

Annual report 2023

SELVAAG BOLIG



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ABOUT SELVAAG BOLIG

A LEADING HOUSING AND URBAN DEVELOPER

Selvaag Bolig ASA is a residential property developer which controls the entire value chain from acquisition of land to sale of turnkey homes. The company has several thousand homes under development at any given time, and focuses on the growth areas in and around Greater Oslo, Bergen, Stavanger, Trondheim and Stockholm. Selvaag Bolig represents a continuation of Selvaag's more than 75-year history and experience, and offers a broad variety of residential types. Selvaag Bolig is a public limited company and has been listed on the Oslo Stock Exchange since June 2012. The company's head office is at Ullern in Oslo.

Our vision: **We make cities better.**

Selvaag Bolig is a safe and secure partner for life's most important investment. Choosing us is choosing expertise, seriousness and high ambitions.

We like to call ourselves housing specialists – building over 60 000 homes does something to you.

Since the very beginning, Selvaag and all of us who work in Selvaag Bolig have loved smart solutions. We have challenged the authorities and the industry itself about what is possible to build, and we will continue to do that. Every day we are working to develop homes, neighbourhoods and solutions that simplify people's lives. We make sure that long-lasting and sensible projects are built in areas where they are in demand, in growing cities. That is sustainability in action.

No project is too big or too complex for us. At Løren in Oslo, we transformed a shuttered military camp to become an entire new neighbourhood. At Kaldnes in Tønsberg, a dead industrial zone got a new life as a new and vibrant residential area. At Fornebu, a new city will emerge where there once was an airport. When we create the cities of the future, it is our task to ensure that people's homes and neighbourhoods create a secure setting for a good life. Our long history as the homebuilder for the people gives us a responsibility. We build housing that is required, at a price that most can afford.

Everything we do is carefully contemplated, down to the smallest details.

POSITIVE RESULTS IN A CHALLENGING MARKET

LETTER FROM THE CEO

Selvaag Bolig delivered satisfactory sales and results in 2023, despite challenging market conditions throughout the year. Several successful sales and construction starts contributed to us having NOK 4.5 billion in homes under construction.

The fundamental conditions for housing and urban development are favourable. Population growth, urbanisation, and a significant demand for housing in the major cities are the key drivers of growth. However, a negative shift in the new housing market emerged after the summer of 2022, persisting into 2023. Although the interest in new homes remained strong, home buyers became more cautious. Rising interest rates, increased living costs, and banks' more restrictive approach to financing significantly affected both the desire and ability to purchase new homes. Additionally, high construction costs and the flat price development for housing during the same period led developers to postpone projects due to unsatisfactory profitability. In 2023, we witnessed the lowest number of housing starts since the banking crisis in the late 80s. The market situation has also impacted Selvaag Bolig. In 2023, we sold fewer homes, had fewer sales and construction starts than in previous years, and now have fewer homes under construction than before.

Ambitious strategy and a solid portfolio

The housing market is cyclical, and the current situation is not unique. Similar situations have arisen several times during Selvaag's 75-year history. Our experience, combined with our expertise and resources, makes us able to handle demanding periods. We have successfully signed new land plot agreements in Bergen and Stockholm, continued to develop projects and we have been actively marketing and selling our homes, even if the market has been sluggish. We are among the few builders who started selling new projects in 2023, contributing significantly to satisfactory year-end sales figures. We ended up selling 435 homes (360 net) and started construction of 362 (275 net). Our order backlog is still solid, in a period where forecasts show that we are approaching the end of the current demanding market situation.

In 2024, we should start sales of new projects in Oslo, Fredrikstad and Bergen, in addition to new stages of existing projects. Future launches of Fornebu and Bjerke, two of our most important and largest projects, are anticipated in a couple of years, showcasing a robust project portfolio that few competitors can match.

Key elements of Selvaag Bolig's business strategy is the lean and adaptable organisation, so that we can both benefit maximally when the market is growing while being able to quickly adjust to quieter periods. We build large projects in metropolitan areas where housing needs are greatest. We reduce risk and create values in all phases of the project, from purchasing land plots to planning permission and delivering completed homes. That has been an excellent formula for success. The projects have had good profitability, and even though the order backlog is lower than at the end of earlier years, we believe the company is well positioned for the future. We have good products, are excellent at housing concepts, with access to land plots for 11 000 homes, and most importantly – people want to buy our homes.

Signs of a better market

There are good underlying conditions for a better new home market in all the areas where we are present. That is especially true in Greater Oslo, our biggest market, where the market situation has contributed to an increased shortage of new homes. In several of the other cities we operate in, enough new projects aren't being launched. That makes those cities more like Oslo, with an increasing housing shortage. Our analysis indicates that this situation will keep housing prices at a high level, and that prices will

increase when the market normalises. Macroeconomic reports predict that the price growth between 2023 and 2026 will be 15.6 per cent in Oslo and 10.6 per cent for the whole country. Therefore we will continue to have our main focus on the large metropolitan areas where we are already a major player. At the end of 2023 we have seen signs that the market is improving. Our own sales in the fourth quarter were significantly better than in the same period of 2022, and the interest rate trajectory indicates cuts this year and the following two years. In addition, construction costs have stabilised at a level that makes it possible to start more new projects. We are ready to meet housing needs with about 400 homes for sale and more sales starts in 2024.

Housing preferences are changing

Along with the expected growth, we are experiencing that people's housing preferences and the political framework for housing development are changing. We are continually working on product and concept development in all our projects to adapt to this. New housing development must satisfy more interests and requirements than before, including stricter requirements for climate and the environment, social housing models and living forms that facilitate a simpler life for people of all ages and life situations.

Our primary answer to this is the lifestyle concept Selvaag Pluss which we have developed with more than 2 000 homes spread across 15 projects since 2004. Pluss residents have, in addition to their own home, access to hosting, common areas, services and activities. Both customer satisfaction surveys and evaluations of the concept confirm that these residents are more satisfied than residents of ordinary housing projects. They experience better quality of life, less loneliness, and elderly residents stay longer in their own homes. Interest in the concept is increasing from both home buyers and municipalities. Thus Selvaag Pluss is steadily becoming a larger part of our product offering. We now have about 3 000 such homes under development in our new projects. At the same time, there is a continuous development of the concept, both when it comes to the service offering and for the flats themselves, making it accessible for more people, both in existing and new development areas. An example of this is the compact flat concept Selvaag City, which is based on Selvaag Pluss, but has more small flats with lower unit prices. Selvaag Pluss is a good example of a good and long-term work with social sustainability.

Increased environmental efforts

Our other ESG efforts continued unabated in 2023. Our goal is that the ESG work will give us a competitive advantage. We are working with a full focus on reducing negative impacts on climate and the environment, and contributing in a positive manner whenever possible. In addition, we are strengthening our efforts to ensure good social conditions in our entire value chain. One prerequisite to achieve this is that we have good routines, management systems and access to correct data. We have a solid basis in data in all our projects and we have defined our level of ambition when it comes to reducing carbon emissions.

We conduct a carbon footprint assessment for all our projects, and check that all our large suppliers have decent working conditions and human rights. Our carbon footprint assessment follows the new requirements in the building code. As part of our ESG work we have changed our routines and require our entire supplier chain to meet requirements regarding both climate and human rights. The sustainability information in this annual report follows the Global Reporting Initiative (GRI), and follows the same principles as the annual report for 2022. Going forward, we will, however, make changes in our reporting to ensure that 2025 is aligned with the new EU regulation CSRD and the reporting standard ESRS. To meet ever-evolving and stricter requirements, our strength lies in our solidity and experience, allowing us to quickly adapt to new frameworks while ensuring our own economic sustainability.

Satisfied customers, colleagues and good profitability

At the same time as a home purchase from Selvaag Bolig is a safe and good investment, another important parameter for success

is that we have satisfied customers and employees. We are thus very pleased to see that this year's customer satisfaction survey showed high satisfaction. Our employees greatly enjoy their jobs, despite the challenging times. Selvaag Bolig made it through the year without significant changes in the number of employees, and the year's employee satisfaction survey "Great Place to Work" showed that Selvaag Bolig is one of Norway's best places to work. I believe that one of the main reasons for this is our ownership structure that pushes us to do something extra. We have share programmes which stimulate to broad and long-term ownership, and give all the employees the opportunity to participate directly in the company's value creation. Around 70 per cent of us, in total 58 employees, are now shareholders in Selvaag Bolig. During the year, 36 employees purchased shares, and all in all, we own shares valued at nearly NOK 85 million. So far that has been not only been profitable for the participating colleagues, but has without a doubt also strengthened engagement and loyalty.

I believe that a company that is both competent and profitable, with satisfied colleagues, will deliver good returns in both good and difficult times. In 2023, shareholder returns (Total Swap Return) were 12.6%, which we are very satisfied with in today's market. Long-term ownership in Selvaag Bolig has been profitable. Our goal is that it should still be profitable to invest in our company, be an owner of a Selvaag Bolig home, and be a colleague in our organisation. We are looking forward to continuing our journey.

Please contact us if you have any feedback about this report.



A handwritten signature in black ink, appearing to read "Sverre Molvik".

Sverre Molvik
President and CEO

Key figures* 2023:

Operating revenues IFRS (NOK million)	3 254.7
Operating profit (NOK million)	300.9
Pre-tax profit (NOK million)	319.5
Units sold (Selvaag Bolig's share)	360
Net sales value (NOK million)	2 108
Number of construction starts	275
Number of units delivered	655
Number of units completed	744
Number of units under construction	784
Number of employees	86
Turnover	8.1%
Sickness absence	5.4%
Equal opportunities on the board (shareholder-elected board members)	40% females, 60% males
Calculated CO ₂ -intensity total (tCO _{2e})	20 822.85
Calculated emissions per m ² GFA* completed units (kgCO _{2e})**	238.07

*Gross floor area (GFA) is a measure of the total gross area of the home and includes the external walls.

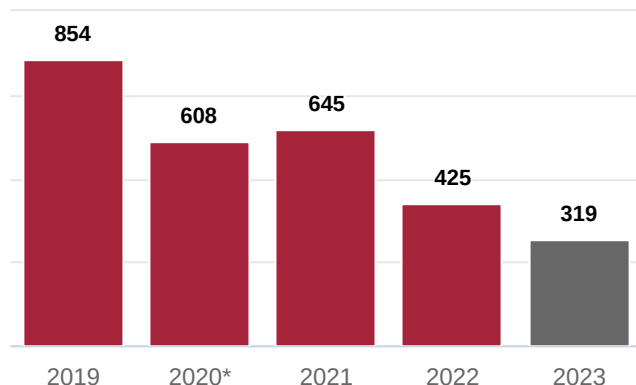
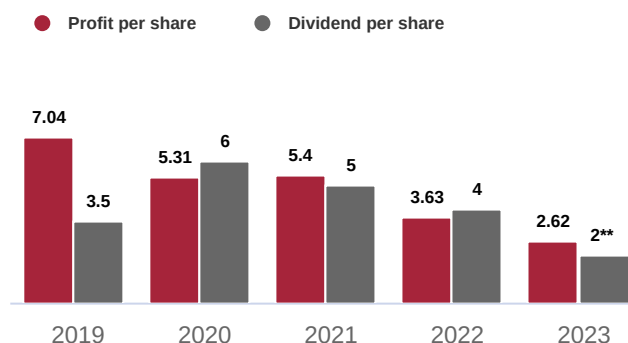
** Kilograms of CO₂-equivalents (kgCO_{2e}) per gross floor area (GFA). Conversion of climate gasses to CO₂-equivalents is performed by multiplying the number of tonnes of each individual gas by the global warming potential (GWP) of each gas. That is the global warming potential in a 100-year time horizon. The cellar and foundation are included.

The greenhouse gas calculation is carried out for a calculation period of 50 years for the building. This period is used for climate gas calculations in most European countries and the level(s) is/are according to EU guidelines for sustainable buildings.

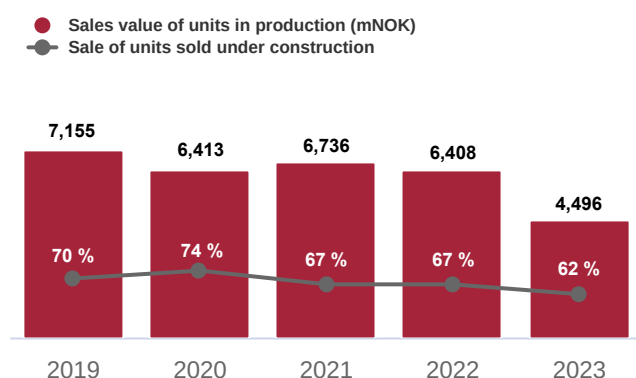
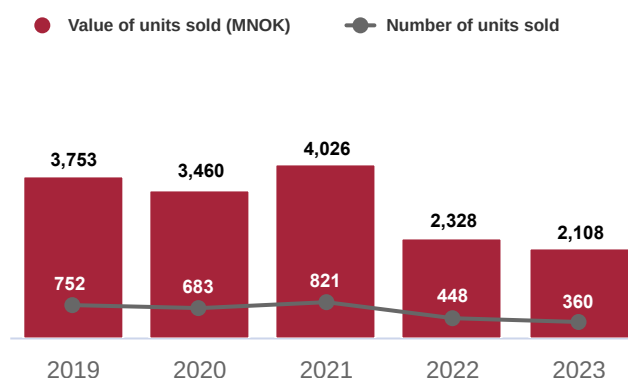
All figures are Selvaag Bolig's share.

KEY FIGURES

PRE-TAX PROFIT (NOK MILLION)

ANNUAL DIVIDEND AND PROFIT PER SHARE¹⁾

RESIDENTIAL UNITS IN PRODUCTION

RESIDENTIAL UNIT SALES²⁾

[Amounts in NOK million]

	2023	2022	2021	2020	2019
IFRS highlights					
Operating revenue	3 254.7	2 896.4	3 402.7	2 698.0	3 368.8
Operating profit	300.9	422.4	648.3	1 643.8	864.75
PRE-TAX PROFIT	319.5	425.1	645.3	1 653.5³⁾	854.0
Cash flow from operations	1 196.6	63.4	392.6	1 615.7	985.9
Net cash flow	-346.1	85.2	-357.9	-293.4	521.7
Equity ratio	49%	39%	43%	41%	49%
EARNINGS PER SHARE IN NOK	2.62	3.63	5.40	16.33	7.04
Units under construction	784	1 253	1 323	1 310	1 504

¹⁾ Does not include NOK 1 045 million from UP transaction^{**)} Proposed dividend for 2nd half 2023: NOK 1.00 per share¹⁾ Not including gain and dividend from UP transaction²⁾ Units sold are sales contracts entered into in accordance with the Housing Construction Act. Pursuant to the IFRS, these are recognised on delivery.³⁾ Pre-tax profit in 2020, adjusted for UP transaction, is NOK 608 million.

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

EXECUTIVE MANAGEMENT OF SELVAAG BOLIG ASA



Sverre Molvik
Group CEO



Øystein Klungland
COO



Kristoffer Gregersen
EVP communications, sustainability and
corporate strategy



Line Lian Mjell
EVP market



Christopher Brunvoll
CFO



DESCRIPTION OF THE BUSINESS

Selvaag Bolig is a housing development company which offers homes tailored for various customer groups in the growth areas in and around Greater Oslo, Bergen, Stavanger, Trondheim and Stockholm. By offering good housing at competitive prices, the company will give as many people as possible, in all phases of their lives, the opportunity to own a home. The company does not have an in-house construction arm, and concentrates primarily on developing large housing projects with more than 150 homes – mostly in the NOK 5-7 million price category. By subjecting construction to competitive tendering, the company reduces risk and achieves better prices. Selvaag Bolig has also employed service people in the wholly owned subsidiary Selvaag Pluss service AS. They work as hosts and with operations and maintenance at the company's Pluss Homes – homes with shared facilities and services which Selvaag Bolig operates after delivery to the customer.

There have not been changes in the company's areas of business or value chain in 2023.

Company structure

At Selvaag Bolig, all projects are placed in separate project companies. Most of the project companies are wholly owned by Selvaag Bolig ASA, and do not have their own employees. They are subsidiaries that are consolidated 100% in the group accounts. In addition, Selvaag Bolig ASA has joint ventures projects that are mainly owned 50/50 with other actors, and are classified as joint ventures/associated companies. The earnings from them are included in the consolidated accounts according to the equity method. For more information, see [note 2.6 Investments in associates](#) in the group accounts. Selvaag Bolig has also separated operations of Pluss Homes into a separate company. Selvaag Bolig has 86 employees of which 62 are employed in Selvaag Bolig ASA. The remainder are employed in Selvaag Pluss Service AS, Selvaag Eiendomsoppgjør AS and in Selvaag Bostad AB including its subsidiaries.

Homes and housing concepts tailored to the market

Selvaag Bolig mainly constructs flats and large projects in urban areas, and the average home size is around 70 square metres of living space, and the types of homes and concepts are tailored to target groups with varying needs and preferences. The largest share of the homes is designed for the biggest customer group – households with normal incomes, and the share of Pluss homes, i.e., homes with shared facilities and services, has increased in recent years. Thanks to the size of its projects, the different types of homes can be combined in each project. This contributes to creating socially sustainable neighbourhoods by offering homes for people in all life situations and age groups. The combination of housing types also leads to a product offering that reaches a larger share of the market and optimises the sales and income profile of each project.

Competitive tendering for all contracts

Selvaag Bolig is solely a developer without its own construction organisation, and manages the whole value chain from the purchase of land to the sale of turnkey homes. The company has an efficient approach to housing development which helps to ensure cost efficiency and reduce market risk. The key to this is the competitive tendering of all construction activities, and that the company mainly enters into turnkey contracts. This offers several advantages:

- **Focused organisation:** 65 employees in the core business. A small organisation focusing on development and sales.

- **Predictable and competitive construction costs:** Tenders from several contractors, based on standard descriptions, always ensuring the right market price and construction at fixed prices. Costs are fixed before sales start. Collaboration exclusively with contractors who have leading-edge expertise in implementing assignments.
- **Lower execution risk:** Using turnkey contracts reduces execution risk in the construction phase.
- **Lower market risk:** Construction costs are locked before sales start and the need for big staffing adjustments in the event of market fluctuations is low.
- **Improved capacity:** Scalable model and no capacity problems when several projects are being built simultaneously.

Land purchasing and financing

In addition to subjecting construction to competitive tendering, Selvaag Bolig's strategy for buying and developing new sites is central to value creation at the company. The company has access to a substantial portfolio of land. That permits purposeful selection of new sites which fit with the existing portfolio and meet the company's current requirements, including sustainability, location, size, price and development potential. The company purchases land in line with an acquisition strategy which gives priority to large land plots in its defined core areas.

Land purchasing and financing in Norway

Most of Selvaag Bolig's available land portfolio is owned by the company's financing partner Urban Property, who sells land back to Selvaag Bolig when construction starts on the projects. This model makes it possible for Selvaag Bolig to refine its core activities, increase its operational focus and manifest value in Selvaag Bolig's day-to-day activity. Urban Property is a financially sound, well-capitalised and predictable partner for Selvaag Bolig. The cooperation is long-term and strategic.

The collaboration agreement with Urban Property, summarised:

- Urban Property has a pre-emptive right to purchase new land in Norway which Selvaag Bolig wants to develop. If Urban Property does not avail itself of this right, Selvaag Bolig can use other financing solutions and/or collaborate with others.
- Selvaag Bolig has an option to buy back the land from Urban Property.
- The land is bought back in stages by Selvaag Bolig at the original purchase price plus an annual option premium of Nibor plus 3.75 per cent. A transaction fee of 0.5 per cent is also payable when Urban Property buys land from the landowner, and 2.0 per cent when Selvaag Bolig buys the land from Urban Property.
- The agreement contains financial covenants. See note 29 for further information about the covenants.

Advantages for Selvaag Bolig:

- Limited need for equity to buy land. Selvaag Bolig pays 50 per cent of the purchase price to Urban Property when taking over a site (at the start to construction) and 50 per cent on project completion.
- Higher return on equity because of less use of equity.

- Ability to pay out a higher share of profit as dividend over time.
- Efficient and predictable financing of existing and new sites.
- Downside risk limited to 48 months of option premiums (break fee).

Selvaag Bolig also has land on its own balance sheet, as well as land plots it controls together with joint venture partners.

Land purchasing and financing in Sweden

In Sweden, Selvaag Bolig primarily makes agreements on land purchases through land allocation by local authorities. The allocation is normally in conjunction with a bidding competition with many actors where price is one of several criteria. Payment for the land typically occurs when the land is ready for construction to begin, and the planning permission risk is thus eliminated. In addition, an agreement has been made that Urban Property can finance land lots that are acquired in Sweden.

Sales strategy

The company's sales strategy is the key to ensure optimal progress and profitability in the projects. Segmentation of housing projects and optimisation of complex projects with a broad range of housing types, including extensive use of the company's trademark-protected Pluss concept, have yielded positive sales and a favourable progression of sales. As a general rule, Selvaag Bolig does not start construction until 60 per cent of the value of a building stage has been sold. The rest of the building stage is sold during the period up to completion. This makes it possible to price the units in the project in line with market price developments, and ensures income optimisation. Furthermore, the attention devoted to detailed planning, standardisation, site utilisation and strategic land development helps to secure sustainability, low construction costs and good project margins for the company and competitive house prices.

Quality requirements and ESG

Selvaag Bolig sets high standards for quality at all levels internally and has extensive requirements for products, operations and ESG with its suppliers. This helps to reduce the risk of errors in the projects, and ensure that all the homes have a high standard and meet the company's ESG requirements. Read more about this in the [ESG report](#).

Goals

Selvaag Bolig aims to be one of Norway's leading housebuilders, and contribute to inclusive local communities and facilitate a sustainable lifestyle. The company has a long-term objective of growth, which will not be pursued at the expense of profitability. The company's strategy helps to secure its position as market leader and to strengthen its competitiveness. Selvaag Bolig has a stated goal of achieving project margins of at least 10 per cent.

Dividend policy

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

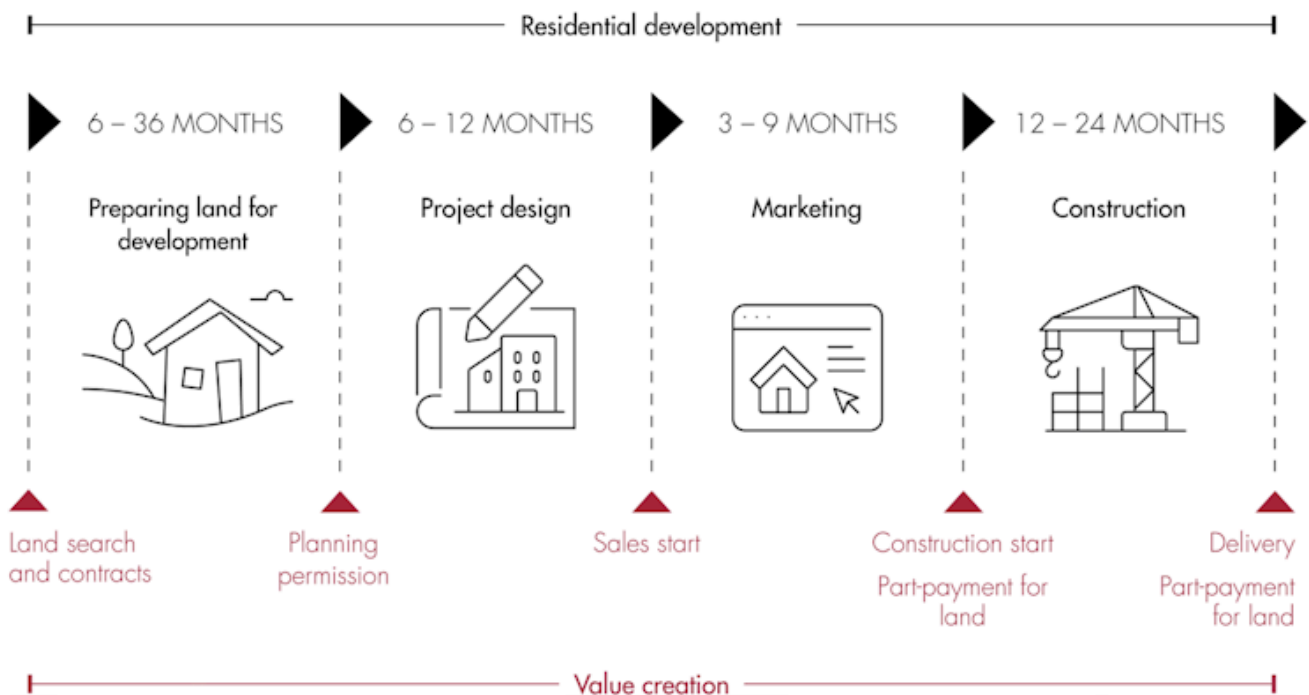
Work in progress risk

Selvaag Bolig works actively to reduce the risk of cost overruns and delays. This is minimised by turnkey contracts with solid construction companies which are well financed and have a high level of expertise as well as a documented ability to deliver. The turnkey contractor is responsible for delivering the project at the agreed time and price. In addition, the greater proportion of the project cost is assured because construction does not start before advance sales reach 60 per cent. Furthermore, a high degree of standardisation, combined with considerable detailing in the specifications to contractors, reduces the risk of delays in the construction process. Continuous learning at the contractors contributes further to efficient project execution and reduced risk of errors and delays.

External risk factors

Low interest rates, low unemployment, substantial household purchasing power and a high level of population growth in urban areas have contributed to a large demand for new housing – particularly in Greater Oslo, where Selvaag Bolig has the bulk of its business. However, during 2023, purchasing power and housing demand were negatively impacted by interest rate increases, energy prices, inflation and geopolitical tension. In addition, higher construction costs have delayed sales and construction starts. Negative shifts in demand could also occur because of regulatory changes that impact purchasing power or construction costs. One example of this is that stricter environmental requirements can influence project development and affect access to new land and raw materials. See the separate section about risk in the chapter about [corporate governance](#).

VALUE CREATION IN SELVAAG BOLIG



Value drivers in Selvaag Bolig

Competitive products in growth areas

- Concentrates exclusively on urban growth areas with high demand for housing and market depth.
- Competitive prices providing a large customer base.
- A broad range of house types which reach more market segments and maximise income in the projects.

Large, actively managed land bank

- Land bank owned by others ties up less capital.
- Value creation through initial and further development of land as well as its optimisation.
- Flexibility to develop several thousand homes in urban growth areas.
- Active capital management.

Effective and flexible cost structure

- External construction organisation gives flexibility, reduced risk and cost optimisation.
- Project-based business model increases flexibility and reduces risk.
- Large projects with more than 150 homes provide economies of scale.
- Lean and efficient organisation reduces overhead costs.

Capital-efficient business model backed by solid balance sheet

- 60 per cent advance sales as the main rule before project start reduces the need for project finance and the risk of inventory build-up.
- Healthy debt structures and financial flexibility.

Cooperative partners

Selvaag is a member of the Confederation of Norwegian Enterprise (NHO) and associated with the Federation of Norwegian Construction Industries (BNL) and the industry association Home Builders (Boligprodusentene). The company is also member of the Norwegian Green Building Council, and a member, contributor and an active force in a number of local and industry-specific institutions and forums. Selvaag Bolig also supports culture, mass-participation sports, educational institutions, especially in local communities where the company has projects.



ESG IN SELVAAG BOLIG

Contributing to society has been a key component of Selvaag's DNA since the beginning in 1948, when the focus was to build homes at a price that as many as possible could afford. With climate change, the environmental crisis and increasing social differences, both the area of responsibility and the efforts of the company are expanding. Selvaag Bolig considers an increased focus on sustainability in all phases of the business to be important, and therefore is working systematically to make environment, social and governance issues (ESG) an integrated part of the business. This includes ensuring that decent working conditions and human rights are safeguarded throughout the value chain, that enough housing is built at a price that as many people as possible can afford, and that carbon emissions during the construction process and the building's life are reduced. The latter shall be achieved by reducing the buildings' need for supplied energy, and by reducing the residents' need for personal vehicles using fossil fuels. Selvaag Bolig sees business opportunities in the transition to a low-emission society, and believes that handling ESG well is a prerequisite for the company to be successful in the future.

Selvaag Bolig has activity in Norway and Sweden which are countries that already place strict public requirements on responsible operations, construction and quality. It has nevertheless been extensive and demanding for the company to meet expectations from different authorities and interest groups for more information about ESG. One of the reasons for this has been the lack of standardised measurement parameters, the difficulty in obtaining correct data, and uncertainty about the implementation of statutory requirements. The EU's regulations for sustainability reporting (CSRD), European Sustainability Reporting Standards (ESRS), the Transparency Act, the EU's taxonomy and new carbon emission requirements in Norwegian building regulations (TEK17) will, however, all contribute to the necessary standardisation. Starting in the business year 2025, Selvaag Bolig will report according to ESRS, but will start the adaption in 2024.

In the past year, Selvaag Bolig has made a significant effort to meet expectations for non-financial reporting. This includes the systematisation and digitisation of data acquisition, implementation of KPIs and targets, and ensuring compliance by employees and in the supply chain.

There were no known breaches of laws, regulations or guidelines in 2023.

ABOUT THIS REPORT

This ESG report has been prepared in accordance to The Global Reporting Initiative (GRI) Standards for the reporting year 2023 in the same way as in 2022. Changes were made to some of the KPIs and goals last year, and these have been commented on. The report has been prepared by Selvaag Bolig's executive management and processed and approved by Selvaag Bolig's board. The ESG report has not been verified externally. A limited audit will be implemented in the business year 2025 at the latest, based on the CSRD standard. The company plans to restructure the annual report according to ESRS for the business year 2025, at the latest.

Scope and limitations

The report includes all business areas in Selvaag Bolig ASA and its subsidiaries and joint ventures. This corresponds to the areas that are covered by the company's financial reporting. The climate gas accounts encompass own emissions and emissions from purchased services. The HSE report includes data from the company's construction sites.

Contact

For questions or feedback about this report, contact executive vice president communications, sustainability and corporate strategy, Kristoffer Gregersen: kgr@selvaagbolig.no

GOVERNANCE

Selvaag Bolig's board is responsible for compliance with all relevant government requirements, legislation and statutory regulations and has established overarching principles for corporate governance. These are enshrined in the company's key [guidelines and procedures](#). The principles apply to the board, CEO, all managers, employees and colleagues in all the companies belonging to the Selvaag Bolig group. The principles are followed up in planning and management systems, and in the daily operation of the company. For more information, refer to a separate chapter about corporate governance in this annual report.

The coordinating responsibility for ESG is under the control of the executive vice president for communications, sustainability and corporate strategy. ESG is a central theme at the board's annual strategy seminar with the company's management, where targets for the coming business year are set, among other things. In 2023, work was initiated on the revision of the double materiality analysis (DMA) to ensure alignment with ESRS, and the strategic goals for ESG were further developed. During the year, Selvaag Bolig reported climate data to the Carbon Disclosure Project (CDP) for the first time and achieved a score of B-, which is in line with the European sector average that has been measured. Third party verification was mentioned as a potential improvement. The board receives reports which include ESG information from the company's management in four board meetings during the year, and the adoption of KPIs and assessment of target achievement takes place annually. The board's audit committee also receives ongoing information on ESG work from the company's management.

ESG-related governance documents:

- Ethical guidelines
- Values manual
- Supplier code of conduct
- Environmental policy
- Human rights policy
- Guidelines for IT security and GDPR
- Guidelines on pay for senior executives

Selvaag Bolig will revise its existing governing documents and develop new ones during 2024 and 2025 if the DMA and the potential gap relative to ESRS reveal a need for that. The new documents could possibly include guidelines for climate gas emissions and climate and nature risk.

Risk

The company carries out an extensive biennial risk survey where a number of ESG-related topics such as climate risk, labour conditions at subsuppliers, compliance with requirements for non-financial reporting and governance issues are handled. The risk mapping was last carried out in 2023. See the separate chapter on risk in the chapter [Corporate governance](#).

Reputation

Using a stakeholder survey carried out by a third party, Selvaag Bolig surveys its reputation with politicians, administrative staff in municipalities, owners and investors, partners and suppliers, and the media. These stakeholder groups play a crucial role in influencing the company's operational parameters within the core geographical areas of the company, as well as influencing the reputation and value of the company.

Themes considered in the survey are trust, management, competence, organisation, innovation, sustainability, communication and openness. The peers selected for comparison can all be classified as the most serious players in the market, and Selvaag Bolig is ranked highest on several of the parameters and top three on all.

The survey shows that Selvaag Bolig has a good starting point to secure good operational parameters and gain the acceptance required to carry out major projects. The last survey was conducted in 2021.

Incentives

Management incentives for ESG have been introduced. The entire company's executive management has parts of its variable salary linked to ESG. For the business year 2023, this included, among other things, compliance, implementation of ESG in the company's strategy, as well as the audit of KPIs and goals. In the long term, the incentives will be linked more closely to the achievement of goals for several of the ESG KPIs. The company must both exploit opportunities and take corrective measures if necessary. The company's project management team has ESG KPIs tied to their variable salary.

Quality management of projects

Selvaag Bolig has a quality management system that safeguards and ensures quality and regulatory requirements in all phases of project development. The system consists of checklists and decision documents that must be followed in the projects' respective phases, from acquisition to planning, receiving tenders, implementation and the guarantee period. Examples of elements that are considered are costs, housing and location quality, biological diversity, intervention in nature, climate risk, climate gas, as well as health, safety and working environment (HSE). It is a requirement that all checklists and decision documents in the system are used in all project development, and that ESG gap analyses are performed in the early phase of new projects. The latter requirement should assure that all relevant ESG issues are addressed in project development and that the company achieves its communicated targets. The chief operating officer (COO) is in charge of the system. Decision documents are acknowledged by the project manager and reviewed by the COO.

WHISTLEBLOWER ROUTINES

Selvaag Bolig wants to receive notifications about censurable conditions which violate laws or the company's ethical guidelines. Examples of censurable conditions could be danger to life or health, danger to climate or the environment, corruption or other financial crime, abuse of authority, unsatisfactory working environment, including harassment and breach of personal data security.

Selvaag Bolig strives to have a threshold as low as possible for a whistleblower to be able to send a notification about censurable conditions. The company has thus established a whistleblowing office which is available to its employees and for external stakeholders at www.selvaagboligasa.no. The procedures for sending a notification are available on the company's home page and intranet. Anonymous notifications may be sent. There are routines for reporting to the company's board.

The company has informed employees and suppliers about the notification routines and possibilities, and encourages all censurable conditions to be reported. Selvaag Bolig received one notification about censurable conditions sent directly to the board in 2023. The matter was followed up according to its level of severity and was handled and concluded according to the company's procedures.

DIGITALISATION OF DATA

Selvaag Bolig believes that one of the main challenges for the company's non-financial reporting is the increased scope of parameters to be measured, as well as the uneven quality of reported data. During 2022 and 2023, Selvaag Bolig has therefore invested in a digital system that enables easier collection, quality assurance and availability of data. Digitalisation includes, among other things, HSE data from all construction projects and climate accounting. It also facilitates a systematic assessment of how suppliers and partners handle social conditions and human rights in their own businesses and supply chains. The system was put into use in January 2023. The company has experienced that the data quality has become significantly better during 2023.

STRATEGIC PRIORITIES

An important task in 2023 has been to continue the implementation of the company's ESG strategy with clear measurement parameters and goals. The main purpose of the strategy is to ensure that Selvaag Bolig contributes to comprehensive, long-term and sustainable value creation in society, that the business model is adapted to a climate-neutral economy, and that the company's work with social conditions and the environment provides a competitive advantage.

