

SELVAAG BOLIG

Q1 2022

First quarter results



Highlights of the first quarter 2022

- Strong Q1 sales and strong operational results considering few deliveries
- Operating revenues¹ NOK 356 million (568)
- Adjusted EBITDA³ NOK 61 million (NOK 129 million) and ordinary EBITDA² NOK 52 million (118)
- Pre-tax profit of NOK 47 million (111)
- 201 units sold⁶ (248) and construction started on 113 (134)
- 74 units completed (95) and 77 delivered (124)
- A total of 1 361 units (1349) under construction at 31 March, with a combined sales value of NOK 7 034 million (NOK 6 627 million)
- 73 per cent (82 per cent) of homes under construction sold at 31 March. 89 per cent (93 per cent) of homes due for completion in 2022 are sold

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

Key figures

(figures in NOK 1 000)	Q1 2022	Q1 2021	2021
IFRS main figures			
Operating revenues ¹	356 243	567 854	3 402 746
EBITDA ²	51 758	117 865	658 597
EBITDA adjusted ³	60 759	128 998	755 854
Operating profit/(loss)	49 460	115 303	648 325
Profit/(loss) before taxes	47 275	111 309	645 331
Net income	37 553	76 647	504 905
Cash flow from operating activities	(308 524)	(87 843)	392 588
Net cash flow	167 011	(187 405)	(357 898)
Interest-bearing liabilities	2 561 988	2 443 757	2 147 683
Total assets	6 083 854	6 062 559	5 781 958
Equity	2 493 959	2 509 876	2 468 841
Equity ratio	41.0%	41.4%	42.7%
Earnings per share in NOK	0.40	0.82	5.40
Segment reporting (NGAAP⁴)			
Operating revenues	757 901	857 884	3 308 143
EBITDA ⁵	106 244	147 391	523 504
EBITDA margin	14.0%	17.2%	15.8%
Key figures (net, adjusted for share in joint ventures)			
Number of units sold ⁶	201	248	821
Number of construction starts	113	134	880
Number of units delivered	77	124	894
Number of units completed	74	95	867

¹ Operating revenues do not include revenues from joint ventures.

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

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

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

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

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

Financial review

Summary of overall results

(figures in NOK 1 000)	Q1 2022	Q1 2021	2021
Total operating revenues	356 243	567 854	3 402 746
Project expenses	(253 180)	(401 197)	(2 617 422)
Other operating expenses, salaries and personnel costs, depreciation and amortisation	(48 606)	(57 306)	(246 696)
Total operating expenses	(301 786)	(458 503)	(2 864 118)
Associated companies and joint ventures	(4 997)	5 952	109 697
Other gains (losses), net	-	-	-
Operating profit	49 460	115 303	648 325
Net financial expenses	(2 185)	(3 994)	(2 994)
Profit before taxes	47 275	111 309	645 331
Income taxes	(9 722)	(34 662)	(140 426)
Net income	37 553	76 647	504 905

Results for the first quarter of 2022

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

Selvaag Bolig had operating revenues of NOK 356.2 million (NOK 567.9 million) in the first quarter. Revenues from units delivered accounted for NOK 342.4 million (NOK 552.8 million) of the total. Other revenues derived from non-core activities, mainly provision of services.

A total of 77 units (124) were delivered in the quarter, including 76 (114) from consolidated project companies and one (10) was from joint ventures.

Project costs for the quarter totalled NOK 253.2 million (NOK 401.2 million), of which NOK 9.0 million (NOK 11.1 million) represented previously capitalised financial expenses. Total project expenses primarily represented construction costs for units delivered as well as costs in projects which did not qualify for capitalisation as inventory.

Operating costs excluding project costs totalled NOK 48.6 million (NOK 57.3 million) for the period. Payroll costs accounted for NOK 26.2 million (NOK 27.9 million) of this figure. In addition, NOK 4.8 million (NOK 4.8 million) in payroll costs relating to housing under construction was capitalised during the quarter and will be expensed as project costs on future delivery.

Other operating costs came to NOK 20.1 million (NOK 26.8 million) for the quarter, including NOK 3.7 million (NOK 9.3 million) for sales and marketing.

The share of profit from associates and joint ventures came to NOK -5 million (NOK 6.0 million) for the quarter. The

negative effect in 2022 is due to few units delivered and costs related to sales and marketing in the period.

Reported EBITDA was NOK 51.8 million (NOK 117.9 million), corresponding to a margin of 14.5 per cent (20.8 per cent). EBITDA adjusted for financial expenses included in project costs came to NOK 60.8 million (NOK 129.0 million), corresponding to a margin of 17.1 per cent (22.7 per cent). The decline in the EBITDA margin from the first quarter of 2021 primarily reflected fewer units delivered. EBITDA margins are influenced by presenting results from joint ventures net rather than including them in turnover. For more information, see note 8 on proportional consolidation.

