

# Second quarter and First half of 2023 Interim report



**FRIGAARD**  
Property Group

## CEO STATEMENT

### *The Construction Segment*

New orders for the Construction segment were 200 MNOK, down from 744 MNOK in the second quarter of 2022. In the first days of July, the segment secured additional orders for a value of 585 MNOK. The majority of the new orders in Q2 was related to new residential property projects, the new orders in early July relates both to property and commercial activities.

As of Q2 the order backlog is at 918 MNOK, including the orders in early July, the backlog is 1 503 MNOK. Out of the 1503 MNOK, 667.8 MNOK is planned to be delivered in 2023 and 835.6 MNOK is planned for 2024 and onwards. Included in the backlog is the value of work for our own property development projects of 118 MNOK.

The revenue in the segment increased from 393 MNOK in Q2 last year to 510 MNOK in Q2 in 2023. The increase is partly due to recognition of income from the work related to our own development project Tribunen. As the project were finalized in Q2 and the majority of properties were handed over to the end customers, income that previously has been eliminated was recognized.

The EBITDA in the quarter ended at 54 MNOK, compared to last year 37 MNOK. As for revenue, the EBITDA includes profit related to residential property handed over to customers by the group in Q2, that has been eliminated from the group accounts in earlier periods.

### *The property development segment*

Units in production decreased from 191 as of Q1 (including 9 land plots) to 119 units as of Q2, as the projects Dronningen in Sarpsborg and Tribunen 2, in Moss as well as the land plots were finalized.

The remaining projects in production is scheduled to be finalized in late August (Fagerlia 1), late September (Tribunen 3) and December (Fagerlia 2 and Høglia). The final and last part of the Fagerlia project (Fagerlia 3), is partly built (concrete and infrastructure), but the sales rate is not yet sufficient for a full start up, thus the finalization date is not set. 7 out of 30 apartments was sold in Fagerlia 3 as of Q2 2023.

We sold 8 units in the first quarter and 4 units in the second quarter of 2023. 91 of the units in production is sold as of Q2.

The revenue in the segment ended at 263 MNOK for the quarter, compared to 4 MNOK the second quarter last year. The revenue relates to the handover of residential property from the project Tribunen 2 and Dronningen. The EBITDA in the segment was 6 MNOK compared to -1 MNOK the second quarter in 2022. The EBITDA is after deducting of 6,5 MNOK on calculated internal interest on equity used in the project.

Other projects consists of:

- The third stage of Fagerlia in Fredrikstad, which is in the market for sale
- Solbyen and Tindlund Terrasse (50% ownership), in Sarpsborg, that is expected to be approved by government in Q3
- Hans Nilsen Hauges vei in Fredrikstad, which is in a zoning phase
- Åsenveien Park in Ski, where timing is about to be developed further

Our preliminary estimates of these projects are that they may be around 30k BRAS and represent revenue of 2.1-2.2 BNOK.

***Balance Sheet and cash flow***

Cash balances increased from 159 MNOK in Q1 to 182 MNOK in Q2 2023. The change is mainly due to cash inflow from hand over of Tribunen 2, payment of interest and down-payment of construction loans.

The cash flow from operations was positive with 94 MNOK, mainly related to the handover of Tribunen 2 and changes in other working capital items.

Net interest bearing debt excluding construction loans were 176 MNOK at the end of June, compared to 200 MNOK the previous quarter. The leverage ratio is 2,7 compared to 2,9 as of Q1.

***Going forward***

The housing market is slow and projects are being delayed due to the lack of pre-sales. Still we have projects in our portfolio where the contractor have decided start up disregarding the sales rate. And, we are in a good position to win several residential projects when this market turns.

The commercial segment is still having a steady pipeline of projects, and we are increasing our offers to this segment as well as for public projects.

The backlog, including two large orders won in the first days of July, are solid at 1,5 BNOK and more than MNOK 800 of this is planned for 2024 and onwards.

