

SELVAAG BOLIG

Q3 2024

Third quarter results



Highlights of the third quarter 2024

Selvaag Bolig delivered 54 units in the third quarter. Both revenue, profit margins and earnings per share were lower than in the same quarter last year. This was mainly due to fewer delivered units in the quarter. Sales in the quarter were somewhat lower than in the two previous quarters, but sales so far this year are better than in 2023, both in terms of the number of units and value.

- Operating revenues¹ NOK 225 million (NOK 437 million)
- Adjusted EBITDA³ NOK 4 million (NOK 44 million) and ordinary EBITDA² NOK -10 million (NOK 26 million)
- Pre-tax profit of NOK -9 million (NOK 26 million)
- 100 units sold⁶ (77) and construction started on 43 units (57)
- 5 units completed (90) and 54 delivered (74)
- A total of 700 units (985) under construction at 30 September, with a combined sales value of NOK 4 495 million (NOK 5 292 million)
- 67 per cent of units under construction were sold (69 per cent) at the end of the quarter. 85 per cent of the units to be completed in 2024 are sold (85)

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

Key figures

(figures in NOK 1 000)	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
IFRS main figures					
Operating revenues ¹	224 998	436 847	1 472 926	2 007 950	3 254 651
EBITDA ²	-9 845	26 276	156 961	179 939	310 129
EBITDA adjusted ³	3 700	43 946	233 433	249 058	451 680
Operating profit/(loss)	(12 503)	23 934	149 664	173 067	300 898
Profit/(loss) before taxes	(8 605)	26 316	150 254	182 058	319 477
Net income	(4 971)	19 605	130 335	136 358	244 677
Cash flow from operating activities	(101 094)	243 845	133 858	381 720	1 196 613
Net cash flow	(9 811)	(198 789)	(77 421)	(419 705)	(346 148)
Interest-bearing liabilities	1 355 253	2 162 520	1 355 253	2 162 520	1 410 212
Total assets	4 751 092	5 436 907	4 751 092	5 436 907	4 754 411
Equity	2 344 777	2 177 861	2 344 777	2 177 861	2 306 964
Equity ratio	49.4%	40.1%	49.4%	40.1%	48.5%
Earnings per share in NOK	(0.05)	0.21	1.40	1.46	2.62
Segment reporting (NGAAP⁴)					
Operating revenues	515 913	451 455	1 666 229	1 588 378	2 153 082
EBITDA ⁵	30 975	37 312	124 347	162 942	202 392
EBITDA margin	6.0%	8.3%	7.5%	10.3%	9.4%
Key figures (net, adjusted for share in joint ventures)					
Number of units sold ⁶	100	77	446	272	360
Number of construction starts	43	57	261	145	275
Number of units delivered	54	74	360	379	655
Number of units completed	5	90	346	413	744

¹ Operating revenues do not include revenues from joint ventures.

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

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

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

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

⁶ Units sold are sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act and the Swedish Bostadsrättslagen.

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

Financial review

Summary of overall results

(figures in NOK 1 000)	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Total operating revenues	224 998	436 847	1 472 926	2 007 950	3 254 651
Project expenses	(168 988)	(345 891)	(1 174 779)	(1 634 344)	(2 677 166)
Other operating expenses, salaries and personnel costs, depreciation and amortisation	(60 098)	(62 036)	(184 337)	(179 646)	(263 235)
Total operating expenses	(229 086)	(407 927)	(1 359 116)	(1 813 990)	(2 940 401)
Associated companies and joint ventures	(8 415)	(4 986)	35 854	(20 893)	(13 352)
Operating profit	(12 503)	23 934	149 664	173 067	300 898
Net financial expenses	3 898	2 382	590	8 991	18 579
Profit before taxes	(8 605)	26 316	150 254	182 058	319 477
Income taxes	3 634	(6 711)	(19 919)	(45 700)	(74 800)
Net income	(4 971)	19 605	130 335	136 358	244 677

Results for the third quarter of 2024

(Figures in brackets relate to the corresponding period of 2023. The figures are unaudited.)

Selvaag Bolig had operating revenues of NOK 225.0 million (NOK 436.8 million) in the third quarter. Revenues from units delivered accounted for NOK 206.7 million (NOK 419.4 million) of the total. Other revenues derived from non-core activities, mainly provision of services.

A total of 54 units (74) were delivered in the quarter, including 38 (73) from consolidated project companies and 16 (one) from joint ventures.

Project costs for the quarter totalled NOK 169.0 million (NOK 345.9 million), of which NOK 13.5 million (NOK 17.7 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 62.0 million) for the period. Payroll costs accounted for NOK 35.4 million (NOK 37.0 million) of this figure. In addition, NOK 4.6 million (NOK 4.7 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 22.0 million (NOK 22.7 million) for the quarter, including NOK 6.4 million (NOK 10.5 million) for sales and marketing.

The share of profit from associates and joint ventures was negative at NOK 8.4 million (negative at NOK 5.0 million) for the quarter. The decline compared to the year earlier was mainly due to a loss on the sale of a partly owned land plot in Trondheim, partly offset by more units delivered from joint ventures.

Reported EBITDA was NOK -9.8 million (NOK 26.3 million), corresponding to a negative margin of 4.4 per cent (positive at 6.0 per cent). EBITDA adjusted for financial expenses included in project costs came to NOK 3.7 million (NOK 43.9 million), corresponding to a margin of 1.6 per cent (10.1 per cent). The decline in the EBITDA margin from the third quarter of 2023 was due to fewer delivered units and the loss from the aforementioned sale of a land plot in Trondheim. Results from joint ventures are presented net and their turnover is thus not included in the group's turnover. For more information, see note 8 on proportional consolidation.

Consolidated depreciation and amortisation totalled NOK 2.7 million (NOK 2.3 million) for the quarter. Operating profit thereby came to NOK -12.5 million (positive at NOK 23.9 million).

Net financial items amounted to NOK 3.9 million (NOK 2.4 million). Pre-tax profit for the quarter thereby came to NOK -8.6 million (positive at NOK 26.3 million). The tax benefit for the period was NOK 3.6 million (expense of NOK 6.7 million). Comprehensive income for the third quarter came

to NOK -5.0 million (positive at NOK 19.6 million). NOK 5.0 million of the loss was attributable to the shareholders of

Selvaag Bolig ASA (profit of NOK 19.6 million), and NOK 0.0 to non-controlling shareholders (NOK 0.0).

Results for the first nine months of 2024

Selvaag Bolig had operating revenues of NOK 1 472.9 million (NOK 2 008.0 million) in the first nine months. Revenues from units delivered accounted for NOK 1 183.6 million (NOK 1 893.8 million) of the total. In addition, the group sold two properties, one in Bærum and one in Lørenskog, for a total of NOK 229.9 million. In the same period in 2023, the group sold land plots and a commercial property in Rogaland for NOK 62.9 million. Other revenues were related to non-core activities, mainly provision of services.

A total of 360 units (379) were delivered in the period, including 234 (364) from consolidated project companies and 126 (15) from joint ventures.

Project costs for the first nine months totalled NOK 1 174.8 million (NOK 1 634.3 million). Total project expenses primarily represented construction costs for units delivered as well as costs in other projects which do not qualify for capitalisation as inventory.

