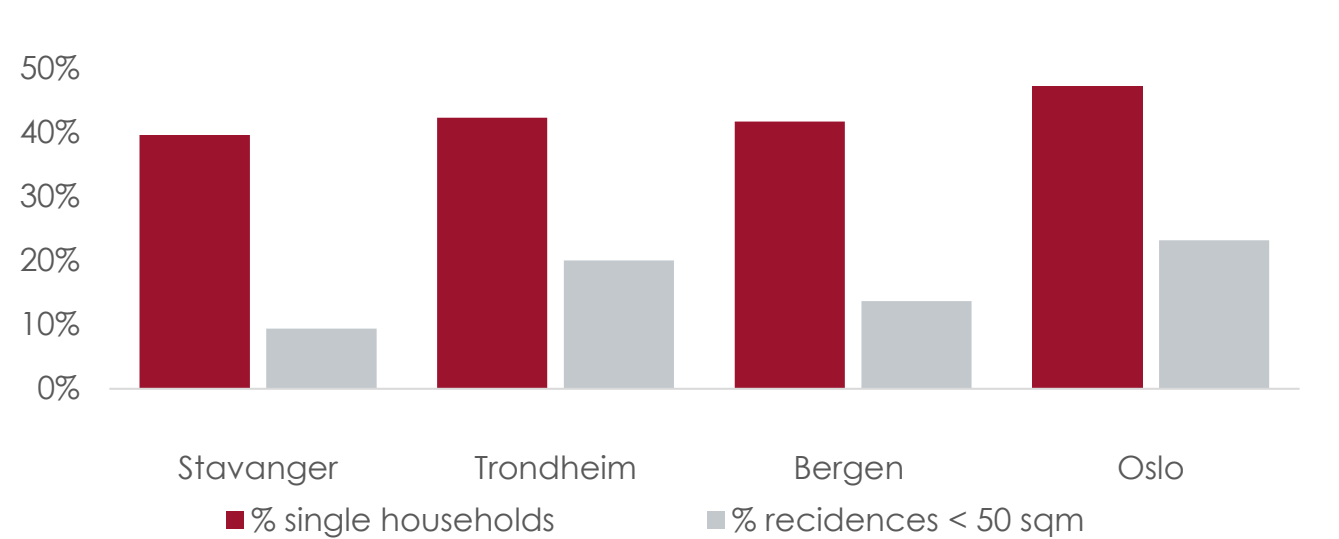
Annual population growth* by age



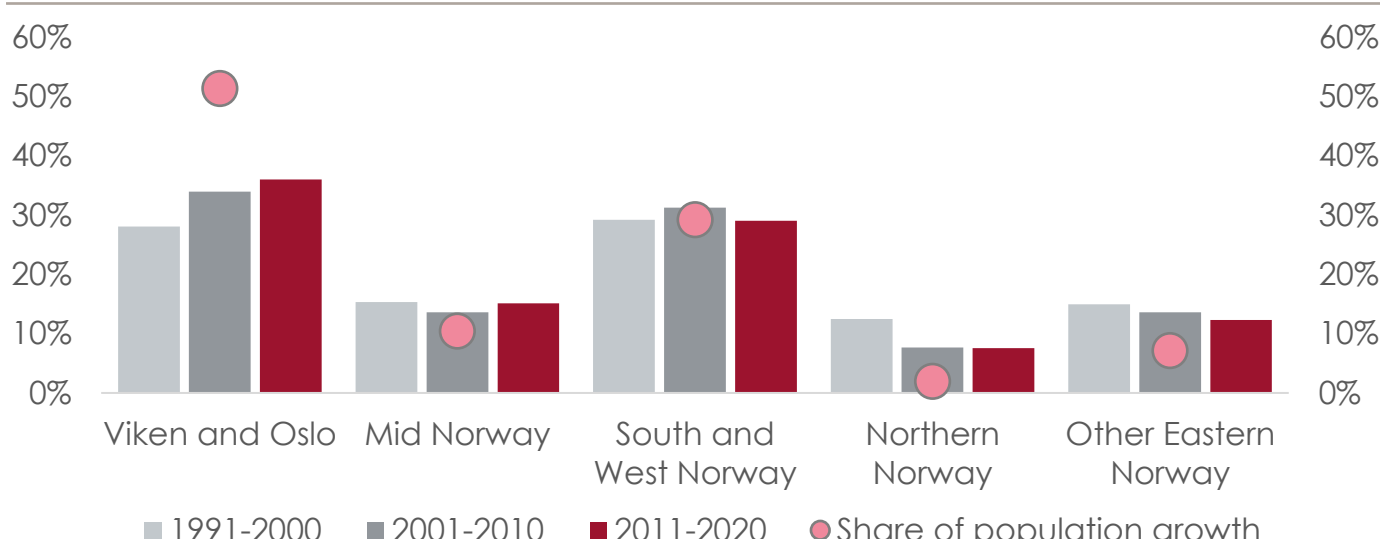
Number of people by age in 2022



Share of small & single households



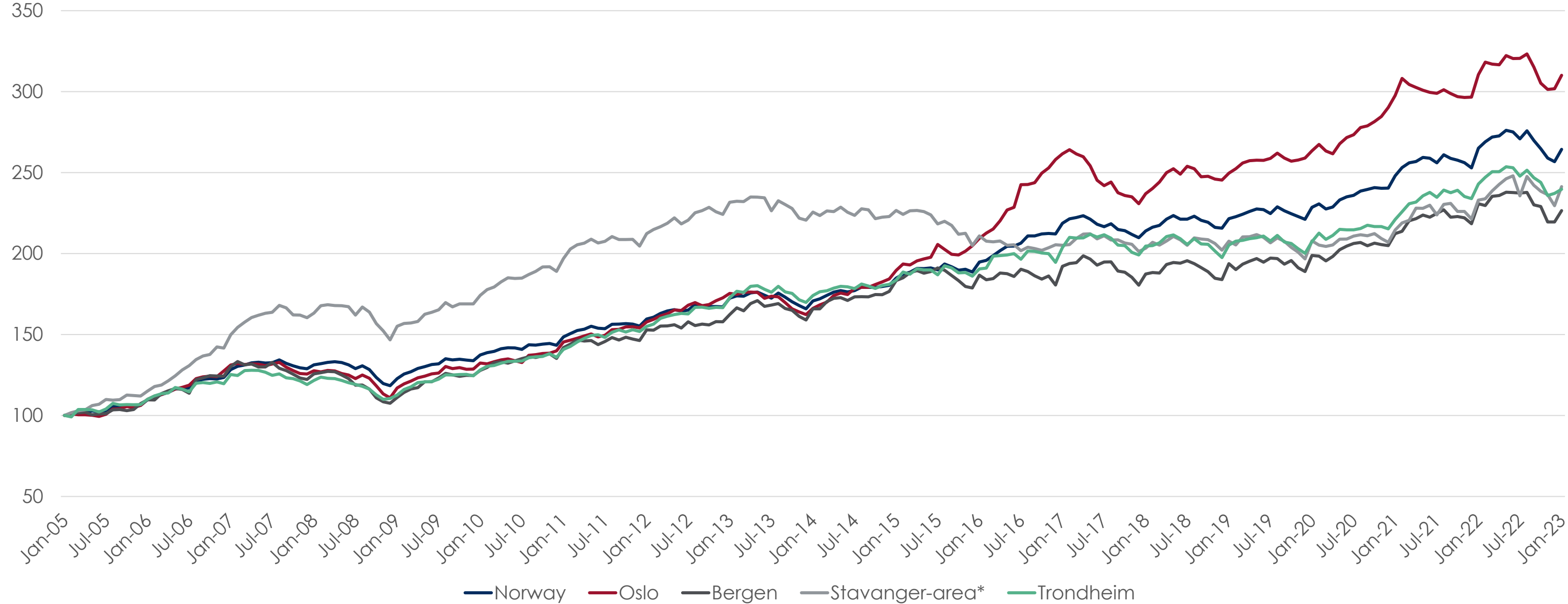
Share of newbuild and population growth by region



Source: Statistics Norway, Samfunnsøkonomisk Analyse.
 * Estimated annual growth for the next 5-year period.
 ** Number of persons per household in Norway.

