

Third Quarter 2021

AF Gruppen ASA

12 November 2021



Q3



From the CEO

In AF we work continuously on enhancing the entrepreneurial spirit and competitiveness of our business, such that we create value for our customers, employees, owners and society at large. AF's financial position shall underpin our growth strategy and provide an adequate dividend capacity. For the second half of 2021 we are increasing the dividend to NOK 4.00 per share. In the quarter we are seeing strong results in the Civil Engineering, Offshore, Sweden and Energy & Environment business areas. It is especially pleasing to see very good results in the offshore business, which works tirelessly every day to resolve environmental challenges by removing and recycling offshore installations. Price developments in raw materials have posed challenges for several of our construction projects and impacts profitability for the quarter.

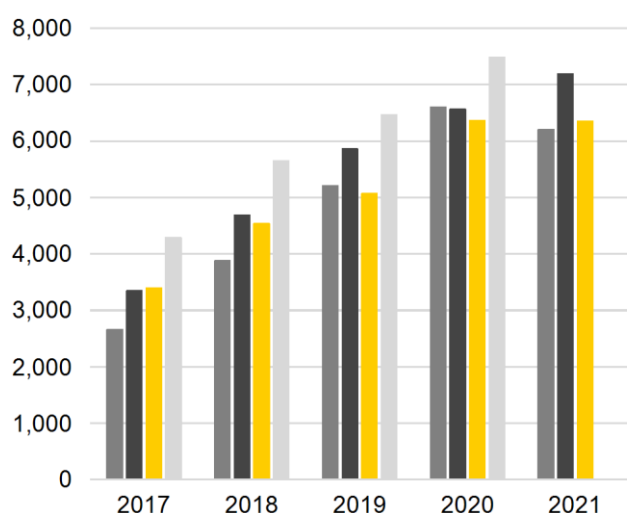
We place great value in the safety of everyone who works on AF's projects. Our overall goal is zero serious injuries or work-related absence, and we are pleased that the positive trend in safety continues. In Sweden we are seeing effects of goal-oriented safety work over time, with continued positive developments in the quarter. In combination with strong financial results and good progress in civil engineering, logistics and wind power projects, we are pleased with developments in Swedish operations in the past quarter.

AF has always been proud of its strength and ability to perform complex tasks. The group's entrepreneurial spirit has been characterised by the ability and willingness to think differently and to find better, more future-oriented ways to generate value.

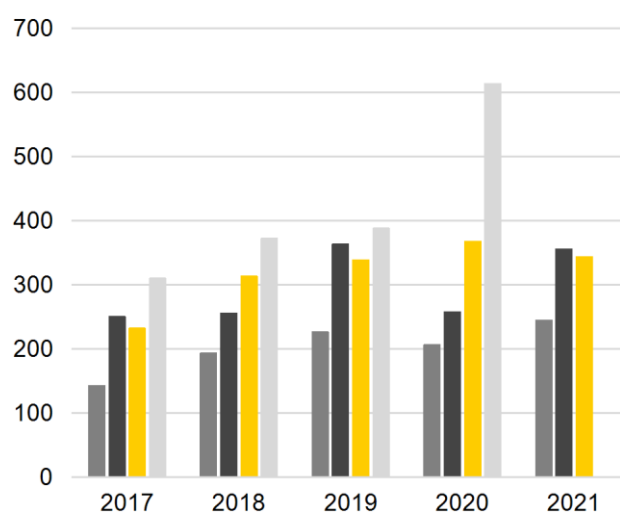
HIGHLIGHTS

- Revenues were NOK 6,358 million (6,366 million) for the 3rd quarter and NOK 19,756 million (19,540 million) year to date.
- Earnings before tax were NOK 344 million (368 million) for the 3rd quarter and NOK 945 million (833 million) year to date.
- The profit margin was 5.4% (5.8%) for the 3rd quarter and 4.8% (4.3%) year to date.
- Net operating cash flow was NOK 380 million (574 million) for the 3rd quarter and NOK 1,114 million (1,274 million) year to date.
- The order backlog stood at NOK 40,391 million (31,269 million) as at 30 September 2021.
- Net interest-bearing debt (receivables) was NOK 26 million (-341 million) as at 30 September 2021.
- The Board of Directors has approved a dividend of NOK 4.00 (3.50) per share for the second half of 2021.

REVENUES PER QUARTER (NOK MILLION)



EARNINGS BEFORE TAX PER QUARTER (NOK MILLION)



SUMMARY OF 3RD QUARTER

Key figures (NOK million)	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
Operating and other revenue	6,358	6,366	19,756	19,540	27,025
EBITDA	495	506	1,398	1,252	2,053
Earnings before financial items and tax (EBIT)	344	371	970	847	1,480
Earnings before tax (EBT)	344	368	945	833	1,447
Result per share (NOK)	2.08	2.40	5.72	5.18	9.29
Diluted result per share (NOK)	2.08	2.40	5.71	5.18	9.27
EBITDA margin	7.8 %	7.9 %	7.1 %	6.4 %	7.6 %
Operating profit margin	5.4 %	5.8 %	4.9 %	4.3 %	5.5 %
Profit margin	5.4 %	5.8 %	4.8 %	4.3 %	5.4 %
Return on capital employed (ROaCE) ¹⁾	-	-	36.0 %	30.5 %	34.8 %
Cash flow from operating activities	380	574	1,114	1,274	1,189
Net interest-bearing debt (receivables)	26	-341	26	-341	-90
Shareholders' equity	3,378	3,195	3,378	3,195	3,494
Total equity and liabilities	13,137	13,429	13,137	13,429	12,862
Equity ratio	25.7 %	23.8 %	25.7 %	23.8 %	27.2 %
Order backlog	40,391	31,269	40,391	31,269	30,617
LTI-1 rate	0.8	1.0	1.1	1.6	1.8
Absence due to illness	4.2 %	4.0 %	4.6 %	4.5 %	4.6 %

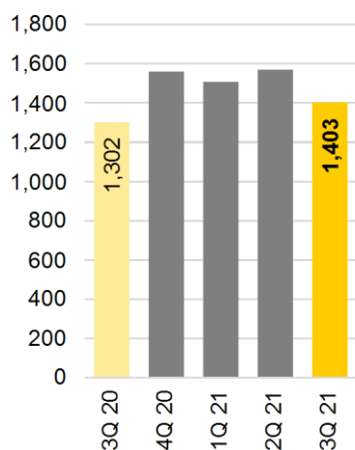
¹⁾ Rolling average last four quarters

Business Areas

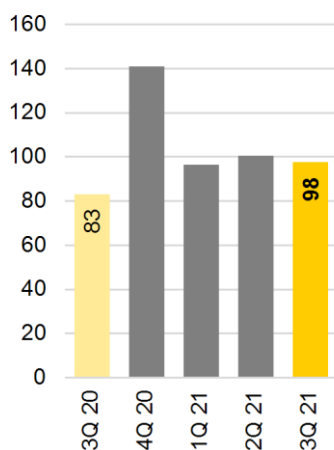


CIVIL ENGINEERING

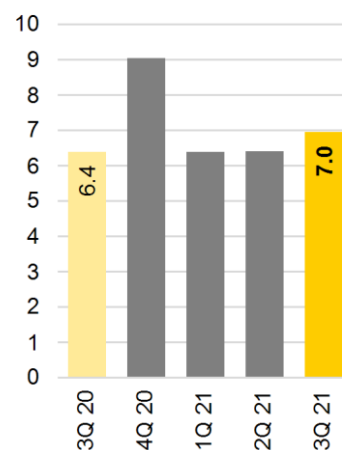
REVENUE (NOK million)*



OPERATING PROFIT (NOK million)*



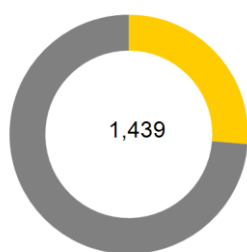
OPERATING PROFIT (%)*



KEY FIGURES*

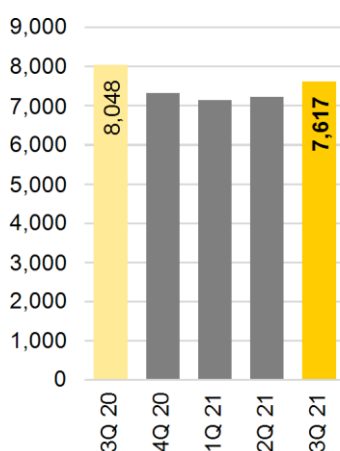
NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
Operating and other revenue	1,403	1,302	4,480	3,659	5,218
Earnings before financial items and tax (EBIT)	98	83	294	173	314
Earnings before tax (EBT)	97	80	290	169	292
Operating profit margin	7.0 %	6.4 %	6.6 %	4.7 %	6.0 %
Profit margin	6.9 %	6.1 %	6.5 %	4.6 %	5.6 %

NUMBER OF EMPLOYEES



AF Gruppen 5,471

ORDER BACKLOG (NOK million)*



CIVIL ENGINEERING CONSISTS OF

- AF Anlegg
- Målselv Maskin & Transport
- Eiqon
- Consolvo

* Eiqon and Consolvo have been transferred from the Construction business area to the Civil Engineering business area with effect from 1 January 2021. Comparative figures have been restated.



AF is one of Norway's largest actors in the civil engineering market, and the customers include both public and private actors. Its project portfolio includes roads, railways, port facilities, airports, tunnels, foundation work, power and energy, as well as onshore facilities for oil and gas.

The activity level in Civil Engineering increased compared to the same quarter last year, and the business area delivered good results during the quarter. As of 2021, Eiqon and Consolvo have become part of Civil Engineering, and this is reflected in the comparative figures. The Civil Engineering business area reported revenues of NOK 1,403 million (1,302 million) for the 3rd quarter. This is equivalent to a growth of 8% compared to the same quarter last year. Earnings before tax were NOK 97 million (80 million). Year to date, revenues totalled NOK 4,480 million (3,659 million) and earnings before tax were NOK 290 million (169 million).

AF Anlegg currently has two major projects in progress: E39 Kristiansand west–Mandal east and Bergtunnlar Lovö in

Stockholm. There is a high level of activity on E39 Kristiansand west-Mandal east, but increased material extraction with associated cost overruns affects the project's profitability. The operational performance of the unit's remaining project portfolio is good in general, and the unit delivered good results in the quarter.

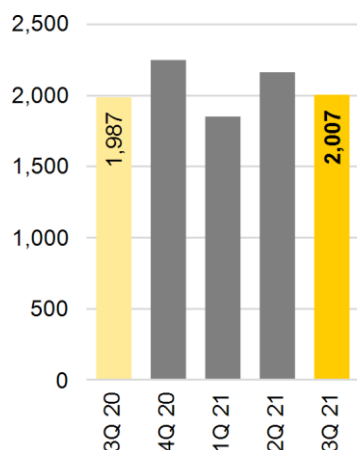
Målselv Maskin & Transport has had a good level of activity and performance in the quarter, and continues to deliver very good results. Consolvo delivered good profitability in the quarter, while profitability in Eiqon is strengthened.

One new contract was announced to the stock exchange in the third quarter. AF Anlegg has been nominated as contractor by Sporveien for the upgrading of the underground line from Bryn station to Hellerud station in Oslo. The contract is a general contract with an estimated value of NOK 360 million, excluding VAT. The interaction phase of the E6 Roterud-Storhove project continues.

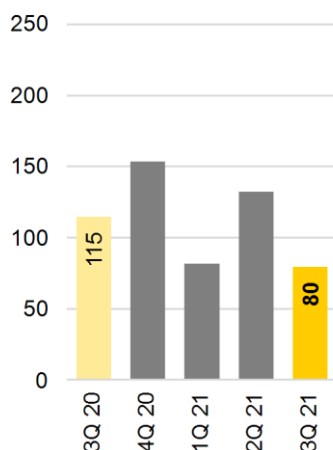
The order backlog for Civil Engineering was NOK 7,617 million (8,048 million) as at 30 September 2021.

CONSTRUCTION

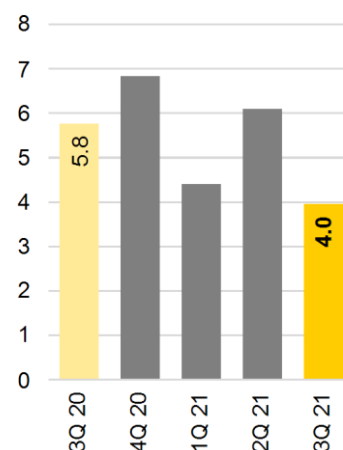
REVENUE (NOK million)*



OPERATING PROFIT (NOK million)*



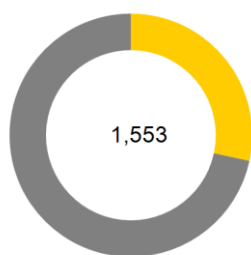
OPERATING MARGIN (%)*



KEY FIGURES*

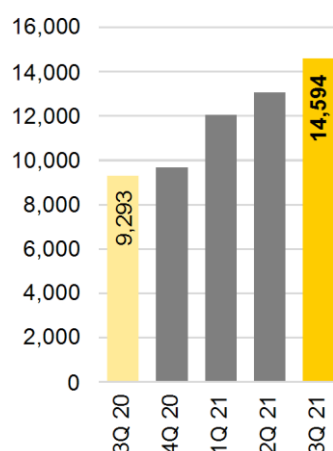
NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
Operating and other revenue	2,007	1,987	6,026	6,437	8,684
Earnings before financial items and tax (EBIT)	80	115	293	349	502
Earnings before tax (EBT)	80	117	296	357	513
Operating profit margin	4.0 %	5.8 %	4.9 %	5.4 %	5.8 %
Profit margin	4.0 %	5.9 %	4.9 %	5.5 %	5.9 %

NUMBER OF EMPLOYEES



AF Gruppen 5,471

ORDER BACKLOG (NOK million)*



CONSTRUCTION CONSISTS OF

- AF Bygg Oslo
- AF Byggfornyelse
- AF Nybygg (transferred to AF Bygg Oslo)
- AF Bygg Østfold
- Strøm Gundersen
- Strøm Gundersen Vestfold
- Haga & Berg
- AF Håndverk
- LAB Entreprenør
- Åsane Byggmesterforretning
- Fundamentering (FAS)
- Helgesen Tekniske Bygg (HTB)

* Eiçon and Consolvo have been transferred from the Construction business area to the Civil Engineering business area with effect from 1 January 2021. Comparative figures have been restated.



