

Fourth Quarter 2023

# AF Gruppen ASA

15 February 2024



**AF**

# Q4



## ***From the CEO***

During the quarter, we delivered very good profitability in Civil Engineering and Energy and Environment. Nevertheless, we are not satisfied with the overall results in the Group for the fourth quarter or for 2023 as a whole. The weak results in the quarter are due to significant write-downs in the Betonmast Boligbygg project portfolio and in the units that were formerly Betonmast Sweden, as well as further downward adjustment of the project estimate of one offshore project. It is positive that we have a robust order backlog with projects that provide valuable social benefits.

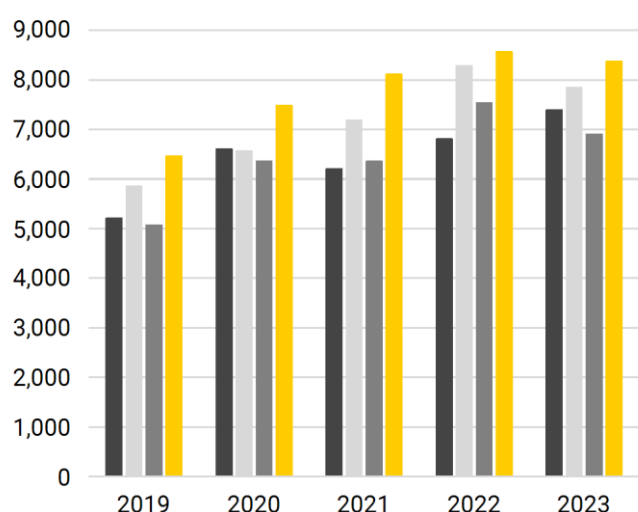
During the quarter, we delivered solid margin improvements in the Construction business area. We observe positive signals in the market, but the global situation still creates uncertainty, which could affect activity and profitability in the coming year. We are well positioned and have built leading expertise over time to deliver high quality, cost-effective projects with consideration for the environment. Combined with good adaptability and the capacity to deliver, we are well equipped when the market recovers in earnest.

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.

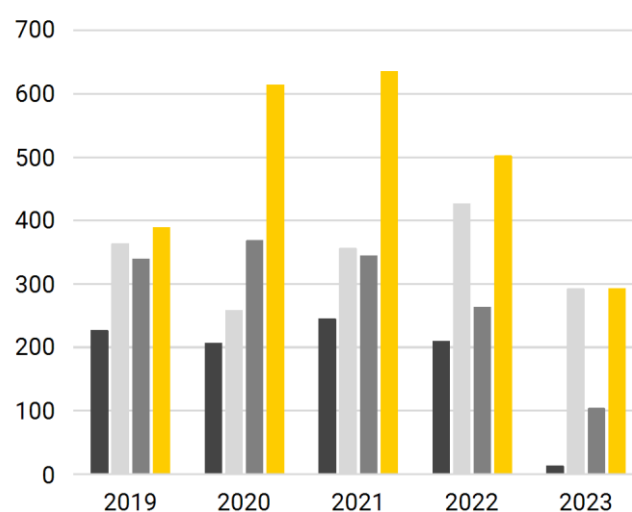
## OVERVIEW

- Revenues were NOK 8,378 million (8,568 million) for the 4th quarter and NOK 30,530 million (31,205 million) for the full year.
- Earnings before tax were NOK 292 million (502 million) for the 4th quarter and NOK 700 million (1,400 million) for the full year.
- The profit margin was 3.5% (5.9%) for the 4th quarter and 2.3% (4.5%) for the full year.
- Net operating cash flow was NOK 855 million (-38 million) for the 4th quarter and NOK 1,552 million (1,460 million) for the full year.
- The order backlog stood at NOK 41,991 million (39,765 million) as at 31 December 2023.
- The order intake was NOK 8,504 million (8,617 million) in the 4th quarter and NOK 32,756 million (32,324 million) for the full year.
- Net interest-bearing debt (receivables) was NOK 641 million (329 million) as at 31 December 2023.
- Result per share in 2023 was NOK 3.73 (8.96). The Board of Directors has proposed a dividend of NOK 3.50 (6.50) per share for payment in the first half of 2024.

REVENUES PER QUARTER (NOK MILLION)



EARNINGS BEFORE TAX PER QUARTER (NOK MILLION)



## SUMMARY OF 4TH QUARTER

Key figures (NOK million)	4Q 23	4Q 22	2023	2022
Operating and other revenue	8,378	8,568	30,530	31,205
EBITDA	471	631	1,325	1,937
Earnings before financial items and tax (EBIT)	302	502	749	1,409
Earnings before tax (EBT)	292	502	700	1,400
Result per share (NOK)	1.62	3.43	3.73	8.96
Diluted result per share (NOK)	1.62	3.43	3.73	8.96
EBITDA margin	5.6 %	7.4 %	4.3 %	6.2 %
Operating profit margin	3.6 %	5.9 %	2.5 %	4.5 %
Profit margin	3.5 %	5.9 %	2.3 %	4.5 %
Return on capital employed (ROaCE) <sup>1)</sup>	-	-	15.9 %	31.6 %
Cash flow from operating activities	855	-38	1,552	1,460
Net interest-bearing debt (receivables)	641	329	641	329
Shareholders' equity	3,203	3,494	3,203	3,494
Total equity and liabilities	14,647	14,457	14,647	14,457
Equity ratio	21.9 %	24.2 %	21.9 %	24.2 %
Order intake	8,504	8,617	32,756	32,324
Order backlog	41,991	39,765	41,991	39,765
LTI-1 rate	0.9	0.9	0.8	1.1
Absence due to illness	4.2 %	4.7 %	4.1 %	4.6 %

<sup>1)</sup> Rolling average last four quarters



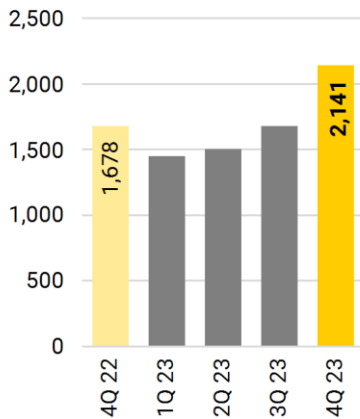
# Business Areas



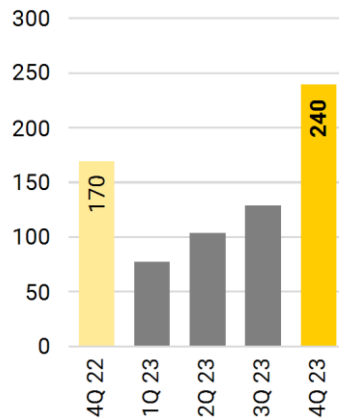


# CIVIL ENGINEERING

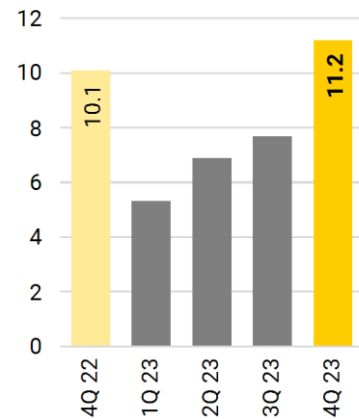
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



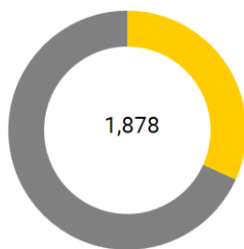
OPERATING PROFIT (%)



## KEY FIGURES

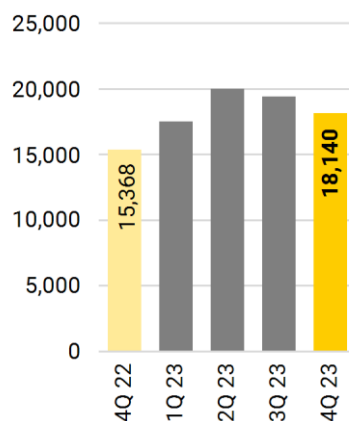
NOK million	4Q 23	4Q 22	2023	2022
Operating and other revenue	2,141	1,678	6,776	5,919
Earnings before financial items and tax (EBIT)	240	170	550	445
Earnings before tax (EBT)	253	168	572	440
Operating profit margin	11.2 %	10.1 %	8.1 %	7.5 %
Profit margin	11.8 %	10.0 %	8.4 %	7.4 %

NUMBER OF EMPLOYEES



AF Gruppen 5,913

ORDER BACKLOG (NOK million)



## CIVIL ENGINEERING CONSISTS OF

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



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

Civil Engineering has a high level of activity and delivered very good results for the 4th quarter with strong performances by several units. The Civil Engineering business area reported revenues of NOK 2,141 million (1,678 million) for the 4th quarter. This represents a growth of 28 % compared to the same quarter last year. Earnings before tax were NOK 253 million (168 million) for the

quarter. For the full year, revenues totalled NOK 6,776 million (5,919 million) and earnings before tax were NOK 572 million (440 million).

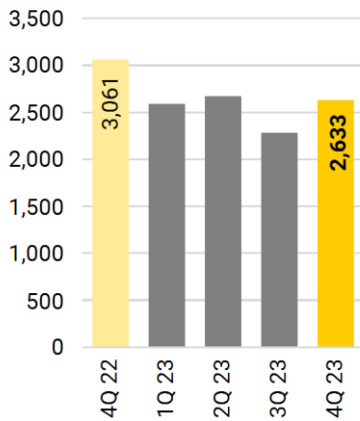
AF Anlegg has significant revenue growth in the 4th quarter, with solid profit contributions from several projects. AF Anlegg has several major projects in production, and in general there is a high level of activity and good operational performance in the projects.

Målselv Maskin & Transport and Stenseth & RS reported very good results for the 4th quarter. Consolvo reported good results for the quarter. Eiçon had a reduced level of activity compared to the same period last year, with a weak result for the 4th quarter.

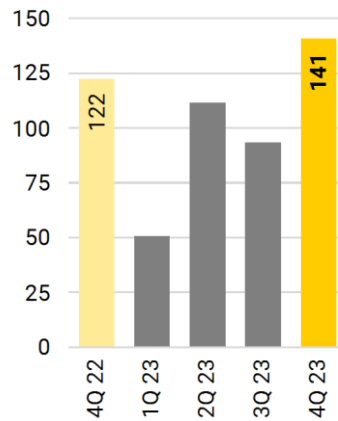
Civil engineering had an order intake of NOK 840 million (5,159 million) in the 4th quarter. The order backlog for Civil Engineering was NOK 18,140 million (15,368 million) as at 31 December 2023.

# CONSTRUCTION

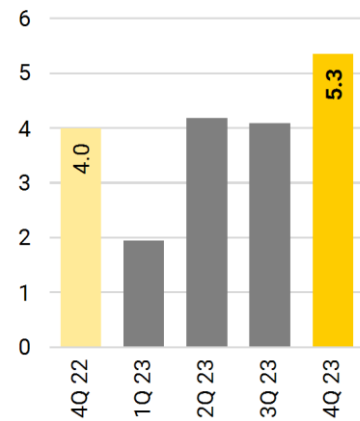
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



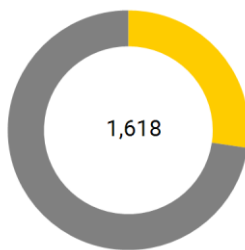
OPERATING MARGIN (%)



## KEY FIGURES

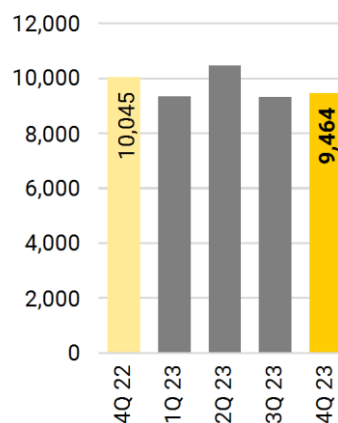
NOK million	4Q 23	4Q 22	2023	2022
Operating and other revenue	2,633	3,061	10,182	11,090
Earnings before financial items and tax (EBIT)	141	122	396	322
Earnings before tax (EBT)	138	119	378	318
Operating profit margin	5.3 %	4.0 %	3.9 %	2.9 %
Profit margin	5.2 %	3.9 %	3.7 %	2.9 %

NUMBER OF EMPLOYEES



AF Gruppen 5,913

ORDER BACKLOG (NOK million)



## CONSTRUCTION CONSISTS OF

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



Construction City. Photo: AF Gruppen

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 business area encompasses the Norwegian entities except for Betonmast and is mainly located in Eastern Norway and the Bergen Region.