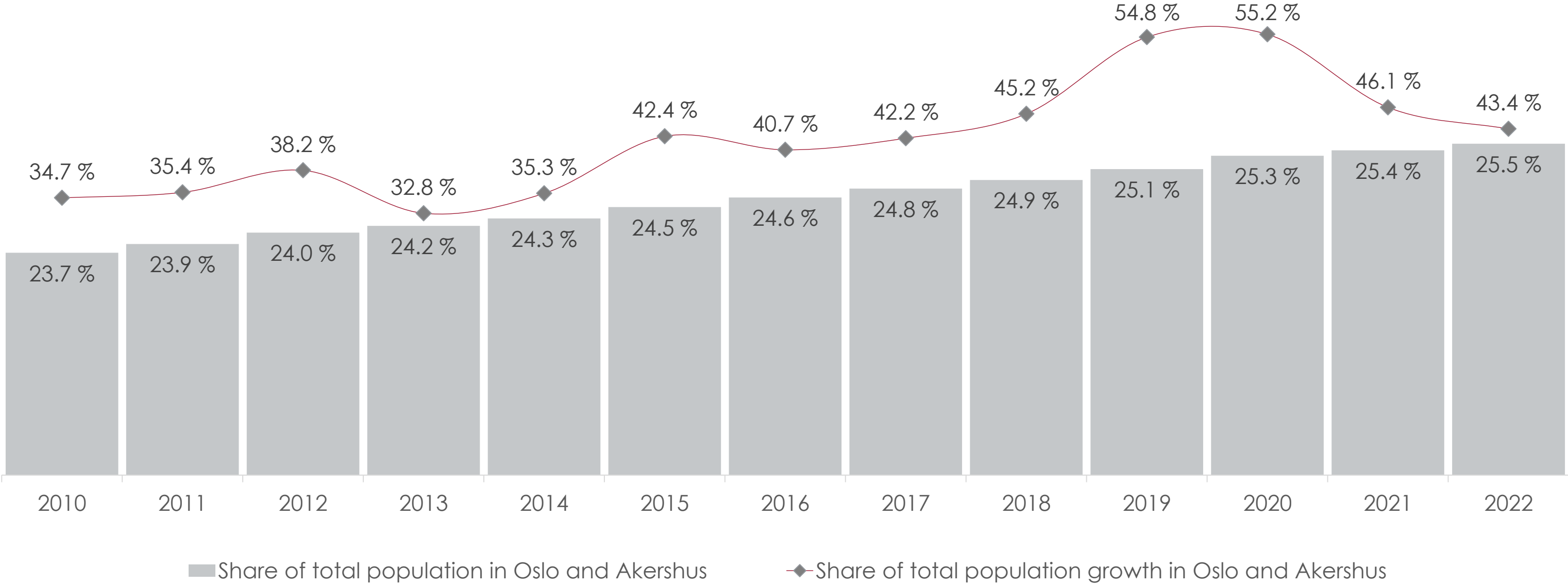
Price development Norway and selected regions (2005-23)

Price development (rebased 1.1.2005)



Source: Eiendomsverdi.
* Stavanger area includes: Randaberg, Sandnes, Sola, Stavanger.

