

Q4
2022

Fourth quarter 2022
Frigaard Property Group AS



FRIGAARD
Property Group

CEO STATEMENT

The group recorded revenue of 385.1 MNOK in the fourth quarter and 1 500 MNOK for the full year 2022. Comparable figures for 2021 were 638.5 MNOK and 1 583 MNOK respectively. The underlying activity in 2022 were higher than in 2021, revenue though, were lower as no residential projects were finalized in the quarter or in the year 2022.

EBITDA for the fourth quarter ended at 11.4 MNOK compared to -5.9 MNOK last year, and the full year EBITDA ended at 62.1 MNOK compared to 21.2 MNOK last year. The EBITDA of 62.1 includes costs of 6.4 MNOK related to a strategic review of the subsidiary Alento, excluding this the EBITDA for 2022 would have been 68.5 MNOK.

In the fourth quarter the lost time injury rate was zero (injuries resulting in inability to work / million work hours), as it was the fourth quarter in 2021. There have been no serious injuries either in the quarter or in 2022. The sick leave rate was 2.9% in the fourth quarter 2022, compared to 3.0% in the fourth quarter of 2021.

The Construction Segment

The construction segment signed new orders for 315 MNOK in the fourth quarter (up from 140 MNOK in the third quarter), the majority of these were for residential property projects for external developers. The total amount of order intake in 2022 ended at 1 688 MNOK compared to 1 167 MNOK in 2021.

The order intake increased by 45% compared to 2021 and resulted in a strong order backlog of 1 529 MNOK at the end of 2022. Of the total order back log, 1 352 MNOK is estimated to be for delivery and income recognition in 2023 and 177 MNOK for 2024. The order backlog includes work related to our own (internal) property development projects with a value of 327.1 MNOK.

The segment revenue in the quarter was 381.8 MNOK and 1 477 MNOK for the full year, compared to 561.8 MNOK and 1 500 MNOK for the fourth quarter and full year 2021. The negative swing in the quarterly revenue YoY is related to intra group eliminations of revenue related to construction of our own residential projects, as income recognition is postponed to the final delivery of the properties.

The EBITDA in the segment was 13.2 MNOK in the quarter (3,5%) and 86.9 MNOK for the full year (5.4%). The comparable figures for last year were -1.1 MNOK and 41.1, respectively.

Metacon is operating under two brands from Q4 2022, Metacon and Frigaard Entreprenør. The demerger of the two units was expected to be formalized in Q4, the finalization of this is delayed to first half of 2023.

The Property Development Segment

We have 190 units and 9 land plots in production at the end of last year. These are spread amongst our projects in Fredrikstad (Fagerlia), Moss (Tribunen), Mysen (Høgla) and Sarpsborg (Dronningen). The construction of these is fully financed by construction loans, and current time schedule is to finalize and deliver these projects in 2023.

We sold 6 units in the fourth quarter and 89 units during 2022. Of the 199 units ready for delivery in 2023 (ref above), 155 were sold at the end of 2022 (78%). Comparable figures for 2021 were 61 and 83, respectively.

All three construction/sales phases of the Fagerlia project have been launched in the market, still the third have not yet been decided for construction as we are awaiting further sales (4 of 30 units sold as of this date).

The 199 units represents 16 337 BRAS and have an estimated sales value of 984 MNOK.

Our portfolio of development projects in addition to projects under construction, is estimated at 30 000 BRAS, 397 units and a sales value of around 2.2 BNOK.

Revenue and profit in the quarter and for the year in the segment, were insignificant as there has been no finalization and hand over of properties in the period(s).

Balance Sheet and Cash flow

Cash balances increased from 151.3 MNOK at the end of Q3 to 237.8 MNOK as of Q4 2022. The significant increase in cash is mainly a result from changes in working capital in the construction business. Cash flow from operations in the quarter was negative with 13.2 MNOK, including an increase in inventories (investments in development properties) of 148 MNOK. The inventory increase was mainly financed with construction loans, and the cash flow from financing was positive with 100.9 MNOK.

Cash balances at the end of 2021 were 209.2 MNOK.

Net interest-bearing debt excluding construction loans is 121.8 MNOK at the end of 2022. The leverage ratio at the end of the year was 1,96. Including construction loans net interest bearing debt was 400.3 MNOK.

