

# Second quarter and First half of 2022 Interim report



## CEO STATEMENT

### *The Construction Segment*

Our construction business had strong order intake in the quarter, 744 MNOK compared to 237 MNOK last year. Amongst other, we signed a contract for the building of a large distribution center for IKEA in May. Resulting in an orderbook at its highest ever at total of 1 942 MNOK. Several larger projects were successfully handed over in the quarter, with positive impact on revenue and margin. Revenue in the quarter was 393 MNOK and EBITDA was 38 MNOK.

After a challenging period our subsidiary Metacon is well underway to contribute positively, and our subsidiary Alento had a record high quarter with EBITDA margins of above 13% in the quarter and 10.6% so far this year.

The raw material situation, both with regards to prices and availability is challenging and we are focusing on smart solutions to secure margins in projects. Despite this several solid projects have been added to our order bank in the quarter.

### *The property development segment*

11 units were sold in the quarter compared to 12 units in Q2 2022.

The Tribunen project in Moss include three sales phases of total 174 units, whereof 156 are sold at the date of this report. The project is fully financed, the first phase was delivered last year, and the next phase is scheduled to be handed over summer next year.

The Fagerlia project in Fredrikstad also consist of three sales phase and a total of 69 units. As of today 27 units are sold. The first phase is in production, and the second phase is in the financing stage with the target of commencing building in the start of fourth quarter. The first sales phase is scheduled to be handed over before summer next year.

Høglia, in Mysen consist of 30 units, whereof 16 are sold as of today. The project is fully financed and construction is ongoing with a scheduled finalization date at the end of 2023.

A smaller project, Dronningens gate, is located in the center of Sarpsborg. Construction is ongoing and estimated finalization is Q1 2023.

March 1<sup>st</sup>, on time, we delivered a 20k+ sqm logistics building in Tranås Sweden, to Relog AS. The project was sold on a forward contract in 2020, and final payment of 60 MNOK was received April 1<sup>st</sup>.

On an ongoing basis we screen and evaluate new projects, this has led to us entering into agreements for an estimated development potential of more than 10k BRAs in the center of Ski, Norway. The regulation process for the area is estimated to start in Q1 2023. The transaction affects the cash balance to minor extent before the finalization of the regulation process.

### *Balance Sheet and cash flow*

Cash positions continue to be on a high level, at 134 MNOK at the end of the quarter, despite redemption of shares and dividend paid in 2021 of 70 MNOK. The cash level was reduced by 72 MNOK in the quarter. This was caused by several larger construction projects being finalized and handed over in the period, thus accumulating receivables that were paid in Q3. The negative fluctuation was offset by the inflow from the building in Sweden, reference above.

*Going forward*

We are increasingly focusing on selection of projects that fit our competences to optimize the potential for profit realization. The challenging situation in the raw material market is monitored closely and more than ever work to minimize risk and secure margins are in focus. The macro environment with rising prices / inflation and interest rates may impact demand.

Despite the above, our order inflow has been good, the order bank is record high, and the majority of own property projects are financed and under construction. On the back of this we have a positive view of the remainder of the year and the start of 2023.

A strategic review of the subsidiary Alento was started in Q2. The outcome of this is expected to be ready in Q4 2022.

Simon Martinsen, CEO, Sarpsborg, 26<sup>th</sup> of August 2022



## HIGHLIGHTS

### Second quarter 2022

- ✓ Revenue increased with 29.7% to MNOK 397.7 (MNOK 306.6)
- ✓ Operational cashflow of MNOK -179.2 (MNOK -1.5).
- ✓ Order intake of MNOK 744.3 (MNOK 237.0).
- ✓ Order backlog of MNOK 1 941.5 (MNOK 831.3) whereof MNOK 453.6 is towards Frigaard Bolig (MNOK 52)
- ✓ EBITDA of MNOK 25.9 (MNOK 5.6)
- ✓ Adjusted EBITDA for strategic review of the subsidiary Alento of 31.3 MNOK (MNOK 5.6)

### First half of 2022

- ✓ Revenue increased by 19.4% to MNOK 775.3 (MNOK 649)
- ✓ Operational cashflow of MNOK -207.4 (MNOK -43.8)
- ✓ Order intake of MNOK 1 233.0 (MNOK 523.1), of which internal toward Frigaard Bolig MNOK 307.5 (MNOK 51.7)
- ✓ EBITDA of MNOK 40.7 (MNOK 21.6)
- ✓ Adjusted EBITDA of MNOK 46.1 (MNOK 21.6)