Construction had a reduced level of activity, but delivered a good result with increased profitability compared to the same quarter last year. Construction reported revenues of NOK 2,633 million (3,061 million) for the 4th quarter, this represents a 14% decline since the same quarter last year. Overall, the business area reported a result for the quarter with earnings before tax of NOK 138 million (119 million), with a profit margin of 5.2% (3.9%). For the full year revenues totalled NOK 10,182 million (11,090 million) and earnings before tax were NOK 378 million (318 million).

AF Bygg Oslo, Strøm Gundersen, ÅBF and HTB reported very good results in the 4th quarter. AF Bygg Østfold and Strøm Gundersen Vestfold delivered good results. LAB Entreprenør and FAS had results below expectations. AF Byggefornyelse, Haga & Berg and AF Håndverk delivered weak results in the 4th quarter.

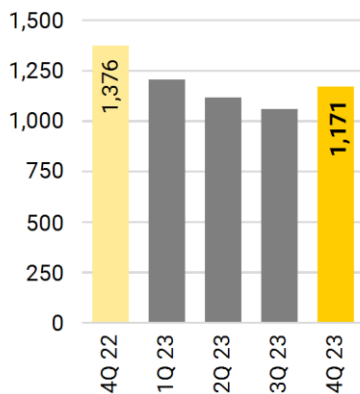
Construction reported two contracts to the stock exchange during this quarter. Oslobygg KF has nominated AF Bygg Oslo as contractor for the Bjørvika school project. The turnkey contract for Bjørvika School has a contract value of approximately NOK 1,200 million, excluding VAT. LAB Entreprenør AS has entered into an agreement with the Student Welfare Organisation in Western Norway for the rehabilitation and conversion of Lotheveien 2-20 in Bergen. The turnkey contract has a value of NOK 150 million excluding VAT.

Construction had an order intake of NOK 2,762 million (1,261 million) in the 4th quarter. The order backlog of Construction was NOK 9,464 million (10,045 million) as at 31 December 2023.

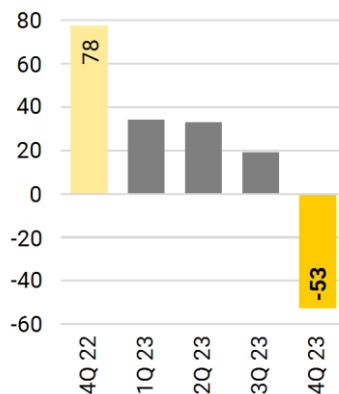


# BETONMAST

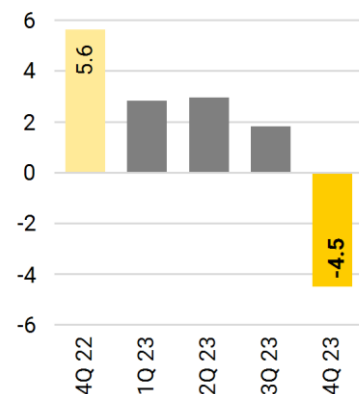
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



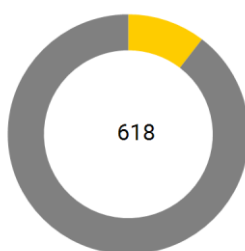
OPERATING MARGIN (%)



## KEY FIGURES

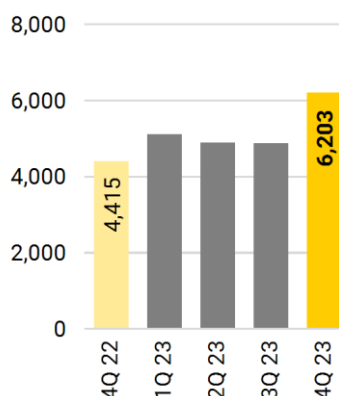
NOK million	4Q 23	4Q 22	2023	2022
Operating and other revenue	1,171	1,376	4,553	5,145
Earnings before financial items and tax (EBIT)	-53	78	34	166
Earnings before tax (EBT)	-44	83	58	174
Operating profit margin	-4.5 %	5.6 %	0.7 %	3.2 %
Profit margin	-3.7 %	6.0 %	1.3 %	3.4 %

NUMBER OF EMPLOYEES



AF Gruppen 5,913

ORDER BACKLOG (NOK million)



## BETONMAST CONSISTS OF

- Betonmast Boligbygg
- Betonmast Oslo
- Betonmast Trøndelag
- Betonmast Romerike
- Betonmast Røsand
- Betonmast Østfold
- Betonmast Innlandet
- Betonmast Buskerud-Vestfold
- Betonmast Asker og Bærum
- Betonmast Eiendom



Betonmast is a construction contractor with operations in the largest markets in Norway. The project portfolio comprises everything from major residential projects to commercial and public buildings. Betonmast is a major player in construction for the public sector and has specialist expertise in project development and collaborative contracts. Betonmast also has a property portfolio in Norway.

Betonmast had a negative result and a reduced level of activity compared to the same quarter last year. Revenues were NOK 1,171 million (1,376 million) and earnings before tax were NOK -44 million (83 million) in the 4th quarter. The negative result in the quarter is mainly due to significant write-downs in the Betonmast Boligbygg project portfolio. For the full year revenues totalled NOK 4,553 million (5,145 million) and earnings before tax were NOK 58 million (NOK 174 million).

The Betonmast Røsand and Østfold units delivered very good results for the quarter, and Betonmast Innlandet and Asker og Bærum reported good results. Betonmast

Romerike and Buskerud-Vestfold had results in the 4th quarter that were somewhat below expectations. Betonmast Boligbygg, Oslo and Trøndelag reported weak results this quarter.

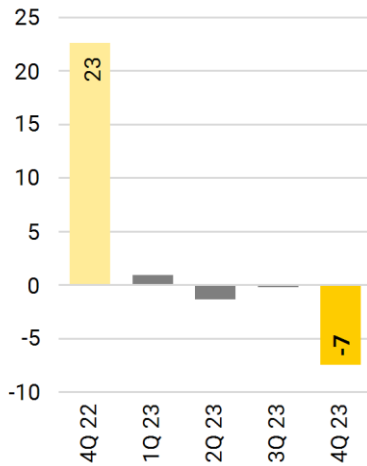
Betonmast has a separate property portfolio with one property project with a total of 15 units under production. Betonmast Eiendom reported a weak result for the quarter. For further information on the projects, see Note 7.

Three new contracts were reported to the stock exchange in the 4th quarter. Betonmast Trøndelag has signed an agreement for the construction of 724 student homes in Nardoveien 12-14. The contract is a turnkey contract valued at approximately NOK 930 million excluding VAT. After completion of the collaborative phase, Betonmast Oslo has entered into an agreement for the expansion of Edvard Munch upper secondary school. The agreement is a turnkey contract valued at approximately NOK 620 million, excluding VAT. In addition, Betonmast Romerike has entered into an agreement for the construction of Haukåsen school, a turnkey contract with a value of approximately NOK 500 million excluding VAT.

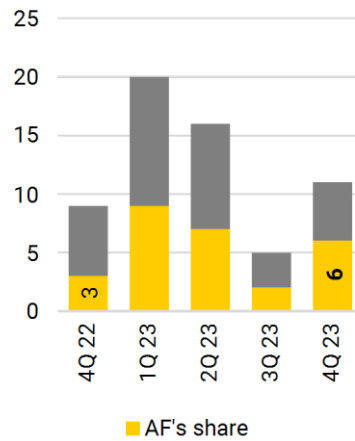
Betonmast had an order intake of NOK 2,487 million (421 million) in the 4th quarter. As at 31 December 2023, Betonmast's order backlog was NOK 6,203 million (4,415 million).

# PROPERTY

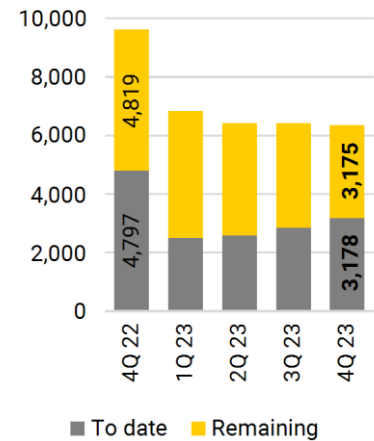
EARNINGS BEFORE TAX (NOK million)



ENTERED INTO SALES  
CONTRACTS (TOTAL NUMBER)



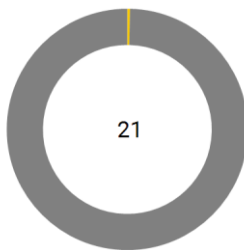
TURNOVER UNITS IN  
PRODUCTION (NOK million)



## KEY FIGURES

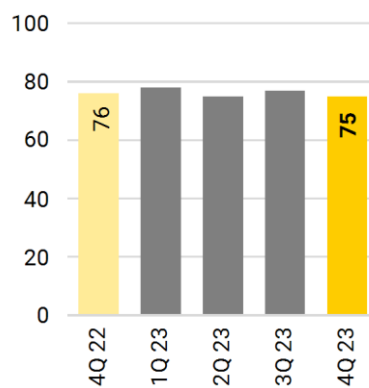
NOK million	4Q 23	4Q 22	2023	2022
Operating and other revenue	7	12	27	30
Earnings before financial items and tax (EBIT)	-11	21	-20	75
Earnings before tax (EBT)	-7	23	-8	82
Capital employed	818	654	818	654

NUMBER OF EMPLOYEES



AF Gruppen 5,913

SALES RATIO PROJECTS IN  
PROGRESS (%)



PROPERTY CONSISTS OF

- AF Eiendom
- LAB Eiendom



Ullevålsveien 114. Illustration: Evelimages

AF develops, designs and carries out residential and commercial projects in Norway, and activities take place in geographical areas where AF has its own production capacity. AF works closely with other players in the industry, and the development projects are mainly organised as associated companies and joint ventures. Property consists of two operating units, AF Eiendom and LAB Eiendom, with local presence in Greater Oslo and the Bergen region respectively.

Property reported a weak result for the quarter. Earnings before tax were NOK -7 million (23 million) in the 4th quarter. For the full year earnings before tax were NOK -8 million (NOK 82 million). During the quarter, NOK 20 million was written down in the development portfolio, which is mainly related to commercial property.

Together with its partner, AF Eiendom has made an agreement to purchase the plot Ullevålsveien 114 for NOK 240 million in the quarter (AF's ownership stake is 50%). The transaction was completed after the end of the quarter.

Uncertain market sentiment and high interest rates have contributed to low sales figures in the quarter. Sales contracts for 12 (9) homes were signed in the quarter, of which AF's share is 6 (3). In 2023, sales contracts have been signed for 53 (216) homes, of which AF's share is 24 (89).

In the 4th quarter, 110 homes were handed over at Fyrstikkbakken, and 2 homes were handed over at the completed project Brøter Terrasse. There were a total of 12 (7) completed unsold units at the end of the quarter, of which AF's share was 6 (3).

There were five residential property projects in the production stage at the end of the quarter. A total of 797 units are in production, of which AF's share is 360:

- Fyrstikkbakken in Oslo (40 units in production, of which 32 sales contracts have been signed).
- Skårersletta MIDT in Lørenskog (295 units in production, of which 197 sales contracts have been signed).
- Bekkestua Have in Bærum (232 units in production, of which 227 sales contracts have been signed).
- Rolvsrud Arena in Lørenskog (229 units in production, of which 144 sales contracts have been signed).
- Baneveien 16 in Bergen (1 unit in production, 1 sales contract has been signed).

