

# SELVAAG BOLIG

## Q3 2022

Third quarter results



## Highlights of the third quarter 2022

A total of 144 units were delivered with acceptable margins in the quarter. The number of units delivered was lower than in the same quarter last year, which led to a decline in earnings per share. Sales were lower than in previous quarters but acceptable given rising home loan interest rates and macroeconomic uncertainty.

- Operating revenues<sup>1</sup> NOK 905 million (NOK 887 million)
- Adjusted EBITDA<sup>3</sup> NOK 137 million (NOK 222 million) and ordinary EBITDA<sup>2</sup> NOK 108 million (NOK 190 million)
- Pre-tax profit of NOK 107 million (NOK 186 million)
- 83 units sold<sup>6</sup> (125) and construction started on 68 (148)
- 142 units completed (318) and 144 delivered (314)
- A total of 1 268 units (1 201) under construction at 30 September, with a combined sales value of NOK 6 225 million (NOK 6 200 million)
- 73 per cent of units under construction were sold (76 per cent) at the end of the quarter. 94 per cent of the units to be completed in 2022 are sold (94)

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

## Key figures

(figures in NOK 1 000)	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
<b>IFRS main figures</b>					
Operating revenues <sup>1</sup>	905 389	886 898	2 227 546	1 848 930	3 402 746
EBITDA <sup>2</sup>	108 164	189 885	365 760	386 664	658 597
EBITDA adjusted <sup>3</sup>	137 045	221 903	430 341	438 842	755 854
Operating profit/(loss)	105 757	187 307	358 585	378 951	648 325
Profit/(loss) before taxes	107 337	185 556	358 511	370 885	645 331
Net income	79 072	153 374	293 440	286 454	504 905
Cash flow from operating activities	126 078	174 467	115 042	(328 552)	392 588
Net cash flow	65 303	29 511	247 367	(275 670)	(357 898)
Interest-bearing liabilities	2 567 207	2 938 552	2 567 207	2 938 552	2 147 683
Total assets	6 091 589	6 422 800	6 091 589	6 422 800	5 781 958
Equity	2 286 869	2 243 287	2 286 869	2 243 287	2 468 841
Equity ratio	37.5%	34.9%	37.5%	34.9%	42.7%
Earnings per share in NOK	0.85	1.64	3.15	3.06	5.40
<b>Segment reporting (NGAAP<sup>4</sup>)</b>					
Operating revenues	788 129	773 951	2 330 367	2 512 913	3 308 143
EBITDA <sup>5</sup>	96 120	114 310	306 045	410 233	523 504
EBITDA margin	12.2%	14.8%	13.1%	16.3%	15.8%
<b>Key figures (net, adjusted for share in joint ventures)</b>					
Number of units sold <sup>6</sup>	83	125	404	546	821
Number of construction starts	68	148	371	424	880
Number of units delivered	144	314	438	570	894
Number of units completed	142	318	426	533	867

<sup>1</sup> Operating revenues do not include revenues from joint ventures.

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

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

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

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

<sup>6</sup> 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)	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
<b>Total operating revenues</b>	<b>905 389</b>	<b>886 898</b>	<b>2 227 546</b>	<b>1 848 930</b>	<b>3 402 746</b>
Project expenses	(742 064)	(698 500)	(1 799 312)	(1 404 524)	(2 617 422)
Other operating expenses, salaries and personnel costs, depreciation and amortisation	(55 338)	(56 348)	(163 609)	(166 105)	(246 696)
<b>Total operating expenses</b>	<b>(797 402)</b>	<b>(754 848)</b>	<b>(1 962 921)</b>	<b>(1 570 629)</b>	<b>(2 864 118)</b>
Associated companies and joint ventures	(2 230)	55 257	93 960	100 650	109 697
Other gains (losses), net	-	-	-	-	-
<b>Operating profit</b>	<b>105 757</b>	<b>187 307</b>	<b>358 585</b>	<b>378 951</b>	<b>648 325</b>
<b>Net financial expenses</b>	<b>1 580</b>	<b>(1 751)</b>	<b>(74)</b>	<b>(8 066)</b>	<b>(2 994)</b>
<b>Profit before taxes</b>	<b>107 337</b>	<b>185 556</b>	<b>358 511</b>	<b>370 885</b>	<b>645 331</b>
Income taxes	(28 265)	(32 182)	(65 071)	(84 431)	(140 426)
<b>Net income</b>	<b>79 072</b>	<b>153 374</b>	<b>293 440</b>	<b>286 454</b>	<b>504 905</b>

## Results for the third quarter of 2022

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

Selvaag Bolig had operating revenues of NOK 905.4 million (NOK 886.9 million) in the third quarter. Revenues from units delivered accounted for NOK 888.7 million (NOK 868.1 million) of the total. Other revenues derived from non-core activities, mainly provision of services.

A total of 144 units (314) were delivered in the quarter, including 143 (225) from consolidated project companies and one (89) from joint ventures.

Project costs for the quarter totalled NOK 742.1 million (NOK 698.5 million), of which NOK 28.9 million (NOK 32 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 55.3 million (NOK 56.3 million) for the period. Payroll costs accounted for NOK 33.8 million (NOK 33.9 million) of this figure. In addition, NOK 4.2 million (NOK 4.3 million) in payroll costs relating to housing under construction was capitalised during the quarter and will be expensed as project costs on future delivery.

Other operating costs came to NOK 19.2 million (NOK 19.9 million) for the quarter, including NOK 5.5 million (NOK 7.7 million) for sales and marketing.

The share of profit from associates and joint ventures was negative at NOK 2.2 million (positive at NOK 55.3 million) for

the quarter. The decrease from the same period of 2021 reflected fewer units delivered from joint ventures.

Reported EBITDA was NOK 108.2 million (NOK 189.9 million), corresponding to a margin of 11.9 per cent (21.4 per cent). EBITDA adjusted for financial expenses included in project costs came to NOK 137.0 million (NOK 221.9 million), corresponding to a margin of 15.1 per cent (25 per cent). The decline in the EBITDA margin from the third quarter of 2021 primarily fewer delivered units. The EBITDA margin is also influenced negatively by fewer delivered units from joint ventures. Results from joint ventures are reported net rather than including them in turnover. For more information, see note 8 on proportional consolidation.