Consolidated depreciation and amortisation totalled NOK 2.3 million (NOK 2.6 million) for the quarter. Operating profit thereby came to NOK 49.5 million (NOK 115.3 million).

Net financial expense amounted to NOK 2.2 million (expense of NOK 4 million). Pre-tax profit for the quarter came to NOK 47.3 million (NOK 111.3 million).

Tax expense for the period came to NOK 9.7 million (NOK 34.7 million). Comprehensive income for the first quarter consequently came to NOK 37.6 million (NOK 76.6 million). NOK 37.6 million of the profit was attributable to the

shareholders of Selvaag Bolig ASA (NOK 76.6 million), and NOK 0 (0) to non-controlling shareholders.

Cash flow

Consolidated net cash flow from operational activities was negative at NOK 308.5 million (negative at NOK 87.8 million). The decline from the same period of 2021 was mainly due to relatively few units delivered and high construction activity.

Net cash flow from investing activities was positive at NOK 86.4 million (negative at NOK 5.6 million) for the quarter. The change from the same period of 2021 primarily reflected dividends received from joint ventures in the first quarter of 2022.

Net cash flow from financing activities was positive at NOK 389.1 million (negative at NOK 94 million) for the quarter. The change from the same period of 2021 primarily reflected an increase in construction loans, whereas the same period of 2021 had a net redemption of construction loans.

The group's holding of cash and cash equivalents at 31 March totalled NOK 694.4 million (NOK 697.9 million), an increase of NOK 167.0 million from 31 December and a decline of NOK 3.5 million from a year earlier.

Cash flow summary

(figures in NOK 1 000)	Q1 2022	Q1 2021	2021
Profit before taxes	47 275	111 309	645 331
Net cash flow from operating activities	(308 524)	(87 843)	392 588
Net cash flow from investment activities	86 434	(5 550)	167 129
Net cash flow from financing activities	389 101	(94 013)	(917 616)
Net change in cash and cash equivalents	167 011	(187 405)	(357 898)
Cash and cash equivalents at start of period	527 435	885 333	885 333
Cash and cash equivalents at end of period	694 446	697 928	527 435

Financial position

The carrying amount of Selvaag Bolig's total inventory (land, units under construction and completed units) at 31 March was NOK 4 357.1 million, compared with NOK 4 072.5 million at 31 December and NOK 4 172.4 million a year earlier. See note 5 for a further specification of inventory.

The group's accounts receivable were NOK 50.8 million at the end of the quarter. In comparison, accounts receivable were NOK 83.8 million at the end of the previous quarter and NOK 117.6 million at the same time the year before.

Equity was NOK 2 494.0 million (NOK 2 509.9 million) at 31 March, corresponding to an equity ratio of 41.0 per cent (41.4 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 542.1 million (NOK 687.6 million) at 31 March, of which NOK 237.1 million (NOK 275.9 million) represented

advance payments from customers.

At 31 March, consolidated interest-bearing debt amounted to NOK 2 562.0 million (NOK 2 443.8 million), of which 1 189.9

million (NOK 1 074.8 million) was non-current and NOK 1 372.1 million (NOK 1 368.9 million) was current. NOK 751.2 million (NOK 660.7 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 241.5 million (NOK 249.3 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.

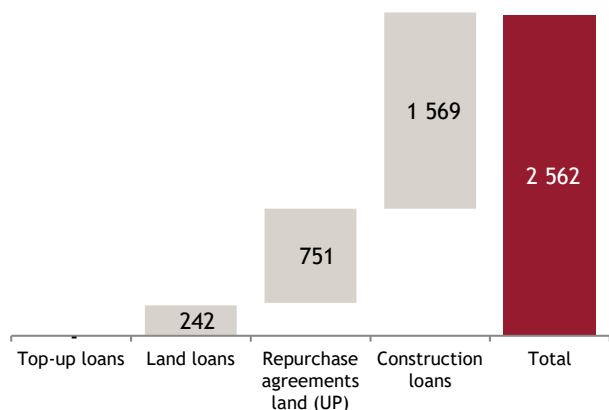
Selvaag Bolig ASA has a credit facility agreement of NOK 150 million with DNB, which matures in April 2023. The group also

has an annually renewed overdraft facility of NOK 150 million with the same bank. Furthermore, the company established a credit facility of NOK 300 million with DNB in 2021 for infrastructure financing. This matures in January 2024. No drawings had been made against any of these facilities at 31 March.

