

Q3  
2021

Third quarter 2021

## Frigaard Property Group AS



## CEO STATEMENT

Significant steps are made after Q2 with respect to sign new orders for the remaining of 2021 and 2022. Value of new contracts ended at 644 MNOK in Q3, down from 936 MNOK in Q3 last year, however close to 500 MNOK of contracts are signed as of this date in Q4. Last year Q4 order intake was 108 MNOK. On top of this we have signed internal orders between our own contractor and our residential property development company for the building of our project Fagerlia in Fredrikstad. Consequently, we will have an order book at the end of the year around 1,5 BNOK, up from 1,0 BNOK last year.

Revenues in Q3 ended at 296 MNOK compared to 272 MNOK last year. YTD revenues are 945 MNOK, last year ended at 910 MNOK. Revenues in the quarter consists entirely from our construction segment, as no residential properties have been delivered. We expect a strong Q4 for our construction companies, and we are in the final phase of delivering first stage of our residential project Tribunen in Moss (69 units), thus Q4 and the full year of 2021 will be significantly up compared to 2020.

EBITDA in Q3 ended at 5.6 MNOK, equal to last quarter, but down from 29.7 MNOK last year. Last years EBITDA was impacted by a gain from sale of a combined logistic and office building in Tranås, Sweden by 20.6 MNOK. Adjusting for this the EBITDA last year was 9.1 MNOK. YTD EBITDA ended at 27.1 MNOK compared to last years 74.2 MNOK. Adjusting for last years impact of the gain of 46.6 MNOK, last years EBITDA was 27.7 MNOK, e.g. at the same level as this year. As no residential properties were delivered YTD 2021, the entire EBITDA stems from the Construction segment. As per the IFRS regime, the value creation from our own construction of

residential projects held by us, is not recognized in the P&L until delivery. Consequently, as we are in progress of delivering our first stage of the Tribunen project in Moss in Q4, we expect a significant better Q4.

At the end of Q3 our cash balances were 161 MNOK, down from 230 MNOK at the end of Q2. The change in cash position is partly related to working capital changes in our construction companies, but more impacted by adding equity to enable startup of and building of our residential projects in Fredrikstad, Moss and Mysen. As of the date this is written 64 of 69 units in our project Tribunen (first stage). These will be handed over to customers in November. The next phase of the project (56 units) we released for sale early November and as of date 25 units are sold. We expect building of stage 2 to start in Q1 2022. The Fagerlia project in Fredrikstad is another project in sale, 17 of 31 units are currently sold, as well as we have sold 1 out of 8 townhouses. We are ramping up for the start of construction and plan to start early December. Our project Høgli, in Mysen consists of 31 units and sale start were 4<sup>th</sup> of November. The project was well received in the market and we have sold 8 units as of date. Construction is expected to start in Q1 2022. During Q3 we acquired land to build 16 units in central Sarpsborg. The project (Dronningen) is planned to go to market early 2022. During 2021 we have significantly stepped up our activities to strengthen our portfolio of residential projects, and we will strengthen our search going forward.

During the last months we have secured a significant order backlog for next year as well as achieved good progress in sales and planning for residential projects. Our liquidity and balance sheet are still healthy and 2022 looks promising.



Simon Martinsen, CEO, Sarpsborg, 11<sup>th</sup> of November 2021

## HIGHLIGHTS

### Third quarter 2021

- ✓ Revenue increased with 8.6% to MNOK 295.8 (MNOK 272.3)
  - Revenues and EBITDA in Q3 2020 was positive effected from sale of shares in subsidiaries of MNOK 20.2
- ✓ Operational cashflow of MNOK -73.2 (MNOK 115.1). Positive operational cashflow in 2020, was mainly due to cash settlement of the residential project "Aspelundtunet".
- ✓ Order intake of MNOK 644.3 (MNOK 936.1).
- ✓ EBITDA of MNOK 5.6 (MNOK 29.7)

### January - September 2021

- ✓ Revenue increased by 3.8% to MNOK 944.8 (MNOK 910.3)
- ✓ Operational cashflow of MNOK -117 (MNOK 33.5)
- ✓ Order intake of MNOK 1 167 (MNOK 1 309), of which internal toward Frigaard Bolig MNOK 40 (MNOK 163)
- ✓ EBITDA of MNOK 27.1 (MNOK 74.2)
  - Revenue and EBITDA last year was positive effected from sale of shares in subsidiaries MNOK 46.6 from Property development.