Operating costs excluding project costs and associates totalled NOK 184.3 million (NOK 179.6 million) for the period. Payroll costs accounted for NOK 99.4 million (NOK 96.0 million) of this figure. In addition, NOK 14.8 million (NOK 14.0 million) in payroll costs from 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 77.7 million (NOK 76.7 million), including NOK 27.7 million (NOK 27.3 million) for sales and marketing.

Cash flow

Consolidated net cash flow from operational activities was NOK -101.1 million (positive at NOK 243.8 million) for the third quarter. The negative cash flow was primarily due to an increase in units under construction. The decline from the same period last year is mainly related to the change in working capital.

In the first nine months, consolidated net cash flow from operational activities was NOK 133.9 million (NOK 381.7 million). The decline from last year mainly reflects the impact of changes in working capital.

Net cash flow from investing activities was negative at NOK 24.7 million (negative at NOK 10.1 million) for the quarter. The change from the same period last year was primarily due to increased payments related to financing joint ventures.

The share of profit from associates and joint ventures came to a positive NOK 35.9 million (negative at NOK 20.9 million). This increase from the same period of 2023 primarily reflected more units delivered from joint ventures.

Reported EBITDA for the first nine months was NOK 157.0 million (NOK 179.9 million), corresponding to a margin of 10.7 per cent (9.0 per cent). EBITDA adjusted for financial expenses included in project costs came to NOK 233.4 million (NOK 249.1 million), corresponding to a margin of 15.8 per cent (12.4 per cent). The increase in the EBITDA margin from the first nine months of 2023 primarily reflected more units delivered from joint ventures and the contribution from the sale of two properties. 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 149.7 million (NOK 173.1 million). Net financial income amounted to NOK 0.6 million (NOK 9.0 million), so pre-tax profit for the first nine months was NOK 150.3 million (NOK 182.1 million).

Estimated tax expense for the period is NOK 19.9 million (NOK 45.7 million). Comprehensive income for the first nine months came to NOK 130.3 million (NOK 136.4 million). NOK 130.3 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 136.4 million), and NOK 0.0 to non-controlling shareholders (NOK 0.0).

In the first nine months, cash flow from investing activities was positive at NOK 1.2 million (negative at NOK 67.5 million). The change from the same period last year primarily reflected that in 2023 payments were made to finance joint ventures as well as dividends received from joint ventures being somewhat higher in 2024.

Net cash flow from financing activities was NOK 116.0 million (negative at NOK 432.6 million) for the quarter. The change from the same period of 2023 primarily reflected no dividend payments in the third quarter and net issuance of construction loans.

In the first nine months, net cash flow from financing activities was NOK -212.4 million (negative at NOK 733.9 million). The change from the same period of 2023 primarily

reflected lower net repayment of construction loans and less dividends paid.

The group's holding of cash and cash equivalents at 30 September totalled NOK 189.1 million (NOK 193.0 million), a decrease of NOK 9.8 million from 30 June and a decline of NOK 3.9 million from a year earlier.

Cash flow summary

(figures in NOK 1 000)	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Profit before taxes	(8 605)	26 316	150 254	182 058	319 477
Net cash flow from operating activities	(101 094)	243 845	133 858	381 720	1 196 613
Net cash flow from investment activities	(24 731)	(10 079)	1 152	(67 526)	(45 251)
Net cash flow from financing activities	116 014	(432 555)	(212 431)	(733 900)	(1 497 510)
Net change in cash and cash equivalents	(9 811)	(198 789)	(77 421)	(419 705)	(346 148)
Cash and cash equivalents at start of period	198 912	391 754	266 522	612 670	612 670
Cash and cash equivalents at end of period	189 101	192 965	189 101	192 965	266 522

Financial position

The carrying amount of Selvaag Bolig's total inventory (land, units under construction and completed units) at 30 September was NOK 3 106.5 million, compared with NOK 2 933.4 million at 30 June and NOK 3 949.7 million a year earlier. See note 5 for a further specification of inventory.

The group's accounts receivable were NOK 82.7 million at the end of the quarter. In comparison, accounts receivable were NOK 103.4 million at the end of the previous quarter and NOK 120.5 million at the same time the year before. The decline in the quarter is due to the fact that flats delivered towards the end of the second quarter had their payments postponed to the third 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 2 344.8 million (NOK 2 177.9 million) at 30 September, corresponding to an equity ratio of 49.4 per cent (40.1 per cent). Selvaag Bolig ASA paid a dividend of NOK 93.6 million in the second quarter (NOK 187.4 million), based on profit for the second half of 2023. In the third quarter of 2023, a dividend of NOK 93.7 million was paid, based on the result for the first half of 2023. Non-controlling interests amounted to NOK 7.9 million (NOK 7.8 million) of equity.

Other current non-interest-bearing liabilities for the group totalled NOK 278.3 million (NOK 466.8 million) at 30 September, of which NOK 28.3 million (NOK 65.4 million) represented advance payments from customers.

At 30 September, consolidated interest-bearing debt amounted to NOK 1 355.3 million (NOK 2 162.5 million), of which NOK 602.3 million (NOK 1 091.5 million) was non-current and NOK 753.0 million (NOK 1 071.0 million) was current. NOK 396.8 million (NOK 490.5 million) of current debt related to repurchase agreements with and seller credits for Urban Property. Selvaag Bolig and Urban Property have renegotiated financial covenants. The new covenants apply from 1 January 2025. See note 7 and 11 for more information.

The group had land loans totalling 34.0 million (NOK 200.3 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.

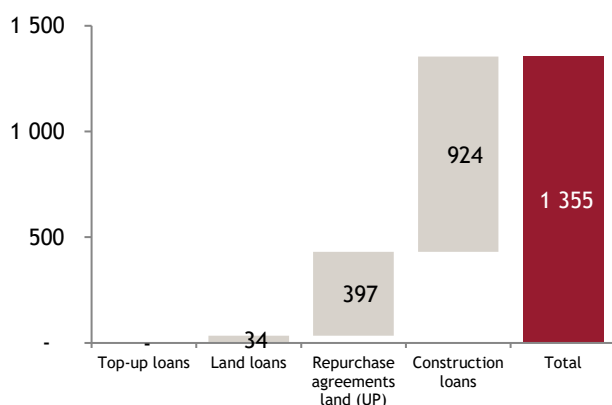
Selvaag Bolig ASA has a credit facility agreement of NOK 300 million with DNB, which matures in December 2025. The agreement contains financial covenants, see note 11. The group also has an annually renewed overdraft facility of NOK 150 million with the same bank. No drawings had been made against any of these facilities at 30 September 2024.

Net interest-bearing debt

(figures in NOK 1 000)	Q3 2024	Q2 2024	Q3 2023	2023
Non-current interest-bearing debt	602 263	336 884	1 091 547	681 776
Current interest-bearing debt	356 191	444 097	580 462	323 826
Current liabilities repurchase agreements and seller credits	396 799	436 857	490 511	404 610
Cash and cash equivalents	(189 101)	(198 912)	(192 965)	(266 522)
Net interest-bearing debt	1 166 152	1 018 926	1 969 555	1 143 690

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 34 million, repurchase agreements with Urban Property of NOK 397 million and total construction loans of NOK 924 million. NOK 35 million of the construction loans was tied to completed units.