Consolidated depreciation and amortisation totalled NOK 2.4 million (NOK 2.6 million) for the quarter. Operating profit thereby came to NOK 105.8 million (NOK 187.3 million).

Net financial items amounted to NOK 1.6 million (negative at NOK 1.8 million in income). Pre-tax profit for the quarter thereby came to NOK 107.3 million (NOK 185.6 million).

Tax expense for the period was NOK 28.3 million (NOK 32.2 million). Comprehensive income for the third quarter came to NOK 79.1 million (NOK 153.4 million). NOK 79.1 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 153.4 million), and NOK 0 to non-controlling shareholders (NOK 0).

## Results for the first nine months of 2022

Selvaag Bolig had operating revenues of NOK 2 227.5 million (NOK 1 848.9 million) in the first nine months. Revenues from units delivered accounted for NOK 2 142.5 million (NOK 1 768.9 million) of the total. In addition, the group sold four land plots for NOK 38.9 million in total. Other revenues were related to non-core activities, mainly provision of services.

A total of 438 units (570) were delivered in the quarter, including 367 (425) from consolidated project companies and 71 (145) from joint ventures.

Project costs for the first nine months totalled NOK 1 799.3 million (NOK 1 404.5 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 163.6 million (NOK 166.1 million) for the period. Payroll costs accounted for NOK 88.8 million (NOK 86.4 million) of this figure. In addition, NOK 13.5 million (NOK 13.9 million) in payroll costs relating to housing under construction were capitalised during the first nine months and will be expensed as project costs on future delivery.

Other operating costs came to NOK 67.6 million (NOK 72.0 million), including NOK 18.6 million (NOK 26.3 million) for sales and marketing.

The share of profit from associates and joint ventures came to NOK 94.0 million (NOK 100.7 million). This decrease from the same period of 2021 primarily reflected fewer units delivered from joint ventures.

Reported EBITDA for the first nine months was NOK 365.8 million (NOK 386.7 million), corresponding to a margin of 16.4 per cent (20.9 per cent). EBITDA adjusted for financial expenses included in project costs came to NOK 430.3 million (NOK 438.8 million), corresponding to a margin of 19.3 per cent (23.7 per cent). The decrease in EBITDA from the first nine months of 2021 primarily reflected fewer units delivered. 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 nine months came to NOK 358.6 million (NOK 379.0 million).

Net financial expenses amounted to NOK 0.1 million (expense of NOK 8.1 million), so pre-tax profit for the first nine months was NOK 358.5 million (NOK 370.9 million). Estimated tax expense for the period is NOK 65.1 million (NOK 84.4 million).

Comprehensive income for the first nine months came to NOK 293.4 million (NOK 286.5 million). NOK 293.4 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 286.5 million), and NOK 0.0 to non-controlling shareholders (NOK 0.0).

## Cash flow

Consolidated net cash flow from operational activities was NOK 126.1 million (NOK 174.5 million) for the third quarter. The decrease from the same period last year is mainly from fewer delivered units and a negative impact from an increase in customer receivables. In the first nine months, consolidated net cash flow from operational activities was NOK 115 million (negative at NOK 328.6 million). The change from last year mainly reflects changes in inventory. See note 5 for more information.

Net cash flow from investing activities amounted to NOK 119.2 million (NOK 133.4 million) for the quarter. In the first nine months, cash flow from investing activities amounted to NOK 250.4 million (NOK 169.1 million). The change from the

same period of 2021 primarily reflected higher dividends from joint ventures.

Net cash flow from financing activities was NOK -180.0 million (negative at NOK 278.3 million) for the quarter. The change from the same period of 2021 primarily reflected lower net repayment of construction loans in 2022. In the first nine months, net cash flow from financing activities was NOK -118.1 million (negative at NOK 116.2 million).

The group's holding of cash and cash equivalents at 30 September totalled NOK 774.5 million (NOK 609.7 million), an increase of NOK 65.3 million from 30 June and NOK 165.1 million from a year earlier.

## Cash flow summary

(figures in NOK 1 000)	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
Profit before taxes	107 337	185 556	358 511	370 885	645 331
Net cash flow from operating activities	126 078	174 467	115 042	(328 552)	392 588
Net cash flow from investment activities	119 239	133 350	250 430	169 088	167 129
Net cash flow from financing activities	(180 014)	(278 306)	(118 105)	(116 207)	(917 616)
Net change in cash and cash equivalents	65 303	29 511	247 367	(275 670)	(357 898)
Cash and cash equivalents at start of period	709 499	580 152	527 435	885 333	885 333
Cash and cash equivalents at end of period	774 802	609 663	774 802	609 663	527 435

## Financial position

The carrying amount of Selvaag Bolig's total inventory (land, units under construction and completed units) at 30 September was NOK 4 124.8 million, compared with NOK 4 122.2 million at 30 June and NOK 4 647.4 million a year earlier. See note 5 for a further specification of inventory.

The group's accounts receivable were NOK 240.0 million at the end of the quarter. In comparison, accounts receivable were NOK 105.0 million at the end of the previous quarter and NOK 143.0 million at the same time the year before. The increase is due to the fact that many flats were delivered towards the end of the quarter, so that payment was postponed to the fourth quarter. These are considered normal fluctuations and do not involve any credit risk as the funds are in the client's account with the settlement intermediary from the handover of the flat to the final receipt of settlement.

Equity was NOK 2 286.9 million (NOK 2 243.3 million) at 30 September, corresponding to an equity ratio of 37.5 per cent (34.9 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. An additional dividend of NOK 186.5 million (NOK 187.0) was paid in the third quarter, based on the result in the first half of 2022. 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 610.7 million (NOK 729.6 million) at 30 September, of which NOK 163.8 million (NOK 298.9 million) represented advance payments from customers.

At 30 September, consolidated interest-bearing debt amounted to NOK 2 567.2 million (NOK 2 938.6 million), of which NOK 1 477.2 million (NOK 1 759.2 million) was non-current and NOK 1 190 million (NOK 1 179.4 million) was current. NOK 587.3 million (NOK 733.3 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 237.5 million (NOK 249.8 million) at 30 September. 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

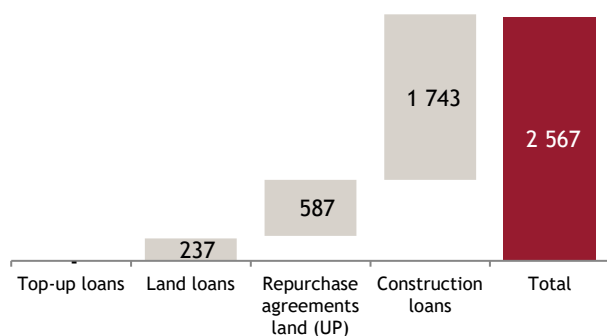
has an annually renewed overdraft facility of NOK 150 million with the same bank. Furthermore, in 2021, the company established a credit facility of NOK 300 million with DNB for infrastructure financing. This matures in January 2024. No drawings had been made against any of these facilities at 30 September.