### Outlook 2022

- ✓ Strong backlog and pipeline in the construction segment
- ✓ Secured further development area
- ✓ Monitoring and implementing measures to mitigate the situation following the situation in Ukraine
- ✓ Received 60 MNOK in April after hand over of the logistic building in Tranås Sweden
- ✓ Signed the largest ever steel construction project in May, a distribution center to be occupied by IKEA

SUMMARY OF 2<sup>nd</sup> QUARTER AND FIRST HALF OF 2022

Key figures (NOK million)	2Q 22	2Q 21	H1 2022	H1 2021	31.12.2021
Revenues Property development	4.0	5.9	19.5	6.1	242.9
Revenues Construction	393.4	300.5	755.4	642.5	1 499.6
Revenues Other	0.2	0.2	0.4	0.4	0.8
Elimination of internal income	-	-	-	-	-160.1
<b>Total revenues and other income</b>	<b>397.7</b>	<b>306.6</b>	<b>775.3</b>	<b>649.0</b>	<b>1 583.4</b>
EBITDA Property development	-1.4	-1.7	-2.6	-2.7	-5.8
EBITDA Construction	37.5	11.3	57.1	31.3	41.1
EBITDA Other	-10.2	-4.0	-13.7	-7.0	-14.1
<b>Total EBITDA</b>	<b>25.9</b>	<b>5.6</b>	<b>40.7</b>	<b>21.6</b>	<b>21.2</b>
<b>Earnings before financial items and tax (EBIT)</b>	<b>23.7</b>	<b>3.6</b>	<b>36.6</b>	<b>17.4</b>	<b>13.2</b>
<b>Earnings before tax (EBT)</b>	<b>20.3</b>	<b>-1.1</b>	<b>30.2</b>	<b>4.9</b>	<b>-5.3</b>
EBITDA margin	6.5%	1.8 %	5.3%	3.3 %	1.3 %
Operating profit margin	6.0%	1.2 %	4.7%	2.7 %	0.8 %
Profit margin	5.1%	-0.4 %	3.9%	0.7 %	-0.3 %
Cash flow from operating activities	-179.2	-1.5	-207.4	-43.8	118.5
Net interest-bearing debt (NIBD)	319.7	253.2	319.7	253.2	115.6
Net interest-bearing debt excluding construction loan	213.4	104.9	213.4	238.9	110.7
Equity ratio	22.1%	23.8 %	22.1%	23.8 %	22.3 %
Order backlog	1 941.5	831.3	1 941.5	831.3	1 519.6
of which toward Frigaard Bolig	453.6	52.0	453.6	52.0	215.7
Order input	744.2	237.0	1 233.0	523.1	1 970.6

Adjusted for costs related to a strategic review of our subsidiary Alento of 5,4 MNOK, the EBITDA in the quarter was 31,3 MNOK and YTD 46,1 MNOK.



Neselva Hageby – Asker - Alento

## FINANCIAL REVIEW

### Income statement and order intake

Frigaard Property Group reported revenues of MNOK 397.7 (MNOK 306.6) and EBITDA of MNOK 25.9 (MNOK 5.6) for the quarter.

Total order intake in the second quarter was MNOK 744.2 (MNOK 237.0). Order backlog at the end of the quarter is MNOK 1 941.5 (MNOK 831.3).

### Cash flow

Cash flow from operations amounted to MNOK -179.2 (MNOK -1.5). The Cash and cash equivalents as of 30<sup>th</sup> of June 2022 amounts to MNOK 134.2 (MNOK 229.6). The liquidity situation of the Group is solid.

### Balance sheet

The Group had an equity of MNOK 270.6 (MNOK 285.9) per 30<sup>th</sup> of June 2022, corresponding to an equity ratio of 22.1 percent.

Net interest-bearing debt was MNOK 319.70 (MNOK 253.2). Net interest-bearing debt after adjustment for leasing liability, were MNOK 308.3 (MNOK 238.9). Net interest-bearing debt after adjustment for construction loan was MNOK 213.4 (MNOK 104.9).

### Segments

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

Construction reported revenues of MNOK 393.4 (MNOK 300.5) and EBITDA of MNOK 33.0 (MNOK 11.3) in the quarter. Property development reported revenues of MNOK 4.0 (MNOK 5.9) and EBITDA of MNOK -1.4 (MNOK -1.7).

