

SELVAAG BOLIG

Q1 2023

First quarter results



Highlights of the first quarter 2023

Selvaag Bolig delivered 150 units with satisfactory margins in the first quarter of 2023. The number of delivered units was higher than the corresponding quarter last year, leading to an increase in both sales and earnings per share. The revenue in the quarter was better than in the fourth quarter of 2022, but still weaker than in the same period last year, mainly due to increased mortgage interest rates and macroeconomic uncertainty.

- Operating revenues¹ NOK 734 million (356)
- Adjusted EBITDA³ NOK 110 million (61) and ordinary EBITDA² NOK 88 million (52)
- Pre-tax profit of NOK 86 million (47)
- 116 units sold⁶ (201) and construction started on five units (113)
- 161 units completed (74) and 150 delivered (77)
- A total of 1 097 units under construction at 31 March (1 361), with a combined sales value of NOK 5 641 million (NOK 7 034 million)
- 69 per cent of units under construction sold (73 per cent) at end of quarter. 80 per cent of units being completed in 2023 have been sold (89)

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

Key figures

(figures in NOK 1 000)	Q1 2023	Q1 2022	2022
IFRS main figures			
Operating revenues ¹	734 175	356 243	2 896 379
EBITDA ²	87 673	51 758	432 102
EBITDA adjusted ³	174 263	103 936	517 097
Operating profit/(loss)	85 451	49 460	422 385
Profit/(loss) before taxes	86 020	47 275	425 115
Net income	65 195	37 553	338 853
Cash flow from operating activities	39 467	(308 524)	63 441
Net cash flow	(201 825)	167 011	85 235
Interest-bearing liabilities	2 339 247	2 561 988	2 485 790
Total assets	5 746 819	6 083 854	5 949 559
Equity	2 415 893	2 493 959	2 345 883
Equity ratio	42.0%	41.0%	39.4%
Earnings per share in NOK	0.70	0.40	3.63
Segment reporting (NGAAP⁴)			
Operating revenues	595 287	757 901	2 856 035
EBITDA ⁵	71 615	106 244	376 958
EBITDA margin	12.0%	14.0%	13.2%
Key figures (net, adjusted for share in joint ventures)			
Number of units sold ⁶	116	201	448
Number of construction starts	5	113	517
Number of units delivered	150	77	585
Number of units completed	161	74	586

¹ Operating revenues do not include revenues from joint ventures.

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

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

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

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

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

Financial review

Summary of overall results

(figures in NOK 1 000)	Q1 2023	Q1 2022	2022
Total operating revenues	734 175	356 243	2 896 379
Project expenses	(579 872)	(253 180)	(2 313 735)
Other operating expenses, salaries and personnel costs, depreciation and amortisation	(60 115)	(48 606)	(245 985)
Total operating expenses	(639 987)	(301 786)	(2 559 720)
Associated companies and joint ventures	(8 737)	(4 997)	85 726
Other gains (losses), net	-	-	-
Operating profit	85 451	49 460	422 385
Net financial expenses	569	(2 185)	2 730
Profit before taxes	86 020	47 275	425 115
Income taxes	(20 825)	(9 722)	(86 262)
Net income	65 195	37 553	338 853

Results for the first quarter of 2023

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

Selvaag Bolig had operating revenues of NOK 734.2 million (NOK 356.2 million) in the first quarter. Revenues from units delivered accounted for NOK 717.4 million (NOK 342.4 million) of the total. Other revenues derived from non-core activities, mainly provision of services.

A total of 150 units (77) were delivered in the quarter, including 137 (76) from consolidated project companies and 13 (one) were from joint ventures.

Project costs for the quarter totalled NOK 579.9 million (NOK 253.2 million), of which NOK 22.0 million (NOK 9.0 million) represented previously capitalised financial expenses. Total project expenses primarily represented construction costs for units delivered as well as costs in projects which do not qualify for capitalisation as inventory.

Operating costs excluding project costs totalled NOK 60.1 million (NOK 48.6 million) for the period. Payroll costs accounted for NOK 29.0 million (NOK 26.2 million) of this figure. In addition, NOK 4.8 million (NOK 4.8 million) in payroll costs relating to housing under construction were capitalised during the quarter and will be expensed as project costs on future delivery.

Other operating costs came to NOK 28.9 million (NOK 20.1 million) for the quarter, including NOK 10.0 million (NOK 3.7 million) for sales and marketing.

The share of profit from associates and joint ventures was negative at NOK 8.7 million (negative at NOK 5.0 million) for the quarter. The negative share of profit in 2023 and 2022 primarily reflected few units delivered and accrued sales expenses in the period.

