

Q3  
2022

# Third quarter 2022 Interim report



**FRIGAARD**  
Property Group

## CEO STATEMENT

### *The Construction Segment*

The underlying order intake in the construction business was 212 MNOK in Q3, from signing one residential project and one commercial project in the quarter. The residential project was signed by Alento and the commercial project by Alento as contractor and with Metacon as the sub-contractor for the steel construction. The reported order intake is 140 MNOK after removing 72 MNOK related to a delayed commercial project from the order bank. In Q4 this project is again up for decision, and we have a good chance to secure this in the next months. By the time of this report, we have won two more residential projects in Q4 for a total of around 280 MNOK.

The order backlog for Alento, Metacon and Frigaard Entreprenør at the end of Q3 was at a record high level of 1.7 BNOK. Adding orders won in Q4 we are well on our way to secure the revenue for our 2023 budget.

The profitability in the segment was as expected, around 4.8% EBITDA margin (17 MNOK). Alento is still experiencing very good performance, and Metacon and Frigaard Entreprenør is gradually improving after a re-structuring phase including several improvement measures and adding new people.

Metacon have been divided into Metacon and Frigaard Entreprenør during third quarter, the final formalization will be in place for the two separate legal entities from December 2022.

### *The property development segment*

At the date of this report we have 199 units in production (including 9 land plots), in addition we have started the production of the concrete works for the third stage of the Fagerlia project in Fredrikstad (30 units). Of these 199 units 154 units are sold, and all are planned for hand-over within 2023, consequently we will be able to record the profit in the P&L, and cash flow will be significantly improved.

14 units were sold in the quarter compared to 5 units in Q3 2021, and further 6 units have been sold by the date of this report.

Our focus going forward is during the next year to successfully finalize our property development projects under construction, to the benefit of our customers. We are also aiming to secure enough new property development projects for our property development organization in the years to come. Our portfolio of new projects now consists of a large area in the center of Ski, a residential building in the center of Sarpsborg and two development areas close to Sarpsborg and Fredrikstad. One of the projects close to Sarpsborg and Fredrikstad is a joint venture. All the potential new projects are currently depending on the upcoming progress in the public processes.

### *Balance Sheet and cash flow*

Cash positions continue to be on a high level, at 151 MNOK at the end of the quarter. Working capital in the construction segment had a flat development from Q2 to Q3 and investments into residential properties in production is fully financed by construction loans.

Our gross interest bearing debt is 537 MNOK, of this is 11 MNOK leases, 177 MNOK construction loans and 298 MNOK is a bond listed in Oslo. Gross interest bearing debt excluding construction loans is 360 MNOK. Last twelve months EBITDA excluding exceptional items (6.4 MNOK) is 51.3 MNOK. Net interest bearing debt is 385 MNOK including

construction loans and 209 MNOK excluding construction loans. Leverage ratio calculated excluding construction loans is 4.1.

***Going forward***

Short to mid-term, our position is solid, as a large part of our own residential properties in production are sold and as our construction companies have a record high order reserve.

In general, we expect the macro environment with higher interest rates and price pressure on energy intensive goods to moderately reduce growth in our industry. Still, for the time being we experience a strong pipeline of new projects, especially within commercial buildings.

Our final profit depends on the sale of our unsold apartments. As a large part of our residential projects under construction will be handed over in 2023, we expect next year to see a strong uptick in our profit and cashflow.



Simon Martinsen, CEO, Sarpsborg, 11<sup>th</sup> of November 2022

## HIGHLIGHTS

### Third quarter 2022

- ✓ Revenue increased with 15.1% to MNOK 340.3 (MNOK 295.8)
- ✓ Operational cashflow of MNOK -63.4 (MNOK -73.2).
- ✓ Order intake of MNOK 140.2 (MNOK 644.3).
- ✓ Order backlog of MNOK 1 698.6 (MNOK 1 132.9) whereof MNOK 391.5 is towards Frigaard Bolig (MNOK 2.9)
- ✓ EBITDA of MNOK 10.0 (MNOK 5.6)
- ✓ Adjusted EBITDA for strategic review of the subsidiary Alento of 11 MNOK (MNOK 5.6)