### Net interest-bearing debt

(figures in NOK 1 000)	Q3 2022	Q2 2022	Q3 2021	2021
Non-current interest-bearing debt	1 477 236	1 239 753	1 759 152	777 200
Current interest-bearing debt	502 700	682 921	446 089	688 330
Current liabilities repurchase agreements and seller credits	587 271	616 114	733 311	682 153
Cash and cash equivalents	(774 802)	(709 499)	(609 663)	(527 435)
<b>Net interest-bearing debt</b>	<b>1 792 405</b>	<b>1 829 289</b>	<b>2 328 889</b>	<b>1 620 248</b>

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 September, the group had no top-up loans, land loans of NOK 237 million, repurchase agreements with Urban Property of NOK 587 million and total construction loans of NOK 1 743 million.

### Interest-bearing debt at 30 Sept 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 September, interest of NOK 153 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 (UP) transaction on 21 January 2020, a sizeable 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 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 3.9 million (NOK 4.2 million) for the third quarter and NOK 11.0 million (NOK 13.9 million) for the first nine months.

Portfolio C comprises land which the group has the right or obligation to purchase from UP 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 third quarter came to NOK 24.9 million (NOK 20.1 million) and for the first nine months came to NOK 70.0 million (NOK 63.0 million). At 30 September, accumulated provision and capitalisation came to NOK 148.2 million (NOK 68.8 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 third quarter and first nine months 2022

#### Third quarter

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q3 22	Q3 21	Q3 22	Q3 21	Q3 22	Q3 21
Housing development (NGAAP)	774 767	756 525	133 355	143 026	148 530	156 188
Other	13 362	17 426	(37 235)	(28 716)	(37 558)	(29 713)
IFRS adjustments	117 260	112 947	12 044	75 575	(5 215)	60 832
<b>Total group (IFRS)</b>	<b>905 389</b>	<b>886 898</b>	<b>108 164</b>	<b>189 885</b>	<b>105 757</b>	<b>187 307</b>

#### Jan-Sep

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	9M 22	9M 21	9M 22	9M 21	9M 22	9M 21
Housing development (NGAAP)	2 287 564	2 468 333	405 772	495 435	443 216	566 122
Other	42 803	44 580	(99 727)	(85 202)	(100 633)	(86 682)
IFRS adjustments	(102 821)	(663 983)	59 715	(23 569)	16 002	(100 489)
<b>Total group (IFRS)</b>	<b>2 227 546</b>	<b>1 848 930</b>	<b>365 760</b>	<b>386 664</b>	<b>358 585</b>	<b>378 951</b>

## 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 third quarter were NOK 774.8 million (NOK 756.5 million). They were derived from 21 projects (18) in production.

Operating costs, primarily for construction and sales, are directly related to the projects and amounted to NOK 641.4 million (NOK 613.5 million) for the third 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 133.4 million (NOK 143.0 million) for the quarter, corresponding to a profit margin of 17.2 per cent (18.9 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 third quarter came to NOK 13.4 million (NOK 17.4 million), while operating costs amounted to NOK 50.6 million (NOK 46.1 million). Costs relate largely to remuneration for the administration and management, as well as other operating costs. EBITDA was thereby negative at NOK 37.2 million (negative at NOK 28.7 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 102 units with a combined value of NOK 554 million. Selvaag Bolig's share amounted to 83 units with a combined value of NOK 439 million.

Work started on constructing 68 units during the third quarter, so that Selvaag Bolig had 1 268 units worth some NOK 6.2 billion under construction at 30 September. A total of 142 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 third quarter.

#### Quarterly development of the project portfolio

	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Units sold	125	276	201	120	83
Construction starts	148	456	113	190	68
Units completed	318	334	74	210	142
Units delivered	314	324	77	217	144
Units under construction	1 201	1 323	1 361	1 342	1 268
Proportion of sold units under construction	76 %	67 %	73 %	75 %	73 %
Completed unsold units	16	25	19	13	19
Sales value of units under construction (NOK million)	6 200	6 736	7 034	6 807	6 225

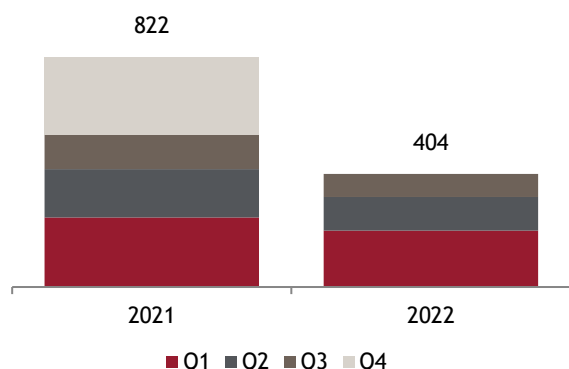
### Purchase and sale of land

Selvaag Bolig purchased one site from Urban Property for a total of NOK 29 million during the quarter. See note 7.



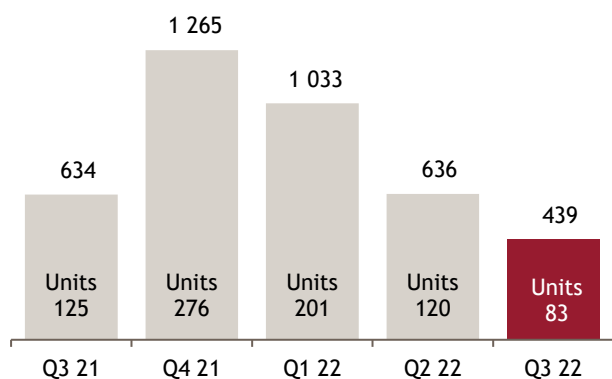
## Sales development and progress

### Units sold



Total housing sales during the third quarter, including Selvaag Bolig's relative share of joint ventures, amounted to 83 units with a combined sales value of NOK 439 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 125 units with a combined value of NOK 634 million.