Reported EBITDA was NOK 87.7 million (NOK 51.8 million), corresponding to a margin of 11.9 per cent (14.5 per cent). EBITDA adjusted for the share of project costs that are financial expenses came to NOK 109.7 million (NOK 60.8 million), corresponding to a margin of 14.9 per cent (17.1 per cent). Results from joint ventures are reported net rather than including them in the group's turnover. For more information, see note 8 on proportional consolidation.

Consolidated depreciation and amortisation totalled NOK 2.2 million (NOK 2.3 million) for the quarter. Operating profit thereby came to NOK 85.5 million (NOK 49.5 million).

Net financial income amounted to NOK 0.6 million (expense of NOK 2.2 million). Pre-tax profit for the quarter came to NOK 86.0 million (NOK 47.3 million).

Tax expense for the period came to NOK 20.8 million (NOK 9.7 million). Comprehensive income for the first quarter consequently came to NOK 65.2 million (NOK 37.6 million). NOK 65.2 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 37.6 million), and NOK 0.0 (0.0) to non-controlling shareholders.

Cash flow

Consolidated net cash flow from operational activities was NOK 39.5 million (negative at NOK 308.5 million). The increase from the same period of 2022 was mainly due to a net reduction in inventory and more units delivered. See note 5 for more information about changes in inventory.

Net cash flow from investing activities was negative at NOK 62.7 million (positive at NOK 86.4 million) for the quarter. The change from the same period of 2022 primarily reflected dividends received from joint ventures in the first quarter of 2022.

Net cash flow from financing activities was negative at NOK 178.6 million (positive at NOK 389.1 million) for the quarter. The change from the same period of 2022 primarily reflected an increase in net redemption of construction loans in 2023.

The group's holding of cash and cash equivalents at 31 March totalled NOK 410.8 million (NOK 694.4 million), a decline of NOK 201.8 million from 31 December and a decline of NOK 283.6 million from a year earlier.

Cash flow summary

(figures in NOK 1 000)	Q1 2023	Q1 2022	2022
Profit before taxes	86 020	47 275	425 115
Net cash flow from operating activities	39 467	(308 524)	63 441
Net cash flow from investment activities	(62 694)	86 434	239 822
Net cash flow from financing activities	(178 598)	389 101	(218 028)
Net change in cash and cash equivalents	(201 825)	167 011	85 235
Cash and cash equivalents at start of period	612 670	527 435	527 435
Cash and cash equivalents at end of period	410 845	694 446	612 670

Financial position

The carrying amount of Selvaag Bolig's total inventory (land, units under construction and completed units) at 31 March was NOK 4 161.4 million, compared with NOK 4 273.2 million at 31 December and NOK 4 357.1 million a year earlier. See note 5 for a further specification of inventory.

The group's accounts receivable were NOK 104.3 million at the end of the quarter. In comparison, accounts receivable were NOK 81.5 million at the end of the previous quarter and NOK 50.8 million at the same time the year before. The increase in the quarter was because many flats were delivered near the end of the first quarter, so that payment was postponed until the second 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 2 415.9 million (NOK 2 494.0 million) at 31 March, corresponding to an equity ratio of 42.0 per cent (41.0 per cent). 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 444.7 million (NOK 542.1 million) at 31 March,

of which NOK 96.0 million (NOK 237.1 million) represented advance payments from customers.

At 31 March, consolidated interest-bearing debt amounted to NOK 2 339.2 million (NOK 2 562.0 million), of which 1 194.2 million (NOK 1 189.2 million) was non-current and NOK 1 145.0 million (NOK 1 372.1 million) was current. NOK 587.2 million (NOK 751.2 million) of current debt related to repurchase agreements with and seller credits for Urban Property. See note 7 for more information.

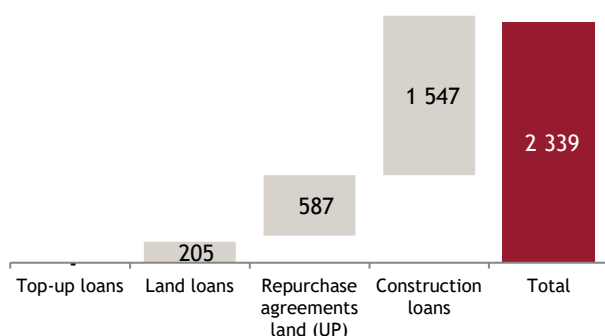
The group had land loans totalling 204.7 million (NOK 241.5 million) at 31 March. This relatively low level reflects the fact that a large part of the properties is financed through Urban Property and classified as current liabilities, repurchase agreements and seller credits. Land loans are normally converted to construction loans in line with the progress of the respective development projects.