Net interest-bearing debt

(figures in NOK 1 000)	Q1 2022	Q1 2021	2021
Non-current interest-bearing debt	1 189 888	1 074 816	777 200
Current interest-bearing debt	620 922	708 273	688 330
Current liabilities repurchase agreements and seller	751 178	660 668	682 153
Cash and cash equivalents	(694 446)	(697 928)	(527 435)
Net interest-bearing debt	1 867 542	1 745 829	1 620 248

The group's interest-bearing debt falls primarily into four categories: 1) top-up loans, which are liabilities in parent company Selvaag Bolig ASA, 2) land loans, 3) repurchase agreements with Urban Property and 4) construction loans. At 31 March, the group had no top-up loans, land loans of NOK 242 million, repurchase agreements with Urban Property of NOK 751 million and total construction loans of NOK 1 569 million.

Interest-bearing debt at 31 March 2022 (NOKm)

Interest costs on land loans are normally recognised in profit and loss until the site secures planning permission. They are capitalised against the site from the day the project secures planning permission, and recognised in profit and loss as part of the cost of sales when the units are delivered. Interest

charges on construction loans are capitalised during the construction period and recognised under cost of sales in the same way.

At 31 March, interest of NOK 158 million on land loans had been capitalised, while interest of NOK 84 million relating to land loans was recognised in profit and loss.

In connection with the Urban Property transaction on 21 January 2020, a large proportion of the group's land loans were redeemed and replaced with liabilities in the form of repurchase agreements with Urban Property (UP). See note 7 for a description of the collaboration with UP. This means that interest charges on land loans related to these sites, which are collectively designated Portfolio B, have been replaced by option premiums paid quarterly. These premiums are treated in the accounts in the same way as the land-loan interest charges, being capitalised as inventory and included in the cost of sales on delivery of completed units. Option premiums paid and capitalised for sites in Portfolio B came to NOK 3.3 million (NOK 5.3 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 21.9 million (NOK 21.5 million). At 31 March, total provision and capitalisation came to NOK 101.9 million (NOK 35.4 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 2022

(figures in NOK 1 000)	Operating revenues		EBITDA		Operating profit/loss	
	Q1 22	Q1 21	Q1 22	Q1 21	Q1 22	Q1 21
Housing development (NGAAP)	745 026	843 290	136 226	176 246	145 477	212 081
Other	12 875	14 594	(29 982)	(28 855)	(30 198)	(29 096)
IFRS adjustments	(401 658)	(290 030)	(54 486)	(29 526)	(65 819)	(67 682)
Total group (IFRS)	356 243	567 854	51 758	117 865	49 460	115 303

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 745.0 million (NOK 843.3 million). They derived from 20 projects (14) in production.

Operating costs, primarily for construction and sales, are directly related to the projects and amounted to NOK 608.8 million (NOK 667.0 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 136.2 million (NOK 176.2 million) for the quarter, corresponding to a profit margin of 18.3 per cent (20.9 per cent).

Other business - unallocated

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

Operating revenues for the segment in the first quarter came to NOK 12.9 million (NOK 14.6 million), while operating costs amounted to NOK 42.9 million (NOK 43.4 million). Costs relate largely to remuneration for the administration and management, as well as to central marketing. EBITDA was thereby negative at NOK 30.0 million (negative NOK 28.9 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 271 units with a combined value of NOK 1 401 million. Selvaag Bolig's share amounted to 201 units with a combined value of NOK 1 033 million.

Work started on constructing 113 units during the first quarter, so that Selvaag Bolig had 1 361 units worth some NOK 7.0 billion under construction at 31 March. A total of 74 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 Sandnes, Bærum, Fredrikstad or Stockholm during the first quarter.

Quarterly development of the project portfolio

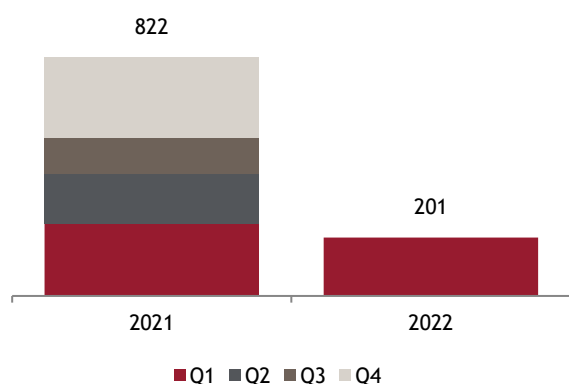
	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
Units sold	248	173	125	276	201
Construction starts	134	142	148	456	113
Units completed	95	120	318	334	74
Units delivered	124	132	314	324	77
Units under construction	1 349	1 371	1 201	1 323	1 361
Proportion of sold units under construction	82 %	82 %	76 %	67 %	73 %
Completed unsold units	17	15	16	25	19
Sales value of units under construction (NOK million)	6 627	6 749	6 200	6 736	7 034

Purchase and sale of land

Selvaag Bolig purchased one site from Urban Property for a total of NOK 131 million during the quarter. See note 7.