Interest-bearing debt at 30 Sept 2024 (NOK mill)



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 30 September, interest of NOK 34 million on land loans had been capitalised.

In connection with the Urban Property (UP) transaction in 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 4.8 million (NOK 5.7 million) for the third quarter and NOK 15.4 million (NOK 15.9 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 54.1 million (NOK 43.4 million) and for the first nine months came to NOK 158.4 million (NOK 118 million). At 30 September, accumulated provision and capitalisation came to NOK 467.3 million (NOK 292.3 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 2024

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q3 24	Q3 23	Q3 24	Q3 23	Q3 24	Q3 23
Housing development (NGAAP)	498 342	435 130	63 181	72 136	62 969	79 329
Other	17 571	16 325	(32 206)	(34 824)	(32 762)	(35 302)
IFRS adjustments	(290 915)	(14 608)	(40 820)	(11 036)	(42 710)	(20 093)
Total group (IFRS)	224 998	436 847	(9 845)	26 276	(12 503)	23 934

Jan-Sep 2024

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	9M 24	9M 23	9M 24	9M 23	9M 24	9M 23
Housing development (NGAAP)	1 613 403	1 539 912	221 972	262 618	240 033	282 673
Other	52 826	48 466	(97 625)	(99 676)	(99 317)	(100 932)
IFRS adjustments	(193 303)	419 572	32 614	16 997	8 948	(8 674)
Total group (IFRS)	1 472 926	2 007 950	156 961	179 939	149 664	173 067

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 498.3 million (NOK 435.1 million). They were derived from 16 projects (16) in production.

Operating costs, primarily for construction and sales, are directly related to the projects and amounted to NOK 435.2 million (NOK 363.0 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 63.2 million (NOK 72.1 million) for the quarter, corresponding to a profit margin of 12.7 per cent (16.6 per cent).

Other business - unallocated

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

Operating revenues for the segment in the third quarter came to NOK 17.6 million (NOK 16.3 million), while operating costs amounted to NOK 49.8 million (NOK 51.1 million). Costs relate largely to remuneration for the administration and management, as well as other operating costs. EBITDA was thereby negative at NOK 32.2 million (negative at NOK 34.8 million).

Review of operations

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

Operations

Gross sales during the quarter totalled 116 units with a combined value of NOK 801 million. 115 units were sold in Norway and one unit in Sweden. Selvaag Bolig's share amounted to 100 units with a combined value of NOK 679 million.

Work started on constructing 43 units during the third quarter, so that Selvaag Bolig had 700 units worth some NOK 4.5 billion under construction at 30 September. A total of five 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, Tønsberg, Trondheim, Bergen and Stockholm. However, no projects were under construction in Bergen, Fredrikstad, Asker, Ski, Tønsberg or Stockholm during the third quarter.

Quarterly development of the project portfolio

	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Units sold	79	77	88	139	207	100
Construction starts	83	57	130	123	95	43
Units completed	162	90	331	236	105	5
Completed unsold units	43	60	95	126	119	87
Completed sold units pending delivery	11	10	30	56	41	23
Units delivered	155	74	276	179	127	54
Units under construction	1 018	985	784	671	661	700
Proportion of sold units under construction	68 %	69 %	62 %	62 %	66 %	67 %
Sales value of units under construction (NOK million)	5 458	5 292	4 496	3 948	4 211	4 495

Purchase and sale of land

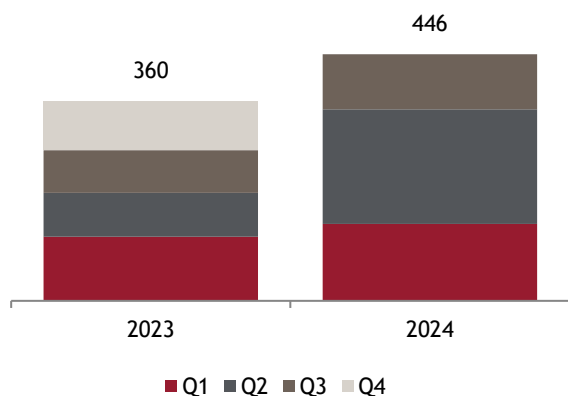
During the quarter, Selvaag Bolig entered an agreement to buy a land plot in Stockholm, Kolkajen, which is expected to yield 100 units. The purchase is being done directly by Selvaag Bolig. The agreement is for land allocation from the municipality and therefore it does not tie up capital.

Payment takes place when the land plot is ready for construction.

During the quarter, the company has also sold a share of a land plot in a joint venture in Trondheim.

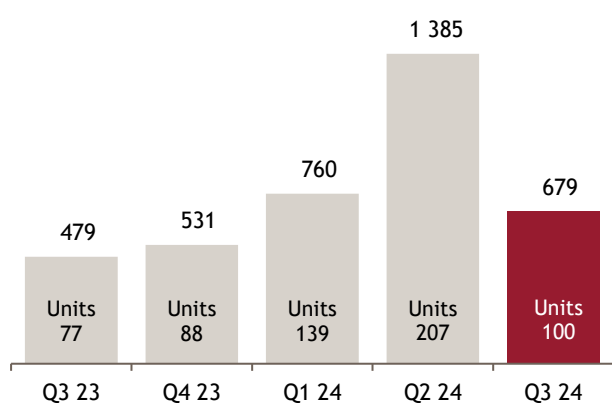
Sales development and progress

Units sold



Total housing sales during the third quarter, including Selvaag Bolig's relative share of joint ventures, amounted to 100 units with a combined sales value of NOK 679 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 2023 totalled 77 units with a combined value of NOK 479 million. In the second quarter of 2024, 207 units were sold with a combined value of NOK 1 385 million.

Value of units sold (NOK mill)



Selvaag Bolig started sales during the quarter in one project, comprising 56 residential units (234).

Sales starts in the quarter

Project	No of units	Category	Region
Skårerløkka - Mathildetunet	56	Flat	Greater Oslo
Total	56		

Construction began on 43 (57) units during the quarter. At 30 September, Selvaag Bolig consequently had 700 (985) units under construction. They included 593 units in Greater Oslo, 16 units in Trondheim and 91 units in Stavanger.

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

The order backlog at 30 September - in other words, the sales value of the 700 (985) units then under construction - was NOK 4 495 million (NOK 5 292 million).

A total of five (90) units were completed in the third quarter, and 54 (74) - including ones completed earlier - were delivered. The units completed earlier were spread over nine projects.

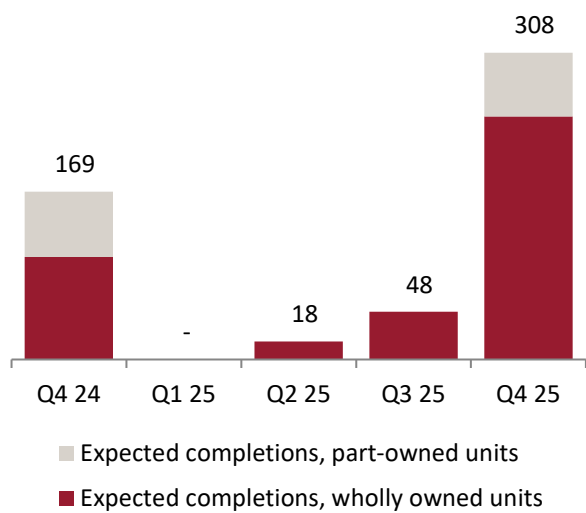
At 30 September, the group held 87 completed but unsold units, compared to 119 at the end of the previous quarter, and 60 at the end of the third quarter of 2023. The group also had 23 completed units that were sold, but not delivered at the end of the quarter (10). Consolidated project companies accounted for 38 (73) of the units delivered, while 16 (one) were in joint ventures.

