

Q4  
2021

Fourth quarter 2021

**Frigaard Property Group AS**



## CEO STATEMENT

The financial performance in the fourth quarter is below our internal expectations, although the overall development of the group has taken significant steps in order to improve and secure profitable growth.

### *The Construction Segment*

Our subsidiary Alento is continuing to demonstrate best in class performance. Alento signed new orders for 1.3 BNOK in 2021, up from 1.0 BNOK in 2020, and their order backlog increased from 792 MNOK end of 2021 to 1.140 MNOK end of 2022. Further Alento had close to 1.0 BNOK revenue and 7.9% EBIT margin for the year (and above 9% for the fourth quarter). Mid-February Alento had secured further 225 MNOK in new orders, which together with the existing order bank secures high volume and utilization of the staff in 2022.

Unfortunately, unforeseen events late in the fourth quarter within our other construction subsidiary Metacon, have hampered and partly overshadowed the good results targeted for the segment. Following a change in management in Q3, it became gradually visible in Q4, problems related to construction changes, manning (Omicron), execution and performance in one specific project. This led to additional project related cost of around 41 MNOK in the fourth quarter of 2021. The project is fully handed over in February 2022. In Q2 2021 a new general manager was hired in Metacon, and the organization is further strengthened in 2022 by hiring new project managers, technical engineers, HR manager and finance manager, to improve all aspects of the organization. Further we decided to reorganize the business into two separate areas, with the purpose to optimize operations in the two business areas. One being Metacon, focusing mainly on steel constructions, and secondly introducing a new brand into the market: "Frigaard Entreprenør" (Frigaard Construction). Frigaard Entreprenør will be focusing on construction operations in residential and commercial building projects. The restructuring was successfully launched in Mid-February 2022. Metacon had 379 MNOK of order backlog at the end of the year and following a successful financing of residential projects in Frigaard Bolig, further orders are signed with a value of 221 MNOK in January 2022, and additional 125 MNOK are in the pipeline of being signed in Q1 2022.

### *The property development segment*

In Q4 we successfully introduced our project Høgglia (Mysen) and the second phases of our projects Fagerlia (Fredrikstad) and Tribunen (Moss) to the market. Further we launched a project in Sarpsborg, named Dronningen in Q1 2022. By this date all these projects, except Høgglia, have been secured construction loans. The second phase of Fagerlia has commenced building in Q1 2022, and the second phase of Tribunen will commence in late March/early April.

Sales wise our projects has exceeded expectations. For Tribunen 1 (69 apartments) only 2 apartments are unsold, and the second phase has sold 42 (of 55) apartments as of this date. Also as of this date, Høgglia has sold 13 out of 31 and Dronningen has sold 12 out of 16.

In Q4 we handed over the first phase of the Tribunen project, thus generating high revenue and a solid cash flow. The margin in the first phase of the project is influenced by less efficient area utilization and less cost optimisation than the next phases, and high interest cost as we calculate interests on our equity to the project using the group's bond interest cost as benchmark. Thus, we expect the next phases to generate higher margins, due to better area utilization and cost optimisation.

### *Balance Sheet and cash flow*

We continue to have a strong focus on cash management and working capital, thus keeping the financing of our construction segment at a minimum. During the year, we have refinanced our 300 MNOK bond, paid off our construction loan for the first phase of the Tribunen project and successfully secured construction loans for first phase of the Fagerlia project and the next phase of Tribunen (the latter, happened early 2022). More than 120 MNOK in

equity are invested into our residential projects and we keep above 209 MNOK at our balance sheet, even after a redemption of shares and dividend which in total constituted 70 MNOK in 2021. In Q2 we will further strengthen our cash position as we will hand over a large logistic building in Tranås, Sweden and receive the remaining sales sum and equity used in the project.

*Going forward*

Our backlog in the construction segment is increasing, and the ability of our subsidiary Alento to deliver strong margins are proven, further the necessary turn around in Metacon are well under way and steps are taken to support improvements during 2022. Further, sales of residential projects have been strong, and the underlying market are still viewed as good. Profitability in residential projects is gradually improving as our relatively new team in the segment are moving into new phases of the projects. Our balance sheet is healthy, and our cash position underpins the ability to secure progress in projects and develop the business further.