Construction City, Oslo. Illustration: Construction City Eiendom

AF provides contracting services for residential, public and commercial buildings. Our services range from planning to construction and renovation. AF cooperates closely with customers to find efficient and innovative solutions adapted to their needs. The Construction business area comprises activities in Eastern Norway and the Bergen Region.

Revenues for Building increased compared with the same period last year, but profitability for the business area is somewhat weaker than expected for the quarter. Construction reported revenues of NOK 2,007 million (1,987 million) for the 3rd quarter. Earnings before tax were NOK 80 million (117 million). Year to date revenues totalled NOK 6,026 million (6,437 million) and earnings before tax were NOK 296 million (357 million).

Haga & Berg, Strøm Gundersen, AF Bygg Oslo and AF Bygg Østfold excelled with good results in the quarter. Good operational performance and projects in the final phase contributed positively to profitability in the quarter. Write-downs in the project portfolio of AF Nybygg of NOK 18 million lowered profitability for the business area in the quarter. In addition, LAB Entreprenør, HTB and AF Håndverk delivered weak results. AF Nybygg's project portfolio has now been transferred to AF Bygg Oslo.

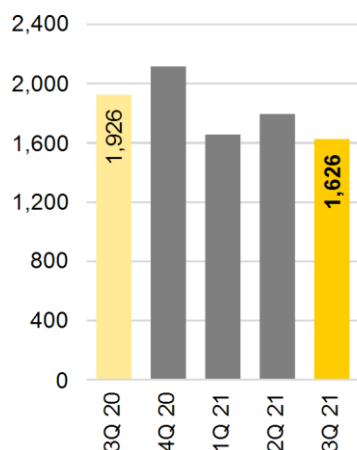
Price developments for raw materials such as steel and wood are challenging, especially for the units that have agreed on fixed prices for their projects. Units that are compensated for wage and price inflation (LPS) are less impacted by the price increases.

In the third quarter, three new agreements with an estimated value of NOK 2,043 million have been announced to the stock exchange. AF Gruppen is to build Construction City, an industry cluster that will bring together the building, civil engineering and real estate industry in Norway. The contract has a value of NOK 2,676 million, excluding VAT. The project will be carried out in cooperation between AF Bygg Oslo and Betonmast Oslo; 2/3 of the value, equivalent to NOK 1,784 million of the order backlog will therefore be included in the Building business area. AF Bygg Østfold has signed a contract with Troll dalen 1 BRL for the renovation of wet rooms in Moss. The contract is a turnkey contract valued at NOK 138 million, excluding VAT. Helgesen Tekniske Bygg has signed a contract with Hardanger Fiskeforedling AS in connection with the renovation and expansion of existing fish slaughterhouses in Langevåg on Bømlo. The contract is a turnkey contract valued at approximately NOK 112 million, excluding VAT.

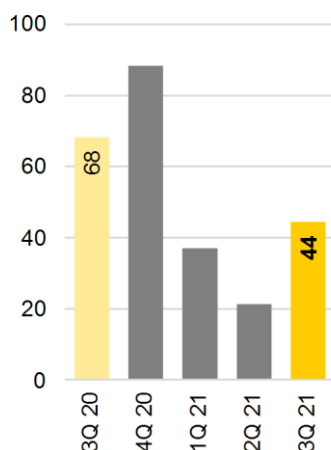
Construction's order backlog was NOK 14,594 million (9,293 million) as at 30 September 2021.

BETONMAST

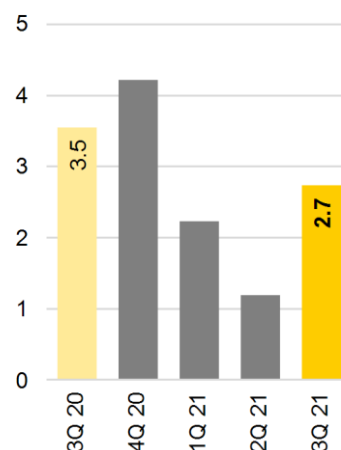
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



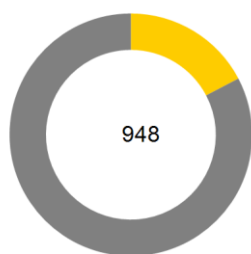
OPERATING MARGIN (%)



KEY FIGURES

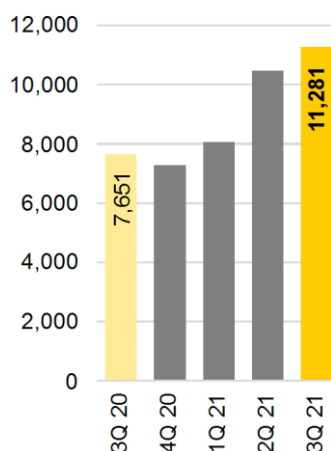
NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
Operating and other revenue	1,626	1,926	5,079	5,746	7,862
Earnings before financial items and tax (EBIT)	44	68	103	172	261
Earnings before tax (EBT)	40	65	87	166	252
Operating profit margin	2.7 %	3.5 %	2.0 %	3.0 %	3.3 %
Profit margin	2.5 %	3.4 %	1.7 %	2.9 %	3.2 %

NUMBER OF EMPLOYEES



AF Gruppen 5,471

ORDER BACKLOG (NOK million)



BETONMAST CONSISTS OF

- Betonmast Boligbygg
- Betonmast Oslo
- Betonmast Trøndelag
- Betonmast Romerike
- Betonmast Røsand
- Betonmast Telemark
- Betonmast Østfold
- Betonmast Innlandet
- Betonmast Buskerud-Vestfold
- Betonmast Ringerike
- Betonmast Göteborg
- Betonmast Mälardalen
- Betonmast Malmö
- Betonmast Stockholm
- Betonmast Anläggning
- Betonmast Eiendom



Betonmast is one of Norway's largest construction contractors and has operations in the largest markets in Norway and Sweden. The project portfolio comprises everything from major residential projects to commercial and public buildings. Betonmast is a major actor in construction for the public sector and possesses specialist expertise in project development and collaborative contracts.

Betonmast delivered weak profitability in the quarter, and as expected, profitability is weaker than for other operations in AF Gruppen. Betonmast reported revenues of NOK 1,626 million (1,926 million) and a pre-tax profit of NOK 40 million (65 million) in the 3rd quarter. Year to date revenues totalled NOK 5,079 million (5,746 million) and earnings before tax were NOK 87 million (166 million).

There was a great deal of variation in the profits of various units in Norway. Some units deliver consistently good results, such as Betonmast Romerike, Oslo and Østfold.

Betonmast Boligbygg and Telemark reported another quarter of weak results. Challenges in connection with several projects caused the weak results.

Betonmast's Swedish operations delivered profitability below expectations in the third quarter due to variation in the project portfolio. The weak results in the quarter are primarily related to a low level of activity in Betonmast Stockholm and weak profitability in Betonmast Anläggning.

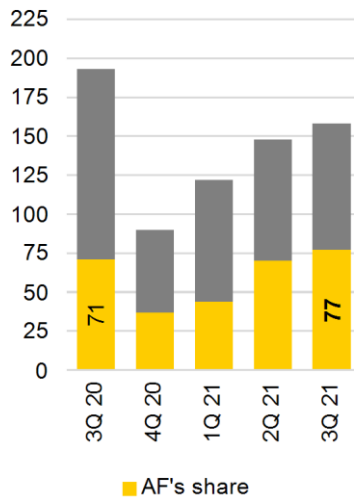
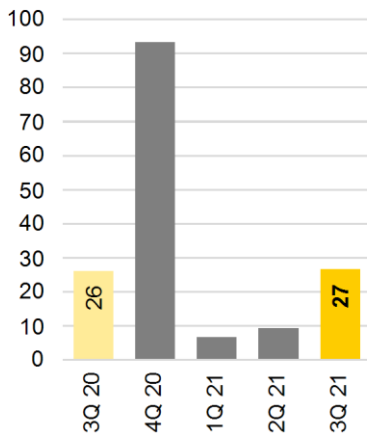
Betonmast has a separate property portfolio with four property projects with a total of 378 units under production. For further information on the projects, see Note 7.

Five new contracts were announced to the stock exchange in the third quarter with a total value of approximately NOK 1,863 million, excluding VAT. Among other things, a contract to build Construction City was entered into in the quarter; the contract has a total value of NOK 2,676 million, excluding VAT. Betonmast Oslo will perform 1/3 of the work and NOK 892 million is included in the order backlog for Betonmast. Betonmast Gothenburg has entered into a contract with Volvo for the construction of parking garages and office space at Hisingen in Gothenburg. The contract is a turnkey contract valued at approximately SEK 350 million, excluding VAT. Betonmast Malmö has signed a contract with Trianon for the construction of the Kvarteret Hanna in Arlöv outside Malmö. The contract is a turnkey contract with a total value of approximately SEK 266 million, excluding VAT.

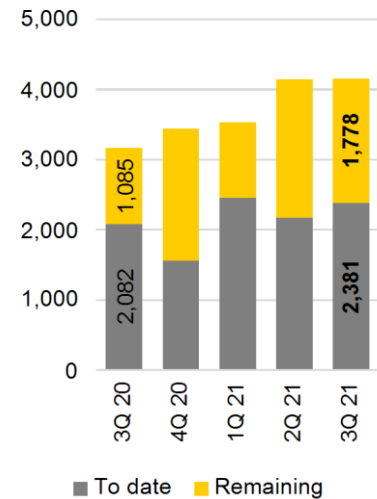
As at 30 September 2021, Betonmast's order backlog was NOK 11,281 million (7,651 million).

PROPERTY

EARNINGS BEFORE TAX (NOK million) UNITS SOLD (NUMBER)



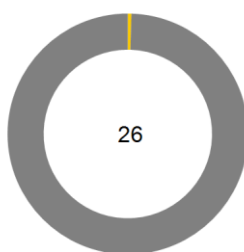
TURNOVER UNITS IN PRODUCTION (NOK million)



KEY FIGURES

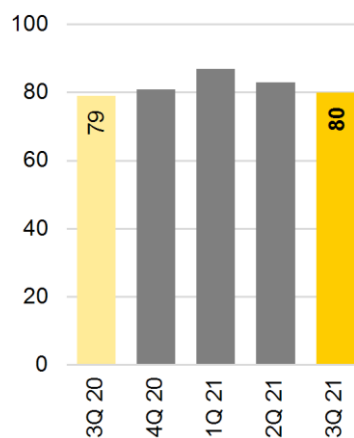
NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
Operating and other revenue	6	6	20	18	33
Earnings before financial items and tax (EBIT)	27	27	43	41	135
Earnings before tax (EBT)	27	26	43	38	132
Capital employed	836	976	836	976	844

NUMBER OF EMPLOYEES



AF Gruppen 5,471

SALES RATIO PROJECTS IN PROGRESS (%)



PROPERTY CONSISTS OF

- AF Eiendom
- LAB Eiendom



Property develops, designs and carries out residential and commercial projects in Norway. The activities take place in geographic areas where AF has its own production capacity. AF cooperates closely with other players in the property industry, and the development projects are mainly organised as part-owned companies that are recognised in accordance with the equity method of accounting.

Property delivered earnings before tax of NOK 27 million (26 million) in the 3rd quarter. Year to date earnings before tax were NOK 43 million (NOK 38 million). From the beginning of the year, Property has been divided into two operating units, AF Eiendom and LAB Eiendom, to ensure increased local anchorage in Greater Oslo and the Bergen region, respectively.

Property enjoyed good sales during the quarter, especially for the Bekkestua Have project for AF Eiendom. A total of 158 (193) apartments were sold in the quarter, of which AF's share was 77 (71). A total of 415 (343) have been sold year to date, and AF's share is 196 (123).

A total of 98 (173) residential units were handed over in the third quarter. A total of 20 and 73 units were handed over at AF Eiendoms projects Bo at Billingstad and Lilleby Triangel respectively, and in Bergen, five units were handed over at the Skiparviken project for LAB Eiendom.