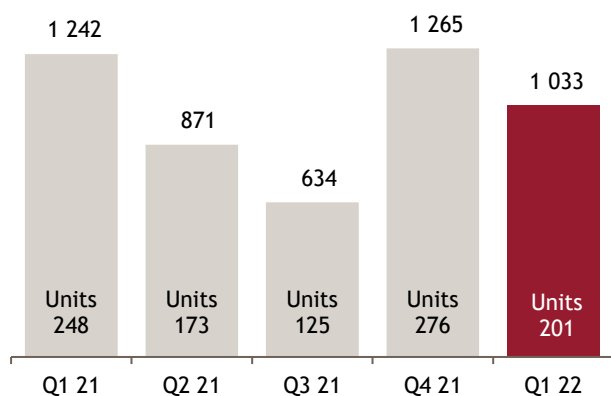
Sales development and progress

Units sold



Total housing sales during the first quarter, including Selvaag Bolig's relative share of joint ventures, amounted to 201 units with a combined sales value of NOK 1 033 million. These sales comprise Selvaag Bolig's consolidated project companies as well as its relative share of units sold in joint venture projects. Sales in the same period of 2021 totalled 248 units with a combined value of NOK 1 242 million.

Value of units sold (NOKm)



Selvaag Bolig started sales during the quarter in five projects, comprising 192 residential units (270).

Sales starts in the quarter

Project	No of units	Category	Region
Skårerbyen Gårdskvartalet	44	Flat	Greater Oslo
Kaldnes Sjøparken	22	Flat	Greater Oslo
Sandsli 360	64	Flat	Bergen
Ringve Pluss	16	Flat	Trondheim
Lille Løren Park	46	Flat	Greater Oslo
Total	192		

Construction began on 113 (134) units during the quarter. At

31 March, Selvaag Bolig consequently had 1 361 (1 349) units under construction. They included 1 008 units in Greater Oslo, 157 in Rogaland county, 135 in Bergen and 62 units in Trondheim.

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

The order backlog at 31 March - in other words, the sales value of the 1 361 (1 349) units then under construction - was NOK 7 034 million (NOK 6 627 million).

A total of 74 (95) units were completed in the first quarter, and 77 (124) - including ones completed earlier - were delivered. The completed units were spread over two projects.

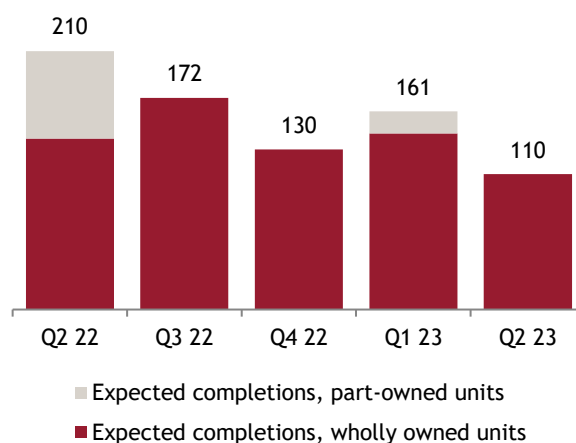
At 31 March, the group held 19 (17) completed but unsold units. Consolidated project companies accounted for 76 (114) of the units delivered, while one (10) was in part-owned project companies.

Units completed by project

Project	No of units	Category	Region
Lørenskog Stasjonsby Silkeføret	30	Flat	Greater Oslo
Skårerløkka	44	Flat	Greater Oslo
Total	74		

Based on anticipated progress for the projects, 210 units are expected to be completed in the second quarter of 2022. Estimated completions for 2022 as a whole amount to 586 units.

Expected number of completions



Share information

The company had 93.77 million issued shares at 31 March, divided between 4 938 shareholders.

The 20 largest shareholders controlled 83.2 per cent of the total number of issued shares. The largest shareholder was Selvaag AS, with a 53.5 per cent holding.

During the quarter, the Selvaag Bolig share varied in price from NOK 44.00 to NOK 51.41. The closing price at 31 March was NOK 46.91. That compared with NOK 51.00 at 31 December, and the share price accordingly fell by 8.0 per cent over the quarter.

Just under 5 million shares, or 5.3 per cent of the overall number outstanding, were traded during the period. Share turnover totalled NOK 256.9 million during the quarter, corresponding to an average daily figure of roughly NOK 4 million.