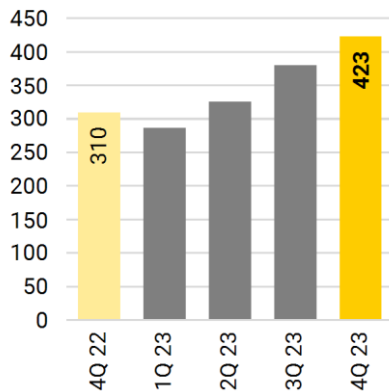
This gives a sales ratio of 75% for commenced projects. For more information on projects for own account, see Note 7.

AF also has a significant development portfolio in Norway which is estimated at 1,629 (1,580) residential units. AF's share of this is 813 (788) residential units.

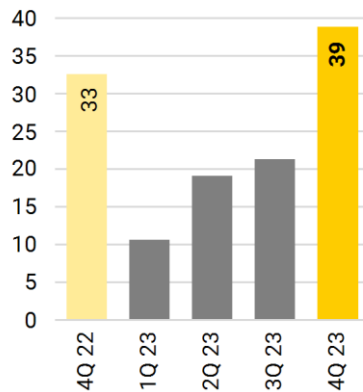
AF has a commercial building in the production stage at Baneveien 16 in Bergen, which also includes one residential unit. AF has an ownership stake in commercial property under construction with a total RFA of 73,407 (62,256) square metres, of which AF's share is an RFA of 36,524 (30,949) square metres.

# ENERGY AND ENVIRONMENT

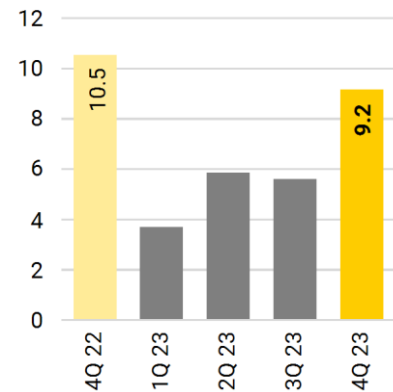
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



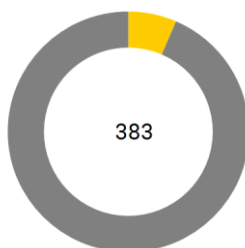
OPERATING MARGIN (%)



## KEY FIGURES

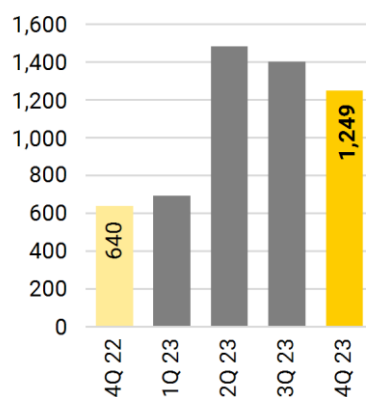
NOK million	4Q 23	4Q 22	2023	2022
Operating and other revenue	423	310	1,417	1,062
Earnings before financial items and tax (EBIT)	39	33	90	84
Earnings before tax (EBT)	40	32	96	82
Operating profit margin	9.2 %	10.5 %	6.3 %	7.9 %
Profit margin	9.5 %	10.3 %	6.8 %	7.7 %

NUMBER OF EMPLOYEES



AF Gruppen 5,913

ORDER BACKLOG (NOK million)



## ENERGY AND ENVIRONMENT CONSIST OF

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





AF offers energy-efficient solutions for buildings and industry and is a leading player in environmental clean-up, demolition and recycling. Contaminated materials are sorted, decontaminated and recycled at AF's environmental centres Rimol, Jølsen and Nes.

Energy and Environment had revenue growth of 37% in the 4th quarter compared with the same quarter last year, and overall achieved very good results. Revenues for the 4th quarter were NOK 423 million (310 million). Earnings before tax were NOK 40 million (32 million). For the full year revenues totalled NOK 1,417 million (1,062 million) and earnings before tax were NOK 96 million (82 million).

AF Energi has significantly increased its level of activity compared to the same quarter last year. A high level of activity and good operational performance in the projects resulted in a very good result for the 4th quarter.

AF Decom had revenue growth in the 4th quarter compared with the same quarter last year, and overall achieved very good results. Our environmental activities clean up and sort different materials for recycling. AF Decom demolished and facilitated the recycling of 2,875 (1,941) tonnes of metal in the 4th quarter, and 11,200 (17,629) tonnes of metal for the

year. The steel industry accounts for about 7% of the world's total CO<sub>2</sub> emissions. Reusing steel results in 70 per cent lower CO<sub>2</sub> emissions than ore-based production. This corresponds to a reduction in emissions of 1 kg CO<sub>2</sub> for each kilo of steel recycled. This means that AF Decom's demolition operations have helped to reduce alternative CO<sub>2</sub> emissions by 11,200 tonnes thus far in 2023.

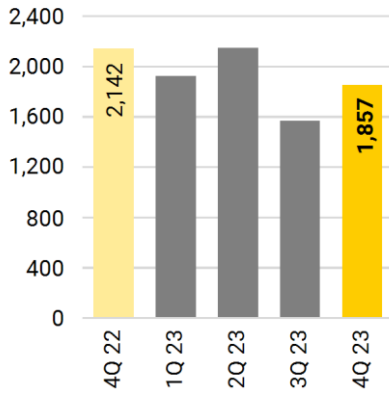
The foundation of our environmental activities is that waste can to a large extent be reused, and thus be a valuable resource in a growing circular economy. AF's environmental centres receive contaminated material and are working to reuse as much as possible instead of it going to landfill. The environmental centres delivered very good results in the quarter. AF's environmental centres recycled 81,325 (69,664) tonnes of material in the 4th quarter, and a total of 288,511 (315,269) tonnes of material for the year. The recycling rate realised for contaminated material is 78 % for the year.

Mepex delivered good results for the year 2023.

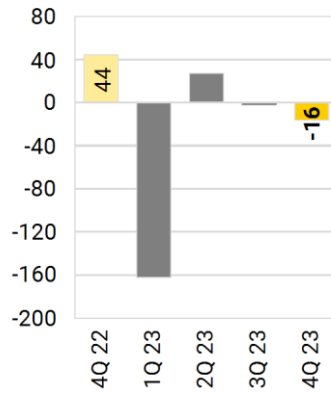
Energy and environment had an order intake of NOK 269 million (262 million) in the 4th quarter. The order backlog for Energy and Environment stood at NOK 1,249 million (640 million) as at 31 December 2023.

# SWEDEN

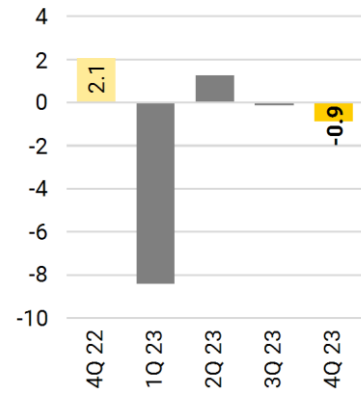
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



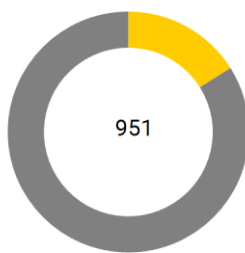
OPERATING MARGIN (%)



## KEY FIGURES

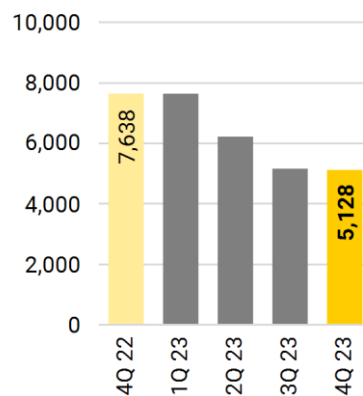
NOK million	4Q 23	4Q 22	2023	2022
Operating and other revenue	1,857	2,142	7,501	7,445
Earnings before financial items and tax (EBIT)	-16	44	-152	130
Earnings before tax (EBT)	-19	44	-160	127
Operating profit margin	-0.9 %	2.1 %	-2.0 %	1.7 %
Profit margin	-1.0 %	2.1 %	-2.1 %	1.7 %

NUMBER OF EMPLOYEES



AF Gruppen 5,913

ORDER BACKLOG (NOK million)



## SWEDEN CONSISTS OF

- Kanonaden
- AF Prefab i Mälardalen
- AF Bygg Syd
- AF Projektutveckling
- AF Härnösand Byggreturer
- HMB
- AF Bygg Väst
- AF Bygg Öst
- AF Anläggning Väst



HMB Construction. Photo: AF Gruppen

The Sweden business area comprises AF's Swedish operations in civil engineering, construction, property and demolition. The geographic area of operation encompasses Gothenburg and Southern Sweden, as well as Stockholm and Mälardalen.

Sweden had a negative result and lower level of activity in the quarter compared to the same quarter last year. Sweden reported revenues of NOK 1,857 million (2,142 million) for the 4th quarter. Earnings before tax were NOK -19 million (44 million), this includes a write down of goodwill of NOK 20 million. For the full year revenues totalled NOK 7,501 million (7,445 million) and earnings before tax were NOK -160 million (127 million).

There is a wide range in the units' performance this quarter and for 2023 as a whole. Overall, the negative result for the business area is due to further downward adjustments in the project estimates for AF Bygg Väst, AF Bygg Öst and AF Anläggning Väst.

Kanonaden, AF Prefab in Mälardalen, AF Bygg Syd and AF Härnösand Byggreturer reported very good results in the 4th quarter. HMB delivered good results this quarter.

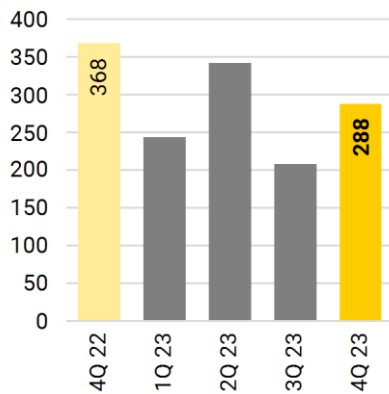
AF Projektutveckling, AF's property business in Sweden, has one residential project with a total of 83 units under production. For further information on the residential projects, see Note 7. The unit has a building site inventory (residential units under development) that is estimated at 1,159 (990) residential units. AF's share of this is 605 (495) residential units.

Five new contracts were reported to the stock exchange in the 4th quarter. Kanonaden has entered into three contracts valued at over SEK 100 million for Svenska kraftnät this quarter, totalling SEK 504 million excluding VAT. Kanonaden has also been commissioned to build a wind farm in Tidaholm municipality for Vattenfall for SEK 122 million excluding VAT. HMB has entered into an agreement to build 63 new apartments in Västerås for Riksbyggen. The contract value for the turnkey contract is SEK 127 million excluding VAT and commencement is conditional on the sales ratio.

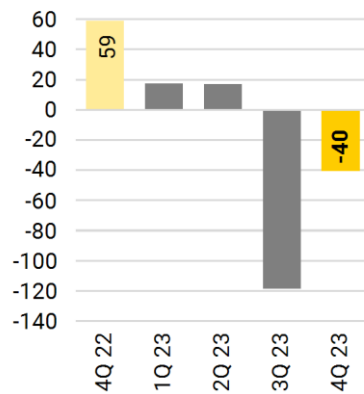
Sweden had an order intake of NOK 1,829 million (1,708 million) in the 4th quarter. The order backlog for Sweden stood at NOK 5,128 million (7,638 million) as at 31 December 2023.