Vision:

We make cities better

Mission:

We make it easier for more people to live better

Ambition:

We contribute to inclusive local communities and facilitate a sustainable lifestyle

Stakeholder dialogue and material topics

The current strategy and material topics covered in this report are based on a materiality analysis that was last updated in autumn 2022 in accordance with the latest GRI standard, as well as the principle of double materiality. This means that the reporting and selected KPIs both include the impact the company has on society and stakeholders, as well as how ESG issues affect the company's opportunity for long-term value creation, for more information please see: [ESG: Material topics](#). Both internal and external stakeholders were consulted in the work, including experts on working conditions, finance and climate and environment. Selvaag Bolig has considered the following topics as material:

Climate and environment	Social conditions	Governance conditions
Greenhouse gas emissions	Health and safety on construction sites	Ethics in the supply chain
Adjustments to climate change	Social dumping	Ethics in own organisation
Material use	Human rights in the supply chain	
Loss of biological diversity	Impact on local communities	
Waste and pollution		
Energy-efficient buildings		

Selvaag Bolig has refined its role as a developer, and projects are therefore built by subcontractors. The company's biggest impact on the climate and environment, society and the economy occurs in the development of the housing projects and in the supply chain. The 2022 analysis covers more topics than before, but is currently under revision to meet the guidelines and requirements of ESRS. It will be used for future management and reporting.

The UN's Sustainable Development Goals

The UN's Sustainable Development Goals provide a working plan for efforts to eliminate poverty, fight inequality and halt climate change by 2030. They comprise 17 main goals and 169 subsidiary targets. Selvaag Bolig is working on relevant topics, including the UN's "Framework Convention on Climate Change" (the Paris agreement).



8 ANSTENDIG ARBEID OG ØKONOMISK VEKST



11 BÆREKRAFTIGE BYER OG LOKALSAMFUNN



12 ANSVARLIG FORBRUK OG PRODUKSJON



13 STOPPE KLIMAENDRINGENE



Goal	8: Decent work and economic growth	11: Sustainable cities and communities	12: Responsible consumption and production	13: Climate action
Sub-goals	8.8	11.3, 11.4, 11.7	12.2, 12.5	13.1, 13.2
Important topics	Health and safety on construction sites Human rights in the supply chain Social dumping Ethics in the supply chain Ethics in own organisation	Climate-related risk Waste and pollution Loss of biodiversity Impact on local communities	Material use Waste and pollution	Greenhouse gas emissions Energy-efficient buildings
Contribution	Ensure good and fair working conditions on construction sites, in supply chains and in the business	Reduce the risk of physical damage to buildings, the local environment and people Efficient use of land in urban areas and at hubs Safeguard and increase biological diversity	Reduce waste Increase recycling Reduce material use	Reduce emissions in Selvaag Bolig's value chain Build energy-efficient homes
Goals for Selvaag Bolig	0 cases of social dumping/ labour crime 0 accidents with personal injuries > 40% of each gender in the entire company > 40% of each gender in the company's management	No new plot purchases of cultivated land (except at hubs) Assess physical climate risk in all projects Assess biological diversity in all new projects	Reduction in waste Sorting rate: > 75%	Average energy label for completed homes: B Scope 1 and 2 must be climate neutral by 2030 Scope 3: 2024-2030: 20% lower emissions per m ² utility floor space than in the base year 2022. After 2030: 30% lower emissions per m ² utility floor space than in the base year 2022.



Nacka, Stockholm

CLIMATE AND ENVIRONMENT (E)

The company's guidelines for the environment state that Selvaag Bolig must always seek environmentally friendly solutions that can contribute to reduced climate emissions in the construction process and throughout the building's lifetime. All the company's projects must be built in accordance with Norwegian and European building regulations. These set strict requirements for material selection and energy efficiency in the homes, and for operations in general through the construction process.

SELVAAG BOLIG'S APPROACH

Selvaag Bolig prioritises building area-efficient homes in urban areas experiencing expansion pressures. These are areas where it is possible to transform outdated commercial buildings and industrial areas into high-quality residential and urban areas with blue-green outdoor areas and good urban qualities. The company's biggest footprint on the climate and the environment is in the supply chain and the biggest emissions come from the materials used in the buildings. Reducing negative impacts requires good planning

and cooperation between Selvaag Bolig as the developer, regulatory authorities and the contractors who carry out the construction.

The approach affects which land plots are purchased, which suppliers are chosen, requirements that are set and routines for follow-up. Contracts clearly require contractors to operate in line with the laws and regulations in force at all times and in accordance with the company's guidelines and code of conduct. No violations of these were discovered during 2023.

The company performs thorough due diligence assessments about climate and environment throughout the project process, from acquisition of land and planning to the choice of contractor and development. Ground conditions, biological diversity and available energy sources are mapped early to decide how a project can be designed. All projects also have an environmental plan that defines overall green goals and addresses the project's environmental and climate footprint before work begins. This includes solutions for energy-efficient buildings, carbon intensity, choice of materials, waste handling and interaction with the surroundings. In addition, assessments are made about how the development can stimulate residents and users to choose an environmentally friendly lifestyle, for example through the sharing of common areas, carpools and energy solutions.

In order to ensure good environmental management, Selvaag Bolig has decided that all construction projects shall use an environmental certification system starting from the project's early phase. The requirement has been included in the company's quality control system, and the goal is to identify the need for measures that will reduce the project's environmental influence. Up until now, Selvaag Bolig has used BREEAM NOR pre-analysis as an environmental management tool. However, based on its experience, Selvaag Bolig has decided to develop its own pre-analysis tool which better addresses the company's specific needs and will make it easier to direct efforts towards areas that give real environmental gains. The project's climate and environmental results will be compared with the company's own KPIs and goals, and the reporting requirements related to the EU's Sustainability Reporting Framework (CSRD) and the EU's taxonomy for sustainable activities. The new pre-analysis will replace BREEAM NOR pre-analysis in the company's management system and will be adopted during 2024.

CLIMATE RISK

Climate risk consists of physical climate risk and transition risk. Physical risk is associated with increased extreme weather and ecosystem changes. Transition risk is associated with changes in regulations, technology and the market situation in connection with the transition to a low-emission society. The construction and property industry accounts for significant emissions in a life-cycle perspective, and must therefore expect changes in regulations and the market development in the transition to a low-emission society. At the same time, the industry is exposed to the risk of physical climate change, where assets can be lost or suffer significant losses.

In 2021, Selvaag Bolig undertook a mapping of potential climate risks and opportunities, and the company's management of them in accordance with the Task Force on Climate-related Financial Disclosures (TCFD). The assessment concluded that the property sector as a whole has a significant exposure to both physical risk and transition risk, and has defined which areas are significant for Selvaag Bolig. The analysis will be updated by the end of 2025 at the latest.

As Selvaag Bolig develops homes and commercial premises which are taken over by the buyer on completion, and there are strict legal and regulatory requirements for property developers where the company has activity, physical climate risk primarily applies to the selection of land. Topics such as extreme weather, sea level rise, storm surges, rainfall, landslides, frost and drought are handled by the company's management systems and mapped in all projects through a risk and vulnerability analysis (RVA analysis). The analysis reveals conditions that are important for whether the area is suitable for development purposes, and any changes in such conditions as a result of planned development. Elements that are mapped follow the thematic guide for social security in spatial planning from the Norwegian Directorate for Civil Protection (DSB).¹

Selvaag Bolig is exposed to transition risk. Since the property sector has significant climate emissions, there are increased requirements for transparency, non-financial reporting and emission cuts from financial stakeholders and authorities. Selvaag Bolig has thus adopted a number of measures in 2022 and 2023 which are covered in other sections of this report.

GREENHOUSE GAS EMISSIONS

About 40 per cent of the world's greenhouse gas emissions are linked to the construction, use and demolition of buildings.² On 1 July 2022, changes were introduced in the Norwegian building regulations (TEK17) which will help to reduce these emissions. Among other things, requirements have now been introduced for greenhouse gas accounting for residential buildings and commercial buildings. The accounting shall as a minimum show the emissions from production, transportation, maintenance and replacement of materials used in the building. The rules have a transitional arrangement of one year, and for building applications submitted before 1 July 2023, the property developers can thus choose to follow the new provisions. In practice, this will mean that the requirement for climate accounting will apply to buildings that are completed from 2025 at the earliest, taking into account the construction time.

¹ DSB (2017) *Samfunnssikkerhet i kommunens arealplanlegging* Available from: <https://www.dsbinfo.no/DSBno/2017/tema/samfunnssikkerhet-i-kommunens-arealplanlegging-metode-for-risiko-og-saarbarhetsanalyse/> (Version of 17 February 2023)

² Circle Economy (2024) *Circularity gap report 2024* Available from: <https://www.circularity-gap.world/2024#download> (Version of 21 February 2024)

However, Selvaag Bolig decided to conduct climate accounting starting in the business year 2021, which included both emissions from Selvaag Bolig's administration, and emissions in the buildings' value chain, construction and parts of the usage phase. The climate accounting thus encompasses more elements than TEK17 requires. The company has worked further during 2022 and 2023 to improve data quality, adjust measurement methods to the new regulation and establish requirements for suppliers.

Targets for emission reduction

In 2022, Selvaag Bolig set targets for climate neutrality by 2030 for both indirect and direct emissions (Scope 1 and 2). This will be done through cuts in emissions from operating assets where the organisation has operational control (Scope 1) and indirect emissions linked to purchased energy (Scope 2). The method for reduction has not yet been defined, and will be evaluated before 2025. However, almost all of the company's emissions come from emissions from purchased goods and services (Scope 3). In 2022, the reference project used in BREEAM-NOR v. 6.0³ was set as the starting point, and Selvaag Bolig's aim is that the company's completed homes must have 20 per cent lower emissions per GFA/year than the reference project in the period 2023-2025, and 30 per cent lower in the period 2025-2030. Both emission goals were already achieved in 2023, primarily due to improved data quality and reduced use of carbon-intensive materials, and 2022 has thus been defined as the new base year. The results for 2023 show that the emissions were significantly lower than in 2022. However, the company believes that varying data quality makes it important to judge the development over several years before it is appropriate to set new targets for emission reductions. Goals and basis years will, however, be changed in accordance with ESRS guidelines which require that the basis year is updated at least every five years from 2030. The guidelines also state that the goals must at least include targets for the years 2030 and 2050 and must be updated every five years after 2030.

Oslo Municipality has stated goals that all construction activity in the municipality shall be emission-free in 2030, and several municipalities have stated that they will require emission-free construction sites. This will lead to a requirement that construction machinery must be electric. Emissions from construction machinery represents a very minor part of Selvaag Bolig's total emissions.

Results 2023

Selvaag Bolig wants to be open about its emissions and follows the GHG protocol method for calculations.⁴ The company's climate accounting includes Selvaag Bolig's operations in Norway and Sweden, including offices and viewing centres.

The total accounts show that 99.97 per cent of the company's emissions come from the supply chain. 82.73 per cent were linked to extraction and production of materials used in the company's construction projects, and of these, steel, reinforcement steel and concrete account for around 87 per cent. The company is therefore focusing on reducing emissions from these input factors by increasing recycling and by using types of concrete and materials with lower CO₂ intensity.

The emissions linked to Selvaag Bolig's administration (Scope 1) accounted for 0.01 per cent of the total emissions. Scope 1 only includes emissions from one company which uses fossil fuels. These emissions decreased from 3.1 tCO₂e in 2022 to 2.5 tCO₂e in 2023.

3 Norwegian Green Building Council (Grønn Byggallianse) (2022) BREEAM_NOR v6.0 for new buildings Available from: https://byggalliansen.no/wp-content/uploads/2022/03/BREEAM-NOR-v6.0_NOR.pdf

4 Greenhouse gas protocol. Available from: <https://ghgprotocol.org> (Retrieved 21 February 2024)

Emissions related to electricity consumption (Scope 2) accounted for 0.01 per cent of the total emissions, and declined by 26 per cent from 2022. Scope 2 includes emissions from electric company cars, as well as energy usage in offices and showrooms. The decrease is mainly due to a change in the calculation method for Scope 2 in 2023 due to a lack of data availability and low quality data from the owners of regional offices. Electricity usage at the regional offices is now estimated based on data from the main office at Silurveien 2 in Oslo where more than 60 per cent of the employees have their regular place of work.

Emissions related to indirect factors (Scope 3) accounted for 99.97 per cent of total emissions and declined by 22.75 per cent from 2022. Scope 3 includes purchased goods and services including building materials, transport and distribution, waste from construction sites, energy use in completed buildings and business travel. Emissions related to materials used in Selvaag Bolig's construction projects represent 98 per cent of the emission, and of these, 57 per cent are from concrete.

As the number of homes Selvaag Bolig completes varies significantly from year to year, the total Scope 3 emissions don't accurately reflect the company's work with emission reduction. Selvaag Bolig has therefore included emissions per completed m² gross floor area (GFA) as a measurement parameter. This shows the company's emissions per square metre of housing that has been completed. In 2023, Selvaag Bolig completed a total of 87 191 square metres of residential buildings, and the associated emissions were 20 757.8 tCO₂e, of which building materials accounted for 16,925.36 tCO₂e. This resulted in emissions per completed square metre of GFA of 238.07 kgCO₂e, which is 31 per cent lower than in 2022. The reduction is attributed to the use of materials with lower emissions in 2023, including the use of low-carbon concrete in several projects. However, the main reason for the reduction is that parts of the 2022 accounts were estimated due to the lack of Environmental Product Declarations (EPD) for many materials in several completed projects. In the absence of EPD, generic emission factors are used, resulting in higher emissions for the material. According to TEK 17, all materials without EPDs are given an emission surcharge of 25 per cent. The 2023 accounts were calculated based on actual consumption data and EPDs, providing a more accurate and specific emission per project. Therefore, the more accurate data has also led to a corresponding reduction in emissions per square metre of gross floor area.

As the development of buildings in Norway is heavily regulated, including requirements for energy use and materials, the levels are probably in line with the emissions of comparable players. In the future, Selvaag Bolig will work to reduce the projects' emissions, and at all times monitor new construction technical solutions and construction methods that reduce unnecessary material use and make it possible to increase the proportion of climate-friendly materials.

Key indicators

Goal	Year 2023	Year 2022	Year 2021	Goal
Direct emissions (Scope 1) (tCO ₂ e)*	2.5	3.1	2.0	Climate neutral by 2030
Indirect emissions from energy consumption, location-based (Scope 2) (tCO ₂ e)	3	4.1	4.4	Climate neutral by 2030
Indirect emissions from input factors. (Scope 3) (tCO ₂ e)	20 818.31	25 556.04	20 104.3	
Emissions per m ² GFA (kgCO ₂ e) with basement and foundation	238.07	342.67	298 (estimated ¹)	2030: 20% lower than basis year 2022 2050: 30% lower than basis year 2022

*During the compilation of the climate accounts for 2023, an error was found in Scope 1 for 2022 and 2021. Scope 1 for 2022 was corrected from 25.2 tCO₂e to 3.1 tCO₂e. Scope 1 for 2021 was corrected from 16.8 tCO₂e to 2.0 tCO₂e.

ENERGY EFFICIENCY

According to the International Energy Agency (IEA), the operation of buildings and the construction sector together account for 30 per cent of global energy consumption and 27 per cent of energy-related emissions in the world.⁶ Norway has among the world's strictest requirements for new buildings, and with access to green energy, this is not considered to have a significant direct impact on the climate and environment. In contrast, energy saving in buildings can release energy that can contribute to emission reduction in other sectors.

The energy situation in Norway and Europe in 2022 and 2023 was a reminder that energy-efficient homes are cost-saving for homeowners, and Selvaag Bolig has experienced increased demand for energy-efficient homes. In line with this, and considering that energy efficiency is a criterion in the EU's taxonomy, energy efficiency is strategically important for the company. Energy efficiency and the buildings' need for supplied energy are included in early-stage calculations in all projects. The energy profile of the planned building is an integral part of the project development, and renewable energy sources must always be considered.

Goals for energy efficiency

Selvaag Bolig aims for the company's homes to have a maximum net energy requirement of 95 kWh per m²/heated utility floor space, including shared areas.⁷ This is taken care of through the requirements set out in Norwegian building regulation TEK17. In 2023, the average energy demand in the homes that were completed was 92 kWh per m²/heated utility floor space for whole buildings including common areas.

Selvaag Bolig wants to reduce energy requirements in completed homes as this reduces emissions and makes it cheaper for customers to operate their homes. The company therefore aims for energy label⁸ B on average in all homes. For a flat of 75 square metres, the upper limit for supplied energy is 108.33 kWh per m² of heated area inside the flat. In 2023, all the company's homes had an energy label of A, B, C or D. The proportion of homes with energy label B has increased and the share with energy label C has declined. The fact that some homes have an energy label of C or D is due to the fact that these are exposed to a larger proportion of the building's outer wall and roof surface. In 2023, 30 per cent of the homes had energy label A. In 2023, 30 per cent of the homes had an energy label of A. This is attributed, among other things, to these homes having better density than the minimum requirement and the use of windows with a good U-value. Selvaag Bolig will strive to reduce the proportion of homes with an energy label lower than B in the future, and will also implement solutions that reduce the homes' primary energy needs, taking into account the homes' self-produced energy.

5 The calculations from 2021 do not include basement areas and foundations. There is also more detailed reporting in 2022 than in 2021. The accounts for 2021 and 2022 are therefore not directly comparable.

6 IEA (2021) *Buildings: A source of enormous untapped efficiency potential*. Available from: <https://www.iea.org/topics/buildings> (Downloaded 14 February 2024)

7 Utility floor space is a measure of the area within the surrounding walls of the dwelling.

8 TEK10 (2015) *Energikarakterskalaen*. Available from: www.energimerking.no/no/energimerking-bygg/om-energimerkesystemet-og-regelverket/karakterskalaen/ (Downloaded 14 February 2024)

Key indicators

	2023	2022	2021	Goal
Net energy demand (kWh per m ² /heating utility floor space in completed home)	92	93	92	≤ 95 kWh per m ² /heated utility floor space in completed homes
Proportion of completed homes with Energy Labelling A-D	A: 30%	A: 30%	Not measured	Average energy label B
	B: 49%	B: 38%		
	C: 20%	C: 30%		
	D: 1%	D: 2%		

RESOURCE USE IN SELVAAG BOLIG'S PROJECTS

According to Circle Economy⁹, the construction and demolition of buildings accounts for almost one third of the total material consumption in the world and generates an approximately equal share of waste. Furthermore, the extraction of metal and non-metallic minerals such as sand and gravel for construction is a cause of climate disasters and a threat to biological diversity. Production of cement, steel and glass are water-intensive processes that can contribute to water shortages.

Material consumption is also a major source of emissions and thus a driver of climate change. Cement production alone accounts for approximately 7 per cent of global CO₂ emissions. 82.73 per cent of Selvaag Bolig's emissions in 2023 were linked to material consumption and 87 per cent of these originate from steel, reinforcement steel and concrete.

Selvaag Bolig uses CO₂-intensive materials and recognises that both the industry and the company have significant potential to reduce negative impacts on climate and the environment. The company believes that the solution partly lies in a more circular business model that reduces the consumption of materials, increases reuse and reduces waste.

According to building regulations¹⁰, new buildings must be built so that they can later be dismantled, and materials must be mapped for re-use during major works in existing buildings. An exception has also been made to the requirement for documentation for the sale of used building materials that are removed from a construction site, provided that no significant changes have been made to them if they are to be used again in a construction site. The exception is intended to make it easier to trade in used building materials while at the same time meeting requirements for health, safety and environment in construction. Selvaag Bolig considers the exception to documentation to be positive as this will enable increased reuse in new housing projects.

Goal for resource use

Selvaag Bolig works purposefully to reduce material use and waste through better engineering and ordering to general contractors, as well as mapping opportunities for the reuse of existing building elements. The target has been set to have a higher sorting rate than 75 per cent for waste from construction sites. The KPI and targets for indirect emissions from input factors are

⁹ Circle Economy (2024) *Circularity gap report 2024*. Available from: <https://www.circularity-gap.world/2024#download> (Retrieved 21 February 2024)

¹⁰ Norwegian Building Authority (2022) *Rule change from 1 July 2022*. Available from: <https://dibk.no/om-oss/Nyhetsarkiv/regelendringer-fra-1.-juli/> (Version of 14 February 2023)

primarily to be reached through increased reuse of building elements and increased use of materials with lower CO₂ intensity. Examples of this are wood and low-carbon concrete, which have a significantly lower CO₂ footprint than ordinary concrete.

Results and reflections

Over the past three years, Selvaag Bolig has focused on mapping material consumption to understand the scope and opportunities to reduce consumption and the impact on the climate. The availability and quality of data improved significantly from 2022 to 2023 and the greenhouse gas emissions accounts now give a more accurate picture of the emissions. More data has been collected, revealing the basis for reduction, and the company has established procedures to gain greater insight into negative environmental impacts within the supply chain. Based on this, the company has updated KPIs and targets related to resource use. KPIs and targets will be further refined when the framework is clearer. Figures for 2022 and 2023 are not directly comparable because parts of the 2022 accounts were estimated.

Selvaag Bolig mainly builds projects in urban areas with existing buildings that are to be replaced. On one of the construction stages at Skårerbyen in Lørenskog municipality, the base plate from a demolished existing building is being reused. This results in savings related to demolition, sorting, removal, backfilling, levelling, as well as a new slab and reinforcement. For two construction phases comprising a total of 238 flats, approximately 3 500 square metre of concrete from the mentioned base plate were preserved. This led to emissions from the construction phase being more than 30 per cent lower than the average of the company's projects completed in 2022. Additionally, the estimated construction cost was reduced by approximately NOK 25-30 million. The second section of the base plate is planned for reuse in upcoming construction stages with a total of 195 flats scheduled to be completed in 2025 and 2026. The goal is to achieve similar savings in emissions and finances.

Key indicators

	2023	2022	2021*	Goal
Waste (tonnes)	3 650	3 362	4 934	
Waste (tonnes)/gross floor area	41.9	62.5	N/A	
Sorting rate (per cent)	89.1	91.2	87.5	> 75
Material use (tonnes) including basement/foundation	208 730	205 720	143 114	Increased reuse of building elements and increased use of materials with lower CO ₂ intensity
Material use per gross floor area (tonnes) incl. basement/foundation	2.39	3.82	N/A	

*The 2021 accounts do not include basement and foundation. Parts of the 2021 accounts are based on generic data. Parts of the 2022 accounts are estimated. See the [climate accounts for details](#).

TAXONOMY REGULATION

The EU taxonomy is a regulation that defines sustainable economic activities and requires large companies to disclose financial data related to sustainable activities. The purpose of the taxonomy is to channel capital into sustainable activities and to prevent greenwashing.

All Selvaag Bolig's activities will be covered by the taxonomy, and the company has made a number of preparations to be able to report in line with requirements in the regulation from the business year 2025. The preparations also involve incorporating a gap analysis for taxonomy compatibility "alignment" as part of the pre-analysis used in the early phase of all projects. This is done to assess how the respective projects can meet the requirements for taxonomy compatibility. This may result in Selvaag Bolig's reporting including new KPIs and goals from 2025. An example is that the taxonomy requires, among other things, that energy efficiency be calculated based on primary energy needs instead of net energy needs as required in technical regulations such as TEK17.

Selvaag Bolig closely monitors the development of the framework through the Association of Homebuilders (NHO) and the Green Building Alliance.



Puddertoppen, Lørenskog Stasjonsby

BIOLOGICAL DIVERSITY

Loss of biological diversity is increasing globally, and poses a threat to the planet's carrying capacity. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) stated in 2019 that the reduction of species diversity is happening ten to a hundred times faster today than in the last 10 million years. 87 per cent of the threatened species in Norway are threatened due to land changes such as deforestation, drainage and construction.¹¹

Selvaag Bolig primarily builds homes in urban areas where there already are buildings. This often means that outdated industrial and commercial buildings and paved areas are transformed into residential areas with new parks and blue-green infrastructure that facilitate increased biological diversity. Examples of planting and measures from completed and planned projects are

¹¹ Vitenparken (no date given) *Tap av naturmangfold* Available from: <https://vitenparken.no/plantearv/tap-av-naturmangfold/> (Retrieved 21 February 2024)

hardwoods, conifers and fruit trees, wildly growing meadows, perennials, berry bushes, heather as well as bird boxes and insect hotels.

However, Selvaag Bolig recognises that the company's operations can negatively affect biological diversity. Routines have therefore been established so that all new projects early on map and assess the risk of loss of biological diversity, or other conditions that may deteriorate nature, in connection with the purchase and development of plots of land. In 2022, Selvaag Bolig's board decided that the company will not buy plots of arable land. Exceptions to this apply if the plot is approved for residential purposes and/or is located at a hub and the development is socially and environmentally profitable. In 2023, no plots were purchased with arable land or forests.

During the construction process, there is a risk that the discharge of stormwater and chemicals could lead to water pollution in nearby areas. This could have a negative impact on both people and nature. The company follows the requirements of the pollution regulations,¹² municipal regulatory plans for handling stormwater and the thematic guide for civil protection in spatial planning from the Norwegian Directorate for Civil Protection (DSB).¹⁴ [Block footnote omitted] Compliance is ensured through the company's quality management system and contracts with suppliers. This means, among other things, that the contractor must, when using chemicals hazardous to health, document that a risk and substitution assessment has been carried out, and that statutory safety data sheets for chemicals to be used have been submitted to the construction industry's substance directory. There was no water pollution from the company's construction projects in 2023.

SELVAAG BOLIG'S CONCEPTS

Through the housing concepts Selvaag Pluss and Selvaag City, Selvaag Bolig develops lifestyle homes with shared facilities and services. These concepts are concrete contributions to more residents sharing the social costs of social and technical infrastructure, and more people being able to live in urban areas, on a smaller area, and with a lower need for energy and transport.

Both concepts have common areas, hosting and services that simplify the residents' everyday life. Residents have access to guest flats, gyms, function rooms, meeting rooms and a number of other communal facilities. In 2021, Selvaag Bolig carried out an evaluation report of the Pluss concept, which shows that residents also experience an increased quality of life, increased security and reduced loneliness. Further evaluation reports from 2023 confirm these findings.

Pluss homes now make up a larger proportion of the company's development portfolio than before. No City projects have yet been built as the concept is under development. City is a compact variant of Pluss with several small flats that will contribute to reduced land use per resident and lower unit prices. Selvaag Bolig is now planning a City project at Hornsberg in Stockholm with an expected sales start in 2026.

¹² Miljødirektoratet (2023) *Forurensningsforskriften* Available from: <https://www.miljodirektoratet.no/regelverk/forskrifter/forurensningsforskriften/> (Downloaded 15 March 2024)

SOCIAL CONDITIONS (S)

The development of urban and housing projects often takes many years and affects many parties. Selvaag Bolig's handling of projects affects the local population around the construction projects, contractors and suppliers who work on the construction sites, and future users of the areas being developed. A prerequisite for success is the well-being and good working conditions for the employees in all the companies that contribute to the project. At the same time, the needs of existing and new users must be taken care of.

SELVAAG BOLIG'S APPROACH

Selvaag Bolig strives to be one of Norway's most attractive workplaces and employees must have good opportunities for professional development. Selvaag Bolig's ambition is to build homes that contribute to an inclusive local community and a sustainable lifestyle. The housing projects are fashioned to make it possible for everybody, at every age, regardless of functional ability, to live well and in an environmentally friendly way.

The company builds large projects with a wide selection of housing types and is working to develop housing that as many people as possible can afford to buy. In 2023, the average home from Selvaag Bolig cost between NOK 5 and 7 million, and the average size was around 70 square metres.

Due Diligence Assessments

Large development projects involve deliveries from a wide range of national and international suppliers, which increases the risk of human rights violations and labour-related crime. It is the company's responsibility to ensure responsible processes throughout the projects' total development period and to set clear requirements for partners; construction sites must be safe, all workers in the value chain must have good working conditions and human rights must be safeguarded.

Selvaag Bolig's work to ensure that human rights and decent working conditions are safeguarded throughout the value chain is anchored in the company's ethical guidelines, supplier declaration and human rights policy. These governing documents describe how the company works to ensure good business practices in line with the UN's Guiding Principles for Business and Human Rights, as well as the UN Global Compact's ten principles.

Selvaag Bolig aims to gain better insight into its supply chain and has therefore implemented routines for the control of new and existing suppliers and partners. Daily operations are primarily managed through the company's control procedures and management system, consisting of governance documents with checklists and procedures for assessment and execution in each phase of project development. The overall work is led by the company's compliance group, which includes the legal director, project director and the executive vice president for communications, sustainability and corporate strategy. The group had four meetings during 2023.

Selvaag Bolig has implemented a number of measures in 2022 and 2023 to enhance the handling and integration of human rights and decent working conditions within the organisation. In 2022, an assessment was conducted to identify which human rights are relevant to the company and where in the value chain there is a risk of these rights not being upheld. By identifying them, the company can use more targeted efforts to reduce actual or potential negative impacts. The assessments were continued and repeated in 2023.

The risk of violations of the most important human rights are in these parts of the company's value chain:

- Health and safety on the construction site
- Social dumping and use of foreign labour
- Use of subcontractors
- Purchase of materials

Selvaag Bolig maps and categorises existing suppliers and partners continuously. Companies that, during a year, deliver goods and/or services with a total gross value exceeding NOK 10 million and/or are considered to engage in business representing significant risk are subject to extended control. The selection is made based on both risk and significant contract values and is not limited to where in the supply chain the risk lies.

See the statement on due diligence assessments for further information.

SAFE CONSTRUCTION SITES

Construction is one of the most accident-prone industries in Norwegian working life, and health and safety is therefore an important topic in the construction industry. Labour-related crime and social dumping are violations of human rights, and a recurring problem in parts of the industry.

In 2023, Selvaag Bolig had 11 construction sites, and the goal is that it should be safe to work on these. The company has declared zero tolerance for labour-related crime and social dumping, and aims for zero harm to people and the environment.

Health and safety

The company's guidelines for health, safety and the environment (HSE) are based on requirements in the Construction Client Regulations and Internal Control Regulations. As the construction client, it is Selvaag Bolig's responsibility to create the project's HSE plan and appoint the construction client's representative and coordinators in the preparation and execution phase.

HSE is a fixed item on the agenda at the construction client meetings that are carried out on average twice a month in projects in the construction phase, and the turnkey contractor has its own routines for implementation and follow-up of HSE work on the construction site. In order to minimise the risk of injuries and adverse events, safe job analysis (SJA)** is also carried out for complicated work tasks.

There is no requirement for workers to have a trade certificate, but the company prioritises contractors who have an apprenticeship scheme, as well as schemes for trade and master craftsman's diplomas, to ensure that skills are developed and to help recruitment.

Labour-related crime and social dumping

All Selvaag Bolig's suppliers are mapped according to relevant social criteria. See the statement on due diligence assessments for further information. The contracts awarded set clear requirements for suppliers and subsuppliers to operate in compliance with the legislation and statutory regulations applicable at any given time, including those applying to pay and working conditions. All work

done in Norway by suppliers and/or partners complies with Norwegian collective pay agreements and legislation, and contractors must be able to document at all times that the labour force used on the building sites is legal. In line with the building owner's regulations and the duty to carry out inspections, Selvaag Bolig carries out regular inspections to ensure that the contract conditions are complied with. On average, safety rounds and checks are carried out on the company's construction sites every other week.

Control routines

Both the construction client and contractor (also using an independent third party) carry out inspections to ensure that applicable legislation and statutory regulations are followed. All damage and unwanted incidents are registered continuously and reported to the construction client. Both Selvaag Bolig's executive management and the board receive HSE reports from all projects every quarter, and any serious incidents are reported immediately.

The HSE routines include safety rounds that will ensure that the construction site is operated with adequate safety in accordance with plans and routines. In addition, random spot checks are carried out to fulfil "duty to see"*** obligations, to ensure that wage and working conditions on the construction sites are in line with current regulations.

Results for 2023

Selvaag Bolig has not uncovered any violations of the Working Environment Act or human rights in 2023. There were few absenteeism injuries on Selvaag Bolig's construction sites, and the company continuously works to improve the overall control level and further reduce the number of injuries. In the past, injuries were reported in numbers. From 2023, they are reported in injuries per million man-hours worked. As the number of construction sites in operation varies from year to year, the company believes that injuries per hour are a more accurate measurement parameter than the number of injuries. Therefore, the KPI has been changed from 2023. Comparable data is not available for 2022 and 2021.

Key indicators

	2023	2022	2021	Goal
Suppliers mapped vs. social criteria	100%	N/A	N/A	100%
Number of construction sites/projects	11	19	19	-
Personal injuries* with absence per million man-hours worked	1.9	N/A	N/A	0
Personal injuries* without absence per million man-hours worked	20.4	N/A	N/A	0
Adverse incidents	2 488	2 666	4 094	-
Safety rounds completed	315	330	374	-
SJAs** performed	136	175	168	-
Random spot checks, duty to see***	12	32	58	-

* Injuries were previously reported in numbers. Data is not available for 2022 and 2021.

** Safe Job Analysis (SJA): This is a method to systematically review complex or risky job tasks to reduce or remove risk before the job is performed. SJA does not replace HSE risk evaluations or Risk and Vulnerability Analysis (RVA) but is a supplement in situations where those methods do not cover a specific job task or activity to be performed. The number of SJAs performed will of course vary depending on the job tasks at hand.

*** According to regulations on information and duty of care and right to access, the main supplier has the duty to ensure that wage and working conditions at sub-suppliers are in accordance with applicable general regulations. For more information: www.arbeidstilsynet.no/regelverk/forskrifter/forskrift-om-informasjons-og-paseplikt-mv/2/6/. In the annual reports for 2021 and 2022, Selvaag Bolig reported the number of random checks conducted by both the contractor and the client as two separate KPIs. A review conducted by an external adviser in 2023 showed that the client is not obliged to conduct its own random checks in projects using turnkey contracts as this work is carried out by the general contractor. In this year's report, the two KPIs have therefore been combined into "random spot checks for duty to see", including checks conducted by the client in projects with subcontracts managed by the construction clients. Furthermore, Selvaag Bolig has introduced extended control of contractors at the contract signing stage, improving the overall level of control compared to previous practices.

INCLUSIVE LOCAL COMMUNITIES

Selvaag Bolig aims to create inclusive neighbourhoods that meet the needs of both new and existing users and stakeholders. Selvaag Bolig acknowledges that the company's construction projects can have a negative impact on the local community. Increased traffic, noise in connection with development, protection of biological diversity, access to green areas, the need for recreational areas and the preservation of existing buildings are typical aspects that the stakeholders are concerned about.

Regardless of the size of the project, the company sees to it that all affected parties are involved at an early stage. This ensures that the development contributes to improving the respective areas' quality and has as few negative consequences as possible, both during both construction and when it is completed. Involvement ensures input and that the areas are developed holistically.

Function and aesthetics

Selvaag Bolig must facilitate so that everybody, at every age, regardless of functional ability, can live well and in an environmentally friendly way. This means having social meeting places outside and inside, ensuring that residents are within walking distance of everything they need on a daily basis, and that the building projects have a high aesthetic quality.

The architecture must therefore consider the surroundings around the respective projects, so that the buildings, the landscape architecture and the nearby natural areas are in harmony. Architecture is an integral part of Selvaag Bolig's project management system, and it is required, among other things, that recognised architects are used and that participation processes are carried out in the development phase.

Results in 2023

During the year, Selvaag Bolig carried out dialogue and participation processes in all projects that were under development, but where construction had not yet started. This was in the form of dialogue with politicians and planning authorities and/or in participation meetings with other stakeholders. The company has also been involved in a number of debates about architecture. The company received no notifications about negative impacts in 2023.

Key indicators

	2023	2022	2021	Goal
Number of notifications, inclusive neighbourhoods	0	0	0	-

CUSTOMER SATISFACTION (CSI)

The customer satisfaction index (CSI) is a measure of how satisfied the company's customers are, and an assessment of the quality of the company's products and delivery. This is important for the company's brand and reputation, and affects sales, the possibility of collaboration with other actors and the regulatory processes in the municipalities. Selvaag Bolig works systematically with customer satisfaction throughout the customer journey, from marketing and sales to the construction period and through the guarantee period. The company has a dedicated department that follows up customers from the signing of the purchase contract until the end of the five-year guarantee period after the home has been completed. Customer satisfaction is measured using the Prognosecenteret's CSI surveys both at handover time and after one year. The measurement includes the nine categories "value for money", "loyalty", "expectations", "reliability", "the home", "employees", "information", "design and decoration" and "outside the

home". The CSI score is calculated based on questions about the customer's assessment of the company as a whole and whether the company has met the customer's expectations.