The property development segment is still focusing on finalizing the ongoing projects, in 2023. Projects in production is fully financed, and properties to be delivered represents an estimated sales value of 720 MNOK and an estimated net cash value of above 220 MNOK. In addition we continue develop our land bank, to be ready for a normalized housing market.



Simon Martinsen, CEO, Sarpsborg, 25<sup>th</sup> of August 2023

## HIGHLIGHTS

### Second quarter 2023

- ✓ Revenue increased with 56,2 % to MNOK 621.4 (MNOK 397.7)
- ✓ Operational cashflow of MNOK 93.8 (MNOK -179.2).
- ✓ Order intake of MNOK 332.1 (MNOK 744.3).
- ✓ Order backlog of MNOK 918.42 (MNOK 1 942) whereof MNOK 117.8 is towards Frigaard Bolig (MNOK 453.6)
- ✓ EBITDA increased with 11,8% to MNOK 28.9 (MNOK 25.9)

### First half of 2023

- ✓ Revenue increased by 30,5% to MNOK 1011.5 (MNOK 775.3)
- ✓ Operational cashflow of MNOK -82.5 (MNOK -207.4)
- ✓ Order intake of MNOK 332.1 (MNOK 1 233.0), of which internal toward Frigaard Bolig MNOK 8.4 (MNOK 86.6)
- ✓ EBITDA of MNOK 43.9 (MNOK 40.7)

### Outlook 2023

- ✓ Secured new order intake of 585 MNOK in July 2023.
- ✓ Solid backlog of 918.4 MNOK in the Construction Segment.
- ✓ 119 residential property units/plots in production, scheduled for delivery in 2023.
- ✓ 720 MNOK in sales value of units in production or for sale in 2023.
- ✓ 76,6% sales rate of units in production

SUMMARY OF 2<sup>nd</sup> QUARTER AND FIRST HALF OF 2023

Key figures (NOK million)	2Q 23	2Q 22	H1 2023	H1 2022
Revenues Property development	262.7	4.0	279.3	19.5
Revenues Construction	510.5	393.4	883.6	755.4
Revenues Other	0.3	0.2	0.7	0.4
Elimination of internal income	-152.1	-	-152.1	-
<b>Total revenues and other income</b>	<b>621.4</b>	<b>397.7</b>	<b>1 011.5</b>	<b>775.3</b>
EBITDA Property development	5.6	-1.4	4.6	-2.6
EBITDA Construction	33.9	37.5	53.8	57.1
EBITDA Other	-3.1	-10.2	-7.1	-13.7
Elimination of internal cost	-7.4	-	-7.4	-
<b>Total EBITDA</b>	<b>28.9</b>	<b>25.9</b>	<b>43.9</b>	<b>40.7</b>
<b>Earnings before financial items and tax (EBIT)</b>	<b>26.9</b>	<b>23.7</b>	<b>39.8</b>	<b>36.6</b>
<b>Net profit for the period</b>	<b>17.1</b>	<b>15.8</b>	<b>25.6</b>	<b>23.6</b>
EBITDA margin	4.7%	6.5 %	4.3%	5.3 %
Operating profit margin	4.3%	6.0 %	3.9%	4.7 %
Profit margin	3.6%	5.1 %	3.2%	3.9 %
Cash flow from operating activities	93.8	-179.2	-207.4	-207.4
Net interest-bearing debt (NIBD)	501.7	319.7	501.7	501.7
Net interest-bearing debt excluding construction loan	176.0	213.4	176.0	176.0
Equity ratio	21.2%	22.1 %	21.2%	21.3 %
Order backlog	918.4	1 941.5	918.4	1 941.5
of which toward Frigaard Bolig	117.8	453.6	117.8	453.6
Order input	199.9	744.2	332.1	1 233.0
of which toward Frigaard Bolig	8.4	86.8	8.4	307.5

## FINANCIAL REVIEW

### Income statement and order intake

Frigaard Property Group reported revenues of MNOK 621.4 (MNOK 397.7) and EBITDA of MNOK 28.9 (MNOK 25.9) for the quarter.