# OFFSHORE

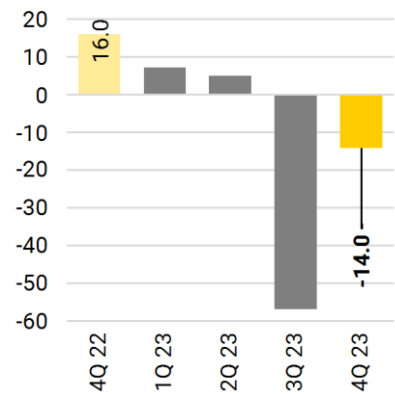
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



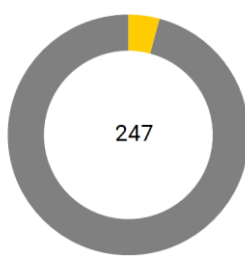
OPERATING MARGIN (%)



## KEY FIGURES

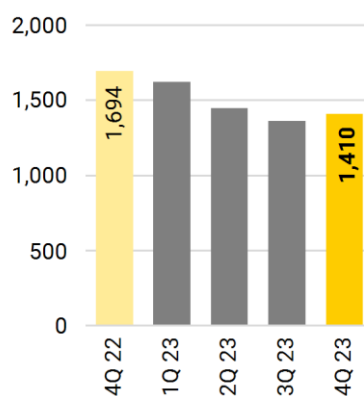
NOK million	4Q 23	4Q 22	2023	2022
Operating and other revenue	288	368	1082	1,238
Earnings before financial items and tax (EBIT)	-40	59	-124	164
Earnings before tax (EBT)	-42	58	-139	160
Operating profit margin	-14.0 %	16.0 %	-11.5 %	13.2 %
Profit margin	-14.4 %	15.9 %	-12.9 %	12.9 %

NUMBER OF EMPLOYEES



AF Gruppen 5,913

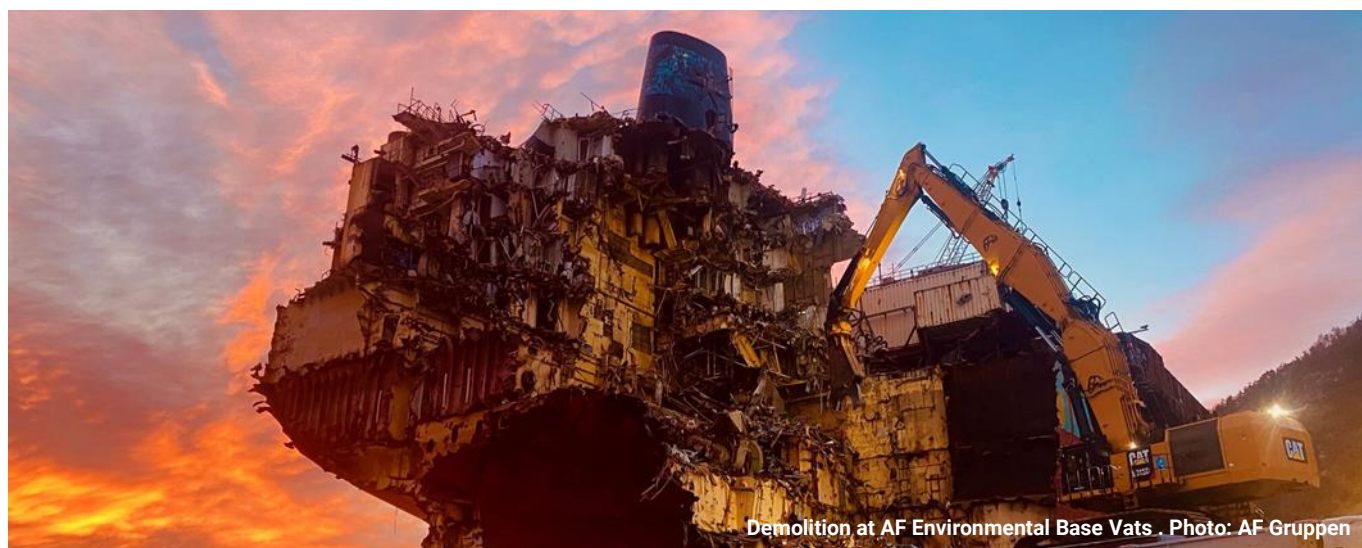
ORDER BACKLOG (NOK million)



OFFSHORE CONSISTS OF

- AF Offshore Decom
- Aeron





Demolition at AF Environmental Base Vats . Photo: AF Gruppen

AF has varied activities aimed at the maritime business and the oil and gas sector. Our services range from new construction and modification of climate control systems (HVAC) for the offshore and marine markets, to the removal and recycling of offshore installations. AF has a state-of-the art facility for environmental clean-up at Vats.

Offshore had a negative result and a reduced level of activity compared to the same quarter last year. Revenues in the 4th quarter were NOK 288 million (368 million). Earnings before tax were NOK -42 million (58 million). Revenues totalled NOK 1,082 million (1,238 million) and earnings before tax were NOK -139 million (160 million) for the full year.

AF Offshore Decom delivered a negative result for the quarter, which in its entirety is related to further downward adjustment of the project estimates for one project.

AF Offshore Decom demolishes and facilitates the recycling of offshore installations. AF Offshore Decom has sorted 91% of the structures for recycling as of the 4th quarter, where metal is the main component. AF Offshore Decom demolished and facilitated the recycling of 2,348 (2,466) tonnes of steel in the 4th quarter, and 26,243 (36,911) tonnes of steel for the year, corresponding to a reduction of alternative CO<sub>2</sub> emissions of 26,243 tonnes compared to ore-based production.

Aeron had a high level of activity during the quarter and very good profitability. Aeron delivered good results for 2023.

Offshore had an order intake of NOK 335 million (135 million) in the 4th quarter. The order backlog for Offshore was NOK 1,410 million (1,694 million) as at 31 December 2023.







## 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 goal for return on invested capital is 20%, and its financial position shall underpin the growth strategy and provide an adequate dividend capacity.

In the 4th quarter, net operating cash flow was NOK 855 million (-38 million) and net cash flow from investments was NOK -109 million (-77 million). Cash flow before capital transactions and financing was NOK 747 million (-115 million) for the 4th quarter. For the full year cash flow from operating activities was NOK 1,552 million (1,460 million), and cash flow from net investments NOK -613 million (67 million). Cash flow before financing activities was NOK 939 million (1,527 million) for the full year.

At the end of the 4th quarter, AF Gruppen had cash and cash equivalents of NOK 347 million (765 million). Net interest-bearing debt (receivables) as at 31 December 2023 was NOK 641 million (329 million).

AF Gruppen's total financing facilities amount to NOK 3,500 million. The financing facilities consist of a multi-currency overdraft facility (rolling 1-year term) of NOK 2,000 million in DNB and a sustainability-linked revolving long-term credit facility (3+1+1 year maturity) of NOK 1,500, effective from September 2023.

Available liquidity at 31 December 2023, including overdraft facilities with Handelsbanken and DNB, is NOK 3,406 million.

Total assets were NOK 14,647 million (14,457 million) as at 31 December 2023. The Group's equity totalled NOK 3,203 million (3,494 million) as at 31 December 2023. This corresponds to an equity ratio of 21.9% (24.2%).

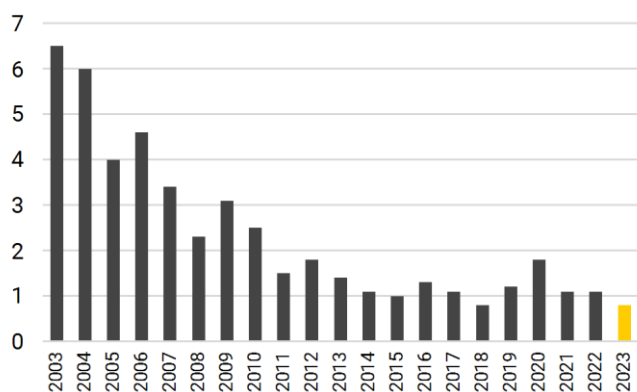
## THE SHARE

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 (OINP).

## LIST OF SHAREHOLDERS AS AT 31 DECEMBER 2023

Name	No. Shares	% share
ØMF Holding AS	17,972,233	16.6
OBOS BBL	17,459,483	16.1
Constructio AS	15,338,012	14.1
Folketrygdfondet	9,070,140	8.4
LJM AS	2,515,217	2.3
Artel Kapital AS	2,508,267	2.3
VITO Kongsvinger AS	1,911,676	1.8
Arne Skogheim AS	1,753,870	1.6
Janiko AS	1,370,186	1.3
Moger Invest AS	1,242,609	1.1
<b>Ten largest shareholders</b>	<b>71,141,693</b>	<b>65.5</b>
Total other shareholders	37,390,307	34.5
Own shares	0	0
<b>Total number of shares</b>	<b>108,532,000</b>	<b>100</b>

## LTI-1 RATE DEVELOPMENT



As of 31 December 2023, the AF share had a closing price of NOK 124.20. This corresponds to a return of -9.1% year to date. The Oslo Børs Benchmark Index showed a return of 9.9% for the same period.

The Board of Directors has proposed a dividend of NOK 3.50 (6.50) per share for payment in the first half-year of 2024.

In connection with AF Gruppen's share programme for employees, in October the Board of Directors decided, based on authorisation from the general meeting, to sell 170,000 of the company's treasury shares and to carry out an issue of 830,000 shares. This was carried out on 12 October 2023. A total of 920 employees subscribed for a total of 1,000,000 shares through the programme, where the shares were subscribed for at a price of NOK 97.40 per share. This corresponds to a 20% discount in relation to the average stock exchange rate during the subscription period. The company owns no treasury shares following the sale.

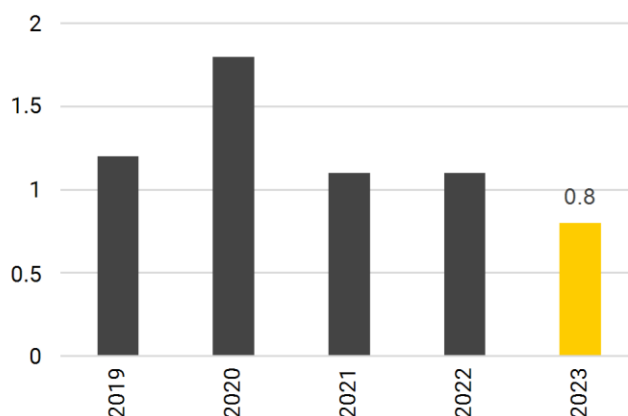
After completion of the issue, the number of shares in AF Gruppen is 108,532,000, which corresponds to share capital of NOK 5,426,600.

## SAFETY AND HEALTH

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 encompasses all projects. The working environment should be safe for everyone, including those who are employed by our subcontractors. AF's 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 5 (5) injuries

## LTI-1 RATE



resulting in absence were registered in the 4th quarter. This gives an LTI-1 rate of 0.9 (0.9) for the 4th quarter. For the full year the LTI-1 rate is 0.8 (1.1).

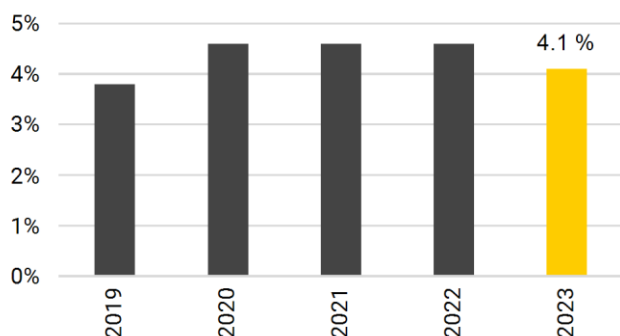
Systematic and long-term work is being carried out to reduce the LTI-1 rate. Significant resources are being invested to further improve our HSE efforts in order to be able to achieve our goal of an LTI-1 rate of zero. Key to this work is AF's fundamental understanding and acceptance that all injuries have a cause and can therefore be avoided. Identifying risk and risk analysis are key parts of our preventive activities. Based on a given risk scenario, 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 follow up of undesired incidents, as well as investigating the most serious incidents. The number of reports has increased steadily in recent years. We see a clear correlation between the increased reporting of undesired incidents and decrease in injuries.