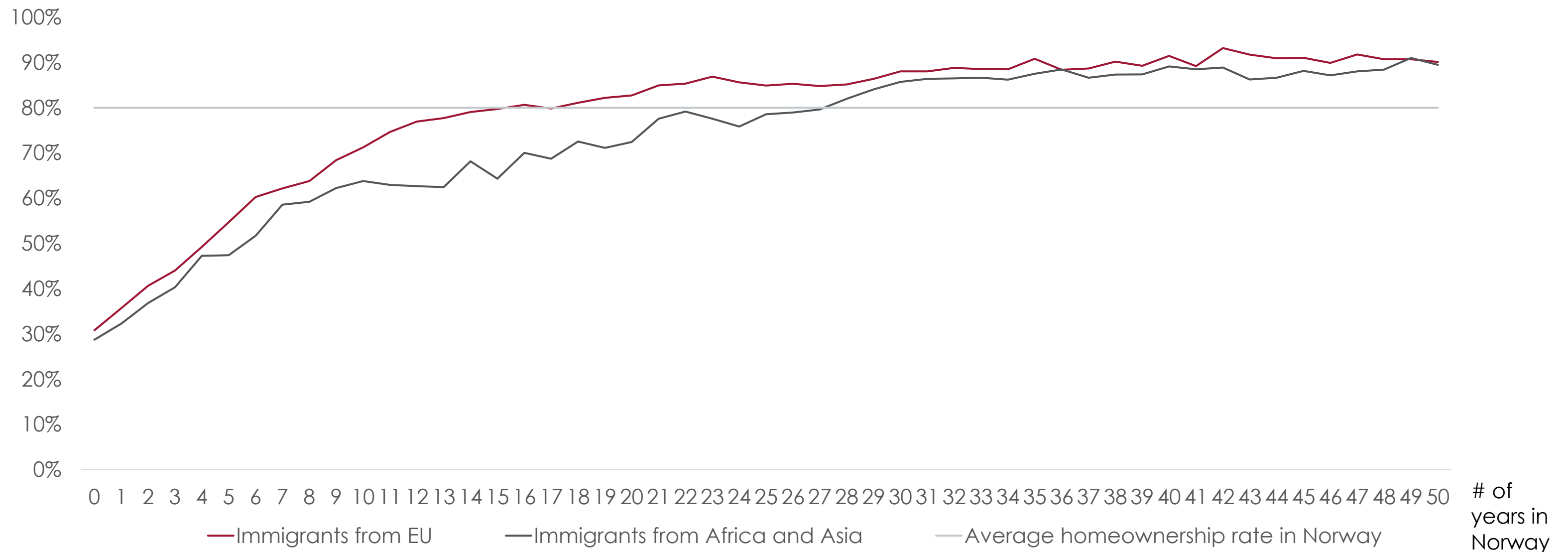
Population growth in Oslo and Akershus remains high



Source: Statistics Norway.

Immigration increases demand over time

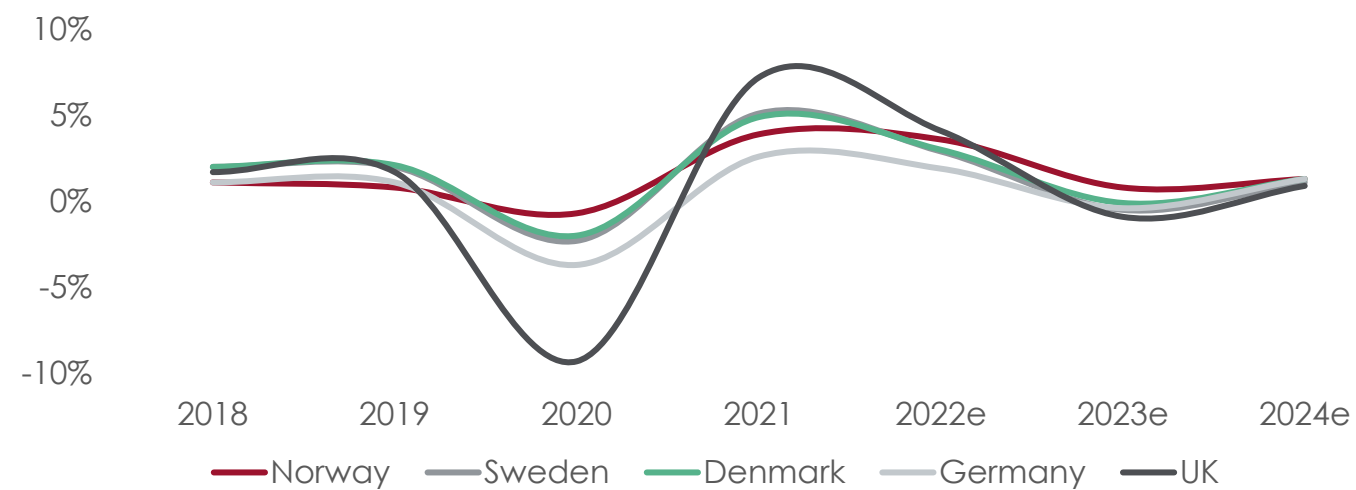
Homeownership rate among immigrants in Norway (per year living in Norway)