Going Forward

The backlog for our construction companies is high and to a large extent securing a normal activity level for 2023. And, we have a strong pipeline of residential projects with good chances for us to win. However, the recent changes to the macro-economic environment with higher inflation, energy prices and interest rates have resulted in delays in decisions and start up for new projects. This situation has been characteristic for the housing market, but much less for the commercial market as warehouses and other logistic buildings.

A large degree of our portfolio of residential units in production is sold (78%). Overall, for the portfolio in production, the sales rate is sufficient to cover the construction loans in the projects. When the sold units will be delivered in 2023 it will improve our results, and further sales will also significantly improve our cash flow.



Simon Martinsen, CEO, Sarpsborg, 17th of February 2023

HIGHLIGHTS

Fourth quarter 2022

- ✓ Revenue decreased with 39.7% to MNOK 385.1 (MNOK 638.5).
 - Revenue in Q4 2021 from handover of Tribunen phase 1 was MNOK 236.4.
- ✓ Operational cashflow of MNOK -13.1 (MNOK 235.5).
- ✓ Order intake of MNOK 314.9 (MNOK 803.2).
- ✓ Order backlog of MNOK 1 528.6 (MNOK 1 519.6) whereof MNOK 327.1 is towards Frigaard Bolig (MNOK 215.7).
- ✓ EBITDA of MNOK 11.4 (MNOK -5.9).

January - December 2022

- ✓ Revenue decreased by 5.2% to MNOK 1 500.7 (MNOK 1583.3).
 - Total revenue from handover of property development was MNOK 242 in 2021, compared to MNOK 19.3 this year.
- ✓ Operational cashflow of MNOK -284.1 (MNOK 118.5).
- ✓ Order intake of MNOK 1 688.1 (MNOK 1 970.6), of which internal toward Frigaard Bolig MNOK 307.6 (MNOK 283).
- ✓ EBITDA of MNOK 62.1 (MNOK 21.2).
- ✓ Adjusted EBITDA for strategic review of Alento of MNOK 68.5 (MNOK 21.2).

Outlook 2023

- ✓ Order intake of 315 MNOK in Q4 2022.
- ✓ Solid backlog of 1 529 MNOK in the Construction Segment.
- ✓ 199 residential property units in production, scheduled for delivery in 2023.
- ✓ 984 MNOK in sales value of units in production for delivery in 2023.
- ✓ 78% sales rate of units in production
- ✓ Formalization of the demerger of Metacon into Metacon and Frigaard Entreprenør delayed to H1 2023.

SUMMARY OF 4th QUARTER OF 2023

Key figures (NOK million)	4Q 22	4Q 21	31.12.2022	31.12.2021
Revenues Property development	3,1	236,6	23,0	242,9
Revenues Construction	381,8	561,8	1 476,8	1 499,6
Revenues Other	0,2	0,2	0,9	0,8
Elimination of internal income	-	-160,1	-	-160,1
Total revenues and other income	385,1	638,5	1 500,7	1 583,3
EBITDA Property development	2,4	-2,0	-2,0	-5,8
EBITDA Construction	13,5	-1,1	87,2	41,1
EBITDA Other	-4,5	-2,8	-23,1	-14,1
Total EBITDA	11,4	-5,9	62,1	21,2
Earnings before financial items and tax (EBIT)	9,2	-7,8	53,7	13,2
Earnings before tax (EBT)	2,3	-11,5	37,2	-5,3
EBITDA margin	2,9%	-0,9 %	4,1%	1,3 %
Operating profit margin	2,4%	-1,2 %	3,6%	0,8 %
Profit margin	0,6%	-1,8 %	2,5%	-0,3 %
Cash flow from operating activities	-13,1	235,5	-284,1	118,5
Net interest-bearing debt (NIBD)	400,3	115,6	400,3	115,6
Net interest-bearing debt excluding construction loan	121,8	110,7	121,8	110,7
Equity ratio	19,1%	22,3 %	19,1%	22,3 %
Order backlog	1 528,6	1 519,6	1 528,6	1 519,6
of which toward Frigaard Bolig	327,1	215,7	327,1	215,7
Order input	314,9	803,2	1 688,1	1 970,6

Konnerud Senter Panorama – Drammen – Alento



FINANCIAL REVIEW

Income statement and order intake

385.1 (MNOK 638.5) and EBITDA of MNOK 11.4 (MNOK -5.9) for the quarter.