## BUSINESS AREAS

### Construction

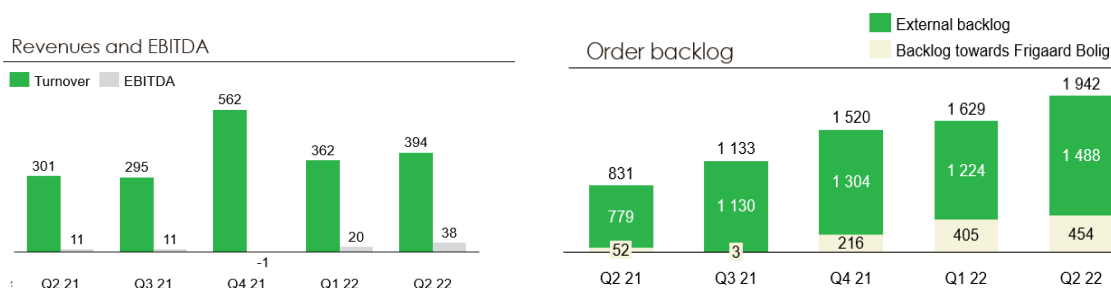
NOK million	2Q 22	2Q 21	H1 2022	H1 2021	31.12.2021
Revenues and other income	393.4	300.5	755.4	642.5	1 499.6
EBITDA	37.5	11.3	57.1	31.3	41.1
EBIT	35.6	9.6	53.6	28.0	34.5
EBITDA margin	9.5 %	3.8%	7.6 %	4.9 %	2.7%
Operating profit margin	9.1 %	3.2%	7.1 %	4.4 %	2.3%
Order backlog	1 941.5	831.3	1 941.5	831.3	1 519.6
<i>of which toward Frigaard Bolig</i>	453.6	52.0	453.6	52.0	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.

Reported revenues were MNOK 393.4 (MNOK 300.5) for the second quarter. This corresponds to an increase of 30.9 percent compared to the same quarter last year. Revenue from sale of development property is recognized when control over the property has been transferred to the customer.

The construction segment delivers a strong result this quarter, where Alento once again have increased revenues year on year and good profitability, and the highest backlog ever. EBITDA for the construction segment was MNOK 37.5 (MNOK 11.3), and in total profitability have this quarter been solid despite challenges related to the supplier market following the ongoing war in Ukraine.

During the quarter we added new contracts of MNOK 744.3 (MNOK 237.0). And the backlog is all time high, and the backlog represents and secure good utilization of our organization for 2022. 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.



## Property development

NOK million	2Q 22	2Q 21	H1 2022	H1 2021	31.12.2021
Revenues and other income	4.0	5.9	19.5	6.1	242.9
EBITDA	-1.4	-1.7	-2.6	-2.7	-5.8
EBIT	-1.5	-1.7	-2.7	-3.0	-6.1
EBITDA margin	-35.8 %	n.a	-13.5 %	-43.9 %	-2.4%
Operating profit margin	-36.5 %	n.a	-13.8 %	-49.3 %	-2.5%
No. of units under construction	132	69	132	69	31
No. of units sold	11	12	69	14	80
No. of units in land bank	270	342	270	342	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 4.0, compared to MNOK 5.9 in the same period last year. EBIT amounted to MNOK -1.5 (MNOK -1.7). The revenues stems from the handover of units from the first phase of Tribunen, located in Moss.

Final settlement was done the first of April 2022, related to the sale of shares in Höganloft Fastigheter AB. There were no changes to the estimated gain from sale of share done in 2020. Total cash effect in 2022 from the settlement amounted to MNOK 60.

Projects are in the start up for both sale and building in 2022, the planning of these, dependent upon market situation, regulatory processes and construction progress is illustrated in the table below. Plots in Mysen is expected to be finalized during 2022.