20 largest shareholders at 31 March 2022

Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
Skandinaviska Enskilda Banken AB *	7 104 973	7.6%
PARETO INVEST AS	4 311 772	4.6%
VERDIPAPIRFONDET ALFRED BERG GAMBA	3 117 700	3.3%
The Northern Trust Comp, London Br *	2 158 000	2.3%
JPMorgan Chase Bank, N.A., London *	1 923 658	2.1%
State Street Bank and Trust Comp	1 030 044	1.1%
Skandinaviska Enskilda Banken AB *	1 000 000	1.1%
MUSTAD INDUSTRIER AS	960 096	1.0%
The Northern Trust Comp, London Br *	840 200	0.9%
SANDEN EQUITY AS	770 000	0.8%
BANAN II AS	750 000	0.8%
Landkreditt Utbytte	700 000	0.7%
Brown Brothers Harriman & Co. *	684 200	0.7%
Brown Brothers Harriman & Co. *	516 831	0.6%
SELVAAG BOLIG ASA	511 933	0.5%
HOLTA INVEST AS	371 100	0.4%
J.P. Morgan SE *	350 210	0.4%
Brown Brothers Harriman & Co. *	350 000	0.4%
State Street Bank and Trust Comp *	344 812	0.4%
Total 20 largest shareholders	77 975 616	83.2%
Other shareholders	15 790 072	16.8%
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. There is also risk linked to how geopolitical tension will impact Selvaag Bolig. 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. 73 per cent of total units under construction and 89 per cent of planned completions in 2022 had been sold at 31 March.

Selvaag Bolig is well placed organisationally, operationally and financially to maintain and strengthen its position in the time to come. See the group's annual report, available on its website, for a more detailed explanation of the risk and uncertainty factors it faces.

Transactions with related parties

Pursuant to the accounting rules, Urban Property is a related party to the group. This means that ongoing option premiums and repurchases are regarded as related-party transactions. During the first quarter, the group repurchased one site from Urban Property for NOK 131 million. See note 7 for further details.

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

Housing market

Activity in the Norwegian housing market was high in the first quarter, with price growth. The price development differed between Selvaag Bolig's core areas.

According to Statistics Norway, seasonally adjusted national house prices at 31 March were on average 2.4 per cent higher than at 31 December and up by 7.1 per cent from 31 March 2021.

Overall prices rose by 2.8 per cent during the quarter in Oslo including Bærum and were 5.6 per cent higher than at 31 March 2021. In Akershus excluding Bærum, prices rose by 2.4

per cent and were up by 6.1 per cent from 31 March 2021. Prices in Stavanger rose by 1.2 per cent during the quarter and were 8.3 per cent higher than at 31 March 2021. Prices in Bergen increased by 1.8 per cent in the quarter and were up by 6.3 per cent from 31 March 2021. In Trondheim, prices rose by 3.6 per cent for the quarter and were 11.4 per cent higher than at 31 March 2021.

Selvaag Bolig's projects have all sold well in the first quarter, and 271 homes worth a total of NOK 1 401 million were sold. Adjusted for Selvaag Bolig's share of joint ventures, net sales came to 201 homes worth NOK 1 033 million.

Interim financial statements (IFRS)

Statement of comprehensive income

(figures in NOK 1 000, except earnings per share)	Note	Q1 2022	Q1 2021	2021
Revenues		342 405	552 819	3 341 513
Other revenues		13 838	15 035	61 233
Total operating revenues		356 243	567 854	3 402 746
Project expenses		(253 180)	(401 197)	(2 617 422)
Salaries and personnel costs		(26 177)	(27 924)	(136 160)
Depreciation and amortisation		(2 298)	(2 562)	(10 272)
Other operating expenses		(20 131)	(26 820)	(100 264)
Total operating expenses		(301 786)	(458 503)	(2 864 118)
Associated companies and joint ventures		(4 997)	5 952	109 697
Other gains (losses), net		-	-	-
Operating profit		49 460	115 303	648 325
Financial income		1 779	1 731	10 691
Financial expenses		(3 964)	(5 725)	(13 685)
Net financial expenses		(2 185)	(3 994)	(2 994)
Profit/(loss) before taxes		47 275	111 309	645 331
Income taxes		(9 722)	(34 662)	(140 426)
Net income		37 553	76 647	504 905
Other comprehensive income/expenses				
Translation differences		(2 057)	(4 586)	(3 223)
Total comprehensive income/(loss) for the period		35 496	72 061	501 682
Net income for the period attributable to:				
Non-controlling interests		-	(1)	(4)
Shareholders in Selvaag Bolig ASA		37 553	76 648	504 909
Total comprehensive income/(loss) for the period attributable to:				
Non-controlling interests		-	(1)	(4)
Shareholders in Selvaag Bolig ASA		35 496	72 062	501 686
Earnings per share for net income/(loss) attributed to shareholders in Selvaag Bolig ASA:				
Earnings per share (basic and diluted) in NOK		0.40	0.82	5.40