There were six residential property projects in the production stage at the end of the quarter. A total of 636 units are in production, of which AF's share is 269. AF Eiendom:

- Bo på Billingstad in Asker (98 units under production, of which 95 are sold)
- Lilleby Triangel in Trondheim (125 units under production, of which 123 are sold)
- Brøter Terrasse at Lillestrøm (78 units in production, of which 65 are sold)
- Fyrstikkbakken in Oslo (159 units in production, of which 107 are sold)
- Skårersletta MIDT in Lørenskog (121 units in production, of which 75 are sold)

LAB Eiendom:

- Kråkehaugen in Bergen (55 units in production, of which 45 are sold)

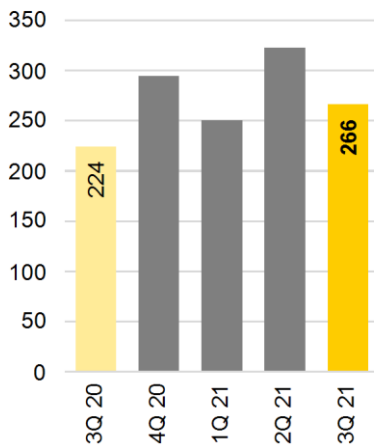
This gives a sales ratio of 80% for commenced projects. Property also has 153 units for sale in projects in the sales phase: Bekkestua Have (65 units), Rolvsrud Idrettspark (54 units) and Skårersletta MIDT (34 units) in AF Eiendom. There was a total of 7 (9) unsold completed apartments, of which AF's share was 3 (3). For more information on projects for own account, see Note 7.

AF also has a significant development portfolio in Norway which is estimated at 1,931 (2,198) units. AF's share of this is 989 (1,124) accommodations. The majority of our portfolio is located in Greater Oslo and Bergen.

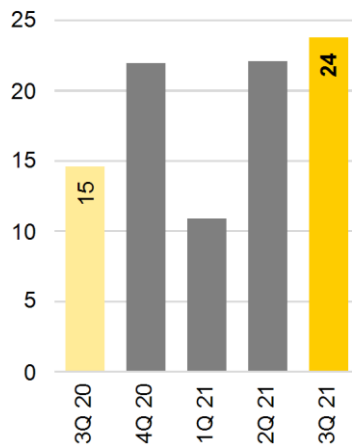
AF Eiendom is a partner in the Hasle Linje Næring project in Oslo, and AF's stake is 49.5%. At the end of the quarter, the K4 hotel and offices (21,056 square metres GFA) were completed but not sold. AF's ownership stake in Construction City was sold to OBOS during the quarter. Following the sale, AF has an ownership stake in commercial property under construction with a total gross floor area of 42,380 (145,100) square metres, of which AF's share is a gross floor area of 20,996 (43,733) square metres.

ENERGY AND ENVIRONMENT

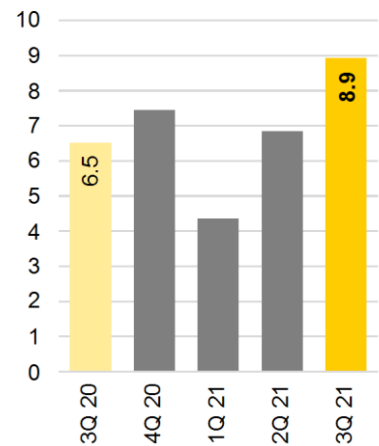
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



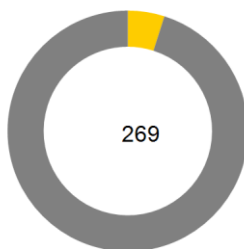
OPERATING MARGIN (%)



KEY FIGURES

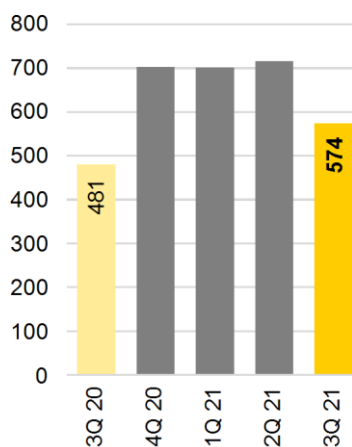
NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
Operating and other revenue	266	224	839	667	962
Earnings before financial items and tax (EBIT)	24	15	57	32	54
Earnings before tax (EBT)	23	14	54	32	52
Operating profit margin	8.9 %	6.5 %	6.8 %	4.7 %	5.6 %
Profit margin	8.8 %	6.3 %	6.4 %	4.8 %	5.5 %

NUMBER OF EMPLOYEES



AF Gruppen 5,471

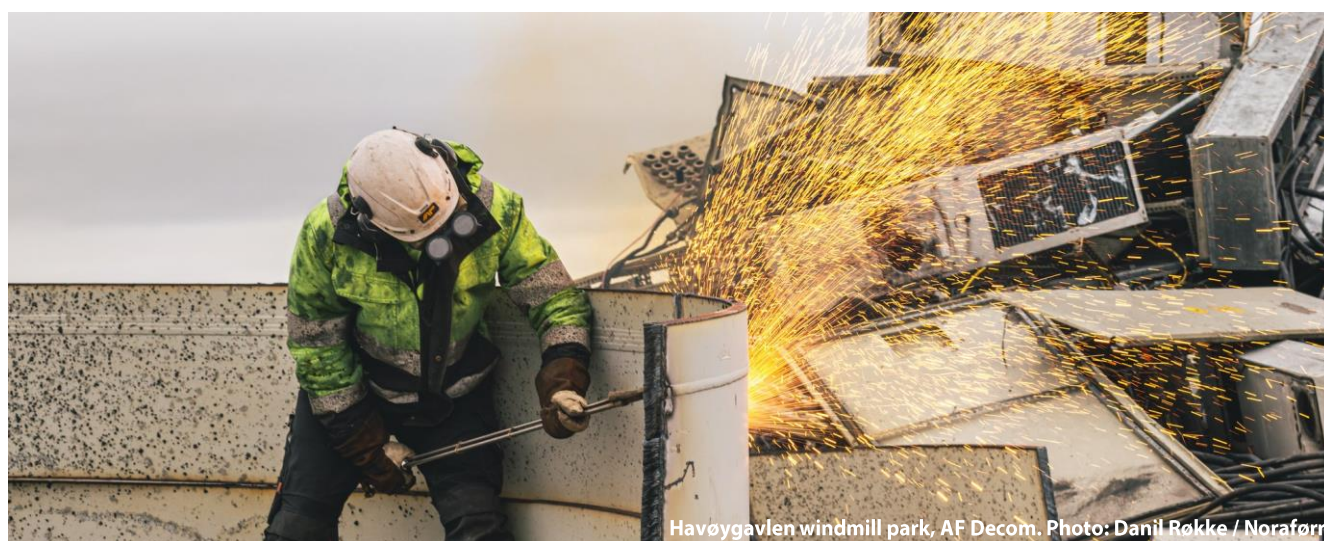
ORDER BACKLOG (NOK million)



ENERGY AND ENVIRONMENT

CONSIST OF

- AF Energi, prev. AF Energi og Miljøteknikk
Enaktiva
AF Energija Baltic
- AF Decom
Rimol Miljøpark
Nes Miljøpark
Jølsen Miljøpark



Havøygavlen windmill park, AF Decom. Photo: Danil Røkke / Noraførr

AF provides smart and energy-efficient services for buildings and industry, and is a leading actor within traditional demolition services and the subsequent receiving, treating and recycling of materials. At AF's environmental centres, Rimol, Jølsen and Nes, contaminated materials are sorted, decontaminated and recycled. The target is to recycle more than 80% of the materials.

Energy and Environment increased its level of activity and delivered a very good result in the quarter. Revenues for the 3rd quarter were NOK 266 million (224 million). This corresponds to a growth of 19% compared to the same quarter last year. Earnings before tax were NOK 23 million (14 million). Year to date revenues totalled NOK 839 million (667 million) and earnings before tax were NOK 54 million (32 million).

AF Decom increased its level of activity and continues to deliver good profitability for both demolition and recycling at AF's environmental centres. AF's demolition operations demolish and sort the different material for recycling. AF Decom demolished and facilitated the recycling of approximately 1,938 (993) tonnes of metal in the third quarter, and 7,946 (9,164) tonnes of metal so far this year. The steel industry accounts for about 7% of the world's total CO₂ emissions. Reusing steel results in 70% lower CO₂ emissions than ore-based production. This corresponds

to a reduction in emissions of 1 kg CO₂ for each kilo of steel recycled. This means that AF Decom's demolition operations have helped to reduce alternative CO₂ emissions by 7,946 tonnes this year.

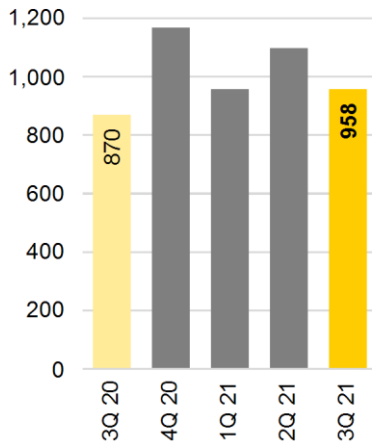
The foundation for our environmental activities is that to a large extent waste can be reused, and thus be a valuable resource in a growing circular economy. AF's environmental parks receive contaminated material and are working to reuse as much of this as possible instead of it going to landfill. There was a good level of activity in the environmental parks in the quarter and profitability is good. AF's environmental centres have recycled a total of 122,694 (145,593) tonnes of material in the 3rd quarter, and a total of 264,290 (394,323) tonnes of material so far this year. The recycling rate realised for contaminated materials was 77%, which is slightly below the target of 80%. This is due to the reception of a lot of clay material with a lower potential recycling rate.

AF Energi, formerly AF Energi og Miljøteknikk, had a reduced level of activity and profitability below expectations in the quarter. AF Energi designs and supplies energy plants for the supply of alternative forms of energy to residential and commercial projects, which are favourable in a long-term ownership perspective.

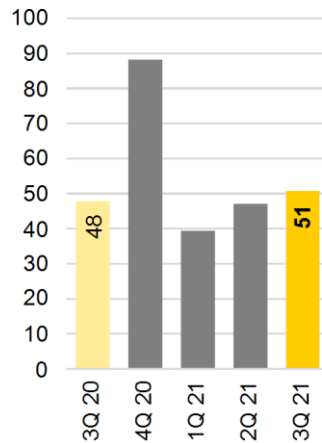
The order backlog for Energy and Environment stood at NOK 574 million (481 million) as at 30 September 2021.

SWEDEN

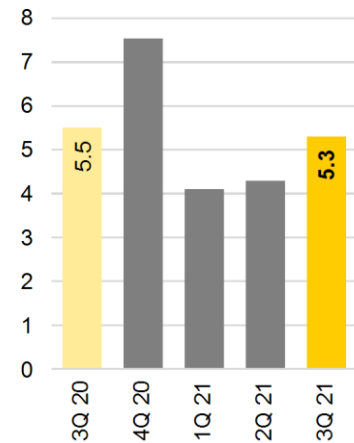
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



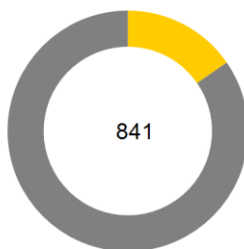
OPERATING MARGIN (%)



KEY FIGURES

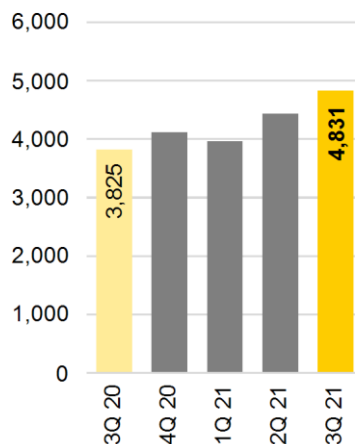
NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
Operating and other revenue	958	870	3,016	2,969	4,138
Earnings before financial items and tax (EBIT)	51	48	137	130	219
Earnings before tax (EBT)	50	46	133	126	212
Operating profit margin	5.3 %	5.5 %	4.6 %	4.4 %	5.3 %
Profit margin	5.2 %	5.3 %	4.4 %	4.2 %	5.1 %

NUMBER OF EMPLOYEES



AF Gruppen 5,471

ORDER BACKLOG (NOK million)



SWEDEN CONSISTS OF

- Kanonaden
- AF Prefab i Mälardalen, prev. Pålplintar
- AF Bygg Syd
- AF Projektutveckling
- AF Härnösand Byggreturer
- HMB



AF's Swedish business area encompasses activities related to construction, civil engineering, property and environmental activities in Sweden. Geographically, the business unit covers Gothenburg and Southern Sweden as well as Stockholm and Mälardalen.

Sweden increased sales and maintained good profitability in the third quarter compared with the same quarter last year. Sweden reported revenues of NOK 958 million (870 million) for the 3rd quarter. Earnings before tax were NOK 50 million (46 million). Year to date revenues totalled NOK 3,016 million (2,969 million) and earnings before tax were NOK 133 million (126 million).

In the Swedish civil engineering market, Kanonaden delivered revenue growth and solid results. AF Prefab in Mälardalen had low production during the period.

Total turnover for the Swedish building units AF Bygg Syd and HMB increased compared to the same period last year, but profitability is somewhat below expectations. For the demolition business, the level of activity increased from last year, and AF Härnösand Byggregreturer continues to deliver solid results.