Projects	Scheduled sale start	Scheduled start of building	Ready for hand over	No. of units	BRAs*
Tribunen phase 1, Moss	Q2 2019	Q2 2020	Q4 2021	69	4 713
Tribunen phase 2, Moss	Q4 2021	Q2 2022	Q2 2023	55	4 374
Tribunen phase 3, Moss	Q1 2022	Q3 2022	Q4 2023	50	3 665
Fagerlia phase 1, Fredrikstad	Q2 2021	Q4 2021	Q2 2023	31	2 966
Fagerlia phase 3, Fredrikstad	Q2 2022	Q4 2022	Q4 2023	30	2 797
Fagerlia phase 2, Fredrikstad	Q3 2021	Q3 2022	Q4 2023	8	1 400
Høgliveien, Mysen	Q4 2021	Q3 2022	Q4 2023	30	2 438
Høgliveien plots, Mysen	Q4 2021	Q2 2022	Q4 2022	9	4 986
Dronningensgate Atrium, Sarpsborg	Q1 2022	Q2 2022	Q1 2023	16	1 111
Solbyen, Sarpsborg	Q4 2022	Q3 2023	Q1 2025	50	2 900

\*BRAs is the usable area in a home.

The majority of the portfolio is scheduled to be delivered in 2023, which will lead to improved profit and cash flow in that year. Work to increase the portfolio has been significantly stepped up.

We have experienced a very good sales start of Dronningen and Tribunen phase 2 and 3. During the quarter a total of 11 apartments were sold, compared to 12 units in Q1 2021. Sales will naturally fluctuate quarter over quarter depending on the maturity of the projects.



## 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 quarter 2022 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

We are increasingly focusing on selection of projects that fit our competences to optimize the potential for profit realization. The challenging situation in the raw material market is monitored closely and more than ever work to minimize risk and secure margins are in focus. The macro environment with rising prices / inflation and interest rates may impact demand.

Despite the above, our order inflow has been good, the order bank is record high, and the majority of own property projects are financed and under construction. On the back of this we have a positive view of the remainder of the year and the start of 2023.

A strategic review of the subsidiary Alento was started in Q2. The outcome of this is expected to be ready in Q4.



IKEA lager, Vestby, Metacon (steel)

## INCOME STATEMENT

All amounts in NOK thousand

	Note	2Q 2022	2Q 2021	H1 2022	H1 2021	31.12.2021
Revenue from contracts with customers	5	396 263	306 327	773 618	648 413	1 582 319
Other operating revenue		1 427	269	1 638	616	952
<b>Total operating revenue</b>	6	<b>397 690</b>	<b>306 596</b>	<b>775 256</b>	<b>649 029</b>	<b>1 583 271</b>
Materials, subcontractors and consumables		315 823	258 119	634 956	543 427	1 400 545
Salaries and personnel expense		40 275	35 816	76 492	68 848	133 558
Other operating expense		15 723	7 088	23 074	15 196	27 923
<b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>	5	<b>25 869</b>	<b>5 573</b>	<b>40 734</b>	<b>21 558</b>	<b>21 245</b>
Depreciation and amortisation expense		2 174	1 953	4 183	4 175	8 022
<b>Operating profit (EBIT)</b>	5	<b>23 695</b>	<b>3 620</b>	<b>36 551</b>	<b>17 383</b>	<b>13 223</b>
<b>Net financial costs</b>		<b>3 417</b>	<b>4 711</b>	<b>6 351</b>	<b>12 525</b>	<b>18 555</b>
<b>Profit before income tax</b>		<b>20 278</b>	<b>-1 091</b>	<b>30 200</b>	<b>4 858</b>	<b>-5 332</b>
Income taxes		4 477	-240	6 644	1 069	-197
<b>Net profit (loss) for the period</b>		<b>15 801</b>	<b>-851</b>	<b>23 556</b>	<b>3 789</b>	<b>-5 135</b>

## STATEMENT OF COMPREHENSIVE INCOME

	2Q 2022	2Q 2021	H1 2022	H1 2021	31.12.2021
<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	-	-	-	-	0
<b>Total comprehensive income for the year</b>	<b>15 801</b>	<b>-851</b>	<b>23 556</b>	<b>3 789</b>	<b>-5 135</b>

## STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30.06.2022	30.06.2021	31.12.2021
All amounts in NOK thousand				
<b>Non-current assets</b>				
Other intangible assets		114	82	127
Goodwill		284 019	284 019	284 019
Buildings and land		3 527	4 052	3 798
Machinery and equipment		4 357	4 144	4 439
Right-of-use assets		11 092	14 959	12 576
<b>TOTAL NON-CURRENT ASSETS</b>		<b>303 109</b>	<b>307 256</b>	<b>304 959</b>
<b>Current assets</b>				
Inventories and development properties		442 745	454 299	334 759
Trade receivables		232 814	109 676	113 538
Contract assets		72 542	36 903	63 781
Other short-term receivables		37 822	61 797	79 320
Cash and cash equivalents		134 164	229 592	209 168
<b>TOTAL CURRENT ASSETS</b>		<b>920 087</b>	<b>892 267</b>	<b>800 566</b>
<b>TOTAL ASSETS</b>		<b>1 223 196</b>	<b>1 199 523</b>	<b>1 105 525</b>

## STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	Note	30.06.2022	30.06.2021	31.12.2021
All amounts in NOK thousand				
<b>Equity</b>				
Share capital		467	467	467
Share premium reserve		167 396	176 600	167 396
<b>Total paid-in capital</b>		<b>167 863</b>	<b>177 067</b>	<b>167 863</b>
Retained earnings		102 741	108 870	79 187
<b>Total retained earnings</b>		<b>102 741</b>	<b>108 870</b>	<b>79 187</b>
<b>TOTAL EQUITY</b>		<b>270 604</b>	<b>285 937</b>	<b>247 050</b>
<b>Non-current liabilities</b>				
Deferred tax		28 978	23 570	22 336
Bond loan		297 192	295 138	296 256
Liabilities to financial institutions		24 885	25 011	38 944
Construction loan		105 178	-	4 889
Leasing liabilities		5 743	9 374	6 985
Other non-current liabilities		45 955	72 719	45 955
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>507 931</b>	<b>425 812</b>	<b>415 365</b>
<b>Current liabilities</b>				
Short term financial liabilities		14 000	-	-
Short term construction loan		1 162	148 353	-
Lease liabilities		5 734	4 947	5 215
Trade account payables		125 047	157 125	222 243
Public duties payable		36 051	20 353	10 270
Contract liabilities		163 611	104 696	117 326
Other short-term liabilities		99 056	52 300	88 056
<b>TOTAL CURRENT LIABILITIES</b>		<b>444 661</b>	<b>487 774</b>	<b>443 110</b>
<b>TOTAL LIABILITIES</b>		<b>952 592</b>	<b>913 586</b>	<b>858 475</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 223 196</b>	<b>1 199 523</b>	<b>1 105 525</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 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	-39 789			-39 865
<b>Comprehensive income</b>					
Profit for the period			3 789	3 789	3 789
Other comprehensive income			-	-	-
<b>Equity as at 30.06.2021</b>	<b>467</b>	<b>176 600</b>	<b>108 869</b>	<b>108 869</b>	<b>285 937</b>
<b>Transaction with owners</b>					
Capital decrease		37			37
Dividends		-9 241	-20 759	-20 759	-30 000
Profit for the period Q3-Q4 2021			-8 924	-8 924	-8 924
Other comprehensive income			-	-	-
<b>Equity as at 31.12 2021</b>	<b>467</b>	<b>167 396</b>	<b>79 187</b>	<b>79 187</b>	<b>247 050</b>
<b>Equity as at 01.01 2022</b>	<b>467</b>	<b>167 396</b>	<b>79 187</b>	<b>79 187</b>	<b>247 050</b>
Profit for the period			23 556	23 556	23 556
Other comprehensive income			-	-	-
<b>Equity as at 30.06 2022</b>	<b>467</b>	<b>167 396</b>	<b>102 741</b>	<b>102 741</b>	<b>270 604</b>