### January - September 2022

- ✓ Revenue increased by 18.1% to MNOK 1 115.6 (MNOK 944.8)
- ✓ Operational cashflow of MNOK -270.8 (MNOK -117)
- ✓ Order intake of MNOK 1 373.2 (MNOK 1 167.4), of which internal toward Frigaard Bolig MNOK 307.6 (MNOK 40)
- ✓ EBITDA of MNOK 50.8 (MNOK 27.1)
- ✓ Adjusted EBITDA of MNOK 57.2 (MNOK 27.1)

### Outlook 2022

- ✓ Strong backlog and pipeline in the construction segment
- ✓ Secured new orders for around 282 MNOK in Q4
- ✓ High activity in all business areas
- ✓ Ongoing work to make progress in secured development area for residential properties
- ✓ Formally decided separation of Metacon into two companies (Metacon and Frigaard Entreprenør), will have effect from Q4

SUMMARY OF 3<sup>th</sup> QUARTER OF 2022

Key figures (NOK million)	3Q 22	3Q 21	30.09.2022	30.09.2021	31.12.2021
Revenues Property development	0.4	0.1	19.9	6.3	242.9
Revenues Construction	339.7	295.4	1 095.1	937.8	1 499.6
Revenues Other	0.2	0.3	0.6	0.7	0.8
Elimination of internal income	-	-	-	-	-160.1
<b>Total revenues and other income</b>	<b>340.3</b>	<b>295.8</b>	<b>1 115.6</b>	<b>944.8</b>	<b>1 583.4</b>
EBITDA Property development	-1.8	-1.1	-4.4	-3.8	-5.8
EBITDA Construction	16.6	11.0	73.7	42.3	41.1
EBITDA Other	-4.8	-4.3	-18.5	-11.3	-14.1
<b>Total EBITDA</b>	<b>10.0</b>	<b>5.6</b>	<b>50.8</b>	<b>27.1</b>	<b>21.2</b>
<b>Earnings before financial items and tax (EBIT)</b>	<b>8.0</b>	<b>3.6</b>	<b>44.5</b>	<b>21.0</b>	<b>13.2</b>
<b>Earnings before tax (EBT)</b>	<b>4.6</b>	<b>1.3</b>	<b>34.8</b>	<b>6.1</b>	<b>-5.3</b>
EBITDA margin	3.0%	1.9%	4.6%	2.9%	1.3%
Operating profit margin	2.3%	1.2%	4.0%	2.2%	0.8%
Profit margin	1.4%	0.4%	3.1%	0.6%	-0.3%
Cash flow from operating activities	-63.4	-73.2	-270.8	-117.0	118.5
Net interest-bearing debt (NIBD)	385.3	347.0	385.3	319.3	115.6
Net interest-bearing debt excluding construction loan	208.7	186.6	208.7	158.8	110.7
Equity ratio	21.5%	23.2%	21.5%	23.2%	22.3%
Order backlog	1 698.6	1 132.9	1 698.6	1 132.9	1 519.6
of which toward Frigaard Bolig	391.5	2.9	391.5	2.9	215.7
Order input	140.3	644.3	1 373.2	1 167.4	1 970.6

Kveldroveien 7 – Vinterbro - Ås – Metacon (steel)



## FINANCIAL REVIEW

### Income statement and order intake

Frigaard Property Group reported revenues of MNOK 340.3 (MNOK 295.8) and EBITDA of MNOK 10 (MNOK 5.6) for the quarter.

Total order intake in the third quarter was MNOK 140.2 (MNOK 644.3). Order backlog at the end of the quarter is MNOK 1 698.6 (MNOK 1 132.9). The gross orderintake in the quarter was 212 MNOK, and net 140 MNOK after removing 72 MNOK related to a delayed project.

### Cash flow

Cash flow from operations this quarter amounted to MNOK -63.4 (MNOK -73.2). The Cash and cash equivalents as of 30<sup>th</sup> of September 2022 amounts to MNOK 151.3 (MNOK 161.0). The liquidity situation of the Group is solid. The negative cash flow from operations is related to progress of residential homes in production and is fully financed by construction loans.

### Balance sheet

The Group had an equity of MNOK 274.2 (MNOK 287.0) per 30<sup>th</sup> of September 2022, corresponding to an equity ratio of 21.5 percent.

Net interest-bearing debt was MNOK 385.3 (MNOK 319.3). Net interest-bearing debt after adjustment for construction loan was MNOK 208.7 (MNOK 158.8).