Price developments for raw materials such as steel and wood products are also challenging in Sweden. This is especially true for the units that have agreed fixed prices for their projects. Projects that are compensated for wage and price inflation (LPS) are less impacted by the price increases. In addition, there is uncertainty regarding future cement production in Sweden

due to Cementa's production facilities having to halt the extraction of limestone. Cementa is waiting for the government to consider its proposal for a temporary permit for further limestone operations. Until the proposal is processed, it has been granted permission to crush the limestone that it has in stock.

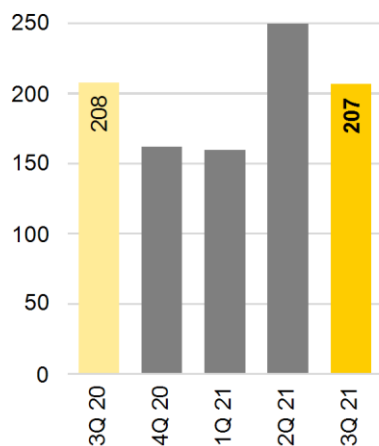
AF Projektutveckling, AF's property business in Sweden, has completed the Donnergymnasiet school project. Sale of the school project is expected to be completed in Q4 2021. The unit has two housing projects with a total of 73 homes in production. For further information on the residential projects, see Note 7. The unit has a building site inventory (residential units under development) that is estimated at 651 (363) residential units. AF's share of this is 313 (169) residential units.

Three contracts have been announced to the stock exchange in the third quarter with a total value of approximately SEK 520 million, excluding VAT. HMB has signed a contract with Genoa and Redito for the construction of new homes in Knivsta, south of Uppsala. This is a turnkey contract with an estimated value of SEK 210 million, excluding VAT. AF Bygg Syd has signed a contract with OBOS Kärnhem to build Brf Pärlan in Lund. The project is a turnkey contract and is valued at approximately SEK 180 million, excluding VAT. Kanonaden Entreprenad will carry site preparation and construction work for a new central warehouse in Bålsta outside Stockholm on behalf of Logicens. The contract has an estimated value of SEK 120-140 million, excluding VAT.

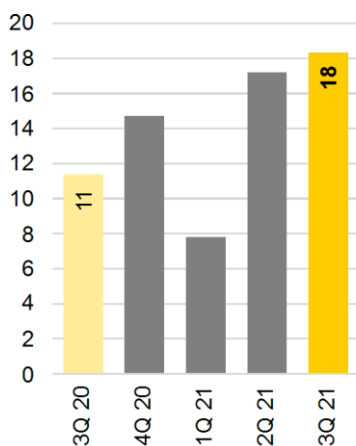
The order backlog for Sweden stood at NOK 4,831 million (3,825 million) as at 30 September 2021.

OFFSHORE

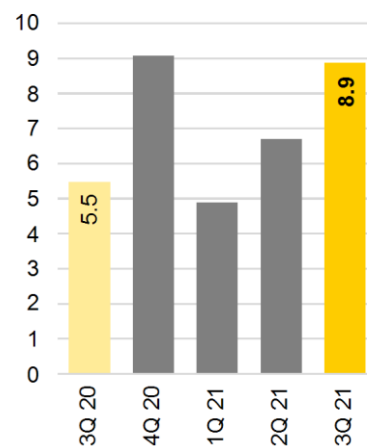
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



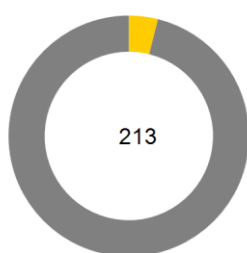
OPERATING MARGIN (%)



KEY FIGURES

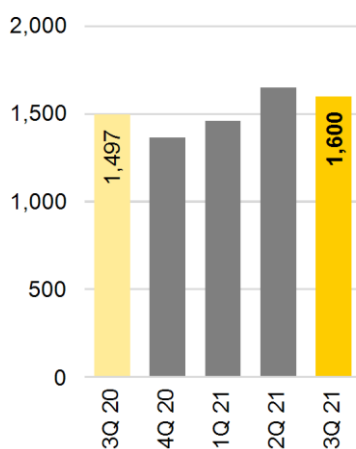
NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
Operating and other revenue	207	208	623	510	672
Earnings before financial items and tax (EBIT)	18	11	43	-39	-25
Earnings before tax (EBT)	19	10	41	-50	-40
Operating profit margin	8.9 %	5.5 %	7.0 %	-7.7 %	-3.7 %
Profit margin	9.0 %	5.0 %	6.5 %	-9.7 %	-5.9 %

NUMBER OF EMPLOYEES



AF Gruppen 5,471

ORDER BACKLOG (NOK million)



OFFSHORE CONSISTS OF

- AF Offshore Decom
- AF AeronMollier



AF Environmental Base Vats. Photo: Daniel Ugas / AF Gruppen

AF has varied activities in the oil and gas industry. The services range from new build and modification of systems for climate control (HVAC) delivered to the offshore and marine market, to the removal and recycling of offshore installations. AF has a state-of-the art facility for environmental clean-up at Vats.

Revenues for Offshore in the quarter were at the same level as third quarter last year and profitability was good. Revenues in the 3rd quarter were NOK 207 million (208 million). Earnings before tax were NOK 19 million (10 million). Revenues totalled NOK 623 million (510 million) and earnings before tax were NOK 41 million (-50 million) year to date.

AF Offshore Decom has a higher level of activity and good profitability as a result of good operational performance at AF Miljøbase Vats. Fairfield Decom was discontinued in the quarter, the write-down had a negative effect on results for the quarter of NOK -11 million.

AF Offshore Decom demolishes and facilitates the recycling of offshore installations. AF Offshore Decom sorted 96% of the structures for recycling in the third quarter, where metal is the main component. The steel industry accounts for about 7% of the world's total CO₂ emissions. Reusing steel results in 70% lower CO₂ emissions than ore-based production. This corresponds to a reduction in emissions of 1 kg CO₂ for each kilo of steel recycled. AF Offshore Decom demolished and facilitated the recycling of approximately 14,960 (3,317) tonnes of steel in the third quarter and 32,029 (11,568) so far this year. This represents a reduction of alternative CO₂ emissions of 32,029 tonnes so far this year.

AF AeronMollier reported a drop in revenue in the quarter, but still maintained earnings in the third quarter. There is a good level of activity in service projects on installations on the Norwegian continental shelf in the quarter, but there is a need for strengthened order intake for other activities.

The order backlog for Offshore was NOK 1,600 million (1,497 million) as at 30 September 2021.



SHARE PRICE PERFORMANCE DURING THE LAST 12 MONTHS



FINANCIAL INFORMATION

AF Gruppen shall have robust financing with respect to operational and market-related fluctuations. The Group's required return on invested capital is 20%, and its financial position shall underpin the growth strategy and provide an adequate dividend capacity.

In the 3rd quarter, net operating cash flow was NOK 380 million (574 million) and net cash flow from investments was NOK 118 million (-60 million). Cash flow before capital transactions and financing was NOK 498 million (513 million) for the 3rd quarter. Year to date cash flow from operating activities was NOK 1,114 million (1,274 million), and cash flow from net investments NOK -18 million (-122 million). Cash flow before financing activities was NOK 1,096 million (1,153 million) year to date.

At the end of the 3rd quarter, AF Gruppen had cash and cash equivalents of NOK 593 million (893 million). Net interest-bearing debt as at 30 September 2021 was NOK 26 million (-341 million).

AF Gruppen's total financing facilities are NOK 3,000 million. The agreements include a multi-currency overdraft facility (revolving 1-year term) for NOK 2,000 million with DNB and a revolving long-term credit facility worth NOK 1,000 million with Handelsbanken, available until 2024. Available liquidity at 30 September 2021, including overdraft facilities with Handelsbanken and DNB, is NOK 3,570 million.

Total assets were NOK 13,137 million (13,429 million) as at 30 September 2021. The Group's equity totalled NOK 3,378 million (3,195 million) as at 30 September 2021. This corresponds to an equity ratio of 25.7% (23.8%).

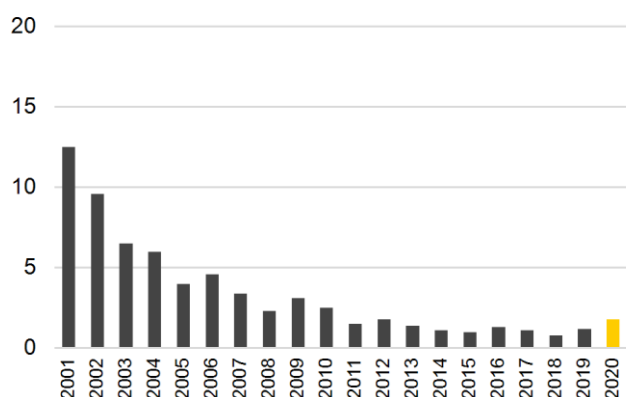
THE SHARE

AF Gruppen's shares are listed on the Oslo Børs OB Match List and trade under the ticker AFG. The share is included in the Oslo Børs All Share Index (OSEAX), Benchmark Index (OSEBX), Mutual Fund Index (OSEFX) and the Industrials Index (OING).

LIST OF SHAREHOLDERS AS AT 30 SEPTEMBER 2021

Name	No. Shares	% share
OBOS BBL	17,183,709	16.2
ØMF Holding AS	17,127,342	16.2
Constructio AS	14,695,347	13.9
Folketrygdfondet	9,182,889	8.7
LJM AS	2,515,217	2.4
Artel Kapital AS	2,508,267	2.4
VITO Kongsvinger AS	1,911,676	1.8
Arne Skogheim AS	1,753,870	1.7
Staavi, Bjørn	1,627,000	1.5
Janiko AS	1,300,186	1.2
Ten largest shareholders	69,805,503	65.9
Total other shareholders	36,110,573	34.1
Own shares	82,421	0.1
Total number of shares	105,998,497	100.0

LTI-1 RATE DEVELOPMENT



As of 30 September 2021, the AF share had a closing price of NOK 184.60. This corresponds to a return of 8.8% year to date, adjusted for dividends of NOK 6.50 per share. The Oslo Børs Benchmark Index showed a return of 19.4% for the same period.

In October, a total of 999 employees subscribed for a total of 1,000,000 shares in connection with AF Gruppen's share programme. The shares were subscribed for at a price of NOK 147.10 per share, which corresponds to a 20% discount compared to the average market price in the subscription period. In this connection, the Board of Directors resolved to sell 193,997 treasury shares and issue 806,003 new shares. This was carried out on 12 October 2021. Once the sale has been completed, the company will not own any treasury shares.

After the issue, the total number of shares in AF Gruppen ASA is 106,804,500, which corresponds to a share capital of NOK 5,340,225.

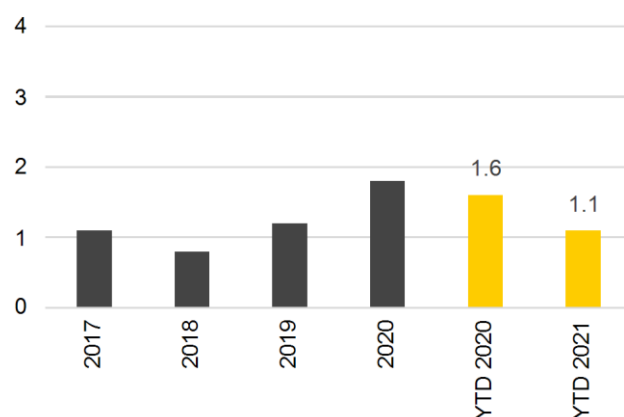
The company's Board of Directors has been authorised by the Annual General Meeting to determine the dividend to be distributed for the 2nd half of the year. The Board of Directors has proposed a dividend of NOK 4.00 (3.50) per share for the second half of the year. The AF share will be listed ex-dividend on 15 November with payment to the shareholders on 23 November.

SAFETY AND HEALTH

AF Gruppen is complying with the recommendations made by the authorities concerning Covid-19. During the quarter, society in Norway moved to a so-called normal daily life with increased preparedness. A number of measures at the Group level and at the business unit and project level have been lifted in the quarter, but AF's top priority remains to protect the employees.

Health, safety and environment (HSE) has high priority in AF Gruppen and is an integral part of the management at all levels. AF has a structured and uniform HSE system that

LTI-1 RATE



encompasses all projects. The working environment should be safe for everyone, including those who are employed by our subcontractors. The figures from the subcontractors are therefore included in the injury statistics.

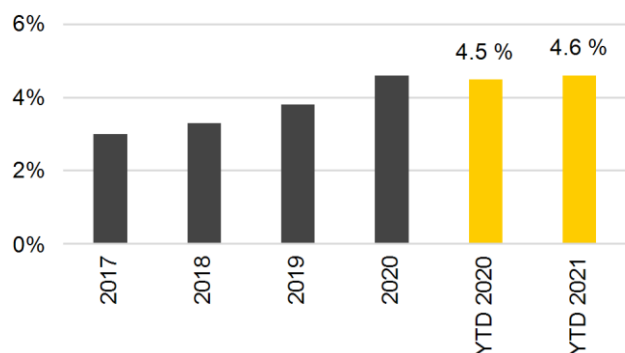
The LTI (lost-time injury) rate is an important measurement parameter for safety work at AF. The LTI-1 rate is defined as the number of serious personal injuries and absence injuries per million man-hours. A total of 4 (5) injuries resulting in absence were registered in the 3rd quarter. This gives an LTI-1 rate of 0.8 (1.0) for the 3rd quarter. Year to date the LTI-1 rate is 1.1 (1.6).