### Value of units sold (NOK mill)



Selvaag Bolig started sales during the quarter in one project, comprising 26 residential units (107).

### Sales starts in the quarter

Project	No of units	Category	Region
Lille Løren Park	26	Flat	Greater Oslo
<b>Total</b>	<b>26</b>		

Construction began on 68 (148) units during the quarter. At 30 September, Selvaag Bolig consequently had 1 268 (1 201) units under construction. They included 950 units in Greater

Oslo, 135 in Bergen, 105 in Rogaland county and 78 in Trondheim.

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 September - in other words, the sales value of the 1 268 (1 201) units then under construction - was NOK 6 225 million (NOK 6 200 million).

A total of 142 (318) units were completed in the third quarter, and 144 (314) - including ones completed earlier - were delivered. The completed units were spread over four projects.

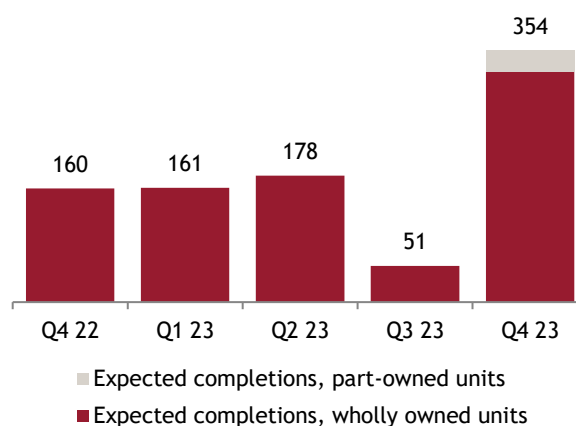
At 30 September, the group held 19 (16) completed but unsold units. Consolidated project companies accounted for 143 (225) of the units delivered, while one (89) was in a part-owned project company.

### Units completed by project

Project	No of units	Category	Region
Skifabrikken	39	Flat	Greater Oslo
Landås Pluss	69	Flat	Greater Oslo
Langhus	24	Flat	Greater Oslo
Aase Gaard	10	Terraced	Rogaland
<b>Total</b>	<b>142</b>		

Based on anticipated progress for the projects, 160 units are expected to be completed in the fourth 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 September, divided between 5 441 shareholders.

The 20 largest shareholders controlled 82.2 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 31.55 to NOK 46.70. The closing price at 30 September was NOK 31.75. That compared with NOK 35.55 at 30 June, and the share price accordingly fell by 10.7 per cent over the quarter. A dividend of NOK 2.00 per share was paid in the third quarter. Corrected for this payout, the share price fell by 5.1 per cent over the period.

Just above 2.7 million shares, or 2.9 per cent of the overall number outstanding, were traded during the period. Share turnover totalled NOK 105.9 million during the quarter, corresponding to an average daily figure of roughly NOK 1.6 million.

### 20 largest shareholders at 30 September 2022

Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
Skandinaviska Enskilda Banken AB *	5 992 724	6.4%
PARETO INVEST NORGE AS	4 361 772	4.7%
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 *	1 989 006	2.1%
Skandinaviska Enskilda Banken AB *	1 000 000	1.1%
MUSTAD INDUSTRIER AS	950 707	1.0%
SANDEN EQUITY AS	909 594	1.0%
The Northern Trust Comp, London Br *	840 200	0.9%
State Street Bank and Trust Comp *	772 357	0.8%
BANAN II AS	750 000	0.8%
Landkreditt Utbytte	700 000	0.7%
Brown Brothers Harriman & Co. *	684 200	0.7%
SELVAAG BOLIG ASA	552 630	0.6%
Brown Brothers Harriman & Co. *	513 908	0.5%
Morgan Stanley & Co. International	373 850	0.4%
HOLTA INVEST AS	354 900	0.4%
KBC Bank NV *	335 856	0.4%
Citibank, N.A. *	325 020	0.3%
<b>Total 20 largest shareholders</b>	<b>77 038 862</b>	<b>82.2%</b>
Other shareholders	16 726 826	17.8%
<b>Total number of shares</b>	<b>93 765 688</b>	<b>100.0%</b>

\* 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. Seventy-three per cent of total units under construction and 94 per cent of planned completions in 2022 had been sold at 30 September.

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. Households still have strong purchasing power, but home sales are being negatively affected by interest rate increases, energy prices, inflation and geopolitical uncertainty. The pandemic and the war in Ukraine have also led to increased construction costs,

resulting in postponed sales and construction starts. If the situation persists, this will affect the number of homes the company has in production going forward. Already started projects are not affected by increased construction costs, as these are mainly contracted at a fixed price.

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 third quarter, the group repurchased one site from Urban Property for NOK 29 million. See note 7 for further details. Further, during the quarter an option

agreement was signed with UP for a property at Bjerke in Oslo.

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

## Housing market

Sales activity in the Norwegian housing market was normal in the third quarter. There were, however, more homes offered for sale than homes sold, which has led to an increased inventory in several areas. Price developments differed between Selvaag Bolig's core areas.

According to Statistics Norway, seasonally adjusted existing dwelling prices at 30 September were on average 4.8 per cent higher than 30 September 2021, and flat compared to the previous quarter. Overall prices fell by 0.1 per cent during the quarter in Oslo including Bærum, and were 4.8 per cent higher than at 30 September 2021. In Akershus excluding Bærum, prices fell by 1.5 per cent and were up by 0.8 per cent from 30 September 2021. Prices in Stavanger fell by 0.5

per cent during the quarter and were 3.4 per cent higher than one year earlier. Prices in Bergen increased by 0.5 per cent in the quarter and were up by 5.4 per cent from one year earlier. In Trondheim, prices declined by 0.4 per cent for the quarter and were 5.5 per cent higher than one year earlier.

Selvaag Bolig sold a gross 102 units with a combined value of NOK 554 million during the quarter and total sales for the first nine months ended at 512 units with a combined value of NOK 2 708 million. Net sales, calculated by adjusting for Selvaag Bolig's share in joint ventures, were 83 units with a value of NOK 439 million in the third quarter, and 404 units valued at NOK 2 108 million for the first nine months.