Units completed by project

Prosjekt	# enheter	Boligtype	Region
Ringve Pluss	5	Rekkehus	Trondheim
Totalt	5		

Based on anticipated progress for the projects, 169 units are expected to be completed in the fourth quarter of 2024. Estimated completions for 2024 as a whole amount to 515 units. For 2025, estimated completions are 374 units.

Expected number of completions



Share information

The company had 93.77 million issued shares at 30 September, divided between 6 766 shareholders.

The 20 largest shareholders controlled 80.6 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 33.35 to NOK 38.95. The closing price at 30 September was NOK 35.35. That compared with NOK 37.00 at 30 June, and the share price accordingly fell by 4.5 per cent over the quarter.

Roughly 1.75 million shares, or 1.9 per cent of the overall number outstanding, were traded at Euronext Oslo Børs during the period. Share turnover totalled NOK 62.7 million during the quarter, corresponding to an average daily figure just below NOK 950,000.

20 largest shareholders at 30 September 2024

Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
Skandinaviska Enskilda Banken AB *	4 680 572	5.0%
PERESTROIKA AS	3 443 837	3.7%
VERDIPAPIRFONDET ALFRED BERG GAMBA	3 266 051	3.5%
The Northern Trust Comp, London Br *	2 186 000	2.3%
EGD CAPITAL AS	1 704 752	1.8%
SANDEN EQUITY AS	1 660 000	1.8%
HAUSTA INVESTOR AS	1 584 500	1.7%
MUSTAD INDUSTRIER AS	1 067 454	1.1%
Goldman Sachs International *	965 549	1.0%
The Northern Trust Comp, London Br *	840 200	0.9%
Brown Brothers Harriman & Co. *	684 331	0.7%
Brown Brothers Harriman & Co. *	498 314	0.5%
Sverre Molvik	491 387	0.5%
Øystein Klungland	491 387	0.5%
Skandinaviska Enskilda Banken AB *	399 628	0.4%
KBC Bank NV *	387 922	0.4%
VARDE NORGE AS	350 000	0.4%
THRANE-STEEN NÆRINGSBYGG AS	342 249	0.4%
Brown Brothers Harriman & Co. *	321 200	0.3%
Total 20 largest shareholders	75 545 420	80.6%
Other shareholders	18 220 268	19.4%
Total number of shares	93 765 688	100.0%

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

Risk and uncertainty factors

As a housing developer, Selvaag Bolig is exposed to risks which could affect the group's business and financial position. Risk factors relate to land development, sales and the execution of housing projects, and can be divided into the categories market risk, operational risk, financial risk and climate risk. The group gives priority to work on managing and dealing with risk, and has established routines and control systems to limit and control risk exposure.

Macroeconomic conditions - particularly unemployment and interest rates - as well as demographic changes are factors which affect the group's progress. As a pure housing

developer, without its own construction arm, Selvaag Bolig puts all building work out to competitive tender. This means the group has great operational flexibility and can adapt its operations at short notice to changing levels of activity in the market. As a general rule, it requires 60 per cent advance sales before initiating projects. 67 per cent of total units under construction and 85 per cent of planned completions in 2024 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. However, during the recent years, the market has been negatively affected by increased construction costs and home loan interest rates, as well as reduced household purchasing power. This has resulted in more housing completions than housing starts for the company, and the order reserve has thus fallen considerably over the past two years.

The company's sales so far this year have, however, been better than last year, especially in the first half. So far this year, 505 units have been sold, with a combined value of NOK 3 243 million. Net sales, adjusted for Selvaag Bolig's share of joint venture companies, were 446 units valued at NOK 2 824 million.

In the third quarter, however, the market was somewhat quieter, and gross sales were 116 units valued at NOK 801 million. Net sales, adjusted for Selvaag Bolig's share of joint venture companies, were 100 units valued at NOK 679 million.

This is expected to lead to more construction starts going forward, and the company is planning more sales starts going forward if the positive momentum in the market continues. Uncertainty tied to the development of new home sales due to macroeconomic conditions will, however, still be able to influence the start of new projects, and thereby also the number of homes under construction for the company.

Selvaag Bolig is well equipped organisationally, operationally and financially to support and strengthen its market position going forward. The company still has a good order reserve, a solid land bank in the company's core areas and available capital through the Urban Property (UP) agreement 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 as well as sales and repurchases are regarded as related-party transactions. See note 7 for further details. During the third quarter, the group did not make any significant transactions with related parties.

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

Housing market

In Norway as a whole there has been high sales activity in the second-hand housing market so far this year. More homes have been both offered for sale and sold than in the same period of 2023, and the inventory of homes for sale, which has been high in several areas, has fallen back to normal levels. The inventory is still low in Oslo and Bergen and record low in the Stavanger area. In Trondheim, the inventory is marginally higher than in recent years. In Akershus, the inventory is at the same level as this time last year, but significantly higher than in earlier years.

The price development so far this year has been strong. According to Real Estate Norway, the national second-hand housing prices rose 7.6 per cent in the first nine months of the year, and were up 4.1 per cent compared to the same period one year earlier. In Oslo, prices rose 6.1 per cent in the first three quarters and were up 5.0 per cent compared to last year. In Stavanger, prices rose 13.2 per cent in the first nine months and 8.8 per cent compared to one year earlier. Prices in Bergen have risen by 11.2 per cent in the first nine months and are 8.7 per cent higher than one year earlier.

Interim financial statements (IFRS)

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Note	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Revenues		206 682	419 386	1 417 722	1 956 652	3 186 235
Other revenues		18 316	17 461	55 204	51 298	68 416
Total operating revenues		224 998	436 847	1 472 926	2 007 950	3 254 651
Project expenses		(168 988)	(345 891)	(1 174 779)	(1 634 344)	(2 677 166)
Salaries and personnel costs		(35 442)	(36 994)	(99 354)	(96 042)	(145 318)
Depreciation and amortisation		(2 658)	(2 342)	(7 297)	(6 872)	(9 231)
Other operating expenses		(21 998)	(22 700)	(77 686)	(76 732)	(108 686)
Total operating expenses		(229 086)	(407 927)	(1 359 116)	(1 813 990)	(2 940 401)
Associated companies and joint ventures		(8 415)	(4 986)	35 854	(20 893)	(13 352)
Other gains (losses), net		-	-	-	-	-
Operating profit		(12 503)	23 934	149 664	173 067	300 898
Financial income		6 092	8 367	17 636	21 211	29 778
Financial expenses		(2 194)	(5 985)	(17 046)	(12 220)	(11 199)
Net financial expenses		3 898	2 382	590	8 991	18 579
Profit/(loss) before taxes		(8 605)	26 316	150 254	182 058	319 477
Income taxes		3 634	(6 711)	(19 919)	(45 700)	(74 800)
Net income		(4 971)	19 605	130 335	136 358	244 677
Other comprehensive income/expenses						
Translation differences		1 639	(3 192)	1 118	1 450	1 796
Total comprehensive income/(loss) for the period		(3 332)	16 413	131 453	137 808	246 473
Net income for the period attributable to:						
Non-controlling interests		10	8	31	34	44
Shareholders in Selvaag Bolig ASA		(4 981)	19 597	130 304	136 324	244 633
Total comprehensive income/(loss) for the period attributable to:						
Non-controlling interests		10	8	31	34	44
Shareholders in Selvaag Bolig ASA		(3 342)	16 405	131 422	137 774	246 429
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:						
Earnings per share (basic and diluted) in NOK		(0.05)	0.21	1.40	1.46	2.62