Systematic and long-term work is being carried out to reduce the LTI-1 rate. Significant resources are being invested to further improve our HSE efforts in order to be able to achieve our goal of an LTI-1 rate of zero. Key to this work is AF's fundamental understanding and acceptance that all injuries have a cause and can therefore be avoided. Identifying risk and risk analysis are key parts of our preventive activities. Based on the current risk situation, physical and organisational barriers are established to reduce the risk of personal injury.

Learning from own mistakes is of critical importance. AF has systematised this through reporting and following up undesired incidents, as well as investigating the most serious incidents. The number of reports has increased steadily in recent years, and we see a clear correlation between the increased reporting of undesired incidents and the decrease in injuries.

The registration of sickness absence forms the basis for the measurement of health work at AF. For the 3rd quarter, sickness absence was 4.2% (4.0%), and 4.6% (4.5%) year to date. Our target is a healthy sickness absence level, without absence due to occupational illnesses or injuries. Systematic efforts are being made, which consist of ongoing risk analysis of exposure that is harmful to health, the establishment of physical and organisational barriers, and close follow-up of employees on sick leave.

SICK LEAVE DEVELOPMENT



AF strives to avoid environmental damage and minimise undesirable effects on the environment. Environmental work is an integral part of HSE work, and the main tools used are therefore the same that are used otherwise in connection with HSE work.

CLIMATE AND ENVIRONMENT

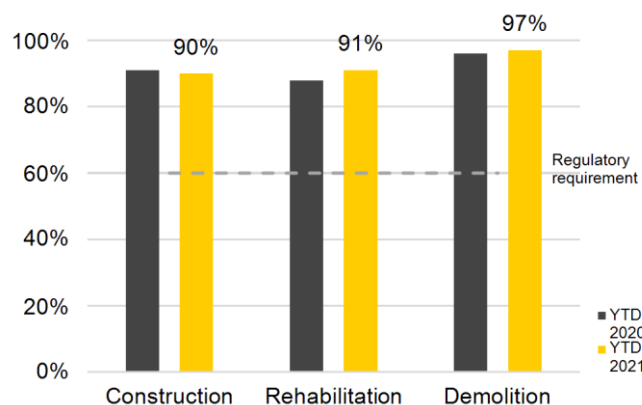
As part of the strategy for 2021-2024, AF has set a goal of halving relative greenhouse gas emissions and waste volumes that cannot be reused or recycled by 2030. The most important factor in reducing our own climate footprint is logistics planning to, among other things, reduce the transport of material. In addition, the use of electric machinery, a modern machinery stock and car fleet, the choice of materials and sorting of waste will help to further reduce our own greenhouse gas emissions.

The source separation rate indicates how much of the waste from AF's operations is separated for the purpose of facilitating recycling. The government requirement for source separation is 60%. In the 3rd quarter, the source separation rate for construction was 90% (91%), for renovation it was 95% (90%) and for demolition it was 96% (95%). Year to date the source separation rate for construction was 90% (91%), the result for renovation was 91% (88%) and the result for demolition was 97% (96%). These results are considered to be very good. A total of 64,032 tonnes (62,068 tonnes) were separated at source in the 3rd quarter and a total of 240,243 tonnes (221,598 tonnes) were separated at source year to date.

AF wants to use the expertise we have to create further indirect savings on greenhouse gas emissions. AF's environmental centres are examples of solutions where materials that previously would have ended up in landfill sites can now be recovered and have their useful life extended. The environmental centres have recycled a total of 264,290 tonnes (394,323 tonnes) of materials year to date.

The Offshore and Energy and Environment business areas are based on services that solve environmental challenges in the area of demolition and recycling. All our demolition

SOURCE SEPARATION RATE



activities, both onshore and offshore, are based on a circular economy, where over 95% of all material from demolition is sorted for recycling. Metals, especially steel, are one of the main components of that which is recycled. The steel industry accounts for about 7% of the world's total CO₂ emissions. Reusing steel results in 70% lower CO₂ emissions than ore-based production. This corresponds to a reduction in emissions of 1 kg CO₂ for each kilo of steel recycled. AF Offshore Decom and AF Decom demolished and facilitated the recycling of 16,898 tonnes (4,310 tonnes) of metal in the 3rd quarter and 39,975 tonnes (20,732 tonnes) of metal year to date. In total, this represents a reduction of alternative CO₂ emissions by around 39,975 tonnes year to date.

ORGANISATION

AF Gruppen is working continuously to build a uniform corporate culture. Motivated employees and a solid organisation are an important foundation for creating value. It is prioritized in AF to construct organisations with a good composition of technical expertise and management at all levels. The resources are organised close to production, with project teams where the managers have a major influential force.

AF aims to be a company to which talented individuals apply, whether they are women or men. A long-term goal is to increase the proportion of women among salaried employees to 40%, and the total proportion of women to 20%. This is an ambitious goal. This means that AF would move from being one of the worst in its class to an industry leader. In the 3rd quarter the share of women is 9.9 % (10.0 %) in total and 19.2 % (19.7 %) amongst officials.

In AF, everyone is of equal value, and the company shall have an inclusive and safe working environment with zero tolerance for discrimination and a culture where violations have consequences. AF has been working on the diversity project "The best people" since 2018, and as part of the project, the campaign "Of equal value" has been launched. The campaign has been very well received in all projects in both our Swedish and Norwegian business units. AF's work

on diversity, including through the Diversitas network and #HunSpanderer, has contributed to an increased focus on and change of attitudes related to unconscious discrimination.

AF is also maintaining a sharp focus on innovation and digitalisation within all our business areas. We are working in a structured manner on how new technology can contribute to increased productivity and minimise risk in our projects, contribute to a safer daily life for our employees, and not to mention create greater value for our customers. In addition, we are continuously seeking new business models on the border of or outside of our current core areas. AF Gruppen has its own corporate function for innovation and digitalisation, in addition to a joint venture fund with OBOS for venture capital investments in the building and construction industry (Construct Venture).

AF invests a lot of time and resources in the development of employees through training in various positions in production and through development of the AF Academy. More than 80% of the current managers have been recruited internally. Our employees are good ambassadors for the recruitment of new colleagues.

At the end of the 3rd quarter AF Gruppen had a total of 5,471 (5,523) employees. Of these employees 4,400 (4,506) were employed in Norway, 1,048 (983) in Sweden, 10 (22) in Lithuania and 13 (12) in Germany.

RISK AND RISK MANAGEMENT

AF Gruppen is exposed to risk of both non-financial and financial nature. Risk reflects uncertainty or variations in the result. Non-financial risk encompasses business risk, operational risk and reputational risk. Business risk arises as a result of external circumstances. These circumstances may, for example, be related to how competitors act, climate changes, regulatory changes or other political risk. The importance of business risk has been highlighted by the Covid-19 pandemic and the authorities' measures in this connection. AF Gruppen's Board of Directors and management are continuously assessing the situation and implementing any measures that are necessary to ensure adequate liquidity and responsible operations. Reputational risk is the risk of loss of reputation. AF's credibility is based on trust and we have an uncompromising attitude towards ethics and a strong corporate culture with zero tolerance for, among other things, corruption and bribery. Our employees represent AF Gruppen in all business context, and it is essential that they identify with and follow AF's Code of Conduct. Suppliers and subcontractors are also obliged to follow the Code of Conduct through AF's supplier declaration. Operational risk

is the risk of losses due to deficiencies or errors in processes and systems, human errors or external events. AF Gruppen wants to undertake operational risk that the business units can influence and control. AF has developed risk management processes that are well adapted to our operations. Standardised, action-oriented risk management processes ensure comprehensive and coherent risk management in all parts of the organisation. AF seeks to limit exposure to risk that cannot be influenced. A risk review is conducted for all projects before a tender is even submitted. Analysis of risk during the tendering phase enables the correct pricing and management of risk in the project. The same project organisations conduct detailed risk reviews every quarter. The Corporate Management Team participates in risk reviews of all projects with a contract value in excess of NOK 100 million. In addition, 31 quarterly reviews in the business units were completed during the 3rd quarter, where the Corporate Management Team also participated.

Financial risk encompasses market risk, credit risk and liquidity risk. Market risk includes commodity price risk, foreign exchange risk and interest rate risk. AF is exposed to foreign exchange risk, including indirectly via suppliers who purchase from abroad, as well as the purchase and leasing of machinery manufactured abroad. As a significant demolition and recycling business, AF Gruppen is also exposed to changes in the steel prices. AF aims to have low exposure to risks that cannot be influenced, and it uses hedging instruments to mitigate the risk associated with foreign exchange rates and steel prices. AF has credit risk in relation to customers, suppliers and partners. The use of credit rating tools, in addition to parent company guarantees and bank guarantees, contributes to reducing risk. The liquidity risk is considered low. AF Gruppen's available liquidity, including credit facilities of NOK 3,000 million, stood at NOK 3,570 million as at 30 September 2021.

MARKET OUTLOOK

The reopening of society has resulted in an upturn in the Norwegian economy, with a higher level of activity and more optimistic prospects. Although the spread of infection has increased since the summer, the need for infection control measures has been limited as a result of a high vaccination rate in Norway. Nevertheless, there is uncertainty surrounding the further course of the pandemic. The Covid-19 pandemic has affected the level of activity in building and civil engineering to a lesser extent than many other industries, but there is still uncertainty about how the markets we are part of will be affected in the time ahead. Among other things, there is the risk associated

with virus mutations and new lockdowns, including travel restrictions and border closures.

The civil engineering market in Norway is good and not very sensitive to cyclical fluctuations, as public sector demand is the strongest driver behind investments in civil engineering in Norway. In the national budget for 2022, the Government appropriated NOK 85 billion for transport, an increase of 3.1% compared to 2021, when the extra funds for Covid measures are excluded. Prognosesenteret reports that the level of activity in civil engineering in 2020 seems to have only been affected by Covid-19 and the infection control measures to a small extent, even though construction investments fell somewhat in 2020. In 2021 and 2022, however, Prognosesenteret expects strong growth in construction investments. Prognosesenteret forecasts growth of 17% for 2021 and 18% for 2022. Growth is primarily expected to come from road projects, but also railway and tramline systems. In 2021, Prognosesenteret expects NOK 100 billion of construction investments, of which 38% will come from road building, while 15% will come from railway and tramline systems. Taken together, the forecasts for the civil engineering market provide a good foundation for further growth of AF's civil engineering activities, even with the uncertainty about the consequences of Covid-19 in the short term.

Figures from Property Norway as of September show that price growth is declining across the country and that the housing market is now following a normal cyclical path. At the end of the third quarter, residential property prices were 8.0% higher nationally than one year ago. The 12-month nominal change was 7.2% in Oslo, 9.2% in Trondheim and 8.6% in Bergen. At the interest rate meeting in September 2021, Norges Bank decided to raise the key rate from 0% to 0.25%. Norges Bank announced at this interest rate meeting that normalisation of the economy suggests that it is now appropriate to start a gradual normalisation of the key rate.

The building market in Norway remained at a high level in 2020 with a total production value of NOK 345 billion. Prognosesenteret expects a 3.4% increase in production value in 2021, before a decline in the market of 1.3% in 2022 and a further 0.8% in 2023. New residential buildings are expected to drive growth in 2021, while the renovation, remodelling and extension market is expected to drive growth in 2022 and 2023. During the forecast period up to 2023, the largest growth is estimated for the construction market in Oslo. Start permits for 29 950 new residential units were registered in 2020. For 2021, 2022 and 2023, Prognosesenteret estimates that the number of start permits will be 31,500, 28,000 and 27,000 residential units, respectively. For Oslo, housing starts in 2021 are expected to amount to 3,000 residential units, which is 7.5% higher

than in 2020. Prognosesenteret also expects growth in the number of commenced residential units in Viken and Vestland in 2021, which in addition to Oslo are important markets for AF's construction operations. Even though a high level of activity is expected for AF's construction operations in Norway in the future, the consequences of Covid-19 will contribute to increased uncertainty for the construction market in the short term.

Price developments for steel and wood products is a significant element of uncertainty for our business going forward. According to Statistics Norway's construction cost index "Multi dwelling houses total", prices in September were 7.7% higher than a year ago and prices for materials have increased by 13.5% in the same period. Price developments particularly affect units with projects that have entered into fixed-price agreements, while units that have entered into projects with agreements on ongoing wage and price increases (LPS) are less affected.

The Energy and Environment business area encompasses AF's energy services related to land-based activities and services related to demolition and recycling onshore in Norway. AF Gruppen's level of demolition activity is closely connected to the general level of activity in the construction and civil engineering markets. Lower housing starts will affect the market for demolition and recycling services. The authorities in Norway have defined ambitious energy goals related to a reduction in the consumption of energy towards the year 2030. Enova has found that there is a major maintenance backlog for public buildings and major conservation opportunities in connection with the rehabilitation of buildings. Furthermore, the delivery of heating and cooling for commercial buildings is another interesting market. The demand is closely related to the number of new commercial building starts. Prognosesenteret expects the total floor area of commercial building starts to increase by 5.2% in 2021 before decreasing again by 5.9% in 2022. Growth in commercial buildings in Oslo is expected to be particularly strong during the projection period. Overall, we expect a healthy market for AF's energy and environment business.

