

# SELVAAG BOLIG

## Q1 2021

Oslo, 26 May 2021

Sverre Molvik, CEO

Christopher Brunvoll, CFO



# Agenda

## Highlights

Operational update

Financial update

Market

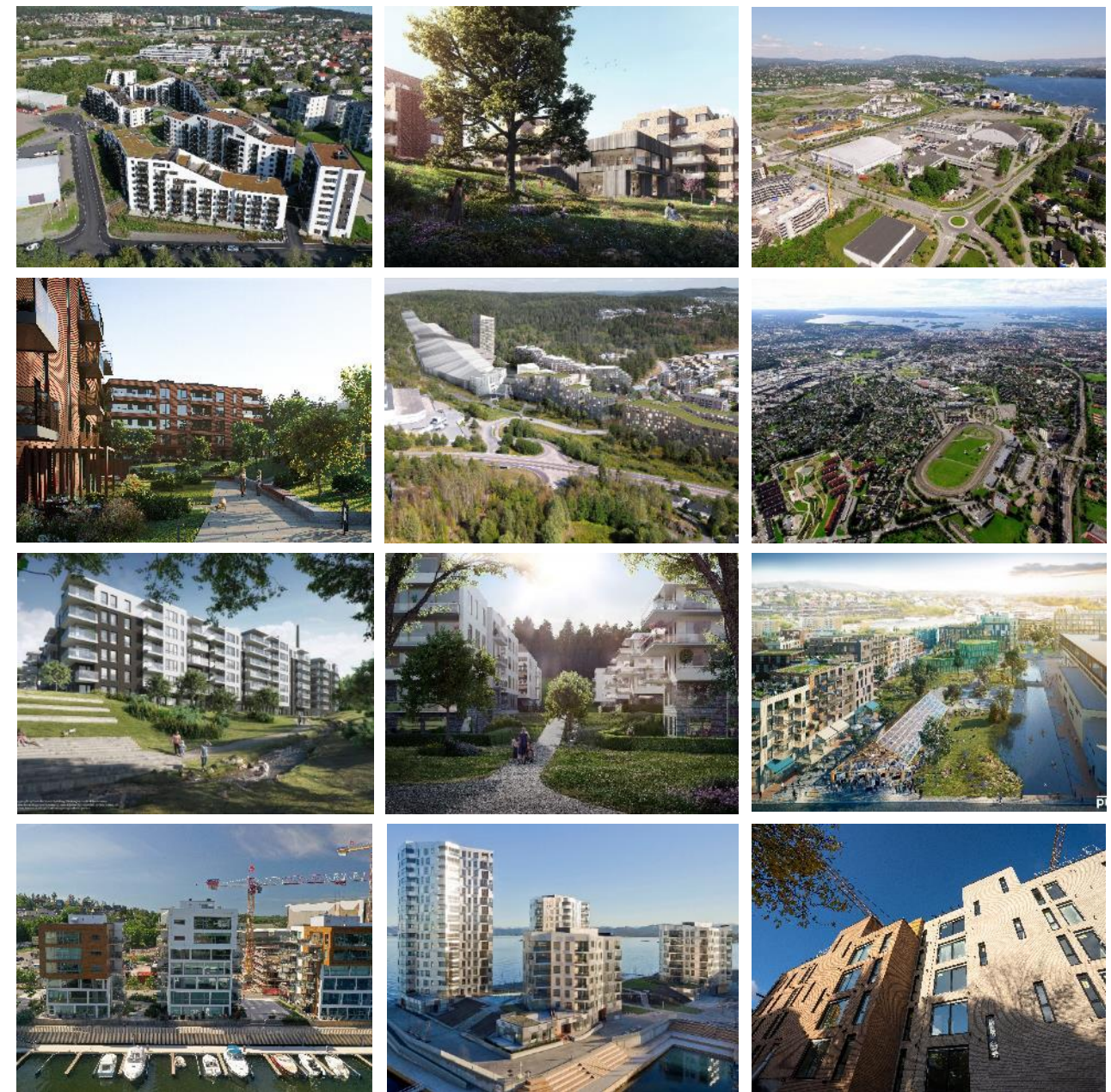
Outlook and summary





# Highlights Q1 2021

- Record high Q1 sales value
- Units under production increased
- Strong operational results considering few deliveries
- Revised dividend policy
- Christopher Brunvoll appointed new CFO



Completed, ongoing and upcoming projects

# Key financials Q1 2021

568

Operating revenues  
NOK million

22.7

Adjusted EBITDA\* margin  
Per cent

858

Operating revenues (NGAAP)  
NOK million

17.2

EBITDA\*\* margin (NGAAP)  
Per cent

\* EBITDA is profit before interest, taxes, depreciation and amortization. EBITDA adjusted is excluding financial expenses included in project costs.

\*\* EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies.



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# Operational news

## Supreme court ruling

### Background

The City of Oslo imposed an infrastructure contribution in connection with a Selvaag Bolig project. However, the measure bore no relationship to the development. Selvaag Bolig won its case in the supreme court against the government, represented by the Ministry of Local Government and Modernisation.

### Implications

- Important clarification of the principles involved for all property developers in Norway.
- A developer can only be required to provide infrastructure if the need is caused by the development.
- Will provide greater predictability for existing properties in the portfolio and reduce risk related to land purchases.

## Dividend Policy

- Revised policy  
DPS of minimum 60 per cent of net annual profit. No Equity ratio minimum.
- Old policy  
DPS of minimum 40 per cent of net annual profit. Equity ratio of minimum 30 per cent.

## Land acquisitions

- Increased ownership at Sandsli 360 in Bergen from 50% to 100% (200 apartments in total).