## STATEMENT OF CASHFLOW

All amounts in NOK thousand	Note	2Q 2022	2Q 2021	1H 2022	1H 2021	31.12.2021
<b>Cash flow from operations</b>						
Profit before income taxes		20 278	-1 091	30 200	4 858	-5 332
Gain/loss from sale of fixed assets		-1 408	-	-1 408	-	-
Depreciation and impairment of fixed assets		2 216	1 952	4 183	4 495	8 344
Change in inventory		-82 563	-71 690	-107 986	-126 605	16 452
Change in trade receivables		-156 131	93 573	-109 027	71 333	72 230
Change in trade account payables		-26 686	17 698	-97 196	20 136	85 209
Change in other provisions		65 138	-41 937	73 790	-17 983	-58 359
<b>Net cash flow from operations</b>		<b>-179 156</b>	<b>-1 495</b>	<b>-207 444</b>	<b>-43 766</b>	<b>118 544</b>
<b>Cash flow from investments</b>						
Proceeds from sale of fixed assets		2 000	-	2 000	-	-
Purchase of fixed assets and other intangible assets		-418	-361	-769	-909	-2 024
Purchase of subsidiaries (net of cash)		-	-	-	-	-5 857
Other investment		60 187	-354	60 091	-18 527	-18 231
<b>Net cash flow from investments</b>		<b>61 769</b>	<b>-715</b>	<b>61 322</b>	<b>-19 436</b>	<b>-26 112</b>
<b>Cash flow from financing</b>						
Proceeds from the issuance of bonds		-	-	-	300 000	300 000
Payment of bonds		-	-	-	-303 000	-303 000
Issue costs paid		-	-507	-	-5 455	-5 465
Repayment of long term loans		-30	-19	-59	-48	-115
Proceeds from construction loans		51 205	38 800	101 451	85 496	103 523
Repayment of construction loans		-3 750	-	-27 396	-	-161 491
Repayment of lease liabilities		-1 488	-1 177	-2 878	-3 090	-5 644
Capital reduction		-	-39 865	-	-39 865	-39 828
Payment of dividend		-	-	-	-	-30 000
<b>Net cash flow from financing</b>		<b>45 937</b>	<b>-2 768</b>	<b>71 118</b>	<b>34 038</b>	<b>-142 020</b>
Net change in cash and cash equivalents		-71 450	-4 978	-75 004	-29 164	-49 588
Cash and cash equivalents at the beginning of the period		205 614	234 570	209 168	258 756	258 756
<b>Cash and cash equivalents at the end of the period</b>		<b>134 164</b>	<b>229 592</b>	<b>134 164</b>	<b>229 592</b>	<b>209 168</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 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

#### Subsidiaries

<b>Group Companies</b>	<b>Location</b>	<b>Ownership</b>
Frigaard Property Group AS (parent company)	Sarpsborg	100%
Metacon 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%

Åsenveien Park 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 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.



## 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	2Q		H1		Year
	2022	2021	2022	2021	2021
<b>Income statement</b>					
Property development	4 034	5 865	19 452	6 140	242 867
Construction	393 443	300 520	755 380	642 466	1 499 615
Other	213	211	424	423	849
Eliminations	-	-	-	-	-160 060
<b>Total operating revenue</b>	<b>397 690</b>	<b>306 596</b>	<b>775 256</b>	<b>649 029</b>	<b>1 583 271</b>
Property development	-1 443	-1 742	-2 623	-2 694	-5 799
Construction	37 474	11 281	57 072	31 284	41 147
Other	-10 162	-3 966	-13 715	-7 032	-14 103
<b>EBITDA</b>	<b>25 869</b>	<b>5 573</b>	<b>40 734</b>	<b>21 558</b>	<b>21 245</b>
Property development	-1 474	-1 742	-2 685	-3 027	-6 132
Construction	35 643	9 603	53 550	27 985	34 518
Other	-10 474	-4 241	-14 314	-7 575	-15 163
<b>EBIT</b>	<b>23 695</b>	<b>3 620</b>	<b>36 551</b>	<b>17 383</b>	<b>13 223</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	2022	2021	2022	2021	2021
<i>Revenue from contracts with customers</i>						
Contract revenues from Construction	Construction	392 229	300 462	754 166	642 273	1 499 512
Sale of development property	Development property	3 852	5 656	19 270	5 656	242 017
Rental income from Property development	Development property	182	209	182	484	850
<i>Eliminations</i>		-	-	-	-	-160 060
<b>Total revenue from contracts with customers</b>		<b>396 263</b>	<b>306 327</b>	<b>773 618</b>	<b>648 413</b>	<b>1 582 319</b>
<i>Other operating income</i>						
Gain from sale of fixed assets	Construction	1 214	58	1 214	193	103
Other income from Other	Other	213	211	424	423	849
<b>Total other operating income</b>		<b>1 427</b>	<b>269</b>	<b>1 638</b>	<b>616</b>	<b>952</b>
<b>Total operating revenue</b>		<b>397 690</b>	<b>306 596</b>	<b>775 256</b>	<b>649 029</b>	<b>1 583 271</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

2022 Q3 report: 11<sup>th</sup> of November 2022  
2023 Q4 report: 17<sup>th</sup> of February 2023  
2023 Annual report 2022: 25<sup>th</sup> of April 2023

## ADDITIONAL INFORMATION

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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 2022 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, 26 August 2022  
The Board of Directors

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