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

Net interest-bearing debt

(figures in NOK 1 000)	Q1 2023	Q1 2022	2022
Non-current interest-bearing debt	1 194 225	1 189 888	1 400 352
Current interest-bearing debt	557 790	620 922	503 091
Current liabilities repurchase agreements and seller	587 232	751 178	582 347
Cash and cash equivalents	(410 845)	(694 446)	(612 670)
Net interest-bearing debt	1 928 402	1 867 542	1 873 120

The group's interest-bearing debt falls primarily into four categories: 1) top-up loans, which are liabilities in parent company Selvaag Bolig ASA, 2) land loans, 3) repurchase agreements with Urban Property and 4) construction loans. At 31 March, the group had no top-up loans, land loans of NOK 205 million, repurchase agreements with Urban Property of NOK 587 million and total construction loans of NOK 1 547 million.

Interest-bearing debt at 31 March 2023 (NOKm)

Interest costs on land loans are 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 31 March, interest of NOK 148 million on land loans had been capitalised, while interest of NOK 57 million relating to land loans was recognised in profit and loss.

In connection with the Urban Property transaction in 2020, a large proportion of the group's land loans were redeemed and replaced with liabilities in the form of repurchase agreements with Urban Property. See note 7 for a description of the collaboration with Urban Property. This means that interest charges on land loans related to these sites, which are collectively designated Portfolio B, have been replaced by option premiums paid quarterly. These premiums are treated in the accounts in the same way as the land-loan interest charges, being capitalised as inventory and included in the cost of sales on delivery of completed units. Option premiums paid and capitalised for sites in Portfolio B came to NOK 4.9 million (NOK 3.3 million) for the first quarter.

Portfolio C comprises land which the group has the right or obligation to purchase from Urban Property in the future. See note 7 for more information. Provision for accrued option premiums is made quarterly as other long-term assets and other long-term liabilities respectively in Selvaag Bolig's consolidated accounts. The asset is reclassified as inventory when the land is taken over. Provision for and capitalisation of option premiums for portfolio C in the first quarter came to NOK 35.2 million (NOK 21.9 million). At 31 March, total provision and capitalisation came to NOK 209.6 million (NOK 101.9 million).

Operational reporting

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

Segments first quarter 2023

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q1 23	Q1 22	Q1 23	Q1 22	Q1 23	Q1 22
Housing development (NGAAP)	579 538	745 026	105 325	136 226	105 579	145 477
Other	15 749	12 875	(33 710)	(29 982)	(34 046)	(30 198)
IFRS adjustments	138 888	(401 658)	16 058	(54 486)	13 918	(65 819)
Total group (IFRS)	734 175	356 243	87 673	51 758	85 451	49 460

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 first quarter were NOK 579.5 million (NOK 745.0 million). They derived from 17 projects (20) in production.

Operating costs, primarily for construction and sales, are directly related to the projects and amounted to NOK 474.2 million (NOK 608.8 million) for the first 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 105.3 million (NOK 136.2 million) for the quarter, corresponding to a profit margin of 18.2 per cent (18.3 per cent).

Other business - unallocated

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

Operating revenues for the segment in the first quarter came to NOK 15.7 million (NOK 12.9 million), while operating costs amounted to NOK 49.5 million (NOK 42.9 million). Costs relate largely to remuneration for the administration and management, as well as other operating expenses. EBITDA was thereby negative at NOK 33.7 million (negative NOK 30.0 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 152 units with a combined value of NOK 874 million. Selvaag Bolig's share amounted to 116 units with a combined value of NOK 658 million.

Work started on constructing five units during the first quarter, so that Selvaag Bolig had 1 097 units worth roughly NOK 5.6 billion under construction at 31 March. A total of 161 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 first quarter.

Quarterly development of the project portfolio

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Units sold	201	120	83	44	116
Construction starts	113	190	68	146	5
Units completed	74	210	142	160	161
Units delivered	77	217	144	147	150
Units under construction	1 361	1 342	1 268	1 253	1 097
Proportion of sold units under construction	73 %	75 %	73 %	67 %	69 %
Completed unsold units	19	13	19	31	37
Sales value of units under construction (NOK million)	7 034	6 807	6 225	6 408	5 641