Results 2023

Selvaag Bolig's goal is to achieve a CSI when handing over the home that is on par with or higher than the average for the industry. For 2023, Selvaag Bolig achieved a CSI score of 74 per cent when handing over the home, one percentage point higher than the industry average (73). The company topped the list for the most satisfied customers one year after moving in, with the Skifabrikken House C project in Ås municipality leading the list for individual projects. Selvaag Bolig had several other projects in the top ten lists for 2023.

Prognosesteret also measures customer satisfaction for Selvaag Pluss Service, which operates the company's Pluss projects. Customer satisfaction among those living in Selvaag Pluss® homes was 81 per cent in 2023.

The company considers the results to be good, but nevertheless is working systematically to improve both products and routines. Customers expect more than before and customer satisfaction in the housing industry has generally increased over time. Selvaag Bolig therefore expects that the company must continue to improve its CSI to achieve the goal of being on par with or above the industry average.

Key indicators

	2023	2022	2021	Goal
CSI Score (sector average)	74% (73%)	75% (74%)	73% (73%)	≥ the sector average

INSPIRING WORKING CONDITIONS FOR EMPLOYEES

Selvaag Bolig strives to be one of Norway's most attractive workplaces and employees must have good opportunities for professional development.

At the end of 2023, the company had a total of 86 employees, five of whom were part-time employees. Six were employed in Sweden, and the remainder in Norway. The main functions are project management, and support functions such as finance, HR, legal, settlement, marketing, customer care and sales. The company also has service personnel who work in completed projects through operating agreements with the residential cooperatives.

Selvaag Bolig desires a good, diverse and inclusive working environment characterised by mutual trust and respect. Management shall provide employees with engaging tasks and contribute to low sickness absence. Being a result-oriented and innovative company are crucial requirements. The strategic goal is to create a performance culture. This will be achieved through a strong commitment by top management. The approach will be based on strength, meaningful goals, and involvement of all employees.

A fundamental principle in the organisation is to emphasise expertise and value it, and the company has zero tolerance for discrimination. As pointed out in the ethical guidelines, Selvaag Bolig does not accept any form of harassment or discrimination, whether based on race, religion, nationality, sexual orientation, gender or otherwise. Nor does the company tolerate any behaviour which could be perceived as threatening or degrading. Selvaag Bolig received no notifications about discrimination in

2023. Selvaag Bolig did receive one notification about censurable conditions sent directly to the board in 2023. The matter was followed up according to its level of severity and was handled and concluded according to the company's procedures.

Employee satisfaction

The company pays special attention to employee satisfaction. For the ninth year in a row, Selvaag Bolig was certified as a «Great Place to Work» and is ranked as one of Norway's best workplaces.¹⁴ In 2023, the overall score was 87 per cent, which was three percentage points lower than in 2022, and one percentage point higher than in 2021. Results are particularly strong in dimensions such as pride, community, and for having clear strategies and goals. 99 per cent of employees are proud to work at Selvaag Bolig, and 90 per cent feel that the company contributes positively to society. This reflects the systematic work on ESG and the implementation of KPIs and goals throughout the organisation. Identified areas for improvement from this year's survey include increased collaboration between management and employees and improved information flow. The company's executive management and department leaders, involving all employees, are systematically addressing these issues through department meetings, management meetings, and all-hands meetings.

Sickness absence

Selvaag Bolig has a goal of sickness absence being below three per cent. The company has a good picture of the reasons for sickness absence and follows closely up on employees who are on sick leave. Close attention is paid to make a healthy work-life balance possible, and the company encourages physical activity by offering subsidised training and group activities.

In 2023, Selvaag Bolig had a sickness absence of 5.4 per cent, which was an increase of 0.5 per cent from 2022. Short-term sickness is low, and the increase is primarily due the company having employees on long-term sickness absence. Since the company has fewer than 100 employees, this can have a big impact on the total level of sickness absence. The company has a good understanding of the reasons for sickness absence, follows routines for following up sick employees, and has implemented measures with support from the occupational health service.

Appraisal interviews and expertise enhancement

All employees in Selvaag Bolig shall have an annual "appraisal interview". The interview gives the employee the opportunity to express wishes about development paths and to clarify work-related issues, while getting feedback about the job the employee has done. The interview is an important tool for the organisation to map and plan the further development of the expertise of each employee. During 2023, 98 per cent of Selvaag Bolig's employees had appraisal interviews.

All employees are given opportunities for professional development and expertise enhancement, including through courses, seminars and specialist gatherings both in-house and externally. The company does not track how many courses, seminars and get-togethers are held, but all employees have participated in one or more during 2023.

¹⁴ The annual employee survey and following certification are performed by the company Great Place to Work Institute which is a leading global expert at developing, maintaining and recognising good workplaces. Great Place to Work 2023. Available at: <https://www.greatplacetowork.no>. (Downloaded on 15 March 2024)

Co-ownership and benefits

Selvaag Bolig has a philosophy that co-ownership promotes value creation through increased engagement and loyalty. At the end of 2023, about 70 per cent of Selvaag Bolig’s employees owned shares in the company.

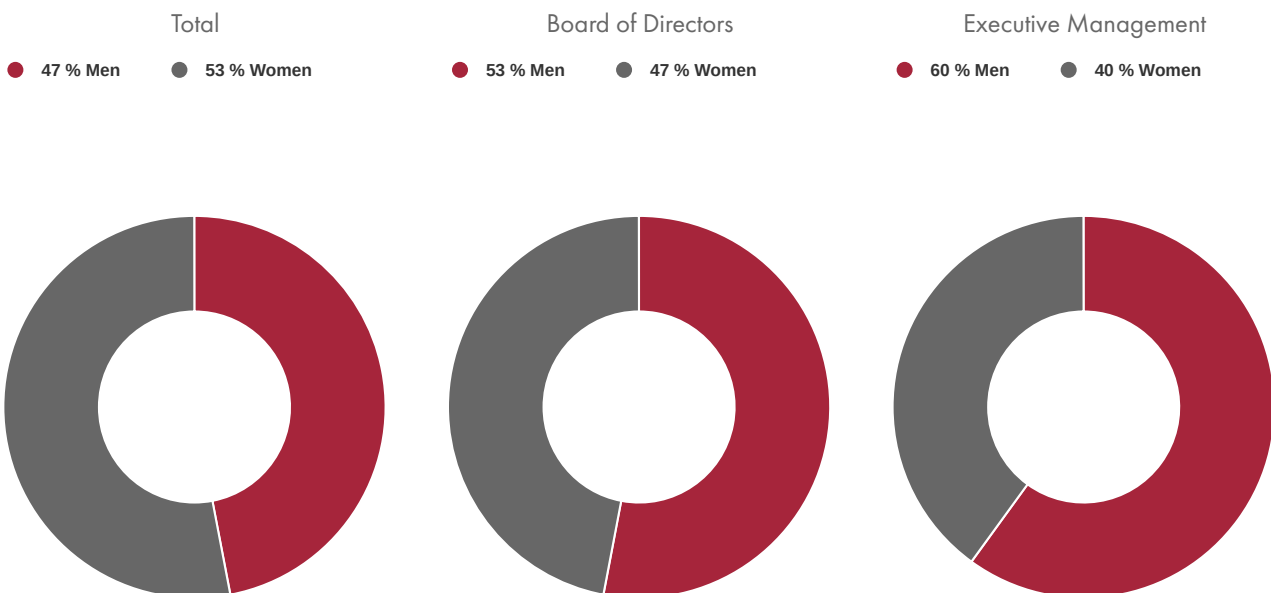
In addition, Selvaag Bolig has a number of benefits for employees. These include, among other things, a mobile phone, a mobile phone and broadband subscription, access to a subsidised cafeteria, discounted training at a fitness centre, as well as good pension and insurance schemes. All employees also have access to corporate cabins.

Equality and diversity

Selvaag Bolig has a specific goal of achieving gender balance in the various types and levels of jobs. The company follows the principle of equal pay for equal work.

Hiring at Selvaag Bolig will be decided based on expertise and experience, regardless of the job level or function. The company shall, however, always try to obtain the best possible gender balance with a minimum of 40 per cent women or men.

The overall gender balance in 2022 was 47 per cent men and 53 per cent women, and thus in line with targets. 45 per cent of the company’s middle managers are women. The gender balance on the board of directors is in accordance with the 40-60 per cent gender balance requirement in the Norwegian Public Limited Liability Companies Act. The company’s executive management still has a skewed distribution, with 20 per cent females and 80 per cent males. Over time, Selvaag Bolig will strive to have a better gender balance in the executive management.



One measure to contribute to equality is to arrange for a flexible and good arrangement in connection with employees' parental leave. Selvaag Bolig covers the basic salary above the mandatory 6G in connection with parental leave, facilitates graded or

increased leave taking, and encourages men to take more leave than the minimum quota. In 2023, one man and one woman took a total of 42 weeks of parental leave. The company considers that the scheme is good as everyone entitled to parental leave has taken it.

According to the Equality and Anti-Discrimination Act, Selvaag Bolig has mapped wage levels distributed by gender. The survey shows the average fixed salary according to the type of position and gender. Variable wages are not included in the survey as they vary greatly between different types of positions. Women and men in the same type of position and with the same experience are equally paid. The reason for the wage gap between men and women is the uneven distribution in the type and level of position.

Key indicators

	2023	2022	2021	Goal
Employee satisfaction	87%	90%	86%	> 80%
Sickness absence	5.4%	4.9%	2.3%	< 3%
Turnover	8.1%	7.0%	8.1%	-
Appraisal interview	98%	100%	96.5%	100%

Gender balance	Year 2023		Year 2022		Goal	
	Women	Men	Women	Men	Women	Men
Overall gender balance	53 %	47 %	55 %	45 %	> 40 %	> 40 %
Gender balance, shareholder-elected board members	40 %	60 %	40 %	60 %	> 40 %	> 40 %
Gender balance, employee-elected members	50 %	50 %	50 %	50 %	50 %	50 %
Gender balance in group management	20 %	80 %	20 %	80 %	> 40 %	> 40 %
Parental leave	27 weeks (1 woman)	15 weeks (1 man)	48 weeks (1 woman)	29 weeks (2 men)	-	-

Average fixed salary, by position (NOK 1000)	Year 2023			Year 2022		
	Women	Men	All	Women	Men	All
All positions	807	1 546	1 168	818	1 342	1 071
Group management	1 703	3 019	2 755	1 630	2 7888	2 636
Non-core activities	572	Only part-time	618	571	323 (part-time)	558
All positions other than group management and non-core activities	981	1 439	1 268	893	1 312	1 114

GOVERNANCE (G)

Selvaag Bolig is a pure residential property developer that controls the entire value chain from acquisition of land to sale of turnkey homes. The company does not have an in-house construction arm but signs contracts with contractors for each project. It is Selvaag Bolig's responsibility to ensure that applicable legislation and statutory regulations are followed in its own business and the human rights, for working conditions and safety are assured at construction sites.

For further information about governance, see the chapter about [Corporate governance](#).

Ethics in its own activities

As a construction client, Selvaag Bolig works with, among other things, public contact, significant financial transactions and agrees to large turnkey contracts. The company's ethical guidelines state that Selvaag Bolig does not accept any form of corruption. Conditions that can affect decision-making processes, or that may give others reason to believe such conditions exist, are not accepted. Nor should employees contribute to any kind of price cooperation that can distort or contravene current competition regulations. No cases of price cooperation or corruption were revealed in 2023.

Continual efforts are being made to ensure that employees are aware of and follow the company's ethical guidelines. New employees are introduced to the guidelines through training programmes and joint meetings, and all employees are required to conduct e-learning courses in ethics and corporate social responsibility. The course ensures that all employees know what the requirements and expectations are, and is an important tool for building a company culture with high standards. By the end of 2023, all employees had completed and passed the course.

Ethics in the supplier chain

The greatest risk of breaches of good business practice, such as corruption, working conditions and price cooperation lies in the supplier chain, and is addressed every other year in the company's overall risk mapping process. Selvaag Bolig places clear requirements on suppliers by using supplier declaration and contracts, and has routines that include the annual assessment of its main partners and suppliers. No violations of the company's guidelines were revealed in 2023.

Privacy (GDPR)

Selvaag Bolig receives personal information from both own employees and from customers who buy housing, and processes them in line with the EU General Data Protection Regulation (GDPR) and the Privacy Regulation. The company has strict routines for how such information is collected, stored, used and deleted. The company received and responded to one data subject request in 2023.

IT security

Selvaag Bolig works continuously to protect IT equipment, networks and information from unwanted access and attacks. Several measures have been implemented to increase IT security in recent years, including more advanced security monitoring, an updated information security management system and continuous work on improving the awareness of employees. All employees take an annual class in IT security using an e-learning platform and with user instructions for information security.

GROUP FINANCIAL STATEMENTS

CORPORATE GOVERNANCE

Selvaag Bolig wishes to maintain a high standard of corporate governance. This will strengthen confidence in the company, and contribute to long-term value creation by regulating the division of roles between shareholders, the board and executive management over and above legal and regulatory requirements.

Corporate governance in Selvaag Bolig is based on the following main principles:

- Relevant, reliable and identical information is provided to all stakeholders and shareholders.
- An autonomous board which is independent of the company's executive management.
- A clear internal division of roles and duties is established between the board and executive management.
- Equal treatment of all shareholders in accordance with applicable legislation.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

Compliance

Selvaag Bolig ASA is a Norwegian public limited liability company listed on the Oslo Stock Exchange. The company is subject to section 3, sub-section 3b of the Norwegian Accounting Act, which requires it to provide an annual statement of its principles and practice for corporate governance. This rule specifies the minimum information which the presentation must provide.

The Norwegian Corporate Governance Board (NCGB) has established the Norwegian code of practice for corporate governance (the code). Listed companies are required by the Oslo Stock Exchange to provide an annual overall presentation of their principles for corporate governance in line with the prevailing code. The current obligations for listed companies are available at www.euronext.com, and the NCGB code can be found at www.nues.no.

Selvaag Bolig observes the applicable code, published on 17 October 2018, and updated 14 October 2021, in accordance with the "comply or explain" principle. This means that the individual points in the code are observed, but possible variances are explained. The company provides an annual overall presentation of its principles for corporate governance in its annual report, and this information is available at www.selvaagboligasa.no.

2. THE BUSINESS

The business purpose of Selvaag Bolig ASA is to "acquire and develop residential housing projects for the purpose of sale, purchase and sale of property, as well as other affiliated business, hereunder commercial property. The company may participate in other companies at home and abroad in relation to residential housing development." This appears in article 3 of the company's articles of association, which are available at www.selvaagboligasa.no. Selvaag Bolig's goals and principal strategies are described in this annual report and at www.selvaagboligasa.no. The board sets clear goals for the business with the aim of creating value for the shareholders and the rest of society. Through annual strategy processes, the board considers whether the

goals and guidelines derived from the strategies are unambiguous, adequate, well operationalised and communicated to employees, customers and other stakeholders.

Selvaag Bolig has formulated guidelines for corporate social responsibility (CSR) and other policy documents in accordance with the company's values base. CSR is described in more detail in the ESG chapter of this annual report. Selvaag's core values are "care and creativity", and these are well entrenched throughout the business.

The guidelines contain general principles for business practice and personal behaviour, and are intended to serve as a starting point for the attitudes and basic views which will characterise the corporate culture and day-to-day work in Selvaag Bolig.

3. EQUITY AND DIVIDENDS

Selvaag Bolig had an equity of NOK 2 307 million at 31 December 2023, including non-controlling interests. The board regards the equity as acceptable, and financing of the company is tailored to its business purpose, strategy and risk profile.

Dividend

The board has a clearly communicated dividend policy tailored to the company's goals, strategy and risk profile. Selvaag Bolig's ambition is to pay high and stable dividends to its owners. The goal is that the dividend should be a minimum of 60 per cent of net profit and paid twice a year. However, the size of the dividend must be balanced against the company's liquidity forecasts and capital adequacy.

NOK 1.00 per share was paid in August 2023 as dividend for the first half of the year and amounted to NOK 93.7 million. The board has proposed a dividend of NOK 1.00 per share for the second half of 2023, amounting to NOK 93.7 million. That will make the total dividend for 2023 NOK 2.00 per share, which corresponds to NOK 187.4 million. This corresponds to 76 per cent of net profit.

The board has received a mandate from the general meeting which allows it to determine dividend payments continuously throughout the year, should the financial basis for these be present. Such a decision must formally be taken on the basis of the approved annual financial statements for 2023, and would in that event supplement the regular dividend approved by the general meeting. A mandate of this kind must be adopted by the general meeting and will apply until the next AGM but no later than 30 June in the following year.

Purchase of treasury shares

It is appropriate that the board has a mandate to purchase the company's own shares, partly to implement the group's share savings programme and remuneration arrangements for employees, and partly to use shares as a means of settlement in connection with the possible acquisition of enterprises. The board was mandated by the AGM of 26 April 2023 to acquire the company's own shares up to a total nominal value of NOK 18 753 137, corresponding to 10 per cent of the share capital. This mandate can be used for a possible later reduction in the share capital with the consent of the general meeting, for remuneration of the directors, for incentive programmes or as settlement for the possible acquisition of businesses, and for the purchase of shares where this is financially advantageous. The mandate can be exercised several times, and remains valid until the AGM in 2024 and in any event no longer than to 30 June 2024. The board will propose to the AGM that it be extended by one year. Selvaag Bolig owned 125 276 of its own shares at 31 December 2023.

Share savings programme for all employees and share purchase programme for executive management

The company has a share savings programme for employees working more than half-time. This is because co-ownership by the workforce is expected to promote value creation through increased commitment and greater loyalty. The share savings programme shall encourage broad and long-term ownership and gives employees the opportunity to acquire a direct stake in the company's value creation.

Employees can purchase shares for up to a value of NOK 200 000 per year. The price per share is the stock market price (volume-weighted average price for the final 10 days of stock exchange trading before the programme opens) less a discount of 20 per cent, conditional on a two-year lock-up period. For the same incentive and reason, the company also has a share purchase programme for its executive management. The ceiling for annual investment in the executive share purchase programme is the individual's annual pay. The price per share is the stock market price (volume-weighted average price for the final 10 days of stock exchange trading before the programme opens), less a discount of 30 per cent as compensation is provided for the employee's tax disadvantage, conditional on a three-year lock-up period.

The 2023 programme was conducted from 27 November to 1 December, and the trades were done 1 December. 36 employees took advantage of the offer, and 835 602 shares were purchased at NOK 27.88 per share before the discount. Since the share programmes will continue in 2024, the board will propose to the AGM that the mandate to purchase the company's own shares, as described in the previous section, be extended by one year.

Capital increase

The same AGM on 26 April 2023 mandated the board to increase the company's share capital by up to NOK 18 753 137. This mandate can be exercised several times, and remains valid until the AGM in 2024 and in any event no longer than to 30 June 2024. It replaces earlier mandates for similar purposes, and embraces capital increases in exchange for non-monetary considerations or the right to involve the company in special obligations. The mandate has not been utilised, and the board will propose to this year's AGM that it be extended by one year.

Deviation from the code: The NCGB believes that grounds should be given for such mandates and that they should be restricted to defined purposes. However, the board believes that some flexibility is needed. As long as the mandates are clearly limited in time and scope, the ability to take such decisions should form part of the board's administrative authority rather than requiring the holding of an extraordinary general meeting.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Equal treatment of shareholders

Selvaag Bolig has one class of share, and all shares have equal voting rights. Emphasis is placed on the work of the board and the executive management to treat all shareholders equally and to give them the same opportunities to exercise influence. The company's articles of association impose no restrictions on voting rights.

The company's transactions in its own shares are conducted via the stock exchange or in other ways at the stock market price. In the event of an increase in share capital, existing shareholders will have a pre-emptive right to subscribe unless special considerations

justify waiving this right. Any such waivers will be justified and published in a stock exchange announcement in connection with the increase in share capital.

Conflicts of interest and transactions with related parties

Selvaag Bolig is committed to transparency and caution in connection with investments on terms which could be perceived as an undesirably close transaction or relationship between the company and a large shareholder, a board member, a senior executive or related parties of these. This is outlined in the company's ethical guidelines and instructions for the board.

Where transactions take place with related parties, they must be conducted at arm's length and on market terms. In the event of not immaterial transactions between the company and related parties, the board will commission an independent valuation.

Transactions with related parties are described in note 23 in the company's annual report, as well as in the quarterly reports.

The board has also established guidelines which require executive management to report to the board if they have a material interest, directly or indirectly, in a contract entered into by the company.

Principal shareholder

Selvaag AS is the principal shareholder in Selvaag Bolig ASA with 53.5 per cent of the shares as at 31 December 2023.

5. FREELY NEGOTIABLE SHARES

No restrictions are placed by the articles of association on the ability to own, sell or vote for shares in Selvaag.

6. GENERAL MEETING

About the general meeting

Shareholders exercise the highest authority in Selvaag Bolig ASA through the general meeting. The board makes provision to ensure that the general meeting is an effective forum for shareholders. The company facilitates the appointing of proxies and for voting outside the physical meeting.

Notice

The AGM is scheduled to take place from 10.00 on 25 April 2024 in the company's premises at Silurveien 2 in Oslo.

Before the meeting, shareholders have good opportunities to contact the company, either to clarify issues or to obtain help in bringing issues to the general meeting. Detailed supporting documentation is posted to the company's website 21 days before the general meeting at the latest. See article 9 in the articles of association. Shareholders who have not asked to receive the supporting documentation for the general meeting electronically will have this sent to them by post, as specified in the company's articles of association. The supporting documentation must contain all the details required for the shareholders to form a view of every item on the agenda.

All shareholders registered in the Norwegian Central Securities Depository (VPS) will receive the notice, and have the right to submit motions and to vote directly or by proxy. A financial calendar, which includes the date of the AGM, is available on the company's website.

Registration and proxy form

Registration must be made in writing, by post, VPS account or e-mail. The board wishes to facilitate attendance by the largest possible number of shareholders at the general meeting. Shareholders who cannot attend in person are encouraged to appoint a proxy. Provision is made for the shareholder to specify separate voting instructions to their proxy for every item on the agenda. All information on the appointment of a proxy and the appropriate forms can be found on the company's website.

Agenda and execution

The general meeting elects its own chair. The meeting is opened by the chair of the board, who also arranges for the election of a chair for the meeting. The AGM's duties include adopting the annual financial statements and directors' report and considering the board's guidance and report about remuneration to leading employees.

Members of the nomination committee and its chair are elected by the general meeting. In addition, the general meeting considers such other matters as are assigned to it by legislation or the articles of association. The minutes of the general meeting are published via a stock exchange announcement and are made available on the company's website at www.selvaagboligasa.no after the meeting.

The AGM in 2023 took place on 26 April, and 61.61 per cent of the total issued shares and votes were represented.

According to the NCGB code, provision should be made to vote for individual candidates for the board and the nomination committee.

Deviation from the code: The nomination committee believes that the board's overall composition is important for the way it functions. For that reason, the company invites the general meeting to vote for the nomination committee's collective recommendations for the election of the board and nomination committee.

According to the code, the board and chair of the nomination committee should attend.

Deviation from the code: The chairs of the board and the nomination committee, as well as the CEO, are always present to answer possible questions. The whole board will attend if this is considered necessary in view of items on the agenda.

7. NOMINATION COMMITTEE

Pursuant to the articles of association, the nomination committee will have three members elected for a one-year term. The majority of these members must be independent of the company's board and executive management, and the committee must act in the interests of shareholders in general. The chair of the nomination committee is elected by the general meeting, which also determines the remuneration of the committee's members. The nomination committee itself recommends members of the committee.

All members of the nomination committee are up for election in 2024. The nomination committee currently comprises:

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- Gunnar Bøyum (chair)
 - Helene Langlo Volle
 - Leiv Askvig

The duties of the nomination committee are to propose candidates for election as directors and to recommend fees for the directors, members of board sub-committees and members of the nomination committee. The report of the board's annual self-assessment is considered by the committee.

The committee will account for its work and present its recommendations, with justifications, to the general meeting. The recommendations must encompass relevant information about the candidates and an assessment of their independence from the company's executive management and board. The committee is in contact with shareholders, directors and the chief executive during its work on proposing candidates for the board, and anchors its recommendations with the company's largest shareholders. The committee's recommendations, with justifications, are made available 21 days at the latest before the general meeting takes place. Recommendations from the committee must meet the requirements for the composition of the board which derive at any given time from applicable legislation and statutory regulations.

Article 7 of the articles of association specifies that the company will have a nomination committee. Guidelines have been established on this committee's duties and composition, and on the eligibility of candidates for election. These guidelines were adopted by the general meeting held on 30 August 2011.

8. COMPOSITION AND INDEPENDENCE OF THE BOARD

Composition of the board

Pursuant to article 5 of the company's articles of association, the board of Selvaag Bolig will comprise three to nine members. The chair and the shareholder-elected directors are elected by the general meeting, based on recommendations from the nomination committee.

The board currently comprises seven directors, of whom three are women, and is composed in such a way that it meets the company's need for expertise, capacity and diversity. Weight is given to the whole board being in possession of a broad business and management background as well as in-depth understanding of the housing industry and property development. An overview of each director's expertise, background and shareholding in the company is available on the company's website at www.selvaagboligasa.no.

Employees of the business are represented on the board, and the number of these worker directors is specified in the applicable agreement on pay and conditions. At present, two directors – one male and one female – are elected by the employees. None of the shareholder-elected directors are employed by or have carried out work for Selvaag Bolig other than work related to their board positions.

Shareholder-elected directors are elected for one-year terms. Employee-elected directors are elected for two-year terms. All shareholder-elected directors are up for election in 2024. Directors' fees are determined by the general meeting based on a recommendation from the nomination committee.

Independence of the board

The composition of the board ensures that it can act independently of special interests, and it must also function effectively as a collective body to the benefit of the shareholders in general.

No shareholder-elected director is involved in the executive management. Chair Olav Hindahl Selvaag and director Tore Myrvold are a director and CEO of Selvaag AS, respectively. Selvaag AS is the company's principal shareholder and, through subsidiaries and other investments, may have business relations with Selvaag Bolig.

The other shareholder-elected directors are independent of Selvaag Bolig's executive management and significant business relations.

See the remuneration report for 2023 published on the company's home page selvaagboligasa.no on the shareholdings of directors in Selvaag Bolig at 31 December 2023. By virtue of their position, each director is subject to the regulations on primary insiders, with clear rules related to such issues as the duty to investigate and report in the event of trading in the company's shares.

9. THE WORK OF THE BOARD OF DIRECTORS

The board's duties

The board of directors bears the ultimate responsibility for management of the group and for supervising the chief executive and the group's operations.

That makes the board responsible for ensuring an acceptable organisation of the business and determining strategies, plans and budgets. The board participates in important strategic discussions throughout the year and undertakes an annual audit of the company's strategy. Furthermore, the board is responsible for establishing control systems and for ensuring that the group is operated in compliance with the established values base, the ethical guidelines and the expectations of the owners for socially responsible operation. The board has a duty to ensure that the financial statements and asset management are subject to satisfactory controls. Matters of significant strategic or financial importance are dealt with by the board. The board is responsible for appointing the chief executive, establishing the chief executive's instructions, authorities and terms of employment, and determining the chief executive's remuneration. In addition, the board will protect the interests of the shareholders while also having a responsibility for the company's other interests.

Each director is duty-bound to consider at all times whether conditions exist which, viewed objectively, might weaken general confidence in their impartiality or which might lay the basis for conflicts of interest. The company also follows up the various offices and so forth held by the directors to provide an information base for the company's management in avoiding unintentional conflicts of interest.

14 board meetings were held in 2023, nine as physical gatherings.

Director	Attendance, no. of meetings	Attendance in per cent
Olav Hindahl Selvaag	14 of 14	100
Gisele Marchand	14 of 14	100
Camilla Wahl	14 of 14	100
Øystein Thorup	14 of 14	100
Tore Myrvold	14 of 14	100
Patrik Eriksson	14 of 14	100
Sissel Kragnes	14 of 14	100

Instructions for the board

The board has adopted instructions which specify the rules and guidelines for its work and administrative procedures. These are reviewed annually or as required. The instructions for the board define the duties and obligations associated with its work, and its relationship with the chief executive. The chair is responsible for ensuring that the work of the board is conducted in a correct and efficient manner. The board works on the basis of an annual plan, with specified topics and issues for board meetings. The board evaluates its work and competence on an annual basis. This is done through a self-assessment which is summarised for the nomination committee. At least once a year, the board reviews the most important areas of risk as well as internal control in the company.

Instructions for the chief executive officer

The CEO of Selvaag Bolig ASA is responsible for the executive management of the Selvaag Bolig group. The chief executive must also ensure that the financial statements comply with legislation and other relevant provisions, and that the group's assets are managed in an acceptable manner. The CEO is appointed by the board of directors and reports to it. The CEO is duty-bound to keep the board continuously informed on the group's financial position, operations and asset management. The board has also approved an authority structure for the company which clarifies the authority of the CEO and the executive management in terms of which issues must be considered by the board.

Financial reporting

The board receives periodic reports with comments on the company's financial status. Where interim reporting is concerned, the company observes the deadlines specified by the Oslo Stock Exchange.

Board committees

The board has found it appropriate to establish sub-committees to serve as preparatory and advisory bodies for the board.

Audit committee

The audit committee is a preparatory and advisory body for the board. It is elected by and from among the directors, and must comprise at least two directors. At least one of these should have experience from the exercise of accounting or financial management, or of auditing. Members are appointed by the board, and changes to its composition are made when the board might wish to do so or when the members cease to be directors of the company. The audit committee currently comprises the following members:

-
- Gisele Marchand (chair)
 - Tore Myrvold

The company's auditor also attends all the meetings.

The board has adopted separate instructions for the audit committee, which will, among others:

- a. review the company's quarterly, annual and related reports, including ESG reporting, and prepare the board's follow-up of the financial reporting process.
- b. maintain ongoing contact with the company's elected auditor concerning the audit of the annual financial statements.
- c. assess and monitor the independence and objectivity of the auditor and particularly to what degree services other than audit are provided by the auditor.
- d. assess the quality of the external audit, be responsible for preparing the company's choice of auditor and make its recommendation.
- e. ensure that the company has established sufficient and suitable processes for internal control and risk management to ensure that laws and regulations closely tied to financial and non-financial reporting are followed.

The audit committee met seven times in 2023.

The remuneration committee

The remuneration committee serves as a preparatory and advisory body for the board, comprising up to three directors who are independent of the company's executive management. The members of the remuneration committee are appointed by the board for two-year terms or until they cease to be directors of the company. The remuneration committee currently comprises:

- Olav Hindahl Selvaag (chair)
- Gisele Marchand
- Øystein Thorup

The board has adopted separate instructions for the remuneration committee. It must, among other things:

- a. prepare issues for consideration by the board concerning salary and terms of the chief executive.
 - b. prepare the board's processing of scorecards/KPIs as a basis for the bonus assessment for senior executives.
 - c. prepare the board's consideration of issues of principle related to salary levels, bonus systems, pension terms, employment agreements and the like for the company's senior executives.
 - d. address special issues related to compensation for employees in the group to the extent that the committee finds that these affect matters of particular importance to the group's competitive position, profile, recruitment ability, reputation, etc.
-

The committee has held four meetings in 2023.

10. RISK MANAGEMENT AND INTERNAL CONTROL

Responsibility and purpose of the board

Risk management and internal control in Selvaag Bolig are intended to help ensure that the company takes a coherent approach to its operations, financial reporting and compliance with applicable legislation and regulations. The board regularly reviews Selvaag Bolig's risk management and internal control, as well as its guidelines and the like on how the company integrates concern for the world at large with value creation. Internal control also embraces the company's values base, CSR and ethical guidelines, which apply to all company employees.

Board reviews and reporting

An annual strategy meeting is held by Selvaag Bolig to lay the basis for the board's consideration and decisions during the year.

A survey of the company's risk factors and risk management is conducted regularly. This exercise plays a key role for the board's annual strategy meeting, and defines the direction of further work on the company's risk management. An overarching management model has been established for continuous follow-up, based on the group's strategy, values base and ethical guidelines. In addition, principles have been drawn up for reporting in the key areas, as well as guidelines for central processes and activities. An authority matrix has also been established for delegating responsibilities to defined roles in the organisation. All employees have clear guidelines on the scope of their own authority and on the next level up for decisions or approvals.

Selvaag Bolig has established a set of internal procedures and systems which are intended to secure uniform and reliable financial reporting and operations. A quality assurance system has also been established to safeguard quality when executing the group's projects. One component of this system is a review, conducted at least once a quarter, of risk in the projects and other parts of the business. This review identifies the financial development of the company's projects and makes it possible to implement possible risk-reducing measures. Planning, management, execution and financial follow-up of construction and production processes and projects are integrated in the Selvaag Bolig group's commercial operation. Construction projects report systematically to the group management.

Selvaag Bolig's consolidated financial statements are prepared in accordance with the applicable IFRS standards. The board receives periodic reports on the group's financial results as well as a description of the status of the most important individual projects. The auditor attends meetings of the audit committee and board meetings related to the presentation of the preliminary annual financial statements. The company's key risk factors are described in the directors' report.

11. REMUNERATION OF THE BOARD OF DIRECTORS

The general meeting determines directors' fees annually on the basis of a recommendation from the nomination committee.

A total of NOK 2 576 000 was paid in directors' fees for 2023. Shareholder-elected directors are given compensation of NOK 50 000 in addition to ordinary board remuneration, where the net proceeds after tax are assumed to be used for the purchase of shares in the company. Remuneration to the individual directors in 2023 is stated in the executive remuneration report published at

www.selvaagboligasa.no. Directors' fees are not linked to the group's performance. No options are awarded to directors, and shareholder-elected directors have no agreement on a pension plan or on payment after their period of service has ended. None of the shareholder-elected directors do work for the company in addition to their directorship.

Directors observe general insider regulations for trading in the company's shares. See the aforementioned executive remuneration report for an overview of shares owned by directors.

12. REMUNERATION OF EXECUTIVE PERSONNEL

As mentioned in section 9, a remuneration committee comprising up to three directors has been established. The committee shall support the board's work on the strategy for and main principles of remuneration for the company's senior executives, including the determination of scorecards and the conditions of employment for the chief executive.

The individual components in a remuneration package must be assessed collectively, with fixed basic pay, possible variable pay and other benefits such as pension and termination payments viewed as a whole. Variable pay in the form of bonus payments will be based primarily on objective, definable and measurable criteria. Such variable pay (bonuses) cannot exceed 100 per cent of basic pay for the executive personnel. No options have been awarded to employees or elected officers of the company.

The guidelines and report about remuneration of executive personnel are presented annually to the general meeting in connection with its consideration of the financial statements.

13. INFORMATION AND COMMUNICATION

Selvaag Bolig endeavours to ensure that all reporting of financial and other information is timely and correct, and based on openness and equal treatment of players in the securities market. The company observes the recommendations of the Oslo Stock Exchange on reporting investor information, which came into force on 1 January 2012. Information from Selvaag Bolig is published in the form of annual and interim reports, press releases, stock exchange announcements and investor presentations. All information regarded as significant for the valuation of the company is distributed and published via Modular Finance and Oslo Stock Exchange's messaging system www.newsweb.no and at www.selvaagboligasa.no.

The company presents its interim annual results by the end of February. Full financial statements, together with the directors' report and the rest of the annual report, are made available to shareholders every year at least three weeks before the AGM, and by the end of April at the latest. Interim figures are reported within 60 days of the end of the quarter, in accordance with the rules of the Oslo Stock Exchange.