Total order intake in the fourth quarter was MNOK 314.9 (MNOK 803.2). Order backlog at the end of the quarter is MNOK 1 528.6 (MNOK 1 519.6).

Cash flow

Cash flow from operations this quarter amounted to MNOK -13.1 (MNOK 235.5). The Cash and cash equivalents as of 31th of December 2022 amounts to MNOK 237.8 (MNOK 209.2). The liquidity situation of the Group is solid. The negative cash flow from operations is related to progress of residential homes in production and is fully financed by construction loans.

Balance sheet

The Group had an equity of MNOK 275.2 (MNOK 247.0) per 31th of December 2022, corresponding to an equity ratio of 19.1 percent.

Net interest-bearing debt was MNOK 400.3 (MNOK 115.6). Net interest-bearing debt after adjustment for construction loan was MNOK 121.8 (MNOK 110.7).

Segments

Frigaard Property Group consists of two segments, Construction and Property development.

Construction reported revenues of MNOK 381.8 (MNOK 561.8) and EBITDA of MNOK 13.5 (MNOK -1.1) in the quarter. Property development reported revenues of MNOK 3.1 (MNOK 236.6) and EBITDA of MNOK 2.4 (MNOK -1.9).

BUSINESS AREAS

Construction

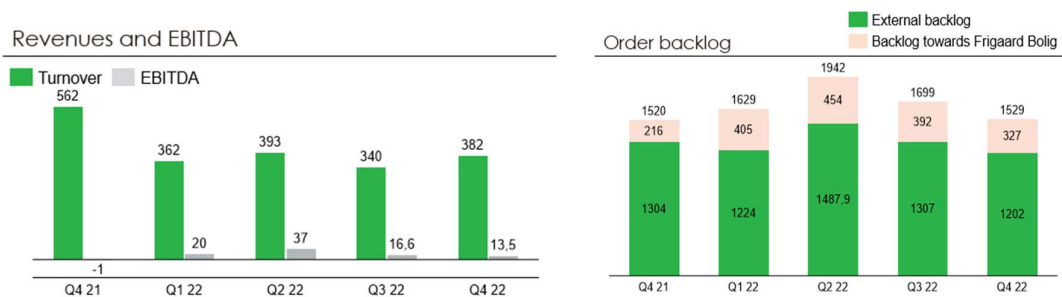
NOK million	4Q 22	4Q 21	31.12.2022	31.12.2021
Revenues and other income	381,8	561,8	1 476,8	1 499,6
EBITDA	13,5	-1,1	87,2	41,1
EBIT	11,7	-2,8	80,1	34,5
EBITDA margin	3,5 %	-0,2%	5,9 %	2,7 %
Operating profit margin	3,1 %	-0,5%	5,4 %	2,3 %
Order backlog	1 528,6	1 519,6	1 528,6	1 519,6
<i>of which toward Frigaard Bolig</i>	327,1	215,7	327,1	215,7

The business area construction consists of two business units, Alento AS and Metacon AS. Metacon AS consist of two divisions, Frigaard Entreprenør and Metacon. Alento AS and Frigaard Entreprenør are turn-key contractors that execute the development and construction of commercial buildings and residential properties. Metacon is a supplier of structural steel and steel buildings. In first half of 2023 we expect the separation, in the form of a demerger of Metacon into Metacon and Frigaard Entreprenør to be completed and formalized.

Reported revenues were MNOK 381.8 (MNOK 561.8) for the third quarter. This corresponds to an decrease of 32 percent compared to the same quarter last year. In Q4 2021 we handed over phase one of Tribunen (Moss), which gave an income of MNOK 160 for the construction segment. This year we have had no finalisation of residential projects. Revenue from sale of development property is recognized when control over the property has been transferred to the customer. EBITDA for the construction segment this quarter was MNOK 13.5 (MNOK -1.1).

Total reported revenue YTD decreased by 1.5% to MNOK 1 476.8, and YTD EBITDA was MNOK 87.2 (MNOK 41.1). The larger part of the strong performance stems from Alento.

During the quarter we added new contracts of MNOK 314.9 (MNOK 803.2). Our backlog high, and secure good utilization of our organization for 2023. Internal order backlog represents Metacon's backlog on internal projects within the Property Development segment where construction has commenced based on sales and regulatory processes. See separate section for the Property Development segment for further details. MNOK 162 is won in Q1 as of the date of this report.