### Segments

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

Construction reported revenues of MNOK 339.7 (MNOK 295.4) and EBITDA of MNOK 16.6 (MNOK 11.0) in the quarter. Property development reported revenues of MNOK 0.4 (MNOK 0.1) and EBITDA of MNOK -1.8 (MNOK -1.1).

## BUSINESS AREAS

### Construction

NOK million	3Q 22	3Q 21	30.09.2022	30.09.2021	31.12.2021
Revenues and other income	339.7	295.4	1 095.1	937.8	1 499.6
EBITDA	16.6	11.0	73.7	42.3	41.1
EBIT	14.9	9.3	68.4	37.3	34.5
EBITDA margin	4.9 %	3.7%	6.7 %	4.5 %	2.7%
Operating profit margin	4.4 %	3.2%	6.2 %	4.0 %	2.3%
Order backlog	1 698.6	1 132.9	1 698.6	1 132.9	1 519.6
of which toward Frigaard Bolig	391.5	2.9	391.5	2.9	215.7

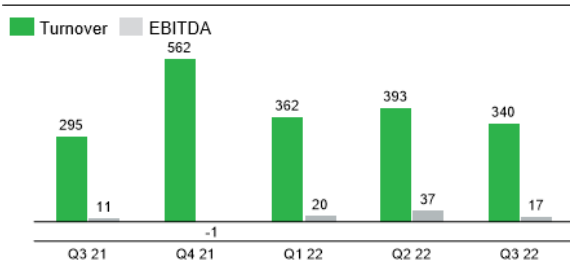
The business area construction consists of two business units, Alento AS and Metacon AS. Metacon AS consist of two divisions, Frigaard Entreprenør and Metacon. Alento AS and Frigaard Entreprenør are turn-key contractors that execute the development and construction of commercial buildings and residential properties. Metacon is a supplier of structural steel and steel buildings. In Q4 we expect the separation, in the form of a demerger of Metacon into Metacon and Frigaard Entreprenør to be completed and formalized.

Reported revenues were MNOK 339.7 (MNOK 295.4) for the third quarter. This corresponds to an increase of 15.1 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. EBITDA for the construction segment this quarter was MNOK 16.6 (MNOK 11.0).

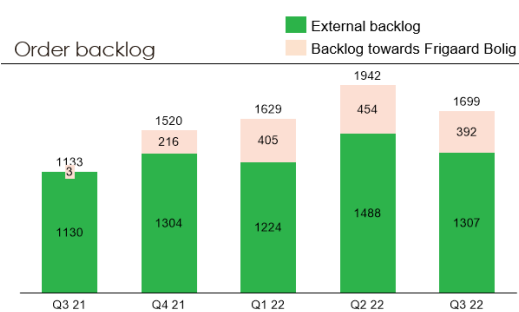
Total reported revenue YTD rose by 16.8% to MNOK 1 095, and YTD EBITDA was MNOK 73,7 (MNOK 42,3). The larger part of the strong performance stems from Alento, whilst Metacon and Frigaard Entreprenør in total is improving and have positive figures in Q3 after an extensive restructuring phase.

During the quarter we added new contracts of MNOK 212 (MNOK 644.3). The reported order intake is MNOK 140 as we have removed a delayed project from the order bank. Our backlog is all time high and secures a 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 282 is won in Q4 as of the date of this report.

Revenues and EBITDA



Order backlog



## Property development

NOK million	3Q 22	3Q 21	30.09.2022	30.09.2021	31.12.2021
Revenues and other income	0.4	0.1	19.9	6.3	242.9
EBITDA	-1.8	-1.1	-4.4	-3.8	-5.8
EBIT	-1.8	-1.1	-4.5	-4.2	-6.1
EBITDA margin	-406.9 %	n.a	-22.1 %	-61.1 %	-2.4%
Operating profit margin	-413.8 %	n.a	-22.6 %	-66.4 %	-2.5%
No. of units under construction	182	69	182	69	31
No. of units sold	14	5	83	19	80
No. of units in land bank	270	338	270	338	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 0.4, compared to MNOK 0.1 in the same period last year. EBIT amounted to MNOK -1.8 (MNOK -1.1). The year to date revenue stems from the handover of units from the first phase of Tribunen, located in Moss, which was finalized late 2021.