The consolidated financial information has not been audited

Statements of financial position

(figures in NOK 1 000)	Note	Q1 2022	Q1 2021	2021
ASSETS				
Non-current assets				
Goodwill		383 376	383 376	383 376
Property, plant and equipment		8 158	7 059	7 380
Right-of-use lease assets		23 661	32 665	25 733
Investments in associated companies and joint ventures		239 418	407 897	354 699
Loans to associated companies and joint ventures		94 865	79 955	75 777
Other non-current assets	7	221 996	143 322	200 782
Total non-current assets		971 474	1 054 274	1 047 747
Current assets				
Inventories (property)	5, 7	4 357 073	4 172 441	4 072 466
Trade receivables		50 828	117 552	83 831
Other current receivables		10 033	20 364	50 479
Cash and cash equivalents		694 446	697 928	527 435
Total current assets		5 112 380	5 008 285	4 734 211
TOTAL ASSETS		6 083 854	6 062 559	5 781 958
EQUITY AND LIABILITIES				
Equity attributed to shareholders in Selvaag Bolig ASA		2 486 171	2 502 085	2 461 053
Non-controlling interests		7 788	7 791	7 788
Total equity		2 493 959	2 509 876	2 468 841
LIABILITIES				
Non-current liabilities				
Pension liabilities		1 254	1 186	1 254
Deferred tax liabilities		38 579	29 265	38 579
Provisions		62 910	60 373	62 910
Other non-current liabilities	7	237 685	164 145	219 622
Non-current lease liabilities		16 705	24 711	18 630
Non-current interest-bearing liabilities		1 189 888	1 074 816	777 200
Total non-current liabilities		1 547 021	1 354 496	1 118 195
Current liabilities				
Current lease liabilities		8 006	8 420	8 108
Current interest-bearing liabilities		620 922	708 273	688 330
Current liabilities repurchase agreements and seller credits	7	751 178	660 668	682 153
Trade payables		33 185	55 143	129 986
Current tax payables		87 530	78 089	133 902
Other current non-interest-bearing liabilities		542 053	687 594	552 443
Total current liabilities		2 042 874	2 198 187	2 194 922
Total liabilities		3 589 895	3 552 683	3 313 117
TOTAL EQUITY AND LIABILITIES		6 083 854	6 062 559	5 781 958

The consolidated financial information has not been audited

Statement of changes in equity

	Share capital	Share premium account	Other paid-in capital	Cumulative translation differences	Other reserves	Retained earnings	Equity attributed to shareholders in Selvaag Bolig ASA	Non-controlling interests	Total equity
Equity at 1 January 2022	186 898	1 394 857	700 629	6 874	3 528	168 266	2 461 055	7 788 *	2 468 841
Transactions with owners:									
Dividend	-	-	-	-	-	-	-	-	-
Share buy back	(392)	-	-	-	-	(9 986)	(10 378)	-	(10 378)
Employee share programme	-	-	-	-	-	-	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-
<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	2 486 173	7 788 *	2 493 959

Equity at 1 January 2021	186 996	1 394 857	700 629	10 097	3 528	133 915	2 430 025	7 792 *	2 437 815
Transactions with owners:									
Dividend	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	76 648	76 648	(1)	76 647
Other comprehensive income/(loss) for the period	-	-	-	(4 586)	-	-	(4 586)	-	(4 586)
Equity at 31 March 2021	186 996	1 394 857	700 629	5 511	3 528	210 563	2 502 088	7 791 *	2 509 876

Transactions with owners:									
Dividend	-	-	-	-	-	(467 493)	(467 493)	-	(467 493)
Share buy back	(1 008)	-	-	-	-	(25 262)	(26 270)	-	(26 270)
Employee share programme	910	-	-	-	-	22 197	23 107	-	23 107
	-	-	-	-	-	-	-	-	-
<i>Total comprehensive income/(loss) for the period:</i>									
Net income/(loss) for the period	-	-	-	-	-	428 261	428 261	(3)	428 258
Other comprehensive income/(loss) for the period	-	-	-	1 363	-	-	1 363	-	1 363
Equity at 31 December 2021	186 898	1 394 857	700 629	6 874	3 528	168 266	2 461 056	7 788 *	2 468 841

The consolidated financial information has not been audited.

* Non-controlling interests include tax from profits in companies subject to partnership taxation. Income taxes in the group do not include taxes from tax subjects outside the Selvaag Bolig group.