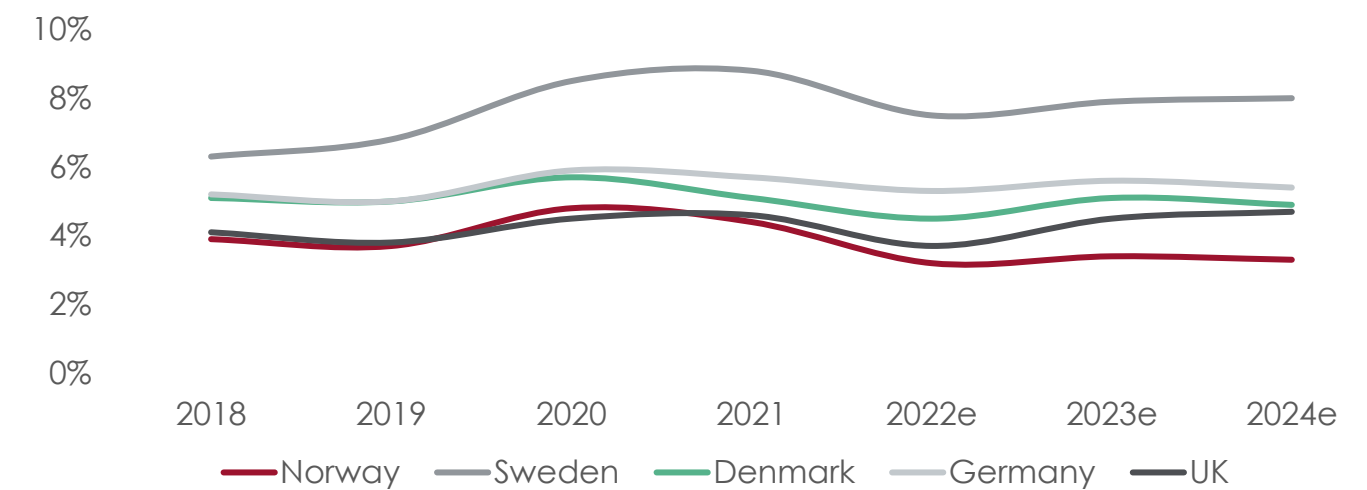
Source: Statistics Norway.