Simon Martinsen, CEO, Sarpborg, 28<sup>th</sup> of February 2022

## HIGHLIGHTS

### Fourth quarter 2021

- ✓ Revenue increased with 79.2% to MNOK 638.5 (MNOK 356.3)
- ✓ Operational cashflow of MNOK 235.5 (MNOK 33.6). Positive operational cashflow during Q4 2021 is mainly due to cash settlement of the residential project "Tribunen Trinn 1" located in Moss.
- ✓ Order intake of MNOK 803.2 (MNOK 108.5).
- ✓ EBITDA of MNOK -5.9 (MNOK 17.9)
- ✓ EBITDA hampered by unforeseen costs related to one specific project within the Construction segment, of around 41 MNOK in Q4.

### January - December 2021

- ✓ Revenue increased by 25% to MNOK 1 583.3 (MNOK 1 266.7)
- ✓ Operational cashflow of MNOK 118.5 (MNOK 67.2)
- ✓ Order intake of MNOK 1 970.6 (MNOK 1 417.8), of which internal toward Frigaard Bolig MNOK 283 (MNOK 162.9)
- ✓ Order backlog for the construction segment increased to MNOK 1 519.6 (of which MNOK 215.7 is related to internal projects) from MNOK 1019,7 last year.
- ✓ EBITDA of MNOK 21.2 (MNOK 92.1)
- ✓ EBITDA hampered by unforeseen costs related to one specific project within the Construction segment, of around 41 MNOK in Q4.
- ✓ EBITDA last year impacted by a gain from sale of shares related to a forward contract for the development of a logistic building in Tranås, Sweden of MNOK 46.6.

### Outlook 2022

- ✓ The order intake has been strong, also into Q1 2022, with positive impact for the order backlog.
- ✓ Our subsidiary Alento has a proven track record of first-class margins and expectations are high for a strong 2022. The other subsidiary within the Construction segment has and are about to implement a set of actions to restore profitability going forward, including a two-brand strategy implemented in February 2022.
- ✓ Next phases of ongoing residential projects, as well as new projects have been launched in the market and sales have been strong.
- ✓ Building of next phases of the Tribunen project is planned to commence in Q2 and early Q3, and the construction of the next phase of the Fagerlia project is planned for start in Q3 2022.
- ✓ The Covid 19 situations has for the most part being manageable, except for a challenging manning situation when the Omicron virus hit the country. For the time being we consider the situation to be under control, but continue to monitor progress and sick-leave etc. very carefully.



SUMMARY OF 4<sup>th</sup> QUARTER 2021

Key figures (NOK million)	4Q 21	4Q 20	31.12.2021	31.12.2020
Revenues Property development	236.6	0.1	242.9	157.6
Revenues Construction	561.8	360.7	1 499.6	1 176.5
Revenues Other	0.2	-4.4	0.8	0.8
Elimination of internal income	-160.1	-	-160.1	-68.3
<b>Total revenues and other income</b>	<b>638.5</b>	<b>356.3</b>	<b>1 583.3</b>	<b>1 266.7</b>
EBITDA Property development	-2.0	-1.3	-5.8	39.5
EBITDA Construction	-1.1	29.0	41.1	73.3
EBITDA Other	-2.8	-9.8	-14.1	-20.7
<b>Total EBITDA</b>	<b>-5.9</b>	<b>17.9</b>	<b>21.2</b>	<b>92.1</b>
<b>Earnings before financial items and tax (EBIT)</b>	<b>-7.8</b>	<b>16.0</b>	<b>13.2</b>	<b>84.6</b>
<b>Earnings before tax (EBT)</b>	<b>-11.5</b>	<b>12.3</b>	<b>-5.3</b>	<b>64.6</b>
EBITDA margin	-0.9 %	5.0 %	1.3 %	7.3 %
Operating profit margin	-1.2 %	4.5 %	0.8 %	6.7 %
Profit margin	-1.8 %	3.5 %	-0.3 %	5.1 %
Cash flow from operating activities	235.5	33.6	118.5	67.2
Net interest-bearing debt (NIBD)	115.6	144.1	115.6	144.1
Net interest-bearing debt excluding construction loan	110.7	81.2	110.7	81.2
Equity ratio	22.3 %	28.7 %	22.3 %	28.7 %
Order backlog	1 519.6	1 019.7	1 519.6	1 019.7
of which toward Frigaard Bolig	215.7	77.7	215.7	77.7
Order input	803.2	108.5	1 970.6	1 417.8

PNB -Oppgård - Metacon



## FINANCIAL REVIEW

### Income statement and order intake

Frigaard Property Group reported revenues of MNOK 638.5 (MNOK 356.3) and EBITDA of MNOK -5.9 (MNOK 17.9) for the quarter.