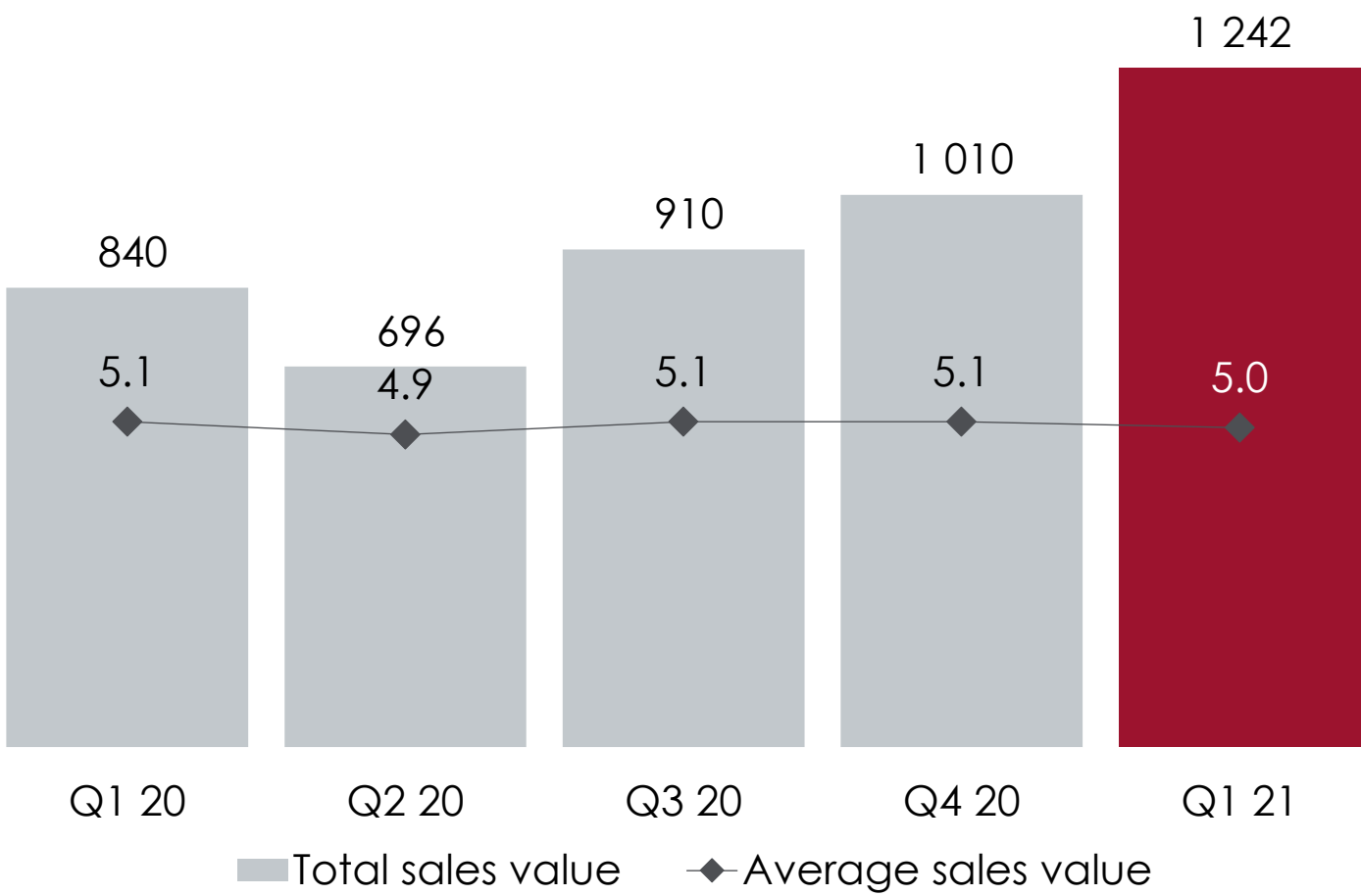
## Urban Property

- Cooperation matured and according to plan.