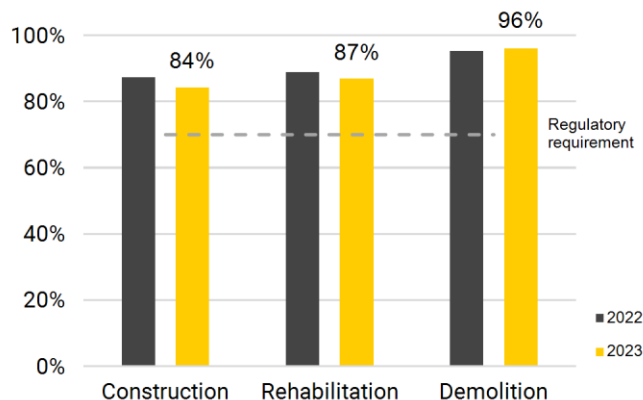
The registration of sick leave forms the basis for the measurement of health work at AF. In the 4th quarter, sick leave rate was 4.2% (4.7%), and 4.1% (4.6%) for the full year. Our target is a healthy sick leave level, without absence due to occupational illnesses or injuries. Systematic efforts are 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.

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.

## SICK LEAVE DEVELOPMENT



## SOURCE SEPARATION RATE



## 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 masses. In addition, the use of electric machinery, a modern machinery and car fleet 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 70%. In the 4th quarter, the source separation rate for construction was 85% (82%), for renovation it was 84% (87%) and for demolition it was 95% (94%). For the full year the recycling result for building was 84% (86 %), the result for renovation was 87% (89%) and the result for demolition was 96% (95%). These results are considered to be very good. A total of 69,297 tonnes (64,210 tonnes) of waste were separated at source in the 4th quarter, and a total of 287,588 tonnes (278,173 tonnes) of waste were separated at source for the full year.

AF wants to use the expertise we have to create further indirect savings on greenhouse gas emissions. AF's environmental centres offers services where materials that previously would have ended up in landfill sites now can be recovered and have their useful life extended. The environmental centres have recycled a total of 288,511 tonnes (315,269 tonnes) of materials for the full year.

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 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 CO<sub>2</sub> emissions. Reusing steel results in 70% lower CO<sub>2</sub>

emissions than ore-based production. This corresponds to a reduction in emissions of 1 kg CO<sub>2</sub> for each kilo of steel recycled. AF Offshore Decom and AF Decom demolished and facilitated the recycling of 5,223 tonnes (4,407 tonnes) of metal in the 4th quarter, and 37,443 tonnes (54,540 tonnes) of metal for the full year. In total, this represents a reduction of alternative CO<sub>2</sub> emissions by around 37,443 tonnes (54,540 tonnes) for the full year.

AF reports climate accounts based on the Greenhouse Gas Protocol (GHG), where our own direct and indirect emissions (scope 1 and 2), as well as other selected indirect emissions (scope 3) are measured in tonnes of CO<sub>2</sub> equivalents. The other selected indirect emissions included in the climate accounts are emissions from waste generated, business travel and commuting. Waste from demolition operations is not included in the emission figures in scope 3. The carbon footprint is defined as emissions of greenhouse gases in tons of CO<sub>2</sub>equivalents per NOK million revenues, and at 31 December 2023, the carbon footprint for scope 1 and 2 was 1.2 (1.1). AF has set a target of halving greenhouse gas emissions for each service type relative to revenue by 2030. The basis year of the reduction target of scope 1 and 2 emissions is 2020, and the carbon footprint for that year was 1,6.

Climate accounts (tonnes CO <sub>2</sub> e <sup>1</sup> )	2023	2022
Scope 1: Direct emissions	33,660	32,559
Scope 2: Indirect emissions, energy	1,506	1,217
<b>Greenhouse gas emissions</b>	<b>35,166</b>	<b>33,777</b>
Carbon footprint <sup>2</sup> scope 1 and 2	1.2	1.1
Scope 3: Other indirect emissions <sup>3</sup>	14,196	7,874
<b>Greenhouse gas emissions</b>	<b>49,362</b>	<b>41,651</b>

<sup>1</sup>) Greenhouse gas emissions with global warming potential equivalent to CO<sub>2</sub>

<sup>2</sup>) Tonnes CO<sub>2</sub>e emissions per NOK million in revenue

<sup>3</sup>) Other selected indirect emissions

There are large differences in greenhouse gas emissions relative to revenue in the various types of services. The use of diesel in construction machinery is the largest direct source of emission. Both civil engineering and demolition activities require heavy construction machinery in order to carry out work and move large amounts of materials in projects. The use of heavy construction machinery is limited to groundwork and project logistics in our construction projects. It is, therefore, important for AF to analyse and reduce greenhouse gas emissions within each type of service and not reduce activity in civil engineering and demolition in relation to construction. The service types we measure in this context are civil engineering, construction and demolition services. Services that are not included in these categories are energy efficiency services, environmental centres, property activities and general services.

<b>Civil engineering services</b>		
<b>Emissions by service type</b>	<b>2023</b>	<b>2022</b>
Scope 1: Direct emissions	25,441	23,092
Scope 2: Indirect emissions, energy	484	272
<b>CO<sub>2</sub>e emissions scope 1 og 2 (tonn CO<sub>2</sub>e)<sup>1</sup></b>	<b>25,925</b>	<b>23,364</b>
Carbon footprint <sup>2</sup> scope 1 and 2	2.7	2.7
<b>Construction services</b>		
<b>Emissions by service type</b>	<b>2023</b>	<b>2022</b>
Scope 1: Direct emissions	2,736	2,769
Scope 2: Indirect emissions, energy	862	781
<b>CO<sub>2</sub>e emissions scope 1 og 2 (tonn CO<sub>2</sub>e)<sup>1</sup></b>	<b>3,598</b>	<b>3,550</b>
Carbon footprint <sup>2</sup> scope 1 and 2	0.2	0.2
<b>Demolition services</b>		
<b>Emissions by service type</b>	<b>2023</b>	<b>2022</b>
Scope 1: Direct emissions	4,724	5,900
Scope 2: Indirect emissions, energy	102	97
<b>CO<sub>2</sub>e emissions scope 1 og 2 (tonn CO<sub>2</sub>e)<sup>1</sup></b>	<b>4,826</b>	<b>5,998</b>
Carbon footprint <sup>2</sup> scope 1 and 2	3.5	3.9

<sup>1)</sup> Greenhouse gas emissions with global warming potential equivalent to CO<sub>2</sub>

<sup>2)</sup> Tonnes CO<sub>2</sub>e emissions per NOK million in revenue

## 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 develop 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 high degree of influence.

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 total proportion of women to 20% and the proportion amongst officials to 40%. This is an ambitious goal. In the 4th quarter the share of women is 9.8 % (9.0 %) in total and 19.5 % (18.7 %) 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 maintains a high 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, a safer working environment 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 development of employees through the AF Academy. More than 80% of the current managers have been recruited internally. Our employees are good ambassadors in the recruitment of new colleagues.

At the end of the 4th quarter AF Gruppen had a total of 5,913 (5,975) employees. Of these employees 4,842 (4,820) were employed in Norway, 1,020 (1,115) in Sweden, 21 (19) in Lithuania, 25 (18) in Germany and 5 (3) in Great Britain.

## 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,



reputational risk, and operational 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 effect of Covid-19 pandemic and Russia's invasion of Ukraine. 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, 38 quarterly reviews in the business units were completed during the 4th 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 major demolition and recycling operator, AF Gruppen is also exposed to fluctuations in steel prices. AF aims to have low exposure to risks that cannot be influenced, and use 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. In addition to the parent company and bank guarantees, the use of credit rating tools contributes to reducing risk. The liquidity risk is considered low. AF Gruppen's available liquidity,

including credit facilities of NOK 3,500 million, stood at NOK 3,406 million as at 31 December 2023.

## **MARKET OUTLOOK**

Prospects in the construction industry are characterised by complex geopolitical conditions, increasing trade tensions and a high interest rate level. Changes in interest rate policy both nationally and internationally will affect AF Gruppen's activities. In January 2024 Norges Bank decided to keep the key rate unchanged at 4.5%. In February, the Swedish Riksbank decided to keep the key rate unchanged at 4.0%. Interest rates affect investment activity and will be a major driver of uncertainty going forward.

Changed framework conditions require adaptability and innovation, which will be crucial in the construction industry in the future. This includes improving existing activities, creating new business, attracting new expertise and investing in new technology. The green shift and transition to a circular economy set further requirements for adaptability and innovation. The construction industry has a significant climate and environmental impact, and innovation to reduce the industry's climate and environmental footprint will be an important competitive parameter going forward.

### **Civil Engineering**

The civil engineering market has traditionally been less sensitive to cyclical fluctuations, as public sector demand is the strongest driver behind investments in civil engineering.

The government is now working on the National Transport Plan (NTP) for the period 2025-2036, which will be presented in the spring of 2024, one year earlier than originally planned. The government has signalled that there is a need for a transport plan with realistic financial frameworks, hence the NTP is expected to be somewhat less expansive than before based on the transport industry's portfolio priorities. At the same time, transport companies have indicated a greater need for maintenance investments in their reports. The final allocations for purposes under the NTP are managed from year to year through the national budget.

Prognosesenteret expects the total civil engineering market in Norway to grow by 3.5% in 2024 and 2.2% in 2025, based on the latest updated forecast from September 2023. Investments are expected to drive growth in 2024 and 2025. For the road development segment, growth is expected in both new investments and maintenance for the

duration of the forecast period. For civil engineering investments in Sweden, Bygghöretagen reports an estimate of SEK 156.7 billion for 2023 (7.1%), and a slight increase of 0.5% to SEK 157.5 billion in 2024. The forecasts for the civil engineering market indicate a good basis for further growth for AF's civil engineering activities.

### **Construction and Property**

Higher interest rates affect willingness to invest in new projects, and it becomes less profitable to start new projects. For the construction market in Norway in total, Prognosesenteret estimates a decline in production value of 1.8% for 2024, and an increase of 9.0% in 2025. The adjustment is due to the fact that many approved start permits are expected to materialise first in 2025. There is expected to be a nationwide reduction in new residential and non-residential buildings in 2024, while weak growth is expected in rehabilitation, renovation and extensions (ROT). All building segments are expected to grow in 2025.

Final figures from Prognosesenteret show that the number of commenced residential units in Norway ended at 16,957 (including holiday homes) in 2023, a decrease of about 40% since 2022. The number of commenced residential units is expected to pick up in 2024 and 2025, and is estimated at 26,000 and 31,000, respectively. Prognosesenteret's estimates for commenced residential units are based on the number of start permits measured. The market sentiment leads to increased uncertainty in the estimate for commenced residential units.

Figures from Property Norway for the 4th quarter show a decline in housing prices in Norway. On a national basis, residential property prices rose slightly by 0.5% in 2023. For 2024, Property Norway estimates nominal housing price inflation of 4% after two years of weak development, where Oslo and Stavanger stand out with 6% and 7%, respectively.

Bygghöretagen reports that building investments in Sweden are estimated at SEK 471.7 billion for 2023, and expects this to decrease to SEK 437.1 billion (-7.3%) in 2024, primarily in connection with the "homes" segment. The Swedish residential property market had a moderate price development in 2023. Svensk Mäklarstatistik reported 1% growth for apartments and a 1% decrease for detached houses at year end.

### **Energy and Environment**

The Norwegian authorities have set ambitious targets for reducing energy use up to 2030, and high electricity prices make investments in energy-efficient measures very attractive. According to the Norwegian Building Industry Association, the potential for energy efficiency is 10 TWh in

Norway, which will provide good market opportunities for AF's energy business.

AF's Energy and Environment business area encompasses AF's energy services related to land-based operations, as well as services related to demolition and recycling onshore in Norway. The activities of the business area have been closely related to the construction market, where the level of new building starts will affect the market for demolition and recycling services. Entry into new markets has resulted in a more diversified project portfolio and our environmental activities have maintained their level of activity in a construction market characterised by lower level of activity. Demand for energy and other environmentally-related services is growing. Cleaned material from AF's environmental centres is finding an increasing number of areas of application, such as an additive to spray concrete and as gritting sand during the winter season.