Total order intake in the second quarter was MNOK 199.9 (MNOK 744.3). Order backlog at the end of the quarter is MNOK 918.4 (MNOK 1 941.5).

### Cash flow

Cash flow from operations amounted to MNOK 93.8 (MNOK -179.2). The Cash and cash equivalents as of 30<sup>th</sup> of June 2023 amounts to MNOK 181.6 (MNOK 134.2). The liquidity situation of the Group is solid.

### Balance sheet

The Group had an equity of MNOK 300.8 (MNOK 270.6) per 30<sup>th</sup> of June 2023, corresponding to an equity ratio of 21.2 percent.

Net interest-bearing debt was MNOK 501.7 (MNOK 319.7). Net interest-bearing debt after adjustment for leasing liability, were MNOK 494.3 (MNOK 308.3). Net interest-bearing debt after adjustment for construction loan was MNOK 176.0 (MNOK 213.4).

### Segments

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

Construction reported revenues of MNOK 510.5 (MNOK 393.4) and EBITDA of MNOK 33.0 (MNOK 37.0) in the quarter. Property development reported revenues of MNOK 262.7 (MNOK 4.0) and EBITDA of MNOK 5.6 (MNOK -1.4).

## BUSINESS AREAS

### Construction

NOK million	2Q 23	2Q 22	H1 2023	H1 2022
Revenues and other income	510,5	393,4	883,6	755,4
EBITDA	33,9	37,5	53,8	57,1
EBIT	24,7	35,6	42,9	53,6
EBITDA margin	6,6 %	9,5%	6,1 %	7,6 %
Operating profit margin	4,8 %	9,1%	4,9 %	7,1 %
Order backlog	918,4	1 941,5	918,4	1 941,5
<i>of which toward Frigaard Bolig</i>	117,8	453,6	117,8	453,6

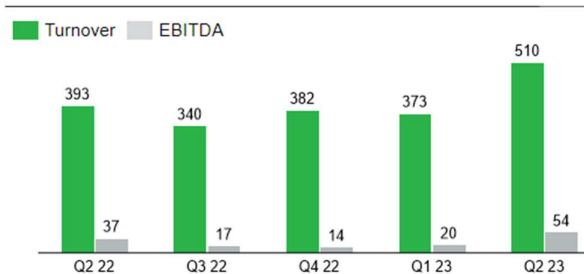
The business area construction consists of three business units, Alento AS, Frigaard Entreprenør AS and Metacon AS. Alento AS and Frigaard Entreprenør are turn-key contractors that execute the development and construction of commercial buildings and residential properties. Metacon is a supplier of structural steel and steel buildings.

Reported revenues were MNOK 510.5 (MNOK 393.4) for the second quarter. This corresponds to an increase of 29.7 percent compared to the same quarter last year. EBITDA for the construction segment this quarter was MNOK 33.9 (MNOK 37.5).

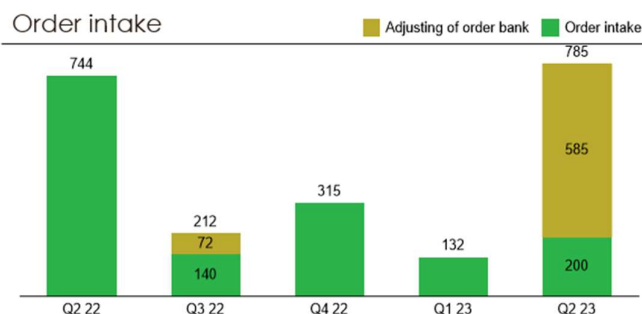
Both Alento and Frigaard Entreprenør delivers well this quarter. A significant part of Frigaard Entreprenør's income was related to internal residential development projects. Whereas revenue and EBITDA from the internal project Tribunen phase 2 in Moss are shown in the segment this quarter, at the time of handover to the customer.

During the quarter we added new contracts of MNOK 199.9 (MNOK 744.2). 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 585 is secured in Q3 2023 as of the date of this report.