# Sales value and units sold

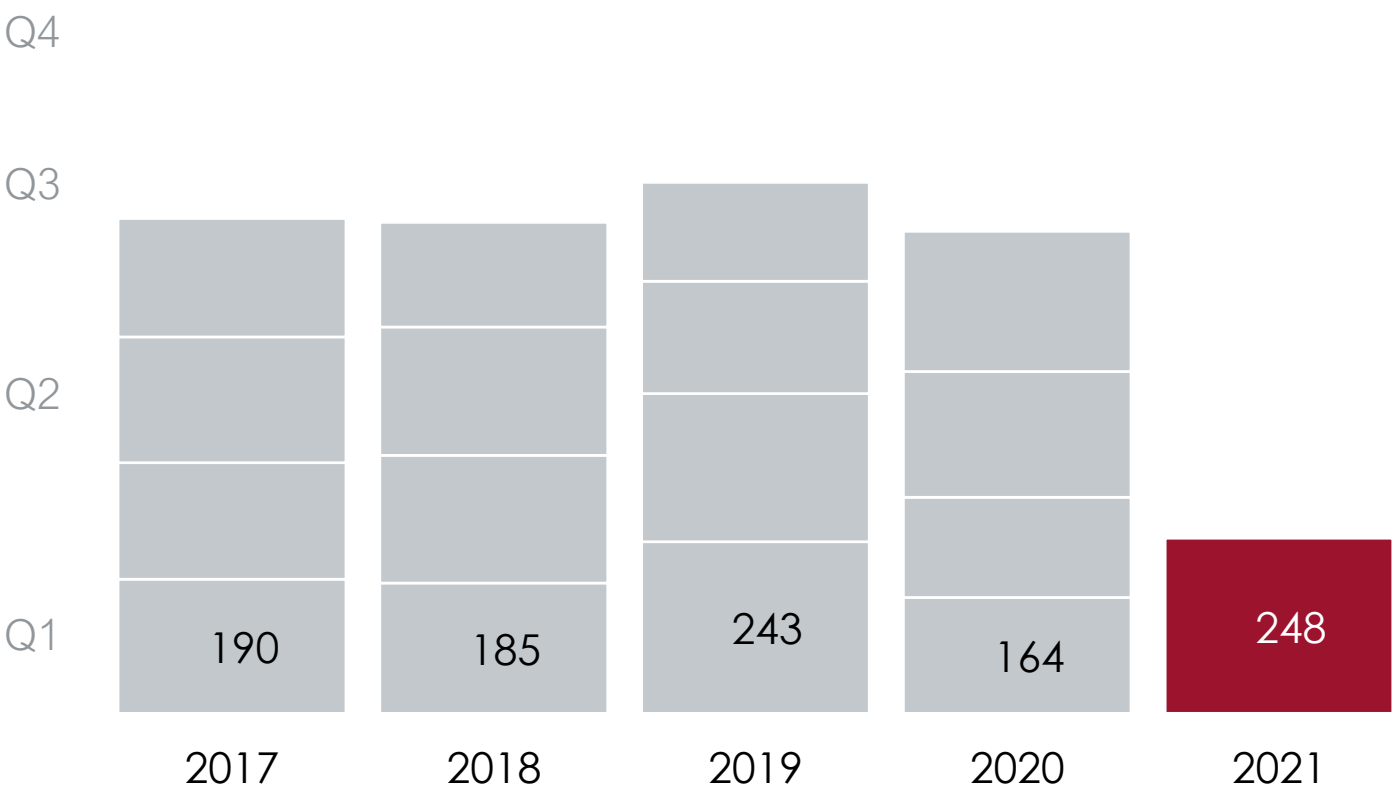
## Sales value

NOK million



## Number of units sold per quarter

Units



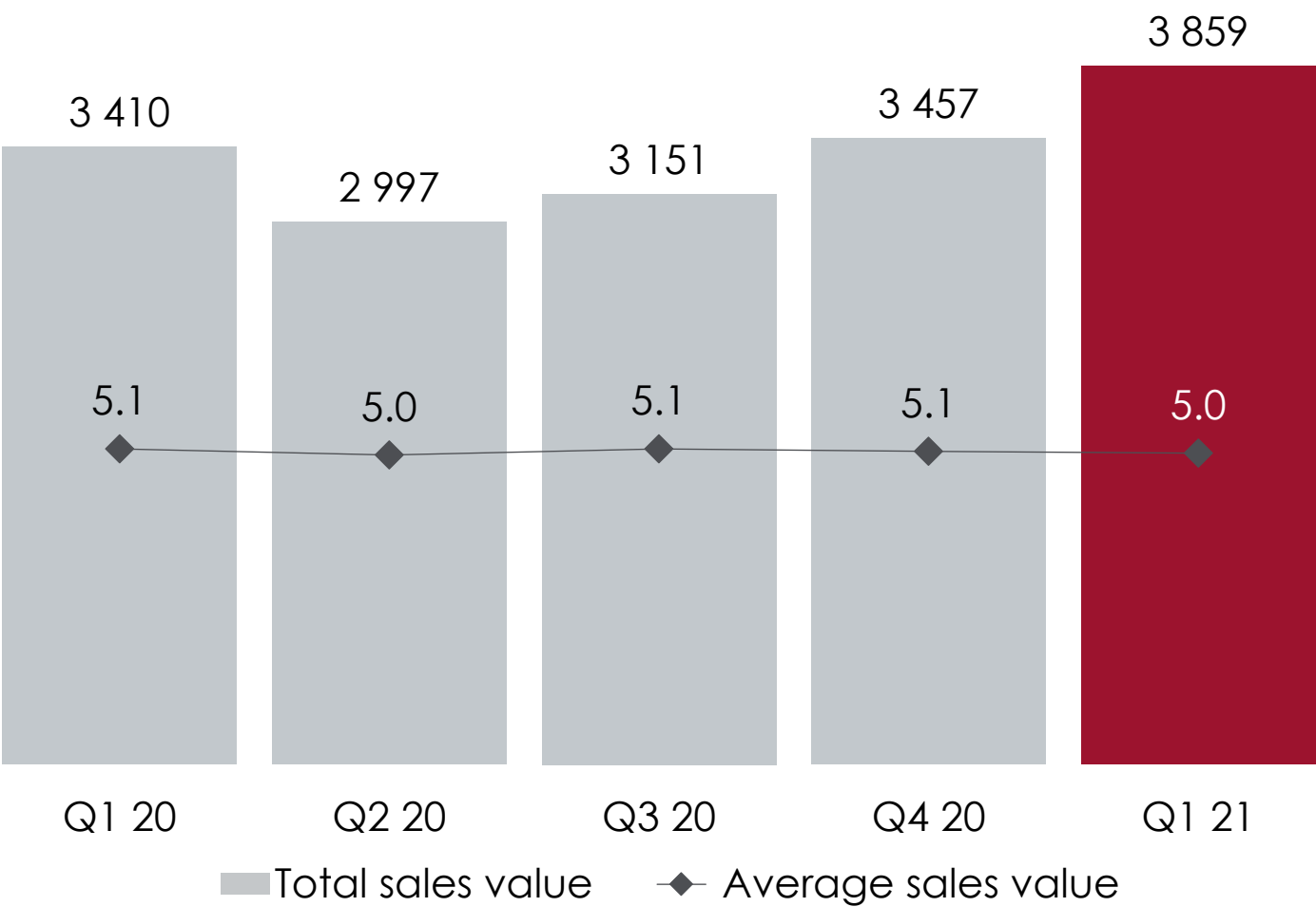
Note: Sales value is adjusted for Selvaag Bolig's share in joint ventures.

Units sold are sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act. In accordance with the IFRS, they are recognised as income on delivery.

# Rolling sales value and units sold

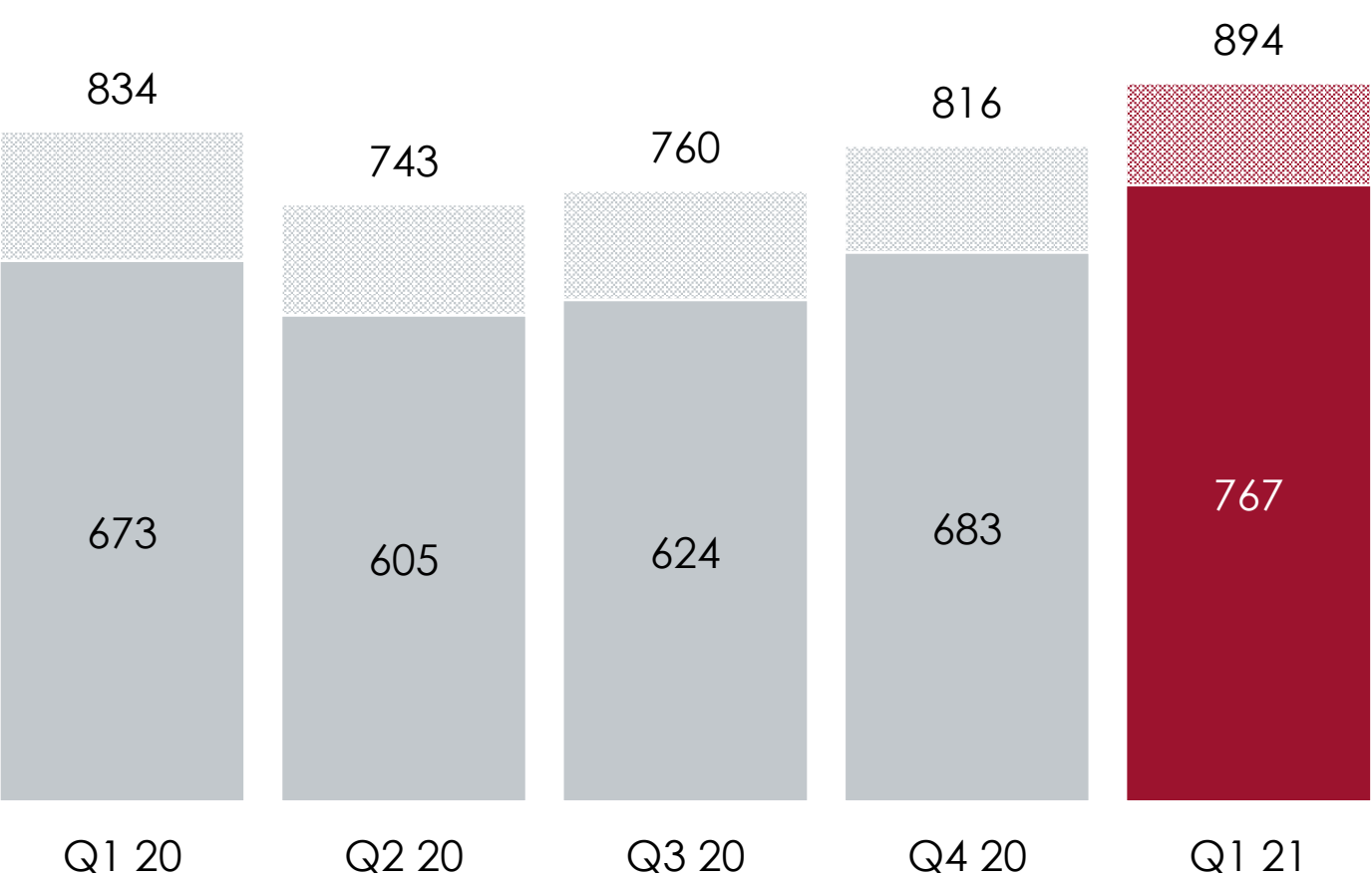
Sales value 12 months rolling

NOK million



Units sold 12 months rolling

Units



\*Total columns show Selvaag Bolig's gross sales.  
\*\*Columns excluding dotted areas show Selvaag Bolig's net sales.