## Interim financial statements (IFRS)

## Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Note	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
Revenues		890 726	868 124	2 181 383	1 801 720	3 341 513
Other revenues		14 663	18 774	46 163	47 210	61 233
<b>Total operating revenues</b>		<b>905 389</b>	<b>886 898</b>	<b>2 227 546</b>	<b>1 848 930</b>	<b>3 402 746</b>
Project expenses		(742 064)	(698 500)	(1 799 312)	(1 404 524)	(2 617 422)
Salaries and personnel costs		(33 767)	(33 857)	(88 819)	(86 367)	(136 160)
Depreciation and amortisation		(2 407)	(2 578)	(7 175)	(7 713)	(10 272)
Other operating expenses		(19 164)	(19 913)	(67 615)	(72 025)	(100 264)
<b>Total operating expenses</b>		<b>(797 402)</b>	<b>(754 848)</b>	<b>(1 962 921)</b>	<b>(1 570 629)</b>	<b>(2 864 118)</b>
Associated companies and joint ventures		(2 230)	55 257	93 960	100 650	109 697
Other gains (losses), net		-	-	-	-	-
<b>Operating profit</b>		<b>105 757</b>	<b>187 307</b>	<b>358 585</b>	<b>378 951</b>	<b>648 325</b>
Financial income		4 590	1 158	8 836	3 761	10 691
Financial expenses		(3 010)	(2 909)	(8 910)	(11 827)	(13 685)
<b>Net financial expenses</b>		<b>1 580</b>	<b>(1 751)</b>	<b>(74)</b>	<b>(8 066)</b>	<b>(2 994)</b>
<b>Profit/(loss) before taxes</b>		<b>107 337</b>	<b>185 556</b>	<b>358 511</b>	<b>370 885</b>	<b>645 331</b>
Income taxes		(28 265)	(32 182)	(65 071)	(84 431)	(140 426)
<b>Net income</b>		<b>79 072</b>	<b>153 374</b>	<b>293 440</b>	<b>286 454</b>	<b>504 905</b>
<b>Other comprehensive income/expenses</b>						
Translation differences		627	(18)	2 548	(2 071)	(3 223)
<b>Total comprehensive income/(loss) for the period</b>		<b>79 699</b>	<b>153 356</b>	<b>295 988</b>	<b>284 383</b>	<b>501 682</b>
<b>Net income for the period attributable to:</b>						
Non-controlling interests		2	(1)	2	(2)	(4)
Shareholders in Selvaag Bolig ASA		79 070	153 375	293 438	286 456	504 909
<b>Total comprehensive income/(loss) for the period attributable to:</b>						
Non-controlling interests		2	(1)	2	(2)	(4)
Shareholders in Selvaag Bolig ASA		79 697	153 357	295 986	284 385	501 686
<b>Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:</b>						
Earnings per share (basic and diluted) in NOK		0.85	1.64	3.15	3.06	5.40

*The consolidated financial information has not been audited*

## Statements of financial position

(figures in NOK 1 000)	Note	Q3 2022	Q2 2022	Q3 2021	2021
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill		383 376	383 376	383 376	383 376
Property, plant and equipment		8 022	8 084	6 640	7 380
Right-of-use lease assets		19 517	21 589	28 044	25 733
Investments in associated companies and joint ventures		235 710	349 178	342 587	354 699
Loans to associated companies and joint ventures		89 421	96 282	68 090	75 777
Other non-current assets	7	206 187	182 646	175 579	200 782
<b>Total non-current assets</b>		<b>942 233</b>	<b>1 041 155</b>	<b>1 004 316</b>	<b>1 047 747</b>
<b>Current assets</b>					
Inventories (property)	5, 7	4 124 828	4 122 173	4 647 388	4 072 466
Trade receivables		240 008	105 032	142 950	83 831
Other current receivables		9 718	10 277	18 483	50 479
Cash and cash equivalents		774 802	709 499	609 663	527 435
<b>Total current assets</b>		<b>5 149 356</b>	<b>4 946 981</b>	<b>5 418 484</b>	<b>4 734 211</b>
<b>TOTAL ASSETS</b>		<b>6 091 589</b>	<b>5 988 136</b>	<b>6 422 800</b>	<b>5 781 958</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributed to shareholders in Selvaag Bolig ASA</b>					
Equity attributed to shareholders in Selvaag Bolig ASA		2 279 079	2 387 203	2 235 497	2 461 053
Non-controlling interests		7 790	7 788	7 790	7 788
<b>Total equity</b>		<b>2 286 869</b>	<b>2 394 991</b>	<b>2 243 287</b>	<b>2 468 841</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Pension liabilities		1 254	1 254	1 238	1 254
Deferred tax liabilities		38 246	38 253	29 179	38 579
Provisions		62 910	62 910	60 373	62 910
Other non-current liabilities	7	286 344	259 426	196 932	219 622
Non-current lease liabilities		12 857	14 780	20 657	18 630
Non-current interest-bearing liabilities		1 477 236	1 239 753	1 759 152	777 200
<b>Total non-current liabilities</b>		<b>1 878 847</b>	<b>1 616 376</b>	<b>2 067 531</b>	<b>1 118 195</b>
<b>Current liabilities</b>					
Current lease liabilities		7 800	7 903	8 212	8 108
Current interest-bearing liabilities		502 700	682 921	446 089	688 330
Current liabilities repurchase agreements and seller credits	7	587 271	616 114	733 311	682 153
Trade payables		130 457	65 242	90 966	129 986
Current tax payables		86 909	58 641	103 806	133 902
Other current non-interest-bearing liabilities		610 736	545 948	729 598	552 443
<b>Total current liabilities</b>		<b>1 925 873</b>	<b>1 976 769</b>	<b>2 111 982</b>	<b>2 194 922</b>
<b>Total liabilities</b>		<b>3 804 720</b>	<b>3 593 145</b>	<b>4 179 513</b>	<b>3 313 117</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6 091 589</b>	<b>5 988 136</b>	<b>6 422 800</b>	<b>5 781 958</b>