### **Offshore**

AF Gruppen's services within 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 growth of offshore wind expansion creates pressure on available vessels and port facilities. This may lead to higher prices for offshore decommissioning. Increased investment in offshore wind can also provide new market opportunities for AF's business.

AF Gruppen's services within climate control (HVAC) as well as maintenance and modifications, also have a better market outlook. Electrification of the marine sector and installations on the Norwegian shelf provides market opportunities. The carbon tax is NOK 952 per tonne in 2023, and the "Climate Plan for 2021-2030" white paper has signalled that it will be increased to NOK 2,000/tonne in 2030. This can help accelerate the rate of electrification.

### **Oslo, 14 February 2024**

Board of Directors of AF Gruppen ASA

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# Financial information

# CONDENSED CONSOLIDATED STATEMENT OF INCOME

NOK million	4Q 23	4Q 22	2023	2022
Operating and other revenue	8,378	8,568	30,530	31,205
Subcontractors	-4,448	-4,741	-15,774	-16,554
Cost of materials	-1,000	-1,062	-5,131	-5,346
Payroll costs	-1,594	-1,548	-5,851	-5,487
Operating expenses ex. depreciation and impairment	-847	-627	-2,483	-2,072
Net gains (losses) and profit (loss) from associates	-17	41	34	190
<b>EBITDA</b>	<b>471</b>	<b>631</b>	<b>1,325</b>	<b>1,937</b>
Depreciation and impairment of tangible fixed assets	-56	-52	-220	-209
Depreciation and impairment of right of use assets	-92	-76	-335	-317
Depreciation and impairment of intangible assets	-20	-	-22	-2
<b>Earnings before financial items and tax (EBIT)</b>	<b>302</b>	<b>502</b>	<b>749</b>	<b>1,409</b>
Net financial items	-10	-	-49	-10
<b>Earnings before tax (EBT)</b>	<b>292</b>	<b>502</b>	<b>700</b>	<b>1,400</b>
Income tax expense	-92	-73	-185	-248
<b>Net income for the period</b>	<b>200</b>	<b>428</b>	<b>515</b>	<b>1,151</b>
Attributable to:				
Shareholders in the Parent Company	174	368	402	958
Non-controlling interests	25	61	112	193
<b>Net income for the period</b>	<b>200</b>	<b>428</b>	<b>515</b>	<b>1,151</b>
Earnings per share (NOK)	1.62	3.43	3.73	8.96
Diluted earnings per share (NOK)	1.62	3.43	3.73	8.96
<b>Key figures</b>	<b>4Q 23</b>	<b>4Q 22</b>	<b>2023</b>	<b>2022</b>
EBITDA margin	5.6 %	7.4 %	4.3 %	6.2 %
Operating profit margin	3.6 %	5.9 %	2.5 %	4.5 %
Profit margin	3.5 %	5.9 %	2.3 %	4.5 %
Return on capital employed (ROaCE) <sup>1)</sup>	-	-	15.9 %	31.6 %
Return on equity	-	-	16.4 %	34.0 %
Equity ratio	21.9 %	24.2 %	21.9 %	24.2 %
Net interest-bearing debt (receivables) <sup>2)</sup>	641	329	641	329
Capital employed <sup>3)</sup>	4,540	4,900	4,540	4,900
Order intake	8,504	8,617	32,756	32,324
Order backlog	41,991	39,765	41,991	39,765

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

<sup>2)</sup> Net interest-bearing debt (receivables) = Cash and cash equivalents + interest-bearing receivables - interest-bearing debt

<sup>3)</sup> Capital employed = Equity + interest-bearing debt



## STATEMENT OF COMPREHENSIVE INCOME

NOK million	4Q 23	4Q 22	2023	2022
Net income for the period	200	428	515	1,151
Net actuarial gains and losses	-1	2	-1	2
Currency translation differences non-controlling int.	4	-5	7	-6
<b>Items that will not be reclassified to income statement in subsequent periods</b>	<b>3</b>	<b>-3</b>	<b>6</b>	<b>-5</b>
Net cash flow hedges	4	17	-5	4
Currency translation differences shareholders of the parent	40	-33	83	-35
<b>Items that may be reclassified to income statement in subsequent periods</b>	<b>44</b>	<b>-16</b>	<b>77</b>	<b>-31</b>
<b>Other comprehensive income for the period</b>	<b>47</b>	<b>-20</b>	<b>83</b>	<b>-36</b>
<b>Total comprehensive income for the period</b>	<b>246</b>	<b>409</b>	<b>598</b>	<b>1,116</b>
Attributable to:				
- Shareholders of the parent	218	353	479	929
- Non-controlling interests	29	56	119	187
<b>Total comprehensive income for the period</b>	<b>246</b>	<b>409</b>	<b>598</b>	<b>1,116</b>

## 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
<b>As at 31 December 2021</b>	<b>506</b>	<b>16</b>	<b>-20</b>	<b>-22</b>	<b>2,174</b>	<b>2,654</b>	<b>918</b>	<b>3,572</b>
Comprehensive income	-	-35	2	4	958	929	187	1,116
Capital increase	125	-	-	-	-	125	-	125
Purchase of treasury shares	-	-	-	-	-66	-66	-	-66
Sale of treasury shares	-	-	-	-	57	57	-	57
Dividend paid	-	-	-	-	-1,125	-1,125	-240	-1,365
Share-based remuneration	51	-	-	-	-	51	4	55
Put options for non-controlling interests	-	-	-	-	41	41	-	41
Addition from acquisition of subsidiaries	-	-	-	-	-	-	13	13
Transactions with non-controlling interests	-	-	-	-	-89	-89	35	-54
<b>As at 31 December 2022</b>	<b>682</b>	<b>-19</b>	<b>-19</b>	<b>-18</b>	<b>1,950</b>	<b>2,575</b>	<b>918</b>	<b>3,494</b>
<b>As at 31 December 2022</b>	<b>682</b>	<b>-19</b>	<b>-19</b>	<b>-18</b>	<b>1,950</b>	<b>2,575</b>	<b>918</b>	<b>3,494</b>
Comprehensive income	-	83	-1	-5	402	479	119	598
Capital increase	81	-	-	-	-	81	2	83
Purchase of treasury shares	-	-	-	-	-34	-34	-	-34
Sale of treasury shares	-	-	-	-	32	32	-	32
Dividend paid	-	-	-	-	-700	-700	-142	-842
Share-based remuneration	52	-	-	-	-	52	4	56
Put options for non-controlling interests	-	-	-	-	-6	-6	-3	-9
Addition from acquisition of subsidiaries	-	-	-	-	-	-	10	10
Transactions with non-controlling interests	-	-	-	-	-157	-157	-27	-184
<b>As at 31 December 2023</b>	<b>815</b>	<b>64</b>	<b>-20</b>	<b>-23</b>	<b>1,487</b>	<b>2,323</b>	<b>880</b>	<b>3,203</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK million	31/12/23	31/12/22
Tangible fixed assets	1,797	1,462
Right of use assets	979	859
Goodwill	4,531	4,455
Intangible assets	8	6
Investment in associates and joint ventures	565	490
Deferred tax asset	167	76
Interest-bearing receivables	317	268
Pension plan and other financial assets	43	13
<b>Total non-current assets</b>	<b>8,407</b>	<b>7,630</b>
Inventories	439	301
Projects for own account	194	158
Trade receivables and other current receivables	3,518	3,536
Contract assets	1,710	2,021
Interest-bearing receivables	32	44
Derivatives	2	-
Cash and cash equivalents	347	765
<b>Total current assets</b>	<b>6,241</b>	<b>6,827</b>
<b>Total assets</b>	<b>14,647</b>	<b>14,457</b>
Equity attributable to shareholders of the parent	2,323	2,575
Non-controlling interests	880	918
<b>Total equity</b>	<b>3,203</b>	<b>3,494</b>
Interest-bearing debt	93	75
Interest-bearing debt - lease liability	666	607
Retirement benefit obligations	8	3
Provisions	120	117
Deferred tax	441	445
Derivatives	11	2
<b>Total non-current liabilities</b>	<b>1,338</b>	<b>1,250</b>
Interest-bearing debt	233	433
Interest-bearing debt - lease liability	345	290
Trade payables and other short-term debt	7,067	6,423
Contract liability	1,389	1,546
Derivatives	15	20
Provisions	810	585
Tax payable	247	416
<b>Total current liabilities</b>	<b>10,106</b>	<b>9,713</b>
<b>Total liabilities</b>	<b>11,444</b>	<b>10,963</b>
<b>Total equity and liabilities</b>	<b>14,647</b>	<b>14,457</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

NOK million	4Q 23	4Q 22	2023	2022
Earnings before financial items and tax (EBIT)	302	502	749	1,409
Depreciation, amortisation and impairment	169	128	576	528
Change in net working capital	612	-575	675	-43
Income taxes paid	-277	-82	-470	-299
Net gains (losses) and profit (loss) from associates	17	-41	-34	-190
Other adjustments	32	30	56	55
<b>Cash flow from operating activities</b>	<b>855</b>	<b>-38</b>	<b>1,552</b>	<b>1,460</b>
Net investments	-109	-77	-613	67
<b>Cash flow before financing activities</b>	<b>747</b>	<b>-115</b>	<b>939</b>	<b>1,527</b>
Share issue	81	85	81	85
Dividends paid to shareholders in the Parent Company	-	-431	-700	-1,125
Dividends paid to non-controlling interests	-2	2	-142	-240
Transactions with non-controlling interests	4	-75	-23	-135
Sale (purchase) of treasury shares	16	46	-2	-9
Borrowings (repayment) of debt	-1,002	244	-516	29
Interest and other financial expenses paid	-21	-15	-99	-41
<b>Cash flow from financing activities</b>	<b>-924</b>	<b>-143</b>	<b>-1,401</b>	<b>-1,437</b>
<b>Change in cash and cash equivalents with cash effect</b>	<b>-177</b>	<b>-258</b>	<b>-462</b>	<b>90</b>
Net cash and cash equivalents at the beginning of period	526	1,036	765	680
Change in cash and cash equivalents without cash effect	-1	-12	44	-4
<b>Net cash and cash equivalents at the end of period</b>	<b>347</b>	<b>765</b>	<b>347</b>	<b>765</b>



## 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 segments Construction, Property 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	4Q 23	4Q 22	2023	2022
External operating and other revenue	2,064	1,529	6,458	5,370
Internal operating and other revenue	77	149	318	549
<b>Total operating and other revenue</b>	<b>2,141</b>	<b>1,678</b>	<b>6,776</b>	<b>5,919</b>
EBITDA	298	213	754	636
Earnings before financial items and tax (EBIT)	240	170	550	445
<b>Earnings before tax (EBT)</b>	<b>253</b>	<b>168</b>	<b>572</b>	<b>440</b>
EBITDA-margin	13.9 %	12.7 %	11.1 %	10.7 %
Operating margin	11.2 %	10.1 %	8.1 %	7.5 %
Profit margin	11.8 %	10.0 %	8.4 %	7.4 %
Assets	4,007	3,546	4,007	3,546
<b>Order intake</b>	<b>840</b>	<b>5,159</b>	<b>9,548</b>	<b>14,409</b>
<b>Order backlog</b>	<b>18,140</b>	<b>15,368</b>	<b>18,140</b>	<b>15,368</b>

## Construction

NOK million	4Q 23	4Q 22	2023	2022
External operating and other revenue	2,632	3,030	10,124	10,992
Internal operating and other revenue	1	31	58	98
<b>Total operating and other revenue</b>	<b>2,633</b>	<b>3,061</b>	<b>10,182</b>	<b>11,090</b>
EBITDA	163	145	483	410
Earnings before financial items and tax (EBIT)	141	122	396	322
<b>Earnings before tax (EBT)</b>	<b>138</b>	<b>119</b>	<b>378</b>	<b>318</b>
EBITDA-margin	6.2 %	4.7 %	4.7 %	3.7 %
Operating margin	5.3 %	4.0 %	3.9 %	2.9 %
Profit margin	5.2 %	3.9 %	3.7 %	2.9 %
Assets	5,109	4,887	5,109	4,887
<b>Order intake</b>	<b>2,762</b>	<b>1,261</b>	<b>9,601</b>	<b>7,586</b>
<b>Order backlog</b>	<b>9,464</b>	<b>10,045</b>	<b>9,464</b>	<b>10,045</b>