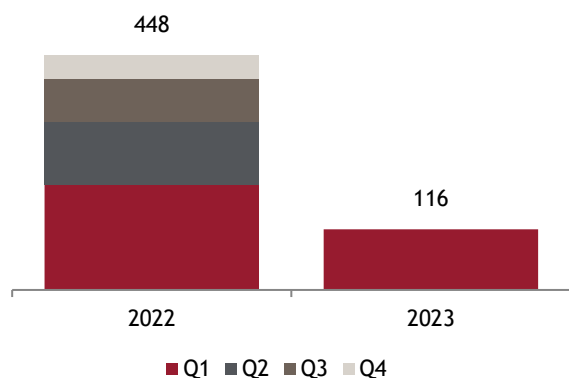
Purchase and sale of land

During the quarter Selvaag Bolig has agreed to buy two new land plots in Bergen and Drammen. Sandslihaugen 30 in Bergen is expected to give approximately 600 units. The Bergen property is being purchased by Urban Property and Selvaag Bolig has entered an option agreement to purchase

it when construction starts. Tangen in Drammen will be developed by a 50-50 joint venture, and is expected to provide about 250 homes (Selvaag Bolig's share). The joint venture will purchase the property from the property owner when construction starts

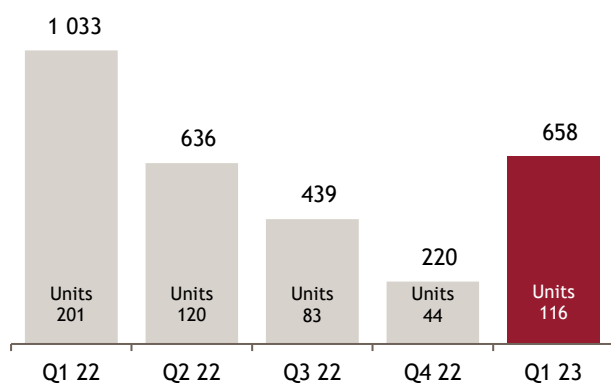
Sales development and progress

Units sold



Total housing sales during the first quarter, including Selvaag Bolig's relative share of joint ventures, amounted to 116 units with a combined sales value of NOK 658 million. These sales comprise Selvaag Bolig's consolidated project companies as well as its relative share of units sold in joint venture projects. Sales in the same period of 2022 totalled 201 units with a combined value of NOK 1 033 million.

Value of units sold (NOKm)



Selvaag Bolig started sales during the quarter in three projects, comprising 103 residential units (192).

Sales starts in the quarter

Project	No of units	Category	Region
Lille Løren Park	33	Flat	Greater Oslo
Langhus	28	Flat	Greater Oslo
Solbergskogen Pluss	42	Flat	Greater Oslo
Total	103		

Construction began on five (113) units during the quarter. At 31 March, Selvaag Bolig consequently had 1 097 (1 361) units under construction. The 1 097 units included 859 units in Greater Oslo, 132 units in Bergen, 82 units in Trondheim and 24 units in Rogaland county.

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

The order backlog at 31 March - in other words, the sales value of the 1 097 (1 361) units then under construction - was NOK 5 641 million (NOK 7 034 million).

A total of 161 (74) units were completed in the first quarter, and 150 (77) - including ones completed earlier - were delivered. The completed units were spread over three projects.

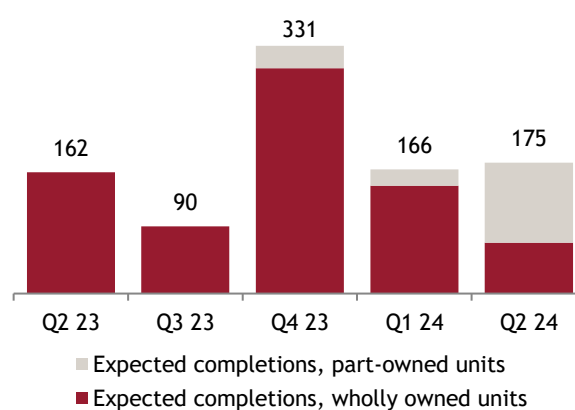
At 31 March, the group held 37 (19) completed but unsold units. Consolidated project companies accounted for 137 (76) of the units delivered, while 13 (one) were in part-owned project companies.

Units completed by project

Project	No of units	Category	Region
Skifabrikken hus D	39	Flat	Greater Oslo
Skårerløkka Pluss	104	Flat	Greater Oslo
Luratoppen	18	Flat	Rogaland
Total	161		

Based on anticipated progress for the projects, 162 units are expected to be completed in the second quarter of 2023. Estimated completions for 2023 as a whole amount to 744 units.

Expected number of completions



Share information

The company had 93.77 million issued shares at 31 March, divided between 6 049 shareholders.

The 20 largest shareholders controlled 79.3 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 29.60 to NOK 37.25. The closing price at 31 March was NOK 37.05. That compared with NOK 32.05 at 31 December, and the share price accordingly rose by 15.6 per cent over the quarter.

Approximately 9.3 million shares, or 10 per cent of the overall number outstanding, were traded during the period. Share turnover totalled NOK 309 million during the quarter, corresponding to an average daily figure of roughly NOK 4.7 million.