Total order intake in the fourth quarter was MNOK 803.2 (MNOK 108.5). Order backlog at the end of the quarter is MNOK 1 519.6 (MNOK 1 019.7).

### Cash flow

Cash flow from operations amounted to MNOK 235.5 (MNOK 33.6). The Cash and cash equivalents as of 31<sup>st</sup> of December 2021 amounts to MNOK 209.2 (MNOK 258.8). The liquidity situation of the Group is solid.

### Balance sheet

The Group had an equity of MNOK 247.1 (MNOK 322) per 31<sup>th</sup> of December 2021, corresponding to an equity ratio of 22.3 percent.

Net interest-bearing debt was MNOK 115.6 (MNOK 144.1). Net interest-bearing debt after adjustment for leasing liability, were MNOK 103.4 (MNOK 127.7). Net interest-bearing debt after adjustment for construction loan was MNOK 110.7 (MNOK 81.2).

### Segments

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

Construction reported revenues of MNOK 561.8 (MNOK 360.7) and EBITDA of MNOK -1.1 (MNOK 29) in the quarter. Property development reported revenues of MNOK 236.6 (MNOK 0.1) and EBITDA of MNOK -2 (MNOK -1.3).

## BUSINESS AREAS

### Construction

NOK million	4Q 21	4Q 20	31.12.2021	31.12.2020
Revenues and other income	561.8	360.7	1 499.6	1 176.5
EBITDA	-1.1	29.0	41.1	73.3
EBIT	-2.8	27.4	34.5	67.2
EBITDA margin	-0.2 %	8.04 %	2.7 %	6 %
Operating profit margin	-0.5 %	7.59 %	2.3 %	6 %
Order backlog	1 519.6	1 019.7	1 519.6	1 019.7
of which toward Frigaard Bolig	215.7	77.7	215.7	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.

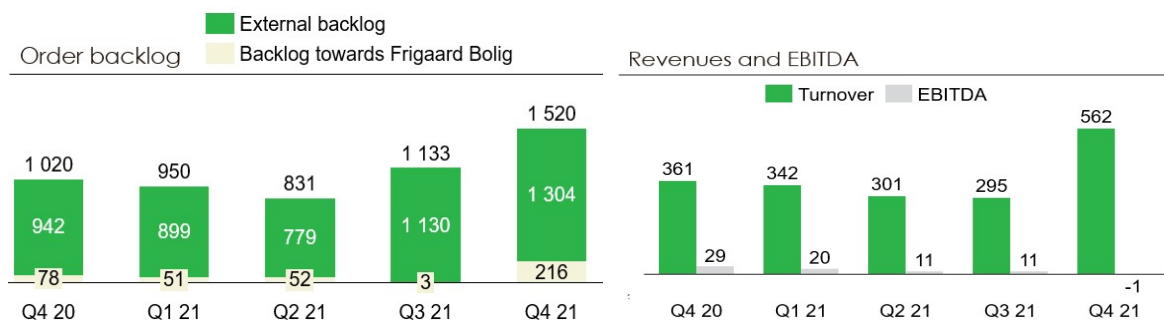
Reported revenues were MNOK 561.8 (MNOK 360.7) for fourth quarter. This corresponds to an increase of 55.8 percent compared to the same quarter last year. Income from the handover of the group's residential project Tribunen 1 amounted to MNOK 160. Revenue from sale of development property is recognised when control over the property has been transferred to the customer.

Total reported revenues YTD rose by 27 % to MNOK 1 499.6 (MNOK 1.176.5). Growth in income exclusive handover of residential project of MNOK 160 (MNOK 68.2) is 21%.