A final settlement was done the first of April 2022, related to the sale of shares in Høganloft 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.

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 14 apartments were sold, compared to 5 units in Q3 2021. Sales will naturally fluctuate quarter over quarter depending on the maturity of the projects.

Our ongoing projects is illustrated in the table below, all of these are in production except for 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 YTD Q3
Tribunen phase 2, Moss	Q4 2021	Q2 2022	Q2 2023	55	4 374	49
Tribunen phase 3, Moss	Q1 2022	Q3 2022	Q4 2023	50	3 665	42
Fagerlia phase 1, Fredrikstad	Q2 2021	Q4 2021	Q2 2023	31	2 966	20
Fagerlia phase 3, Fredrikstad	Q2 2022	-	-	30	2 797	2
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	15
Høgliveien plots, Mysen	Q4 2021	Q2 2022	Q1 2023	9	4 986	4
Dronningensgate Atrium, Sarpsborg	Q1 2022	Q2 2022	Q1 2023	16	1 111	13

\*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 2023. Work to increase the portfolio has been significantly stepped up during 2022, and currently we have the following projects in the works, all figures preliminary estimates:

Solbyen (Sarpsborg); a 40-50 unit project in the city of Sarpsborg, following public proceedings the project may be launched in the market before summer 2023.



Tindlund (Sarpsborg); Around 100 units, following public proceedings the project may be launched in the market before or around summer 2023.

Åsenveien Park (Ski): Potentially a 10k 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, progress dependent upon public proceedings.

## 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 Q3 last year.

### Outlook

Our order bank in the construction segment is at a record high and despite the expected reduced growth in our industry we experience a sound pipeline of new projects. A large part of the residential homes we have in production is sold, and will be handed over to customer in 2023. Consequently, we have a positive view on the mid term outlook for our business, and expect improved profitability and cash flow in 2023.

However, the increased interest rates and price pressure on energy intensive raw materials are expected to reduce the growth within construction, both for commercial and residential projects. We are especially aware of the potential short term reduction in demand for residential homes and consequences for our activity level. Thus these are factors that will be monitored closely and if necessary measures will be implemented.



Røyken fryselager, Asker, Alento (Constructor) and Metacon (steel)

## INCOME STATEMENT

All amounts in NOK thousand	Note	3Q 2022	Q3 2021	30.09.2022	30.09.2021	31.12.2021
Revenue from contracts with customers	5	340 123	295 487	1 113 741	943 900	1 582 319
Other operating revenue		218	264	1 856	880	952
<b>Total operating revenue</b>	6	<b>340 341</b>	<b>295 751</b>	<b>1 115 597</b>	<b>944 780</b>	<b>1 583 271</b>
Materials, subcontractors and consumables		285 942	256 183	920 898	799 610	1 400 545
Salaries and personnel expense		34 855	28 809	111 347	97 657	133 558
Other operating expense		9 500	5 168	32 574	20 364	27 923
<b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>	5	<b>10 044</b>	<b>5 591</b>	<b>50 778</b>	<b>27 149</b>	<b>21 245</b>
Depreciation and amortisation expense		2 076	1 965	6 259	6 140	8 022
<b>Operating profit (EBIT)</b>	5	<b>7 968</b>	<b>3 626</b>	<b>44 519</b>	<b>21 009</b>	<b>13 223</b>
<b>Net financial costs</b>		<b>3 320</b>	<b>2 355</b>	<b>9 671</b>	<b>14 880</b>	<b>18 555</b>
<b>Profit before income tax</b>		<b>4 648</b>	<b>1 271</b>	<b>34 848</b>	<b>6 129</b>	<b>-5 332</b>
Income taxes		1 041	279	7 685	1 348	-197
<b>Net profit (loss) for the period</b>		<b>3 607</b>	<b>992</b>	<b>27 163</b>	<b>4 781</b>	<b>-5 135</b>

## STATEMENT OF COMPREHENSIVE INCOME

	3Q 2022	3Q 2021	30.09.2022	30.09.2021	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	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>3 607</b>	<b>992</b>	<b>27 163</b>	<b>4 781</b>	<b>-5 135</b>

## STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30.09.2022	30.09.2021	31.12.2021
All amounts in NOK thousand				
<b>Non-current assets</b>				
Other intangible assets		109	284	127
Goodwill		284 019	284 019	284 019
Buildings and land		3 393	3 933	3 798
Machinery and equipment		4 535	3 863	4 439
Right-of-use assets		10 653	13 534	12 576
<b>TOTAL NON-CURRENT ASSETS</b>		<b>302 709</b>	<b>305 633</b>	<b>304 959</b>
<b>Current assets</b>				
Inventories and development properties		513 439	533 604	334 759
Trade receivables		143 545	122 017	113 538
Contract assets		125 078	54 385	63 781
Other short-term receivables		38 401	62 416	79 320
Cash and cash equivalents		151 349	161 045	209 168
<b>TOTAL CURRENT ASSETS</b>		<b>971 812</b>	<b>933 467</b>	<b>800 566</b>
<b>TOTAL ASSETS</b>		<b>1 274 521</b>	<b>1 239 100</b>	<b>1 105 525</b>

## STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	Note	30.09.2022	30.09.2021	31.12.2021
All amounts in NOK thousand				
<b>Equity</b>				
Share capital		467	467	467
Share premium reserve		167 396	176 637	167 396
<b>Total paid-in capital</b>		<b>167 863</b>	<b>177 104</b>	<b>167 863</b>
Retained earnings		106 348	109 862	79 187
<b>Total retained earnings</b>		<b>106 348</b>	<b>109 862</b>	<b>79 187</b>
<b>TOTAL EQUITY</b>		<b>274 211</b>	<b>286 966</b>	<b>247 050</b>
<b>Non-current liabilities</b>				
Deferred tax		30 019	23 879	22 336
Bond loan		297 660	295 756	296 256
Liabilities to financial institutions		37 427	38 963	38 944
Construction loan		20 619	-	4 889
Leasing liabilities		5 222	8 819	6 985
Other non-current liabilities		6 275	72 719	45 955
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>397 222</b>	<b>440 136</b>	<b>415 365</b>
<b>Current liabilities</b>				
Short term financial liabilities		14 000	-	-
Short term construction loan		155 932	160 436	-
Lease liabilities		5 752	4 116	5 215
Trade account payables		89 246	133 288	222 243
Public duties payable		18 949	20 626	10 270
Contract liabilities		146 059	99 318	117 326
Other short-term liabilities		173 150	94 214	88 056
<b>TOTAL CURRENT LIABILITIES</b>		<b>603 088</b>	<b>511 998</b>	<b>443 110</b>
<b>TOTAL LIABILITIES</b>		<b>1 000 310</b>	<b>952 134</b>	<b>858 475</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 274 521</b>	<b>1 239 100</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	-39 752			-39 828
<b>Comprehensive income</b>					
Profit for the period			4 781	4 781	4 781
Other comprehensive income			-	-	-
<b>Equity at 30.09.2021</b>	<b>467</b>	<b>176 637</b>	<b>109 861</b>	<b>109 861</b>	<b>286 966</b>
<b>Transaction with owners</b>					
Dividends		-9 241	-20 759	-20 759	-30 000
Profit for the period Q3-Q4 2021			-9 916	-9 916	-9 916
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			27 163	27 163	27 163
Other comprehensive income			-	-	-
<b>Equity as at 30.09.2022</b>	<b>467</b>	<b>167 396</b>	<b>106 348</b>	<b>106 348</b>	<b>274 211</b>