Offshore services for the removal and recycling of decommissioned oil platforms solve a significant societal challenge. The aim is to recycle as much of the materials from the decommissioned offshore platforms as possible. The recycling of steel from decommissioned oil platforms is a significant contribution to reducing greenhouse gas emissions compared with ordinary steel production.

The discontinuation of petroleum activities on a global basis provides great potential for AF Gruppen's decommissioning operations as there are approximately 10,000 platforms in

operation. According to the British industry organisation Oil & Gas UK, there is an expectation that more than 900 000 tonnes of top deck will have to be removed in the North Sea during the period from 2020 to 2029. This applies to the British, Norwegian, Danish and Dutch sectors. The market for the removal of offshore installations has been characterised by delays and strong competition, but the current decommissioning rate of platforms means that it will take operators approximately 100 years to recycle today's installations. An increase in pace will lead to increased demand for this type of service.

For AF's offshore climate control business (HVAC), as well as maintenance and modifications, market conditions remain challenging. However, electrification of the marine sector and installations on the Norwegian shelf provides new market opportunities. The Government's climate plan proposes that the CO₂ tax be adjusted upwards from NOK 590/tonne today to NOK 2,000/tonne in 2030, which can help accelerate the pace of electrification. The oil price fluctuated significantly over the last year, and Covid-19 is still contributing to uncertainty in the oil industry, which in turn may affect AF's operations in the future.

The building and civil engineering markets in Sweden is expected to increase by 3% in 2021, according to Byggföretagen's latest updated forecast. This implies an increase in investment volume from SEK 547 billion in 2020 to SEK 563 billion in 2021. New residential buildings are highlighted as the largest driver with an estimated annual growth of 10% in 2021. Construction investments fell by 9% in the first half of 2021, but Byggföretagen expects activity to increase in the second half of 2021 and overall, the construction market is expected to decrease by 3% in 2021.

Price developments for steel and wood products also create challenges for our Swedish business. There is also uncertainty about future cement production in Sweden.

Approximately 75% of the cement used in Sweden is produced on Gotland, where Cementa AB was not granted a renewed permit to mine limestone during the summer. According to Byggföretagen, a halt in production will have major consequences, including construction stoppages, unemployment and loss of investment. Cementa is now waiting for the government to consider the proposal for a temporary permit for further limestone operation. Until the proposal is processed, it has been granted permission to crush the limestone that it has in stock.

The Swedish housing market showed a moderate development in the third quarter. At the end of September, Svensk Mäklarstatistik reported a 0.9% price increase from the previous quarter for apartments and 0.7% for detached houses. The rise in prices compared to the same quarter in 2020 was 7.7% for apartments and 14.3% for detached houses. In September 2021, the Riksbank decided to maintain a zero interest rate, and has stated that it expects to keep the key rate at zero until the end of the forecast period that extends to the third quarter of 2024. Overall, this indicates that AF's operations in Sweden will have good opportunities in the future, even though competition is tough. However, the consequences of Covid-19 will continue to contribute to increased uncertainty in Sweden in the near future.

Oslo, 11 November 2021

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Financial information



CONDENSED CONSOLIDATED STATEMENT OF INCOME

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
Operating and other revenue	6,358	6,366	19,756	19,540	27,025
Subcontractors	-3,242	-3,320	-10,213	-10,520	-15,041
Cost of materials	-1,089	-1,067	-3,474	-3,067	-3,712
Payroll costs	-1,218	-1,130	-3,683	-3,508	-4,953
Operating expenses ex. depreciation and impairment	-340	-410	-1,086	-1,349	-1,571
Net gains (losses) and profit (loss) from associates	27	67	96	155	305
EBITDA	495	506	1,398	1,252	2,053
Depreciation and impairment of tangible fixed assets	-56	-47	-154	-137	-193
Depreciation and impairment of right of use assets	-95	-87	-273	-267	-377
Depreciation and impairment of intangible assets	-	-	-1	-1	-3
Earnings before financial items and tax (EBIT)	344	371	970	847	1,480
Net financial items	-	-3	-25	-14	-33
Earnings before tax (EBT)	344	368	945	833	1,447
Income tax expense	-74	-67	-202	-170	-289
Net income for the period	270	301	743	663	1,158
Attributable to:					
Shareholders in the Parent Company	220	251	606	539	971
Non-controlling interests	50	50	137	123	187
Net income for the period	270	301	743	663	1,158
Earnings per share (NOK)	2.08	2.40	5.72	5.18	9.29
Diluted earnings per share (NOK)	2.08	2.40	5.71	5.18	9.27
Key figures	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
EBITDA margin	7.8 %	7.9 %	7.1 %	6.4 %	7.6 %
Operating profit margin	5.4 %	5.8 %	4.9 %	4.3 %	5.5 %
Profit margin	5.4 %	5.8 %	4.8 %	4.3 %	5.4 %
Return on capital employed (ROaCE) ¹⁾	-	-	36.0 %	30.5 %	34.8 %
Return on equity	-	-	36.6 %	31.2 %	36.6 %
Equity ratio	25.7 %	23.8 %	25.7 %	23.8 %	27.2 %
Net interest-bearing debt (receivables) ²⁾	26	-341	26	-341	-90
Capital employed ³⁾	4,489	4,297	4,489	4,297	4,621
Order backlog	40,391	31,269	40,391	31,269	30,617

¹⁾ Return on capital employed (ROaCE) = (Earnings before tax + interest expense) / average capital employed

²⁾ Net interest-bearing debt (receivables) = Cash and cash equivalents + interest-bearing receivables - interest-bearing debt

³⁾ Capital employed = Equity + interest-bearing debt

STATEMENT OF COMPREHENSIVE INCOME

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
Net income for the period	270	301	743	663	1,158
Currency translation differences non-controlling interests	-2	2	-1	15	14
Items that will not be reclassified to income statement in subsequent periods	-2	2	-1	15	14
Net cash flow hedges	14	6	17	-20	-20
Currency translation differences shareholders of the	-6	5	-21	69	66
Items that may be reclassified to income statement in subsequent periods	8	11	-3	49	45
Other comprehensive income for the period	6	13	-5	64	59
Total comprehensive income for the period	276	314	738	726	1,218
Attributable to:					
- Shareholders of the parent	228	262	603	588	1,016
- Non-controlling interests	48	52	136	138	202
Total comprehensive income for the period	276	314	738	726	1,218

EQUITY

NOK million	Paid-in capital	Translation differences	Actuarial pension gain/ (loss)	Cash flow hedge	Retained earnings	Attributable to share-holders	Non-controlling interests	Total equity
As at 31 December 2019	939	-4	-18	-29	1,302	2,189	809	2,999
Comprehensive income	-	69	-	-20	540	588	138	726
Capital increase	-	-	-	-	312	312	49	360
Purchase of treasury shares	-	-	-	-	-50	-50	-	-50
Sale of treasury shares	-	-	-	-	13	13	-	13
Dividend paid	-	-	-	-	-630	-630	-161	-791
Share-based remuneration	15	-	-	-	-	15	1	16
Put options for non-controlling interests	-	-	-	-	-19	-19	-12	-31
Transactions with non-controlling interests	-	-	-	-	-40	-40	-8	-47
As at 30 September 2020	954	65	-18	-49	1,427	2,379	816	3,195
As at 31 December 2020	761	62	-18	-49	1,839	2,593	901	3,494
Comprehensive income	-	-21	-	17	606	603	136	738
Purchase of treasury shares	-	-	-	-	-8	-8	-	-8
Sale of treasury shares	-	-	-	-	16	16	-	16
Dividend paid	-	-	-	-	-689	-689	-183	-872
Share-based remuneration	24	-	-	-	-	24	3	27
Transactions with non-controlling interests	-	-	-	-	-14	-14	-3	-17
As at 30 September 2021	785	41	-18	-32	1,749	2,525	854	3,378

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK million	30.09.21	30.09.20	31.12.20
Tangible fixed assets	1,469	1,495	1,493
Right of use assets	869	910	887
Intangible assets	4,357	4,371	4,367
Investment in associates and joint ventures	555	630	547
Deferred tax asset	14	15	16
Interest-bearing receivables	375	428	443
Pension plan and other financial assets	7	11	8
Total non-current assets	7,646	7,859	7,760
Inventories	204	223	225
Projects for own account	135	151	135
Trade receivables and other receivables	4,441	4,180	3,968
Interest-bearing receivables	117	122	66
Derivatives	-	1	-
Cash and cash equivalents	593	893	708
Total current assets	5,491	5,570	5,101
Total assets	13,137	13,429	12,862
Equity attributable to shareholders of the parent	2,525	2,379	2,593
Non-controlling interests	854	816	901
Total equity	3,378	3,195	3,494
Interest-bearing debt	141	161	155
Interest-bearing debt - lease liability	627	625	633
Retirement benefit obligations	4	3	3
Provisions	81	63	92
Deferred tax	511	455	516
Derivatives	5	65	26
Total non-current liabilities	1,369	1,372	1,426
Interest-bearing debt	30	7	8
Interest-bearing debt - lease liability	312	309	330
Trade payables and other short-term debt	7,204	7,340	6,691
Derivatives	42	33	46
Provisions	550	698	629
Tax payable	252	474	236
Total current liabilities	8,389	8,862	7,942
Total liabilities	9,758	10,234	9,368
Total equity and liabilities	13,137	13,429	12,862

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

NOK million	3 Q 21	3 Q 20	YTD 3 Q 21	YTD 3 Q 20	2020
Earnings before financial items and tax (EBIT)	344	371	970	847	1,480
Depreciation, amortisation and impairment	151	135	428	404	573
Change in net working capital	-68	139	-24	238	-233
Income taxes paid	-30	-18	-191	-76	-376
Other adjustments	-18	-53	-69	-140	-255
Cash flow from operating activities	380	574	1,114	1,274	1,189
Net investments	118	-60	-18	-122	112
Cash flow before financing activities	498	513	1,096	1,153	1,301
Share issue	-	-	-	312	410
Dividends paid to shareholders in the Parent Company	-	-	-689	-630	-1,001
Dividends paid to non-controlling interests	-22	-	-183	-161	-161
Transactions with non-controlling interests	6	-17	-19	-15	-46
Sale (purchase) of treasury shares	-8	-2	8	-37	-10
Borrowings (repayment) of debt	-67	-174	-251	-274	-299
Interest and other financial expenses paid	-19	8	-39	-36	-58
Cash flow from financing activities	-109	-186	-1,173	-841	-1,166
Change in cash and cash equivalents with cash effect	389	328	-77	311	135
Net cash and cash equivalents at the beginning of period	205	561	708	563	563
Change in cash and cash equivalents without cash effect	-	4	-38	20	10
Net cash and cash equivalents at the end of period	593	893	593	893	708

BUSINESS AREAS

AF Gruppen's division into operating segments is consistent with the division of the business areas: Civil Engineering, Construction, Betonmast, Property, Energy and Environment, Sweden and Offshore.

Segment information is presented in accordance with the AF Gruppen's accounting policies in accordance with IFRS with the exception of the principles for revenue recognition for residential property development in accordance with IFRS 15. This policy exception applies to the Construction and Property segments and Sweden. Revenue from projects for own account in these segments is not recognised upon handover as regulated in IFRS 15, but in accordance with the degree of completion method. This means that the recognition of revenue in these projects is the product of the degree of completion, sales ratio and expected contribution margin.

Segment information is presented in accordance with reporting to the Corporate Management Team and is consistent with the financial information utilised by the Company's senior decision-makers when evaluating developments and allocating resources. The effect of the deviant application of principles on the consolidated accounts is illustrated in a separate table in the segment information. Additional information on projects for own account is provided in Note 7.

Civil Engineering

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	1,304	1,205	4,205	3,366	4,818
Internal operating and other revenue	99	97	275	294	399
Total operating and other revenue	1,403	1,302	4,480	3,659	5,218
EBITDA	158	140	464	343	543
Earnings before financial items and tax (EBIT)	98	83	294	173	314
Earnings before tax (EBT)	97	80	290	169	292
EBITDA-margin	11.2 %	10.7 %	10.4 %	9.4 %	10.4 %
Operating margin	7.0 %	6.4 %	6.6 %	4.7 %	6.0 %
Profit margin	6.9 %	6.1 %	6.5 %	4.6 %	5.6 %
Assets	2,415	2,613	2,415	2,613	2,437
Order backlog	7,617	8,048	7,617	8,048	7,319

Eiqon and Consolvo have been transferred from the Construction business area to the Civil Engineering business area with effect from 1 January 2021. Comparative figures have been restated.

Construction

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	1,985	1,915	5,927	6,308	8,507
Internal operating and other revenue	22	72	99	129	178
Total operating and other revenue	2,007	1,987	6,026	6,437	8,684
EBITDA	103	133	356	403	584
Earnings before financial items and tax (EBIT)	80	115	293	349	502
Earnings before tax (EBT)	80	117	296	357	513
EBITDA-margin	5.1 %	6.7 %	5.9 %	6.3 %	6.7 %
Operating margin	4.0 %	5.8 %	4.9 %	5.4 %	5.8 %
Profit margin	4.0 %	5.9 %	4.9 %	5.5 %	5.9 %
Assets	4,364	4,449	4,364	4,449	4,332
Order backlog	14,594	9,293	14,594	9,293	9,674

Eiqon and Consolvo have been transferred from the Construction business area to the Civil Engineering business area with effect from 1 January 2021. Comparative figures have been restated.