### Outlook 2021

- ✓ Solid order intake in Q3 and YTD, and significant amount of orders signed in Q4.
- ✓ Expected hand over of the residential project Tribunen in Q4, significant step up of sales after Q2 and YTD.
- ✓ Strong backlog for revenue recognition in the construction segment.
- ✓ High expectations for sales of residential units in next phase of the Tribunen project.
- ✓ Covid 19 situation is manageable for the time being, but we continue to follow the situation closely.

SUMMARY OF 3<sup>th</sup> QUARTER 2021

Key figures (NOK million)	3Q 21	3Q 20	30.09.2021	30.09.2020	31.12.2020
Revenues Property development	0.1	30.9	6.3	157.5	157.6
Revenues Construction	295.4	242.4	937.8	815.9	1 176.5
Revenues Other	0.3	0.2	0.7	5.2	0.8
Elimination of internal income	-	-1.2	-	-68.3	-68.3
<b>Total revenues and other income</b>	<b>295.8</b>	<b>272.3</b>	<b>944.8</b>	<b>910.3</b>	<b>1 266.6</b>
EBITDA Property development	-1.1	20.5	-3.8	40.8	39.5
EBITDA Construction	11.0	14.7	42.3	44.3	73.3
EBITDA Other	-4.3	-5.5	-11.3	-10.9	-20.7
<b>Total EBITDA</b>	<b>5.6</b>	<b>29.7</b>	<b>27.1</b>	<b>74.2</b>	<b>92.1</b>
<b>Earnings before financial items and tax (EBIT)</b>	<b>3.6</b>	<b>27.9</b>	<b>21.0</b>	<b>68.6</b>	<b>84.6</b>
<b>Earnings before tax (EBT)</b>	<b>1.3</b>	<b>22.3</b>	<b>6.1</b>	<b>52.3</b>	<b>64.6</b>
EBITDA margin	1.9 %	10.9 %	2.9 %	8.1 %	7.3 %
Cash flow from operating activities	-73.2	115.1	-117.0	33.5	67.2
Net interest-bearing debt (NIBD)	319.3	168.2	319.3	168.2	144.1
Net interest-bearing debt excluding construction loan	158.8	168.2	158.8	168.2	81.2
Equity ratio	23.2 %	31.7 %	23.2 %	31.7 %	28.7 %
Order backlog	1 132.9	1 317.2	1 132.9	1 317.2	1 019.7
of which toward Frigaard Bolig	2.9	106.6	2.9	106.6	77.7
Order input	644.3	936.1	1 167.4	1 309.3	1 417.8

Høgli, Mysen, Frigaard Bolig and Metacon



## FINANCIAL REVIEW

### Income statement and order intake

Frigaard Property Group reported revenues of MNOK 295.8 (MNOK 272.3) and EBITDA of MNOK 5.6 (MNOK 29.7) for the quarter.

Total order intake in the second quarter was MNOK 644.3 (MNOK 936.1). Order backlog at the end of the quarter is MNOK 1 133 (MNOK 1 317).

### Cash flow

Cash flow from operations amounted to MNOK -73.2 (MNOK 115.0). The Cash and cash equivalents as of 30<sup>th</sup> of September 2021 amounts to MNOK 161.0 (MNOK 171.0). The liquidity situation of the Group is solid.

### Balance sheet

The Group had an equity of MNOK 287 (MNOK 314.8) per 30<sup>th</sup> of September 2021, corresponding to an equity ratio of 23.2 percent.

Net interest-bearing debt was MNOK 319.3 (MNOK 168.2). Net interest-bearing debt after adjustment for leasing liability, were MNOK 306.3 (MNOK 152.2). Net interest-bearing debt after adjustment for construction loan was MNOK 158.8 (MNOK 168.2).