## Betonmast

NOK million	4Q 23	4Q 22	2023	2022
External operating and other revenue	1,168	1,376	4,551	5,142
Internal operating and other revenue	3	-	3	2
<b>Total operating and other revenue</b>	<b>1,171</b>	<b>1,376</b>	<b>4,553</b>	<b>5,145</b>
EBITDA	-47	83	55	190
Earnings before financial items and tax (EBIT)	-53	78	34	166
<b>Earnings before tax (EBT)</b>	<b>-44</b>	<b>83</b>	<b>58</b>	<b>174</b>
EBITDA-margin	-4.1 %	6.0 %	1.2 %	3.7 %
Operating margin	-4.5 %	5.6 %	0.7 %	3.2 %
Profit margin	-3.7 %	6.0 %	1.3 %	3.4 %
Assets	3,191	3,257	3,191	3,257
<b>Order intake</b>	<b>2,487</b>	<b>421</b>	<b>6,341</b>	<b>2,506</b>
<b>Order backlog</b>	<b>6,203</b>	<b>4,415</b>	<b>6,203</b>	<b>4,415</b>

## Property

NOK million	4Q 23	4Q 22	2023	2022
External operating and other revenue	7	12	27	30
Internal operating and other revenue	-	-	-	-
<b>Total operating and other revenue</b>	<b>7</b>	<b>12</b>	<b>27</b>	<b>30</b>
EBITDA	-11	21	-20	75
Earnings before financial items and tax (EBIT)	-11	21	-20	75
<b>Earnings before tax (EBT)</b>	<b>-7</b>	<b>23</b>	<b>-8</b>	<b>82</b>
EBITDA-margin	-	-	-	-
Operating margin	-	-	-	-
Profit margin	-	-	-	-
Assets	842	660	842	660
<b>Order backlog</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Energy and Environment

NOK million	4Q 23	4Q 22	2023	2022
External operating and other revenue	406	288	1,341	988
Internal operating and other revenue	17	22	76	74
<b>Total operating and other revenue</b>	<b>423</b>	<b>310</b>	<b>1,417</b>	<b>1,062</b>
EBITDA	56	50	156	150
Earnings before financial items and tax (EBIT)	39	33	90	84
<b>Earnings before tax (EBT)</b>	<b>40</b>	<b>32</b>	<b>96</b>	<b>82</b>
EBITDA-margin	13.3 %	16.0 %	11.0 %	14.2 %
Operating margin	9.2 %	10.5 %	6.3 %	7.9 %
Profit margin	9.5 %	10.3 %	6.8 %	7.7 %
Assets	923	733	923	733
<b>Order intake</b>	<b>269</b>	<b>262</b>	<b>2,027</b>	<b>987</b>
<b>Order backlog</b>	<b>1,249</b>	<b>640</b>	<b>1,249</b>	<b>640</b>



## Sweden

NOK million	4Q 23	4Q 22	2023	2022
External operating and other revenue	1,821	2,141	7,423	7,438
Internal operating and other revenue	35	1	78	7
<b>Total operating and other revenue</b>	<b>1,857</b>	<b>2,142</b>	<b>7,501</b>	<b>7,445</b>
EBITDA	23	61	-60	193
Earnings before financial items and tax (EBIT)	-16	44	-152	130
<b>Earnings before tax (EBT)</b>	<b>-19</b>	<b>44</b>	<b>-160</b>	<b>127</b>
EBITDA-margin	1.2 %	2.9 %	-0.8 %	2.6 %
Operating margin	-0.9 %	2.1 %	-2.0 %	1.7 %
Profit margin	-1.0 %	2.1 %	-2.1 %	1.7 %
Assets	2,816	2,712	2,816	2,712
<b>Order intake</b>	<b>1,829</b>	<b>1,708</b>	<b>4,991</b>	<b>5,970</b>
<b>Order backlog</b>	<b>5,128</b>	<b>7,638</b>	<b>5,128</b>	<b>7,638</b>

## Offshore

NOK million	4Q 23	4Q 22	2023	2022
External operating and other revenue	287	368	1,081	1,236
Internal operating and other revenue	-	-	1	1
<b>Total operating and other revenue</b>	<b>288</b>	<b>368</b>	<b>1,082</b>	<b>1,238</b>
EBITDA	-33	67	-95	194
Earnings before financial items and tax (EBIT)	-40	59	-124	164
<b>Earnings before tax (EBT)</b>	<b>-42</b>	<b>58</b>	<b>-139</b>	<b>160</b>
EBITDA-margin	-11.4 %	18.1 %	-8.7 %	15.7 %
Operating margin	-14.0 %	16.0 %	-11.5 %	13.2 %
Profit margin	-14.4 %	15.9 %	-12.9 %	12.9 %
Assets	1,098	1,003	1,098	1,003
<b>Order intake</b>	<b>335</b>	<b>135</b>	<b>798</b>	<b>1,417</b>
<b>Order backlog</b>	<b>1,410</b>	<b>1,694</b>	<b>1,410</b>	<b>1,694</b>

## Other Segments (Group)

NOK million	4Q 23	4Q 22	2023	2022
External operating and other revenue	31	18	110	59
Internal operating and other revenue	19	12	61	48
<b>Total operating and other revenue</b>	<b>50</b>	<b>30</b>	<b>171</b>	<b>107</b>
EBITDA	41	7	104	40
Earnings before financial items and tax (EBIT)	22	-9	27	-24
<b>Earnings before tax (EBT)</b>	<b>-25</b>	<b>-11</b>	<b>-45</b>	<b>-31</b>
Assets	1,995	2,175	1,995	2,175
<b>Order backlog</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Eliminations

NOK million	4Q 23	4Q 22	2023	2022
External operating and other revenue	-86	-77	-350	152
Internal operating and other revenue	-153	-216	-595	-779
<b>Total operating and other revenue</b>	<b>-239</b>	<b>-293</b>	<b>-945</b>	<b>-627</b>
EBITDA	-15	-5	-32	33
Earnings before financial items and tax (EBIT)	-15	-5	-32	33
<b>Earnings before tax (EBT)</b>	<b>2</b>	<b>-4</b>	<b>-32</b>	<b>33</b>
Assets	-5,239	-4,448	-5,239	-4,448
<b>Order backlog</b>	<b>-213</b>	<b>-410</b>	<b>-213</b>	<b>-410</b>

## GAAP adjustments (IFRS 15)

NOK million	4Q 23	4Q 22	2023	2022
External operating and other revenue	47	-117	-235	-203
Internal operating and other revenue	-	-	-	-
<b>Total operating and other revenue</b>	<b>47</b>	<b>-117</b>	<b>-235</b>	<b>-203</b>
EBITDA	-4	-9	-20	15
Earnings before financial items and tax (EBIT)	-4	-9	-20	15
<b>Earnings before tax (EBT)</b>	<b>-4</b>	<b>-9</b>	<b>-20</b>	<b>15</b>
Assets	-94	-67	-94	-67
<b>Order backlog</b>	<b>610</b>	<b>375</b>	<b>610</b>	<b>375</b>

## Segment total

NOK million	4Q 23	4Q 22	2023	2022
External operating and other revenue	8,378	8,568	30,530	31,205
Internal operating and other revenue	-	-	-	-
<b>Total operating and other revenue</b>	<b>8,378</b>	<b>8,568</b>	<b>30,530</b>	<b>31,205</b>
EBITDA	471	631	1,325	1,937
Earnings before financial items and tax (EBIT)	302	502	749	1,409
<b>Earnings before tax (EBT)</b>	<b>292</b>	<b>502</b>	<b>700</b>	<b>1,400</b>
EBITDA-margin	5.6 %	7.4 %	4.3 %	6.2 %
Operating margin	3.6 %	5.9 %	2.5 %	4.5 %
Profit margin	3.5 %	5.9 %	2.3 %	4.5 %
Assets	14,647	14,457	14,647	14,457
<b>Order intake</b>	<b>8,504</b>	<b>8,617</b>	<b>32,756</b>	<b>32,324</b>
<b>Order backlog</b>	<b>41,991</b>	<b>39,765</b>	<b>41,991</b>	<b>39,765</b>





# 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 Oslo Børs under the ticker symbol AFG.

This summary of financial information for the 4th quarter 2023 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 4th quarter 2023 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 2022, which has been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as adopted by the EU.

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

There were no material changes to the Group's structure during the year.

## 4. ACCOUNTING POLICIES

### Effect of IFRS 16 lease liability

AF Gruppen presents figures for the Group as lessee to comply with the accounting principles for IFRS 16. The present value of future rental payments for lease liabilities is recognised in the balance sheet as an interest-bearing loan, and right of use is recognised as a non-current asset, with the exception of for short-term or terminable leases. The right of use recognised on the balance sheet will be amortised over the agreed term of the lease including any reasonably certain option periods, and interest on the lease liability will be recognised as an interest expense. Both instalments and interest on lease liabilities recognised on the balance sheet are classified as cash flow from financing activities in the cash flow statement.

Recognised lease liabilities in the Group affect key figures, including equity ratio and net interest-bearing liabilities, as shown in tables below.

## Consolidated statement of income – Effect of IFRS 16

NOK million	4Q 23 less IFRS 16	Effect of IFRS 16	4Q 23	2023 less IFRS 16	Effect of IFRS 16	2023
Operating expenses excl. depr. and	-932	85	-847	-2,789	306	-2,483
<b>EBITDA</b>	<b>386</b>	<b>85</b>	<b>471</b>	<b>1,019</b>	<b>306</b>	<b>1,325</b>
Depr. and impairment of right of use assets	-14	-78	-92	-54	-280	-335
<b>Earnings before financial items and tax (EBIT)</b>	<b>295</b>	<b>7</b>	<b>302</b>	<b>724</b>	<b>25</b>	<b>749</b>
Net financial items	-2	-8	-10	-23	-25	-49
<b>Earnings before tax (EBT)</b>	<b>293</b>	<b>-</b>	<b>292</b>	<b>700</b>	<b>-</b>	<b>700</b>
Income tax expense	-93	1	-92	-185	-	-185
<b>Net income for the period</b>	<b>199</b>	<b>-</b>	<b>200</b>	<b>515</b>	<b>-</b>	<b>515</b>

NOK million	4Q 22 less IFRS 16	Effect of IFRS 16	4Q 22	2022 less IFRS 16	Effect of IFRS 16	2022
Operating expenses excl. depr. and impairment	-698	71	-627	-2,368	296	-2,072
<b>EBITDA</b>	<b>560</b>	<b>71</b>	<b>631</b>	<b>1,640</b>	<b>296</b>	<b>1,937</b>
Depr. and impairment of right of use assets	-10	-66	-76	-40	-276	-317
<b>Earnings before financial items and tax</b>	<b>497</b>	<b>5</b>	<b>502</b>	<b>1,389</b>	<b>20</b>	<b>1,409</b>
Net financial items	5	-5	-	8	-18	-10
<b>Earnings before tax (EBT)</b>	<b>502</b>	<b>-</b>	<b>502</b>	<b>1,397</b>	<b>2</b>	<b>1,400</b>
Income tax expense	-74	-	-73	-248	-1	-248
<b>Net income for the period</b>	<b>428</b>	<b>-</b>	<b>428</b>	<b>1,150</b>	<b>2</b>	<b>1,151</b>

## Consolidated statement of financial position – Effect of IFRS 16

NOK million	2023 less IFRS 16	Effect of IFRS 16	2023	2022 less IFRS 16	Effect of IFRS 16	2022
Right of use assets	238	741	979	233	627	859
<b>Total assets</b>	<b>13,907</b>	<b>741</b>	<b>14,647</b>	<b>13,830</b>	<b>627</b>	<b>14,457</b>
Total equity	3,224	-21	3,203	3,514	-20	3,494
Interest-bearing debt - lease liability (non-current)	149	517	666	140	467	607
Deferred tax	446	-5	441	450	-5	445
Interest-bearing debt - lease liability (current)	64	281	345	64	226	290
<b>Total equity and liabilities</b>	<b>13,907</b>	<b>741</b>	<b>14,647</b>	<b>13,830</b>	<b>627</b>	<b>14,457</b>
Equity ratio	23.2 %	-	21.9 %	25.4 %	-	24.2 %
Gross interest-bearing debt	539	798	1,337	713	693	1,406
Net interest-bearing debt (receivables)	-156	798	641	-364	693	329



## 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 liabilities, 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, Property and Sweden segments. 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 of the deviant application of principles in the segment accounts with respect to earnings before tax is NOK -4 million (-9 million) for the 4th quarter 2023, and -20 million (15 million) for the full year. The effect on equity was NOK -95 million (-73 million), and the accumulated reversed revenues were NOK 610 million (375 million) as at 31 December 2023.