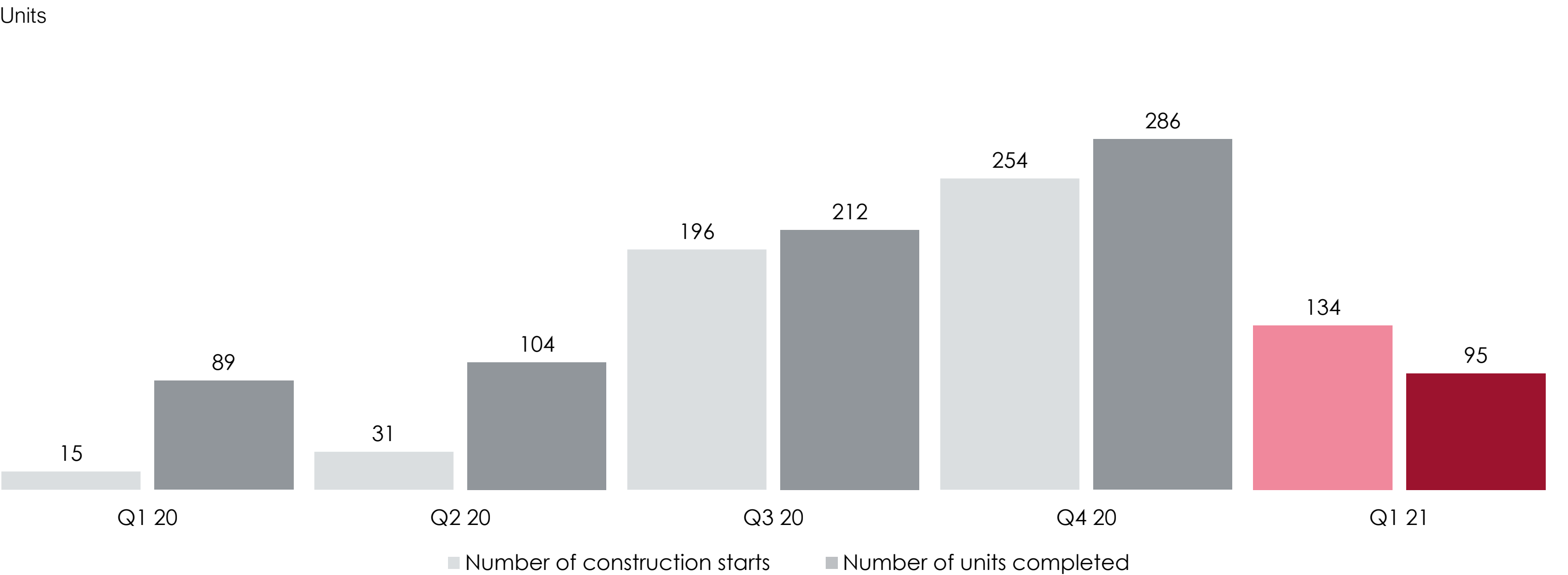
Units sold are sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act. In accordance with the IFRS, they are recognised as income on delivery.

Note: Sales value is adjusted for Selvaag Bolig's share in joint ventures.



# Construction starts and completions

## Construction starts and completions per quarter



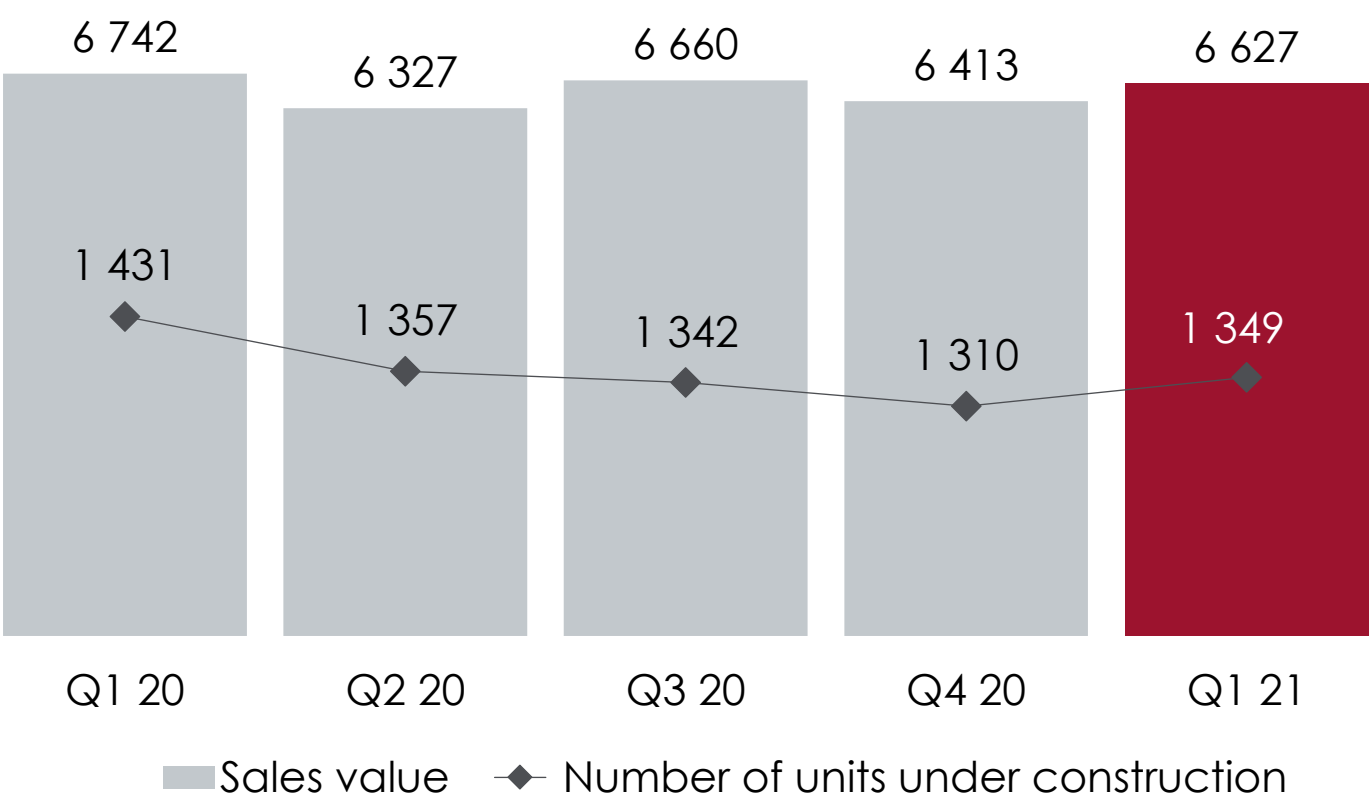
Note: Number of units are adjusted for Selvaag Bolig's share in joint ventures.