The financial calendar is available on www.selvaagboligasa.no and www.newsweb.no. The primary purpose of information from the company will be to clarify the company's long-term goals and potential, including its strategy, value drivers and important risk factors. The company's guidelines for investor relations provide more detailed specifications of the way information is handled in the group, including defining who will act as the company's spokesperson on various matters. The CEO and CFO of Selvaag Bolig will be the primary spokespersons to the financial market on behalf of the company.

14. TAKEOVERS

The company's articles of association place no restrictions on the purchase of shares in the company. In the event of a possible takeover bid, the board will help to ensure that the company's shareholders are treated equally and that the group's day-to-day operations are not disrupted unnecessarily. The board will seek to help ensure that the shareholders have sufficient information and adequate time to form an opinion on a takeover bid.

The instructions for the board of Selvaag Bolig ASA specify how the company will respond should an offer be made for the company's shares. In such cases, the board will issue a statement which contains an assessment of the offer and a recommendation to the shareholders on whether they should accept it. In this assessment, the board should take account of such considerations as the way a possible takeover would affect long-term value creation in the company. A justification of the recommendation must be provided.

15. AUDITOR

Election of auditor

The group's auditor is elected by the general meeting. Selvaag Bolig's auditor when presenting the accounts for 2023 is PricewaterhouseCoopers.

Auditor's relationship with board and audit committee

The auditor gives the board an account of its work and provides an assessment of the company's financial reporting and internal control in connection with the annual financial statements. At this meeting, the board is briefed on which services in addition to auditing have been provided during the year. The auditor meets the board at least once a year without the executive management being present. The auditor has the right to attend Selvaag Bolig's general meeting. Written confirmation must be provided once a year by the auditor to the board that the specified requirements for the independence of the auditor have been met.

The auditor attends the meetings of the audit committee. Once a year, the auditor must present the committee with the main features of the plan for conducting the audit work. The auditor will review possible significant changes in Selvaag Bolig's accounting principles, assessments of significant accounting estimates and all significant conditions where disagreement has occurred between the auditor and the executive management. At least once a year, the auditor must review Selvaag Bolig's internal control system with the audit committee – including identifiable weaknesses and proposals for improvement. The board briefs the general meeting on the auditor's fee, broken down between audit work and other services in addition to auditing.



Lervig Brygge, Stavanger

DIRECTORS' REPORT

Selvaag Bolig delivered 655 homes with a combined value of NOK 3.07 billion in 2023. Home sales and the number of construction starts were negatively impacted by challenging market conditions, and at the end of year the company had 784 homes under construction, which was a decline of 469 units compared to the previous year.

Overview of 2023

The housing market was challenging in 2022 with a sharp decline in both new home sales and housing construction due to increased living and construction costs. This trend continued in 2023, but improved to a certain extent during the year. Construction costs stabilised at levels which will make it possible to start sales and construction on more projects going forward, and sales improved somewhat after Norges Bank in December published an interest rate forecast predicting a declining policy rate from the second half of 2024.



Langhus 1405, Nordre Follo



Lille Løren Park, Oslo

Selvaag Bolig's sales were lower in 2023 than in earlier years, but nevertheless at an acceptable level taking market conditions into consideration. During the year, sales contracts for 435 homes were signed, with a combined value of NOK 2 585 million.

Adjusted for Selvaag Bolig's share of joint ventures, 360 homes valued at NOK 2 108 million were sold. The relatively strong sales figures were primarily because the company succeeded in starting sales on new projects. Those sales starts allowed the company to be able to start construction of 275 homes during the year, but the number of homes under construction nevertheless fell significantly because 744 homes were completed in the same period. On 31 December, the company had 784 homes with a sales value of NOK 4 496 million under construction. 62 per cent of these and 69 per cent of planned completions for 2024 were sold.

Selvaag Bolig has access to a significant land bank that can provide around 11 000 homes in and around Greater Oslo, Stavanger, Bergen, Trondheim and Stockholm, and searches systematically for more plots to further strengthen the project portfolio. Most of the plots are owned by Urban Property, which collaborates with Selvaag. Urban Property was established in 2020 to own Selvaag Bolig's plots, and the plots are bought out step by step, in line with project development. The collaboration also gives Selvaag Bolig the opportunity to buy new plots of land without having to tie up equity. In 2023, Selvaag Bolig bought plots of land in Stockholm and Bergen which can provide around 650 homes. That is somewhat more than construction starts, and the land bank

has increased accordingly during the year. For more information about the collaboration with Urban Property, see the chapter describing the business in this report.

At the end of the year, Selvaag Bolig had 86 employees and is well positioned to handle higher sales and construction activity than in 2023. The development of existing and new projects is running normally, and the tasks at a number of departments have not been directly influenced by the market. Because of market conditions, however, there was no increase in staffing in 2023, and colleagues who for various reasons left were not replaced if they did not have critical operating roles. One position was eliminated in the marketing department due to market conditions. The annual employee satisfaction survey shows that employee satisfaction is still good. In 2023, the company received an overall score of 87 per cent which was three percentage points lower than in 2022 and one percentage point higher than in 2021.

One of the most important strategic priorities in the past year has been to continue systematising and strengthening the company's ESG work, which includes preparations for reporting according to the EU directive CSRD and the ESRS standards. Even if the company now has clear KPIs and targets, and investments have been made in systems to measure, monitor and report on progress and results, the new rules will require several adjustments. The board considers high quality ESG work to be crucial for the company to be able to manage the transition to a climate-neutral society over time. The company must contribute to lower greenhouse gas emissions, have a conscious relationship to climate risks and nature, and at the same time maintain a sustainable and responsible business practice that is profitable.

Another important priority in the past year has been further development of the housing concept Selvaag Pluss, which has lifestyle homes with shared facilities and services. The concept has been important for acquisition purposes in both Norway and Sweden, but also as a competitive advantage for projects that are in sale or coming up for sale in the future. Property owners, municipalities and home buyers are looking for homes with shared functions and services, and few other developers offer products that compete with Selvaag Pluss. In 2023, new Pluss projects started sales in Stockholm, Lørenskog and Ås. The company has Pluss projects for sale in Lørenskog, Asker and Trondheim, and Selvaag Bolig is continuously working on further development of the concept and Pluss homes will be a key part of the projects being launched in coming years. In addition, the compact home concept Selvaag City, which is a refinement of Selvaag Pluss, will be launched in Stockholm. The company is also working on including this concept in several of the company's upcoming projects in Norway.

Selvaag Bolig has a solid financial position, large development projects and access to a significant land bank in areas with population growth and substantial requirements for housing. At the end of the year, the company's equity was NOK 2.31 billion and the equity ratio was 48.5 per cent.

The company has had normal operations in 2023.

Dividend

The board proposes a dividend of NOK 1.00 per share for the second half of 2023, giving a total ordinary dividend of NOK 2.00 per share for 2023.

THE GROUP'S BUSINESS

Selvaag Bolig is one of Norway's leading housing developers. It buys and develops new housing land, and manages the whole value chain from acquisition of land to completion and sale of homes. The group concentrates on the areas in and around Greater Oslo, Bergen, Stavanger and Trondheim as well as Stockholm. The development business embraces wholly owned projects as well as projects pursued as joint ventures with external investors. Selvaag Bolig manages all the projects, with the exception of one joint venture with AF Gruppen in Ski. The Selvaag Pluss Service AS subsidiary offers services related to Selvaag Bolig's Pluss homes.

Selvaag Bolig does not build itself, but awards construction contracts on a project-by-project basis. That gives it the opportunity to select the best and most competitive contractor for each project. Subjecting construction contracts to competitive tendering increases flexibility and reduces market risk, while helping to tie up less capital and cut execution risk during the construction phase.

The group possesses a high level of expertise on project development. With a modern and industrial approach to housebuilding, this helps to ensure lower construction costs, competitive prices for buyers and high profitability for the company and its owners.

Selvaag Bolig continues Selvaag's historical social commitment, where value creation is combined with socially useful measures. The company builds large projects with a broad array of housing types, and works to develop homes which as many people as possible can afford to buy. Furthermore, Selvaag Bolig seeks to be a driver in the public debate in order to secure operating parameters which make it possible to achieve this objective while simultaneously ensuring good and sustainable housing and urban development. By building good and durable projects, which take into account social and aesthetic properties, in established urban and residential areas and near public transport hubs, the company contributes to more people being able to live a more environment-friendly daily life in walking and cycling distance of shops and services, and close to public transport. Selvaag Bolig also supports culture, mass-participation sports and educational institutions, particularly in the neighbourhoods where the company has projects.

In January 2020, large parts of Selvaag Bolig's available land portfolio was sold to Urban Property. These two companies intend to pursue a long-term strategic collaboration which offers them both a number of advantages. Where Selvaag Bolig is concerned, the collaboration's benefits include increased competitiveness in land purchases and a reduction in tied-up capital. See [Description of the business](#) elsewhere in this report for further information.

FINANCIAL REVIEW

Income statement

(Figures for 2022 are presented in brackets)

Operating revenue

Selvaag Bolig had operating revenues of NOK 3 254,7 million (NOK 2 896.4 million) in 2023. Revenues from units delivered accounted for NOK 3 065.8 million (NOK 2 791.9 million) of the total. In addition, land plots and a commercial property in Rogaland were sold by the group for a total of NOK 62.9 million and a lot in Bærum was sold for NOK 57.5 to financing partner Urban Property. During the year, a total of 655 units (585) were delivered, including 612 (513) from consolidated project companies and 43 (72) from joint ventures.

Operating costs

Operating costs totalled NOK 2 940.4 million (NOK 2 559.7 million), of which project costs for the year totalled NOK 2 677.2 million (NOK 2 313.7 million). Project costs are primarily construction costs for units delivered. Payroll costs accounted for NOK 145.3 million (NOK 139.0 million) of the operating costs.

Other operating costs came to NOK 108.7 million (NOK 97.2 million), including NOK 38.5 million (NOK 29.2 million) for sales and marketing.

The share of profit from associates and joint ventures came to NOK -13.4 million (NOK 85.7 million in profit).

Operating profit

Consolidated operating profit for the year came to NOK 300.9 million (NOK 422.4 million).

Financial items

Net financial income amounted to NOK 18.6 million (NOK 2.7 million in income).

Profit (loss)

Pre-tax profit for the year was NOK 319.5 million (NOK 425.1 million). Net tax expense was NOK 74.8 million (NOK 86.3 million). Consolidated tax expense does not include tax liability for tax objects which are not part of the Selvaag Bolig group. Tax on non-controlling shareholders' share of profit for the period is included in the non-controlling share of profit and equity.

Comprehensive income for 2023 came to NOK 244.7 million (NOK 338.9 million). NOK 244.7 million of the profit was attributable to the shareholders of Selvaag Bolig ASA (NOK 338.9 million), and NOK 0.0 million to non-controlling shareholders (NOK 0.0 million).

Cash flow

Consolidated cash flow from operational activities was NOK 1 196.6 million (NOK 63.4 million). The increase from last year primarily reflected more delivered units and a positive impact from the net change in inventory.

Cash flow from investing activities was negative at NOK 45.3 million (positive at NOK 239.8 million). The change from 2022 primarily reflected dividends received from joint ventures and settlement of seller credits in 2022.

Net cash flow from financing activities was negative at NOK 1 497.5 million (negative at NOK 218.0 million). The change from 2022 primarily reflected lower drawdowns and increased net repayment of construction loans in 2023.

The group's holding of cash and cash equivalents at 31 December totalled NOK 266.5 million (NOK 612.7 million), a reduction of NOK 346.1 million from a year earlier.

Balance sheet

Assets in Selvaag Bolig at 31 December 2023 totalled NOK 4 754.4 million (NOK 5 949.6 million). The carrying amount of consolidated inventories (land, housing under construction and completed homes) at 31 December was NOK 3 199.5 million (NOK 4 273.2 million).

Equity at 31 December was NOK 2 307.0 million (NOK 2 345.9 million), corresponding to an equity ratio of 48.5 per cent (39.4 per cent). The board proposes that a dividend of NOK 1.00 per share, corresponding to NOK 93.7 million, be paid to shareholders in Selvaag Bolig ASA for the second half of 2023. NOK 1.00 per share, corresponding to NOK 93.7 million (minus own shares), was paid in August 2023 based on profit for the first half-year. The total dividend for 2022 will be NOK 2.00 per share, corresponding to NOK 187.4 million. That represents 76 per cent of consolidated net profit for 2023.

The group held cash and cash equivalents of NOK 266.5 million (NOK 612.7 million) at 31 December. Selvaag Bolig ASA, the parent company, held cash and cash equivalents of NOK 50.6 million (NOK 352.6 million) at 31 December.

At 31 December, consolidated interest-bearing debt amounted to NOK 1 410.2 million (NOK 2 485.8 million), of which NOK 681.8 million (NOK 1 400.4 million) was non-current and NOK 728.4 million (NOK 1 085.4 million) was current. NOK 404.6 million of the current liabilities related to buyback agreements and seller credits to Urban Property (NOK 582.3 million). See [Note 26](#) for more information.

Other current non-interest-bearing debt amounted to NOK 356.3 million (NOK 541.9 million) at 31 December, of which advance payments by customers accounted for NOK 21.1 million (NOK 152.1 million).

Financing and debt

Consolidated interest-bearing debt can largely be divided into four categories: 1) top-up loans from parent company Selvaag Bolig ASA, 2) land loans, 3) buyback agreements with Urban Property and 4) construction loans. At 31 December 2023, the group had no top-up loans, land loans of NOK 95 million, buyback agreements with Urban Property of NOK 405 million and total construction loans of NOK 910 million.

Selvaag Bolig has a credit facility of NOK 300 million with DNB, maturing in December 2025. The facility has financial covenants, see note 29. In addition, the company also has an overdraft facility of NOK 150 million in the same bank which is renewed annually. At 31 December, no drawings had been made against either of these facilities.

Each project in Selvaag Bolig is organised as a single purpose vehicle (SPV). In addition to financing in the parent company, this means that each company seeks its own external capital financing for the development of a project. Land loans are converted to construction loans as the projects start up. Building costs are wholly financed by loans, and increased activity in the companies will accordingly mean that construction loans rise in line with progress. In Sweden, Selvaag Bolig guarantees the implementation of the projects through a self-debtor surety.

Going concern

Pursuant to section 3-3a of the Norwegian Accounting Act, the board confirms that the going concern assumption is realistic and that the financial statements for 2023 have been prepared on that assumption. This view rests on the group's good capital adequacy and financial position.

Events after the balance sheet date

There have been no events after the balance sheet significantly affecting the group's financial position.

Parent company Selvaag Bolig ASA

Operating revenues for Selvaag Bolig ASA, the parent company, came to NOK 79.3 million (NOK 79.6 million), and the operating loss for the year was NOK 132.5 million (loss of NOK 115.5 million). Ordinary net profit for the year was NOK 273.6 million (NOK 391.0 million). Profit for 2023 included NOK 452.9 million (NOK 356.3 million) in group contributions received from subsidiaries. These internal items are eliminated in the consolidated financial statements.

Allocation of the net profit

The parent company, Selvaag Bolig ASA, made a net profit of NOK 273.6 million (NOK 391.0 million). The parent company's equity amounted to NOK 2 014.2 million (NOK 1 932.2 million) at 31 December.

STRATEGY

The board participates in important strategic discussions during the year and conducts an annual audit of the company's operational and financial strategy together with the executive management.

Selvaag Bolig worked actively in 2023 to manage the business in accordance with the approved strategy and to ensure that the company capitalises on the competitive advantages that this provides.

To ensure that Selvaag Bolig is a driving force in forward-looking housing and urban development, the annual audit of its strategy includes detailed analyses of changes and trends in such areas as urban development, housing concepts, ESG, the residential environment, housing preferences, demographics, the sharing economy and digitalisation.

For more information on the group's strategy, see the [Description of the business](#) in this report.

RISK AND RISK MANAGEMENT

Risk management

As a housing developer, the group is exposed to risk related to land development, sales and the execution of housing and urban development projects. These factors can affect the group's business activities and financial position. The board of Selvaag Bolig accordingly gives a high priority to dealing with and managing risk, and has established routines and control systems to limit overall risk exposure to an acceptable level.

Regular risk surveys contribute to raising awareness of the most significant risk conditions which could affect the business goals defined in the company's strategy and how to deal with them.

The primary risk factors can be categorised as market, operational, financial and climate risk.

The board and senior executives are covered by the company's ongoing board liability insurance. Within the framework of the insurance terms, this insurance covers the personal liability for damages that one can incur as a board member or senior employee in accordance with current law.

MARKET RISK

Housing demand is influenced by a large number of factors at both a micro and macro level. It may be affected by substantial fluctuations in the general level of interest rates and/or significant changes in other financial variables to which potential housebuyers might be exposed. Changes in housing demand could furthermore affect Selvaag Bolig's opportunities to sell homes at budgeted prices within the planned time frames. Were the pace of sales to be lower than expected because of changes in market conditions, planned developments could be postponed. The company accordingly has internal requirements related to advance sales, where the general rule is that construction does not begin until homes corresponding to 60 per cent of the value of each building stage in the respective projects, or of the overall project, have been sold.

OPERATIONAL RISK

Risk related to contractors

Selvaag Bolig draws on external construction companies and service providers in connection with developing and building new projects. As a result, it is exposed to the risk of loss and additional project cost if a contractor/supplier finds itself in financial difficulties. To reduce this risk, the company mainly enters into construction contracts with large, well-established players who have a solid financial position and experience, and who can document quality work. In addition, standardised and detailed construction plans developed by Selvaag Bolig are used to reduce the risk of errors, misunderstandings and delays by the contractor.

Furthermore, Selvaag Bolig is exposed to increases in the level of prices for construction contracts. For projects built on site, the company mainly enters into turnkey contracts. In this way, costs are fixed before sales and construction begin. In the event of high building costs, the company also has the expertise required to implement projects on the basis of subcontracts managed by the construction client. Capacity and risk nevertheless mean that this is not the preferred approach on a large scale.

Planning approval risk

Changes to operational parameters or planning decisions by the relevant public authorities could affect both the progress and the viability of Selvaag Bolig's various projects, and might thereby limit opportunities to continue developing its properties. That could lead to delays and increased costs. In order to reduce this risk, the company performs a thorough analysis before buying land, and works systematically to keep in touch with regulators during the whole life of the project.

FINANCIAL RISK

Credit risk

The group's credit risk relates largely to the settlement of its accounts receivable, which primarily involve private customers as housebuyers. Buyers are primarily required to pay a 10 per cent deposit in advance when a sale is agreed, and to document satisfactory financing for the property. Credit risk is regarded as low because payment must be made to the client account at the settlement agent before transfer of the residence.

Foreign exchange risk

The vast majority of the group's activities are based in Norway. The company also has operations in Sweden where project development is financed with capital from the Norwegian operations, and profit repatriation entails a capital transfer from Sweden to Norway. No currency hedging arrangements have been established yet. The company considers the exposure to currency risk to be limited as the Swedish operations make up a low proportion of the total project portfolio and the company has therefore not yet formed a foreign exchange policy.

Interest rate risk (own financing, deposits)

Changes in interest rates affect the group's borrowing costs and could affect the valuation of its assets. The company has opted not to enter into any forms of hedging contracts. Furthermore, interest rate levels affect the company's return on free liquidity.

Financing risk (access to capital)

Selvaag Bolig depends on access to capital in order to acquire sites and realise projects. In order to finance construction, the company maintains good and close relations with its principal banks, which are well-capitalised Nordic institutions. Competition between the banks is perceived to be satisfactory, and the company has thereby been able to secure the financing required for its projects. Financing of land purchases is primarily channelled through the collaboration with Urban Property AS. In Sweden, land plots are financed with equity and bank financing. Land purchase models are described in [Description of the business](#) in this report.

Liquidity risk

Conservative liquidity management means having sufficient liquid assets and available financing through lines of credit to meet the group's obligations. Selvaag Bolig administers liquidity actively and pays special attention to maintaining adequate liquidity at all times. The company continuously monitors forecasted and actual cash flows.

The board takes the view that the group had a well-balanced exposure to financial and liquidity risk at 31 December. Cash and cash equivalents in the Selvaag Bolig group amounted at 31 December to NOK 266.5 million (NOK 612.7 million) for the group and NOK 50.6 million (NOK 352.6 million) for the parent company. Liquid assets consisted primarily of cash and bank deposits. Selvaag Bolig has a credit facility of NOK 300 million with DNB, maturing in December 2025. The facility has financial covenants, see note 29. The company also has a credit facility of NOK 150 million in the same bank which is renewed annually. At 31 December, no drawings had been made against either of these facilities. Further reference is made to the comments on financing above and to note 16 in the consolidated financial statements for an overview of loans, maturities and loan terms.

CLIMATE RISK

Climate risk consists of physical climate risk and transition risk. Physical risk is associated with increased extreme weather and ecosystem changes. Transition risk is associated with changes in regulations, technology and the market situation in connection with the transition to a low-emission society.

The company has a relatively low exposure to physical climate risk. In this area, there are strict legal and regulatory requirements, and Selvaag Bolig's housing also has its own management systems that reduce risk. Selvaag Bolig, on the other hand, is exposed to transition risk. As the real estate sector has significant greenhouse gas emissions, there are increased demands for transparency, non-financial reporting and emission cuts, especially from financial stakeholders and authorities. Selvaag Bolig has therefore implemented a number of risk-reducing measures and will continue this work in 2024. These are discussed in the [ESG in Selvaag Bolig](#) report.

ORGANISATION

Selvaag Bolig ASA was established in 2008. It is the parent company for the underlying group subsidiaries, which are responsible for operations. At 31 December 2023, the Selvaag Bolig group had 84 employees. 61.6 full-time equivalents were in the parent company and 22.4 in the subsidiaries. The company is led by CEO Sverre Molvik and chief operating officer (COO) Øystein Klungland.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

Selvaag Bolig will create value for society by building good homes, and by working actively to ensure sustainable housing and urban development. This means in part that the company gives priority to urban areas experiencing expansion pressures, develops site-efficient homes with the greatest volume in lower price categories, seeks to be cost-effective and works to ensure positive official policies through a clear presence in the public debate. Ethical, social and environmental considerations are integrated in its day-to-day operations. The company's goal is to be a good and secure workplace, and requires that it and its suppliers pursue their operations in compliance with applicable legislation and regulations. Furthermore, Selvaag Bolig will be a responsible social player and minimise emissions/discharges and damage to the natural environment. The company has ethical guidelines and a supplier declaration which are described at www.selvaagboligasa.no. Continuous efforts are made to ensure that employees are familiar with and observe all the company's guidelines related to CSR and ESG. The statement on due diligence assessments is published in a separate report available at www.selvaagboligasa.no for further information. The statement on [Equality and diversity](#) is published in this report.

In 2023, the company has, among other things, started the work on the double materiality analysis (DMA) according to ESRS, updated its third climate statement, further defined KPIs and targets, improved systems for data collection and started preparations to meet the demands of CSRD and ESRS. The work will continue in 2024 and the company is preparing for further non-financial reporting in connection with new legal requirements and expectations from various stakeholder groups.

See the separate section on ESG in this annual report.

SHAREHOLDER INFORMATION

The company was listed on the Oslo Stock Exchange on 14 June 2012. It had 6 466 shareholders (5 784) at 31 December 2023, of whom 177 were foreign (205). See [Note 13](#) to the consolidated financial statements for Selvaag Bolig ASA for detailed shareholder information.

Transactions with related parties

Urban Property (UP) is a related party with the company according to accounting rules, which means that payments of option premiums and repurchasing land plots are considered related transactions. During 2023, a land plot was sold by the group to UP for NOK 57.5 million. No land plots were repurchased from UP in 2023. In 2023, the company entered an option agreement with UP for a property in Ås municipality outside Oslo.

Further, Selvaag Bolig delivered a residential building with 46 flats to Selvaag Utleiebolig AS, a wholly owned subsidiary of Selvaag AS. The sale generated revenue of NOK 191.7 million.

Refer to [Note 23](#) for further information about the company's transactions with related parties.

CORPORATE GOVERNANCE

Selvaag Bolig ASA is committed to maintaining a high standard of corporate governance. A healthy corporate culture is essential for safeguarding confidence in the company, securing access to capital and ensuing good value creation over time. All shareholders will be treated equally, and a clear division of labour will exist between the board and the company's executive management. Selvaag Bolig complies with the Norwegian code of practice for corporate governance.

A detailed statement on the way Selvaag Bolig implements the sections of the code can be found on the company's website at www.selvaagboligasa.no and in this annual report.

PAY AND OTHER REMUNERATION

Pay and other remuneration of senior executives in the group are presented in [Note 22](#) to the consolidated financial statements. This note also outlines the principles on which executive remuneration is based. Selvaag Bolig introduced a share savings programme for all employees and a share purchase programme for the executive management in 2015. These programmes are described in the chapter on [Corporate governance](#) in this report.

ANNUAL GENERAL MEETING (AGM)

The AGM will take place on 25 April 2024.

OUTLOOK

Selvaag Bolig is well-positioned with large projects centrally located in and near Greater Oslo, Stavanger, Bergen, Trondheim and Stockholm. According to Statistics Norway, urbanisation and population growth create a large and long-term need for new homes in Selvaag Bolig's core areas. Nevertheless, during the last 18 months, demand has been negatively affected by home loan interest rate increases and reduced household purchasing power. In addition, high construction costs have resulted in postponed

sales and construction starts for many actors. Selvaag Bolig had a number of successful sales and construction starts in 2023 and has planned many sales starts in 2024. However, going forward, there is greater uncertainty than usual associated with the starting date for construction of new projects.

Since Selvaag Bolig has completed more housing units than it has started construction on in 2023, the number of units under construction has fallen over the past year. The reason for this is rising home loan interest rates, high construction costs and general macroeconomic uncertainty. Selvaag Bolig sees, however, signs that construction costs are in the process of stabilising at financially acceptable levels and the new home market is showing signs of improvement in line with Norges Bank's interest rate trajectory indicating cuts at the end of 2024 and the two following years. Uncertainty about the development of new home sales could influence the start of new projects and thereby also the number of homes under construction for the company going forward.

As a pure housing developer, the company puts all construction out to competitive tender and accordingly has a sensible staffing level which can easily be adjusted to the level of activity in the market. In the board's view, this has given and will continue to give Selvaag Bolig competitive advantages. Its strategic collaboration with Urban Property, as well as its successful establishment and strengthened land bank in Sweden could provide substantial benefits for the company over time.

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 backlog, a solid land bank in the company's focus areas as well as available capital through the agreement with UP to acquire new land plots.

Oslo, 21 March 2024



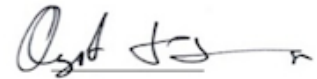
Olav Hindahl Selvaag
Chair



Gisele Marchand
Director



Tore Myrvold
Director



Øystein Thorup
Director



Camilla Wahl
Director



Patrik Eriksson
Director
(Elected by the employees)



Sissel Kragnes
Director
(Elected by the employees)



Sverre Molvik
President and CEO

BOARD OF DIRECTORS, SELVAAG BOLIG ASA





Olav H. Selvaag (born 1969)

Chair

Selvaag has been chair of Selvaag Bolig ASA since 2008. He began his career at KLP Eiendom and has subsequently worked in construction, commercial property and housing development. Selvaag works today as the owner of Selvaag AS and as one of its directors. He is chair of architecture firm Snøhetta AS, Selvaag Bolig ASA, Selvaag By and Fornebu Brygge. His other directorships include Norway's National Theatre and Selvaag Eiendom. Selvaag has an MSc from Stanford University in the USA. He chairs the company's compensation committee. Selvaag is a Norwegian citizen.



Gisele Marchand (born 1958)

Director

Marchand has been a director of Selvaag Bolig ASA since 2012 and served as chair in 2018-19 while Olav H Selvaag was acting CEO. She has broad management and boardroom experience. Earlier positions include executive vice president for the retail market in Norway at DNB and CEO of Batesgruppen, the Norwegian Public Service Pension Fund, Eksporfinans and the Haavind law firm. Marchand has boardroom experience from such companies as Oslo Børs, Norske Skog and Fornebu Utvikling. She currently works full-time in boardroom positions, serving as chair of Gjensidige Forsikring ASA, Nationaltheatret AS, Norgesgruppen Finans AS and Boligbygg KF, as a director of Norgesgruppen ASA, Scatec Solar ASA, Eiendomsspar AS and Victoria Eiendom AS, and as a member of the nomination committee for Entra ASA. Marchand has a BSc in business economics from CBS Copenhagen Business School. She chairs the company's audit committee and sits on its compensation committee. Marchand is a Norwegian citizen.



Tore Myrvold (born 1971)

Director

Myrvold has been a director of Selvaag Bolig ASA since 2018. He began his career in Deloitte where he became a certified public accountant before becoming group controller for Hjemmet Mortensen. Myrvold joined Selvaag AS in 2005, and served in such posts as CFO and executive vice president before becoming CEO in the summer of 2016. He is a director of all the Selvaag AS subsidiaries. Myrvold has an MSc in business economics from the BI Norwegian Business School and has a higher degree in auditing from the Norwegian School of Economics (NHH). He is a member of the board's audit committee. Myrvold is a Norwegian citizen.

**Camilla Wahl (born 1970)***Director*

Wahl is a lawyer with long experience from her own law practice as well as with law firms Selmer, Wikborg Rein and Legalteam Advokatfirma DA. She has also served as general manager for Wahl Eiendom AS, and is working chair of the same company today. Wahl has, among others, boardroom experience from Rom Eiendom AS, DnB Eiendomsinvest I ASA and Pareto Bank ASA. She is a Norwegian citizen.

**Øystein Thorup (born 1971)***Director*

Thorup is a lawyer with top-level executive experience from the property sector as CEO at Orkla Eiendom AS and, since 2012, at Avantor AS Eiendom. He has experience from a number of directorships, and is familiar with the whole value chain in project development. He is a member of the company's compensation committee. Thorup is a Norwegian citizen.

**Sissel Kragnes (born 1972)***Employee-elected director*

Kragnes has been a director of Selvaag Bolig ASA since April 2017. She qualified as an auditor at the Oslo College of Business and Economics, and has worked in auditing and accounting since 1995. Kragnes has been chief accountant at Selvaag Bolig ASA since July 2011. She is a Norwegian citizen.

**Patrik Eriksson (born 1985)***Employee-elected director*

Eriksson has been a director of Selvaag Bolig ASA since May 2021. With an MSc in civil engineering from Chalmers University of Technology in Gothenburg, he has worked on project management at the company since 2014 and became a project director in 2021. Eriksson is a Swedish citizen.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER

(amounts in NOK 1 000, except earnings per share)	Note	2023	2022
Sales revenues	<u>2, 25</u>	3,186,235	2,830,818
Other revenues	<u>25</u>	68,416	65,561
Total revenues		3,254,651	2,896,379
Project expenses	<u>5</u>	(2,677,166)	(2,313,735)
Pay and personnel expenses, administrative functions	<u>6</u>	(145,318)	(139,035)
Depreciation and amortisation	<u>9, 10</u>	(9,231)	(9,717)
Other operating expenses	<u>7</u>	(108,686)	(97,233)
Total operating expenses		(2,940,401)	(2,559,720)
Share of income (losses) from joint ventures and associated companies	<u>24</u>	(13,352)	85,726
Other gain (loss), net		-	-
Operating profit (loss)		300,898	422,385
Financial income	<u>8</u>	29,778	15,384
Financial expenses	<u>8</u>	(11,199)	(12,654)
Net financial expenses		18,579	2,730
Profit (loss) before income taxes		319,477	425,115
Income tax (expense) income	<u>19</u>	(74,800)	(86,262)
Profit (loss) for the year		244,677	338,853
Other comprehensive income items which may be reclassified to profit or loss			
Foreign currency translation		1,796	1,432
Total comprehensive income for the year		246,473	340,285
Profit (loss) for the year attributable to			
Non-controlling interests		44	7
Shareholders of Selvaag Bolig ASA		244,633	338,846
Total comprehensive income for the year attributable to			
Non-controlling interests		44	7
Shareholders of Selvaag Bolig ASA		246,429	340,278
Earnings per share for profit (loss) attributable to shareholders of Selvaag Bolig ASA			
Earnings per share (basic and diluted, in NOK)	<u>14</u>	2.62	3.63

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER

(amounts in NOK 1 000)	Note	2023	2022
ASSETS			
Non-current assets			
Goodwill	<u>9</u>	383,376	383,376
Property, plant and equipment	<u>10</u>	9,767	8,152
Right-of-use assets	<u>10</u>	10,295	17,754
Investments in associated companies and joint ventures	<u>24</u>	229,985	234,730
Loans to associated companies and joint ventures	<u>23, 24</u>	161,314	93,674
Other non-current assets	<u>11</u>	408,503	233,866
Total non-current assets		1,203,240	971,552
Current assets			
Inventory property	<u>5</u>	3,199,454	4,273,209
Trade receivables	<u>11</u>	60,194	81,455
Other current receivables	<u>11</u>	25,001	10,673
Cash and cash equivalents	<u>12</u>	266,522	612,670
Total current assets		3,551,171	4,978,007
TOTAL ASSETS		4,754,411	5,949,559
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of Selvaag Bolig ASA	<u>13</u>	2,299,126	2,338,088
Non-controlling interests		7,838	7,795
Total equity		2,306,964	2,345,883
Liabilities			
Non-current liabilities			
Pension obligations		1,147	1,090
Deferred tax liabilities	<u>19</u>	73,476	60,140
Provisions	<u>20</u>	70,215	66,999
Other non-current non-interest-bearing liabilities	<u>26</u>	385,745	265,039
Non-current lease liabilities	<u>10</u>	2,749	10,930
Non-current interest-bearing liabilities	<u>16</u>	681,776	1,400,352
Total non-current liabilities		1,215,108	1,804,550
Current liabilities			
Current lease liabilities	<u>10</u>	8,181	7,861
Current interest-bearing liabilities	<u>16</u>	323,826	503,091
Current liabilities repurchase agreements and seller credits	<u>26</u>	404,610	582,347
Trade payables	<u>17</u>	73,094	99,343
Current income taxes payable	<u>19</u>	66,378	64,541
Other current non-interest-bearing liabilities	<u>17</u>	356,250	541,943
Total current liabilities		1,232,339	1,799,126
Total liabilities		2,447,447	3,603,676
TOTAL EQUITY AND LIABILITIES		4,754,411	5,949,559

Oslo, 21 March 2024



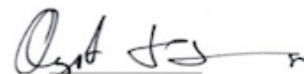
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Gisele Marchand
Director



Tore Myrvold
Director



Øystein Thorup
Director



Camilla Wahl
Director



Patrik Eriksson
Director
(Elected by the employees)



Sissel Krognæs
Director
(Elected by the employees)



Sverre Molvik
President and CEO

STATEMENT OF CHANGES IN EQUITY

(amounts in NOK 1 000)	Share capital	Share premium account	Other paid-in capital	Cumulative translation differences	Other reserves	Retained earnings	Equity attributed to shareholders in Selvaag Bolig ASA	Non-controlling interests	Total equity	
Equity at 1 January 2023	187,440	1,394,857	700,629	8,306	3,528	43,327	2,338,088	7,795	2,345,883	^{*)}
<i>Transactions with owners:</i>										
Dividend	-	-	-	-	-	(281,163)	(281,163)	-	(281,163)	
Share buy back	(1,832)	-	-	-	-	(25,697)	(27,529)	-	(27,529)	
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	-	-	-	-	-	244,633	244,633	44	244,677	
Other comprehensive income/(loss) for the period	-	-	-	1,796	-	-	1,796	-	1,796	
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	^{*)}
Equity at 1 January 2022	186,898	1,394,857	700,629	6,874	3,528	168,266	2,461,053	7,788	2,468,841	^{*)}
<i>Transactions with owners:</i>										
Dividend	-	-	-	-	-	(466,269)	(466,269)	-	(466,269)	
Share buy back	(992)	-	-	-	-	(18,955)	(19,947)	-	(19,947)	
Employee share programme	1,534	-	-	-	-	21,439	22,973	-	22,973	
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	
<i>Total comprehensive income/(loss) for the period:</i>										
Net income/(loss) for the period	-	-	-	-	-	338,846	338,846	7	338,853	
Other comprehensive income/(loss) for the period	-	-	-	1,432	-	-	1,432	-	1,432	
Equity at 31 December 2022	187,440	1,394,857	700,629	8,306	3,528	43,327	2,338,088	7,795	2,345,883	^{*)}

^{*)} Non-controlling interests include tax on 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 FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY TO 31 DECEMBER

(amounts in NOK 1 000)	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before income taxes		319,477	425,115
Income taxes paid		(64,821)	(133,995)
Depreciation and amortisation	<u>9, 10</u>	9,231	9,717
Share of (income) losses from associated companies and joint ventures	<u>24</u>	13,352	(85,726)
Change in inventory property	<u>5</u>	1,195,705	(141,536)
Change in trade receivables	<u>11</u>	21,261	2,376
Change in trade payables	<u>17</u>	(26,249)	(30,643)
Changes in other working capital assets		(89,573)	33,943
Changes in other working capital liabilities		(181,771)	(15,810)
Net cash flow from operating activities		1,196,613	63,441
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of tangible and intangible fixed assets		316	163
Payments for acquisition of tangible and intangible fixed assets		(3,659)	(2,344)
Payments for acquisition of associated companies and joint ventures	<u>24</u>	-	(5,000)
Proceeds from disposal of other investments and repayments on loans given		45,573	78,000
Payments for acquisition of other investments and loans given		(97,904)	(58,997)
Dividends and distributions from associated companies and joint ventures	<u>24</u>	10,423	228,000
Net cash flow from investing activities		(45,251)	239,822
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	<u>16</u>	1,706,662	2,251,525
Repayments of borrowings	<u>16</u>	(2,796,129)	(1,926,750)
Interest payments	<u>16</u>	(108,061)	(65,290)
Repayments of lease liabilities	<u>10</u>	(7,861)	(8,108)
Dividends paid to equity holders of Selvaag Bolig ASA	<u>15</u>	(281,163)	(466,269)
Share buy back Selvaag Bolig ASA	<u>13</u>	(27,529)	(19,947)
Proceeds from disposal of shares Selvaag Bolig ASA	<u>13</u>	16,571	16,811
Net cash flow from financing activities		(1,497,510)	(218,028)
Net change in cash and cash equivalents		(346,148)	85,235
Cash and cash equivalents at 1 January	<u>12</u>	612,670	527,435
Cash and cash equivalents at 31 December	<u>12</u>	266,522	612,670

For further specifications, refer to note 12.