Property development

NOK million	4Q 22	4Q 21	31.12.2022	31.12.2021
Revenues and other income	3,1	236,6	23,0	242,9
EBITDA	2,4	-2,0	-2,0	-5,8
EBIT	2,3	-2,0	-2,2	-6,1
EBITDA margin	75,0 %	-0,8 %	-8,8 %	-2,4 %
Operating profit margin	73,0 %	-0,8 %	-9,5 %	-2,5 %
No. of units under construction	190	31	190	31
No. of units sold	6	61	89	80
No. of units in land bank	270	270	270	270

The business area Property development develops residential units and commercial buildings within the inter-city triangle. The Group, recognises revenue when the control of the property has been transferred to the customer.

Revenues in the quarter amounted to MNOK 3.1, compared to MNOK 236.6 in the same period last year. EBIT amounted to MNOK 2.5 (MNOK -2.0). The year-to-date revenue mainly stems from the handover of single apartments, from the first phase of Tribunen, located in Moss, which was finalized late 2021 and a final settlement from sale of Höganloft Fastigheter AB.

A final settlement was done the first of April 2022, related to the sale of shares in Höganloft Fastigheter AB. There was a change to the estimated gain from sale of share done in 2020 of MNOK 2.8. Total cash effect in 2022 from the settlement amounted to MNOK 60.2.

All property development projects in production have been granted a construction loan at the date of this report. It is expected that the projects will be ready for handover according to the timeline shown in the table below. During the quarter a total of 6 apartments were sold, compared to 61 units in Q4 2021. Sales will naturally fluctuate from quarter to quarter depending on the maturity of the projects.

Our ongoing projects are illustrated in the table below. All of the projects are in production with the exception of the third phase of Fagerlia. For this phase we have secured financing for the concrete works and production will start when the project has realized sufficient sales to be granted construction loans.

Projects	Scheduled sale start	Scheduled start of building	Ready for hand over	No. of units	BRAs*	No. of units sold
Tribunen phase 1, Moss	Q2 2019	Q2 2020	Q4 2021	69	4 713	68
Tribunen phase 2, Moss	Q4 2021	Q2 2022	Q2 2023	55	4 374	51
Tribunen phase 3, Moss	Q1 2022	Q3 2022	Q4 2023	50	3 665	43
Fagerlia phase 1, Fredrikstad	Q2 2021	Q4 2021	Q2 2023	31	2 966	20
Fagerlia phase 3, Fredrikstad	Q2 2022	Q2 2023	Q1 2024	30	2 797	4
Fagerlia phase 2, Fredrikstad	Q3 2021	Q4 2022	Q3 2023	8	1 400	6
Høgliveien, Mysen	Q4 2021	Q3 2022	Q4 2023	30	2 438	17
Høgliveien plots, Mysen	Q4 2021	Q2 2022	Q1 2023	9	4 986	5
Dronningensgate Atrium, Sarpsborg	Q1 2022	Q2 2022	Q1 2023	16	1 111	13

*BRAs is the usable area in a home.

All of the portfolio shown above are in production (except for Fagerlia III) and scheduled for delivery in 2023. The overall sales rate for these projects is 78% and sufficient to cover the construction loans. The deliveries during the year will improve our profits and further sales has the potential to significantly improve cash flow.

Additional development projects includes the following projects

Solbyen (Sarpsborg); a 40-50 unit project in the city of Sarpsborg, following public proceedings and market situation the project may be launched in the market Q3 2023. The estimated BRAS is 2900.

Tindlund (Sarpsborg); Around 100 units, following public proceedings and the market situation the project may be launched in the market late 2023 or early 2024 (ownership 50%).

Åsenveien Park (Ski): Potentially a 12500-14000k BRAS project in the Ski city centre, progress dependent upon public proceedings. The city plan is currently to be finalized late Q1 or Q2 2023.

Hans Nilsen Hauges vei (Fredrikstad): Potentially a 3-4k BRAS project alongside Glomma in Fredrikstad, detailed regulation process is started in 2023.

Other information

HSE

Health, Safety and Environment is a core focus area for Frigaard Property Group. Our ambition is zero injuries. The group is constantly working to make sure everybody that works for- and with us gets home safely to their families everyday. During the fourth quarter 2022 we are happy to once again report that we had no injuries to our workers, as we did Q4 last year.