# Units under construction and completions

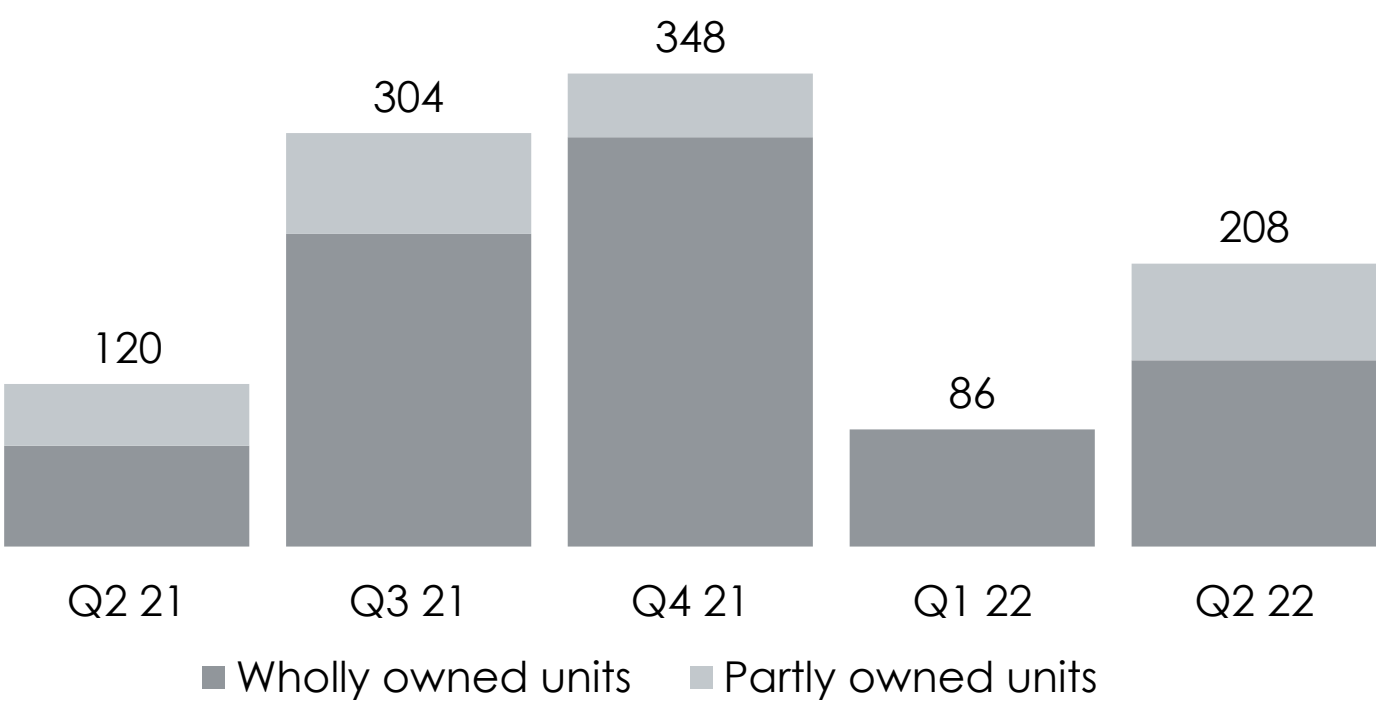
## Sales value units under construction

NOK million



## Expected completions per quarter

Units



- Q1 2021: 82% of units under construction sold by Q1 2021
- Q1 2021: 92% of construction volume in Greater Oslo Area\*

- Expected completions for the full year 2021: 867 units
- 93% of 2021 completions sold by Q1 2021

Note: Sales value and number of units are adjusted for Selvaag Bolig's share in joint ventures.  
\* Includes: Oslo, Lørenskog, Follo, Tønsberg, Asker.



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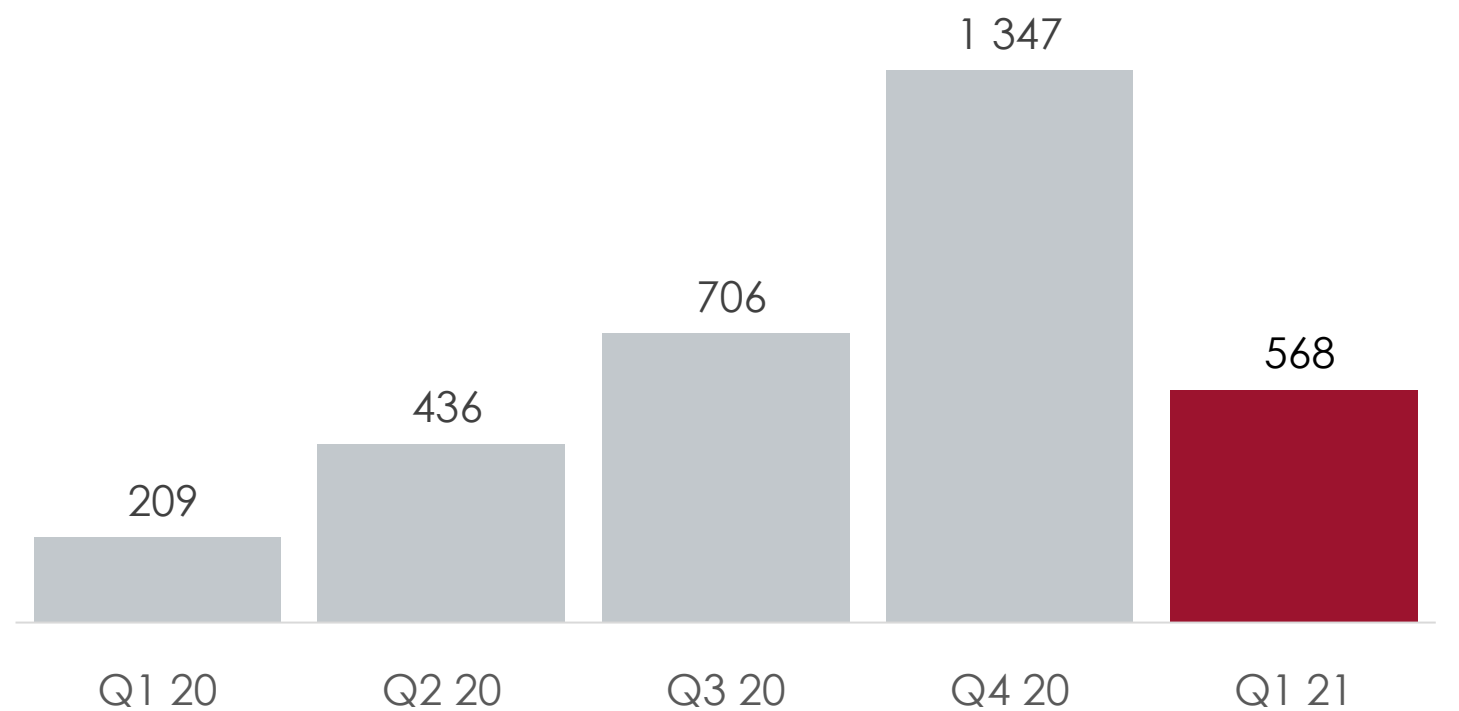


# Income statement highlights Q1 2021 (IFRS)

- 124 units delivered (114)
  - 10 units from share of JVs (74)
- Revenues NOK 568m (209)
  - Other revenues NOK 15m (13)
- Project costs NOK 401m (134)
  - Of which NOK 11m is interest (7)
- Other costs NOK 57m (54)
- Adjusted EBITDA\* NOK 129m (117)
- EBITDA\* NOK 118m (110)
- EPS in the quarter NOK 0.82 (1.07\*\*)

## Operating revenues (IFRS)

NOK million



Adjusted EBITDA margin	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21
	56%*	17%	18%	27%	23%

\* EBITDA is profit before interest, taxes, depreciation and amortization. EBITDA adjusted is excluding financial expenses included in project costs.

\*\* EPS adjusted for other gains of NOK 11.01.