Norway – relatively limited volatility

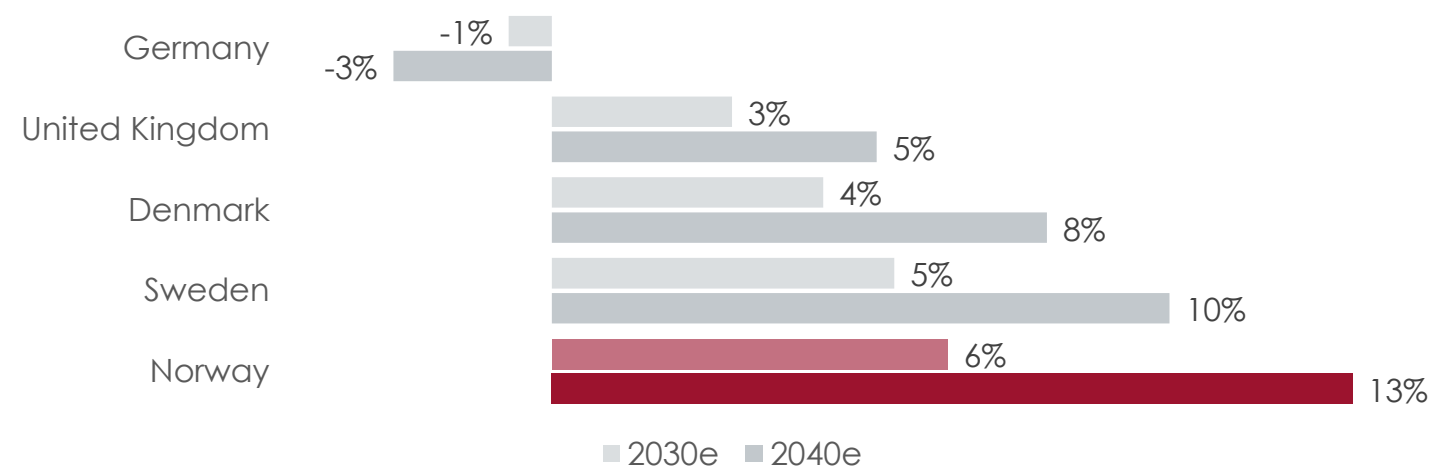
GDP growth 2018 - 2024e



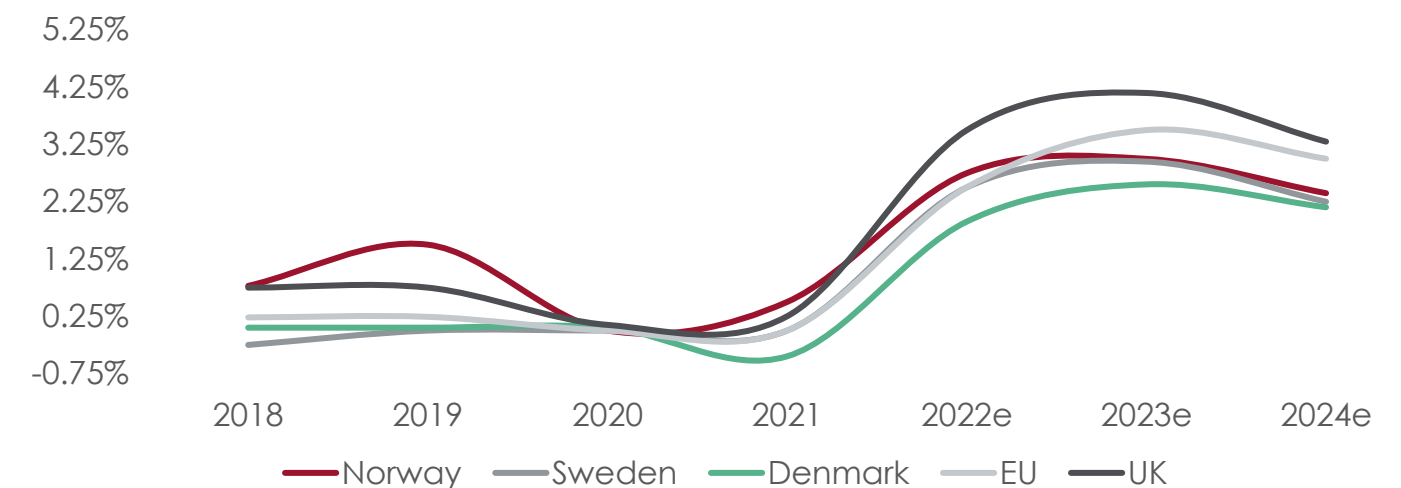
Unemployment 2018 - 2024e