The construction segment presents a mixed picture for the fourth quarter, with increased revenues and good profitability in Alento, and the highest backlog ever. However, the margin in the segment is highly affected by unforeseen costs and loss taken in one project in Metacon. The underlying result for the quarter, excluding the unforeseen costs/loss related to this project (MNOK – 41) was MNOK 39.4, compared with MNOK 29 for the same period in 2020, with a comparable EBITDA margin of 7.2% (8.0%).

Metacon, which includes own production of steel constructions, have throughout the year been impacted by Covid-19 related issues related to manning, logistics and price increases on raw materials. New managing director which started in Q3 2021, has led to the implementation of several mitigating actions, and as projects contracted, before hiring new management, are finalized we see improvement in the company's performance. See the CEO statement for further details.

During the quarter we added new contracts of MNOK 803.2 (MNOK 108.5), and several new contracts have been signed in Q1 2022. 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	4Q 21	4Q 20	31.12.2021	31.12.2020
Revenues and other income	236.6	0.1	242.9	157.6
EBITDA	-2.0	-1.3	-5.8	39.5
EBIT	-2.0	-1.3	-6.1	39.2
EBITDA margin	-0.8 %	n.a	-2.4 %	25 %
Operating profit margin	-0.8 %	n.a	-2.5 %	25 %
No. of units under construction	31	69	31	69
No. of units sold	61	2	80	19
No. of units in land bank	270	342	270	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 236.6, compared to MNOK 0.1 in the same period last year. EBIT amounted to MNOK -2.0 (MNOK -1.3). The revenues stems from the hand over of the first phase of the Tribunen project. Significant cash flow were released from the hand over, and the construction loan were paid off during Q4. The margin of the first phase are affected by less efficient area utilisation and less cost optimisation than the next phases. The Margin is also affected by high interest cost as we calculate interests on our equity to the project using the group's bond interest cost as benchmark. We also expect to gradually see the effect of our build up of a new and strengthened team going forward. The next phase of the project and the other projects in the portfolio are calculated with an improved margins.

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.

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	Q2 2022	Q3 2022	Q4 2023	50	3 665
Fagerlia fase 1, Fredrikstad	Q2 2021	Q4 2021	Q2 2023	31	2 966
Fagerlia fase 2, Fredrikstad	Q2 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	Q2 2022	Q3 2023	30	2 438
Høgliveien plots, Mysen	Q4 2021	Q2 2022	Q3 2022	9	7 424
Dronningensgate Atrium, Sarpsborg	Q1 2022	Q2 2022	Q1 2023	16	1 111
Solbyen, Sarpsborg	Q4 2022	Q2 2023	Q1 2025	50	2 900

\*BRAs is the usable area in a home.

The construction of Fagerlia in Fredrikstad started in Q4 2021. For the next phases of 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 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 our projects in Q4. During the quarter 61 apartments were sold, compared to 2 units in Q4 2020. 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 fourth quarter 2021 we are happy to once again report that we had no injuries to our workers, which is on the same level as Q4 2020.



Nordre Jarlsberg Brygge, Sande, Alento AS

## Outlook

Our backlog in the construction segment is increasing, and the ability of our subsidiary Alento to deliver strong margins are proven, further the necessary turn around in Metacon are well under way and steps are taken to support improvements during 2022. Further, sales of residential projects have been strong, and the underlying market are still viewed as good. Profitability in residential projects is gradually improving as our relatively new team in the segment are moving into new phases of the projects. Our balance sheet is healthy, and our cash position underpins the ability to secure progress in projects and develop the business further.

## INCOME STATEMENT

All amounts in NOK thousand

	Note	4Q 2021	4Q 2020	31.12.2021	31.12.2020
Revenue from contracts with customers	5	638 419	361 115	1 582 319	1 219 078
Other operating revenue		72	-4 767	952	47 599
<b>Total operating revenue</b>	<b>6</b>	<b>638 491</b>	<b>356 348</b>	<b>1 583 271</b>	<b>1 266 677</b>
Materials, subcontractors and consumables		600 935	292 775	1 400 545	1 020 327
Salaries and personnel expense		35 901	40 223	133 558	129 789
Other operating expense		7 559	5 429	27 923	24 459
<b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>5</b>	<b>-5 904</b>	<b>17 921</b>	<b>21 245</b>	<b>92 102</b>
Depreciation and amortisation expense		1 882	1 899	8 022	7 507
<b>Operating profit (EBIT)</b>	<b>5</b>	<b>-7 786</b>	<b>16 022</b>	<b>13 223</b>	<b>84 595</b>
<b>Net financial costs</b>		<b>3 675</b>	<b>3 680</b>	<b>18 555</b>	<b>19 972</b>
<b>Profit before income tax</b>		<b>-11 461</b>	<b>12 342</b>	<b>-5 332</b>	<b>64 623</b>
Income taxes		-1 545	5 089	-197	6 346
<b>Net profit (loss) for the period</b>		<b>-9 916</b>	<b>7 253</b>	<b>-5 135</b>	<b>58 277</b>