Mathildetunet, Lørenskog

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the Selvaag Bolig group

Notes to the consolidated financial statements for the year ended 31 December 2023.

Note 1 GENERAL INFORMATION

Selvaag Bolig ASA (the company) and its subsidiaries (together the group) is a housing development group involved in the construction of residential property for sale in the ordinary course of business.

Selvaag Bolig ASA is listed on the Oslo Stock Exchange. The company's ultimate controlling party is Selvaag AS.

The registered office of the company is Silurveien 2, NO-0380 Oslo.

Note 2 MATERIAL ACCOUNTING PRINCIPLES

The principal accounting policies are set out below, and have been consistently applied to all accounting periods presented unless otherwise stated.

2.1 STATEMENT OF COMPLIANCE

The group's consolidated financial statements have been prepared in accordance with the IFRS® Accounting Standards and interpretations issued by the International Accounting Standards Board (IASB), as adopted by the EU.

These consolidated financial statements were authorised for issue by the board of directors on 21 March 2024.

2.2 BASIS OF PREPARATION

The consolidated financial statements have been prepared on a going concern and historical cost basis, except for derivatives which are recognised at fair value through profit or loss.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in NOK, which also is the parent company's functional currency.

2.4 CONSOLIDATION

The consolidated financial statements include the financial statements of the company and entities (including special purpose entities) controlled by the company (its subsidiaries).

A negative comprehensive income in the subsidiaries is attributed to the owners of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.5 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the CEO and management group. This group is responsible for allocating resources and assessing the performance of the operating segments.

For the purposes of internal reporting, the group utilises the percentage of completion method for revenues and cost of goods sold, where the degree of completion is estimated on the basis of expenses incurred relative to total estimated cost multiplied by the sales rate. Operating profit (loss) under the percentage of completion method also includes an estimated profit element. The segment results are reconciled to the operating results for the group in the note.

2.6 INVESTMENTS IN ASSOCIATES

An associate is an entity over which the group has significant influence, and which is neither a subsidiary nor a joint venture.

Associates are incorporated in these financial statements using the equity method of accounting.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Indicators of a possible impairment could be a fall in land plot prices or housing prices. If there is a loan to an associated company, and the loan is considered to be part of the net investment, any accumulated negative share of the results which exceed the acquisition cost is recognised as a reduction of the carrying amount of the receivable.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Share of income (loss) from associated companies is included in operating profit (loss) since the investments are considered to be an integral part of the group's operations.

2.7 INVESTMENTS IN JOINT ARRANGEMENTS

The group does not have any interests in joint arrangements classified as joint operations.

The group reports its interests in joint ventures using the equity method, as described in note 2.6 Investments in associates above, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. See [2.10 Revenue recognition](#) below.

Share of income (loss) from joint ventures is included in operating profit (loss), since this is considered integral to the group's operations.

2.8 BUSINESS COMBINATIONS

Where property is acquired through the acquisition of entities, management considers the substance of the assets and activities acquired. When acquiring a group of assets or net assets which do not constitute a business, the cost price is allocated between the individual identifiable assets and liabilities acquired on the basis of their relative fair values at the acquisition date.

Business combinations are accounted for using the acquisition method. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

2.9 INTANGIBLE ASSETS

Goodwill

Goodwill arising on an acquisition of a business is recognised in the balance sheet at the date of acquisition of the business (see [2.8 Business combinations](#) above). Goodwill is not amortised but is tested for impairment annually. For the purposes of impairment testing, goodwill is allocated to each of the group's cash-generating units (or collections of cash-generating units) expected to benefit from synergies of the business combination.

2.10 REVENUE RECOGNITION

The group's main activity is to develop residential properties, and revenue is derived primarily from the sale of residential properties. Properties are usually sold to private customers, but there are some professional customers as well.

The group also has some lease revenue and revenue from other services.

(A) SALE OF RESIDENTIAL PROPERTY

Revenue from the sale of residential property (including any sale of projects under development and undeveloped land) is recognised when the control is transferred to the customer. Control is considered transferred at the time of delivery of the property to the customer.

Customer contracts related to sale of residential properties are in accordance with the Norwegian standard, and will normally include a condition that a minimum percentage of sales in the project is reached. Before commencing the construction phase of a project, the general rule is that the group requires 60 per cent of a project to be sold.

According to Norwegian regulations, the customer is entitled to withdraw from the contract until the property is transferred to them. In such a case, however, the customer is responsible for covering any loss incurred by the group as consequence of their withdrawal. This includes covering the price difference if a lower price is achieved, plus transaction costs.

The customer normally pays 10 per cent of the selling price when signing the contract. This prepayment is paid into an escrow account held by the estate agent. The group does not have a right to the advance payment until it provides financial security in

accordance with the Housing Construction Act. Once such security is provided, the advance payment is released from the escrow account and recognised as received cash and other short-term debt (advance payment).

The remaining part of the selling price is paid into the escrow account prior to delivery. The amount is not released from the escrow account until security is provided or all formalities related to the transfer of the property to the customer are finalised. In the period between physical transfer of the property and finalising the formalities by the estate agent, the consideration (reduced by advance payments) is recognised as a trade receivable. Once the right of ownership has been publicly notarised, the remaining consideration is released from the escrow account.

(B) LEASE REVENUES

Rental income from leasing property (operating leases in which the group is a lessor) is recognised on a straight-line basis over the term of the relevant lease and included in other revenues.

(C) SALE OF SERVICES

Control over services is considered to be transferred to the customer as the service is delivered. Revenue from sale of services is recognised when the service is performed. Estate agent services directly associated with the sale of property are included in sales revenue. Other services are included in other revenue.

2.11 INVENTORY PROPERTY

The group has property which is land and buildings intended for sale in the ordinary course of business or which is in the process of construction or development for such sale. Inventories thus comprise land, property held for resale, property under development and construction and unsold finished units which are not sold. Inventories are measured at the lower of cost and net realisable value.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present condition. The cost of conversion includes costs directly related to the construction of the property (such as amounts paid to sub-contractors for construction), and an allocation of fixed and variable overheads incurred during development and construction. Borrowing costs directly attributable to the acquisition, construction or production of property are added to the cost of those assets until the assets are substantially ready for their intended use or sale. That usually occurs when the project is completed and ready for delivery to the customers.

Capitalisation of borrowing costs commences when the plot acquires planning permission. Capitalisation of other directly attributable costs commences when it is more likely than not that the project will be realised. Other costs are included in the cost of inventories only to the extent that they are directly attributable to bringing the inventories to their present location and condition, including planning and design costs, for example. The option premium in plot option contracts with Urban Property is recognised at acquisition cost in inventory as they are incurred when it is probable that the project will be realised.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money (if material), less the estimated costs of completion and the estimated costs necessary to make the sale.

When properties are sold, the carrying amount is recognised as a project expense in the income statement in the period in which the related revenue is recognised.

The group has entered into agreements to purchase land in the future (forwards and purchase options) for use in the ordinary course of business. The land is first capitalised when the cost is incurred or the control is transferred from the seller. For more information regarding the land portfolio included in the collaboration with Urban Property, see note 26. If a contract to purchase land in the future is a loss contract, a provision is made for the estimated loss.

2.12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at acquisition cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis, generally over three to 10 years.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in the income statement as *Other gain/(loss) net*.

2.13 FINANCIAL ASSETS

TRADE RECEIVABLES

Trade receivables are amounts due from customers in the group's ordinary housing development business and related services. Where the trade receivables do not include a significant financing component, they are recognised initially at the amount of the consideration. Impairment is recognised if there is evidence that the estimated future cash flow has been impacted. The risk of impairment is low owing to the practice of requiring advance payments into escrow accounts.

LOANS AND OTHER RECEIVABLES

Loans and other receivables are held in the group's normal business model where the objective is to collect payment and interest when due, and measured at amortised cost using the effective interest method, less any impairment. The receivables are classified as current unless they are due more than 12 months from balance sheet date.

2.14 FINANCIAL LIABILITIES

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost.

BORROWINGS

Borrowings are recognised initially at the received amount, net of transaction expenditures incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction expenditures) and the nominal value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group at the balance sheet date has an unconditional right to defer settlement of the liability for at least 12 months.

TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest-method. If the interest element is insignificant, trade payables are carried at the original invoice amount.

2.15 CASH AND CASH EQUIVALENTS

The cash flow statement is prepared using the indirect method. Interest payments are classified as operational cash flows.

2.16 EQUITY

Repurchase of the company's own equity instruments is recognised and deducted directly in equity.

2.17 INCOME TAX

Income tax expense represents current tax expense and changes in deferred tax expense.

CURRENT TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense which are taxable or deductible in other years and items which are never taxable or deductible.

CHANGES IN DEFERRED TAX

With the purchase of property through incorporated companies, deferred tax is not recognised.

Deferred tax is recognised for temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The group recognises deferred tax for associated companies and jointly controlled entities subject to partnership taxation.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered in the foreseeable future.

2.18 PROVISIONS

Provisions in the group are mainly linked to building parking spaces, see note 20.

2.19 LEASES

In accordance with IFRS 16 Leases, leases are recognised as a right-of-use asset and a lease obligation from the time the right-of-use assets is available for use by the lessee (the commencement date).

Right-of-use assets are measured at acquisition cost, which comprises the amount of the initial measurement of the lease liability, adjusted for any lease payments made before the commencement date, less any lease incentives received and any costs necessary to restore the asset to the condition required by the lease.

Liabilities arising from a lease are initially measured on a present value basis using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used.

When adjustments to lease payments based on an index or rate take effect, or the management makes changes in the evaluation of options to extend or terminate the lease, the lease liability is reassessed and recognised as an adjustment to the right-of-use asset.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of comprehensive income.

2.20 EMPLOYEE BENEFITS

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Obligations related to early retirement pensions (AFP) are part of a multi-employer defined benefit plan. However, the company's share of the liability cannot be reliably measured, and the plan is therefore accounted for as if it were a defined contribution plan.

2.21 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

New accounting standards and amendments

(A) NEW STANDARDS, CHANGES TO STANDARDS AND INTERPRETATIONS THIS YEAR

The group implemented no new standards, changes to standards or interpretations with a significant impact for the group in 2023.

The amendments to IAS 1 that require companies to disclose their material accounting policy information rather than their significant accounting policies became effective for the Group on 1 January 2024. It has been made clearer which principles are significant enough to be disclosed in the financial statements. The accounting policy information should focus to a greater extent on the company's specific choice and assessment, rather than a general copy of standards and other generic text. The amendments to IAS 1 did not have significant effects for the Group, however the Group has revised its description of certain accounting policies following these amendments.

(B) FORTHCOMING REQUIREMENTS

No forthcoming changes are expected to have a significant impact for the group.

Note 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ESTIMATION OF NET REALISABLE VALUE FOR INVENTORY (PROPERTY)

Housing development projects are classified as inventory in accordance with IAS 2. Inventories comprise undeveloped land, work in progress and finished units, and are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In determining the net realisable value, management assesses important factors relevant for the valuation, including macroeconomic factors such as expected housing prices and rental levels as well as expected yields, approvals from the authorities, construction costs and project progression. When considered appropriate, management uses reports from external valuation experts to estimate property values or to corroborate the company's own estimates. Changes in circumstances and in management's assessments and assumptions will result in changes in the estimated net realisable value. See also note 5.

Note 4 SEGMENT INFORMATION

Management has determined the operating segments based on reports reviewed by the CEO and management group, and which are used to make strategic decisions. The figures below were reported to the CEO and the management group at the end of the reporting period. The main segment is defined as property development ("Boligutvikling"). The income in the other segment comes mainly from services and project management, see also note 25. The costs in the other segment mainly relate to salary costs for administration and management which cannot be directly attributed to the projects and thus are not allocated to the housing development segment, see also note 6.

The group utilises the percentage of completion method in its internal reporting, where the degree of completion is estimated on the basis of expenses incurred relative to total estimated costs and the sales rate. Operating revenues under the percentage of completion method also include an estimated profit element for sold units. 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 percentage of completion to completed contract) can be found in the segment reporting under "Reconciliation EBITDA to operating profit (loss)". In addition, the operating profit from IFRS contains items from IFRS 16 Leases, which are not included in the segment reporting. Effects are specified in the table below.

Group management considers segment results based on the percentage of completion method for determining EBITDA. The measurement method is defined as operating profit (loss) before "Depreciation and amortisation", "Other gain (loss), net", and "Share of income (losses) from associated companies". 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.

At 31 December 2023			
(amounts in NOK 1 000)	Property development	Other	Total
Operating revenues	2,088,269	64,813	2,153,082
Project expenses	(1,695,426)	7,262	(1,688,164)
Other operating expenses	(48,143)	(214,383)	(262,526)
EBITDA (percentage of completion)	344,700	(142,308)	202,392
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	344,700	(142,308)	202,392
Sales revenues (adjustment effect of percentage of completion)	(1,954,173)	-	(1,954,173)
Sales revenues (completed contracts)	3,055,744	-	3,055,744
Project expenses (adjustment effect of percentage of completion)	1,575,929	-	1,575,929
Project expenses (completed contracts)	(2,564,935)	-	(2,564,935)
Lease expenses	-	8,524	8,524
Depreciation and amortisation	-	(9,231)	(9,231)
Share of income (loss) from associated companies	(13,352)	-	(13,352)
Other gain (loss), net	-	-	-
Operating profit (loss)	443,913	(143,015)	300,898
Units in production	784	I/A	I/A
Units delivered	655	I/A	I/A
At 31 December 2022			
(amounts in NOK 1 000)	Property development	Other	Total
Operating revenues	2,794,366	61,669	2,856,035
Project expenses	(2,234,250)	954	(2,233,296)
Other operating expenses	(34,978)	(210,803)	(245,781)
EBITDA (percentage of completion)	525,138	(148,180)	376,958
Reconciliation EBITDA to operating profit (loss):			
EBITDA (percentage of completion)	525,138	(148,180)	376,958
Sales revenues (adjustment effect of percentage of completion)	(2,729,302)	-	(2,729,302)
Sales revenues (completed contracts)	2,769,646	-	2,769,646
Project expenses (adjustment effect of percentage of completion)	2,161,251	-	2,161,251
Project expenses (completed contracts)	(2,241,690)	-	(2,241,690)
Lease expenses	-	9,513	9,513
Depreciation and amortisation	-	(9,717)	(9,717)
Share of income (loss) from associated companies	85,726	-	85,726
Other gain (loss), net	-	-	-
Operating profit (loss)	570,769	(148,384)	422,385
Units in production	1,253	I/A	I/A
Units delivered	585	I/A	I/A
Geographic distribution of revenues in segment Property development			
(amounts in NOK 1 000)	2023		2022
Greater Oslo	1,579,492		2,195,477
Rest of Norway	498,636		550,107
Foreign	10,141		48,782
Total operating revenue	2,088,269		2,794,366

Operating revenues from outside Norway in 2023 are from the sale of flats in Spain.

Note 5 INVENTORY (PROPERTY)

(amounts in NOK 1 000)	Land	Borrowing cost of land	Capitalised project expenses	Total
At 1 January 2022	958,173	75,628	3,038,665	4,072,466
Additions	160,288	35,470	2,318,721	2,514,479
Reclassifications of land to capitalised project expenses at construction start	(452,762)	(17,649)	470,411	-
Inventory expenses on delivered units (project expenses)	(38,929)	(894)	(2,273,912)	(2,313,735)
Carrying amount at 31 December 2022	626,770	92,555	3,553,884	4,273,209
Additions	4,869	26,596	1,571,945	1,603,410
Reclassifications of land to capitalised project expenses at construction start	(3,317)	-	3,317	-
Inventory expenses on delivered units (project expenses)	(69,056)	(11,112)	(2,596,998)	(2,677,166)
Carrying amount at 31 December 2023	559,267	108,039	2,532,148	3,199,454

(amounts in NOK 1 000)	2023	2022
Land (undeveloped)	667,305	719,324
Work in progress	1,959,180	3,384,214
Finished projects	572,969	169,671
Carrying amount inventory	3,199,454	4,273,209

Capitalisation rates utilised to determine the amount of borrowing costs eligible for capitalisation were between 5.8 per cent and 7.8 per cent during 2023. Corresponding rates were between 3.6 per cent and 5.9 per cent during 2022.

Land loans are normally converted to construction loans in line with the progress of the respective construction projects. 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 of NOK 26.6 million related to land loans were capitalised in 2023, compared with NOK 19.7 million in 2022. Interest charges on construction loans are capitalised during the construction period and recognised under cost of sales in the same way. Capitalised interest on construction loans is included in additions to capitalised project expenses in the table above. Interest charges of NOK 118.3 million related to construction loans were capitalised in 2023, compared with NOK 87.0 million in 2022.

Valuation of properties

Plots of land are considered part of inventory and are valued at the lower of acquisition cost and net realisable value. At the group's request, external valuations of properties have been performed at 31 December 2023. The group management has determined the most significant assumptions relevant to the valuation of individual plots/properties, including size, geographic location, current planning status, potential for development and timing of sale. The external valuation indicates an excess value of NOK 471 million (2022: NOK 502 million) beyond the carrying amounts related to the properties included in land (undeveloped).

Impairment test inventory property

The group's impairment test for inventory property is based on an external valuation. If it shows a value close to or lower than the book value, an evaluation of the profitability in the project calculations is made. Several factors, including changes in market conditions are part of that evaluation. In 2023 and 2022, the group did not recognise any impairment losses related to property in the inventory.

See [Note 16](#) for inventory property pledged as collateral for borrowings from financial institutions.

Purchase obligations for land

The group has entered into a number of agreements in recent years on the future acquisition of sites through purchase obligations and options. These are not reflected in the accounts since recognition first occurs on takeover. The agreements relate to the period 2024 to about 2035 period, with the obligations expected to yield 4 200-5 800 units (net). Of these, about 75 per cent are located in the Greater Oslo area. In relation with the Urban Property transaction, some of the purchasing agreements were transferred to Urban Property. These are referred to as portfolio C in note 26 and constitute approximately 30 per cent of the number of units in the purchase obligations.

Maturity profile for the group's purchase obligations for land	1-5 years		5-10 years		More than 10 years	
	Interval		Interval		Interval	
Estimated residential units (net)	1,700	1,950	1,350	2,550	1,150	1,300

When the agreements will mature is very uncertain, since this depends to a great extent on planning processes which are outside the group's control. The maturity could therefore occur earlier or later than estimated. The group has assessed whether a provision for loss needs to be made for some of these contracts at 31 December 2023. No loss-making contracts have been identified for 2023.

In addition to the purchase obligations, the group has entered into purchase agreements for properties allocated by local authorities in Sweden which are expected to yield 900 units (net).

Note 6 PAY AND PERSONNEL EXPENSES

(amounts in NOK 1 000)	2023	2022
Wages and salaries	(120,697)	(118,767)
Social security tax	(28,591)	(24,527)
Pension costs	(8,048)	(7,185)
Other benefits	(7,356)	(6,224)
Pay expense capitalised to inventory	19,373	17,667
Total pay and personnel expenses	(145,318)	(139,035)
Average number of employees	86	86

Specification of pension costs

(amounts in NOK 1 000)	2023	2022
Pension cost - defined contribution and disability pension plan	(6,473)	(5,609)
Pension cost - defined benefit plan	(562)	(574)
Other pension costs (including early retirement (AFP))	(1,012)	(1,002)
Net pension costs	(8,048)	(7,185)

At 31 December 2023, 85 employees were included in the defined contribution plan. In addition, one employee was included in a defined benefit plan which is closed to new members. The defined benefit plan carries a net asset of NOK 0.6 million. 70 current employees were included in the early retirement (AFP) plan. See also note 3 for Selvaag Bolig ASA.

Companies in Norway are required to offer an occupational pension plan in line with the Act on mandatory occupational pensions, and the group's companies have a pension plan which meets these requirements. The basis for earned pension rights under the defined contribution plan is 5 per cent of salary between 0 and 7.1 times the National Insurance base amount (G) and 10.5 per cent between 7.1G and 12G.

Note 7 OTHER OPERATING EXPENSES

(amounts in NOK 1 000)	Note	2023	2022
Operation and maintenance		(23,155)	(19,639)
Consultancy expenses		(27,255)	(26,205)
Commissions and other sales-related expenses		(38,478)	(29,236)
Losses on receivables	11	(154)	(59)
Other operating expenses		(19,644)	(22,094)
Total other operating expenses		(108,686)	(97,233)

Other operating expenses include expenses related to operation of the group headquarters, in addition to NOK 4.6 million (2022: NOK 2.1 million) in services purchased from Selvaag AS and group companies. See also note 23 on related-party transactions for further specification.

Note 8 FINANCIAL INCOME AND EXPENSES

(amounts in NOK 1 000)	Note	2023	2022
Interest income on financial assets measured at amortised cost		28,508	14,946
Net foreign currency gains		7	438
Other financial income		1,263	-
Total financial income		29,778	15,384
Interest expenses on financial liabilities measured at amortised cost		(35,160)	(31,633)
Capitalised interest this year	5	26,596	19,729
Total interest expenses		(8,564)	(11,904)
Net foreign currency losses		(2,260)	(14)
Other financial expenses		(375)	(736)
Total financial expenses		(11,199)	(12,654)
Net financial expenses		18,579	2,730

Note 9 GOODWILL

(amounts in NOK 1 000)	Goodwill
Cost at 31 December 2021	383,376
Additions	-
Disposals	-
Cost at 31 December 2022	383,376
Additions	-
Disposals	-
Cost at 31 December 2023	383,376
Carrying amount at 31 December 2022	383,376
Carrying amount at 31 December 2023	383,376

Impairment test of goodwill and other intangible assets

The group tests goodwill with an unlimited life for impairment annually, or more often if there are external or internal indications of impairment. Any other intangible assets are tested for impairment if events during the period indicate that the value may be impaired. The group had no other intangible assets at the end of 2023.

Goodwill arisen from business combinations in 2011 is allocated to each of the group's cash-generating segments as follows:

Goodwill	2023
Property development	382,176
Other	1,200
Total	383,376

Goodwill	2022
Property development	382,176
Other	1,200
Total	383,376

Cash-generating units are divided into the property development and other operating segments, see [Note 4](#). Goodwill allocated to the "other" segment is related to Selvaag Eiendomsoppgjør AS, previously part of Meglerhuset Selvaag (estate agents).

An external valuation indicates an excess value of NOK 471 million over and above the carrying amounts related to the properties included in land (undeveloped). See [Note 5](#). The excess value is allocated to the property development cash-generating unit. The group expects to realise excess value in the existing land bank through projects developed over the next five to 10 years.

The group has tested the goodwill for impairment on the basis of a model for estimating future cash flows from property development projects. The estimated cash flows are discounted to net present value using a weighted average cost of capital discount rate. A discount rate of 8.1% (7.6%) is used. Future cash flows are estimated on the basis of expected cash flow from ongoing projects, future projects from the current land bank and future projects requiring new investment in properties. The annual growth in cash flow is set to two per cent. Expected cash outflows related to new investment in properties and administrative costs are included in the calculation. The most significant assumptions in the calculation model are deemed to be sales volume and discount rate, in addition to the profitability in the projects. The impairment test shows sufficient excess value over and above the carrying amount to conclude that any reasonable decrease in the key assumptions will not trigger an impairment charge for goodwill. No realistic changes in the assumptions indicate an impairment in 2023.

Note 10 PROPERTY, PLANT, EQUIPMENT AND LEASES

(amounts in NOK 1 000)	Service property	Machinery and plant	Inventory and other equipment	Total property, plant and equipment (A)	Right-of-use lease assets (B)	Total (A+B)
Cost at 31 December 2021	4,003	4,630	28,252	36,885	53,639	90,524
Additions 2022	-	-	2,344	2,344	4,731	7,075
Disposals 2022	-	-	(325)	(325)	(4,570)	(4,895)
Translation differences	-	-	184	184	-	184
Cost at 31 December 2022	4,003	4,630	30,455	39,088	53,800	92,888
Additions 2023	-	-	3,659	3,659	-	3,659
Disposals 2023	-	-	(315)	(315)	-	(315)
Translation differences	-	-	270	270	-	270
Cost at 31 December 2023	4,003	4,630	34,069	42,702	53,800	96,502
Accumulated depreciation at 31 December 2021	-	(4,630)	(24,875)	(29,505)	(27,906)	(57,411)
Depreciation 2021	-	-	(1,429)	(1,429)	(8,288)	(9,717)
Disposals 2021	-	-	162	162	148	310
Translation differences	-	-	(164)	(164)	-	(164)
Accumulated depreciation at 31 December 2022	-	(4,630)	(26,306)	(30,936)	(36,046)	(66,982)
Depreciation 2022	-	-	(1,773)	(1,773)	(7,458)	(9,231)
Disposals 2022	-	-	-	-	(1)	(1)
Translation differences	-	-	(226)	(226)	-	(226)
Accumulated depreciation at 31 December 2023	-	(4,630)	(28,305)	(32,935)	(43,505)	(76,440)
Carrying amount at 31 December 2022	4,003	-	4,149	8,152	17,754	25,906
Carrying amount at 31 December 2023	4,003	-	5,764	9,767	10,295	20,062
Estimated useful life	-	3-5 years	3-5 years		1-9 years	
Amortisation method	No amortisation	straight-line	straight-line		straight-line	

The group as lessee

Right-of-use assets

Leased assets in the group are mainly office buildings. Right-of-use assets related to these are presented in the table above. The group has opted to not recognise leases for assets with low values. Lease payments related to assets with low values are expensed when they occur. A number of the lease contracts include an extension option which can be capitalised during the last term of the current contract. When entering a new lease contract, the group evaluates whether the extension option is likely to be capitalised or not.

Lease liabilities

Development in the period

(amounts in NOK 1 000)	2023	2022
At 1 January	18,791	26,738
New/changed lease liabilities recognised in the period	-	4,731
Disposals	-	(4,570)
Repayments	(7,861)	(8,108)
At 31 December	10,930	18,791

Specification of lease liabilities

(amounts in NOK 1 000)	2023	2022
Current lease liabilities	8,181	7,861
Non-current lease liabilities	2,749	10,930
Total lease liabilities	10,930	18,791

Maturity profile lease liabilities (nominal values)

(amounts in NOK 1 000)	2023	2022
< 1 year	8,718	8,522
2-3 years	2,279	9,845
4-5 years	750	1,903
> 5 years	-	-
Total nominal lease liabilities at 31 December	11,747	20,270

Lease obligations for assets with low values are not included.

Note 11 TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS

(amounts in NOK 1 000)	2023	2022
Seller credits	21,900	-
Capitalised option premiums Urban Property	341,669	176,741
Other loans and receivables	44,934	57,125
Other non-current assets	408,503	233,866

(amounts in NOK 1 000)	2023	2022
Trade receivables	60,194	81,455
Other receivables	16,347	4,707
Other current financial receivables	16,347	4,707
Prepaid expenses	8,654	5,966
Total other current receivables	25,001	10,673

The carrying amounts of trade and other receivables are denominated in NOK.

Analysis of trade receivables at the end of the reporting period	2023	2022
Not overdue	51,704	69,513
Overdue 1-100 days	341	3,561
Overdue > 100 days	10,370	9,840
Gross trade receivables	62,415	82,914
Total allowance for doubtful debts	2,221	1,459
Net trade receivables	60,194	81,455

Losses on receivables	2023	2022
Movement in allowance for doubtful debts	762	-
Receivables written off during the year as uncollectable	(900)	(59)
Losses on receivables in the statement of comprehensive income	(138)	(59)

Losses on receivables have historically been minimal. There is no provision for losses on receivables as the expected credit loss is insignificant.

Note 12 ADDITIONAL INFORMATION FOR THE STATEMENT OF CASH FLOWS

Cash and cash equivalents

(amounts in NOK 1 000)	2023	2022
Restricted bank accounts	708	708
Non-restricted bank deposits and cash	265,814	611,962
Total	266,522	612,670

Interest payments and proceeds

Payments of and proceeds from interest are classified as operating activities. There are normally large differences between the period's expensed interest (before capitalisation) and interest paid because interest on construction loans is added to the principal and is only paid when the construction loan is repaid. Payments were NOK 160.0 and NOK 96.9 million in 2023 and 2022, respectively. Proceeds from interest were NOK 14.6 million in 2023 and NOK 9.4 million in 2022. Some of the interest paid has been capitalised as part of the inventory in the group, see [Note 5](#) for specifications. Other interest is included in other working capital assets and other working capital liabilities.

Net interest-bearing debt

(amounts in NOK 1 000)	2023	2022
Non-current interest-bearing liabilities	681,776	1,400,352
Current interest-bearing liabilities	323,826	503,091
Current liabilities repurchase agreements and seller credits	404,610	582,348
Cash and cash equivalents	(266,522)	(612,670)
Net interest-bearing debt	1,143,690	1,873,121
Gross debt - variable interest rates	1,410,212	2,485,791
Gross debt - fixed interest rates	-	-
Cash and cash equivalents	(266,522)	(612,670)
Net interest-bearing debt	1,143,690	1,873,121

Liabilities from financing activities ¹

(amounts in NOK 1 000)	
Interest-bearing debt at 31 December 2021	2,147,683
Proceeds from borrowings	2,251,525
Repayments of borrowings	(1,992,040)
Additions	-
Other non-cash movements ²	78,622
Interest-bearing debt at 31 December 2022	2,485,791
Proceeds from borrowings	1,706,662
Repayments of borrowings	(2,904,190)
Additions	-
Other non-cash movements ²	121,950
Interest-bearing debt at 31 December 2023	1,410,212

1) Lease liabilities not included.

2) Net effect of NOK 122.0 million reflects the difference between accrued and paid interests (NOK 78.6 million).

Loans to associated companies and joint ventures

The group paid NOK 80.7 million in loans to associated companies and joint ventures in 2023, compared to NOK 59.0 million in 2022. Proceeds from loans to companies and joint ventures were NOK 5.0 million (NOK 24.0 million).

Note 13 EQUITY AND SHAREHOLDER INFORMATION

Paid-in capital

(amounts in NOK 1 000, except number of shares)	Number of shares	Share capital	Share premium	Other paid-in capital	Total paid-in capital
Equity at 31 December 2021	93,416,860	186,900	1,394,857	700,629	2,282,386
Share buy-back Selvaag Bolig ASA related to share programme for employees	(463,105)	(992)	-	-	(992)
Sale of shares from Selvaag Bolig ASA to employees	767,163	1,534	-	-	1,534
Equity at 31 December 2022	93,720,918	187,443	1,394,857	700,629	2,282,929
Share buy-back Selvaag Bolig ASA related to share programme for employees	(916,108)	(1,832)			(1,832)
Sale of shares from Selvaag Bolig ASA to employees	835,602	1,671			1,671
Equity at 31 December 2023	93,640,412	187,282	1,394,857	700,629	2,282,768

At 31 December 2023, the share capital of the company (net of treasury shares) was NOK 187.3 million, comprising 93 640 412 fully-paid ordinary shares with a par value of NOK 2.00. At 31 December 2022, the share capital of the company (net of treasury shares) was NOK 187.4 million, comprising 93 720 918 fully-paid ordinary shares. All issued shares carry equal rights. The change in 2023 is related to the sale of shares to employees through the employee share purchase programme and the purchase of treasury shares for the employee share purchase programme.

Selvaag Bolig ASA held 125 276 of its own shares at 31 December 2023 (44 770 at 31 December 2022).

The board of Selvaag Bolig ASA is mandated by the annual general meeting (AGM) to acquire the company's shares up to a total nominal value of NOK 18 753 137. The amount paid for the shares must be a minimum of NOK 10 and maximum of NOK 100. The board can use the mandate for a possible later write-down of the share capital with the consent of the general meeting, incentive programmes, settlement for the possible acquisition of businesses, or for the purchase of shares where this is financially beneficial. The board is free to choose the methods to be used for acquiring or disposing of shares. The mandate runs until the AGM in 2024, when an extension of the mandate until the AGM in 2025 will be proposed.

Furthermore, the board of Selvaag Bolig ASA is mandated by the AGM to increase the share capital, on one or more occasions, by up to NOK 18 753 137. The mandate can be used to issue shares as payment related to incentive schemes, as consideration for the acquisition of businesses falling within the company's business purpose, or for necessary strengthening of the company's equity. The mandate runs until the AGM in 2024. Shareholders' pre-emptive right to subscribe for shares can be set aside. The authorisation includes increasing share capital in return for deposits in assets other than money or the right to assume special obligations on behalf of the company. The authorisation does not include a decision on a merger. The authorisation is valid for the annual general meeting in 2024 and is proposed to be extended by one year until the general meeting in 2025.

Other equity reserves

Other reserves in the statement of changes in equity consist of the group's share of transactions with owners in associated companies and joint ventures.

Non-controlling interests (NCI)

(amounts in NOK 1 000)	NCI in %		NCI carrying amount at		NCI carrying amount at	
	12/31/2023	12/31/2022	2023	2022	12/31/2023	12/31/2022
Nestlun Pluss AS/KS	25.0 %	25.0 %	44	7	7,838	7,795

Ownership structure

At 31 December 2023, the group had 6 466 shareholders, of whom 177 were outside Norway. At 31 December 2022, the group had 5 784 shareholders, of whom 205 were outside Norway.