The consolidated financial information has not been audited

Statement of financial position

(figures in NOK 1 000)	Note	Q3 2024	Q2 2024	Q3 2023	2023
ASSETS					
Non-current assets					
Goodwill		383 376	383 376	383 376	383 376
Property, plant and equipment		8 661	12 247	10 020	9 767
Right-of-use lease assets		4 702	6 803	12 160	10 295
Investments in associated companies and joint ventures		241 332	244 040	217 170	229 985
Loans to associated companies and joint ventures		189 520	167 819	145 264	161 314
Other non-current assets	7	530 971	475 673	394 023	408 503
Total non-current assets		1 358 562	1 289 958	1 162 013	1 203 240
Current assets					
Inventories (property)	5, 7	3 106 494	2 933 391	3 949 691	3 199 454
Trade receivables		82 693	103 403	120 463	60 194
Other current receivables		14 242	17 147	11 775	25 001
Cash and cash equivalents		189 101	198 912	192 965	266 522
Total current assets		3 392 530	3 252 853	4 274 894	3 551 171
TOTAL ASSETS		4 751 092	4 542 811	5 436 907	4 754 411
EQUITY AND LIABILITIES					
Equity attributed to shareholders in Selvaag Bolig ASA		2 336 908	2 340 250	2 170 033	2 299 126
Non-controlling interests		7 869	7 859	7 828	7 838
Total equity		2 344 777	2 348 109	2 177 861	2 306 964
LIABILITIES					
Non-current liabilities					
Pension liabilities		1 147	1 147	1 090	1 147
Deferred tax liabilities		73 689	73 689	60 832	73 476
Provisions		70 215	70 215	66 999	70 215
Other non-current liabilities	7	469 867	415 210	370 031	385 745
Non-current lease liabilities		2 014	2 504	4 794	2 749
Non-current interest-bearing liabilities		602 263	336 884	1 091 547	681 776
Total non-current liabilities		1 219 195	899 649	1 595 293	1 215 108
Current liabilities					
Current lease liabilities		2 780	4 562	8 101	8 181
Current interest-bearing liabilities		356 191	444 097	580 462	323 826
Current liabilities repurchase agreements and seller credits	7	396 799	436 857	490 511	404 610
Trade payables		112 362	70 516	49 858	73 094
Current tax payables		40 705	44 339	68 061	66 378
Other current non-interest-bearing liabilities		278 283	294 682	466 760	356 250
Total current liabilities		1 187 120	1 295 053	1 663 753	1 232 339
Total liabilities		2 406 315	2 194 702	3 259 046	2 447 447
TOTAL EQUITY AND LIABILITIES		4 751 092	4 542 811	5 436 907	4 754 411

The consolidated financial information has not been audited

Statement of changes in equity

	Share capital	Share premium account	Other paid-in capital	Cumulative translation difference	Other reserves	Retained earnings	Equity attributed to shareholders in Selvaag Bolig ASA	Non-controlling interests	Total equity
Equity at 1 January 2024	187 279	1 394 857	700 629	10 102	3 528	2 729	2 299 125	7 839 *	2 306 964
Transactions with owners:									
Dividend	-	-	-	-	-	(93 640)	(93 640)	-	(93 640)
Share buy back	-	-	-	-	-	-	-	-	-
Employee share programme	-	-	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	130 304	130 304	31	130 335
Other comprehensive income/(loss) for the period	-	-	-	1 118	-	-	1 118	-	1 118
Equity at 30 September 2024	187 279	1 394 857	700 629	11 220	3 528	39 393	2 336 907	7 870 *	2 344 777
Equity at 1 January 2023	187 440	1 394 857	700 629	8 306	3 528	43 327	2 338 088	7 795 *	2 345 883
Transactions with owners:									
Dividend	-	-	-	-	-	(281 163)	(281 163)	-	(281 163)
Share buy back	(1 632)	-	-	-	-	(23 035)	(24 667)	-	(24 667)
Employee share programme	-	-	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	136 324	136 324	34	136 358
Other comprehensive income/(loss) for the period	-	-	-	1 450	-	-	1 450	-	1 450
Equity at 30 September 2023	185 808	1 394 857	700 629	9 756	3 528	-124 547	2 170 032	7 829 *	2 177 861
Transactions with owners:									
Dividend	-	-	-	-	-	-	-	-	-
Share buy back	(200)	-	-	-	-	(2 662)	(2 862)	-	(2 862)
Employee share programme	1 671	-	-	-	-	21 629	23 300	-	23 300
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	108 309	108 309	10	108 319
Other comprehensive income/(loss) for the period	-	-	-	346	-	-	346	-	346
Equity at 31 December 2023	187 279	1 394 857	700 629	10 102	3 528	2 729	2 299 125	7 839 *	2 306 964

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 2024	Q3 2023	9M 2024	9M 2023	2023
CASH FLOW FROM OPERATING ACTIVITIES						
Profit/(loss) before taxes		(8 605)	26 316	150 254	182 058	319 477
Income taxes paid		-	-	(45 592)	(41 347)	(64 821)
Depreciation and amortisation		2 658	2 342	7 297	6 872	9 231
Share of profits/(losses) from associated companies and joint ventures		8 415	4 986	(35 854)	20 893	13 352
Changes in inventories (property)	5	(149 682)	(33 796)	155 522	423 202	1 195 705
Changes in trade receivables		20 710	201 643	(22 499)	(39 008)	21 261
Changes in trade payables		41 846	(1 997)	39 268	(49 485)	(26 249)
Changes in other operating working capital assets		(1 364)	6 633	9 046	(51 050)	(89 573)
Changes in other operating working capital liabilities		(15 072)	37 718	(123 585)	(70 414)	(181 771)
Net cash flow from operating activities		(101 094)	243 845	133 858	381 720	1 196 613
CASH FLOW FROM INVESTMENT ACTIVITIES						
Proceeds from sale of property, plant and equipment and intangible assets		-	-	-	316	316
Purchases of PPE and intangible assets		(964)	(637)	(4 593)	(3 411)	(3 659)
Purchases of associated companies and joint ventures		-	-	(5 000)	-	-
Proceeds from sale of other investments and repayment of loans		-	5 000	15 512	5 000	45 573
Purchases of other investments and loans		(24 000)	(14 442)	(30 000)	(79 854)	(97 904)
Dividends and disbursements from associated companies and joint ventures		-	-	25 000	10 423	10 423
Net cash flow from investment activities		(24 731)	(10 079)	1 152	(67 526)	(45 251)
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from borrowings	7	405 356	257 294	1 185 437	1 186 926	1 706 662
Repayments of borrowings	7	(276 917)	(553 437)	(1 241 896)	(1 551 184)	(2 796 129)
Interest payments		(10 442)	(16 319)	(57 059)	(58 696)	(108 061)
Repayments of lease liabilities		(2 271)	(1 965)	(6 135)	(5 896)	(7 861)
Dividends paid to equity holders of Selvaag Bolig ASA		-	(93 721)	(93 640)	(281 163)	(281 163)
Share buy back Selvaag Bolig ASA		-	(24 667)	-	(24 667)	(27 529)
Proceeds from disposal of shares Selvaag Bolig ASA		288	260	863	780	16 571
Net cash flow from financing activities		116 014	(432 555)	(212 431)	(733 900)	(1 497 510)
Net change in cash and cash equivalents		(9 811)	(198 789)	(77 421)	(419 705)	(346 148)
Cash and cash equivalents at start of period		198 912	391 754	266 522	612 670	612 670
Cash and cash equivalents at end of period		189 101	192 965	189 101	192 965	266 522