### Segments

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

Construction reported revenues of MNOK 295.4 (MNOK 242.4) and EBITDA of MNOK 11.0 (MNOK 14.7) in the quarter. Property development reported revenues of MNOK 0.1 (MNOK 30.9) and EBITDA of MNOK -1.1 (MNOK 20.5).

## BUSINESS AREAS

### Construction

NOK million	3Q 21	3Q 20	30.09.2021	30.09.2020	31.12.2020
Revenues and other income	295.4	242.4	937.8	815.9	1 176.5
EBITDA	11.0	14.7	42.3	44.3	73.3
EBIT	9.3	13.2	37.3	39.8	67.2
EBITDA margin	3.7 %	6.0 %	4.5 %	5.4 %	6 %
Operating profit margin	3.2 %	5.5 %	4.0 %	4.9 %	6 %
Order backlog	1 132.9	1 317.2	1 132.9	1 317.2	1 019.7
<i>of which toward Frigaard Bolig</i>	2.9	106.6	2.9	106.6	77.7

The business area construction consists of two business units, Alento AS and Metacon AS. Both are turn-key contractors that execute the development and construction of commercial buildings and residential properties.

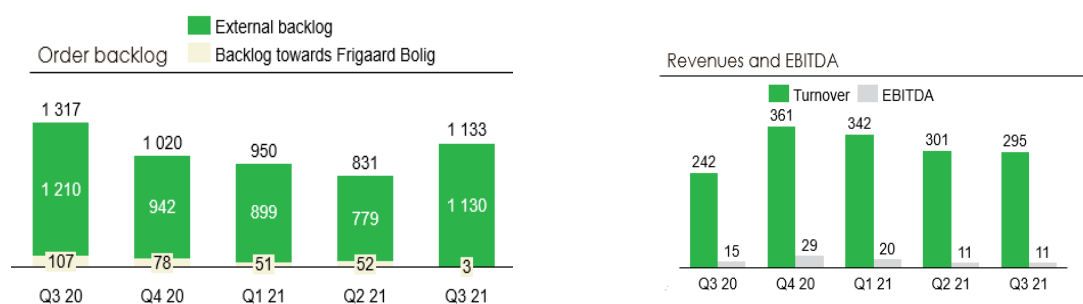
Reported revenues were MNOK 295.4 (MNOK 242.4) for third quarter. This corresponds to an increase of 22 percent compared to the same quarter last year.

Total reported revenues YTD rose by 15 % to MNOK 937.8 (MNOK 815.9). Income last year was positive effected of MNOK 68 from the handover of the group's residential project Aspelundtunet in Q2 2020. The growth this year is completely related to organic growth. There have been no handovers of residential projects this year.

The margin in the segment is lower than expected. Alento continue to deliver high class margins and have a very sound order backlog. Metacon, which includes own production of steel constructions, has still in Q3 been impacted by Covid-19 related issues related to manning, logistics and price increases on raw materials. As projects gradually are out of books we see improvement in the company, and a new managing director was hired early summer, which amongst others have led to the implementation of several mitigating actions.

The construction of Tribunen 1 is on schedule to be finalised in Q4. There is no income from internal Property development projects in Q3 2021. Revenue from sale of development property is recognised when control over the property has been transferred to the customer. EBIT was MNOK 9.3 (MNOK 13.2).

During the quarter we added new contracts of MNOK 644.3 (MNOK 936.1), and several new contracts have been signed in Q4. The backlog represents and secure good utilization of our organization for 2022.



## Property development

NOK million	3Q 21	3Q 20	30.09.2021	30.09.2020	31.12.2020
Revenues and other income	0.1	30.9	6.3	157.5	157.6
EBITDA	-1.1	20.5	-3.8	40.8	39.5
EBIT	-1.1	20.5	-4.2	40.5	39.2
EBITDA margin	n.a.	66.4 %	-61.1 %	25.9 %	25 %
Operating profit margin	n.a.	66.2 %	-66.4 %	25.7 %	25 %
No. of units under construction	69	69	69	69	69
No. of units sold	5	8	19	17	19
No. of units in land bank	338	342	338	342	342

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 0.1, compared to MNOK 30.9 in the same period last year. EBIT amounted to MNOK -1.1 (MNOK 20.5). Next scheduled hand over is Tribunen 1, located in Moss, in Q4 2021. Last year's Q3 figures included a gain from sale of shares of 20.2 MNOK.