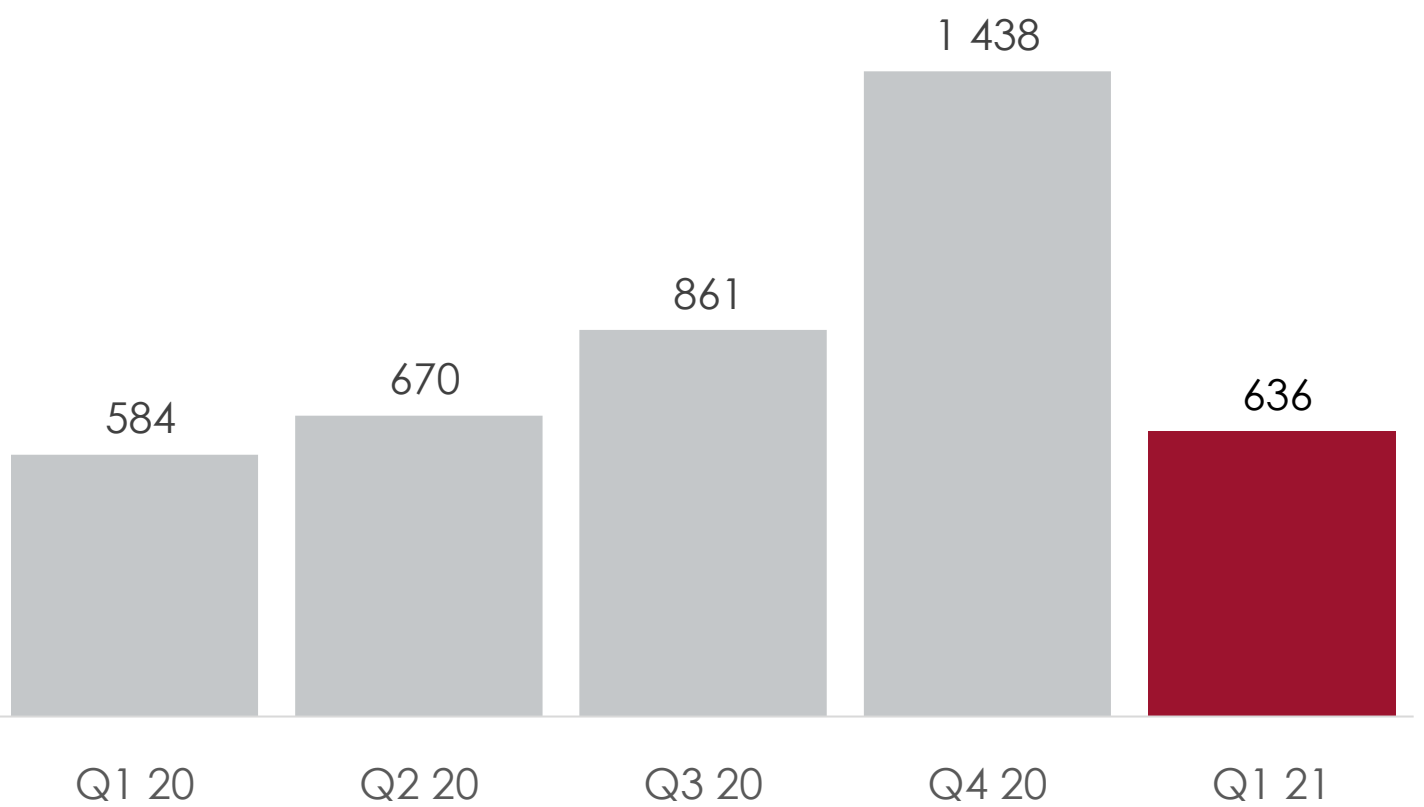
\*Q1 2020 adjusted EBITDA margins of 56.1% excluding other gains of NOK 1 029m.

# Q1 2021 proforma figures including proportionate share of JV

- 124 units delivered (114)
- Revenues NOK 636 (584)
  - Other revenues NOK 19m (17)
- Project costs NOK 456m (398)
  - Of which NOK 12m is interest (22)
- Other costs NOK 65m (59)
- Adjusted EBITDA\* NOK 131m (152)
- EBITDA\* NOK 119m (130)
- EPS in the quarter NOK 0.82 (1.07\*\*)

## Operating revenues (IFRS)

NOK million



Adjusted EBITDA margin	26%*	13%	15%	25%	21%
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\* EBITDA is profit before interest, taxes, depreciation and amortization. EBITDA adjusted is excluding financial expenses included in project costs. The difference compared to reported EBITDA is due to interest, taxes, depreciation and amortization in JVs.

\*\* EPS adjusted for other gains of NOK 11.01.

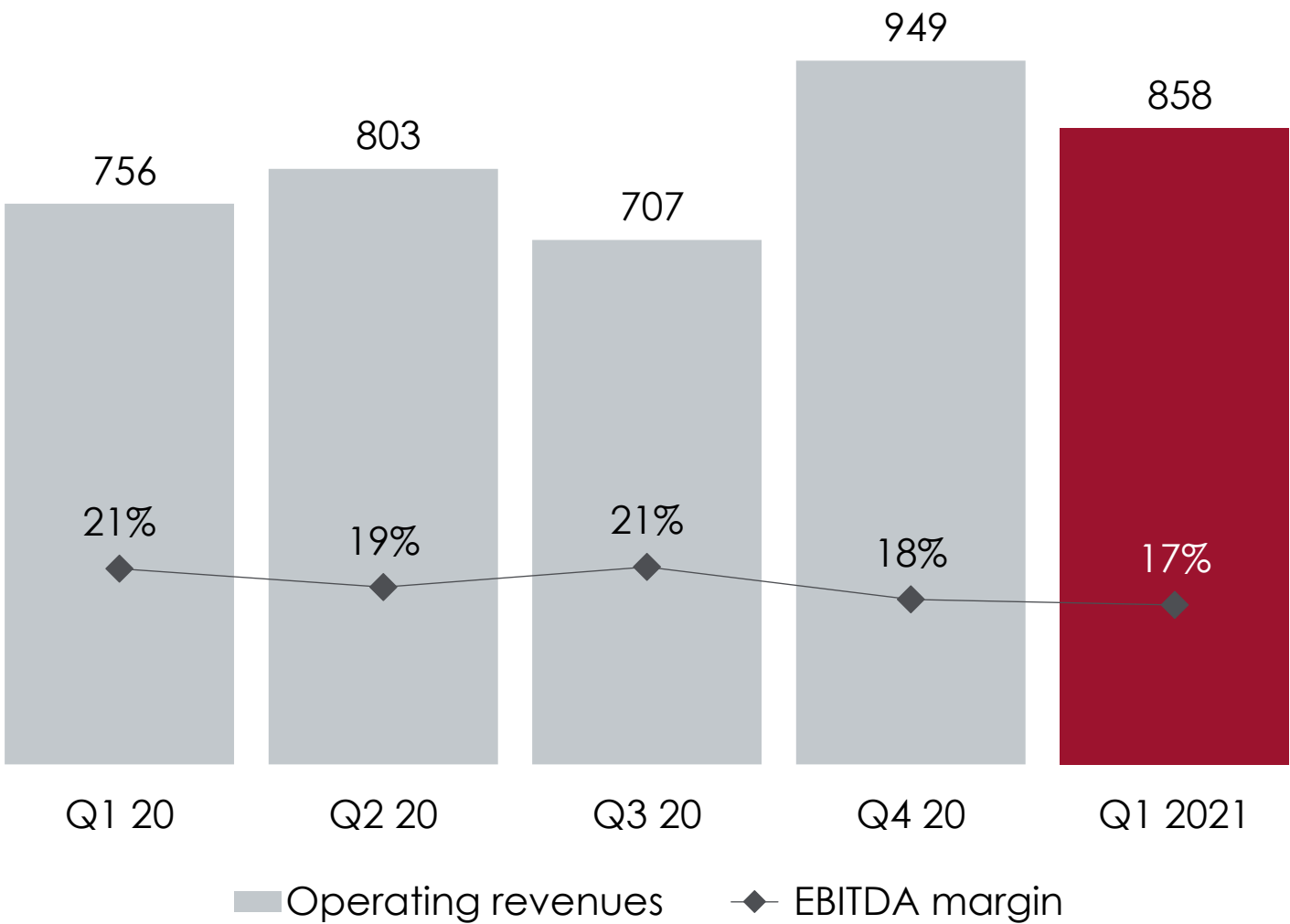
\*Q1 2020 adjusted EBITDA margin of 26.0% excluding other gains of NOK 1 029m.