#### Revenues and EBITDA



#### Order intake



## Property development

NOK million	2Q 23	2Q 22	H1 2023	H1 2022
Revenues and other income	262,7	4,0	279,3	19,5
EBITDA	5,6	-1,4	4,6	-2,6
EBIT	5,5	-1,5	4,5	-2,7
EBITDA margin	2,1 %	-35,8 %	1,7 %	-13,5 %
Operating profit margin	2,1 %	-36,5 %	1,6 %	-13,8 %
No. of units under construction	119	132	119	132
No. of units sold	4	11	12	69
No. of units in land bank	199	270	199	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 262.7, compared to MNOK 4.0 in the same period last year. EBIT amounted to MNOK 5.6 (MNOK -1.4). The year-to-date revenue mainly stems from the handover of apartments from the second phase of Tribunen, located in Moss, and Dronningen in Fredrikstad. The projects totaled 71 apartments whereof 65 were sold and 57 were handed over to customers as of Q2 2023.

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 4 apartments were sold, compared to 11 units in Q2 2022. 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	69
Tribunen phase 2, Moss	Q4 2021	Q2 2022	Q2 2023	55	4 374	53
Tribunen phase 3, Moss	Q1 2022	Q3 2022	Q4 2023	50	3 665	46
Fagerlia phase 1, Fredrikstad	Q2 2021	Q4 2021	Q3 2023	31	2 966	21
Fagerlia phase 3, Fredrikstad	Q2 2022	Q2 2023	Q2 2024	30	2 797	7
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	20
Høgliveien plots, Mysen	Q4 2021	Q2 2022	Q2 2023	9	4 986	5
Dronningensgate Atrium, Sarpsborg	Q1 2022	Q2 2022	Q2 2023	16	1 111	12

\*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 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 Q1/Q2 2024. 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 Q1/Q2 2024 (ownership 50%).

Åsenveien Park (Ski): Potentially a 12500-14000k BRAS project in the Ski city centre, progress dependent upon public proceedings.

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 first half of 2023 we are happy to once again report that we had no injuries to our workers, which is on the same level as Q2 last year.

### Outlook

The housing market is slow and projects are being delayed due to the lack of pre-sales. Still we have projects in our portfolio where the contractor have decided start up disregarding the sales rate. And, we are in a good position to win several residential projects when this market turns.

The commercial segment is still having a steady pipeline of projects, and we are increasing our offers to this segment as well as for public projects.

The backlog, including two large orders won in the first days of July, are solid at 1,5 BNOK and [more than 800] MNOK of this is planned for 2024.

The property development segment is still focusing on finalizing the ongoing projects, in 2023. The projects in production is fully financed, and the properties still not delivered represents an estimated sales value of 720 MNOK and an estimated net cash value of above 220 MNOK. In addition we continue develop our land bank, to be ready for a normalized housing market.

## INCOME STATEMENT

All amounts in NOK thousand	Note	2Q 2023	2Q 2022	H1 2023	H1 2022	31.12.2022
Revenue from contracts with customers	5	621 035	396 263	1 010 795	773 618	1 495 828
Other operating revenue		338	1 427	675	1 638	4 916
<b>Total operating revenue</b>	<b>6</b>	<b>621 373</b>	<b>397 690</b>	<b>1 011 470</b>	<b>775 256</b>	<b>1 500 744</b>
Materials, subcontractors and consumables		539 071	315 823	860 865	634 956	1 238 980
Salaries and personnel expense		41 420	40 275	82 944	76 492	155 425
Other operating expense		11 968	15 723	23 781	23 074	44 208
<b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>5</b>	<b>28 914</b>	<b>25 869</b>	<b>43 880</b>	<b>40 734</b>	<b>62 131</b>
Depreciation and amortisation expense		2 046	2 174	4 114	4 183	8 462
<b>Operating profit (EBIT)</b>	<b>5</b>	<b>26 868</b>	<b>23 695</b>	<b>39 766</b>	<b>36 551</b>	<b>53 669</b>
<b>Net financial costs</b>		<b>4 684</b>	<b>3 417</b>	<b>6 904</b>	<b>6 351</b>	<b>16 502</b>
<b>Profit before income tax</b>		<b>22 184</b>	<b>20 278</b>	<b>32 862</b>	<b>30 200</b>	<b>37 167</b>
Income taxes		5 042	4 477	7 294	6 644	8 999
<b>Net profit (loss) for the period</b>		<b>17 142</b>	<b>15 801</b>	<b>25 568</b>	<b>23 556</b>	<b>28 168</b>