Dronningensgate Atrium AS in Sarpsborg was purchased during the third quarter 2021.

Projects are in the start up for both sale and building in 2021 as well as for 2022, the planning of these, dependent upon market situation, regulatory processes and construction progress is illustrated in the table below.

Projects	Scheduled sale start	Scheduled start of building	Ready for hand over	No. of units	BRAs*
Tribunen fase 1, Moss	Q2 2019	Q2 2020	Q4 2021	69	4 713
Tribunen fase 2, Moss	Q4 2021	Q2 2022	Q3 2023	55	4 374
Tribunen fase 3, Moss	Q4 2021	Q2 2022	Q3 2023	50	3 665
Fagerlia fase 1, Fredrikstad	Q2 2021	Q3 2021	Q1 2023	31	2 966
Fagerlia fase 2, Fredrikstad	Q1 2022	Q3 2022	Q4 2023	30	2 797
Fagerlia fase 3, Fredrikstad	Q3 2021	Q3 2022	Q3 2023	8	1 400
Høgliveien, Mysen	Q4 2021	Q1 2022	Q2 2023	30	3 156
Høgliveien land, Mysen	Q4 2021	Q1 2022	Q2 2022	9	7 424
Dronningensgate Atrium, Sarpsborg	Q1 2022	Q1 2022	Q1 2023	15	1 111
Solbyen, Sarpsborg	Q4 2022	Q2 2023	Q4 2024	50	2 900

\*BRAs is the usable area in a home.

The construction of Tribunen started in Q1 2020. For Tribunen and Fagerlia, Metacon is the turn-key contractor. The majority of the portfolio is scheduled to be delivered in 2023, which will lead to significant ramp up of profit and cash flow in that year. Work to increase the portfolio has been significantly stepped up.

During the quarter 5 apartments were sold. Sales will naturally fluctuate quarter over quarter depending on the maturity of the projects. In Q4 as of the date of this report we have sold additional 47 units.

KEY FIGURES	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2020
Number of units sold	5	12	2	2	8	19
Number of units under construction	69	69	69	69	69	69
Total number of units in land for development	338	323	342	342	342	342
Completed unsold units	-	-	-	1	1	

## 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 third quarter 2021 we are happy to once again report that we had no injuries to our workers, which is on the same level as Q3 2020.



Nordre Jarlsberg Brygge, Sande, Alento AS

## Outlook

Our order intake and order backlog for the year end are secured at significantly higher levels than 2020, meaning that growth in 2022 are expected.

New management in Metacon AS is established and actions are implemented to regain stronger profitability. Alento AS has very strong order book with partly repetitive projects with controlled execution risk.

Equity are added to our residential projects and sales have developed well YTD 2021.

The construction segment are expected to grow in 2022, still no residential projects will be handed over so value creation related to these projects will not be recognized until 2023.



## INCOME STATEMENT

All amounts in NOK thousand	Note	3Q 2021	3Q 2020	30.09.2021	30.09.2020	31.12.2020
Revenue from contracts with customers	5	295 487	251 703	943 900	857 963	1 219 078
Investment property, change in fair value		-	-	-	0	-
Other operating revenue		264	20 610	880	52 366	47 599
<b>Total operating revenue</b>	<b>6</b>	<b>295 751</b>	<b>272 313</b>	<b>944 780</b>	<b>910 329</b>	<b>1 266 677</b>
Materials, subcontractors and consumables		256 183	218 915	799 610	727 552	1 020 327
Salaries and personnel expense		28 809	22 739	97 657	89 566	129 789
Other operating expense		5 168	936	20 364	19 030	24 459
<b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>5</b>	<b>5 591</b>	<b>29 723</b>	<b>27 149</b>	<b>74 181</b>	<b>92 102</b>
Depreciation and amortisation expense		1 965	1 804	6 140	5 608	7 507
<b>Operating profit (EBIT)</b>	<b>5</b>	<b>3 626</b>	<b>27 919</b>	<b>21 009</b>	<b>68 573</b>	<b>84 595</b>
<b>Net financial costs</b>		<b>2 355</b>	<b>5 584</b>	<b>14 880</b>	<b>16 292</b>	<b>19 972</b>
<b>Profit before income tax</b>		<b>1 271</b>	<b>22 335</b>	<b>6 129</b>	<b>52 281</b>	<b>64 623</b>
Income taxes		279	374	1 348	1 257	6 346
<b>Net profit (loss) for the period</b>		<b>992</b>	<b>21 961</b>	<b>4 781</b>	<b>51 024</b>	<b>58 277</b>