*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
<b>Equity at 1 January 2022</b>	<b>186 898</b>	<b>1 394 857</b>	<b>700 629</b>	<b>6 874</b>	<b>3 528</b>	<b>168 266</b>	<b>2 461 055</b>	<b>7 788 *</b>	<b>2 468 841</b>
Transactions with owners:									
Dividend	-	-	-	-	-	(466 269)	(466 269)	-	(466 269)
Share buy back	(474)	-	-	-	-	(11 217)	(11 691)	-	(11 691)
Employee share programme	-	-	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	293 438	293 438	2	293 440
Other comprehensive income/(loss) for the period	-	-	-	2 548	-	-	2 548	-	2 548
<b>Equity at 30 September 2022</b>	<b>186 424</b>	<b>1 394 857</b>	<b>700 629</b>	<b>9 422</b>	<b>3 528</b>	<b>(15 782)</b>	<b>2 279 081</b>	<b>7 790 *</b>	<b>2 286 869</b>

<b>Equity at 1 January 2021</b>	<b>186 996</b>	<b>1 394 857</b>	<b>700 629</b>	<b>10 097</b>	<b>3 528</b>	<b>133 915</b>	<b>2 430 025</b>	<b>7 792 *</b>	<b>2 437 815</b>
Transactions with owners:									
Dividend	-	-	-	-	-	(467 493)	(467 493)	-	(467 493)
Share buy back	(400)	-	-	-	-	(11 018)	(11 418)	-	(11 418)
Employee share programme	-	-	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	286 456	286 456	(2)	286 454
Other comprehensive income/(loss) for the period	-	-	-	(2 071)	-	-	(2 071)	-	(2 071)
<b>Equity at 30 September 2021</b>	<b>186 596</b>	<b>1 394 857</b>	<b>700 629</b>	<b>8 026</b>	<b>3 528</b>	<b>-58 140</b>	<b>2 235 500</b>	<b>7 790 *</b>	<b>2 243 287</b>
Transactions with owners:									
Dividend	-	-	-	-	-	-	-	-	-
Share buy back	(608)	-	-	-	-	(14 244)	(14 852)	-	(14 852)
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	-	-	-	-	-	218 453	218 453	(2)	218 451
Other comprehensive income/(loss) for the period	-	-	-	(1 152)	-	-	(1 152)	-	(1 152)
<b>Equity at 31 December 2021</b>	<b>186 898</b>	<b>1 394 857</b>	<b>700 629</b>	<b>6 874</b>	<b>3 528</b>	<b>168 266</b>	<b>2 461 056</b>	<b>7 788 *</b>	<b>2 468 841</b>

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	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit/(loss) before taxes		107 337	185 556	358 511	370 885	645 331
Income taxes paid		-	566	(112 187)	(111 589)	(126 725)
Depreciation and amortisation		2 407	2 578	7 175	7 713	10 272
Share of profits/(losses) from associated companies and joint ventures		2 230	(55 257)	(93 960)	(100 650)	(109 697)
Changes in inventories (property)	5	19 322	51 967	(416)	(474 162)	114 544
Changes in trade receivables		(134 976)	(81 390)	(156 177)	(72 484)	(13 365)
Changes in trade payables		65 215	(25 607)	471	(46 260)	(7 240)
Changes in other operating working capital assets		3 209	3 900	50 466	19 411	(23 015)
Changes in other operating working capital liabilities		61 333	92 154	61 159	78 584	(97 517)
<b>Net cash flow from operating activities</b>		<b>126 078</b>	<b>174 467</b>	<b>115 042</b>	<b>(328 552)</b>	<b>392 588</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>						
Proceeds from sale of property, plant and equipment and intangible assets		-	-	163	-	-
Purchases of PPE and intangible assets		(261)	(71)	(1 736)	(101)	(1 097)
Proceeds from sale of associated companies and joint ventures		-	-	-	8 046	8 046
Purchases of associated companies and joint ventures		-	-	(5 000)	-	-
Proceeds from sale of other investments and repayment of loans		10 000	-	78 000	39 199	45 875
Purchases of other investments and loans		(4 500)	(18 250)	(48 997)	(32 050)	(39 745)
Dividends and disbursements from associated companies and joint ventures		114 000	151 671	228 000	153 994	154 050
<b>Net cash flow from investment activities</b>		<b>119 239</b>	<b>133 350</b>	<b>250 430</b>	<b>169 088</b>	<b>167 129</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from borrowings	7	508 467	637 906	1 630 325	1 632 454	2 311 996
Repayments of borrowings	7	(498 949)	(715 969)	(1 265 466)	(1 264 264)	(2 743 972)
Repayments of lease liabilities		(2 027)	(2 131)	(6 081)	(6 393)	(8 524)
Dividends paid to equity holders of Selvaag Bolig ASA		(186 508)	(186 997)	(466 269)	(467 493)	(467 493)
Share buy back Selvaag Bolig ASA		(1 313)	(11 418)	(11 691)	(11 418)	(26 270)
Proceeds from disposal of shares Selvaag Bolig ASA		317	303	1 077	908	16 647
<b>Net cash flow from financing activities</b>		<b>(180 014)</b>	<b>(278 306)</b>	<b>(118 105)</b>	<b>(116 207)</b>	<b>(917 616)</b>
Net change in cash and cash equivalents		65 303	29 511	247 367	(275 670)	(357 898)
<b>Cash and cash equivalents at start of period</b>		<b>709 499</b>	<b>580 152</b>	<b>527 435</b>	<b>885 333</b>	<b>885 333</b>
<b>Cash and cash equivalents at end of period</b>		<b>774 802</b>	<b>609 663</b>	<b>774 802</b>	<b>609 663</b>	<b>527 435</b>

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.

## Third quarter 2022

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	774 767	13 362	788 129
Project expenses	(636 510)	(227)	(636 737)
Other operating expenses	(4 902)	(50 370)	(55 272)
<b>EBITDA (percentage of completion, NGAAP)</b>	<b>133 355</b>	<b>(37 235)</b>	<b>96 120</b>
<b>Reconciliation EBITDA to operating profit (loss)</b>			
EBITDA (percentage of completion)	133 355	(37 235)	96 120
Sales revenues (adjustment effect of percentage of completion)	(763 351)	-	(763 351)
Sales revenues (completed contract)	880 611	-	880 611
Project expenses (adjustment effect of percentage of completion)	625 114	-	625 114
Project expenses (completed contract)	(730 441)	-	(730 441)
Lease liabilities	-	2 341	2 341
Depreciation and amortisation	-	(2 407)	(2 407)
Share of income (losses) from associated companies and joint ventures	(2 230)	-	(2 230)
Other gain (loss), net	-	-	-
<b>Operating profit (loss), (IFRS)</b>	<b>143 058</b>	<b>(37 301)</b>	<b>105 757</b>
Units under construction	1 268	N/A	N/A
Units delivered	144	N/A	N/A