Betonmast

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	1,626	1,926	5,078	5,745	7,862
Internal operating and other revenue	1	-	1	1	1
Total operating and other revenue	1,626	1,926	5,079	5,746	7,862
EBITDA	55	75	135	192	289
Earnings before financial items and tax (EBIT)	44	68	103	172	261
Earnings before tax (EBT)	40	65	87	166	252
EBITDA-margin	3.4 %	3.9 %	2.7 %	3.3 %	3.7 %
Operating margin	2.7 %	3.5 %	2.0 %	3.0 %	3.3 %
Profit margin	2.5 %	3.4 %	1.7 %	2.9 %	3.2 %
Assets	3,681	3,701	3,681	3,701	3,528
Order backlog	11,281	7,651	11,281	7,651	7,274

Property

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	6	6	20	18	33
Internal operating and other revenue	0	-	-	-	-
Total operating and other revenue	6	6	20	18	33
EBITDA	27	27	43	41	136
Earnings before financial items and tax (EBIT)	27	27	43	41	135
Earnings before tax (EBT)	27	26	43	38	132
EBITDA-margin	-	-	-	-	-
Operating margin	-	-	-	-	-
Profit margin	-	-	-	-	-
Assets	860	987	860	987	894
Order backlog	-	-	-	-	-

Energy and Environment

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	250	181	774	543	796
Internal operating and other revenue	16	43	65	124	166
Total operating and other revenue	266	224	839	667	962
EBITDA	40	29	102	72	108
Earnings before financial items and tax (EBIT)	24	15	57	32	54
Earnings before tax (EBT)	23	14	54	32	52
EBITDA-margin	15.0 %	12.8 %	12.2 %	10.8 %	11.2 %
Operating margin	8.9 %	6.5 %	6.8 %	4.7 %	5.6 %
Profit margin	8.8 %	6.3 %	6.4 %	4.8 %	5.5 %
Assets	650	577	650	577	650
Order backlog	574	481	574	481	703

Sweden

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	957	865	3,012	2,958	4,121
Internal operating and other revenue	1	5	4	11	16
Total operating and other revenue	958	870	3,016	2,969	4,138
EBITDA	67	64	185	179	303
Earnings before financial items and tax (EBIT)	51	48	137	130	219
Earnings before tax (EBT)	50	46	133	126	212
EBITDA-margin	7.0 %	7.4 %	6.1 %	6.0 %	7.3 %
Operating margin	5.3 %	5.5 %	4.6 %	4.4 %	5.3 %
Profit margin	5.2 %	5.3 %	4.4 %	4.2 %	5.1 %
Assets	1,892	1,713	1,892	1,713	1,766
Order backlog	4,831	3,825	4,831	3,825	4,120

Offshore

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	206	208	622	509	671
Internal operating and other revenue	-	-	1	1	1
Total operating and other revenue	207	208	623	510	672
EBITDA	26	20	68	-16	7
Earnings before financial items and tax (EBIT)	18	11	43	-39	-25
Earnings before tax (EBT)	19	10	41	-50	-40
EBITDA-margin	12.6 %	9.5 %	10.8 %	-3.1 %	1.1 %
Operating margin	8.9 %	5.5 %	7.0 %	-7.7 %	-3.7 %
Profit margin	9.0 %	5.0 %	6.5 %	-9.7 %	-5.9 %
Assets	885	985	885	985	1,055
Order backlog	1,600	1,497	1,600	1,497	1,365

Other Segments (Group)

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	27	21	63	57	62
Internal operating and other revenue	14	13	47	30	44
Total operating and other revenue	41	34	111	87	106
EBITDA	18	3	39	25	59
Earnings before financial items and tax (EBIT)	2	-12	-7	-23	-3
Earnings before tax (EBT)	8	-6	-5	-18	10
Assets	1,562	1,611	1,562	1,611	1,849
Order backlog		-	-	-	-

Eliminations

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	-5	-38	-86	-79	49
Internal operating and other revenue	-154	-231	-493	-590	-805
Total operating and other revenue	-159	-269	-579	-669	-756
EBITDA	-1	-5	-14	-16	2
Earnings before financial items and tax (EBIT)	-1	-5	-14	-16	2
Earnings before tax (EBT)	-1	-5	-14	-16	2
Assets	-3,111	-3,140	-3,111	-3,140	-3,572
Order backlog	-211	236	-211	236	-85

Eiqon and Consolvo have been transferred from the Construction business area to the Civil Engineering business area with effect from 1 January 2021. Comparative figures have been restated.

GAAP adjustments (IFRS 15)

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	2	78	141	116	106
Internal operating and other revenue	-	-	-	-	-
Total operating and other revenue	2	78	141	116	106
EBITDA	2	21	21	29	21
Earnings before financial items and tax (EBIT)	2	21	21	29	21
Earnings before tax (EBT)	2	21	21	29	21
Assets	-60	-67	-60	-67	-75
Order backlog	106	238	106	238	247

Segment total

NOK million	3Q 21	3Q 20	YTD 3Q 21	YTD 3Q 20	2020
External operating and other revenue	6,358	6,366	19,756	19,540	27,025
Internal operating and other revenue	-	-	-	-	-
Total operating and other revenue	6,358	6,366	19,756	19,540	27,025
EBITDA	495	506	1,398	1,252	2,053
Earnings before financial items and tax (EBIT)	344	371	970	847	1,480
Earnings before tax (EBT)	344	368	945	833	1,447
EBITDA-margin	7.8 %	7.9 %	7.1 %	6.4 %	7.6 %
Operating margin	5.4 %	5.8 %	4.9 %	4.3 %	5.5 %
Profit margin	5.4 %	5.8 %	4.8 %	4.3 %	5.4 %
Assets	13,137	13,429	13,137	13,429	12,862
Order backlog	40,391	31,269	40,391	31,269	30,617



NOTES

1. GENERAL INFORMATION

AF Gruppen is one of Norway's leading contracting and industrial groups. AF Gruppen is divided into seven business areas: Civil Engineering, Construction, Betonmast, Property, Energy and Environment, Sweden and Offshore.

AF Gruppen ASA is a public limited company registered and domiciled in Norway. The head office is located at Innspurten 15, 0663 Oslo. AF is listed on the Oslo Børs OB Match List under the ticker symbol AFG.

This summary of financial information for the 3rd quarter 2021 has not been audited.

2. BASIS OF PREPARATION

The consolidated accounts for AF Gruppen encompass AF Gruppen ASA and its subsidiaries, joint ventures and associated companies. The consolidated financial statements for the 3rd quarter 2021 have been 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 the annual report for 2020, which has been prepared in accordance with the International Financial Reporting Standards (IFRS).

As a result of rounding off, the numbers and percentages will not always add up to the total.

3. CHANGES IN THE GROUP'S STRUCTURE

Eiqon and Consolvo have been transferred organizationally from the Construction business area to the Civil Engineering business area with effect from 1 January 2021. Comparative figures have been restated. AF Bygg Göteborg was sold in April from AF Gruppen Sverige AB to Betonmast Sverige AB and has been reported as part of the Betonmast business area since the transaction date. Until the transaction date AF Bygg Göteborg was part of the Sweden business area. The transaction is not significant enough for comparative figures to be restated. There were no other material changes to the Group's structure during the year.

4. ACCOUNTING POLICIES

The accounting policies applied to the accounts are consistent with those described in the annual report for 2020. IFRS 16 was implemented for the Group as of 1 January 2019 with the modified retrospective application. The effects of this standard for 2020 and 2021 are presented below.

Effect of IFRS 16 lease liability

In IFRS 16 the distinction made between operating and financial leases is eliminated, and practically all leases over 12 months duration are recognised on the balance sheet of the lessee. The present value of the future lease liability is recognised as an interest-bearing loan and the value of the lease (right of use) is to be recognised as a non-current asset. The balance sheet total is increased upon transition to the new standard, and the most important key figures, such as the equity ratio and net interest-bearing debt, will change accordingly. The right of use recognised on the balance sheet will be amortised over the agreed term of the lease, and interest on the lease liability will be recognised as an interest expense. These income statement items will replace rental expenses, which were recognised under other operating expenses in accordance with IAS 17.

Both instalments and interest on lease obligations recognised on the balance sheet are classified as financing activities in the cash flow statement. The introduction of IFRS 16 has a positive effect on cash flow from operations as lease payments were classified as a cash flow from operations in accordance with IAS 17, and as financing activities according to IFRS 16. The introduction of the standard has no impact on net cash flow, but provides an improved cash flow from operations of NOK 258 million (266 million), and a corresponding negative effect on cash flow from financing activities year to date.

Year to date the implementation of the standard has resulted in a positive effect on EBITDA and the operating profit of NOK 258 million (266 million) on and NOK 15 million (16 million) respectively. Earnings before tax and Net income for the period are affected by respectively NOK 1 million (-1 million) and NOK 0 million (0 million) by the standard. As at 30 September 2021 the balance sheet total has increased by NOK 662 million (837 million). Total interest bearing debt has increased by NOK 744 million (869 million) and equity has been reduced by NOK 24 million (24 million).

Consolidated statement of income – Effect of IFRS 16

NOK million	3Q 21 less IFRS 16	Effect of IFRS 16	3Q 21	YTD 3Q 21 less IFRS 16	Effect of IFRS 16	YTD 3Q 21
Operating expenses excl. depr. and impairment	-430	90	-340	-1,344	258	-1,086
EBITDA	405	90	495	1,139	258	1,398
Depr. and impairment of right of use assets	-10	-85	-95	-29	-244	-273
Earnings before financial items and tax (EBIT)	339	5	344	956	15	970
Net financial items	4	-4	-	-12	-13	-25
Earnings before tax (EBT)	343	-	344	944	1	945
Income tax expense	-73	-1	-74	-201	-1	-202
Net income for the period	270	-	270	743	-	743

NOK million	3Q 20 less IFRS 16	Effect of IFRS 16	3Q 20	YTD 3Q 20 less IFRS 16	Effect of IFRS 16	YTD 3Q 20	2020 less IFRS 16	Effect of IFRS 16	2020
Operating expenses excl. depr. and impairment	-496	87	-410	-1,615	266	-1,349	-1,928	357	-1,571
EBITDA	419	87	506	985	266	1,252	1,697	357	2,053
Depr. and impairment of right of use assets	-6	-81	-87	-16	-251	-267	-42	-335	-377
Earnings before financial items and tax (EBIT)	366	5	371	832	16	847	1,459	21	1,480
Net financial items	2	-5	-3	2	-16	-14	-12	-21	-33
Earnings before tax (EBT)	368	-	368	833	-1	833	1,447	-	1,447
Income tax expense	-67	-	-67	-170	-	-170	-288	-1	-289
Net income for the period	301	-	301	663	-	663	1,158	-	1,158

Consolidated statement of financial position – Effect of IFRS 16

NOK million	30.09.21 less IFRS 16	Effect of IFRS 16	30.09.21	30.09.20 less IFRS 16	Effect of IFRS 16	30.09.20	31.12.20 less IFRS 16	Effect of IFRS 16	2020
Right of use assets	207	662	869	72	837	910	167	720	887
Total assets	12,474	662	13,137	12,591	837	13,429	12,142	720	12,862
Total equity	3,402	-24	3,378	3,219	-24	3,195	3,518	-24	3,494
Interest-bearing debt - lease liability (non-current)	162	465	627	53	572	625	118	515	633
Deferred tax	516	-5	511	462	-7	455	522	-6	516
Interest-bearing debt - lease liability (current)	34	279	312	12	296	309	42	289	330
Total equity and liabilities	12,474	662	13,137	12,591	837	13,429	12,142	720	12,862
Equity ratio	27.3 %	-	25.7 %	25.6 %	-	23.8 %	29.0 %	-	27.2 %
Gross interest-bearing debt	366	744	1,110	233	869	1,102	323	803	1,127

5. ESTIMATES

The preparation of the interim accounts requires the use of assessments, estimates and assumptions that have an effect on the application of accounting principles and recognised figures related to assets and commitments, revenues and costs. The estimates are based on the management's best judgement and experience, and there is some uncertainty related to the concurrence of these estimates with the actual result. Estimates and their underlying assumptions are assessed on a continuous basis. Changes in accounting estimates are recognised for the period in which the estimate is changed and for future periods if these are affected by the change in estimate.

6. TRANSACTIONS WITH RELATED PARTIES

The Group's related parties consist of associates, joint ventures, the Company's shareholders, members of the Board of Directors and Corporate Management Team. All business transactions with related parties are carried out in accordance with the arm's length principle.

7. DEVIANT APPLICATION OF PRINCIPLES IN THE SEGMENT ACCOUNTS

The segment information is presented in accordance with the Group's accounting policies in accordance with IFRS except for the principles for revenue recognition for residential property development in accordance with IFRS 15. This policy exception applies to the Construction and Property segments and Sweden. Revenue from projects for own account in these segments is not recognised upon handover as regulated in IFRS 15, but in accordance with the percentage of completion method. This means that revenue and cost for these projects is recognized in proportion with the stage of completion and the sales ratio for the project. The effect of this on the consolidated accounts is illustrated in a separate table in the segment information. The Betonmast segment is reported in accordance with IFRS. To ensure completeness Betonmast's property projects are included in the table below.