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 2023.

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 2023.

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 2023.

3. Transactions with related parties

See note 23 to the consolidated financial statements for 2023 for detailed information on related-party transactions in previous years.

4. Segment information

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

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

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

Third quarter 2024

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	498 342	17 571	515 913
Project expenses	(425 428)	385	(425 043)
Other operating expenses	(9 733)	(50 162)	(59 895)
EBITDA (percentage of completion, NGAAP)	63 181	(32 206)	30 975
Reconciliation EBITDA to operating profit (loss)			
EBITDA (percentage of completion)	63 181	(32 206)	30 975
Sales revenues (adjustment effect of percentage of completion)	(489 298)	-	(489 298)
Sales revenues (completed contract)	198 384	-	198 384
Project expenses (adjustment effect of percentage of completion)	419 742	-	419 742
Project expenses (completed contract)	(163 688)	-	(163 688)
Lease expenses	-	2 455	2 455
Depreciation and amortisation	-	(2 658)	(2 658)
Share of income (losses) from associated companies and joint ventures	(8 415)	-	(8 415)
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	19 906	(32 409)	(12 503)
Units under construction	700	N/A	N/A
Units delivered	54	N/A	N/A

Third quarter 2023

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	435 130	16 325	451 455
Project expenses	(351 847)	(471)	(352 318)
Other operating expenses	(11 147)	(50 678)	(61 825)
EBITDA (percentage of completion, NGAAP)	72 136	(34 824)	37 312
Reconciliation EBITDA to operating profit (loss)			
EBITDA (percentage of completion)	72 136	(34 824)	37 312
Sales revenues (adjustment effect of percentage of completion)	(433 713)	-	(433 713)
Sales revenues (completed contract)	419 106	-	419 106
Project expenses (adjustment effect of percentage of completion)	346 720	-	346 720
Project expenses (completed contract)	(340 294)	-	(340 294)
Lease expenses	-	2 131	2 131
Depreciation and amortisation	-	(2 342)	(2 342)
Share of income (losses) from associated companies and joint ventures	(4 986)	-	(4 986)
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	58 969	(35 035)	23 934
Units under construction	985	N/A	N/A
Units delivered	74	N/A	N/A

At 30 September 2024

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	1 613 403	52 826	1 666 229
Project expenses	(1 358 169)	(134)	(1 358 303)
Other operating expenses	(33 262)	(150 317)	(183 579)
EBITDA (percentage of completion, NGAAP)	221 972	(97 625)	124 347

Reconciliation EBITDA to Operating profit (loss):

EBITDA (percentage of completion)	221 972	(97 625)	124 347
Sales revenues (adjustment effect of percentage of completion)	(1 434 101)	-	(1 434 101)
Sales revenues (completed contract)	1 240 799	-	1 240 799
Project expenses (adjustment effect of percentage of completion)	1 198 196	-	1 198 196
Project expenses (completed contract)	(1 014 673)	-	(1 014 673)
Lease expenses	-	6 539	6 539
Depreciation and amortisation	-	(7 297)	(7 297)
Share of profits (losses) from associated companies and joint ventures	35 854	-	35 854
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	248 047	(98 383)	149 664

Units under construction

700

N/A

N/A

Units delivered

360

N/A

N/A

At 30 September 2023

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	1 539 912	48 466	1 588 378
Project expenses	(1 244 915)	(1 355)	(1 246 270)
Other operating expenses	(32 379)	(146 787)	(179 166)
EBITDA (percentage of completion, NGAAP)	262 618	(99 676)	162 942

Reconciliation EBITDA to operating profit (loss):

EBITDA (percentage of completion)	262 618	(99 676)	162 942
Sales revenues (adjustment effect of percentage of completion)	(1 464 464)	-	(1 464 464)
Sales revenues (completed contract)	1 884 036	-	1 884 036
Project expenses (adjustment effect of percentage of completion)	1 181 183	-	1 181 183
Project expenses (completed contract)	(1 569 259)	-	(1 569 259)
Lease expenses	-	6 394	6 394
Depreciation and amortisation	-	(6 872)	(6 872)
Share of profits (losses) from associated companies and joint ventures	(20 893)	-	(20 893)
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	273 221	(100 154)	173 067

Units under construction

985

N/A

N/A

Units delivered

379

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 2024	Q2 2024	Q3 2023	2023
Land (undeveloped)	637 887	633 546	693 212	667 305
Work in progress	2 038 167	1 651 936	2 947 222	1 959 180
Completed units	430 440	647 909	309 257	572 969
Carrying amount	3 106 494	2 933 391	3 949 691	3 199 454

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 2024	Q3 2023	9M 2024	9M 2023	2023
Project expenses	(168 988)	(345 891)	(1 174 779)	(1 634 344)	(2 677 166)
Finance expenses	(13 545)	(17 670)	(76 472)	(69 119)	(141 551)
Other project expenses	(155 443)	(328 221)	(1 098 307)	(1 565 225)	(2 535 615)

(figures in NOK 1 000)	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
EBITDA ¹	(9 845)	26 276	156 961	179 939	310 129
EBITDA margin	-4.4%	6.0%	10.7%	9.0%	9.5%
EBITDA adjusted ²	3 700	43 946	233 433	249 058	451 680
EBITDA margin adjusted	1.6%	10.1%	15.8 %	12.4%	13.9%

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 the land from UP.
- The land is purchased in stages from UP at its original acquisition price plus an annual option premium of Nibor plus 3.75 per cent. In addition, comes a transaction fee, which is 0.5 per cent when UP buys property from the landowner and 2.0 per cent when SBO buys from UP.
- SBO pays 50 per cent of the purchase price to UP on taking over a property (when construction starts) and 50 per cent on completion of the project.
- If SBO decides not to exercise the option on a land plot, there is a 48-month option premium (break fee).
- The agreement includes financial covenants, see note 11.