Population growth 2021 - 2030e and 2040e



Interest rates* 2018 - 2024e

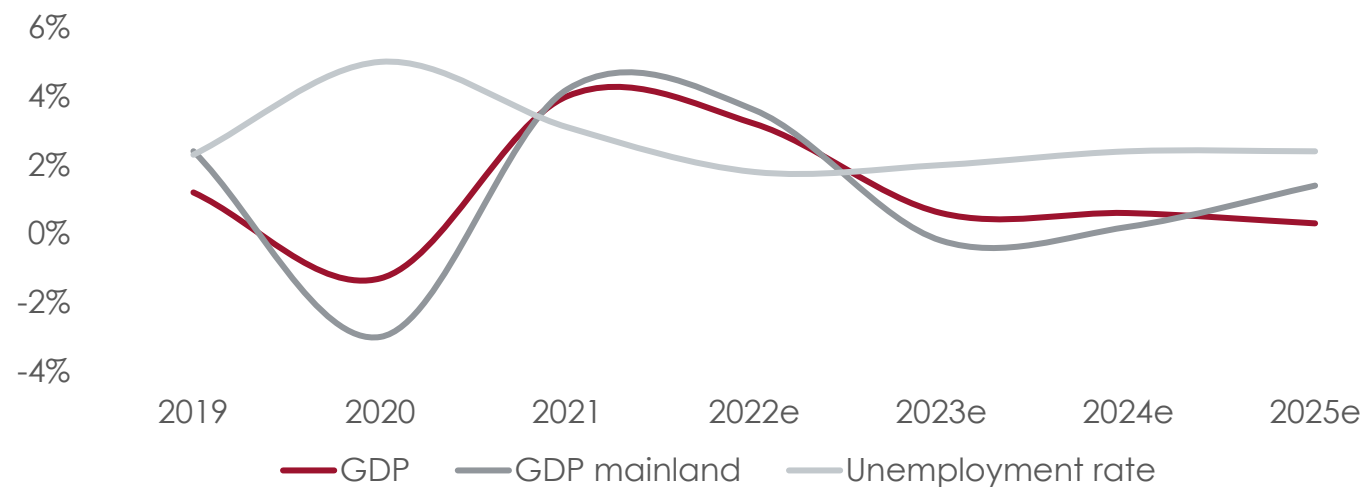


* Central bank rates.

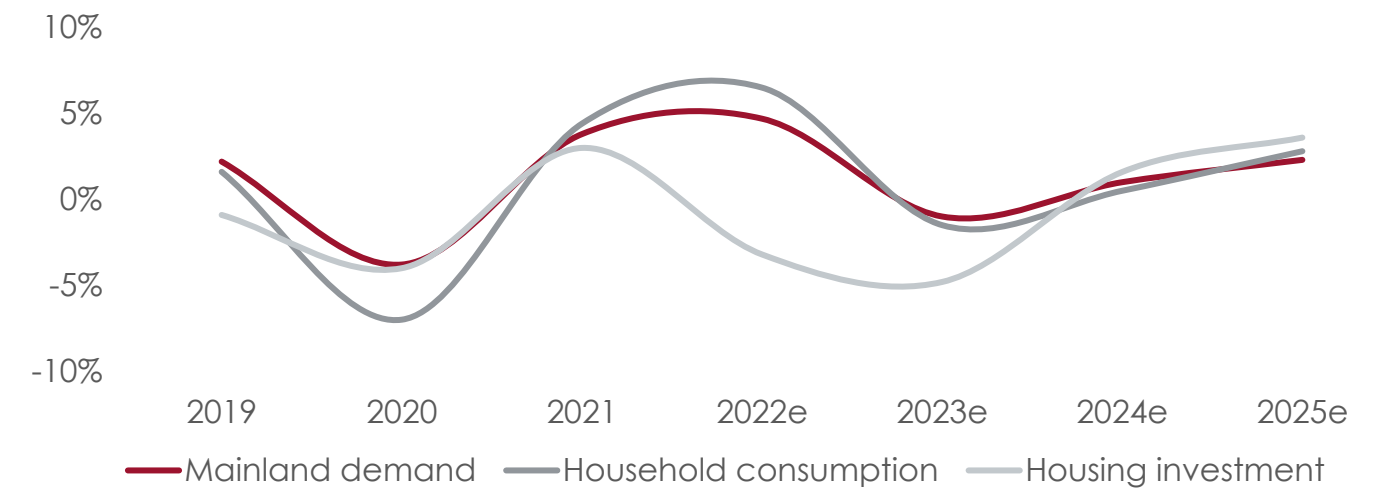
Source: Bloomberg, UN.