20 largest shareholders at 31 March 2023

Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
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	1 600 000	1.7%
EGD CAPITAL AS	1 204 580	1.3%
MUSTAD INDUSTRIER AS	1 067 454	1.1%
Skandinaviska Enskilda Banken AB *	1 000 000	1.1%
Goldman Sachs International *	974 443	1.0%
HAUSTA INVESTOR AS	950 000	1.0%
The Northern Trust Comp, London Br *	840 200	0.9%
BANAN II AS	830 000	0.9%
Brown Brothers Harriman & Co. *	684 200	0.7%
GÅSØ NÆRINGSUTVIKLING AS	620 000	0.7%
Skandinaviska Enskilda Banken AB *	534 628	0.6%
Brown Brothers Harriman & Co. *	511 339	0.5%
J.P. Morgan SE *	459 927	0.5%
BNP Paribas *	430 000	0.5%
MELESIO INVEST AS	400 000	0.4%
Total 20 largest shareholders	74 322 899	79.3%
Other shareholders	19 442 789	20.7%
Total number of shares	93 765 688	100.0%

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

Risk and uncertainty factors

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

Risk factors relate to land development, sales and the execution of housing projects, and can be divided into categories market risk, operational risk, financial risk and climate risk. The group prioritises its 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 the level of interest rates - as well as demographic changes are factors which affect the group's development.

As a pure housing developer, without its own construction arm, Selvaag Bolig puts all building work out to competitive tender. This means the group has great operational flexibility and can adapt its operations at short notice to changing levels of activity in the market. As a general rule, it requires 60 per cent advance sales before initiating projects. 69 per cent of total units under construction and 80 per cent of planned completions in 2023 had been sold at 31 March 2023.

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

Outlook

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

According to Statistics Norway, urbanisation and population growth create a large and long-term need for new homes in Selvaag Bolig's core areas. The demand for new homes is, however, negatively affected by increased mortgage interest rates and reduced purchasing power in households. Further, increased construction costs have led to delays in sales and construction starts. Over time, the situation will affect the number of homes the company has under construction. For

projects already under construction, however, they will not be influenced by higher costs, since most costs were locked before sales started. Selvaag Bolig sees, however, signs that construction costs are in the process of declining to acceptable levels. This will make it possible for the company to start sales of new projects in Selvaag Bolig's core areas.

Selvaag Bolig is well equipped 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 of land are regarded as related-party transactions, see note 7 for further information. During the first quarter, Selvaag Bolig entered an option agreement with UP to buy a property in Ås municipality outside 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 second-hand Norwegian housing market was normal in the first quarter. The increase in unsold homes has slowed and sales in the second-hand market are relatively normal. Increased home loan interest rates and the higher cost-of-living have so far not led to a significant fall in home prices.

The price development, however, differed between Selvaag Bolig's core areas.

According to Statistics Norway, seasonally adjusted national second-hand house prices at 31 March were on average 0.3 per cent lower than at 31 December and down by 0.1 per cent from 31 March 2022.

Overall prices fell by 0.3 per cent during the quarter in Oslo including Bærum and were 1.5 per cent lower than at 31 March 2022. In Akershus excluding Bærum, prices fell by 0.3 per cent and were down by 2.1 per cent from 31 March 2022. Prices in Stavanger fell by 0.3 per cent during the quarter and were 0.3 per cent lower than at 31 March 2022. Prices in Bergen increased by 0.6 per cent in the quarter and were up by 1.5 per cent from one year earlier. In Trondheim, prices rose by 0.4 per cent for the quarter but were 1.6 per cent lower than at 31 March 2022.

Selvaag Bolig had gross sales of 152 homes worth a total of NOK 874 million in the first quarter. Adjusted for Selvaag Bolig's share of joint ventures, net sales came to 116 homes worth NOK 658 million.

Interim financial statements IFRS

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Note	Q1 2023	Q1 2022	2022
Revenues		717 413	342 405	2 830 818
Other revenues		16 762	13 838	65 561
Total operating revenues		734 175	356 243	2 896 379
Project expenses		(579 872)	(253 180)	(2 313 735)
Salaries and personnel costs		(29 028)	(26 177)	(139 035)
Depreciation and amortisation		(2 222)	(2 298)	(9 717)
Other operating expenses		(28 865)	(20 131)	(97 233)
Total operating expenses		(639 987)	(301 786)	(2 559 720)
Associated companies and joint ventures		(8 737)	(4 997)	85 726
Other gains (losses), net		-	-	-
Operating profit		85 451	49 460	422 385
Financial income		3 490	1 779	15 384
Financial expenses		(2 921)	(3 964)	(12 654)
Net financial expenses		569	(2 185)	2 730
Profit/(loss) before taxes		86 020	47 275	425 115
Income taxes		(20 825)	(9 722)	(86 262)
Net income		65 195	37 553	338 853
Other comprehensive income/expenses				
Translation differences		4 815	(2 057)	1 432
Total comprehensive income/(loss) for the period		70 010	35 496	340 285
Net income for the period attributable to:				
Non-controlling interests		19	-	7
Shareholders in Selvaag Bolig ASA		65 176	37 553	338 846
Total comprehensive income/(loss) for the period attributable to:				
Non-controlling interests		19	-	7
Shareholders in Selvaag Bolig ASA		69 991	35 496	340 278
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:				
Earnings per share (basic and diluted) in NOK		0.70	0.40	3.63