## STATEMENT OF COMPREHENSIVE INCOME

	3Q 2021	3Q 2020	30.09.2021	30.09.2020	31.12.2020
<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	-	5	-	5	5
<b>Total comprehensive income for the year</b>	<b>992</b>	<b>21 966</b>	<b>4 781</b>	<b>51 029</b>	<b>58 282</b>

## STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30.09.2021	30.09.2020	31.12.2020
All amounts in NOK thousand				
<b>Non-current assets</b>				
Other intangible assets		284	416	333
Goodwill		284 019	284 019	284 019
Buildings and land		3 933	4 478	4 342
Machinery and equipment		3 863	3 453	4 057
Right-of-use assets		13 534	16 681	16 687
Other long term receivables		-	7 723	9 324
<b>TOTAL NON-CURRENT ASSETS</b>		<b>305 633</b>	<b>316 770</b>	<b>318 762</b>
<b>Current assets</b>				
Inventories and development properties		533 604	282 165	327 694
Trade receivables	7	122 017	100 712	117 042
Contract assets	7	54 385	116 100	66 007
Other short-term receivables	7	62 416	6 054	33 965
Cash and cash equivalents	7	161 045	171 023	258 756
<b>TOTAL CURRENT ASSETS</b>		<b>933 467</b>	<b>676 054</b>	<b>803 464</b>
<b>TOTAL ASSETS</b>		<b>1 239 100</b>	<b>992 824</b>	<b>1 122 226</b>

## STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	Note	30.09.2021	30.09.2020	31.12.2020
All amounts in NOK thousand				
<b>Equity</b>				
Share capital		467	543	543
Share premium reserve	8	176 637	216 389	216 389
<b>Total paid-in capital</b>		<b>177 104</b>	<b>216 932</b>	<b>216 932</b>
Retained earnings	8	109 862	97 827	105 081
<b>Total retained earnings</b>		<b>109 862</b>	<b>97 827</b>	<b>105 081</b>
<b>TOTAL EQUITY</b>		<b>286 966</b>	<b>314 759</b>	<b>322 013</b>
<b>Non-current liabilities</b>				
Deferred tax		23 879	17 418	22 493
Bond loan	7	295 756	-	-
Liabilities to financial institutions	7	38 963	25 086	25 059
Construction loan	7	-	-	62 857
Leasing liabilities		8 819	11 547	10 360
Other non-current liabilities		72 719	77 719	72 719
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>440 136</b>	<b>131 770</b>	<b>193 488</b>
<b>Current liabilities</b>				
Short term construction loan	7	160 436	-	-
Bond loan current	7	-	298 089	298 565
Lease liabilities		4 116	4 509	5 974
Trade account payables	7	133 288	111 580	136 989
Public duties payable		20 626	16 612	23 186
Contract liabilities	7	99 318	76 755	64 202
Other short-term liabilities		94 214	38 750	77 809
<b>TOTAL CURRENT LIABILITIES</b>		<b>511 998</b>	<b>546 295</b>	<b>606 725</b>
<b>TOTAL LIABILITIES</b>		<b>952 134</b>	<b>678 065</b>	<b>800 213</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 239 100</b>	<b>992 824</b>	<b>1 122 226</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	Total other equity	
<b>Equity as at 01.01 2020</b>	<b>543</b>	<b>216 389</b>	<b>46 798</b>	<b>46 798</b>	<b>263 730</b>
<b>Comprehensive income</b>					
Profit for the period			51 024	51 024	51 024
Other comprehensive income			5	5	5
<b>Equity as at 30.09.2020</b>	<b>543</b>	<b>216 389</b>	<b>97 827</b>	<b>97 827</b>	<b>314 759</b>
<b>Comprehensive income</b>					
Profit for the period Q4 2020			7 253	7 253	7 253
Other comprehensive income			-	-	-
Exchange difference, on translation of foreign subsidiaries				-	-
<b>Equity as at 31.12 2020</b>	<b>543</b>	<b>216 389</b>	<b>105 080</b>	<b>105 080</b>	<b>322 013</b>
<b>Equity as at 01.01 2021</b>	<b>543</b>	<b>216 389</b>	<b>105 080</b>	<b>105 080</b>	<b>322 013</b>
<b>Transaction with owners</b>					
Capital decrease	-76	-39 752			-39 828
<b>Comprehensive income</b>					
Profit for the period			4 781	4 781	4 781
Other comprehensive income			-	-	-
Exchange difference, on translation of foreign subsidiaries					
<b>Equity as at 30.09 2021</b>	<b>467</b>	<b>176 637</b>	<b>109 862</b>	<b>109 862</b>	<b>286 966</b>