Statement of cash flow

(figures in NOK 1 000)	Note	Q1 2022	Q1 2021	2021
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before taxes		47 275	111 309	645 331
Income taxes paid		(56 093)	(87 567)	(126 725)
Depreciation and amortisation		2 298	2 562	10 272
companies and joint ventures		4 997	(5 952)	(109 697)
Changes in inventories (property)	5	(275 812)	(41 821)	114 544
Changes in trade receivables		33 003	(47 086)	(13 365)
Changes in trade payables		(96 801)	(82 083)	(7 240)
Changes in other operating working capital assets		43 337	26 190	(23 015)
Changes in other operating working capital		(10 728)	36 604	(97 517)
Net cash flow from operating activities		(308 524)	(87 843)	392 588
CASH FLOW FROM INVESTMENT ACTIVITIES				
Proceeds from sale of property, plant and equipment and intangible assets		163	-	-
Purchases of PPE and intangible assets		(1 179)	-	(1 097)
Proceeds from sale of associated companies and joint ventures		-	-	8 046
Proceeds from sale of other investments and repayment of loans		-	2 000	45 875
Purchases of other investments and loans		(26 550)	(8 800)	(39 745)
Dividends and disbursements from associated companies and joint ventures		114 000	1 250	154 050
Net cash flow from investment activities		86 434	(5 550)	167 129
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowings	7	520 897	344 944	2 311 996
Repayments of borrowings	7	(119 846)	(437 128)	(2 743 972)
Repayments of lease liabilities		(2 027)	(2 131)	(8 524)
Dividends paid to equity holders of Selvaag Bolig		-	-	(467 493)
Share buy back Selvaag Bolig ASA		(10 378)	-	(26 270)
Proceeds from disposal of shares Selvaag Bolig ASA		455	303	16 647
Net cash flow from financing activities		389 101	(94 013)	(917 616)
Net change in cash and cash equivalents		167 011	(187 405)	(357 898)
Cash and cash equivalents at start of period		527 435	885 333	885 333
Cash and cash equivalents at end of period		694 446	697 928	527 435

The consolidated financial information has not been audited

Selected notes to the quarterly financial statements

1. General information and accounting policies

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

The group's consolidated financial information has been prepared in accordance with IAS 34 Interim Financial Reporting. The report does not include all the information and disclosures required for annual financial statements and should be read in conjunction with the group's consolidated financial statements for 2021.

The accounting policies applied in preparing these interim condensed consolidated financial statements are otherwise consistent with those applied in the group's consolidated financial statements for the year ended 31 December 2021.

2. Accounting judgements, estimates and assumptions

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

In preparing this consolidated interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were largely the same as those which applied in the consolidated financial statements for the year ended 31 December 2021.

3. Transactions with related parties

See note 23 to the consolidated financial statements for 2021 for detailed information on related-party transactions in previous years.

4. Segment information

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

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

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

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 liabilities	-	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

First quarter 2021

(figures in NOK 1 000)	Housing development	Other	Total
Operating revenues	843 290	14 594	857 884
Project expenses	(653 111)	(93)	(653 204)
Other operating expenses	(13 933)	(43 356)	(57 289)
EBITDA (percentage of completion, NGAAP)	176 246	(28 855)	147 391
Reconciliation EBITDA to operating profit (loss)			
EBITDA (percentage of completion)	176 246	(28 855)	147 391
Sales revenues (adjustment effect of percentage of completion)	(832 078)	-	(832 078)
Sales revenues (completed contract)	542 048	-	542 048
Project expenses (adjustment effect of percentage of completion)	638 080	-	638 080
Project expenses (completed contract)	(386 073)	-	(386 073)
Lease liabilities	-	2 545	2 545
Depreciation and amortisation	-	(2 562)	(2 562)
Share of income (losses) from associated companies and joint ventures	5 952	-	5 952
Other gain (loss), net	-	-	-
Operating profit (loss), (IFRS)	144 175	(28 872)	115 303
Units under construction	1 349	N/A	N/A
Units delivered	124	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 2022	Q1 2021	2021
Land (undeveloped)	1 007 549	1 007 964	1 033 800
Work in progress	3 199 333	2 982 518	2 872 244
Completed units	150 191	181 959	166 422
Carrying amount	4 357 073	4 172 441	4 072 466

6. Project expenses and EBITDA

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

project cost and EBITDA including and excluding financial expenses.

(figures in NOK 1 000)	Q1 2022	Q1 2021	2021
Project expenses	(253 180)	(401 197)	(2 617 422)
Finance expenses	(9 001)	(11 133)	(97 257)
Other project expenses	(244 179)	(390 064)	(2 520 165)

(figures in NOK 1 000)	Q1 2022	Q1 2021	2021
EBITDA ¹	51 758	117 865	658 597
EBITDA margin	14.5%	20.8%	19.4%
EBITDA adjusted ²	60 759	128 998	755 854
EBITDA margin adjusted	17.1 %	22.7%	22.2%

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

² EBITDA adjusted excludes financial expenses included in project costs.

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

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

7. Collaboration with Urban Property

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

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

- UP has a pre-emptive right to buy new land SBO wants to develop.
- SBO has an option to buy back the land from UP.
- The land is repurchased in stages by SBO at its original acquisition price plus an annual option premium of Nibor plus 3.75 per cent. In addition comes a transaction fee, which is 0.5 per cent when UP buys property from the landowner and two per cent when SBO buys from UP.
- The agreement includes financial covenants.

Where SBO is concerned, this means:

- That the company eliminates the need for equity to buy land, in that SBO pays 50 per cent of the purchase price to UP on taking over a property (when construction starts) and 50 per cent on completion of the project.
- A higher return on equity.
- That a higher share of the profit can be distributed as dividend.
- A more efficient and predictable financing of new and existing land.
- Increased competitiveness when buying land.
- That the downside risk for SBO is limited to 48 months of option premiums (break fee).