# Income statement highlights Q1 2021 (NGAAP)

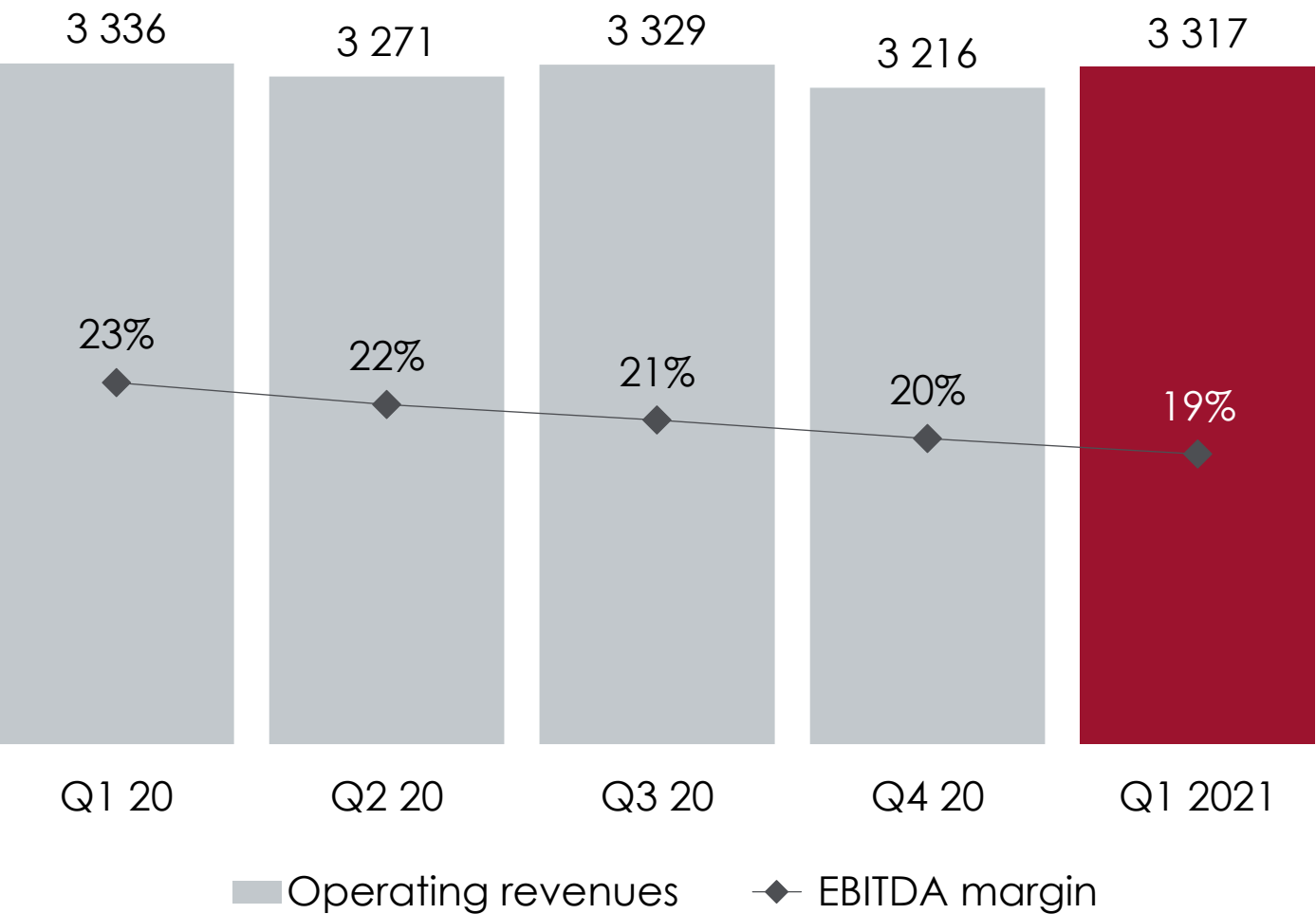
Revenues and EBITDA margin (NGAAP)\*

NOK million



12 months rolling revenues (NGAAP)\*

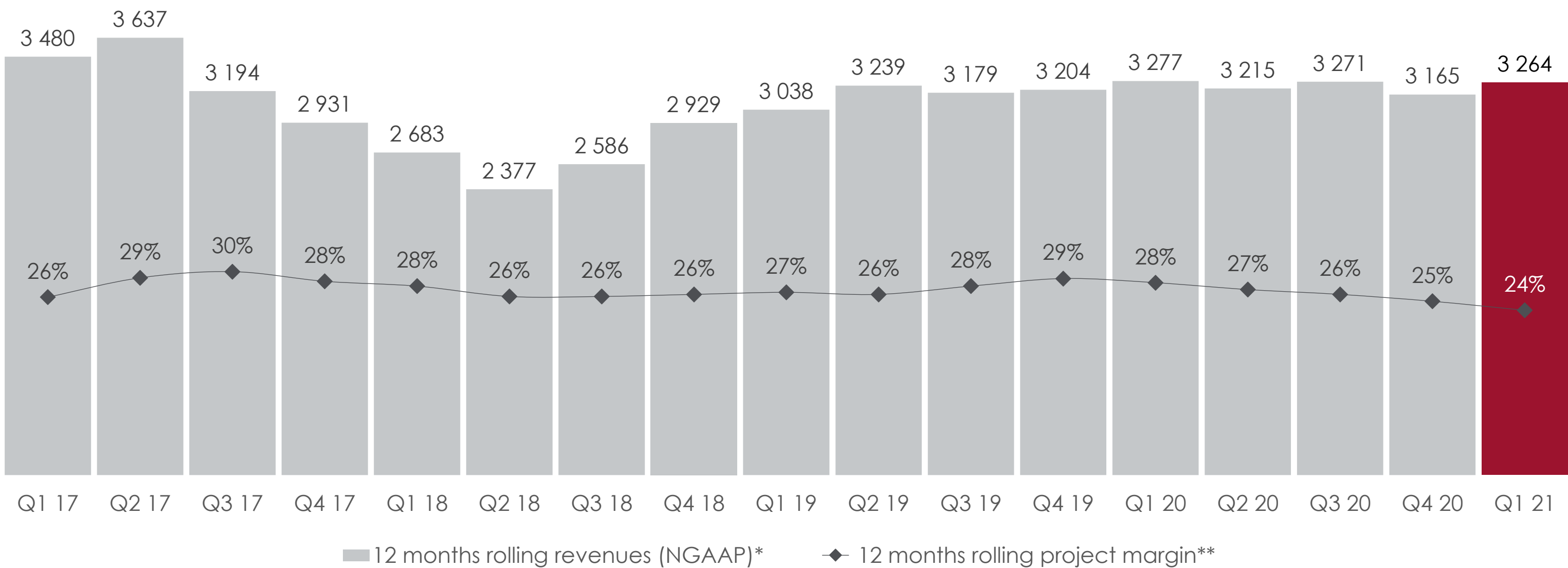
NOK million



\* Construction costs are exclusive of financial expenses in the segment reporting (NGAAP).  
Note: EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies.