The consolidated financial information has not been audited

Statements of financial position

(figures in NOK 1 000)	Note	Q1 2023	Q1 2022	2022
ASSETS				
Non-current assets				
Goodwill		383 376	383 376	383 376
Property, plant and equipment		9 551	8 158	8 152
Right-of-use lease assets		15 889	23 661	17 754
Investments in associated companies and joint ventures		231 482	239 418	234 730
Loans to associated companies and joint ventures		131 735	94 865	93 674
Other non-current assets	7	287 459	221 996	233 866
Total non-current assets		1 059 492	971 474	971 552
Current assets				
Inventories (property)	5, 7	4 161 355	4 357 073	4 273 209
Trade receivables		104 257	50 828	81 455
Other current receivables		10 870	10 033	10 673
Cash and cash equivalents		410 845	694 446	612 670
Total current assets		4 687 327	5 112 380	4 978 007
TOTAL ASSETS		5 746 819	6 083 854	5 949 559
EQUITY AND LIABILITIES				
Equity attributed to shareholders in Selvaag Bolig ASA		2 408 080	2 486 171	2 338 088
Non-controlling interests		7 813	7 788	7 795
Total equity		2 415 893	2 493 959	2 345 883
LIABILITIES				
Non-current liabilities				
Pension liabilities		1 090	1 254	1 090
Deferred tax liabilities		61 078	38 579	60 140
Provisions		66 999	62 910	66 999
Other non-current liabilities	7	301 458	237 685	265 039
Non-current lease liabilities		8 884	16 705	10 930
Non-current interest-bearing liabilities		1 194 225	1 189 888	1 400 352
Total non-current liabilities		1 633 734	1 547 021	1 804 550
Current liabilities				
Current lease liabilities		7 941	8 006	7 861
Current interest-bearing liabilities		557 790	620 922	503 091
Current liabilities repurchase agreements and seller credits	7	587 232	751 178	582 347
Trade payables		56 309	33 185	99 343
Current tax payables		43 268	87 530	64 541
Other current non-interest-bearing liabilities		444 652	542 053	541 943
Total current liabilities		1 697 192	2 042 874	1 799 126
Total liabilities		3 330 926	3 589 895	3 603 676
TOTAL EQUITY AND LIABILITIES		5 746 819	6 083 854	5 949 559

The consolidated financial information has not been audited

Statement of changes in equity

	Share capital	Share premium account	Other paid-in capital	Cumulative translation differences	Other reserves	Retained earnings	Equity attributed to shareholders in Selvaag Bolig ASA	Non-controlling interests	Total equity
Equity at 1 January 2023	187 440	1 394 857	700 629	8 306	3 528	43 327	2 338 088	7 795 *	2 345 883
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	65 176	65 176	19	65 195
Other comprehensive income/(loss) for the period	-	-	-	4 815	-	-	4 815	-	4 815
Equity at 31 March 2023	187 440	1 394 857	700 629	13 121	3 528	108 503	2 408 079	7 814 *	2 415 893
Equity at 1 January 2022									
Equity at 1 January 2022	186 898	1 394 857	700 629	6 874	3 528	168 266	2 461 053	7 788 *	2 468 841
Transactions with owners:									
Share buy back	(392)	-	-	-	-	(9 986)	(10 378)	-	(10 378)
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	37 553	37 553	-	37 553
Other comprehensive income/(loss) for the period	-	-	-	(2 057)	-	-	(2 057)	-	(2 057)
Equity at 31 March 2022	186 506	1 394 857	700 629	4 817	3 528	195 833	2 486 171	7 788 *	2 493 959