Outlook

The backlog for our construction companies is high and to a large extent securing a normal activity level for 2023. And, we have a strong pipeline of residential projects with good chances to be awarded these. However, the recent changes to the macro-economic environment with higher inflation, energy prices and interest rates have resulted in delays in decisions and start up for new projects. This situation has been characteristic for the housing market, but much less for the commercial market as warehouses and other logistic buildings.

A large degree of our portfolio of residential units in production is sold (78%). Overall, for the portfolio in production, the sales rate is sufficient to cover the construction loans in the projects. When the sold units will be delivered in 2023 it will improve our results and further sales will also significantly improve our cash flow.



INCOME STATEMENT

All amounts in NOK thousand	Note	4Q 2022	Q4 2021	31.12.2022	31.12.2021
Revenue from contracts with customers	5	382 087	638 419	1 495 828	1 582 319
Other operating revenue		3 060	72	4 916	952
Total operating revenue	6	385 147	638 491	1 500 744	1 583 271
Materials, subcontractors and consumables		318 082	600 935	1 238 980	1 400 545
Salaries and personnel expense		44 078	35 901	155 425	133 558
Other operating expense		11 634	7 559	44 208	27 923
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	5	11 353	-5 904	62 131	21 245
Depreciation and amortisation expense		2 203	1 882	8 462	8 022
Operating profit (EBIT)	5	9 150	-7 786	53 669	13 223
Net financial costs		6 831	3 675	16 502	18 555
Profit before income tax		2 319	-11 461	37 167	-5 332
Income taxes		1 314	-1 545	8 999	-197
Net profit (loss) for the period		1 005	-9 916	28 168	-5 135

STATEMENT OF COMPREHENSIVE INCOME

	4Q 2022	Q4 2021	31.12.2022	31.12.2021
Other comprehensive income				
<i>Items which may be reclassified to profit and loss in subsequent periods</i>				
Exchange differences on translation of foreign subsidiaries	-	-	-	-
Total comprehensive income for the year	1 005	-9 916	28 168	-5 135

STATEMENT OF FINANCIAL POSITION

ASSETS	31.12.2022	31.12.2021
All amounts in NOK thousand		
Non-current assets		
Other intangible assets	244	127
Goodwill	284 019	284 019
Buildings and land	3 275	3 798
Machinery and equipment	4 713	4 439
Right-of-use assets	9 776	12 576
Investment in associated companies	3 750	-
TOTAL NON-CURRENT ASSETS	305 777	304 959
Current assets		
Inventories and development properties	661 653	334 759
Trade receivables	172 917	113 538
Contract assets	59 977	63 781
Other short-term receivables	1 403	79 320
Cash and cash equivalents	237 750	209 168
TOTAL CURRENT ASSETS	1 133 700	800 566
TOTAL ASSETS	1 439 477	1 105 525

STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	31.12.2022	31.12.2021
All amounts in NOK thousand		
Equity		
Share capital	467	467
Share premium reserve	167 396	167 396
Total paid-in capital	167 863	167 863
Retained earnings	107 353	79 187
Total retained earnings	107 353	79 187
TOTAL EQUITY	275 216	247 050
Non-current liabilities		
Deferred tax	31 319	22 336
Bond loan	298 129	296 256
Liabilities to financial institutions	12 600	38 944
Construction loan	-	4 889
Leasing liabilities	3 898	6 985
Other non-current liabilities	3 750	45 955
TOTAL NON-CURRENT LIABILITIES	349 696	415 365
Current liabilities		
Short term financial liabilities	38 830	-
Short term construction loan	278 448	-
Lease liabilities	6 140	5 215
Trade account payables	197 989	222 243
Public duties payable	30 854	10 270
Contract liabilities	116 867	117 326
Other short-term liabilities	145 437	88 056
TOTAL CURRENT LIABILITIES	814 565	443 110
TOTAL LIABILITIES	1 164 261	858 475
TOTAL EQUITY AND LIABILITIES	1 439 477	1 105 525

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent company				Total equity
			Other Equity		
	Share capital	Share premium reserve	Retained earnings	Total other equity	
Equity as at 01.01 2021	543	216 389	105 080	105 080	322 013
Transaction with owners					
Capital decrease	-76	-39 752			-39 828
Dividends		-9 241	-20 759	-20 759	-30 000
Comprehensive income					
Profit for the period			-5 135	-5 135	-5 135
Other comprehensive income				-	-
Equity at 31.12.2021	467	167 396	79 186	79 186	247 050
Equity as at 01.01 2022	467	167 396	79 187	79 187	247 050
Profit for the period			28 168	28 168	28 168
Other comprehensive income			-	-	-
Equity as at 31.12.2022	467	167 396	107 353	107 353	275 216