## Third quarter 2021

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	756 525	17 426	773 951
Project expenses	(603 170)	(156)	(603 326)
Other operating expenses	(10 329)	(45 986)	(56 315)
<b>EBITDA (percentage of completion, NGAAP)</b>	<b>143 026</b>	<b>(28 716)</b>	<b>114 310</b>
<b>Reconciliation EBITDA to operating profit (loss)</b>			
EBITDA (percentage of completion)	143 026	(28 716)	114 310
Sales revenues (adjustment effect of percentage of completion)	(754 029)	-	(754 029)
Sales revenues (completed contract)	866 977	-	866 977
Project expenses (adjustment effect of percentage of completion)	598 740	-	598 740
Project expenses (completed contract)	(693 914)	-	(693 914)
Lease liabilities	-	2 545	2 545
Depreciation and amortisation	-	(2 578)	(2 578)
Share of income (losses) from associated companies and joint ventures	55 256	-	55 256
Other gain (loss), net	-	-	-
<b>Operating profit (loss), (IFRS)</b>	<b>216 056</b>	<b>(28 749)</b>	<b>187 307</b>
Units under construction	1 201	N/A	N/A
Units delivered	314	N/A	N/A

## At 30 September 2022

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	2 287 564	42 803	2 330 367
Project expenses	(1 860 253)	(611)	(1 860 864)
Other operating expenses	(21 539)	(141 919)	(163 458)
<b>EBITDA (percentage of completion, NGAAP)</b>	<b>405 772</b>	<b>(99 727)</b>	<b>306 045</b>
<b>Reconciliation EBITDA to Operating profit (loss):</b>			
EBITDA (percentage of completion)	405 772	(99 727)	306 045
Sales revenues (adjustment effect of percentage of completion)	(2 226 777)	-	(2 226 777)
Sales revenues (completed contract)	2 123 955	-	2 123 955
Project expenses (adjustment effect of percentage of completion)	1 763 773	-	1 763 773
Project expenses (completed contract)	(1 702 220)	-	(1 702 220)
Lease liabilities	-	7 024	7 024
Depreciation and amortisation	-	(7 175)	(7 175)
Share of profits (losses) from associated companies and joint ventures	93 960	-	93 960
Other gain (loss), net	-	-	-
<b>Operating profit (loss), (IFRS)</b>	<b>458 463</b>	<b>(99 878)</b>	<b>358 585</b>
Units under construction	1 268	N/A	N/A
Units delivered	438	N/A	N/A

## At 30 September 2021

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	2 468 333	44 580	2 512 913
Project expenses	(1 936 278)	(374)	(1 936 652)
Other operating expenses	(36 620)	(129 408)	(166 028)
<b>EBITDA (percentage of completion, NGAAP)</b>	<b>495 435</b>	<b>(85 202)</b>	<b>410 233</b>
<b>Reconciliation EBITDA to operating profit (loss):</b>			
EBITDA (percentage of completion)	495 435	(85 202)	410 233
Sales revenues (adjustment effect of percentage of completion)	(2 429 027)	-	(2 429 027)
Sales revenues (completed contract)	1 765 045	-	1 765 045
Project expenses (adjustment effect of percentage of completion)	1 891 083	-	1 891 083
Project expenses (completed contract)	(1 358 955)	-	(1 358 955)
Lease liabilities	-	7 636	7 636
Depreciation and amortisation	-	(7 713)	(7 713)
Share of profits (losses) from associated companies and joint ventures	100 649	-	100 649
Other gain (loss), net	-	-	-
<b>Operating profit (loss), (IFRS)</b>	<b>464 230</b>	<b>(85 279)</b>	<b>378 951</b>
Units under construction	1 201	N/A	N/A
Units delivered	570	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)	Q3 2022	Q2 2022	Q3 2021	2021
Land (undeveloped)	805 165	848 865	954 705	1 033 800
Work in progress	3 189 475	3 153 822	3 584 043	2 872 244
Completed units	130 188	119 486	108 640	166 422
<b>Carrying amount</b>	<b>4 124 828</b>	<b>4 122 173</b>	<b>4 647 388</b>	<b>4 072 466</b>

**6. Project expenses and EBITDA**

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

project cost and EBITDA including and excluding financial expenses.

(figures in NOK 1 000)	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
<b>Project expenses</b>	<b>(742 064)</b>	<b>(698 500)</b>	<b>(1 799 312)</b>	<b>(1 404 524)</b>	<b>(2 617 422)</b>
Finance expenses	(28 881)	(32 018)	(64 581)	(52 178)	(97 257)
Other project expenses	(713 183)	(666 482)	(1 734 731)	(1 352 346)	(2 520 165)

(figures in NOK 1 000)	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
EBITDA <sup>1</sup>	108 164	189 885	365 760	386 664	658 597
EBITDA margin	11.9%	21.4%	16.4%	20.9%	19.4%
EBITDA adjusted <sup>2</sup>	137 045	221 903	430 341	438 842	755 854
EBITDA margin adjusted	15.1%	25.0%	19.3 %	23.7%	22.2%

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

<sup>2</sup> 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 3.9 million in the third quarter (NOK 4.2 million). For the first nine months, premiums paid and capitalised were NOK 11.0 million (NOK 13.9 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 24.9 million in the third quarter (NOK 20.1 million). For the first nine months, provisions and capitalisation were NOK 70.0 million (NOK 63.0 million). Accumulated provisions and capitalisation at 30 September totalled NOK 148.2 million (NOK 68.9 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 purchased one site in Portfolio C from UP during the third quarter for NOK 29 million. SBO repaid a total of NOK 47.6 million in seller credits in the third quarter

(NOK 0.0 million). Debt related to repurchase agreements and seller credits declined to NOK 587.3 million during the quarter (NOK 733.3 million).

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

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

context, it is relevant to provide information on how the statement of comprehensive income would have appeared were the equity interest in collaboration projects to be consolidated.