The table on the next page 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 <sup>1)</sup>	Number of housing units			Construction period		Ownership share AF
		Total number	Hereof transferred in 2022	Hereof completed not transf.	Start up	Completion	
Lilleby Triangel B4, Trondheim	51	54	1	-	Q3 2019	Q2 2021	33%
Brøter Terrasse, Lillestrøm	-	78	3	2	Q3 2020	Q4 2022	35%
<b>Total completed earlier years - Property<sup>2)</sup></b>	<b>51</b>	<b>132</b>	<b>4</b>	<b>2</b>			
Kosterbaden Fritid, Koster	-	20	-	13	-	-	100%
Snipetorp, Skien	-	16	1	3	Q3 2018	Q2 2020	50%
Lietorvet II, Skien	-	26	1	-	Q3 2019	Q4 2021	25%
2317 Sentrumskvartalet A-B, Hamar	172	73	1	1	Q2 2020	Q1 2022	50%
2317 Sentrumskvartalet C, Hamar	54	23	2	3	Q2 2021	Q3 2022	50%
Klosterøya Vest 4, Skien	-	44	14	-	Q1 2021	Q3 2022	24%
<b>Total completed earlier years - Betonmast<sup>2)</sup></b>	<b>226</b>	<b>202</b>	<b>19</b>	<b>20</b>			
Stadsgården 2, Halmstad	69	42	1	-	Q4 2021	Q3 2022	50%
<b>Total completed earlier years - Sweden<sup>2)</sup></b>	<b>69</b>	<b>42</b>	<b>1</b>	<b>-</b>			
Kråkehaugen, Bergen (LAB Eiendom)	185	55	55	-	Q2 2021	Q2 2023	50%
Skiparviklia 3D, Bergen (LAB Eiendom)	25	4	3	1	Q2 2022	Q4 2023	50%
Fyrstikkbakken Hus A-C, Oslo	348	119	110	9	Q2 2021	Q4 2023	50%
<b>Total completed 2023 - Property segment</b>	<b>558</b>	<b>178</b>	<b>168</b>	<b>10</b>			
2317 Sentrumskvartalet D, Hamar	70	25	23	2	Q3 2021	Q1 2023	50%
Klosterøya Vest 4, Skien	-	25	12	13	Q2 2021	Q1 2023	24%
SPG Bostader Linden, Strömstad3)	154	162	-	162	Q4 2021	Q3 2023	45%
SPG Bostader Håggen, Strömstad3)	89	94	-	94	Q2 2022	Q3 2023	45%
<b>Total completed in 2023 - Betonmast segment</b>	<b>314</b>	<b>306</b>	<b>35</b>	<b>271</b>			
Fyrstikkbakken Hus D, Oslo	124	40	-	-	Q2 2021	Q1 2024	50%
Skårersletta Midt 1 og 2, Lørenskog	482	169	-	-	Q3 2021	Q2 2024	50%
Bekkestua Have, Bærum	-	232	-	-	Q4 2021	Q2 2024	50%
Rolvrsrud Arena trinn 1, Lørenskog	357	95	-	-	Q2 2022	Q3 2024	33%
Baneveien, Bergen (LAB Eiendom)	18	1	-	-	Q2 2022	Q1 2024	50%
Skårersletta Midt 3 og 4, Lørenskog	360	126	-	-	Q4 2022	Q4 2024	50%
Rolvrsrud Arena trinn 2 og 3, Lørenskog	372	99	-	-	Q4 2022	Q1 2025	33%
Rolvrsrud Arena trinn 4, Lørenskog	131	35			Q3 2023	Q3 2025	33%
<b>Total in production - Property segment</b>	<b>1,844</b>	<b>797</b>	<b>-</b>	<b>-</b>			
Veum Hageby Tunet, Fredrikstad	-	15	-	-	Q2 2023	Q2 2025	30%
<b>Total in production - Betonmast segment</b>	<b>0</b>	<b>15</b>	<b>-</b>	<b>-</b>			
BRF Prefekten, Mölndal	130	83	-	-	Q4 2021	Q1 2024	50%
<b>Total in production - Sweden segment</b>	<b>130</b>	<b>83</b>	<b>-</b>	<b>-</b>			

<sup>1)</sup> NOK million excl. VAT

<sup>2)</sup> Only projects with not sold or not transferred units as at year end 2022 are included.

<sup>3)</sup> Apartments for rental ("hyresrett"). Will be sold collectively when shares are transferred from property development company.

## 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 measures as a supplement to performance measures that are regulated by IFRS. The alternative performance measures 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 measures that are commonly used in the industry and among analysts and investors.

### Return on capital employed (ROaCE):

This performance measure 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 measure should not be considered an alternative to performance measures calculated in accordance with IFRS, but as a supplement.

The alternative performance measures 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 liabilities:** Sum total of long-term interest-bearing loans and credits and short-term interest-bearing loans and credits.

**Net interest-bearing liabilities (receivables):** Gross interest-bearing liabilities 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 liabilities.

**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:** Earnings divided by average shareholders' equity.

**Ordre intake:** Estimated value of contracts, contract changes and orders that have been agreed upon during the reporting period.

**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 measures with line items in the reported financial figures in accordance with IFRS.

NOK million	31.12.23	31.12.22
<b>GROSS INTEREST-BEARING LIABILITIES / NET INTEREST-BEARING LIABILITIES</b>		
Non-current interest-bearing debt	93	75
Non-current interest-bearing debt - lease liability	666	607
Current interest-bearing debt	233	433
Current interest-bearing debt - lease liability	345	290
<b>Gross interest-bearing liabilities</b>	<b>1,337</b>	<b>1,406</b>
Less:		
Non-current interest-bearing receivables	-317	-268
Current interest-bearing receivables	-32	-44
Cash and cash equivalents	-347	-765
<b>Net interest-bearing liabilities (receivables)</b>	<b>641</b>	<b>329</b>

NOK million	31.12.23	31.12.22
<b>CAPITAL EMPLOYED</b>		
Shareholders' equity	3,203	3,494
Gross interest-bearing liabilities	1,337	1,406
<b>Capital employed</b>	<b>4,540</b>	<b>4,900</b>
<b>AVERAGE CAPITAL EMPLOYED</b>		
Capital employed as at 1st quarter	5,071	4,593
Capital employed as at 2nd quarter	5,293	4,366
Capital employed as at 3rd quarter	5,224	4,385
Capital employed as at 4th quarter	4,540	4,900
<b>Average capital employed</b>	<b>5,032</b>	<b>4,561</b>
<b>RETURN ON CAPITAL EMPLOYED</b>		
Earnings before tax	700	1,400
Interest expense	99	43
<b>Earnings before tax and interest expense</b>	<b>799</b>	<b>1,442</b>
Divided by:		
Average capital employed	5,032	4,561
<b>Return on capital employed</b>	<b>15.9 %</b>	<b>31.6 %</b>

NOK million	31.12.23	31.12.22
<b>EQUITY RATIO</b>		
Shareholders' equity	3,203	3,494
Divided by:		
Total equity and liabilities	14,647	14,457
<b>Equity ratio</b>	<b>21.9 %</b>	<b>24.2 %</b>
<b>AVERAGE SHAREHOLDERS' EQUITY</b>		
Shareholder's equity as at 1st quarter	3,458	3,639
Shareholder's equity as at 2nd quarter	2,897	3,126
Shareholder's equity as at 3rd quarter	2,973	3,286
Shareholder's equity as at 4th quarter	3,203	3,494
<b>Average shareholders' equity</b>	<b>3,133</b>	<b>3,386</b>
<b>RETURN ON EQUITY</b>		
Period result	515	1,151
Divided by:		
Average equity	3,133	3,386
<b>Return on equity</b>	<b>16.4 %</b>	<b>34.0 %</b>





Working at Oslo Havn. Photo: AF Gruppen



# COMPANY INFORMATION

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## ***AF Gruppen ASA***

### **Head office:**

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0603 Oslo  
Tel +47 22 89 11 00

### **Postal address:**

Postboks 6272 Etterstad  
0603 Oslo  
Norway

## ***Company's Board of Directors***

Morten Grongstad, Board Chairman  
Hege Bømark  
Kristian Holth  
Saloume Djoudat  
Erik Tømmerraas Veiby  
Hilde Kristin Herud  
Marianne Gjertsen Ebbesen  
Hilde Wikesland Flaen  
Arne Sveen  
Espen Jahr

## ***Corporate Management***

Amund Tøftum, CEO  
Anny Øen, CFO  
Geir Flåta, EVP Civil Engineering and Property  
Bård Frydenlund, EVP Sweden and Betonmast  
Eirik Wraal, EVP Construction, Energy and environment, Corporate social responsibility  
Tormod Solberg, EVP Construction  
Lars Myhre Hjelmeseeth, EVP Offshore

## ***Financial calendar***

### **Presentation of interim accounts:**

15/02/2024 Interim report 4th quarter 2023  
15/05/2024 Interim report 1st quarter 2024  
30/08/2024 Interim report 2nd quarter 2024  
15/11/2024 Interim report 3rd quarter 2024

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](https://afgruppen.com)**

Cover: Instruction of use of protective equipment in Consolvo  
Photo: Consolvo

## OPERATIONAL STRUCTURE



### Civil Engineering

AF Anlegg

JR Anlegg

AF Anläggning

Målselv Maskin & Transport

Eiqon

Consolvo

Consolvo

Fjerby

Rakon

Protector

Stenseth & RS

### Construction

AF Byggfornyelse

AF Bygg Oslo

AF Bygg Østfold

LAB

LAB Entreprenør

Fundamentering

Åsane  
Byggmester  
forretning

Helgesen  
Tekniske Bygg

AF Håndverk

Kirkestuen

Lasse Holst

Thorendahl

VD Vindu og Dør  
montasje

Oslo Stillasutleie

Storo Blikken-  
slagerverksted

Strøm Gundersen

Strøm Gundersen

Strøm Gundersen  
Vestfold

Haga & Berg

Haga & Berg  
Entreprenør

Haga & Berg  
Service

Oslo Brannsikring

### Betonmast

Betonmast Boligbygg

Betonmast Oslo

Betonmast Trøndelag

Betonmast Romerike

Betonmast Røsand

Betonmast Østfold

Betonmast Innlandet

Betonmast Buskerud-  
Vestfold

Betonmast Asker og  
Bærum

Betonmast Eiendom

### Property

AF Eiendom

LAB Eiendom

### Energy and Environment

AF Energi

Enaktiva

AF Decom

Jølsen Miljøpark

Rimol Miljøpark

Nes Miljøpark

Mepex

### Sweden

Kanonaden

Kanonaden  
Entreprenad

Kanonaden  
Mälardalen

Bergbolaget i  
Götaland

AF Prefab i Mälardalen

AF Bygg Syd

HMB

HMB Construction

HMB Construction  
Örebro

AF Projektutveckling

AF Härnösand  
Byggreturer

AF Bygg Väst

AF Bygg Öst

AF Anläggning Väst

### Offshore

AF Offshore  
Decom

AF  
Environmental  
Base Vats

Aeron