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

Portfolio B

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

The option premium related to the properties in Portfolio B is paid quarterly. These premiums are treated for accounting purposes in the same way as interest charges on land loans. They are recognised in the balance sheet as part of inventory and expensed as cost of sales when completed residential units are delivered. Option premiums paid and capitalised for land in Portfolio B amounted to NOK 4.8 million in the third quarter (NOK 5.7 million). For the first nine months, option premiums paid and capitalised were NOK 15.4 million (NOK 15.9 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 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. Starting on 1 January 2025, 50 per cent of the new option premium in portfolio C is current payable on a quarterly basis. 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 54.1 million in the third quarter (NOK 43.4 million). For the first nine months, option premiums paid and capitalised were NOK 158.4 million (NOK 118.0 million). Accumulated provisions and capitalisation at 30 September totalled NOK 467.3 million (NOK 292.3 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 third quarter. SBO repaid NOK 44.1 million in seller credits in the third quarter, but did not repay any one year earlier. Debt related to repurchase agreements and seller credits

was NOK 396.8 million (NOK 490.5 million) at 30 September 2024. Of this, NOK 230.3 million was portfolio B (NOK 292.6 million) and NOK 166.5 million was seller credits (NOK 197.9 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 2024			Q3 2023		
	IFRS	Adj share		IFRS	Adj share	
		Assoc/JV gross	Pro forma gross		Assoc/JV gross	Pro forma gross
			Assoc/JV			Assoc/JV
(figures in NOK 1 000)						
Revenues	206 682	104 883	311 565	419 386	2 553	421 939
Other revenues	18 316	2 614	20 930	17 461	2 045	19 506
Total operating revenues	224 998	107 497	332 495	436 847	4 598	441 445
Project expenses	(168 988)	(106 574)	(275 562)	(345 891)	(2 449)	(348 340)
Salaries and personnel costs	(35 442)	(292)	(35 734)	(36 994)	(328)	(37 322)
Depreciation and amortisation	(2 658)	(1 112)	(3 770)	(2 342)	(981)	(3 323)
Other operating expenses	(21 998)	(2 348)	(24 346)	(22 700)	(3 839)	(26 539)
Total operating expenses	(229 086)	(110 325)	(339 411)	(407 927)	(7 595)	(415 522)
Associated companies and joint ventures	(8 415)	8 415	-	(4 986)	4 986	-
Other gains (losses), net	-	-	-	-	-	-
Operating profit	(12 503)	5 587	(6 916)	23 934	1 989	25 923
Financial income	6 092	764	6 856	8 367	227	8 594
Financial expenses	(2 194)	(4 922)	(7 116)	(5 985)	(3 621)	(9 606)
Net financial expenses	3 898	(4 158)	(260)	2 382	(3 394)	(1 012)
Profit/(loss) before taxes	(8 605)	1 430	(7 176)	26 316	(1 406)	24 911
Income taxes	3 634	(1 429)	2 205	(6 711)	1 405	(5 306)
Net income	(4 971)	-	(4 971)	19 605	-	19 605
EBITDA¹	(9 845)	6 699	(3 147)	26 276	2 969	29 245
EBITDA margin¹	(4.4) %	N/A	(0.9) %	6.0%	N/A	6.6%
EBITDA adj²	3 700	15 690	19 390	43 947	3 066	47 013
EBITDA margin adj²	1.6%	N/A	5.8%	10.1%	N/A	10.6%

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

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

Statement of proportional consolidation

	9M 2024			9M 2023		
	IFRS	Adj share	Pro forma	IFRS	Adj share	Pro forma
		Assoc/JV gross	gross		Assoc/JV gross	gross
(figures in NOK 1 000)						
Revenues	1 417 722	700 361	2 118 083	1 956 652	52 763	2 009 415
Other revenues	55 204	6 494	61 698	51 298	6 675	57 973
Total operating revenues	1 472 926	706 855	2 179 781	2 007 950	59 438	2 067 388
Project expenses	(1 174 779)	(623 217)	(1 797 996)	(1 634 344)	(57 966)	(1 692 310)
Salaries and personnel costs	(99 354)	(717)	(100 071)	(96 042)	(761)	(96 803)
Depreciation and amortisation	(7 297)	(3 330)	(10 627)	(6 872)	(2 942)	(9 814)
Other operating expenses	(77 686)	(16 080)	(93 766)	(76 732)	(15 229)	(91 961)
Total operating expenses	(1 359 116)	(643 344)	(2 002 460)	(1 813 990)	(76 898)	(1 890 888)
Associated companies and joint ventures	35 854	(35 854)	-	(20 893)	20 893	-
Other gains (losses), net	-	-	-	-	-	-
Operating profit	149 664	27 657	177 321	173 067	3 433	176 500
Financial income	17 636	1 531	19 167	21 211	904	22 115
Financial expenses	(17 046)	(13 574)	(30 620)	(12 220)	(9 466)	(21 686)
Net financial expenses	590	(12 044)	(11 454)	8 991	(8 562)	429
Profit/(loss) before taxes	150 254	15 614	165 868	182 058	(5 129)	176 929
Income taxes	(19 919)	(15 613)	(35 532)	(45 700)	5 129	(40 571)
Net income	130 335	-	130 335	136 358	-	136 358
EBITDA¹	156 961	30 987	187 948	179 939	6 375	186 314
EBITDA margin¹	10.7%	N/A	8.6%	9.0%	N/A	9.0%
EBITDA adj²	233 433	90 484	323 917	249 059	8 342	257 401
EBITDA margin adj²	15.8%	N/A	14.9%	12.4%	N/A	12.5%

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

9. Additional information about percentage of completion (NGAAP)

In the operational reporting, the percentage of completion method (NGAAP) is used for revenue and profit recognition, which differs from IFRS, where profit is recognised upon delivery. See note 4 for a more detailed description. Below is a statement of results based on the percentage of completion method (NGAAP). Additionally, a proportional consolidation of associated companies and joint ventures under the percentage of completion method (NGAAP) is shown, based on the same method described in note 8.

Profit and loss NGAAP

(figures in NOK 1 000)	Note	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Revenues		497 978	433 994	1 611 406	1 537 080	2 084 666
Other revenues		17 935	17 461	54 823	51 298	68 416
Total operating revenues		515 913	451 455	1 666 229	1 588 378	2 153 082
Project expenses		(425 043)	(352 318)	(1 358 303)	(1 246 270)	(1 688 164)
Salaries and personnel costs		(35 442)	(36 994)	(99 354)	(96 042)	(145 318)
Depreciation and amortisation		(557)	(478)	(1 704)	(1 279)	(1 773)
Other operating expenses		(24 453)	(24 831)	(84 225)	(83 124)	(117 208)
Total operating expenses		(485 495)	(414 621)	(1 543 586)	(1 426 715)	(1 952 463)
Associated companies and joint ventures		(211)	5 822	18 073	18 707	26 632
Other gains (losses), net		-	-	-	-	-
Operating profit		30 207	42 656	140 716	180 370	227 251
Financial income		6 092	8 367	17 636	21 211	29 775
Financial expenses		(15 329)	(25 932)	(45 380)	(63 753)	(74 078)
Net financial expenses		(9 237)	(17 565)	(27 744)	(42 542)	(44 303)
Profit/(loss) before taxes		20 970	25 091	112 972	137 828	182 948