## STATEMENT OF CASHFLOW

All amounts in NOK thousand	Note	3Q 2021	3Q 2020	30.09.2021	30.09.2020	31.12.2020
<b>Cash flow from operations</b>						
Profit before income taxes		1 271	22 335	6 129	52 281	64 623
Taxes paid in the period		-	-	-	-	-
Adjustment for gains on disposal of shares in subsidiaries		-	-20 661	-	-46 595	-46 595
Depreciation		1 965	1 804	6 140	5 608	7 507
Impairment of fixed assets		2	-	322	-	110
Change in inventory		-55 684	-32 520	-182 289	-8 575	-54 104
Change in trade receivables		-35 502	167 306	35 831	11 495	17 428
Change in trade account payables		-23 882	4 020	-3 746	-8 878	16 531
Change in other provisions		38 637	-27 205	20 654	28 188	61 652
<b>Net cash flow from operations</b>		<b>-73 193</b>	<b>115 079</b>	<b>-116 959</b>	<b>33 524</b>	<b>67 152</b>
<b>Cash flow from investments</b>						
Purchase of fixed assets and other intangible assets		-344	-127	-1 253	-636	-1 523
Proceeds from sale of other investments and sale of subsidiaries		-	34	-	25 998	25 998
Other investment		63	-1 238	-18 464	-2 886	-4 487
<b>Net cash flow from investments</b>		<b>-6 041</b>	<b>-1 331</b>	<b>-25 477</b>	<b>22 476</b>	<b>19 988</b>
<b>Cash flow from financing</b>						
Proceeds from the issuance of bonds		-	-	300 000	-	-
Payment of bonds		-	-	-303 000	-	-
Issue costs paid		-10	-	-5 465	-	-
Proceeds from long term loans		-	-	-	-	-
Repayment of long term loans		-38	26	-86	-3 540	-8 540
Proceeds from construction loans		12 083	-	97 579	32 313	95 170
Repayment of construction loans		-	-60 654	-	-81 024	-81 024
Repayment of short term loans		-	-5 054	-	-5 054	-5 081
Repayment of lease liabilities		-1 385	-1 291	-4 475	-4 082	-5 319
Capital reduction	8	37	-	-39 828	-	-
<b>Net cash flow from financing</b>		<b>10 687</b>	<b>-66 973</b>	<b>44 725</b>	<b>-61 387</b>	<b>-4 794</b>
Net change in cash and cash equivalents		-68 547	46 775	-97 711	-5 387	82 346
Cash and cash equivalents at the beginning of the period		229 592	124 248	258 756	176 410	176 410
<b>Cash and cash equivalents at the end of the period</b>		<b>161 045</b>	<b>171 023</b>	<b>161 045</b>	<b>171 023</b>	<b>258 756</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 third quarter of 2021 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 2020, 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	Rakkestad	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 %
Aspelundveien 5 AS	Sarpsborg	100 %
Fagerliveien Utvikling AS	Sarpsborg	100 %
Rugdeveien 2 AS	Sarpsborg	100 %
Ryggeveien 33 AS	Sarpsborg	100 %
Solbyen Utvikling AS	Sarpsborg	100 %
Høgliveien Eiendom AS	Mysen	100 %
Dronningensgate Atrium AS	Sarpsborg	100 %

Dronningensgate Atrium AS in Sarpsborg was purchased during the third quarter 2021. Moenskogen Utvikling was merged with Frigaard Bolig in September.