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	Q1 2023	Q1 2022	2022
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before taxes		86 020	47 275	425 115
Income taxes paid		(41 160)	(56 093)	(133 995)
Depreciation and amortisation		2 222	2 298	9 717
ventures		8 737	4 997	(85 726)
Changes in inventories (property)	5	142 473	(275 812)	(141 536)
Changes in trade receivables		(22 802)	33 003	2 376
Changes in trade payables		(43 034)	(96 801)	(30 643)
Changes in other operating working capital assets		(985)	43 337	33 943
Changes in other operating working capital liabilities		(92 004)	(10 728)	(15 810)
Net cash flow from operating activities		39 467	(308 524)	63 441
CASH FLOW FROM INVESTMENT ACTIVITIES				
Proceeds from sale of property, plant and equipment and intangible assets		-	163	163
Purchases of PPE and intangible assets		(1 982)	(1 179)	(2 344)
Proceeds from sale of associated companies and joint ventures		-	-	-
Purchases of associated companies and joint ventures		-	-	(5 000)
Proceeds from sale of other investments and repayment of loans		-	-	78 000
Purchases of other investments and loans		(60 712)	(26 550)	(58 997)
Dividends and disbursements from associated companies and joint ventures		-	114 000	228 000
Net cash flow from investment activities		(62 694)	86 434	239 822
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	7	409 155	520 897	2 251 525
Repayments of borrowings	7	(560 989)	(111 954)	(1 926 750)
Interest payments		(25 328)	(7 892)	(65 290)
Repayments of lease liabilities		(1 696)	(2 027)	(8 108)
Dividends paid to equity holders of Selvaag Bolig ASA		-	-	(466 269)
Share buy back Selvaag Bolig ASA		-	(10 378)	(19 947)
Proceeds from disposal of shares Selvaag Bolig ASA		260	455	16 811
Net cash flow from financing activities		(178 598)	389 101	(218 028)
Net change in cash and cash equivalents		(201 825)	167 011	85 235
Cash and cash equivalents at start of period		612 670	527 435	527 435
Cash and cash equivalents at end of period		410 845	694 446	612 670

The consolidated financial information has not been audited

Selected notes to the quarterly financial statements

1. General information and accounting policies

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

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

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

2. Accounting judgements, estimates and assumptions

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

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

3. Transactions with related parties

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

4. Segment information

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

The group utilises the percentage of completion method in its internal reporting for which the degree of completion is estimated on the basis of expenses incurred relative to total estimated costs and sales rate. Operating 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.

First quarter 2023

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	579 538	15 749	595 287
Project expenses	(463 205)	(443)	(463 648)
Other operating expenses	(11 008)	(49 016)	(60 024)
EBITDA (percentage of completion, NGAAP)	105 325	(33 710)	71 615
Reconciliation EBITDA to operating profit (loss)			
EBITDA (percentage of completion)	105 325	(33 710)	71 615
Sales revenues (adjustment effect of percentage of completion)	(571 606)	-	(571 606)
Sales revenues (completed contract)	710 493	-	710 493
Project expenses (adjustment effect of percentage of completion)	462 141	-	462 141
Project expenses (completed contract)	(578 365)	-	(578 365)
Lease expenses	-	2 132	2 132
Depreciation and amortisation	-	(2 222)	(2 222)
Share of income (losses) from associated companies and joint ventures	(8 737)	-	(8 737)
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	119 251	(33 800)	85 451
Units under construction	1 097	N/A	N/A
Units delivered	150	N/A	N/A

First quarter 2022

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	745 026	12 875	757 901
Project expenses	(602 859)	(149)	(603 008)
Other operating expenses	(5 941)	(42 708)	(48 649)
EBITDA (percentage of completion, NGAAP)	136 226	(29 982)	106 244
Reconciliation EBITDA to operating profit (loss)			
EBITDA (percentage of completion)	136 226	(29 982)	106 244
Sales revenues (adjustment effect of percentage of completion)	(737 669)	-	(737 669)
Sales revenues (completed contract)	336 011	-	336 011
Project expenses (adjustment effect of percentage of completion)	569 824	-	569 824
Project expenses (completed contract)	(219 996)	-	(219 996)
Lease expenses	-	2 341	2 341
Depreciation and amortisation	-	(2 298)	(2 298)
Share of income (losses) from associated companies and joint ventures	(4 997)	-	(4 997)
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	79 399	(29 939)	49 460
Units under construction	1 361	N/A	N/A
Units delivered	77	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)	Q1 2023	Q1 2022	2022
Land (undeveloped)	725 568	1 007 549	719 324
Work in progress	3 287 912	3 199 333	3 384 214
Completed units	147 875	150 191	169 671
Carrying amount	4 161 355	4 357 073	4 273 209

6. Project expenses and EBITDA

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

project cost and EBITDA including and excluding financial expenses.