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

Statement of proportional consolidation	Q3 2022			Q3 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	890 726	6 678	897 404	868 124	447 335	1 315 459
Other revenues	14 663	2 335	16 998	18 774	2 855	21 629
<b>Total operating revenues</b>	<b>905 389</b>	<b>9 013</b>	<b>914 402</b>	<b>886 898</b>	<b>450 190</b>	<b>1 337 088</b>
Project expenses	(742 064)	(3 969)	(746 033)	(698 500)	(368 113)	(1 066 613)
Salaries and personnel costs	(33 767)	(308)	(34 075)	(33 857)	(466)	(34 323)
Depreciation and amortisation	(2 407)	(960)	(3 367)	(2 578)	(966)	(3 544)
Other operating expenses	(19 164)	(5 339)	(24 503)	(19 913)	(6 161)	(26 074)
<b>Total operating expenses</b>	<b>(797 402)</b>	<b>(10 574)</b>	<b>(807 976)</b>	<b>(754 848)</b>	<b>(375 704)</b>	<b>(1 130 552)</b>
Associated companies and joint ventures	(2 230)	2 230	-	55 257	(55 257)	-
Other gains (losses), net	-	-	-	-	-	-
<b>Operating profit</b>	<b>105 757</b>	<b>669</b>	<b>106 426</b>	<b>187 307</b>	<b>19 229</b>	<b>206 536</b>
Financial income	4 590	610	5 200	1 158	3	1 161
Financial expenses	(3 010)	(1 907)	(4 917)	(2 909)	(912)	(3 821)
<b>Net financial expenses</b>	<b>1 580</b>	<b>(1 297)</b>	<b>284</b>	<b>(1 751)</b>	<b>(909)</b>	<b>(2 660)</b>
<b>Profit/(loss) before taxes</b>	<b>107 337</b>	<b>(628)</b>	<b>106 709</b>	<b>185 556</b>	<b>18 320</b>	<b>203 876</b>
Income taxes	(28 265)	629	(27 636)	(32 182)	(18 320)	(50 502)
<b>Net income</b>	<b>79 072</b>	<b>0</b>	<b>79 072</b>	<b>153 374</b>	<b>-</b>	<b>153 374</b>
<b>EBITDA margin<sup>1</sup></b>	<b>11.9%</b>	<b>N/A</b>	<b>12.0%</b>	<b>21.4%</b>	<b>N/A</b>	<b>15.7%</b>
<b>EBITDA margin adj<sup>2</sup></b>	<b>15.1%</b>	<b>N/A</b>	<b>15.2%</b>	<b>25.0%</b>	<b>N/A</b>	<b>19.4%</b>

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

<sup>2</sup> EBITDA adjusted excludes financial expenses included in project costs. See note 6.

Statement of proportional consolidation	9M 2022			9M 2021		
	Adj share		Pro forma gross	Adj share		Pro forma gross
	IFRS	Assoc/JV gross	Assoc/JV	IFRS	Assoc/JV gross	Assoc/JV
(figures in NOK 1 000)						
Revenues	2 181 383	460 681	2 642 064	1 801 720	759 201	2 560 921
Other revenues	46 163	7 267	53 430	47 210	10 333	57 543
<b>Total operating revenues</b>	<b>2 227 546</b>	<b>467 948</b>	<b>2 695 494</b>	<b>1 848 930</b>	<b>769 534</b>	<b>2 618 464</b>
Project expenses	(1 799 312)	(318 928)	(2 118 240)	(1 404 524)	(620 125)	(2 024 649)
Salaries and personnel costs	(88 819)	(897)	(89 716)	(86 367)	(1 331)	(87 698)
Depreciation and amortisation	(7 175)	(2 886)	(10 061)	(7 713)	(2 896)	(10 609)
Other operating expenses	(67 615)	(21 044)	(88 659)	(72 025)	(15 567)	(87 592)
<b>Total operating expenses</b>	<b>(1 962 921)</b>	<b>(343 754)</b>	<b>(2 306 675)</b>	<b>(1 570 629)</b>	<b>(639 918)</b>	<b>(2 210 547)</b>
Associated companies and joint ventures	93 960	(93 960)	-	100 650	(100 650)	-
Other gains (losses), net	-	-	-	-	-	-
<b>Operating profit</b>	<b>358 585</b>	<b>30 234</b>	<b>388 819</b>	<b>378 951</b>	<b>28 965</b>	<b>407 916</b>
Financial income	8 836	752	9 588	3 761	33	3 794
Financial expenses	(8 910)	(4 485)	(13 395)	(11 827)	(2 583)	(14 410)
<b>Net financial expenses</b>	<b>(74)</b>	<b>(3 733)</b>	<b>(3 807)</b>	<b>(8 066)</b>	<b>(2 550)</b>	<b>(10 616)</b>
<b>Profit/(loss) before taxes</b>	<b>358 511</b>	<b>26 502</b>	<b>385 013</b>	<b>370 885</b>	<b>26 415</b>	<b>397 300</b>
Income taxes	(65 071)	(26 501)	(91 572)	(84 431)	(26 415)	(110 846)
<b>Net income</b>	<b>293 440</b>	<b>0</b>	<b>293 440</b>	<b>286 454</b>	<b>-</b>	<b>286 454</b>
<b>EBITDA margin<sup>1</sup></b>	<b>16.4%</b>	<b>N/A</b>	<b>14.8%</b>	<b>20.9%</b>	<b>N/A</b>	<b>16.0%</b>
<b>EBITDA margin adj<sup>2</sup></b>	<b>19.3%</b>	<b>N/A</b>	<b>17.6%</b>	<b>23.7%</b>	<b>N/A</b>	<b>19.1%</b>

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

<sup>2</sup> 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)	Q3 2022	Q3 2021	9M 2022	9M 2021	2021
Operating profit	105 757	187 307	358 585	378 951	648 325
Depreciation and amortisation	2 407	2 578	7 175	7 713	10 272
Other gains (losses), net	-	-	-	-	-
<b>EBITDA</b>	<b>108 164</b>	<b>189 885</b>	<b>365 760</b>	<b>386 664</b>	<b>658 597</b>
Finance expenses <sup>1</sup>	28 881	32 018	64 581	52 178	97 257
<b>EBITDA adjusted</b>	<b>137 045</b>	<b>221 903</b>	<b>430 341</b>	<b>438 842</b>	<b>755 854</b>

<sup>1</sup> See note 6

### EBITDA (percentage of completion, NGAAP):

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

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.

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

### Net interest-bearing debt:

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



# 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.

[www.selvaagboligasa.no/eng](http://www.selvaagboligasa.no/eng)