## STATEMENT OF COMPREHENSIVE INCOME

	4Q 2021	4Q 2020	31.12.2021	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
<b>Total comprehensive income for the year</b>	<b>-9 916</b>	<b>7 253</b>	<b>-5 135</b>	<b>58 282</b>

## STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31.12.2021	31.12.2020
All amounts in NOK thousand			
<b>Non-current assets</b>			
Other intangible assets		127	333
Goodwill		284 019	284 019
Buildings and land		3 798	4 342
Machinery and equipment		4 439	4 057
Right-of-use assets		12 576	16 687
Other long term receivables		-	9 324
<b>TOTAL NON-CURRENT ASSETS</b>		<b>304 959</b>	<b>318 762</b>
<b>Current assets</b>			
Inventories and development properties		334 759	327 694
Trade receivables	7	113 538	117 042
Contract assets	7	63 781	66 007
Other short-term receivables	7	79 320	33 965
Cash and cash equivalents	7	209 168	258 756
<b>TOTAL CURRENT ASSETS</b>		<b>800 566</b>	<b>803 464</b>
<b>TOTAL ASSETS</b>		<b>1 105 525</b>	<b>1 122 226</b>

## STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	Note	31.12.2021	31.12.2020
All amounts in NOK thousand			
<b>Equity</b>			
Share capital		467	543
Share premium reserve	8	167 396	216 389
<b>Total paid-in capital</b>		<b>167 863</b>	<b>216 932</b>
Retained earnings	8	79 187	105 081
<b>Total retained earnings</b>		<b>79 187</b>	<b>105 081</b>
<b>TOTAL EQUITY</b>		<b>247 050</b>	<b>322 013</b>
<b>Non-current liabilities</b>			
Deferred tax		22 336	22 493
Bond loan	7	296 256	-
Liabilities to financial institutions	7	38 944	25 059
Construction loan	7	4 889	62 857
Leasing liabilities		6 985	10 360
Other non-current liabilities		45 955	72 719
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>415 365</b>	<b>193 488</b>
<b>Current liabilities</b>			
Bond loan current	7	-	298 565
Lease liabilities		5 215	5 974
Trade account payables	7	222 243	136 989
Tax payable		-	-
Public duties payable		10 270	23 186
Contract liabilities	7	117 326	64 202
Other short-term liabilities		88 056	77 809
<b>TOTAL CURRENT LIABILITIES</b>		<b>443 110</b>	<b>606 725</b>
<b>TOTAL LIABILITIES</b>		<b>858 475</b>	<b>800 213</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 105 525</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>	543	216 389	46 798	46 798	263 730
<b>Comprehensive income</b>					
Profit for the period			58 277	58 277	58 277
Other comprehensive income			5	5	5
<b>Equity 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
Dividends		-9 241	-20 759	-20 759	-30 000
<b>Comprehensive income</b>					
Profit for the period			-5 135	-5 135	-5 135
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>