(figures in NOK 1 000)	Q1 2023	Q1 2022	2022
Project expenses	(579 872)	(253 180)	(2 313 735)
Finance expenses	(22 009)	(9 001)	(84 995)
Other project expenses	(557 863)	(244 179)	(2 228 740)

(figures in NOK 1 000)	Q1 2023	Q1 2022	2022
EBITDA ¹	87 673	51 758	432 102
EBITDA margin	11.9%	14.5%	14.9%
EBITDA adjusted ²	109 682	60 759	517 097
EBITDA margin adjusted	14.9%	17.1%	17.9%

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

² EBITDA adjusted excludes financial expenses included in project costs.

The EBITDA margin is affected positively by presenting results from joint ventures net and excluding them from turnover.

For more information, see note 8 on proportional consolidation, which presents the effect if the joint ventures had been included with their share of turnover, in other words, not presented net.

7. Collaboration with Urban Property

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

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

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

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 4.9 million in the first quarter (NOK 3.3 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 where UP will be the formal counterparty to the landowners. After UP has acquired a property, SBO will have an option to buy it back on specified terms.

Fifty per cent of the option premium in Portfolio C falls due when SBO acquires the land from UP, with the remainder falling due on completion of the relevant project. Provision for accrued option premiums is made quarterly in SBO's consolidated accounts, as other non-current assets and other non-current liabilities, respectively. The asset is reclassified as inventory upon the land takeover, while the remaining unpaid option premium is reclassified to short-term liabilities, repurchase agreements and seller credits. Provision for and capitalisation of option premiums for Portfolio C amounted to NOK 35.2 million in the first quarter (NOK 21.9 million). Accumulated provisions and capitalisation at 31 March totalled NOK 209.6 million (NOK 101.9 million).

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

SBO did not purchase any land plots from UP during the first quarter. Debt related to repurchase agreements and seller credits was NOK 587.2 million (NOK 751.2 million) at 31 March 2023.

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	Q1 2023			Q1 2022		
	IFRS	Adj share	Pro forma	IFRS	Adj share	Pro forma
		Assoc/JV	gross		Assoc/JV	Assoc/JV
(figures in NOK 1 000)		gross	Assoc/JV		gross	Assoc/JV
Revenues	717 413	48 248	765 661	342 405	2 820	345 225
Other revenues	16 762	2 338	19 100	13 838	2 427	16 265
Total operating revenues	734 175	50 586	784 761	356 243	5 247	361 490
Project expenses	(579 872)	(53 809)	(633 681)	(253 180)	(1 634)	(254 814)
Salaries and personnel costs	(29 028)	(277)	(29 305)	(26 177)	(357)	(26 534)
Depreciation and amortisation	(2 222)	(981)	(3 203)	(2 298)	(963)	(3 261)
Other operating expenses	(28 865)	(5 009)	(33 874)	(20 131)	(7 527)	(27 658)
Total operating expenses	(639 987)	(60 075)	(700 062)	(301 786)	(10 480)	(312 266)
Associated companies and joint ventures	(8 737)	8 737	-	(4 997)	4 997	-
Other gains (losses), net	-	-	-	-	-	-
Operating profit	85 451	(752)	84 700	49 460	(236)	49 224
Financial income	3 490	448	3 938	1 779	21	1 800
Financial expenses	(2 921)	(1 398)	(4 319)	(3 964)	(1 194)	(5 158)
Net financial expenses	569	(950)	(381)	(2 185)	(1 173)	(3 358)
Profit/(loss) before taxes	86 020	(1 702)	84 319	47 275	(1 409)	45 866
Income taxes	(20 825)	1 701	(19 124)	(9 722)	1 409	(8 313)
Net income	65 195	-	65 195	37 553	-	37 553
EBITDA margin¹	11.9%	N/A	11.2%	14.5%	N/A	14.5%
EBITDA margin adj²	14.9%	N/A	14.2%	17.1%	N/A	17.0%

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

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

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 that 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)	Q1 2023	Q1 2022	2022
Operating profit	85 451	49 460	422 385
Depreciation and amortisation	2 222	2 298	9 717
Other gains (losses), net	-	-	-
EBITDA	87 673	51 758	432 102
Finance expenses ¹	22 009	9 001	84 995
EBITDA adjusted	109 682	60 759	517 097

¹ See note 6

EBITDA (percentage of completion, NGAAP):

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

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 4. 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

For further information, please contact:

Sverre Molvik, CEO Selvaag Bolig ASA

Telephone: +47 401 00 585, e-mail: smo@selvaagbolig.no

About Selvaag Bolig

Selvaag Bolig ASA is a residential property developer controlling the entire value chain from acquisition of land to sale of homes. The company has several thousand homes under development at any given time, and focuses on the growth areas in and around Greater Oslo, Bergen, Stavanger, Trondheim and Stockholm. Selvaag Bolig represents a continuation of Selvaag's 70-year history and experience, and offers a broad variety of property types. The company is headquartered at Ullern in Oslo.

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