## STATEMENT OF COMPREHENSIVE INCOME

	2Q 2023	2Q 2022	H1 2023	H1 2022	31.12.2022
<b>Other comprehensive income</b>					
<i>Items which may be reclassified to profit and loss in subsequent periods</i>					
Exchange differences on translation of foreign subsidiaries	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>17 142</b>	<b>15 801</b>	<b>25 568</b>	<b>23 556</b>	<b>28 168</b>

## STATEMENT OF FINANCIAL POSITION

ASSETS	30.06.2023	30.06.2022	31.12.2022
All amounts in NOK thousand			
<b>Non-current assets</b>			
Other intangible assets	203	114	244
Goodwill	284 019	284 019	284 019
Buildings and land	2 997	3 527	3 275
Machinery and equipment	4 131	4 357	4 713
Right-of-use assets	6 909	11 092	9 776
Investment in associated companies and joint ventures	3 750	-	3 750
Other long term receivables	1 833	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>303 842</b>	<b>303 109</b>	<b>305 777</b>
<b>Current assets</b>			
Inventories and development properties	633 995	442 745	661 653
Trade receivables	88 263	232 814	172 917
Contract assets	171 753	72 542	59 977
Other short-term receivables	42 208	37 822	1 403
Cash and cash equivalents	181 623	134 164	237 750
<b>TOTAL CURRENT ASSETS</b>	<b>1 117 842</b>	<b>920 087</b>	<b>1 133 700</b>
<b>TOTAL ASSETS</b>	<b>1 421 684</b>	<b>1 223 196</b>	<b>1 439 477</b>

## STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	30.06.2023	30.06.2022	31.12.2022
All amounts in NOK thousand			
<b>Equity</b>			
Share capital	467	467	467
Share premium reserve	167 396	167 396	167 396
<b>Total paid-in capital</b>	<b>167 863</b>	<b>167 863</b>	<b>167 863</b>
Retained earnings	132 923	102 741	107 353
<b>Total retained earnings</b>	<b>132 923</b>	<b>102 741</b>	<b>107 353</b>
<b>TOTAL EQUITY</b>	<b>300 786</b>	<b>270 604</b>	<b>275 216</b>
<b>Non-current liabilities</b>			
Deferred tax	38 624	28 978	31 319
Bond loan	-	297 192	298 129
Liabilities to financial institutions	12 400	24 885	12 600
Construction loan	-	105 178	-
Leasing liabilities	2 192	5 743	3 898
Other non-current liabilities	3 750	45 955	3 750
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>56 966</b>	<b>507 931</b>	<b>349 696</b>
<b>Current liabilities</b>			
Short term financial liabilities	38 777	14 000	38 830
Short term construction loan	325 706	1 162	278 448
Bond loan current	299 068	-	-
Lease liabilities	5 196	5 734	6 140
Trade account payables	170 600	125 047	197 989
Public duties payable	1 704	36 051	30 854
Contract liabilities	51 716	163 611	116 867
Other short-term liabilities	171 165	99 056	145 437
<b>TOTAL CURRENT LIABILITIES</b>	<b>1 063 932</b>	<b>444 661</b>	<b>814 565</b>
<b>TOTAL LIABILITIES</b>	<b>1 120 898</b>	<b>952 592</b>	<b>1 164 261</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 421 684</b>	<b>1 223 196</b>	<b>1 439 477</b>

## STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent company			Total equity
			Other Equity	
	Share capital	Share premium reserve	Retained earnings	
<b>Equity as at 01.01.2022</b>	<b>467</b>	<b>167 396</b>	<b>79 187</b>	<b>247 050</b>
<b>Comprehensive income</b>				
Profit for the period			23 556	23 556
Other comprehensive income				-
<b>Equity at 30.06.2022</b>	<b>467</b>	<b>167 396</b>	<b>102 743</b>	<b>270 604</b>
<b>Comprehensive income</b>				
Profit for the period Q3-Q4 2022			4 612	4 612
Other comprehensive income				-
<b>Equity as at 31.12.2022</b>	<b>467</b>	<b>167 396</b>	<b>107 355</b>	<b>275 216</b>
<b>Equity as at 01.01.2023</b>	<b>467</b>	<b>167 396</b>	<b>107 355</b>	<b>275 216</b>
<b>Comprehensive income</b>				
Profit for the period			25 568	25 568
Other comprehensive income			-	-
<b>Equity as at 30.06.2023</b>	<b>467</b>	<b>167 396</b>	<b>132 923</b>	<b>300 786</b>

## STATEMENT OF CASHFLOW

All amounts in NOK thousand	2Q 2023	2Q 2022	H1 2023	H1 2022	31.12.2022
<b>Cash flow from operations</b>					
Profit before income taxes	22 184	20 278	32 862	30 200	37 167
Taxes paid in the period	-	-	-	-	-
Gain/loss from sale of fixed assets	-	-1 408	-	-1 408	-1 408
Adjustment for gains on disposal of shares in subsidiaries	-	-	-	-	-2 817
Depreciation and impairment of fixed assets	2 046	2 216	4 114	4 183	8 462
Change in inventory	165 919	-82 563	27 658	-107 986	-326 894
Change in trade receivables	-78 493	-156 131	-62 392	-109 027	-108 455
Change in trade account payables	39 310	-26 686	-27 389	-97 196	-24 254
Change in other provisions	-57 160	65 138	-57 358	73 790	134 120
<b>Net cash flow from operations</b>	<b>93 806</b>	<b>-179 156</b>	<b>-82 505</b>	<b>-207 444</b>	<b>-284 079</b>
<b>Cash flow from investments</b>					
Proceeds from sale of fixed assets	-	2 000	-	2 000	2 000
Purchase of fixed assets and other intangible assets	-61	-418	-346	-769	-2 048
Proceeds from sale of other investments and sale of subsidiaries	-	-	-	-	33 551
Other investment	-	60 187	-	60 091	26 645
<b>Net cash flow from investments</b>	<b>-61</b>	<b>61 769</b>	<b>-346</b>	<b>61 322</b>	<b>60 148</b>
<b>Cash flow from financing</b>					
Proceeds from long term loans	-	-	-	-	12 600
Repayment of long term loans	-	-30	-	-59	-114
Proceeds from construction loans	48 687	51 205	168 385	101 451	273 559
Repayment of construction loans	-118 436	-3 750	-121 127	-27 396	-
Repayment of short term loans	-226	-	-17 873	-	-27 396
Repayment of lease liabilities	-1 337	-1 488	-2 661	-2 878	-6 136
<b>Net cash flow from financing</b>	<b>-71 312</b>	<b>45 937</b>	<b>26 724</b>	<b>71 118</b>	<b>252 513</b>
Net change in cash and cash equivalents	22 433	-71 450	-56 127	-75 004	28 582
Cash and cash equivalents at the beginning of the period	159 190	205 614	237 750	209 168	209 168
<b>Cash and cash equivalents at the end of the period</b>	<b>181 623</b>	<b>134 164</b>	<b>181 623</b>	<b>134 164</b>	<b>237 750</b>

## 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 second quarter of 2023 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 2022, which have been prepared in accordance with the international Financial Reporting Standards (IFRS).