## STATEMENT OF CASHFLOW

All amounts in NOK thousand	Note	4Q 2021	4Q 2020	31.12.2021	31.12.2020
<b>Cash flow from operations</b>					
Profit before income taxes		-11 461	12 342	-5 332	64 623
Adjustment for gains on disposal of shares in subsidiaries		-	-	-	-46 595
Depreciation		1 882	1 899	8 022	7 507
Impairment of fixed assets		-	110	322	110
Change in inventory		198 741	-45 529	16 452	-54 104
Change in trade receivables		36 399	5 933	72 230	17 428
Change in trade account payables		88 955	25 409	85 209	16 531
Change in other provisions		-79 013	33 464	-58 359	61 652
<b>Net cash flow from operations</b>		<b>235 503</b>	<b>33 628</b>	<b>118 544</b>	<b>67 152</b>
<b>Cash flow from investments</b>					
Purchase of fixed assets and other intangible assets		-771	-887	-2 024	-1 523
Purchase of subsidiaries (net of cash)		-97	-	-5 857	-
Proceeds from sale of other investments and sale of subsidiaries		-	-	-	25 998
Other investment		233	-1 601	-18 231	-4 487
<b>Net cash flow from investments</b>		<b>-635</b>	<b>-2 488</b>	<b>-26 112</b>	<b>19 988</b>
<b>Cash flow from financing</b>					
Proceeds from the issuance of bonds	9	-	-	300 000	-
Payment of bonds	9	-	-	-303 000	-
Issue costs paid	9	-	-	-5 465	-
Repayment of long term loans		-29	-5 000	-115	-8 540
Proceeds from construction loans		5 944	62 857	103 523	95 170
Repayment of construction loans		-161 491	-	-161 491	-81 024
Repayment of short term loans		-	-27	-	-5 081
Repayment of lease liabilities		-1 169	-1 237	-5 644	-5 319
Capital reduction	8	-	-	-39 828	-
Payment of dividend		-30 000	-	-30 000	-
<b>Net cash flow from financing</b>		<b>-186 745</b>	<b>56 593</b>	<b>-142 020</b>	<b>-4 794</b>
Net change in cash and cash equivalents		48 123	87 733	-49 588	82 346
Cash and cash equivalents at the beginning of the period		161 045	171 023	258 756	176 410
<b>Cash and cash equivalents at the end of the period</b>		<b>209 168</b>	<b>258 756</b>	<b>209 168</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 fourth 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	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%
Høgliveien Eiendom AS	Sarpsborg	100%
Dronningensgate Atrium AS	Sarpsborg	100%

Aspelundveien 5 AS and Rugdeveien 2 AS were merged with Frigaard Bolig during the fourth quarter.

## 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	4Q		Full year	
	2021	2020	2021	2020
<b>Income statement</b>				
Property development	236 590	91	242 867	157 581
Construction	561 789	360 668	1 499 615	1 176 519
Other	172	-4 411	849	838
Eliminations	-160 060	-	-160 060	-68 261
<b>Total operating revenue</b>	<b>638 491</b>	<b>356 348</b>	<b>1 583 271</b>	<b>1 266 677</b>
Property development	-1 966	-1 265	-5 799	39 507
Construction	-1 132	29 010	41 147	73 336
Other	-2 806	-9 824	-14 103	-20 741
Eliminations	-	-	-	-
<b>EBITDA</b>	<b>-5 904</b>	<b>17 921</b>	<b>21 245</b>	<b>92 102</b>
Property development	-1 966	-1 348	-6 132	39 174
Construction	-2 773	27 392	34 518	67 174
Other	-3 047	-10 022	-15 163	-21 753
<b>EBIT</b>	<b>-7 786</b>	<b>16 022</b>	<b>13 223</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	4Q		Full year	
		2021	2020	2021	2020
<i>Revenue from contracts with customers</i>					
Contract revenues from Construction	Construction	401 829	360 668	1 339 452	1 108 025
Sale of development property	Development property	236 361	-	242 017	108 316
Rental income from Property development	Development property	229	432	850	2 709
Rental income from Other	Other	-	15	-	28
<b>Total revenue from contracts with customers</b>		<b>638 419</b>	<b>361 115</b>	<b>1 582 319</b>	<b>1 219 078</b>
<i>Other operating income</i>					
Gain from sale of fixed assets	Construction	-100	-	103	233
Other income from Other	Other	172	-4 426	849	810
Sale of shares Property development	Development property	-	-341	-	46 556
<b>Total other operating income</b>		<b>72</b>	<b>-4 767</b>	<b>952</b>	<b>47 599</b>
<b>Total operating revenue</b>		<b>638 491</b>	<b>356 348</b>	<b>1 583 271</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 2021 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 15<sup>th</sup> 2021.

At the extraordinary general meeting held on the 19 of November 2021, Frigaard Property Group's shareholders approved the distribution of an additional dividend of NOK 128.53 per share. The additional dividend of MNOK 30 was paid out to the entitled shareholders on 21 of December 2021.

## 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

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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