## NOTE 4. ACCOUNTING POLICIES

The accounting policies applied to the accounts are consistent with those described in the annual report for 2020.

### New and amended accounting standards

Frigaard Property Group AS has not implemented new or changed standards in 2021 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

All amounts in NOK thousand	3Q		First three quarters		Year
	2021	2020	2021	2020	2020
<b>Income statement</b>					
Property development	137	30 927	6 277	157 490	157 581
Construction	295 360	242 372	937 826	815 851	1 176 519
Other	254	173	677	5 249	838
Eliminations	-	-1 159	-	-68 261	-68 261
<b>Total operating revenue</b>	<b>295 751</b>	<b>272 313</b>	<b>944 780</b>	<b>910 329</b>	<b>1 266 677</b>
Property development	-1 139	20 546	-3 833	40 772	39 507
Construction	10 995	14 655	42 279	44 326	73 336
Other	-4 265	-5 478	-11 297	-10 917	-20 741
Eliminations	-	-	-	-	-
<b>EBITDA</b>	<b>5 591</b>	<b>29 723</b>	<b>27 149</b>	<b>74 181</b>	<b>92 102</b>
Property development	-1 139	20 462	-4 166	40 522	39 174
Construction	9 306	13 210	37 291	39 782	67 174
Other	-4 541	-5 753	-12 116	-11 731	-21 753
Eliminations	-	-	-	-	-
<b>EBIT</b>	<b>3 626</b>	<b>27 919</b>	<b>21 009</b>	<b>68 573</b>	<b>84 595</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	Segment	3Q		First three quarters		Year
		2021	2020	2021	2020	2020
<i>Revenue from contracts with customers</i>						
Contract revenues from Construction	Construction	295 350	241 003	937 623	747 357	1 108 025
Sale of development property	Development property	-	9 829	5 656	108 316	108 316
Rental income from Property development	Development property	137	863	621	2 277	2 709
Rental income from Other	Other	-	8	-	13	28
<b>Total revenue from contracts with customers</b>		<b>295 487</b>	<b>251 703</b>	<b>943 900</b>	<b>857 963</b>	<b>1 219 078</b>
<i>Other operating income</i>						
Gain from sale of fixed assets	Construction	10	210	203	233	233
Other income from Other	Other	254	165	677	5 236	810
Sale of shares Property development	Development property	-	20 235	-	46 897	46 556
<b>Total other operating income</b>		<b>264</b>	<b>20 610</b>	<b>880</b>	<b>52 366</b>	<b>47 599</b>
<b>Total operating revenue</b>		<b>295 751</b>	<b>272 313</b>	<b>944 780</b>	<b>910 329</b>	<b>1 266 677</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.

On the Annual Meeting in February 21 of Frigaard Property Group AS, it was decided to redeem 38 098 shares and by that reducing the share capital of the company with 76 196,- NOK, from 543 012,- NOK to 466 816,- NOK. After this the share capital of the company consists of 233 408 shares each with a par value of 2,- NOK. The effective date of the redemption was April 15th.

## NOTE 9. EVENTS AFTER THE REPORTING DATE

See note 22 in the annual statement for Frigaard Property Group for further information. The Board of Directors has November 11 decided to give notice for an extraordinary annual meeting with the purpose of deciding a dividend of MNOK 30. No other events have occurred after the balance sheet date which have had a material effect on the submitted accounts.

## FINANCIAL CALENDAR

2021 Q4 report: 28<sup>th</sup> of February 2022  
Annual report 2021: 26<sup>th</sup> of April 2022  
2022 Q1 report: 12<sup>th</sup> of May 2022  
2022 Q2 report: 26<sup>th</sup> of August 2022  
2022 Q3 report: 11<sup>th</sup> of November 2022

## ADDITIONAL INFORMATION

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