STATEMENT OF CASHFLOW

All amounts in NOK thousand	4Q 2022	4Q 2021	31.12.2022	31.12.2021
Cash flow from operations				
Profit before income taxes	2 319	-11 461	37 167	-5 332
Gain/loss from sale of fixed assets	-	-	-1 408	-
Adjustment for gains on disposal of shares in subsidiaries	-2 817	-	-2 817	-
Depreciation and impairment of fixed assets	2 203	1 882	8 462	8 344
Change in inventory	-148 214	198 741	-326 894	16 452
Change in trade receivables	-5 191	36 399	-108 455	72 230
Change in trade account payables	108 743	88 955	-24 254	85 209
Change in other provisions	29 820	-79 013	134 120	-58 359
Net cash flow from operations	-13 137	235 503	-284 079	118 544
Cash flow from investments				
Proceeds from sale of fixed assets	-	-	2 000	-
Purchase of fixed assets and other intangible assets	-696	-771	-2 048	-2 024
Purchase of subsidiaries (net of cash)	-	-97	-	-5 857
Proceeds from sale of other investments and sale of subsidiaries	-	-	33 551	-
Other investment	-	233	26 645	-18 231
Net cash flow from investments	-696	-635	60 148	-26 112
Cash flow from financing				
Proceeds from the issuance of bonds	-	-	-	300 000
Payment of bonds	-	-	-	-303 000
Issue costs paid	-	-	-	-5 465
Proceeds from long term loans	30	-	12 600	-
Repayment of long term loans	-27	-29	-114	-115
Proceeds from construction loans	101 897	5 944	273 559	103 523
Repayment of construction loans	-	-161 491	-	-161 491
Repayment of short term loans	-	-	-27 396	-
Repayment of lease liabilities	-1 666	-1 169	-6 136	-5 644
Capital reduction	-	-	-	-39 828
Payment of dividend	-	-30 000	-	-30 000
Net cash flow from financing	100 234	-186 745	252 513	-142 020
Net change in cash and cash equivalents	86 401	48 123	28 582	-49 588
Cash and cash equivalents at the beginning of the period	151 349	161 045	209 168	258 756
Cash and cash equivalents at the end of the period	237 750	209 168	237 750	209 168

NOTES

NOTE 1. GENERAL INFORMATION

Frigaard Property Group AS is a Norwegian building- and construction group with its main office located in Sarpsborg. The Group is operating in Norway.

The head office is located at Sandesundsveien 2, 1724 Sarpsborg.

This summary of financial information for fourth quarter of 2022 has not been audited.

NOTE 2. BASIS OF PREPERATION

Frigaard Property Group AS' consolidated financial statements are prepared in accordance with IAS 34 Interim accounts. The summary of the financial information presented in the quarterly accounts is intended to be read in conjunction with annual report for 2021, which have been prepared in accordance with the international Financial Reporting Standards (IFRS).

NOTE 3. CHANGES IN GROUP STRUCTURE

Group Companies	Location	Ownership
Frigaard Property Group AS (parent company)	Sarpsborg	100 %
Metacon AS	Sarpsborg	100 %
Frigaard Entreprenør AS	Sarpsborg	100 %
Alento AS	Drammen	100 %
Sub-group Frigaard Bolig:		
Frigaard Bolig AS (parent company in sub-group)	Sarpsborg	100 %
Høgliveien 30 AS	Sarpsborg	100 %
Fagerliveien Utvikling AS	Sarpsborg	100 %
Ryggeveien 33 AS	Sarpsborg	100 %
Solbyen Utvikling AS	Sarpsborg	100 %
Dronningensgate Atrium AS	Sarpsborg	100 %
Åsenveien Park AS	Sarpsborg	100 %
Høgliveien Næring AS	Sarpsborg	100 %
Tindlund Terrasse AS	Sarpsborg	50 %

Åsenveien Park AS was established during the second quarter 2022, and Frigaard Entreprenør AS was established during third quarter 2022. Høgliveien Næring AS was established in the fourth quarter 2022.

Metacon AS have been divided into Metacon and Frigaard Entreprenør during third quarter, the final formalization will be in place for the two separate legal entities in 2023.