### NOTE 3. CHANGES IN GROUP STRUCTURE

#### Subsidiaries

<b>Group Companies</b>	<b>Location</b>	<b>Ownership</b>
Frigaard Property Group AS (parent company)	Sarpsborg	100 %
Metacon AS	Sarpsborg	100 %
Frigaard Entreprenør AS	Sarpsborg	100 %
Alento AS	Drammen	100 %
<b>Sub-group Frigaard Bolig:</b>		
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 %
Lundebakken Utvikling AS	Sarpsborg	100 %

Lundebakken Utvikling AS was established during the second quarter.



## NOTE 4. ACCOUNTING POLICIES

The accounting policies applied to the accounts are consistent with those described in the annual report for 2022.

### New and amended accounting standards

Frigaard Property Group AS has not implemented new or changed standards in 2023 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.

## 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

	2Q		H1		Full year
	2023	2022	2023	2022	2022
All amounts in NOK thousand					
<b>Income statement</b>					
Property development	262 671	4 034	279 278	19 452	23 033
Construction	510 480	393 443	883 633	755 380	1 476 829
Other	338	213	675	424	882
Eliminations	-152 116	-	-152 116	-	-
<b>Total operating revenue</b>	<b>621 373</b>	<b>397 690</b>	<b>1 011 470</b>	<b>775 256</b>	<b>1 500 744</b>
Property development	5 576	-1 443	4 617	-2 623	-2 035
Construction	33 868	37 474	53 767	57 072	87 219
Other	-3 081	-10 162	-7 055	-13 715	-23 053
Eliminations	-7 449	-	-7 449	-	-
<b>EBITDA</b>	<b>28 914</b>	<b>25 869</b>	<b>43 880</b>	<b>40 734</b>	<b>62 131</b>
Property development	5 531	-1 474	4 527	-2 685	-2 187
Construction	24 741	35 643	42 897	53 550	80 143
Other	-3 404	-10 474	-7 658	-14 314	-24 287
Eliminations	-	-	-	-	-
<b>EBIT</b>	<b>26 868</b>	<b>23 695</b>	<b>39 766</b>	<b>36 551</b>	<b>53 669</b>

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		2Q		H1		Year
	Segment	2023	2022	2023	2022	2022
<i>Revenue from contracts with customers</i>						
Contract revenues from Construction	Construction	510 480	392 229	883 633	754 166	1 475 612
Sale of development property	Development property	262 671	3 852	279 278	19 270	19 305
Rental income from Property development	Development property	-	182	-	182	911
<i>Eliminations</i>		-152 116	-	-152 116	-	-
<b>Total revenue from contracts with customers</b>		<b>621 035</b>	<b>396 263</b>	<b>1 010 795</b>	<b>773 618</b>	<b>1 495 828</b>
<i>Other operating income</i>						
Gain from sale of fixed assets	Construction	-	1 214	-	1 214	1 217
Other income from Other	Other	338	213	675	424	882
Sale of shares Property development	Development property	-	-	-	-	2 817
<b>Total other operating income</b>		<b>338</b>	<b>1 427</b>	<b>675</b>	<b>1 638</b>	<b>4 916</b>
<b>Total operating revenue</b>		<b>621 373</b>	<b>397 690</b>	<b>1 011 470</b>	<b>775 256</b>	<b>1 500 744</b>

## 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

2023 Q3 report: 14<sup>th</sup> of November 2023

## ADDITIONAL INFORMATION

Please contact



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## DECLARATION IN ACCORDANCE WITH ARTICLE 5-5 OF THE SECURITIES TRADING ACT

We confirm that, to the best of our knowledge and belief, that the condensed financial statements for the period 1 January to 30 June 2023 have been prepared in compliance with current applicable accounting standards, and that the information in the accounts gives a true and fair view of the group assets, liabilities and profit and loss of the group. We also confirm that the CEO statement gives a true and fair view of the group and company development, result, and position, as well as of the main risk and uncertainty factors the group is faced with.

Sarpsborg, 25 August 2023  
The Board of Directors

 Helge Stemshaug Chairman	 Trond Olav Frigaard Board Member
 Kristian Lindland Board Member	 Simon Nyquist Martinsen CEO