The transaction covered properties which were divided into Portfolios A, B and C. Portfolio A was converted to portfolio C with effect from 1 January 2021 following a renegotiation of the collaboration agreement between the parties.

Portfolio B

In accounting terms, Portfolio B is treated as a financing arrangement because SBO retains control of these properties. This means that the carrying amount of Portfolio B remains unchanged as inventory after the transaction, while the consideration from the sale of

Portfolio B has been recognised as a liability for repurchase agreements (to UP) in the SBO balance sheet.

The option premium related to the properties in Portfolio B is paid quarterly. These premiums are treated for accounting purposes in the same way as interest charges on land loans. They are recognised in the balance sheet as part of inventory and expensed as cost of sales when completed residential units are delivered. Option premiums paid and capitalised for land in Portfolio B amounted to NOK 3.3 million in the first quarter (NOK 5.3 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. After UP has acquired a property, SBO will have an option to buy it back on specified terms.

Fifty per cent of the option premium in Portfolio C falls due when SBO acquires the land from UP, with the remainder falling due on completion of the relevant project. Provision for accrued option premiums is made quarterly in SBO's consolidated accounts, as other non-current assets and other non-current liabilities, respectively. The asset is reclassified as inventory when the land is taken over. Provision for and capitalisation of option premiums for Portfolio C amounted to NOK 21.9 million in the first quarter (NOK 21.5 million). Accumulated provisions and capitalisation at 31 March totalled NOK 101.9 million (NOK 35.4 million).

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

SBO purchased one site in Portfolio C from UP during the first quarter for NOK 131 million. As a consequence of seller credits related to this site and capitalised interest expenses on existing seller credits, debt related to repurchase agreements and seller credits was NOK 751.2 million (NOK 660.7 million) at 31 March 2021.

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

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

statement of comprehensive income would have appeared were the equity interest in collaboration projects to be consolidated.

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

Statement of proportional consolidation	Q1 2022			Q1 2021		
	IFRS	Adj share Assoc/JV gross	Pro forma gross Assoc/JV	IFRS	Adj share Assoc/JV gross	Pro forma gross Assoc/JV
(figures in NOK 1 000)						
Revenues	342 405	2 820	345 225	552 819	64 562	617 381
Other revenues	13 838	2 427	16 265	15 035	3 733	18 768
Total operating revenues	356 243	5 247	361 490	567 854	68 295	636 149
Project expenses	(253 180)	(1 634)	(254 814)	(401 197)	(54 867)	(456 064)
Salaries and personnel costs	(26 177)	(357)	(26 534)	(27 924)	(434)	(28 358)
Depreciation and amortisation	(2 298)	(963)	(3 261)	(2 562)	(964)	(3 526)
Other operating expenses	(20 131)	(7 527)	(27 658)	(26 820)	(5 921)	(32 741)
Total operating expenses	(301 786)	(10 480)	(312 266)	(458 503)	(62 185)	(520 688)
Associated companies and joint ventures	(4 997)	4 997	-	5 952	(5 952)	-
Other gains (losses), net	-	-	-	-	-	-
Operating profit	49 460	(236)	49 224	115 303	158	115 461
Financial income	1 779	21	1 800	1 731	8	1 739
Financial expenses	(3 964)	(1 194)	(5 158)	(5 725)	(896)	(6 621)
Net financial expenses	(2 185)	(1 173)	(3 358)	(3 994)	(888)	(4 882)
Profit/(loss) before taxes	47 275	(1 409)	45 866	111 309	(730)	110 579
Income taxes	(9 722)	1 409	(8 313)	(34 662)	731	(33 931)
Net income	37 553	-	37 553	76 647	-	76 647
EBITDA margin¹	14.5%	N/A	14.5%	20.8%	N/A	18.7%
EBITDA margin adj²	17.1%	N/A	17.0%	22.7%	N/A	20.6%

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.

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).

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 important additional information about the underlying profitability of the group's operations.

(figures in NOK 1 000)	Q1 2022	Q1 2021	2021
Operating profit	49 460	115 303	648 325
Depreciation and amortisation	2 298	2 562	10 272
Other gains (losses), net	-	-	-
EBITDA	51 758	117 865	658 597
Finance expenses ¹	9 001	11 133	97 257
EBITDA adjusted	60 759	128 998	755 854

¹ See note 6

EBITDA (percentage of completion, NGAAP):

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

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

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About Selvaag Bolig

Selvaag Bolig ASA is a residential property developer controlling 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 and Trondheim. Selvaag bolig represents a continuation of Selvaag`s 70-year history and experience, and offers a broad variety of property types. The company is headquartered at Ullern in Oslo.

www.selvaagboligasa.no