The 20 largest shareholders at 31 December 2023 were as follows:

Shareholder	Ordinary shares	Ownership/ voting share
SELVAAG AS	50,180,087	53.5 %
PARETO INVEST NORGE AS	4,680,572	5.0 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	3,266,051	3.5 %
The Northern Trust Comp, London Br *	2,186,000	2.3 %
JPMorgan Chase Bank, N.A., London *	1,912,218	2.0 %
EGD CAPITAL AS	1,704,752	1.8 %
SANDEN EQUITY AS	1,600,000	1.7 %
HAUSTA INVESTOR AS	1,600,000	1.7 %
MUSTAD INDUSTRIER AS	1,067,454	1.1 %
PERESTROIKA AS	1,066,619	1.1 %
Goldman Sachs International *	965,549	1.0 %
The Northern Trust Comp, London Br *	840,200	0.9 %
BANAN II AS	830,000	0.9 %
Brown Brothers Harriman & Co. *	684,331	0.7 %
Sverre Malvik	592,684	0.6 %
Øystein Klungland	592,684	0.6 %
GÅSØ NÆRINGSUTVIKLING AS	530,599	0.6 %
BNP Paribas *	530,000	0.6 %
Brown Brothers Harriman & Co. *	507,059	0.5 %
Skandinaviska Enskilda Banken AB *	399,628	0.4 %
Total 20 largest shareholders	75,736,487	80.8 %
Other shareholders	18,029,201	19.2 %
Total ordinary shares	93,765,688	100.0 %

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

The 20 largest shareholders at 31 December 2022 were as follows:

Shareholder	Ordinary shares	Ownership/ voting share
SELVAAG AS	50,180,087	53.5 %
Skandinaviska Enskilda Banken AB *	4,796,067	5.1 %
PARETO INVEST NORGE AS	4,671,772	5.0 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	3,266,051	3.5 %
The Northern Trust Comp, London Br *	2,186,000	2.3 %
JPMorgan Chase Bank, N.A., London *	1,912,218	2.0 %
SANDEN EQUITY AS *	1,200,000	1.3 %
MUSTAD INDUSTRIER AS	1,136,363	1.2 %
The Northern Trust Comp, London Br *	840,200	0.9 %
Skandinaviska Enskilda Banken AB *	750,000	0.8 %
BANAN II AS	750,000	0.8 %
Landkredit Utbytte	700,000	0.7 %
Brown Brothers Harriman & Co. *	684,200	0.7 %
Brown Brothers Harriman & Co. *	513,705	0.5 %
Morgan Stanley & Co. International	496,588	0.5 %
Sverre Malvik	492,814	0.5 %
Øystein Klungland	487,582	0.5 %
The Bank of New York Mellon SA/NV *	450,810	0.5 %
THRANE-STEEN NÆRINGSBYGG AS	342,249	0.4 %
Avanza Bank AB *	331,199	0.4 %
Total 20 largest shareholders	76,187,905	81.3 %
Other shareholders	17,577,783	18.7 %
Total ordinary shares	93,765,688	100.0 %

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

Directors and the chief executive officer held no share options in the company during 2023 and 2022. See the remuneration report published on the company's home page selvaagbolig.com for an overview of share ownership in the company by directors and the chief executive officer.

Note 14 EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit (loss) for the period with the weighted average number of shares in issue. There were no diluting effects related to the share capital in 2023 and 2022.

Basic earnings per share	2023	2022
Profit (loss) for the period attributable to shareholders of the company in NOK 1 000	244,633	338,846
Weighted average number of shares outstanding during the period	93,539,754	93,307,110
Basic earnings per share in NOK	2.62	3.63
Diluted earnings per share in NOK	2.62	3.63

Note 15 DIVIDEND

The company has established a policy of paying dividends twice a year from 2015. The board has proposed a dividend of NOK 1 per share for the second half of 2023, corresponding to NOK 93.8 million. Furthermore, NOK 1 per share was paid on the basis of the financial results for the first half of 2023, corresponding to NOK 93.7 million. The total ordinary dividend for 2023 of NOK 187.5 million equals 76 per cent of net income. In 2022, an ordinary dividend of NOK 374.0 million was paid, corresponding to NOK 4.00 per share. That was equal to 110% of net income. The dividend for the second half of 2023 is subject

to approval by the AGM on 25 April 2024 and is not reflected in the financial statements for 2023. See the table below for specification of the amounts.

Dividend paid is calculated on the basis of the total number of shares, which amounts to 93 765 688. To find the net amount paid, the dividend related to treasury shares owned by Selvaag Bolig ASA at the time of approval is deducted.

(amounts in NOK 1 000)	Dividend for the first half			Proposed dividend for the second half ¹			Total for 2023
	NOK per share	Number of shares	Amount	NOK per share	Number of shares	Amount	
Gross dividend	1.00	93,765,688	93,766	1.00	93,765,688	93,766	187,531
Dividend related to treasury shares	1.00	44,770	45	-	-	-	45
Net dividend paid	-	-	93,721	-	-	93,766	187,487

¹⁾ The amount is calculated gross since the number of treasury shares held at the time the dividend will be approved, 25 April 2024, was not known at 31 December 2023.

The ordinary dividend paid in 2023 was NOK 281.2 million. This consisted of NOK 187.4 million for the second half of 2022 and NOK 93.7 million for the first half of 2023.

(amounts in NOK 1 000)	Dividend for the first half			Dividend for the second half			Total for 2022
	NOK per share	Number of shares	Amount	NOK per share	Number of shares	Amount	
Gross dividend	2.00	93,765,688	187,531	2.00	93,765,688	187,531	375,063
Dividend related to treasury shares	2.00	511,933	1,024	2.00	44,770	90	1,113
Net dividend paid	-	-	186,508	-	-	187,442	373,949

The ordinary dividend paid in 2022 was NOK 466.3 million. This consisted of NOK 279.8 million for the second half of 2021 and NOK 186.5 million for the first half of 2022.

Note 16 INTEREST-BEARING LIABILITIES

Specification of interest-bearing liabilities			
(amounts in NOK 1 000)		2023	2022
<i>Non-current liabilities</i>			
Bank loans		681,776	1,400,352
Bonds		-	-
Total non-current interest-bearing liabilities at amortised cost		681,776	1,400,352
<i>Current liabilities</i>			
Bank loans		323,826	503,091
Current liabilities repurchase agreements and seller credits		404,610	582,348
Total current interest-bearing liabilities at amortised cost		728,437	1,085,438
Total interest-bearing liabilities at amortised cost		1,410,212	2,485,791

The group's interest-bearing debt falls primarily into four categories: 1) liabilities in parent company Selvaag Bolig ASA (top-up loans), 2) land loans, 3) repurchase agreements with Urban Property and 4) construction loans.

At 31 December, the group had no top-up loans, land loans were NOK 95 million, repurchase agreements with Urban Property of NOK 405 million and construction loans of NOK 910 million.

Company (amounts in NOK 1000)	Loan instrument	Lender	Year 2023	Maturity data
Selvaag Bolig ASA	Working capital facility	DNB	-	Unspecified
Selvaag Bolig ASA	Revolving credit facility	DNB	-	12/30/2025
Selvaag Bolig ASA m/døtre	Land loan	Urban Property	404,610	Unspecified
Selvaag Bolig Hamang AS	Land loan	DNB	57,000	6/30/2026
Jaasund AS	Land loan	SR Bank	20,000	12/31/2024
Aase Gaard AS	Land loan	SR Bank	18,000	12/31/2025
Selvaag Bolig Palllassen AS	Construction loan	DNB	81,504	9/30/2024
Skårer Bolig AS	Construction loan	DNB	597,854	5/30/2025
Sandsliåsen Utbygging AS	Construction loan	Nordea	98,526	8/31/2024
Selvaag Bolig Solberg AS	Construction loan	DNB	123,796	6/30/2024
Selvaag Bolig Langhus AS	Construction loan	DNB	8,922	12/30/2025
Total non-current interest-bearing debt	-	-	1,410,212	-

Interest rates are based on three-month Nibor plus a margin. At 31 December 2023, the average interest rate was 7.5 per cent for the land loans and 6.1 per cent for the construction loans. The differences between the disclosed nominal interest rates and effective interest rates are deemed to be insignificant. The duration of construction loans follows the completion rate and delivery of housing units, so final redemption occurs when the project is completed.

Company (amounts in NOK 1000)	Loan instrument	Lender	Year 2022	Maturity data
Selvaag Bolig ASA	Working capital facility	DNB	-	Unspecified
Selvaag Bolig ASA	Revolving credit facility	DNB	-	12/30/2025
Selvaag Bolig ASA m/døtre	Land loan	Urban Property	582,348	Unspecified
Selvaag Bolig Langhus AS	Land loan	DNB	57,000	12/31/2024
Selvaag Bolig Hamang AS	Land loan	DNB	60,000	6/30/2023
Jaasund AS	Land loan	SR Bank	24,451	12/31/2024
Aase Gaard AS	Land loan	SR Bank	18,000	12/31/2023
Selvaag Bolig Ballerud AS	Land loan	Sparebanken Øst	48,298	9/30/2023
Sandsliåsen Utbygging AS	Land loan	Nordea	17,700	1/15/2023
Selvaag Bolig Palllassen AS	Construction loan	DNB	359,092	12/31/2023
Skårer Bolig AS	Construction loan	DNB	262,060	5/30/2024
Skårer Bolig AS	Construction loan	DNB	606,404	6/30/2024
Sandsliåsen Utbygging AS	Construction loan	Nordea	108,949	8/31/2024
Selvaag Bolig Solberg AS	Construction loan	DNB	216,445	6/30/2024
Selvaag Bolig Langhus AS	Construction loan	DNB	125,044	12/31/2024
Total non-current interest-bearing debt	-	-	2,485,791	-

Interest rates are based on three-month Nibor plus a margin. At 31 December 2022, the average interest rate was 5.5 per cent for the land loans and 4.2 per cent for the construction loans. The differences between the disclosed nominal interest rates and effective interest rates are deemed to be insignificant. The duration of construction loans follows the completion rate and delivery of housing units, so final redemption occurs when the project is completed.

NON-CURRENT INTEREST-BEARING LIABILITIES MATURITY SCHEDULE FOR NON-CURRENT LOANS:

	2023	2022
To be repaid during 2023	-	1,085,438
To be repaid during 2024	728,437	1,400,353
To be repaid during 2025	624,776	-
To be repaid during 2026	57,000	-
To be repaid during 2027 or later	-	-
Total	1,410,213	2,485,791

Current interest-bearing liabilities

The table below includes liabilities maturing within 12 months subsequent to the reporting period.

	2023	2022
Repayable within 0-6 months after period-end	123,796	77,700
Repayable within 6-12 months after period-end	604,641	1,007,738
Total	728,437	1,085,438

Secured loans

	2023	2022
Bank loans - financial institutions	1,005,602	1,903,443
Current liabilities repurchase agreements and seller credits 1)	404,610	582,348

1) Related to cooperation agreement with Urban Property. The agreement contains financial covenants, see note 29.

Carrying value of land pledged as security on bank loans

	2023	2022
Inventory	2,357,897	3,528,691

Note 17 TRADE AND OTHER PAYABLES

(amounts in NOK 1 000)

	2023	2022
Trade payables	73,094	99,343
Accrued expenses	270,446	346,594
Other current financial liabilities	-	-
Total other current non-interest-bearing financial liabilities	270,446	346,594
Prepayments from customers (contractual obligations)	21,080	152,056
Other current liabilities	64,724	43,293
Total other current non-interest-bearing liabilities	356,250	541,943

Trade payables

The group's trade payables are repayable 0-3 months after the end of the reporting period.

Note 18 MANAGING CAPITAL AND FINANCIAL RISK MANAGEMENT

18.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market (including currency, interest-rate and price risk), credit and liquidity risk. The group's overall risk management activities seek to minimise potential adverse effects on its financial performance.

The CEO and the management group identify and evaluate financial risks on an on-going basis.

(a) Market risk

(i) Foreign exchange risk

The group is a Norwegian real estate developer, focusing on Norwegian development projects and properties. The group has certain investments in foreign operations, where net assets are exposed to foreign currency translation risk, but to a limited extent. Projects outside Norway are financed in local currency through subsidiaries.

(ii) Price risk

The group is generally exposed to property price risk, and mainly in geographical terms in Norway. In addition, the group has invested in future projects in Sweden. The group is also exposed to risks related to construction costs and material prices. The profit margin for each project will vary, depending on the development of sales income per square metre for the residential properties. The group's exposure to price risk is partly hedged in that advance sales equivalent to 60 per cent of the total sales value of each project are required before construction starts. The group is not exposed to price risks from financial instruments.

The degree of risk associated with the prices of goods and services varies in accordance with contract type. Projects often span several years, and material prices and salary expenses may increase during the construction period. Most contracts are based on fixed prices for the construction period, but certain of them contain indexation clauses which permit price increases.

(iii) Interest-rate risk

The group's interest-rate risk arises largely from long-term borrowings. Borrowings raised at variable rates expose the group to interest-rate fluctuations, which affect cash flows. In addition, the group has option agreements with Urban Property that are exposed to interest-rate fluctuations, see [Note 26](#). The group capitalises interest cost as part of development projects (inventory property) in line with the progress of the projects in accordance with IAS 23 Borrowing costs. See *Interest-bearing liabilities* for details of the group's borrowings.

(b) Credit risk

Credit risk is managed at group level. The group is exposed to counterparty risk when its companies enter into agreements regarding sales of residential property. Credit risk also arises from outstanding receivables, such as loans to associated companies.

Credit risk related to the sale of property is considered to be limited since sales take place through professional estate agents. Normally, a 10 per cent deposit and documentation of financing are required from home buyers when they enter into a contract. The balance is settled upon transfer of the title.

Based on the above, the group assesses credit risk associated with financial assets to be low.

The group's maximum exposure to credit risk comprises the classes "trade receivables and other current and non-current receivables" and "cash and cash equivalents." See [18.3 Financial asset and liabilities](#) for the carrying amounts of these classes at 31 December in 2023 and 2022.

(c) Liquidity risk

Conservative liquidity management ensures the group has sufficient liquid assets and funding available to meet its obligations. Selvaag Bolig ASA has a credit facility agreement of NOK 300 million with DNB, which matures in December 2025. The group also has an annually renewed overdraft facility of NOK 150 million with DNB. No drawings had been made against any of these facilities at 31 December.

The group has entered into a number of agreements on the future acquisition of sites that will affect liquidity at the time when the obligations fall due, see also [Note 5](#) inventories. Liquidity risk related to those acquisitions is managed through collaboration with Urban Property (see [Note 26](#) long-term bank connections, credit facilities, available liquidity reserves and close follow-up of the planning processes.

The group manages its liquidity actively to ensure adequate liquidity at any time. It continuously monitors forecasts and actual cash flows.

Maturity schedule for the group's liabilities (nominal values)

Interest-bearing liabilities

Maturity schedule for the group's liabilities (nominal values)

(amounts in NOK 1 000)	Note	Total at 31.12.2023	< 1 year	1-3 years	3-6 years	6-10 years	> 10 years	Not specified
Interest-bearing liabilities								
Bank loans*	16	1,113,885	409,590	704,295	-	-	-	-
Other interest-bearing liabilities	16	404,697	404,697	-	-	-	-	-
Total interest-bearing liabilities		1,518,582	814,287	704,295	-	-	-	-

*1 Including estimated interest payments.

Non-interest-bearing liabilities

(amounts in NOK 1 000)	Note	Total at 31.12.2023	< 1 year	1-3 years	3-6 years	6-10 years	> 10 years	Not specified
Non-interest-bearing liabilities								
Trade payables	17	73,094	73,094	-	-	-	-	-
Other current non-interest-bearing liabilities	17	64,724	64,724	-	-	-	-	-
Other non-current non-interest-bearing liabilities	18.3	385,745	-	385,745	-	-	-	-
Total non-interest-bearing liabilities		523,563	137,818	385,745	-	-	-	-

*1 Including estimated interest payments.

Maturity schedule for the group's liabilities (nominal values)

Interest-bearing liabilities

Maturity schedule for the group's liabilities (nominal values)

(amounts in NOK 1 000)	Note	Total at 31.12.2022	< 1 year	1-3 years	3-6 years	6-10 years	> 10 years	Not specified
Interest-bearing liabilities								
Bank loans*	16	2,014,779	531,281	1,483,498	-	-	-	-
Other interest-bearing liabilities	16	616,415	616,415	-	-	-	-	-
Total interest-bearing liabilities		2,631,194	1,147,696	1,483,498	-	-	-	-

*1 Including estimated interest payments.

Non-interest-bearing liabilities

(amounts in NOK 1 000)	Note	Total at 31.12.2022	< 1 year	1-3 years	3-6 years	6-10 years	> 10 years	Not specified
Non-interest-bearing liabilities								
Trade payables	17	99,343	99,343	-	-	-	-	-
Other current non-interest-bearing liabilities	17	43,293	43,293	-	-	-	-	-
Other non-current non-interest-bearing liabilities	18.3	265,039	-	265,039	-	-	-	-
Total non-interest-bearing liabilities		407,675	142,636	265,039	-	-	-	-

*1 Including estimated interest payments.

18.2 Capital risk management

The group's objective when managing its capital is to ensure the ability of the entities in the group to continue as going concerns while providing returns for shareholders and benefits for other stakeholders as well as maintaining an optimum capital structure. This is achieved by maintaining a secure liquidity through the year and a robust equity level.

To achieve this objective, the group focuses on the profitability of the various projects. As a main rule, a 10 per cent contribution margin and a 60 per cent sales ratio before starting construction are required in the projects. At 31 December, the EBITDA margin in ongoing projects was 16.5 per cent (18.8 per cent). See [Note 4](#) Segment information for more details. 62 per cent of units under construction were sold at 31 December (67 per cent).

The equity ratio in the group (equity as a percentage of total assets) will not be below 30 per cent. At 31 December, it was 48.5 per cent (39.4 per cent).

In order to optimise the capital structure, the management evaluates all available funding sources on an on-going basis. Capital requirements are mainly financed through a group account arrangement in which selected companies in the Selvaag Bolig group are included. In addition, the company has a credit facility with DNB of NOK 300 million which matures in December 2025. The group also has an annually renewed overdraft facility of NOK 150 million with DNB. The agreements contain financial covenants, see note 29. No drawings had been made against any of these facilities at 31 December. Ongoing projects are mainly financed through construction loans which mature at project completion.

18.3 Financial asset and liabilities

All financial assets and liabilities in the group are booked at amortised cost.

Classification of financial assets and liabilities

(amounts in NOK 1 000)	Note	2023	2022
Trade receivables and other current and non-current financial assets			
Loans to associated companies and joint ventures		161,314	93,674
Other non-current assets	11	66,834	57,125
Trade receivables		60,194	81,455
Other receivables	11	16,347	4,707
Total trade receivables and other current and non-current financial assets		304,689	236,961
Cash and cash equivalents			
Cash and cash equivalents		266,522	612,670
Trade payables and other non-interest-bearing financial liabilities			
Other non-current non-interest-bearing liabilities	26	385,745	265,039
Trade payables		73,094	99,343
Total other current non-interest-bearing financial liabilities	17	270,446	346,594
Total trade payables and other non-interest-bearing financial liabilities		729,285	710,976
Interest-bearing liabilities			
Non-current interest-bearing liabilities	16	681,776	1,400,352
Current interest-bearing liabilities	16	728,437	1,085,438
Total interest-bearing liabilities		1,410,212	2,485,791

Sensitivity analysis

Interest-rate risk

Year 2023			
	50	100	150
Adjustment to interest-rate level in basis points			
Effect - bank loans	(9,740)	(19,480)	(29,220)
Effect - other loans	-	-	-
Effect on cash flow (in NOK 1 000)	(9,740)	(19,480)	(29,220)
Year 2022			
	50	100	150
Adjustment to interest-rate level in basis points			
Effect - bank loans	(11,584)	(23,167)	(34,751)
Effect - other loans	-	-	-
Effect on cash flow (in NOK 1 000)	(11,584)	(23,167)	(34,751)

The above tables detail the group's sensitivity to a decrease or increase in interest rates by 50, 100 and 150 basis points respectively. The calculations are based on average interest rates for the year. The effects are calculated on a pre-tax basis and based on the average outstanding amounts during the period. Profit or loss and equity effects are expected to be approximately similar to the effects on cash flow after taxes. Interest related to land loans and building loans is capitalised as part of the inventory and is included in the cost of goods upon delivery of homes. Effects in the result because of interest rate changes will therefore occur at different times depending on when the homes are delivered.

Foreign exchange risk

The group is exposed to a limited degree to foreign currency risk. Fluctuations in the amount of +/- five per cent at 31 December in 2023 and 2022 would cause immaterial changes to the group's profit and loss, and would only affect the consolidated statement of changes in equity by immaterial amounts.

18.4 Fair value of financial instruments

Principles for estimating fair values

Book value of assets and liabilities measured at amortised cost is considered to be approximately equal to fair value.

Note 19 INCOME TAXES

Specification of income tax

(amounts in NOK 1 000)	2023	2022
Current income taxes payable	(66,378)	(64,541)
Changes in deferred taxes	(8,422)	(21,721)
Income taxes in profit (loss)	(74,800)	(86,262)

The group's business activities relate mainly to Norway, with only insignificant amounts arising in other countries. An allocation of income tax expense between countries is therefore not considered necessary.

Reconciliation from nominal to effective income tax rate	2023	2022
Profit (loss) before income taxes	319,477	425,115
Estimated income taxes in accordance with nominal tax rate (22%)	(70,285)	(93,525)
Taxable income related to the exemption method, in accordance with section 2-38 of the Norwegian Taxation Act	2,388	(1,505)
Other non-deductible expenses	(7,899)	(12,692)
Other non-taxable income	3,933	2,600
Share of income from associated companies and joint ventures	(2,937)	18,860
Income tax income (expense)	(74,800)	(86,262)
Effective income tax rate*	23.4 %	20.3 %

Share of income from associated companies and joint ventures

Share of income from associated companies and joint ventures which are not limited partnerships is recognised on a post-tax basis and therefore does not affect the group's income tax expense. See [Note 24](#).

Deferred tax assets and liabilities at 31 December

Deferred tax assets and liabilities at 31 December (amounts in NOK 1 000)	2023		2022	
	Assets	Liabilities	Assets	Assets
Non-current assets	612	-	763	-
Inventory property	-	95,108	-	85,260
Receivables	71	-	-	41
Current liabilities	5,211	-	7,617	-
Non-current liabilities	15,420	-	16,458	-
Losses carried forward	2,624	-	2,655	-
Total temporary differences	23,938	95,108	27,493	85,301
Unrecognised deferred tax assets	2,306	-	2,332	-
Net deferred tax assets (liabilities) in total	(73,476)	-	(60,140)	-

Deferred tax assets are included in the statement of financial position to the extent that the realisation of the related tax benefit through future taxable profits is probable. There are no expiration dates on losses carried forward.

The net movement of deferred tax assets (liabilities) is as follows:

(amounts in NOK 1 000)	2023	2022
Net deferred tax assets (liabilities) at 1 January	(60,140)	(38,579)
Acquisition of subsidiaries	-	160
Disposal of subsidiaries	(4,914)	-
Recognised in the statement of comprehensive income	(8,422)	(21,721)
Net deferred tax assets (liabilities) at 31 December	(73,476)	(60,140)

Selvaag Bolig ASA has acquired companies with land plots in previous years. These companies have no activities other than the ownership of the land plots. As a result, the purchases are recognised in the financial statements as purchase of assets and not as business combinations. No accrual for deferred tax occurs with the purchase of assets, which means that the assets are recognised net after deferred tax. See IAS 12.22 c. The land plots in the land bank affected by this had a book value of NOK 135 million (2022: NOK 239 million) at 31 December 2023. Based on a nominal tax rate of 22 per cent, latent tax obligations of NOK 11 million relate to the plots (2022: NOK 14 million). These latent deferred taxes are not recognised in the financial statements.

Note 20 PROVISIONS

(amounts in NOK 1 000)	2023	2022
Provision for contractual infrastructure	70,215	66,999
Total non-current provisions for other liabilities	70,215	66,999

Obligations related to the construction of parking areas amount to NOK 70 million and are linked to previously completed projects, which included an obligation to provide a specific number of parking spaces. These obligations are currently being met through temporary parking areas. Future development of the areas will determine when the temporary car parking areas are to be removed and construction of permanent car parking facilities must commence. The obligations accordingly fall due when the projects are realised. The car parking obligations are expected to fall due some years into the future.

Development during the period

(amounts in NOK 1 000)	2023	2022
Per 1 January	66,999	62,910
Liabilities incurred during the year and effects of changes in estimates	3,216	4,089
Amounts used	-	-
Reclassification by business combinations	-	-
Reclassification of pension obligations	-	-
Liabilities in acquired businesses	-	-
Per 31 December	70,215	66,999

Note 21 CONTINGENT LIABILITIES AND GUARANTEES

The group is subject to the following contingent liabilities as a result of ownership interests in subsidiaries and associated companies:

(amounts in NOK 1 000)	2023	2022
Guarantees to vendors	180,938	70,046
Capital not called up - limited partnerships	6,600	6,600
Total contingent liabilities	187,538	76,646

Parent company guarantees of NOK 520.5 million had been given in 2023 and NOK 529.1 million in 2022. These related to guarantees issued by Selvaag Bolig ASA as additional guarantees for seller credits related to land purchases from Urban Property, a land plot purchase in Sweden and land loans. The group fulfils legal requirements pursuant to sections 12 and 47 of the Housing Construction Act through purchased guarantees. In addition, it provides guarantees to contractors. Corresponding liabilities included in the statement of financial position are not included in the above amounts.

Note 22 REMUNERATION OF AND FEES TO MANAGEMENT, DIRECTORS AND AUDITORS

Remuneration to management and director's fees:

(amounts in NOK 1 000)	2023	2022
Salary, bonus and other remuneration	28,696	28,115
Share purchase programme	5,481	4,438
Pension	580	522
Total - group management and directors	34,757	33,074

For detailed remuneration to executive management, see the separate remuneration report for 2023 published on the company's website www.selvaagboligasa.no. The company has established guidelines for remuneration to executive management which were approved by the company's general meeting on 26 April 2023.

Specification of fees paid to the auditor:

(amounts in NOK 1 000)	2023	2022
Statutory audit services to the parent company	2,010	1,815
Statutory audit services to subsidiaries	1,445	1,400
Other assurance services	487	287
Other non-audit services	-	205
Total fees paid to the auditor (exclusive of VAT)	3,941	3,707

Note 23 RELATED PARTY TRANSACTIONS

Receivables, liabilities and transactions between Selvaag Bolig ASA and its subsidiaries, which are related parties to the company, have been eliminated on consolidation and are not disclosed in this note. Selvaag AS owns 53.5 per cent of the shares in Selvaag Bolig. Purchases and sales of services involving Selvaag AS and its related parties are based on market terms. These relate mainly to rent, payroll services, use of the brand and the acquisition of land from Urban Property (UP). Details of significant transactions between the group and other related parties are disclosed below.

During the year, group entities entered into the following transactions with related parties:

(amounts in NOK 1 000)	2023	2022
<i>Sales of goods and services</i>		
Associated companies and joint ventures	37,354	35,002
Other related parties (including subsidiaries and associates of the parent company) ¹⁾	250,111	715
<i>Purchase of goods and services</i>		
Selvaag AS (parent company)	(550)	(550)
Other related parties (including subsidiaries of the parent company)	(12,004)	(9,381)
<i>Financial income</i>		
Other related parties (including subsidiaries of the parent company)	-	-
<i>Option premiums and interests related to seller credits from Urban Property (see note 26 for details)</i>		
Option premiums paid Portfolio B	(21,993)	(15,741)
Accrued and capitalised option premiums Portfolio C	(166,370)	(100,990)
Transaction fees paid	(1,681)	(1,252)
Accrued interests on seller credits	(17,703)	(19,409)

The following receivables and liabilities were outstanding at 31 December:

(amounts in NOK 1 000)	2023	2022
<i>Receivables</i>		
Selvaag AS (parent company)	-	-
Other related parties (including subsidiaries of the parent company)	8,395	8,651
<i>Liabilities</i>		
Selvaag AS (parent company)	-	-
Other related parties (including subsidiaries of the parent company)	(3,075)	(3,000)
Repurchase agreements and seller credits with Urban Property	(404,610)	(582,347)

Other related-party transactions

Urban Property (UP) is a related party with the company according to the accounting rules. This means that ongoing option premiums and land repurchases are regarded as related-party transactions. During 2023, the company sold one plot to UP for a consideration of NOK 57.5 million. No land plots were repurchased from UP in 2023. The company entered an option agreement in 2023 with UP for a property in Ås municipality outside Oslo.

Further, Selvaag Bolig delivered a residential building with 46 flats to Selvaag Utleiebolig AS, a wholly owned subsidiary of Selvaag AS. The sale generated revenue of NOK 191.7 million.

The group has provided various guarantees, mainly through purchased guarantees, to associated companies and joint ventures totalling NOK 275.4 million.

Note 24 INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

Company	Registered office	Year of acquisition	Ownership and voting power	
			2023	2022
Tangen pluss AS	Norway	2011	50.0 %	50.0 %
S Trumpet Holding AB (Tidl. Prosjektbolaget Sädesårilan AB)	Sweden	2011	50.0 %	50.0 %
Kaldnes Brygge AS	Norway	2016	50.0 %	50.0 %
Kaldnes Boligutvikling AS ¹⁾	Norway	2012	25.0 %	25.0 %
Sandnes Eiendom Invest AS	Norway	2013	50.0 %	50.0 %
Kirkeveien Utbyggingsselskap AS	Norway	2013	50.0 %	50.0 %
Tiedemannsfabrikken AS	Norway	2014	50.0 %	50.0 %
Smedplassen Prosjekt AS	Norway	2014	50.0 %	50.0 %
Sinsenveien Utvikling AS	Norway	2015	50.0 %	50.0 %
Sandsliåsen 46 Utbygging AS	Norway	2018	50.0 %	50.0 %
Haakon VII's gate 4 Utvikling AS	Norway	2017	50.0 %	50.0 %
Fornebu Sentrum Utvikling AS	Norway	2017	50.0 %	50.0 %
Heimdal Stasjonsby AS	Norway	2017	50.0 %	50.0 %
Kanalveien Utvikling AS	Norway	2019	50.0 %	50.0 %
Verftsbyen Bolig AS	Norway	2019	50.0 %	50.0 %
Lurahøyden Bolig AS	Norway	2019	50.0 %	50.0 %
Kanalveien 51-53 AS	Norway	2020	50.0 %	50.0 %

¹⁾ The company is partly owned by Kaldnes Brygge AS.

Specification of investments in associated companies and joint ventures in 2023:

(amounts in NOK 1 000)	Ownership/ voting share	Carrying amount 01.01.23	Additions/ disposals	Share of profit ¹⁾	Dividends/ distributions	Reclassified as participatory loan	Carrying amount 31.12.23
<i>Joint ventures:</i>							
Kaldnes Brygge AS	50.0 %	80,732	-	16,789	-	-	97,521
Sandnes Eiendom Invest AS	50.0 %	80,915	-	(5,190)	-	-	75,726
Tangen pluss AS	50.0 %	414	-	(346)	-	-	68
S Trumpet Holding AB (Tidl. Prosjektbolaget Sädesårilan AB)	50.0 %	1,829	-	-	-	-	1,829
Kirkeveien Utbyggingsselskap AS	50.0 %	22,982	-	97	-	-	23,079
Tiedemannsfabrikken AS	50.0 %	10,554	-	631	(10,423)	-	762
Smedplassen Prosjekt AS	50.0 %	2,939	-	(2,685)	-	-	254
Sinsenveien Utvikling AS ²⁾	50.0 %	-	-	(4,685)	-	4,685	-
Sandsliåsen 46 Utbygging AS ²⁾	50.0 %	-	-	(312)	-	312	-
Haakon VII's gate 4 Utvikling AS ²⁾	50.0 %	-	-	(1,716)	-	1,716	-
Fornebu Sentrum Utvikling AS ²⁾	50.0 %	-	-	(4,048)	-	4,048	-
Heimdal Stasjonsby AS	50.0 %	9,120	-	(3,010)	-	-	6,110
Kanalveien Utvikling AS	50.0 %	1,043	-	(288)	-	-	755
Kanalveien 51-53 AS ²⁾	50.0 %	-	-	(709)	-	709	-
Verftsbyen Bolig AS	50.0 %	24,201	-	(321)	-	-	23,880
Lurahøyden Bolig AS ²⁾	50.0 %	-	-	(7,559)	-	7,559	-
Total		234,730	-	(13,352)	(10,423)	19,029	229,985

¹⁾ None of the companies had other income or expenses.

²⁾ Negative carrying amount is recognised net together with participatory loans.

Specification of investments in associated companies and joint ventures in 2022:

(amounts in NOK 1 000)	Ownership/ voting share	Carrying amount 01.01.22	Additions/ disposals	Share of profit ¹⁾	Dividends/ distributions	Reclassified as participatory loan	Carrying amount 31.12.22
<i>Joint ventures:</i>							
Kaldnes Brygge AS	50.0 %	136,886	-	(2,154)	(54,000)	-	80,732
Sandnes Eiendom Invest AS	50.0 %	84,484	-	(3,569)	-	-	80,915
Tangen pluss AS	50.0 %	414	-	-	-	-	414
S Trumpet Holding AB (Tidl. Prosjektbolaget Sådesårån AB)	50.0 %	1,829	-	-	-	-	1,829
Kirkeveien Utbyggingsselskap AS	50.0 %	22,984	-	(2)	-	-	22,982
Tiedemannsfabrikken AS	50.0 %	72,309	-	110,245	(172,000)	-	10,554
Smedplassen Prosjekt AS	50.0 %	4,965	-	(26)	(2,000)	-	2,939
Sinsenveien Utvikling AS ²⁾	50.0 %	-	-	(4,596)	-	4,596	-
Sandsliåsen 46 Utbygging AS ²⁾	50.0 %	-	-	(131)	-	131	-
Haakon VII's gate 4 Utvikling AS ²⁾	50.0 %	-	-	(2,328)	-	2,328	-
Fornebu Sentrum Utvikling AS ²⁾	50.0 %	-	-	(1,995)	-	1,995	-
Heimdal Stasjonsby AS	50.0 %	10,206	-	(1,086)	-	-	9,120
Kanalveien Utvikling AS	50.0 %	1,205	-	(162)	-	-	1,043
Kanalveien 51-53 AS ²⁾	50.0 %	-	-	(387)	-	387	-
Verftsbyen Bolig AS	50.0 %	19,366	5,000	(165)	-	-	24,201
Lurahøyden Bolig AS	50.0 %	50	-	(7,918)	-	7,868	-
Sum		354,699	5,000	85,726	(228,000)	17,305	234,730

¹⁾ None of the companies had other income or expenses.

²⁾ Negative carrying amount is recognised net together with participatory loans.

Subsidiaries in the group had given NOK 161.3 million (NOK 93.7 million) in loans to associated companies and joint ventures at 31 December.

Summarised financial information (100 per cent) for associated companies and joint ventures at 31 December

(amounts in NOK 1 000)	2023	2022
Total assets	3,237,336	1,974,666
Total liabilities	2,950,237	1,590,379
Net assets	287,099	384,287
Total revenues	410,298	946,863
Total profit (loss) for the year	(26,704)	171,456

Note 25 ADDITIONAL INFORMATION, REVENUES

(amounts in NOK 1 000)	2023	2022
Revenues - units delivered ¹⁾	3,065,842	2,791,889
Revenues - other property	120,393	38,929
Other revenues ²⁾	68,416	65,561
Total operating revenues	3,254,651	2,896,379

¹⁾ Of which approximately 83 per cent (75 per cent) from Greater Oslo area, 17 per cent from the rest of Norway (24 per cent) and zero per cent from abroad (one per cent).

²⁾ Other revenues derived from non-core activities, mainly rental, project management and service revenue. See specification below.

Other revenues

(amounts in NOK 1 000)	2023	2022
Rental revenue	4,837	4,072
Project management and service revenue	61,044	59,055
Other operational revenues	2,535	2,434
Total other revenues	68,416	65,561

Rental revenue in 2023 and 2022 derived from short-term contracts.