The effect for the year of the deviant application of principles in the segment accounts with respect to earnings before tax is NOK 2 million (21 million) for the 3rd quarter 2021, and NOK 21 million (29 million) year to date. The effect on equity was NOK -61 million (-44 million), and the accumulated reversed revenues were NOK 106 million (238 million) as at 30 September 2021.

The table below shows residential housing projects for our own account that are in the production phase. Contractor values have been included in those cases where group companies are the contractor.

Property projects for own account	AF's construction value ¹⁾	Number of housing units			Construction period		Ownership share AF
		Total number	Hereof transferred in 2021	Hereof completed not transf.	Start up	Completion	
Lilleby Triangel B3, Trondheim	20	21	1	-	Q1 2019	Q4 2020	33%
Nye Kilen Brygge B/C3, Sandefjord	69	35	1	-	Q2 2019	Q3 2020	50%
Total completed in 2020 - Property segment²⁾	89	56	2	-			
Stronde I, Hardanger (LAB)	87	34	3	-	Q4 2018	Q2 2020	49%
Total completed in 2020 - Construction segment²⁾	87	34	3	-			
Bjørnsveen Panorama B2, Gjøvik	33	12	2	-	Q2 2019	Q2 2020	50%
Vikenstranda B6, Gjøvik	39	23	2	-	Q1 2019	Q2 2020	50%
Snipetorp, Skien	60	16	-	6	Q3 2018	Q2 2020	50%
Total completed in 2020 - Betonmast segment²⁾	132	51	4	6			
Bo på Billingstad, Asker	-	88	87	1	Q2 2019	Q1 2021	33%
Lilleby Triangel B4, Trondheim	51	54	53	1	Q3 2019	Q2 2021	33%
Skiparviken, Bergen (LAB Eiendom)	324	129	119	5	Q2 2018	Q2 2021	50%
Lilleby Triangel B5, Trondheim	71	74	-	-	Q2 2020	Q2 2022	33%
Total completed 2021 - Property segment	375	271	259	7			
Stronde II, Hardanger (LAB)	61	24	24	-	Q4 2018	Q2 2021	49%
Total completed in 2021 - Construction segment	61	24	24	-			
Lietorvet I, Skien	62	21	17	4	Q3 2019	Q2 2021	25%
Total completed in 2021 - Betonmast segment	62	21	17	4			
Bo på Billingstad, Asker	-	98	-	-	Q2 2019	Q1 2022	33%
Lilleby Triangel Sør, Trondheim	-	125	-	-	Q4 2020	Q4 2022	33%
Brøter Terrasse, Lørenskog	-	78	-	-	Q3 2020	Q4 2022	35%
Kråkehaugen, Bergen (LAB Eiendom)	185	55	-	-	Q2 2021	Q2 2023	50%
Fyrstikkbakken, Oslo	370	159	-	-	Q2 2021	Q3 2023	50%
Sårersletta Midt 1 og 2, Lørenskog	292	121	-	-	Q3 2022	Q3 2024	50%
Total in production - Property segment	847	636	-	-			
Lietorvet II, Skien	77	26	-	-	Q3 2019	Q3 2021	25%
2317 Sentrumskvartalet A-B, Hamar	101	73	-	-	Q2 2020	Q2 2022	33%
2317 Sentrumskvartalet C, Hamar	40	23	-	-	Q2 2021	Q2 2023	33%
2317 Sentrumskvartalet D, Hamar	37	25	-	-	Q3 2021	Q3 2023	33%
Klosterøya Vest 1, Skien	80	29	-	-	Q1 2021	Q3 2022	24%
Klosterøya Vest 2, Skien	110	40	-	-	Q2 2021	Q4 2022	24%
SPG Bostader, Strömstad, Sverige	239	162	-	-	Q3 2021	Q3 2023	45%
Total in production - Betonmast segment	684	378	-	-			
Stadsgården 1, Halmstad	117	63	-	-	Q2 2020	Q2 2022	50%
Brottkärr Hage, Göteborg	-	10	-	-	Q4 2020	Q2 2022	40%
Total in production - Sweden segment	117	73	-	-			

¹⁾ NOK million excl. VAT

²⁾ Only projects with not sold or not transferred units as at year end 2020 are included.

8. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events since the end of the quarter that would have had a material effect on the quarterly financial statements.

ALTERNATIVE PERFORMANCE MEASURES

AF Gruppen presents alternative performance targets as a supplement to performance targets that are regulated by IFRS. The alternative performance targets are presented to provide better insight into and understanding of the operations, financial standing and foundation for development going forward. AF Gruppen uses alternative performance targets that are commonly used in the industry and among analysts and investors.

Return on capital employed (ROaCE):

This performance target provides useful information to both AF's management and Board of Directors, as well as to investors concerning the results that have been achieved during the period under analysis. AF uses the performance target to measure the return on capital employed, regardless of whether the financing is through equity capital or debt. Use of the performance target should not be considered an alternative to performance targets calculated in accordance with IFRS, but as a supplement.

The alternative performance targets are defined as follows:

EBITDA: Earnings before i) taxes, ii) net financial items, iii) depreciation and amortisation.

Operating profit (EBIT): Earnings before i) taxes, ii) net financial items.

EBITDA margin: EBITDA divided by operating revenue and other revenues.

Operating margin: Operating profit (EBIT) divided by operating revenue and other revenues.

Profit margin: Earnings before tax divided by operating revenue and other revenues.

Gross interest-bearing debt: Sum total of long-term interest-bearing loans and credits and short-term interest-bearing loans and credits.

Net interest-bearing debt (receivables): Gross interest-bearing debt less i) long-term interest-bearing receivables, ii) short-term interest-bearing receivables and iii) cash and cash equivalents.

Capital employed: Sum total of shareholders' equity and gross interest-bearing debt.

Average capital employed: Average capital employed in the last four quarters.

Return on capital employed (ROaCE): Earnings before taxes and interest divided by the average capital employed.

Equity ratio: Shareholders' equity divided by total equity and liabilities.

Average shareholders' equity: Average shareholders' equity in the last four quarters.

Return on equity: Net income divided by average shareholders' equity.

Order backlog: Remaining estimated value of contracts, contract changes and orders that have been agreed upon, but have not been earned by the reporting date.

The table below shows the reconciliation of alternative performance targets with line items in the reported financial figures in accordance with IFRS.

NOK million	30.09.21	30.09.20	31.12.20
GROSS INTEREST-BEARING DEBT / NET INTEREST-BEARING DEBT			
Non-current interest-bearing debt	141	161	155
Non-current interest-bearing debt - lease liability	627	625	633
Current interest-bearing debt	30	7	8
Current interest-bearing debt - lease liability	312	309	330
Gross interest-bearing debt	1,110	1,102	1,127
Less:			
Non-current interest-bearing receivables	-375	-428	-443
Current interest-bearing receivables	-117	-122	-66
Cash and cash equivalents	-593	-893	-708
Net interest-bearing debt (receivables)	26	-341	-90

NOK million	30.09.21	30.09.20	31.12.20
CAPITAL EMPLOYED			
Shareholders' equity	3,378	3,195	3,494
Gross interest-bearing debt	1,110	1,102	1,127
Capital employed	4,489	4,297	4,621
AVERAGE CAPITAL EMPLOYED			
Capital employed as at 4th quarter 2019	-	4,183	-
Capital employed as at 1st quarter 2020	-	4,277	4,277
Capital employed as at 2nd quarter 2020	-	4,057	4,057
Capital employed as at 3rd quarter 2020	-	4,297	4,297
Capital employed as at 4th quarter 2020	4,621	-	4,621
Capital employed as at 1st quarter 2021	4,673	-	-
Capital employed as at 2nd quarter 2021	4,231	-	-
Capital employed as at 3rd quarter 2021	4,489	-	-
Average capital employed	4,503	4,203	4,313
RETURN ON CAPITAL EMPLOYED			
Earnings before tax 4th quarter 2019	-	388	-
Earnings before tax 1st quarter 2020	-	206	206
Earnings before tax 2nd quarter 2020	-	258	258
Earnings before tax 3rd quarter 2020	-	368	368
Earnings before tax 4th quarter 2020	614	-	614
Earnings before tax 1st quarter 2021	245	-	-
Earnings before tax 2nd quarter 2021	356	-	-
Earnings before tax 3rd quarter 2021	344	-	-
Earnings before tax last four quarters	1,560	1,221	1,447
Interest expense 4th quarter 2019	-	25	-
Interest expense 1st quarter 2020	-	18	18
Interest expense 2nd quarter 2020	-	6	6
Interest expense 3rd quarter 2020	-	11	11
Interest expense 4th quarter 2020	20	-	20
Interest expense 1st quarter 2021	10	-	-
Interest expense 2nd quarter 2021	10	-	-
Interest expense 3rd quarter 2021	19	-	-
Interest expense last four quarters	60	60	55
Earnings before tax and interest expense last four quarters	1,619	1,281	1,502
Divided by:			
Average capital employed	4,503	4,203	4,313
Return on capital employed	36.0 %	30.5 %	34.8 %

NOK million	30.09.21	30.09.20	31.12.20
EQUITY RATIO			
Shareholders' equity	3,378	3,195	3,494
Divided by:			
Total equity and liabilities	13,137	13,429	12,862
Equity ratio	25.7 %	23.8 %	27.2 %
AVERAGE SHAREHOLDERS' EQUITY			
Shareholder's equity as at 4th quarter 2019	-	2,999	-
Shareholder's equity as at 1st quarter 2020	-	3,045	3,045
Shareholder's equity as at 2nd quarter 2020	-	2,919	2,919
Shareholder's equity as at 3rd quarter 2020	-	3,195	3,195
Shareholder's equity as at 4th quarter 2020	3,494	-	3,494
Shareholder's equity as at 1st quarter 2021	3,553	-	-
Shareholder's equity as at 2nd quarter 2021	3,117	-	-
Shareholder's equity as at 3rd quarter 2021	3,378	-	-
Average shareholders' equity	3,386	3,040	3,163
RETURN ON EQUITY			
Net income 4th quarter 2019	-	287	-
Net income 1st quarter 2020	-	160	160
Net income 2nd quarter 2020	-	202	202
Net income 3rd quarter 2020	-	301	301
Net income 4th quarter 2020	496	-	496
Net income 1st quarter 2021	194	-	-
Net income 2nd quarter 2021	279	-	-
Net income 3rd quarter 2021	270	-	-
Net income for the last four quarters	1,239	949	1,158
Divided by:			
Average equity	3,386	3,040	3,163
Return on equity	36.6 %	31.2 %	36.6 %

COMPANY INFORMATION

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Norway

Company's Board of Directors

Pål Egil Rønn, Board Chairman
Arne Baumann
Saloume Djoudat
Hege Bømark
Kristian Holth
Kristina Alvendal
Kjetel Digre
Kenneth Svendsen
Hilde W. Flaen
Arne Sveen

Corporate Management

Amund Tøftum, CEO
Sverre Hærem, CFO
Ida Aall Gram, EVP Property, HR and Communications
Geir Flåta, EVP Civil Engineering and Offshore
Bård Frydenlund, EVP Sweden and Betonmast
Eirik Wraal, EVP Construction and Energy and environment
Tormod Solberg, EVP Construction

Financial calendar

Presentation of interim accounts:

12.11.2021 Interim report 3rd quarter 2021
11.02.2011 Interim report 4th quarter 2021
13.05.2022 Interim report 1st quarter 2022
26.08.2022 Interim report 2nd quarter 2022
11.11.2022 Interim report 3rd quarter 2022

The presentation of interim accounts takes place at Hotel Continental, Stortingsgata 24-26, at 8:30 a.m.

For more information on the company, visit our web site at afgruppen.com

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OPERATIONAL STRUCTURE



Civil Engineering

AF Anlegg
JR Anlegg
Målselv Maskin & Transport
Eiqon
Eiqon
Eiqon Anlegg
Consolvo

Construction

AF Byggfornyelse
AF Bygg Oslo
AF Bygg Østfold
LAB
LAB Entreprenør
FAS
Åsane Byggmester forretning
HTB
AF Håndverk
Kirkestuen
Lasse Holst
Thorendahl
VD Vindu og Dør montasje
Oslo Stillasutleie
Storo Blikkenslagerverksted
Oslo Prosjektbygg
Strøm Gundersen
Strøm Gundersen
Strøm Gundersen Vestfold
Haga & Berg

Betonmast

Betonmast Boligbygg
Betonmast Oslo
Betonmast Trøndelag
Betonmast Romerike
Betonmast Røsand
Betonmast Telemark
Betonmast Østfold
Betonmast Innlandet
Betonmast Buskerud-Vestfold
Betonmast Asker og Bærum
Betonmast Göteborg
Betonmast Mälardalen
Betonmast Malmö
Betonmast Stockholm
Betonmast Anläggning
Betonmast Eiendom

Property

AF Eiendom
LAB Eiendom

Energy and Environment

AF Energi
Enaktiva
AF Energija Baltic
AF Decom
Jølsen Miljøpark
Rimol Miljøpark
Nes Miljøpark

Sweden

Kanonaden
Kanonaden Entreprenad
Kanonaden Mälardalen
Bergbolaget i Götaland
AF Prefab i Mälardalen
AF Bygg Syd
HMB
AF Projektutveckling
AF Härnösand Byggreturer

Offshore

AF Offshore Decom
AF Offshore Decom UK
AF Environmental Base Vats
AF AeronMollier