## STATEMENT OF CASHFLOW

All amounts in NOK thousand	Note	3Q 2022	3Q 2021	30.09.2022	30.09.2021	31.12.2021
<b>Cash flow from operations</b>						
Profit before income taxes		4 648	1 271	34 848	6 129	-5 332
Gain/loss from sale of fixed assets		-	-	-1 408	-	-
Depreciation and impairment of fixed assets		2 076	1 967	6 259	6 462	8 344
Change in inventory		-70 694	-55 684	-178 680	-182 289	16 452
Change in trade receivables		5 763	-35 502	-103 264	35 831	72 230
Change in trade account payables		-35 801	-23 882	-132 997	-3 746	85 209
Change in other provisions		30 615	38 637	104 405	20 654	-58 359
<b>Net cash flow from operations</b>		<b>-63 393</b>	<b>-73 193</b>	<b>-270 837</b>	<b>-116 959</b>	<b>118 544</b>
<b>Cash flow from investments</b>						
Proceeds from sale of fixed assets		-	-	2 000	-	-
Purchase of fixed assets and other intangible assets		-583	-344	-1 352	-1 253	-2 024
Purchase of subsidiaries (net of cash)		-	-5 760	-	-5 760	-5 857
Other investment		-	63	60 091	-18 464	-18 231
<b>Net cash flow from investments</b>		<b>-583</b>	<b>-6 041</b>	<b>60 739</b>	<b>-25 477</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		-	-10	-	-5 465	-5 465
Proceeds from long term loans		12 570	-	12 570	-	-
Repayment of long term loans		-28	-38	-87	-86	-115
Proceeds from construction loans		70 211	12 083	171 662	97 579	103 523
Repayment of construction loans		-	-	-	-	-161 491
Repayment of short term loans		-	-	-27 396	-	-
Repayment of lease liabilities		-1 592	-1 385	-4 470	-4 475	-5 644
Capital reduction		-	37	-	-39 828	-39 828
Payment of dividend		-	-	-	-	-30 000
<b>Net cash flow from financing</b>		<b>81 161</b>	<b>10 687</b>	<b>152 279</b>	<b>44 725</b>	<b>-142 020</b>
Net change in cash and cash equivalents		17 185	-68 547	-57 819	-97 711	-49 588
Cash and cash equivalents at the beginning of the period		134 164	229 592	209 168	258 756	258 756
<b>Cash and cash equivalents at the end of the period</b>		<b>151 349</b>	<b>161 045</b>	<b>151 349</b>	<b>161 045</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 third 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 %
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 %

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

Metacon have been divided into Metacon and Frigaard Entreprenør during third quarter, the final formalization will be in place for the two separate legal entities from December 2022.



## 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	3Q		First three quarters		Year
	2022	2021	2022	2021	2021
<b>Income statement</b>					
Property development	435	137	19 887	6 277	242 867
Construction	339 688	295 360	1 095 068	937 826	1 499 615
Other	218	254	642	677	849
Eliminations	-	-	-	-	-160 060
<b>Total operating revenue</b>	<b>340 341</b>	<b>295 751</b>	<b>1 115 597</b>	<b>944 780</b>	<b>1 583 271</b>
Property development	-1 770	-1 139	-4 393	-3 833	-5 799
Construction	16 638	10 995	73 710	42 279	41 147
Other	-4 824	-4 265	-18 539	-11 297	-14 103
<b>EBITDA</b>	<b>10 044</b>	<b>5 591</b>	<b>50 778</b>	<b>27 149</b>	<b>21 245</b>
Property development	-1 800	-1 139	-4 485	-4 166	-6 132
Construction	14 876	9 306	68 426	37 291	34 518
Other	-5 108	-4 541	-19 422	-12 116	-15 163
<b>EBIT</b>	<b>7 968</b>	<b>3 626</b>	<b>44 519</b>	<b>21 009</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	Segment	3Q		First three quarters		Year
		2022	2021	2022	2021	2021
<i>Revenue from contracts with customers</i>						
Contract revenues from Construction	Construction	339 688	295 350	1 093 854	937 623	1 499 512
Sale of development property	Development property	35	-	19 305	5 656	242 017
Rental income from Property development	Development property	400	137	582	621	850
<i>Eliminations</i>		-	-	-	-	-160 060
<b>Total revenue from contracts with customers</b>		<b>340 123</b>	<b>295 487</b>	<b>1 113 741</b>	<b>943 900</b>	<b>1 582 319</b>
<i>Other operating income</i>						
Gain from sale of fixed assets	Construction	-	10	1 214	203	103
Other income from Other	Other	218	254	642	677	849
<b>Total other operating income</b>		<b>218</b>	<b>264</b>	<b>1 856</b>	<b>880</b>	<b>952</b>
<b>Total operating revenue</b>		<b>340 341</b>	<b>295 751</b>	<b>1 115 597</b>	<b>944 780</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 Q4 report: 17<sup>th</sup> of February 2023  
2022 Annual report: 26<sup>th</sup> of April 2023  
2023 Q1 report: 12<sup>th</sup> of May 2023  
2023 Q2 report: 25<sup>th</sup> of August 2023  
2023 Q3 report: 14<sup>th</sup> of November 2023

## ADDITIONAL INFORMATION

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