Healthy macroeconomics

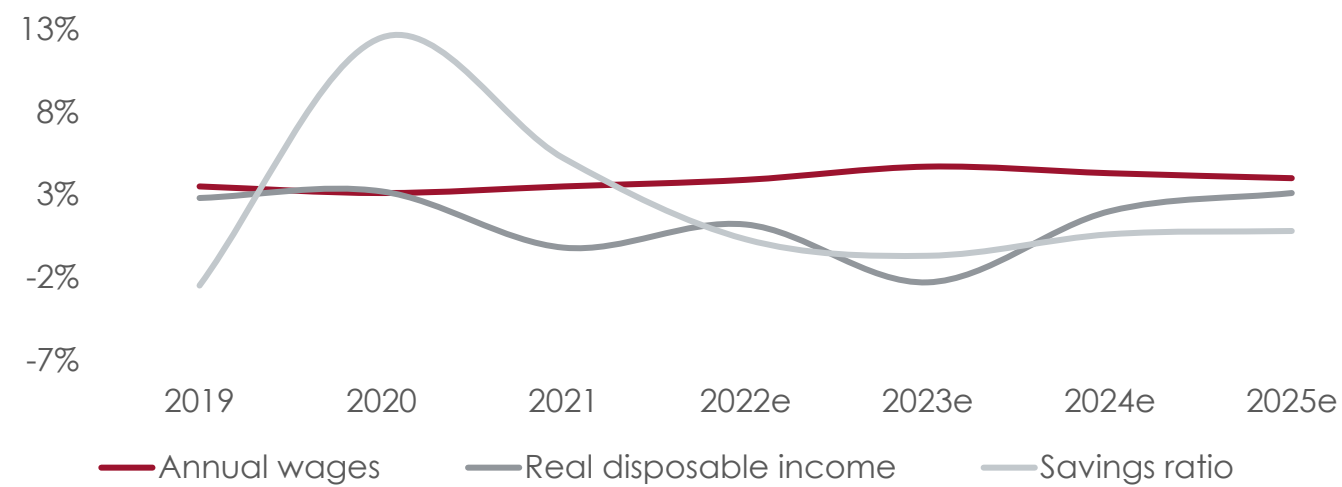
Real economy 2019 - 2025e



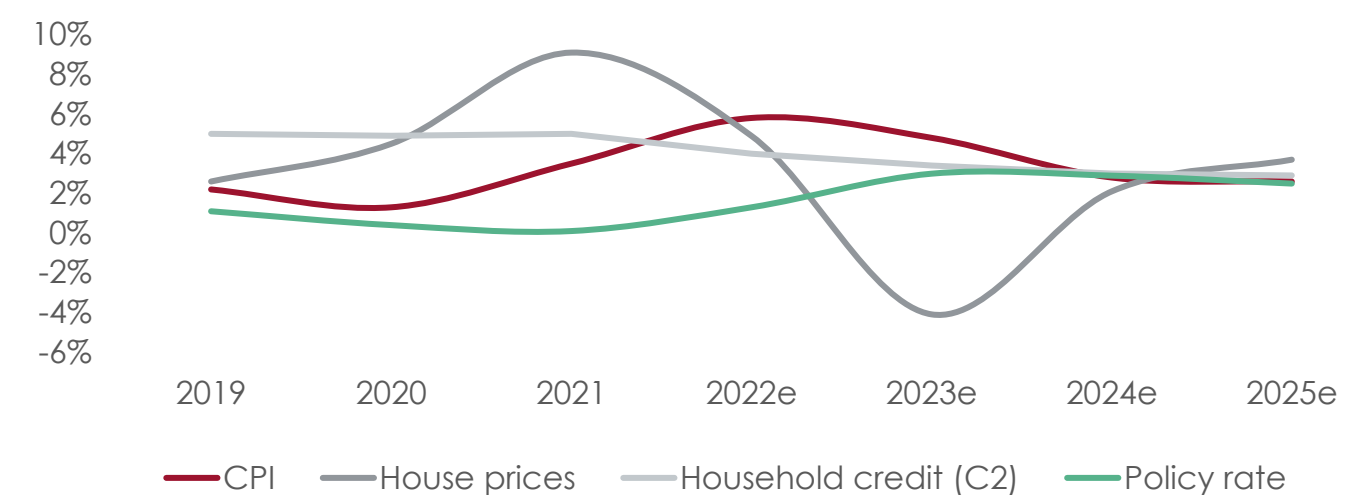
Demand 2019 - 2025e



Wages & disposable income 2019 - 2025e



Prices & interest rates 2019 - 2025e



Source: Monetary Policy Report 4 | 22, Central Bank of Norway.

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