Revenues from project management relate to services provided to joint ventures. Service revenues derive mainly from services provided to guests and tenants in Pluss projects.

The group had 784 units under construction at 31 December (1 253), of which 73 per cent (80 per cent) were in Greater Oslo. The combined sales value of units under construction was NOK 4 496 million (NOK 6 408 million), with sold units accounting for NOK 2 573 million (NOK 4 035 million) of this total. 62 per cent of units under construction were sold (67 per cent). The sold units are mainly due to be delivered to purchasers in 2024 and 2025.

Note 26 COLLABORATION WITH URBAN PROPERTY

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

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

- UP has a pre-emptive right to buy new land SBO wants to develop.
- SBO has an option to buy back the land from UP.
- The land is repurchased in stages by SBO at its original acquisition price plus an annual option premium of Nibor plus 3.75 per cent. In addition comes a transaction fee, which is 0.5 per cent when UP buys property from the landowner and two per cent when SBO buys from UP.
- SBO pays 50 per cent of the purchase price to UP on taking over a property (when construction starts) and 50 per cent on completion of the project.
- If SBO decides not to exercise the option on a land plot, there is a 48-month option premium (break fee).
- The agreement includes financial covenants, see note 29.

The transaction with UP in 2020 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. For the year 2023, premiums paid and capitalised were NOK 21.9 million (NOK 15.7 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 also covers 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 (property) and other non-current, non-interest-bearing liabilities, respectively. The asset is reclassified as inventory when the land is taken over, whereas the remaining unpaid option premium is reclassified as short-term debt, repurchase agreements and seller credits. For 2023, provisions and capitalisation of option premiums in portfolio C were NOK 166.40 million (NOK 101.0 million). Accumulated provisions and capitalisation at 31 December 2023 totalled NOK 337.6 million (NOK 174.4 million).

SBO can cancel the option at any given time in exchange for a break fee comprising the accumulated option premium paid from the time of purchase plus a fixed supplement corresponding to a 48-month option premium (break fee). 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.

In 2023, no land plots were repurchased from UP. During 2022, SBO bought back two land plots in portfolio C from UP for a total of NOK 160 million. In 2023, SBO paid down a total of NOK 195.4 million of seller credits to UP (NOK 203.9 million). Debt related to repurchase agreements and seller credits was NOK 404.6 million at the end of the year (NOK 582.3 million). Of this, NOK 292.6 million was portfolio B (NOK 292.6 million) and NOK 112.0 million was seller credits (NOK 289.7 million).

Note 27 PROPORTIONAL CONSOLIDATION, ASSOCIATED 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.

(amounts in NOK 1 000)	2023			2022		
	IFRS	Adj share Assoc./JV gross	Pro forma gross Assoc./JV	IFRS	Adj share Assoc./JV gross	Pro forma gross Assoc./JV
Sales revenues	3,186,235	195,802	3,382,037	2,830,818	463,631	3,294,449
Other revenues	68,416	9,347	77,763	65,561	9,801	75,362
Total operating revenues	3,254,651	205,149	3,459,800	2,896,379	473,431	3,369,810
Project expenses	(2,677,166)	(179,330)	(2,856,496)	(2,313,735)	(329,638)	(2,643,373)
Salaries and personnel costs	(145,318)	(1,026)	(146,344)	(139,035)	(1,174)	(140,209)
Depreciation and amortisation	(9,231)	(4,042)	(13,273)	(9,717)	(3,845)	(13,562)
Other operating expenses	(108,686)	(20,938)	(129,624)	(97,233)	(22,652)	(119,885)
Total operating expenses	(2,940,401)	(205,335)	(3,145,736)	(2,559,720)	(357,308)	(2,917,028)
Associated companies and joint ventures	(13,352)	13,352	-	85,726	(85,726)	-
Other gain (loss), net	-	-	-	-	-	-
Operating profit (loss)	300,898	13,166	314,064	422,385	30,398	452,783
Financial income	29,778	1,354	31,132	15,384	1,323	16,707
Financial expenses	(11,199)	(13,375)	(24,574)	(12,654)	(6,891)	(19,545)
Net financial expenses	18,579	(12,021)	6,559	2,730	(5,569)	(2,839)
Profit (loss) before income taxes	319,477	1,146	320,623	425,115	24,829	449,944
Income taxes	(74,800)	(1,146)	(75,946)	(86,262)	(24,829)	(111,091)
Net income	244,677	-	244,677	338,853	-	338,853

All associated companies and joint ventures have been established to develop housing projects. The financial information is therefore shown together.

Note 28 CLIMATE RISK

Climate risk consists of physical climate risk and transition risk. Physical risk is associated with increased extreme weather and ecosystem changes. Transition risk is associated with changes in regulations, technology and the market situation in connection with the transition to a low-emission society.

In 2021, Selvaag Bolig carried out an assessment (www.selvaagboligasa.no/klimarisiko) of potential climate-related risks and opportunities, as well as the company's management of these based on guidelines from the Task Force on Climate-related Financial Disclosures (TCFD). The assessment concluded that the property sector as a whole has a significant exposure to both physical risk and transition risk.

The assessment further concluded that Selvaag Bolig has a relatively low exposure to physical climate risks, but is exposed to transition risks. At present, identified climate risks have not affected the company's measurement of assets and liabilities. The assessment will be updated by the end of 2025, at the latest.

Physical climate risk

As Selvaag Bolig develops homes and commercial property which are taken over by the buyer on completion, physical climate risk primarily applies to the selection of land. In all projects, climate risk is mapped through a risk and vulnerability analysis (RVA analysis). The analysis reveals conditions that are important for whether the area is suitable for development purposes, and any changes in such conditions as a result of planned development. Elements that are mapped follow the thematic guide for civil protection in spatial planning from the Norwegian Directorate for Civil Protection (DSB).

Transition risk

Selvaag Bolig is experiencing increased demands for transparency, non-financial reporting, and climate requirements in connection with the planning process for property. Through its operations, the company has an impact on the climate and environment, including through the production of purchased materials and on construction sites. Selvaag Bolig has therefore set targets for reducing greenhouse gas emissions. This has so far not had a significant financial impact on the company, but it is uncertain how this will affect the company in the future. It cannot be ruled out that it will affect the company financially in the form of increased construction costs, costs for compensatory measures, or increased sales prices for the company's products. Selvaag Bolig will continue its work on mapping transition risks.

Note 29 FINANCIAL COVENANTS

The collaboration agreement with Urban Property, as described in note 26, includes financial covenants with the following requirements:

- Equity must be greater than NOK 1 500 million.
- Debt ratio must be below 50 per cent. Debt ratio is defined as: $\text{Net debt} / (\text{Net debt} + \text{equity})$.
- $\text{Net debt} / \text{rolling 12-month EBITDA}$ must be below 3.
- 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 is excluding 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 are 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 after six months, the option premium increases by 25 basis points until the covenants again are met.

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 31 December 2023. 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 60-65 per cent, the lender must give its approval for the loan facilities to be drawn on, and the margin increases by 50 basis points.

Note 30 EVENTS AFTER THE BALANCE SHEET DATE

No events of significance have occurred after the balance sheet date.

FINANCIAL: PARENT COMPANY

STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD 1 JANUARY – 31 DECEMBER

amounts in NOK 1 000	Note	2023	2022
Operating revenue and expenses			
Sales revenue	1,11	78,297	79,081
Lease revenue		1,006	540
Other operating revenue		-	-
Total operating revenue		79,303	79,621
Operating expenses			
Project expenses		9,762	2,933
Pay and personnel expenses	2,3	-150,985	-142,167
Depreciation and amortisation	6	-757	-954
Other operating expenses	2,11	-69,851	-54,904
Total operating expenses		-211,831	-195,092
Operating profit (loss)		-132,528	-115,471
Financial items			
Interest received from group companies		40,548	24,805
Other interest income	11	18,545	10,576
Other financial income		463,276	584,042
Interest charges paid to group companies		-35,755	-31,713
Other interest charges		-6,568	-6,814
Other financial costs	4	-4,931	-18,659
Other gains (loss), net		7,802	-
Net financial items		482,917	562,237
Profit (loss) before income taxes		350,389	446,766
Income tax (expense) income	5	-76,754	-55,788
Net profit		273,635	390,978
Profit (loss) for the year		273,635	390,978
Allocation			
Proposed dividend		93,766	187,531
Transferred to/from other equity		179,869	203,447
Total allocation		273,635	390,978

FINANCIAL POSITION

At 31 DECEMBER

amounts in NOK 1 000	Note	2023	2022
Assets			
Non-current assets			
Intangible assets			
Deferred tax asset	<u>5</u>	963	3,219
Total intangible assets		963	3,219
Property, plant and equipment			
Land, buildings and property	<u>6</u>	3,476	3,476
Inventory and other equipment	<u>6</u>	868	1,625
Total property, plant and equipment		4,344	5,101
Non-current financial assets			
Investments in subsidiaries	<u>7</u>	1,470,321	1,579,167
Investments in associated companies	<u>7</u>	106,654	108,254
Other investments		-	-
Other receivables	<u>8,9,10</u>	821,872	731,601
Total non-current financial assets		2,398,847	2,419,022
Total non-current assets		2,404,154	2,427,342
Current assets			
Receivables			
Trade receivables	<u>8,9,10,11</u>	13,757	16,579
Other receivables from group companies	<u>10</u>	452,851	356,402
Other receivables		9,028	6,821
Total receivables		475,636	379,802
Cash and cash equivalents	<u>12</u>	50,631	352,627
Total current assets		526,267	732,429
Total assets		2,930,421	3,159,771

FINANCIAL POSITION (CONTINUED)

AT 31 DECEMBER

amounts in NOK 1 000	Note	2023	2022
Equity and liabilities			
Paid-in capital			
Share capital	13,14	187,531	187,531
Own shares	14	-264	-103
Share premium account	14	1,395,478	1,395,478
Other paid-in capital	14	431,430	349,260
Total paid-in capital		2,014,175	1,932,166
Total equity		2,014,175	1,932,166
Liabilities			
Accrued liabilities			
Pension obligation	3	1,753	1,506
Total accrued liabilities		1,753	1,506
Non-current liabilities			
Non-current interest-bearing liabilities			
Other non-current liabilities	8,10	651,013	874,215
Total non-current liabilities		651,013	874,215
Current liabilities			
Trade payables	10,11	6,093	6,057
Current income taxes payable	5	62,299	40,973
Public taxes		17,467	15,152
Dividend	14	93,766	187,531
Intercompany debts	10	55,451	64,070
Other current liabilities		28,404	38,101
Total current liabilities		263,480	351,884
Total liabilities		916,246	1,227,605
Total equity and liabilities		2,930,421	3,159,771

Oslo, 21 March 2024



Olav Hindahl Selvaag
Chair



Gisele Marchand
Director



Tore Myrvold
Director



Øystein Thorup
Director



Camilla Wahl
Director



Patrik Eriksson
Director
(Elected by the employees)



Sissel Kragnes
Director
(Elected by the employees)



Sverre Molvik
President and CEO

STATEMENT OF CASH FLOWS

FOR THE PERIOD 1 JANUARY – 31 DECEMBER

amounts in NOK 1 000	Note	2023	2022
Cash flow from operating activities			
Profit (loss) before income taxes		350,389	446,766
Income taxes paid		-40,973	-132,744
Depreciation and amortisation	6	757	954
Share of (income) losses from associated companies and joint ventures		1,600	15,391
Change in trade receivables		2,822	-3,863
Change in trade payables		36	337
Changes in other working capital*		-1,191	31,748
Proceeds from disposal of tangible and intangible fixed assets		313,440	358,589
Payments for acquisition of tangible and intangible fixed assets			
Proceeds from disposal of tangible and intangible fixed assets		-	150
Payments for acquisition of tangible and intangible fixed assets		-	-802
Payments for acquisitions of subsidiaries and associated companies		-24,600	-33,722
Proceeds from disposal of other investments and repayments on loans given		5,000	271,881
Payments for acquisition of other investments and loans given		-303,715	-57,497
Net cash flow from investing activities		-323,315	180,010
Cash flow from financing activities			
Dividends paid to equity holders of Selvaag Bolig ASA		-281,163	-466,269
Share buy back Selvaag Bolig ASA	14	-27,529	-19,947
Proceeds from disposal of shares Selvaag Bolig ASA		16,571	16,811
Net cash flow from financing activities		-292,121	-469,405
Net change in cash and cash equivalents		-301,996	69,194
Cash and cash equivalents at 1 January		352,627	283,433
Cash and cash equivalents at 31 December		50,631	352,627

*1 Changes in other working capital are mainly due to write-downs of investments in subsidiaries and income from group contribution with no cash effect.

ACCOUNTING PRINCIPLES

Accounting policies for Selvaag Bolig ASA

The annual accounts have been compiled in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP).

Use of estimates

The preparation of the accounts pursuant to the Accounting Act requires the use of estimates. Furthermore, the application of the company's accounting principles requires management to exercise its judgement. Areas where such judgements are extensively applied, where the level of complexity is high, or where assumptions and estimates are significant for the annual accounts are described in the notes.

Sales revenues

Revenues from sales of goods and services are assessed at the fair value of the consideration, net after deduction of VAT. Sales of goods are recorded as income when the company has delivered its products to the customer and no

unfulfilled liabilities exist which could influence the customer's acceptance of the delivery. Provision for expected guarantee work is recorded as a cost and as a provision for liabilities. Services are recorded as income as they are provided.

Classification of balance sheet items

Assets intended for permanent ownership or use are classified as fixed assets. Assets associated with the flow of goods are classed as current assets. Other receivables are classified as current assets if they are to be repaid within one year. Analogue criteria are applied for liabilities. Nevertheless, the first year's instalment on long-term receivables and liabilities is not classified as a current asset or liability.

Acquisition cost

The acquisition cost of assets comprises the purchase price less bonuses, discounts and the like, plus purchase expenses (freight, customs duty, non-refundable public duties and other direct purchase expenses). Where purchases in foreign currencies are concerned, the asset is capitalised at the exchange rate prevailing at the time of the transaction.

Where tangible fixed assets and intangible assets are concerned, the acquisition cost also includes direct expenses for preparing the asset for use, such as costs for testing the asset. Interest expenses related to manufacturing fixed assets are expensed.

Intangible assets

Expenses for own development activities are expensed on a continuous basis. Expenses for other intangible assets are capitalised to the extent that it is possible to identify a future financial benefit related to developing an identifiable intangible asset, and the expenses can be measured reliably. In the opposite case, such expenses are expensed on a continuous basis.

Tangible fixed assets

Land and residential flats are not depreciated. Other tangible fixed assets are capitalised and depreciated on a straight-line basis to their residual value over the expected exploitable lifetime of the asset. In the event of changes to the depreciation plan, the effect is allocated over the remaining depreciation period (the breakpoint method). Maintenance of fixed assets is expensed continuously as operating expenses. Upgrades and improvements are added to the acquisition price of the asset and depreciated in line with the asset. The distinction between maintenance and upgrade/improvement is calculated in relation to the asset's condition at the time of acquisition.

Leased fixed assets are capitalised as fixed assets if the lease is regarded as financial.

Investments in other companies

With the exception of short-term investments in listed shares, the cost method is used for recording investments in other companies. The cost price is increased when funds are injected in connection with capital expansions or when group contributions are made to subsidiaries. Dividends received are basically recorded as income. Dividends which exceed the share of retained earnings after the acquisition are recorded as a reduction in the acquisition cost. Dividend/group contribution from subsidiaries is recorded in the same year that the subsidiary allocates the amount. Dividend from other companies is recorded as financial income on receipt.

Impairment of fixed assets

Where there is an indication that the carrying amount of a fixed asset is higher than its fair value, the asset is tested for impairment. This test is performed at the lowest level of fixed assets which has independent cash flows. If the carrying amount is higher than both the sales value and the recoverable amount (present value in continued use/ ownership), the asset is written down to the higher of sales value or recoverable amount. Earlier impairments, with the exception of impaired goodwill, are reversed if the requirements for impairment are no longer present.

Inventory and buildings under construction

Goods are assessed at the lower of acquisition cost (on the FIFO principle) and fair value. The cost price of manufactured products includes direct material and payroll costs with the addition of a relative share of indirect costs.

When developing homes on its own account, the company uses the percentage of completion method, where the recording of project profit as income is limited to the relative share of the project which has been sold. The practical consequence of the accounting policy applied is that total project costs incurred during the life of the project are expensed as cost of sales and the project value (costs plus share of profit) is recorded as income and capitalised in the balance sheet. Project value less payments from customers is normally recorded as work in progress. If payments from customers exceed the contractual income earned, the excess is recorded as advances from customers.

When the project is completed, the cost price of unsold homes is transferred to inventory and thereby reduces operating revenues and expenses by the cost price of the unsold homes. In certain circumstances at the termination of the project, this can result in low or negative operating income/cost of sales in the company's annual accounts.

Construction contracts

Work in progress related to fixed-price contracts with a long production life is assessed using the percentage of completion method. The degree of completion is calculated as costs incurred as a percentage of the expected total cost. The total cost is reassessed continuously. Where a project is expected to show a loss, the whole loss is expensed immediately.

Receivables

Accounts receivable are capitalised in the balance sheet after deduction of the provision for expected loss. Provision for loss is made on the basis of an individual assessment of the receivables and a supplementary provision to cover other expected loss. Significant financial problems at the customer, the probability that the customer will go into liquidation or enter a financial restructuring, and delays and shortfalls in payments are regarded as indicators that the receivable must be written down. Other receivables, both current and long-term, are recorded at the lower of face value and fair value. Fair value is the present value of expected future payments. Nevertheless, no discounting is done when the effect of discounting is insignificant for the accounts. Provision for loss is assessed in the same way as accounts receivable.

Foreign currency

Receivables and liabilities in foreign currencies are assessed at the exchange rate prevailing at the end of the accounting year. Exchange rate gains and losses related to the sale and purchase of goods in foreign currencies are recorded as sales income and cost of sales.

Liabilities

Loans are initially recorded at fair value less transaction costs. They are then measured at amortised cost, with differences between the loan paid out (less transaction costs) and the redemption value recorded in the profit and loss account over the term of the loan using the effective interest rate method. Loans are classified as current unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Guarantee work/claims

Guarantee work/claims related to completed sales are assessed at the estimated cost of such work. The estimate is calculated on the basis of historical figures for guarantee work, but corrected for expected variance because, for example, of changes in quality assurance routines and the product range. The provision is recorded in other short-term liabilities, and the change in the provision is expensed.

Pensions

Pensions are accounted for in accordance with the Norwegian Accounting Standard on pension expenses. Defined contribution pension plans are accrued using the matching principle. Contributions for the year to the pension scheme are expensed. Early retirement commitments under the Norwegian Confederation of Trade Unions/Confederation of Norwegian Enterprise (LO/NHO) AFP scheme relate to a defined benefit multi-enterprise plan, but are recorded as a defined contribution plan since they are not measurable.

Tax

Tax expense in the profit and loss account includes both tax payable for the period and the change in deferred tax. Deferred tax is calculated using relevant tax rates on the basis of temporary differences arising between accounting and tax values as well as possible tax-related losses for carrying forward at the end of the accounting year. Temporary tax-increasing and tax-reducing differences which reverse or could reverse in the same period are offset. Recording deferred tax benefit on net tax-reducing differences which are not offset and losses for carrying forward is justified on the basis of expected future earnings. Deferred tax and tax benefit which can be capitalised are recorded net in the balance sheet.

Tax reduction on group contribution paid, and tax on group contribution received which is applied to reducing the acquisition price or directly against equity, are applied directly against tax in the balance sheet (against tax payable if the group contribution has an effect on tax payable and against deferred tax if the group contribution has an effect on deferred tax).

Deferred tax is recorded at the nominal amount.

Cash flow statement

The cash flow statement is compiled using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments which can be converted immediately and without significant price risk to known cash amounts and with a remaining term of less than three months from the acquisition date.



Ballerud hageby, Bærum

NOTES

Note 1 REVENUE

Specification of revenue	2023	2022
Project management and business management	54,297	47,676
Other revenue	24,000	31,405
Total	78,297	79,081

The revenues are from Norway.

Note 2 PAY, NUMBER OF EMPLOYEES, BENEFITS, LOANS TO EMPLOYEES, ETC

Pay and personnel expenses	2023	2022
Wages and salaries	117,128	114,513
Social security tax	21,672	17,308
Pension costs	6,044	5,408
Other benefits	6,141	4,938
Total	150,985	142,167

Average number of employees	2023	2022
	64	64

	Salary	Bonus	Share purchase programme	Pension	Other	Total
Remuneration to CEO - Sverre Malvik	3,958	3,502	1,590	116	198	9,364

For remuneration of other members of the group management and shares owned by these and by directors, see the executive pay report published on www.selvaagboligasa.no.

NOK 2 576 000 has been paid in director's fees in 2023.

Fees paid to the auditor	2023	2022
Statutory audit services (incl technical support with the annual accounts)	2,010	1,815
Other assurance services	223	145
Other non-audit services	-	-
Total fees paid to the auditor	2,233	1,960

Note 3 PENSION

Selvaag Bolig ASA is required to offer an occupational pension plan in line with the Act on mandatory occupational pensions ("lov om obligatorisk tjenestepensjon"). The company has a pension plan which meets these requirements.

Defined contribution plan

Selvaag Bolig ASA has a defined contribution plan for all employees.

AFP pension

The company also has an early retirement plan (AFP) covering 70 employees. The AFP plan, established at 1 January 2011, is regarded as a multicompany defined benefit plan, but is treated as a defined contribution plan until reliable and sufficient information is available to determine the company's share of pension cost, pension obligation and funds in the plan. Hence the company's pension obligations are not reflected as debt in the financial statements.

The AFP obligation from the previous plan was included as debt and was taken to income in 2010, except for the obligation related to expected payments to cover the remaining shortfall in the old AFP plan.

Other non-vested plans

The company also has other non-vested pension plans where the obligation is estimated and accounted for annually.

Pension costs	2023	2022
Pension cost - IBP/UFP	5,032	4,406
Other pension cost (incl AFP)	1,012	1,002
Net pension cost	6,044	5,408

Pension obligations	2023	2022
Early retirement pension (AFP)	-	-
Other pension plans	1,753	1,506
Net pension obligations	1,753	1,506

Economic assumptions	2023	2022
Members in non-vested plans	1	2
Discount rate	3.70%	3.20%
Future increase in salaries/pensions	3.75%	3.75%
Future increase in National Insurance base amount	3.50%	3.50%
Expected share of pension withdrawal through the AFP plan	50.00%	50.00%

Note 4 OTHER FINANCIAL EXPENSES

Specification of other financial expenses	2023	2022
Currency	26	11
Write-downs, shares in subsidiaries	3,160	18,370
Other financial expenses (guarantees and amortised cost, etc)	145	278
Total	3,331	18,659

Note 5 INCOME TAXES

Deferred tax assets and liabilities	2023	2022
Temporary differences		
Non-current assets	-3,110	-3,360
Net pension funds/obligations	-1,753	-1,506
Accruals	487	-9,765
Net temporary differences	-4,376	-14,631
Base for deferred tax asset	-4,376	-14,631
22% deferred tax asset	-963	-3,219
Deferred tax (asset) in the balance sheet	-963	-3,219

Deferred tax assets are fully recognised as the company expects the position to be utilised against future profits.

Base for tax expense, change in deferred tax and taxes payable	2023	2022
Profit (loss) before income taxes	350,389	446,766
Permanent differences	-1,508	-193,184
Base for tax income (expense)	348,882	253,582
Change in temporary differences	-10,255	-3,396
Base for income tax payable	338,627	250,186
Changes in equity with effect on taxes	-	-
Group contribution given	-55,451	-63,946
Use of loss carried forward	-	-
Taxable income (base for tax payable in the balance sheet)	283,176	186,240

Specification of income tax expense	2023	2022
Current income taxes payable	62,299	40,973
Taxes payable from group contribution recognised against investment in subsidiaries	-	-
Tax effect from group contribution given	12,199	14,068
Income tax before change in deferred tax	74,498	55,041
Change in deferred tax	2,256	747
Income taxes in profit (loss)	76,754	55,788

Taxes payable	2023	2022
Taxes payable (22% of base for taxes payable in profit (loss))	74,498	55,041
Taxes payable from group contribution given	-12,199	-14,068
Taxes payable	62,299	40,973

Reconciliation from nominal to effective income tax rate	2023	2022
22% profit (loss) before tax	77,086	98,289
Permanent differences (22%)	-332	-42,501
Total	76,754	55,788

Reconciliation of deferred tax asset	2023	2022
Deferred tax (asset) at 1 January	-3,219	-3,966
Change in deferred tax	2,256	747
Net deferred tax liabilities (assets) at 31 December	-963	-3,219

Note 6 FIXED ASSETS

Fixed assets	Land	Inventory and other equipment	Total
Cost at 1 January	3,476	22,189	25,665
Additions	-	-	-
Disposals	-	-	-
Cost at 31 December	3,476	22,189	25,665
Accumulated depreciation	-	21,321	21,321
Accumulated write-downs	-	-	-
Carrying amount at 31 December	3,476	868	4,344
Depreciation current year	-	757	757

Land is not depreciated.

Inventory and other equipment are depreciated over three to five years on a straight-line basis.

Note 7 SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Subsidiary	Registered office	Ownership and voting power	Equity last year (100 %)	Profit and loss last year (100 %)	Carrying amount
Selvaag Pluss AS	Oslo	100%	160,449	970	188,060
Selvaag Bolig Sandsliåsen AS	Bergen	100%	6,553	-361	8,898
Sandsliåsen Utbygging AS	Bergen	100%	23,291	29,947	68,615
Selvaag Boligutvikling I AS	Oslo	100%	16,430	-873	16,300
Selvaag Bolig Vestby AS	Oslo	100%	2,409	-38	2,407
Selvaag Eiendomsoppgjør AS	Oslo	100%	1,428	-130	1,415
Selvaag Bolig Lilleaker AS	Oslo	100%	3,817	478	18,909
Selvaag Bolig Lørenskog AS	Oslo	100%	995	28,208	121,867
Selvaag Bolig Grenseveien AS	Oslo	100%	3,526	-1,821	10,836
Selvaag Bolig Bjerke AS	Oslo	100%	10,984	-624	18,938
Selvaag Bolig Langhus AS	Oslo	100%	12,021	14,925	12,918
Selvaag Bolig Solberg AS	Oslo	100%	27,686	20,414	35,503
Selvaag Løren 7 AS	Oslo	100%	5,342	-609	68,335
Selvaag Bolig Hamang AS	Oslo	100%	43,133	-2,403	67,326
Selvaag Bolig Rogaland AS	Stavanger	100%	263,519	95	382,884
Selvaag Pluss Eiendom KS 2)	Oslo	67%	221,675	3,992	184,626
Selvaag Bolig Ballerud AS	Oslo	100%	4,107	1,502	20,717
Selvaag Bolig Avløs AS	Oslo	100%	1,051	-43	1,050
Selvaag Bolig Tomt II AS	Oslo	100%	443	-39	440
Selvaag Bolig Landås AS	Oslo	100%	52	62,144	28,271
Øya Lervig Brygge AS	Stavanger	100%	2,560	-171	2,567
Selvaag Bolig Sandslihaugen 30 AS	Oslo	100%	4,465	-345	4,599
Selvaag Bolig Torvmyra AS	Trondheim	100%	3,857	-54	7,391
Selvaag Bolig Lørenporten AS	Oslo	100%	14,100	2,927	16,307
Selvaag Bolig Trævarefabrikken AS	Oslo	100%	7,686	15,797	7,680
Vestparken AS	Oslo	100%	9,154	-550	10,634
Skårer Bolig AS	Oslo	100%	34,898	44,219	14,590
Lørenskog Sentrum Vest AS	Oslo	100%	-10,760	-1,836	68,590
Kaldnes Brygge Syd AS	Oslo	100%	3,044	-16	1,241
Selvaag Bolig Skalstadskogen AS	Oslo	100%	-	-	5,566
Selvaag Bolig Bjørnåsen Syd II AS	Oslo	100%	-	-	485
Selvaag Bolig Kornmoenga AS	Oslo	100%	-	-	234
Selvaag Bolig Nybyen Økern AS	Oslo	100%	-	-	6,740
Selvaag Bolig Løren 5 AS	Oslo	100%	-	-	1,942
Selvaag Bostad AB	Stockholm	100%	27,563	-9,489	63,439
Carrying amount at 31 December					1,470,321

¹⁾ The company is owned 30% by the parent company and 70% by a subsidiary

²⁾ The company is owned 66.7% by the parent company and 33.3% by a subsidiary

Associated company	Registered office	Ownership and voting power	Equity last year (100 %)	Profit and loss last year (100 %)	Carrying amount
Kirkeveien Utbyggingsselskap AS	Oslo	50%	4,735	-4	22,722
Smedplassen Prosjekt AS	Trondheim	50%	529	-147	200
Tiedemannsfabrikken AS	Oslo	50%	1,462	220,487	100
Sinsenveien Utvikling AS	Oslo	50%	-19,629	-9,192	25
Sandsliåsen 46 Utbygging AS	Bergen	50%	-1,435	-261	15
Heimdal Stasjonsby AS	Trondheim	50%	12,219	-2,173	6,100
Fornebu Sentrum Utvikling AS	Oslo	50%	-14,900	-3,989	5,016
Haakon VII's gate 4 Utvikling AS	Trondheim	50%	-13,665	-4,655	25
Kaldnes Brygge AS	Tønsberg	50%	4,969	-4,327	46,000
Kanalveien Utvikling AS	Bergen	50%	-1,335	-323	1,436
Kanalveien 51-53 AS	Bergen	50%	-2,966	-774	15
Verftsbyen Bolig AS	Oslo	50%	32,967	-330	25,000
Carrying amount at 31 December					106,654

Subsidiaries owned via other subsidiaries	Registered office	Ownership and voting power
Aase Gaard AS	Stavanger	100%
Nordic Residential SL	Spania	100%
Jaasund AS	Stavanger	100%
Jaasund Næring AS	Stavanger	100%
Lade Alle 67-69 Holding AS	Oslo	100%
Lervig Brygge AS	Stavanger	100%
Nestun Pluss Komplementar AS	Oslo	75%
Nestun Pluss KS	Oslo	75%
Nyhavn Pluss AS	Oslo	100%
Selvaag Bolig Pallplassen AS	Oslo	100%
Selvaag Bolig Forntoppen AS	Oslo	100%
Selvaag Bolig Vinterportalen AS	Oslo	100%
Selvaag Bolig Vaagen AS	Stavanger	100%
Selvaag Pluss International Holding AS	Oslo	100%
Selvaag Pluss Service AS	Oslo	100%
Selvaag Pluss Service AB	Sverige	100%
Selvaag Bolig Bispelua AS	Oslo	100%
Strandkanten Pluss II AS	Oslo	100%
Gårdskvartalet Hus 5 Utleiebolig AS	Oslo	100%
Selvaag Bostad Entreprenad AB	Stockholm	100%
Selvaag Bostad Holding AB	Stockholm	100%

Investments in subsidiaries, associated companies and joint ventures are accounted for using the cost method.

Note 8 RECEIVABLES AND LIABILITIES

Trade receivables	2023	2022
Trade receivables nominal value	13,757	16,579
Allowance for doubtful debts	-	-
Net trade receivables	13,757	16,579
Non-current liabilities due beyond five years	2023	2022
Other non-current debts to group companies	636,676	845,548
Total	636,676	845,548

Maturity schedule for non-current loans:

To be repaid during 2024	-	-
To be repaid during 2025	14,337	28,667
To be repaid during 2026	-	-
To be repaid during 2027	-	-
To be repaid during 2028 or later	636,676	845,548
Total	651,013	874,215

Pledged debts

	2023	2022
Debt	-	-

Carrying amount of land pledged as security on bank loans

	2023	2022
Shares in subsidiaries	135,437	115,713

Note 9 RECEIVABLES FROM ASSOCIATED COMPANIES AND JOINT VENTURES

	Current		Non-current	
	2023	2022	2023	2022
Tiedemannsfabrikken AS	-	46	-	-
Kaldnes Brygge AS	-	47	5,089	-
Dockside Næring AS	13	13	-	-
Sinsenveien Utvikling AS	118	335	22,515	21,114
Smedplassen Prosjekt AS	13	-	-	-
Sandsliåsen 46 Utbygging AS	-	-	11,255	3,531
Kaldnes Boligutvikling AS	20	-	-	-
Heimdal Stasjonsby AS	-	198	15,300	14,348
Haakon Vlls gate 4 Utvikling AS	93	988	3,833	3,569
Fornebu Sentrum Utvikling AS	3,181	4,293	93,096	55,116
Sandnes Eiendom Holding AS	-	-	8,477	2,184
Elveparken Sandnes AS	205	275	-	-
Lurahøyden Bolig AS	43	165	7,543	329
Kirkeveien Utbyggingselskap AS	30	55	-	2,500
Verftsbyen Bolig AS	1	1	-	-
Kanalveien 51-53 AS	-	-	12,492	8,718
Kanalveien Utvikling AS	-	-	7,346	4,213
Total	3,717	6,416	186,946	115,622

Note 10 INTERCOMPANY BALANCES

Current receivables	Trade receivables		Other receivables	
	2023	2022	2023	2022
Group companies	1,621	1,486	452,581	356,662
Total	1,621	1,486	452,581	356,662
Receivables due in more than one year			2023	2022
Group companies			622,977	608,671
Total			622,977	608,671

	Other current liabilities			
	Trade liabilities		Other current liabilities	
	2023	2022	2023	2022
Current liabilities				
Group companies	-	460	55,451	63,946
Total	-	460	55,451	63,946

	Other non-current liabilities	
	2023	2022
Liabilities due in more than one year		
Group companies	636,676	845,548
Total	636,676	845,548

Note 11 RELATED PARTY TRANSACTIONS

Sale of goods and services	2023	2022
Associated companies and joint ventures	35,209	33,707
Other related parties (including subsidiaries and joint ventures of parent company)	882	715
Purchase of goods and services	2023	2022
Selvaag AS (parent company)	550	550
Other related parties (including subsidiaries and joint ventures of parent company)	12,004	9,381
Financial income	2023	2022
Selvaag AS (parent company)	-	-
Associated companies and joint ventures	11,347	4,720

The following receivables and liabilities were outstanding at 31 December:

Receivables	2023	2022
Selvaag AS (parent company)	-	-
Other related parties (including subsidiaries and joint ventures of parent company)	8,395	8,651
Debt	2023	2022
Other related parties (including subsidiaries and joint ventures of parent company)	3,075	3,000

Goods and services sold to related parties are sold at the same prices and terms as to external third parties. Administrative services are purchased from the parent company on market-based terms.

Details of transactions between Selvaag Bolig ASA and other related parties are specified above. Intercompany balances and transactions between Selvaag Bolig ASA and its subsidiaries, which are related parties to the company, are not included here.

Note 12 RESTRICTED BANK ACCOUNTS

The company had no restricted bank accounts at 31 December 2023.

Note 13 SHARE CAPITAL AND SHAREHOLDERS

The 20 largest shareholders at 31 December 2023	Number of shares	Ownership
SELVAAG AS	50,180,087	53.5 %
PARETO INVEST NORGE AS	4,680,572	5.0 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	3,266,051	3.5 %
The Northern Trust Comp, London Br	2,186,000	2.3 %
JPMorgan Chase Bank, N.A., London	1,912,218	2.0 %
EGD CAPITAL AS	1,704,752	1.8 %
SANDEN EQUITY AS	1,600,000	1.7 %
HAUSTA INVESTOR AS	1,600,000	1.7 %
MUSTAD INDUSTRIER AS	1,067,454	1.1 %
PERESTROIKA AS	1,066,619	1.1 %
Goldman Sachs International	965,549	1.0 %
The Northern Trust Comp, London Br	840,200	0.9 %
BANAN II AS	830,000	0.9 %
Brown Brothers Harriman & Co.	684,331	0.7 %
Sverre Malvik	592,684	0.6 %
Øystein Klungland	592,684	0.6 %
GÅSØ NÆRINGSUTVIKLING AS	530,599	0.6 %
BNP Paribas	530,000	0.6 %
Brown Brothers Harriman & Co.	507,059	0.5 %
Skandinaviska Enskilda Banken AB	399,628	0.4 %
Total 20 largest shareholders	75,736,487	80.8 %
Other shareholders	18,029,201	19.2 %
Total number of shares	93,765,688	100.0 %

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

The share capital of NOK 187 531 376 comprised 93 765 688 shares with a par value of NOK 2.00.