A joint venture contract has been signed in the end of December 2022, related to Tindlund Terrasse AS, where Frigaard Bolig purchased 50 % in the company.

NOTE 4. ACCOUNTING POLICIES

The accounting policies applied to the accounts are consistent with those described in the annual report for 2021.

New and amended accounting standards

Frigaard Property Group AS has not implemented new or changed standards in 2022 with material effect on the Group's financial position and results.

Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated, and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

The Group's 300 MNOK listed bond is due February 10, 2024, less than 12 months from the issuance of this report. The secured order backlog for delivery in 2023 is 1,352 MNOK (90% of 2022 revenue), residential properties for finalization in 2023 have a sales value of 984 MNOK (whereof 728 MNOK/74% is sold) and cash reserves as of 31.12.22 were 238 MNOK. Based on this the available refinancing options is viewed to be good. Further sales of the unsold residential properties represents a significant upside potential on cash reserves. In a scenario with low or no further sales of residential properties, these will still be to the benefit in a refinancing, as collateral.

Based on this the available refinancing options are viewed to be good, including the option to repay the bond fully or predominantly utilizing reserves available to the Group. As such management has concluded that there are no significant doubts about the ability to continue as a going concern.

NOTE 5. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Frigaard Property Group AS has defined its two segments as:

- Property development
- Construction

All amounts in NOK thousand	4Q		Full year	
	2022	2021	2022	2021
Income statement				
Property development	3 146	236 590	23 033	242 867
Construction	381 761	561 789	1 476 829	1 499 615
Other	240	172	882	849
Eliminations	-	-160 060	-	-160 060
Total operating revenue	385 147	638 491	1 500 744	1 583 271
Property development	2 358	-1 966	-2 035	-5 799
Construction	13 509	-1 132	87 219	41 147
Other	-4 514	-2 806	-23 053	-14 103
Eliminations	-	-	-	-
EBITDA	11 353	-5 904	62 131	21 245
Property development	2 298	-1 966	-2 187	-6 132
Construction	11 717	-2 773	80 143	34 518
Other	-4 865	-3 047	-24 287	-15 163
Eliminations	-	-	-	-
EBIT	9 150	-7 786	53 669	13 223

Segment information is presented in the accordance with Frigaard Property Group's accounting policies in accordance with IFRS. Revenue from Property development from project for own account is recognised upon handover as regulated in IFRS 15. The largest operating segment in the Group relates Construction projects. These are engineering and construction projects delivered to public and private customers based on contractual agreed scope and price.

Segment assets and liabilities is not reported to the chief operating decision maker on a regularly basis.

The group "other" consists of rental income and other operating expense and the holding company Frigaard property Group AS. Eliminations is intra group sales, where Property development is the contracting customer and Construction is the builder.

NOTE 6. INCOME

All amounts in NOK thousand	Segment	4Q		Full year	
		2022	2021	2022	2021
<i>Revenue from contracts with customers</i>					
Contract revenues from Construction	Construction	381 758	401 829	1 475 612	1 339 452
Sale of development property	Development property	-	236 361	19 305	242 017
Rental income from Property development	Development property	329	229	911	850
Total revenue from contracts with customers		382 087	638 419	1 495 828	1 582 319
<i>Other operating income</i>					
Gain from sale of fixed assets	Construction	3	-100	1 217	103
Other income from Other	Other	240	172	882	849
Sale of shares Property development	Development property	2 817	-	2 817	-
Total other operating income		3 060	72	4 916	952
Total operating revenue		385 147	638 491	1 500 744	1 583 271

NOTE 7. FINANCIAL INSTRUMENTS

There were no significant changes during the period related to financial risk and the group 's use of financial instruments.

NOTE 8. RELATED PARTY TRANSACTIONS

All transactions with related parties are carried out in accordance with the arm's length principle. Transaction between subsidiaries are eliminated in the consolidated financial statements and do not represent related parties.

NOTE 9. EVENTS AFTER THE REPORTING DATE

No other events have occurred after the balance sheet date which have had a material effect on the submitted accounts.

FINANCIAL CALENDAR

2022 Annual report: 26th of April 2023
2023 Q1 report: 12th of May 2023
2023 Q2 report: 25th of August 2023
2023 Q3 report: 14th of November 2023

ADDITIONAL INFORMATION

Please contact



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