The consolidated financial information has not been audited

Statement of proportional consolidation

(figures in NOK 1 000)	Q3 2024			Q3 2023		
	NGAAP	Adj share		NGAAP	Adj share	
		Assoc/JV gross	Pro forma gross Assoc/JV		Assoc/JV gross	Pro forma gross Assoc/JV
Revenues	497 978	171 437	669 415	433 994	132 267	566 261
Other revenues	17 935	1 753	19 688	17 461	2 045	19 506
Total operating revenues	515 913	173 190	689 103	451 455	134 312	585 767
Project expenses	(425 043)	(151 293)	(576 336)	(352 318)	(110 482)	(462 800)
Salaries and personnel costs	(35 442)	(292)	(35 734)	(36 994)	(328)	(37 322)
Depreciation and amortisation	(557)	(1 112)	(1 669)	(478)	(981)	(1 459)
Other operating expenses	(24 453)	(2 348)	(26 801)	(24 831)	(3 839)	(28 670)
Total operating expenses	(485 495)	(155 044)	(640 539)	(414 621)	(115 628)	(530 249)
Associated companies and joint ventures	(211)	211	-	5 822	(5 822)	-
Other gains (losses), net	-	-	-	-	-	-
Operating profit	30 207	18 357	48 564	42 656	12 861	55 517
EBITDA ¹	30 975	19 258	50 233	37 312	19 664	56 976
EBITDA margin¹	6.0%	N/A	7.3%	8.3%	N/A	9.7%

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

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

Statement of proportional consolidation

(figures in NOK 1 000)	9M 2024			9M 2023		
	NGAAP	Adj share		NGAAP	Adj share	
		Assoc/JV gross	Pro forma gross Assoc/JV		Assoc/JV gross	Pro forma gross Assoc/JV
Revenues	1 611 406	549 839	2 161 245	1 537 080	421 697	1 958 777
Other revenues	54 823	5 633	60 456	51 298	6 675	57 973
Total operating revenues	1 666 229	555 472	2 221 701	1 588 378	428 371	2 016 749
Project expenses	(1 358 303)	(463 460)	(1 821 763)	(1 246 270)	(353 505)	(1 599 775)
Salaries and personnel costs	(99 354)	(717)	(100 071)	(96 042)	(761)	(96 803)
Depreciation and amortisation	(1 704)	(3 330)	(5 034)	(1 279)	(2 942)	(4 221)
Other operating expenses	(84 225)	(16 081)	(100 306)	(83 124)	(15 229)	(98 353)
Total operating expenses	(1 543 586)	(483 587)	(2 027 173)	(1 426 715)	(372 437)	(1 799 152)
Associated companies and joint ventures	18 073	(18 073)	-	18 707	(18 707)	-
Other gains (losses), net	-	-	-	-	-	-
Operating profit	140 716	53 812	194 528	180 370	37 227	217 597
EBITDA ¹	124 347	75 215	199 562	162 942	58 876	221 818
EBITDA margin¹	7.5%	N/A	9.0%	10.3%	N/A	11.0%

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.

10. 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 the 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).

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

Adjusted EBITDA:

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

(figures in NOK 1 000)	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Operating profit	(12 503)	23 934	149 664	173 067	300 898
Depreciation and amortisation	2 658	2 342	7 297	6 872	9 231
EBITDA	(9 845)	26 276	156 961	179 939	310 129
Finance expenses ¹	13 545	17 670	76 472	69 119	141 551
EBITDA adjusted	3 700	43 946	233 433	249 058	451 680

¹ See note 6

EBITDA (percentage of completion, NGAAP):

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

EBITDA (percentage of completion, NGAAP) gives important additional information about the underlying value creation trends in the group.

Net interest-bearing debt:

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

11. Financial covenants

The collaboration agreement with Urban Property, as described in note 7, includes the following financial covenants:

- 1) Equity must be greater than NOK 1 500 million.
- 2) Debt ratio must be below 50 per cent. Debt ratio is defined as: $\text{Net debt} / (\text{Net debt} + \text{equity})$.
- 3) Net debt / rolling 12-month EBITDA must be below 3.
- 4) Maximum 2.5 year accumulated, unpaid option premium. This consists of three elements multiplied with each other: (Lowest of market value or acquisition price of land plots in UP) times (annual option premium which is 3-month NIBOR + 3.75 per cent) times 2.5.

The calculation of net debt shall exclude construction loans and Selvaag Bolig's balance sheet debt related to Portfolio B. At the same time, the accumulated accrued option premium and seller credits shall be included in the calculation.

On a breach of financial covenants, Selvaag Bolig must receive approval from UP for dividend and other distributions until the covenants once again are met. If there is still a breach of covenants after six months, the option premium increases by 25 basis points until the covenants again are met.

Selvaag Bolig and Urban Property have renegotiated financial covenants in the collaboration agreement between the parties. From 1 January 2025 the following new covenants will apply:

- 1) Equity must be greater than NOK 1 800 million.
- 2) Debt ratio must be below 40 per cent. Debt ratio is defined as: $\text{Net debt} / (\text{Net debt} + \text{equity})$.
- 3) Net debt / rolling 12-month earnings before depreciation and tax according to NGAAP must be below 3.
- 4) Maximum 2.5 year accumulated, unpaid option premium. This consists of three elements multiplied with each other: (Lowest of market value or acquisition price of land plots in UP) times (annual option premium which is 3-month NIBOR + 3.75 per cent) times 2.5.
- 5) Selvaag Bolig must have at least 500 units in production, calculated as an average over the last 12 months. For joint ventures, Selvaag Bolig's share of the projects is used.
- 6) SBO must have a sales ratio of at least 60 per cent for units in production.

- 7) Outstanding seller credits must at the most be equal to 50 per cent of the equity in SBO and SBO must have free liquidity available, including available credit facilities, to cover 10 per cent of outstanding seller credits.

In the calculation of net debt in covenant number 2, construction loans and debt in portfolio B shall be excluded from Selvaag Bolig's balance sheet. At the same time, the accumulated accrued option premium and seller credit shall be included in the calculation.

In the calculation of net debt in covenant number 3, construction loans, seller credits, loans on completed units and debt in portfolio B shall be excluded from Selvaag Bolig's balance sheet. At the same time, the accumulated accrued option premium shall be included in the calculation.

On a breach of financial covenants, Selvaag Bolig must receive approval from UP for dividend and other distributions until the covenants once again are met. If there is a breach of covenants for three months, the option premium increases by 25 basis points until the covenants again are met. On a breach of covenants, the company's purchase of own shares for the employee share programme are excluded from the rule about approval of dividends or other distributions from Selvaag Bolig.

Selvaag Bolig ASA has a credit facility agreement of NOK 300 million with DNB, which matures in December 2025. No drawings had been made against this facility at 30 September 2024. The agreement includes financial covenants with the following requirements:

- The equity ratio must be at least 25 per cent.
- The average sales ratio for units in production must be at least 60 per cent. If the sales ratio is between 60 and 65 per cent, the lender must give its approval for the loan facilities to be drawn on, and the margin increases by 50 basis points.

SELVAAG BOLIG

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About Us

Selvaag Bolig ASA is a residential development company that manages the entire value chain from acquisition of land to completed residential and urban areas. The company represents a continuation of Selvaag's 75-year history and experience and has several thousand homes under development in growth areas in and around the largest cities in Norway and Sweden. Selvaag Bolig offers a broad variety of housing types, including the lifestyle concept Selvaag Pluss®, which features homes with shared spaces and services.

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