Note 14 EQUITY

Changes in equity	Share capital	Own shares	Share premium account	Other paid-in capital	Total
Equity 1 January	187,531	-103	1,395,478	349,260	1,932,166
Share buy back	-	-1,832	-	-25,697	-27,529
Sale of own shares	-	1,671	-	21,628	23,300
Net income/(loss) for the period	-	-	-	273,635	273,635
Dividend paid	-	-	-	-93,631	-93,631
Accrued dividend	-	-	-	-93,766	-93,766
Equity at 31 December	187,531	-264	1,395,478	431,430	2,014,175

Note 15 CONTINGENT LIABILITIES AND GUARANTEES

Selvaag Bolig ASA has provided the following guarantees:	Amount
Tax guarantee	7,000
Guarantees related to loans to subsidiaries ("Selvskyldnergaranti")	520,514
Construction client guarantee	389,345
Pre-payment guarantee pursuant to the section 47 of the Housing Construction Act	88,222
Contractor guarantee pursuant to the section 12 of the Housing Construction Act	1,017,982
Other guarantees	163,829
Total	2,186,892

DECLARATION BY THE BOARD OF DIRECTORS AND CEO

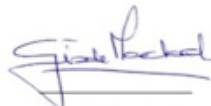
We hereby confirm that, to the best of our knowledge, the annual financial statements for the group and the parent company for 2023 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the group and the parent company taken as a whole.

The directors' report gives a true and fair view of the development, profit and position of the group and the parent company, as well as a description of the principal risks and uncertainties facing the group.

Oslo, 21 March 2024



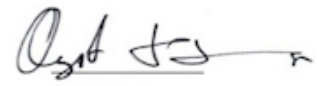
Olav Hindahl Selvaag
Chair



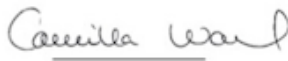
Gisele Marchand
Director



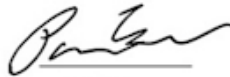
Tore Myrvold
Director



Øystein Thorup
Director



Camilla Wahl
Director



Patrik Eriksson
Director
(Elected by the employees)



Sissel Kragnes
Director
(Elected by the employees)



Sverre Molvik
President and CEO



Barkarby Pluss, Stockholm



To the General Meeting of Selvaag Bolig ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Selvaag Bolig ASA, which comprise:

- the financial statements of the parent company Selvaag Bolig ASA (the Company), which comprise the financial position as at 31 December 2023, the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Selvaag Bolig ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Selvaag Bolig ASA continuously for 16 years from the election by the general meeting of the shareholders on 11 April 2008 for the accounting year 2008 with a renewed election on 26 April 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our



audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The business is largely unchanged compared to last year. There have been no regulatory changes, transactions or events of significant importance that have led to new focus areas. *Value of inventory* has the same characteristics and risks this year as in the prior year and has consequently continued to be an important area of focus for the 2023 audit.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Value of inventory</p> <p>As at 31 December 2023, the Group's inventory mainly consists of undeveloped land, projects under development, and unsold, finished units.</p> <p>The inventory constitutes a significant portion of the assets in the balance sheet, and is measured at the lower of acquisition cost and net realizable value. Determination of net realisable value entails application of management judgement. If a significant decline in value occurs, it may result in a write-down of the inventory.</p> <p>Only the value of undeveloped land and unsold finished units are considered to be key audit matters. This is based on a concrete assessment of the risk of decline in value of units under development. A project is only initiated when the minimum requirements for advance sales have been achieved. The advance sale verifies the project's attractiveness in the market and implies a latent profit for the company, which is only recognised in the statement of profit and loss upon handover. Consequently, at the start of the project and throughout the project's construction period, there will normally be a lower risk of decline in value on units under development.</p> <p>No significant write-down of undeveloped land or unsold finished units has been recognised in 2023.</p> <p><i>Value of undeveloped land</i></p> <p>The acquisition cost of undeveloped land is subject to annual valuation by the company. Management obtains a valuation performed by an external valuation expert. The valuer determines a fair value that reflects the price that is assumed to be achievable by selling the undeveloped land in the market at the time of measurement.</p> <p>If the fair value appears to be close to or lower than the acquisition cost, it is considered to be an indicator that the net realisable value may be lower than the acquisition cost. In that case, management makes a closer assessment of the net realisable</p>	<p><i>Value of undeveloped land</i></p> <p>To assess the company's determination of fair value of undeveloped land, we have obtained copies of the external valuer's valuations. Furthermore, we have obtained and assessed management's communication with the external valuer to determine whether the valuer received an unwarranted mandate from management. In addition to assessing these factors, as well as the valuation and the underlying assumptions, we have considered the external valuer's competence and objectivity by assessing whether they have used recognised and appropriate methods in the valuations.</p> <p>The procedures gave no indications of errors or a lack of objectivity in the external valuations.</p> <p>If the external valuer's assessment shows an estimated fair value close to or below acquisition cost, we have assessed management's determination of net realisable value. This is done by obtaining the project calculation for the planned housing project. We have further assessed the assumptions that form the basis of the project calculation and challenged management's assessments and application of judgement if necessary.</p> <p>As part of our procedures, we have also assessed that selected assumptions used for determining fair value correspond to assumptions used for determining net realisable value. In these assessments, we have applied our accumulated knowledge of the company's other housing projects.</p> <p>Based on our audit procedures, we have found that the assumptions made by management as a basis for determining the value of undeveloped land are considered reasonable.</p>

value by assessing the project calculation for the planned housing project. The net realisable value is then calculated as the total estimated sales price less total acquisition cost for the project, including sales and marketing costs. If the net realisable value is calculated to be negative, the management makes a write-down of the inventory corresponding to the estimated loss on the project.

Both fair value and net realisable value depend on a number of assumptions such as geographical location, current regulation, development potential and time of sale. Some of these variables are determined using management judgement. Application of judgement directly affects the value of the undeveloped land and the profit and loss account.

Value of unsold, finished units

The acquisition cost of unsold, finished units is subject to valuation by the company. Management makes an annual assessment of whether the net realisable value is lower than the acquisition cost, which entails a need for write-down of the applicable units.

Management's calculation of net realisable value consists of the estimated sales price in the market less estimated sales and marketing costs. Determining the estimated selling price includes various considerations around, for example, units sold in the same project, the number of unsold units, expectations of market- and price development, as well as risk provisions related to unsold units.

Determination of some of these variables requires application of management judgement. Application of judgement therefore potentially affects the balance sheet value of unsold, finished units and the statement of profit and loss directly.

How management has applied judgement and management's valuations are further described in in note 3. Specification of the inventory is given in note 5.

Value of unsold, finished units

To assess the company's determination of net realisable value of unsold, finished units, we have obtained a complete overview of these units and management's assessments of the estimated selling price, as well as other underlying assumptions.

We have also assessed the assumptions made by management as a basis for their assessment. As a central part of this, we have compared management's assessments of net realisable value against observed market values of comparable sales in the area. We have focused particular attention on the unsold, finished units that have the lowest expected margin.

We have also checked that the net realizable value is the estimated sales price less estimated sales and marketing costs.

Based on our audit procedures, we have found that the assumptions made by management as a basis for determining the value of unsold, finished units are considered reasonable.

We have assessed and found that the information in note 3 and note 5 is in accordance with the requirements of the IFRS Accounting Standards as adopted by the EU and that the information appropriately reflects assessments regarding write-downs and management's use of judgement.



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as



fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Selvaag Bolig ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name selvaagboligasa-2023-12-31-nb.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 21 March 2024

PricewaterhouseCoopers AS

Petter Walstad
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

GRI INDEX

GRI STANDARD	DISCLOSURE	LOCATION (PAGE IN PDF)
Statement of use	Selvaag Bolig Asa has reported the information cited in this GRI index for the period 01.01.2023 to 31.12.2023 with reference to the GRI Standards	
GRI 1 used - GRI 1: Foundation 2021		
GRI 2: General indicators 2021		
2-1	Organisational details	Description of the business (11)
2-2	Entities included in the organisation's sustainability reporting	About this report (16)
2-3	Reporting period, frequency and contact point for questions about the report or content	About this report (16)
2-4	Restatements of information	Key indicators (35)
2-5	External audit	Description of the business (11)
2-6	Products and services, value chain and other business relationships	Inspiring working conditions for employees (37)
2-7	Employees	Inspiring working conditions (37) Due Diligence Assessments (33)
2-8	Workers who are not employees and the type of work they do	The work of the board of directors (48)
2-9	Governance structure and composition	Composition and independence of the board (47)
2-10	Nomination and selection of the highest governance body	Independence of the board (48)
2-11	Chair of the highest governance body	The board's duties (48)
2-12	Role of the highest governance body in overseeing the management of impacts	Governance (G) (41)
2-13	Delegation of responsibility for sustainability	Governance (G) (41)
2-14	Role of the highest governance body in sustainability reporting	Governance (G) (41)
2-15	Conflicts of interest	The board's duties (48)
2-16	Communication of critical concerns and notifications	Whistleblower routines (19)
2-17	Collective sustainability knowledge of the highest governance body	Composition of the board (47)
2-18	Evaluation of the knowledge and performance on sustainability of the highest governance body	Composition of the board (47)
2-19	Remuneration policies	Remuneration of the board of directors (51) Remuneration of executive personnel (52)
2-20	Process to determine remuneration	Remuneration of the board of directors (51) Remuneration of executive personnel (52)
2-21	Annual total compensation ratio	Pay and other remuneration (65) Remuneration of and fees to management, directors and auditors (105)
2-22	Statement on sustainable development strategy	Strategic priorities (19)
2-23	Policy commitments	The UN's Sustainable Development Goals (21) Social conditions (S) (33)
2-24	Embedding policy commitments to maintain responsible business behaviour	Governance (G) (41) Greenhouse gas emissions (24) Resource use in Selvaag Bolig's projects (28) Biological diversity (31) Labour-related crime and social dumping (34) Ethics in the supplier chain (41)
2-25	Processes to remediate negative impacts	Climate and environment (E) (22) Biological diversity (31) Social conditions (S) (33)
2-26	Mechanisms for seeking advice and raising concerns	Whistleblower routines (19)
2-27	Compliance with laws and regulations	Climate and environment (E) (22) Labour crime and social dumping (34) Ethics in the supplier chain (41)
2-28	Membership in associations	Cooperative partners (15)
2-29	Stakeholder engagement	Stakeholder dialogue and material topics (20)
2-30	Share of employees covered by collective bargaining agreements	Labour crime and social dumping (34)

All employees have individual agreements.

GRI STANDARD	DISCLOSURE	LOCATION (PAGE IN PDF)
GRI 3: Material topics 2021		
3-1	Process to determine material topics	Stakeholder dialogue and material topics (20) ESG: Material topics (142)
3-2	List of material topics	Stakeholder dialogue and material topics (20) ESG: Material topics (142)
GRI 205: Anti-corruption 2016		
3-3	Management of material topics	Ethics in its own activities (41)
205-1	Risk evaluation related to corruption	Ethics in its own activities (41)
205-2	Communication and Training about anti-corruption policies and procedures	Ethics in its own activities (41)
205-3	Confirmed incidents of corruption and actions taken	Ethics in its own activities (41)
GRI 301: Materials 2016		
3-3	Management of material topics	Resource use in Selvaag Bolig's projects (28)
301-1	Materials used by weight or volume	Resource use in Selvaag Bolig's projects (28)
GRI 303: Water and drainage 2016		
3-3	Management of material topics	Biological diversity (31)
301-1	Interactions with water as a shared resource	Biological diversity (31)
GRI 304: Biological diversity 2016		
3-3	Management of material topics	Biological diversity (31)
304-1	Operating areas owned, rented or managed in protected areas or areas of high biodiversity outside of protected areas	Biological diversity (31)
304-2	Significant influence on biodiversity from company's production	Biological diversity (31)
GRI 305: GHG emissions 2016		
3-3	Management of material topics	Greenhouse gas emissions (24)
305-1	Direct (Scope 1) GHG emissions	Greenhouse gas emissions (24)
305-2	Indirect (Scope 2) GHG emissions	Greenhouse gas emissions (24)
305-3	Other indirect (Scope 3) GHG emissions	Greenhouse gas emissions (24)
305-4	GHG emissions intensity	Greenhouse gas emissions (24)
GRI 306: Waste 2020		
306-1	Waste and waste-related influence	Resource use in Selvaag Bolig's projects (28)
306-2	Handling significant waste-related influence	Resource use in Selvaag Bolig's projects (28)
Own-defined	Building regulation TEK17 Paragraph 9-8 Waste sorting	Resource use in Selvaag Bolig's projects (28)
GRI 308: Environmental evaluation of suppliers 2016		
3-3	Management of material topics	Climate and environment (E) (22)
308-1	Environmental evaluation of suppliers	Climate and environment (E) (22)
308-2	Negative environmental impact in supplier chain and handling it	Climate and environment (E) (22) Biological diversity (31)
GRI 401: Labour 2016		
401-1	New employees	Inspiring working conditions (37)
401-3	Parental leave	Equality and diversity (39)
404-3	Percentage of employees who have a regular career development evaluation	Inspiring working conditions (37)
GRI 405: Diversity and equal opportunity 2016		
405-1	Diversity of governance bodies and employees	Equality and diversity (38)
405-2	Ratio of basic salary and remuneration of women to men	Inspiring working conditions (37)
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	Inspiring working conditions (37)
406-1	Incidents of discrimination and corrective actions taken	Inspiring working conditions (37)
GRI 407: Freedom of Association and Collective Bargaining 2016		
3-3	Management of material topics	Stakeholder dialogue and material topics (20)
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Governance (17)

GRI STANDARD	DISCLOSURE	LOCATION (PAGE IN PDF)
GRI 409: Forced labour 2016		
3-3	Management of material topics	Safe construction sites (34)
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Due Diligence Assessments (33) Safe construction sites (34)
GRI 413: Local communities		
3-3	Management of material topics	Inclusive local communities (36)
413-2	The operation's actual and potential negative impact on local communities	Inclusive local communities (36)
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	Due Diligence Assessments (33) Safe construction sites (34)
414-1	New suppliers that were screened using social criteria	Due Diligence Assessments (33) Safe construction sites (34)
414-2	Negative social impacts in the supply chain and actions taken	Due Diligence Assessments (33) Safe construction sites (34)
Health and safety		
3-3	Management of material topics	Safe construction sites (34)
	Own-defined - HSE	Safe construction sites (34)
Energy		
3-3	Management of material topics	Energy efficiency (27)
	Own-defined - Building regulation, paragraph 14-2	Energy efficiency (27)
Climate-related risk		
3-3	Management of material topics	Climate risk (64) Climate risk (111)
	Own definitions - TCFD	Climate risk (111)

APPENDIX

ESG: MATERIAL TOPICS

	Topic	External impact	Financial impact
Environment	Emissions supply chain	Significant	Significant
	Emissions construction sites	Medium	High
	Climate related risk	Low	Significant
	Bio diversity greenfield	High	High
	Bio diversity supply chain	Medium	Low
	Ecosystems on properties	Low	
	Waste and pollution supply chain	Low	
	Waste and pollution demolition	Low	
	Waste and pollution construction sites	High	High
	Water contamination construction sites	High	Medium
	Water contamination supply chain	Low	
	Water consumption supply chain	Medium	Medium
	Water consumption in buildings	Low	
	Material consumption	Significant	High
	Energy efficiency in buildings	Low	High
	Energy consumption construction sites	Low	Medium

Significant	Significant
High	High
Medium	Medium
Low	Low

	Topic	External impact	Financial impact
Social	Health and safety construction sites	Significant	Significant
	Human rights supply chain	High	High
	Social dumping	Significant	High
	Negative impact local communities	Medium	High
	Economic influx local communities	Low	Low
	Discrimination hiring processes	Low	
	Discrimination vulnerable groups	Low	
	Violation trade union rights	Medium	Low

	Topic	External impact	Financial impact
Governance	Transparent ownership	Low	Medium
	Ethics supply chain	Significant	Significant
	Ethics own operations	Medium	High

CARBON ACCOUNTING REPORT

This report presents greenhouse gas emissions (GHG emissions) from Selvaag Bolig's operations. The accounts cover the company's offices and showrooms in Norway and Sweden, as well as all construction projects completed in 2023.

The information used in the greenhouse gas accounts is sourced from both internal and external sources. Reported quantities have been converted to CO₂ equivalents in accordance with The Greenhouse Gas Protocol (GHG Protocol), the most widely recognised international standard for quantifying and reporting greenhouse gas emissions.

Emissions in all scopes are calculated using consumption data, and emissions from building materials are primarily based on the environmental product declarations (EPD) of the products. Selvaag Bolig's total greenhouse gas emissions for the reporting year 2023 were 20 822.85 tCO₂e.

BUILDING PROJECTS 2023

Selvaag Bolig has been conducting greenhouse gas accounting since 2021. The carbon accounts for 2022 and 2023 adhere to the requirements outlined in the Building Technical Regulations (TEK17) Article 17-1, which were introduced in 2022. This year's carbon accounts comprise all of Selvaag Bolig's completed residential projects in 2023 and comply with the specifications outlined in TEK17. According to the regulation, greenhouse gas accounting for residential and commercial building projects should be conducted in accordance with the Norwegian Standard NS 3720:2018, and at least cover life cycle modules A1-A5, B2 and B4. Selvaag Bolig has additionally opted to include B6. The calculation period spans 50 years.

Life cycle	Description	Stage
A1	Raw material extraction	Production stage
A2	Production transport	Production stage
A3	Product manufacturing	Production stage
A4	Transportation of materials	Assembly stage
A5	Waste generated during construction	Assembly stage
B2	Maintenance	Use stage
B4	Replacement	Use stage
B6	Estimated operational energy use	Use stage

Selvaag Bolig has classified its carbon accounts in accordance with the requirements of TEK17, adhering to the division specified in the Norwegian Standard NS 3451:2022, "Building Component Table and System Code Table for Buildings and Associated Outdoor Areas". This classification is based on building components such as foundations, support systems, outer walls, inner walls, floors, and roofs. In Selvaag Bolig ASA's climate accounts, which encompass emissions from construction projects, the emissions from materials within these elements are incorporated. However, the carbon account aggregates emissions per material group rather than by building component. This approach aims to improve comparability over time and better align with the company's KPIs and targets.

The carbon accounts show emissions in Scope 1, Scope 2, and Scope 3. They include company cars, electricity, purchased goods and services, use of sold products, waste, upstream transportation and distribution, as well as business travel.

Key Figures

KEY FIGURES, ADMINISTRATION	UNIT	2023	2022
CATEGORY			
Scope 1	tCO ₂ e	2.5	3.1
Scope 2 (Location-based)	tCO ₂ e	3	4.1
Scope 2 (Market-based)	tCO ₂ e	204.9	165.8
Scope 1 + 2 (Location-based)	tCO ₂ e	5.5	7.2
Scope 3 (emissions from admin.)	tCO ₂ e	59.6	43.8
Scope 1, 2 & 3 (emissions from admin.)	tCO ₂ e	65.1	51
KEY FIGURES, BUILDING PROJECTS			
CATEGORY			
CO ₂ -intensity, Scope 1, 2 & 3 total	tCO ₂ e	20 823.9	25 536.1
CO ₂ -intensity, Materials	tCO ₂ e	16 925.4	19 815.4
CO ₂ -intensity, waste generated*	tCO ₂ e	302.8	276.4
Materials	tonne	208 730.8	205 720.0
Waste generated*	tonne	3 650.4	3 362.2
Emissions per GfA total	kgCO ₂ e	238.07	342.67
Emissions per GfA total per year (50y)	kgCO ₂ e	4.8	6.7
Emissions per FTE	tCO ₂ e	248	302
Netto energy usage (kWh per heated GFA in completed buildings)	kWh/BRA	92.2	92.9

*The generated waste in key figures is based on the construction of buildings and does not include emissions from administrative waste.

The carbon accounts include all construction projects completed in the reporting year. As a different number of homes are completed each year, the total CO₂ intensity can vary significantly from year to year. The company has, therefore, extracted key values that are comparable across years and better reflect the company's efforts to reduce greenhouse gas emissions.

The table below indicates that total administrative emissions increased by 14 tCO₂e from 2022 to 2023, representing an 11% increase. Administrative emissions in Scope 1 and 2 have decreased, while increasing in Scope 3 due to increased travel activities. Emissions from completed construction projects showed a significantly lower emission per gross floor area (GFA) of completed homes in 2023 compared to 2022. The emission of 238.07 kgCO₂e per GFA is a reduction of 31% compared to 2022. The reduction is attributed to the use of more low-carbon footprint materials and the availability of better data for the 2023 accounts. In 2022, emissions from some construction projects were estimated due to incomplete reporting by contractors. Additionally, environmental product declarations (EPDs) could not be obtained for several of the building materials used in 2022, resulting in a 25% emission surcharge in accordance with TEK17 requirements. In 2023, emissions from all construction projects were calculated based on actual consumption data and EPDs. This provides more accurate emission data and has also led to a corresponding reduction in emissions per GFA over the building's lifetime (50 years). The total material consumption and waste generation in 2023, similar to 2022, is influenced by the number and size of construction projects. Therefore, the figures for material consumption and waste in 2022 and 2023 do not accurately reflect the company's efforts to reduce greenhouse gas emissions.

Carbon Accounting

Aggregated Carbon Accounting 2023

EMISSION SOURCE	UNIT	tCO ₂ e		% OF TOTAL EMISSIONS
		2023	2022	
Scope 1	tCO ₂ e	2.55	3.1	0.01 %
Scope 2 (location-based)	tCO ₂ e	2.95	4.1	0.01 %
Scope 2 (Market-based)	tCO ₂ e	204.90	165.8	0.96 %
Scope 3	tCO ₂ e	20 818.37	25 556.04	99.97 %
S1+s2+s3 (location-based)	tCO ₂ e	20 823.86	25 563.24	100.00 %
Scope 3 distribution:				
Purchased goods and services	tCO ₂ e	17 227.81	22 553.49	82.73 %
Upstream transportation & distribution	tCO ₂ e	1 213.66	225.41	5.83 %
Waste	tCO ₂ e	0.19	0.21	<0.01 %
Business travel	tCO ₂ e	59.41	4773	0.29 %
Use of sold products	tCO ₂ e	2 317	2 733	11.13 %

The aggregated carbon footprint for the reporting year 2023 is presented above.

Scope 1 comprises 2.5 tCO₂e in 2023, constituting 0.01% of the company's total emissions. Scope 1 exclusively includes emissions from company cars powered by fossil fuels. Company cars powered by electricity are reported under Scope 2. During the preparation of this year's carbon accounts, an error in the calculation of Scope 1 emissions for 2022 was identified. This has been corrected from 25.2 tCO₂e to 3.1 tCO₂e in the 2023 annual report.

Scope 2 (location-based) comprises 2.95 tCO₂e, constituting 0.01% of the company's total emissions. Scope 2 includes emissions from electric company cars and energy usage in offices and showrooms. The emissions are 26% lower in 2023 compared to 2022. This decrease is primarily attributed to Selvaag Bolig altering the calculation method due to a lack of access to data and the low quality of data from owners of regional offices in 2022. Electricity figures from regional offices are now estimated based on data from the head office at Silurveien 2 in Oslo, which is the fixed workplace for over 60% of the company's employees.

Scope 3 includes the categories of purchased goods and services, upstream transport and distribution, waste, business travel, and the use of sold products.

Purchased goods and services includes all emissions related to the extraction and production of materials used in the construction of Selvaag Bolig's building projects. The category also includes emissions from waste generated on construction sites. This category, in its entirety, had emissions of 17 227.81 tCO₂e, with building materials accounting for 16 925.36 tCO₂e of this. Waste from construction sites accounted for 302.45 tCO₂e of the overall emissions in this category.

Purchased goods and services represent Selvaag Bolig's most significant emissions category, constituting 82.73% of the company's total emissions, where materials contribute to 98% of the emissions in this category. All emission factors used to calculate emissions for the respective materials are derived from their associated EPDs. All EPDs were certified and valid at the reporting date and complied with the EPD and global-warming potential (GWP) factor requirements of TEK17.

The material category concrete is the material with the highest greenhouse gas emissions, representing 57% of emissions from

materials and 46.13% of emissions for the purchased goods and services category. Together with steel and reinforcing steel, these three main materials constitute 87% of the greenhouse gas emissions from the materials used in construction projects. Note that the concrete material category also includes prefabricated concrete that may contain reinforcing steel. All emissions from prefabricated concrete (including reinforcement) are presented in the carbon accounts under concrete. Several construction projects completed in 2023 used low-carbon concrete, contributing to significantly lower emissions in certain projects in 2023 compared to 2022.

Upstream transport and distribution include all emissions from the transport of purchased materials from suppliers to construction sites, amounting to 1 200.33 tCO₂e, respectively. This corresponds to 6% of the total greenhouse gas emissions. A conservative approach was taken in calculating emissions in this category, considering actual tonne-kilometres (tkm) transported, with all transport registered as heavy-duty transport.

Waste encompasses emissions from waste from Selvaag Bolig's company offices and administration. This category should not be confused with waste generated during building construction, presented in the purchased goods and services category. Waste from administration accounts for 0.19 tCO₂e, which is less than 0.01% of the company's total greenhouse gas emissions. Selvaag Bolig has changed the calculation method for this category. Like Scope 2, waste from regional offices is now estimated based on data from the headquarters at Silurveien 2 in Oslo, which more than 60% of the company's FTE use as their regular workplace.

Business travel shows emissions from the travel activities of Selvaag Bolig's own employees. This category represents 0.3% of the company's total greenhouse gas emissions and 91% of the company's administrative emissions, respectively. This category has also seen an increase in emissions from 43.7 tCO₂e in 2022 to 59.41 tCO₂e in 2023, a 36.6% increase due to increased travel activities.

The **Use of sold products** category encompasses emissions arising from the replacement and maintenance of materials, alongside the estimated energy consumption over the building's lifespan. This entire category contributed emissions amounting to 2 317 tCO₂e, equivalent to 11% of the company's total greenhouse gas emissions in 2023. The calculation period (lifetime) spans 50 years, in line with TEK17 regulations, covering emissions during the use phases B2, B4, and B6 of the buildings. The "maintenance" (B2) and "replacement" (B4) categories recorded emissions of 182 tCO₂e and 266 tCO₂e, respectively, with these figures derived from the emission factors specified in the EPDs of the materials. Additionally, estimated energy consumption (B6) contributed emissions of 1 869 tCO₂e, making up 9% of the company's total greenhouse gas emissions.

Breakdown of the Carbon Accounting

EMISSION SOURCE	UNIT	TCO ₂ E	% OF TOTAL EMISSIONS
SCOPE 1			
Company cars, petrol	tCO ₂ e	2.55	0.01 %
Scope 1 Total		2.55	0.01 %
SCOPE 2 (MARKET-BASED)			
Electricity Norway	tCO ₂ e	202.1	0.96 %
Company cars, ELECTRIC	tCO ₂ e	0.15	<0.01 %
Scope 2 (market based) total		202.35	0.96 %
SCOPE 2 (LOCATION-BASED)			
Electricity Norway	tCO ₂ e	2.80	0.01 %
Company Cars, ELECTRIC	tCO ₂ e	0.15	<0.01 %
Scope 2 (location based) total		2.95	0.01 %
Scope 1 & 2 (market-based) Total		204.90	0.98 %
Scope 1 & 2 (location-based) Total		5.50	0.03 %
SCOPE 3			
PURCHASED GOODS & SERVICES			
Materials			
Steel	tCO ₂ e	2 445.84	11.75 %
Reinforcement STEEL	tCO ₂ e	2 664.53	12.80 %
Plasterboard	tCO ₂ e	356.44	1.71 %
Brick/mortar/leca	tCO ₂ e	313.15	1.50 %
Wood	tCO ₂ e	540.60	2.60 %
Insulation	tCO ₂ e	35.51	0.17 %
Concrete	tCO ₂ e	9 606.60	46.13 %
Windows	tCO ₂ e	321.13	1.54 %
Balcony doors	tCO ₂ e	275.49	1.32 %
Doors	tCO ₂ e	254.62	1.22 %
Façade PANELS	tCO ₂ e	111.45	0.54 %
Material total	tCO ₂ e	16 925.36	81.28 %

WASTE GENERATED UNDER CONSTRUCTION

Mixed wood, recycled		tCO ₂ e	44.50	0.21 %
Complex COMPOUNDS, recycled		tCO ₂ e	20.48	0.10 %
Cardboard, recycled		tCO ₂ e	5.02	0.02 %
Mixed EE-waste, recycled		tCO ₂ e	0.21	<0.01 %
Contaminated materials, landfill		tCO ₂ e	3.27	0.02 %
Mixed industry waste, recycled		tCO ₂ e	84.97	0.41 %
Plasterboard, recycled		tCO ₂ e	24.93	0.12 %
Mineral wool, recycled		tCO ₂ e	0.44	<0.01 %
Plastic, recycled		tCO ₂ e	8.35	0.04 %
CCA TREATED wood, recycled		tCO ₂ e	93.92	0.45 %
Metal, recycled		tCO ₂ e	15.15	0.07 %
Hazardous waste, recycled		tCO ₂ e	1.21	0.01 %
Waste generated during construction total		tCO₂e	302.45	1.45 %
Purchased goods & services total		tCO₂e	17 227.81	82.73 %

UPSTREAM TRANSPORTATION AND DISTRIBUTION

Truck 33t+		tCO ₂ e	1 213.66	5.83 %
Upstream transportation and distribution total		tCO₂e	1 213.66	5.83 %

WASTE

Residual waste, recycled		tCO ₂ e	0.12	<0.01 %
Plastic, recycled		tCO ₂ e	0.01	<0.01 %
Cardboard and paper, recycled		tCO ₂ e	0.03	<0.01 %
Organic, recycled		tCO ₂ e	0.03	<0.01 %
Waste total		tCO₂e	0.19	<0.01 %

BUSINESS TRAVEL

Mileage, ELECTRIC		tCO ₂ e	2.00	0.01 %
Mileage		tCO ₂ e	9.58	0.05 %
Continental flights (incl. RF)		tCO ₂ e	6.12	0.03 %
Domestic Flights (incl. RF)	Norway	tCO ₂ e	8.93	0.04 %
Domestic Flights (incl. RF)	Sweden	tCO ₂ e	31.24	0.15 %
Train		tCO ₂ e	0.16	<0.01 %
Ferry		tCO ₂ e	0.00	<0.01 %
Hotel nights	Norway	tCO ₂ e	0.38	<0.01 %
Hotel nights	International	tCO ₂ e	2.95	0.01 %
Taxi	Sweden	tCO ₂ e	0.06	<0.01 %
Taxi	Norway	tCO ₂ e	0.29	<0.01 %
Business travel total		tCO₂e	59.71	0.29 %

USE OF SOLD PRODUCTS

ESTIMATED ENERGY USE (B6)		tCO ₂ e	1 869.00	8.98 %
MAINTENANCE OF MATERIALS (B2)		tCO ₂ e	182.00	0.87 %
REPLACEMENT OF MATERIALS (B4)		tCO ₂ e	266.00	1.28 %
Use of sold products Total		tCO ₂ e	2 317.00	11.13 %
Scope 3 Total			20 818.37	99.97 %
Scope 1, 2 & 3 (Market-Based) Total			21 023.26	
Scope 1, 2 & 3 (Location Based) Total			20 823.86	100.00 %

Methodology

The method aims to provide a comprehensive overview of the company's climate impact by identifying and classifying emissions in the three categories: Scope 1, Scope 2, and Scope 3. The emissions include the greenhouse gases CO₂, CH₄, N₂O, SF₆, HFC, PFC, and NF₃, converted to tonnes of CO₂ equivalents (tCO₂e). The Global Warming Potential (GWP) over a 100-year period,

as described in The Fourth Assessment Report (AR4) from the Intergovernmental Panel on Climate Change (IPCC), is used to calculate CO₂e.

Emissions in all scopes are calculated using consumption data, and emissions from building materials are primarily based on the Environmental Product Declarations (EPDs) of the products. According to TEK 17, all materials without EPDs are given an emission surcharge of 25%.

Scope 1 (Direct Emissions):

Scope 1 includes direct emissions from the company's own sources, stemming from activities that the company has direct control over. Typical sources include:

- Production processes: Emissions resulting directly from the company's production activities, including emissions from chemical reactions, raw material combustion, or other industrial processes.
- Fuel use: Emissions associated with the use of fuel in the company's own vehicles, construction machinery, or other equipment, including emissions from gasoline, diesel, or other fuel-related sources.
- Other direct energy use: Emissions arising from other direct energy use in the business, such as the combustion of biomass or other energy use not related to purchased electricity or heat.

To quantify Scope 1 emissions, conversion factors from DEFRA (Department for Environment, Food and Rural Affairs) or other relevant authorities are used. These factors allow the conversion of physical units, such as litres of fuel or tonnes of a specific material, into CO₂ equivalents.

Scope 2 (Indirect Emissions from Energy Supply):

Scope 2 includes indirect emissions from the company's purchase of energy such as electricity, district heating, or cooling, reflecting emissions from energy production. Emission factors used for electricity are based on national gross production mixes from International Energy Agency (IEA) statistics. In line with the GHG Protocol, both location-based and market-based methods are used in this report.

- Location-based method relies on actual emissions associated with the production of electricity within a specific geographic area. Different energy producers within this geographic area operate with a combination of energy sources. According to this methodology, non-renewable sources (oil, coal, gas, etc.) directly emit greenhouse gases.
- Market-based method is calculated based on the organisation's choice to acquire Guarantees of Origin. In cases where Guarantees of Origin are acquired, the supplier confirms that green energy will be produced in an equivalent amount to what the company has purchased certificates for. This results in an emissions factor of 0 g/CO₂e/kWh. Electricity for which the organisation has not acquired Guarantees of Origin receives an emissions factor based on the remaining production. This factor is normally higher than the corresponding location-based factor and is referred to as the "residual mix".

Scope 3 (Other indirect emissions):

Scope 3 includes all other indirect emissions arising from the company's value chain. These emissions are often more complex to identify and quantify, as they involve activities outside the company's direct control. To provide a thorough analysis of Scope 3 emissions, they are divided into 15 categories, including:

- Transport: Emissions from the transport of goods and people, either using company-owned vehicles or utilising external transport services.
- Suppliers: Emissions occurring in the supply chain, including the production of raw materials, materials, and components used in the business.
- Customers: Emissions stemming from the use and disposal of products and services delivered to customers.
- Other external activities: Emissions related to other activities in the value chain, such as emissions from third-party logistics or external service providers.

To quantify Scope 3 emissions, various sources and methods are used:

- DEFRA: Conversion factors from DEFRA are used to convert various activities into CO₂ equivalents, providing a standardised approach for quantifying emissions and enabling comparisons across different categories.
- Product-specific EPDs (Environmental Product Declarations): Product-specific EPDs are used to calculate emissions related to purchased goods and services, especially building materials. These detailed declarations provide comprehensive information about the environmental impact throughout a product's life cycle.
- IEA (International Energy Agency): Emission factors for electricity in Scope 3 are calculated using national gross production mixes from IEA statistics. This provides insight into emissions associated with the electricity indirectly used through the business.
- Other certified sources: Other reputable and certified sources for specific industries or activities are supported to ensure accuracy and reliability in emission calculations.

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