# Project margin development

NOK million



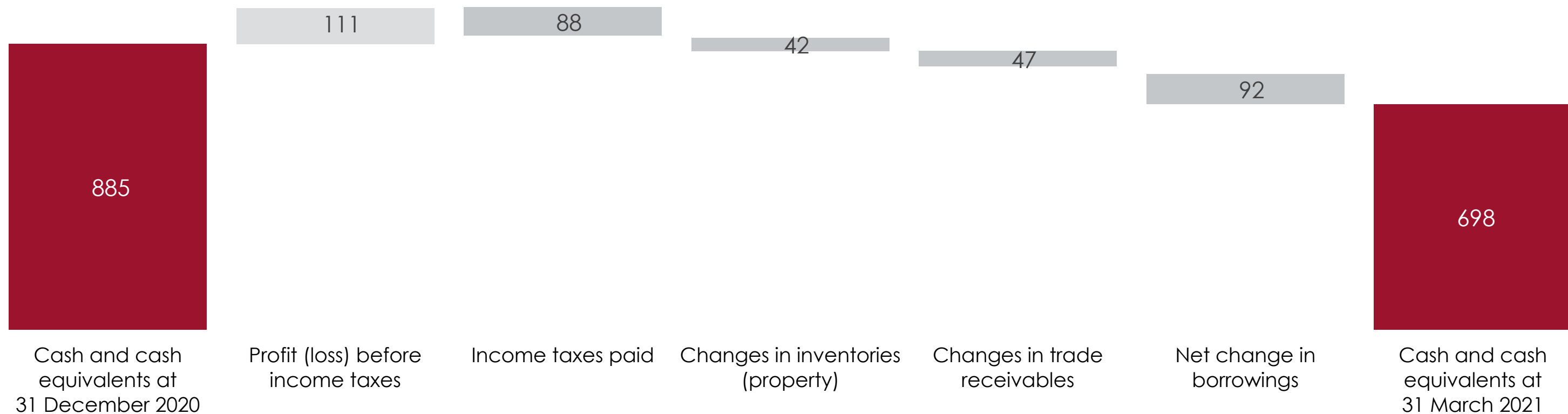
\* Construction costs are exclusive of financial expenses in the segment reporting (NGAAP).

\*\* Project margins are exclusive of overhead costs.



# Cash flow development Q1 2021

NOK million



- Cash flow from operations negative at NOK 88m mainly due to paid taxes and increased working capital
- Cash flow from investing activities negative at NOK 6m
- Cash flow from financing activities negative at NOK 94m mainly due to net repayments of construction loans

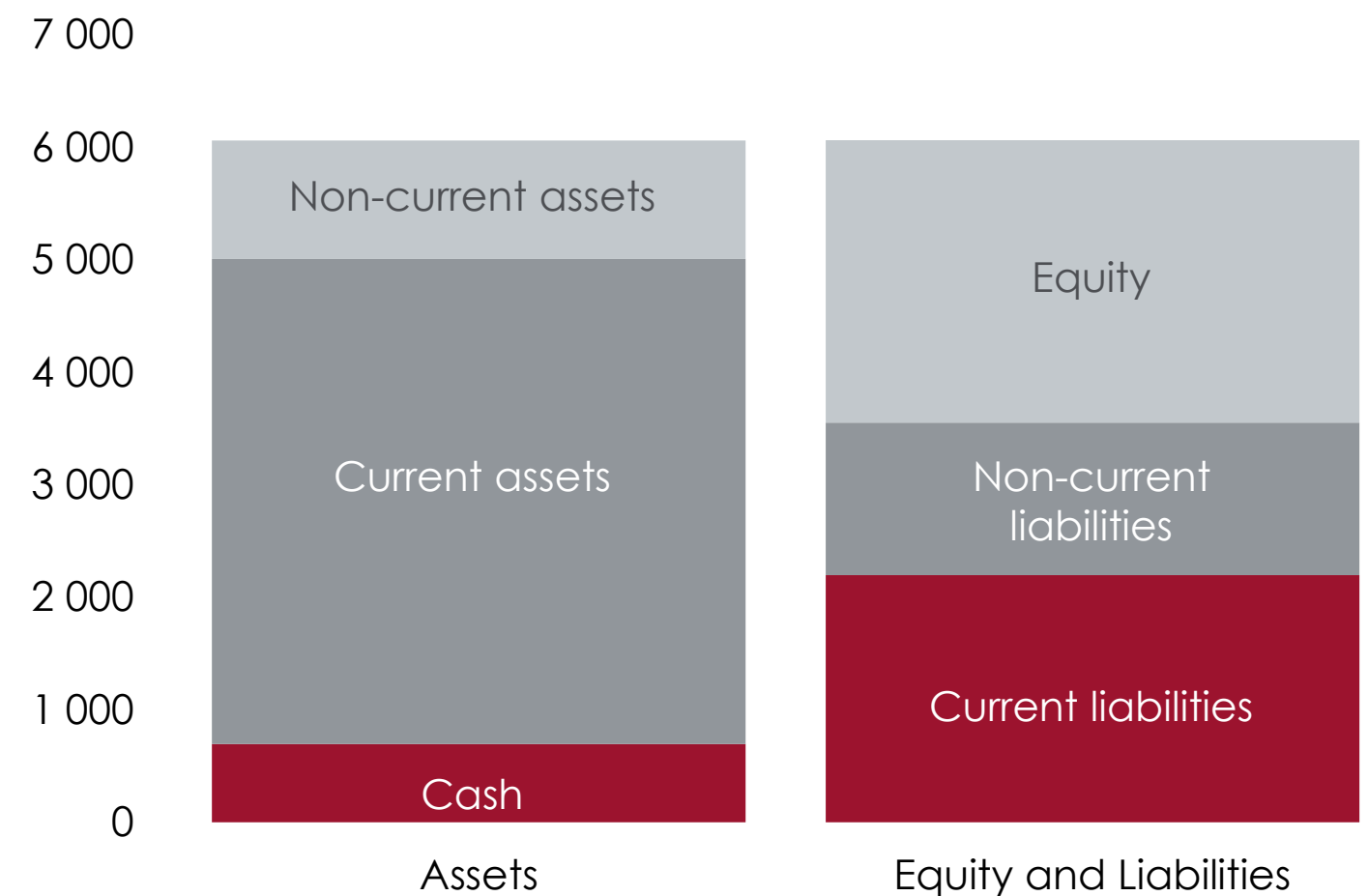
Note: Amounts < NOK -20m < NOK 20m are excluded from the cash flow overview.

# Balance sheet highlights Q1 2021

- Book value of equity NOK 26.7 per share
  - Equity ratio 41.4%
- Changes from Q4 2020:
  - Inventories increased by NOK 232m
  - Trade and Other receivables increased by NOK 19m
  - Cash decreased by NOK 187m
- Prepayments from customers represents NOK 276m of other current non-interest-bearing liabilities

## Balance sheet composition

NOK million





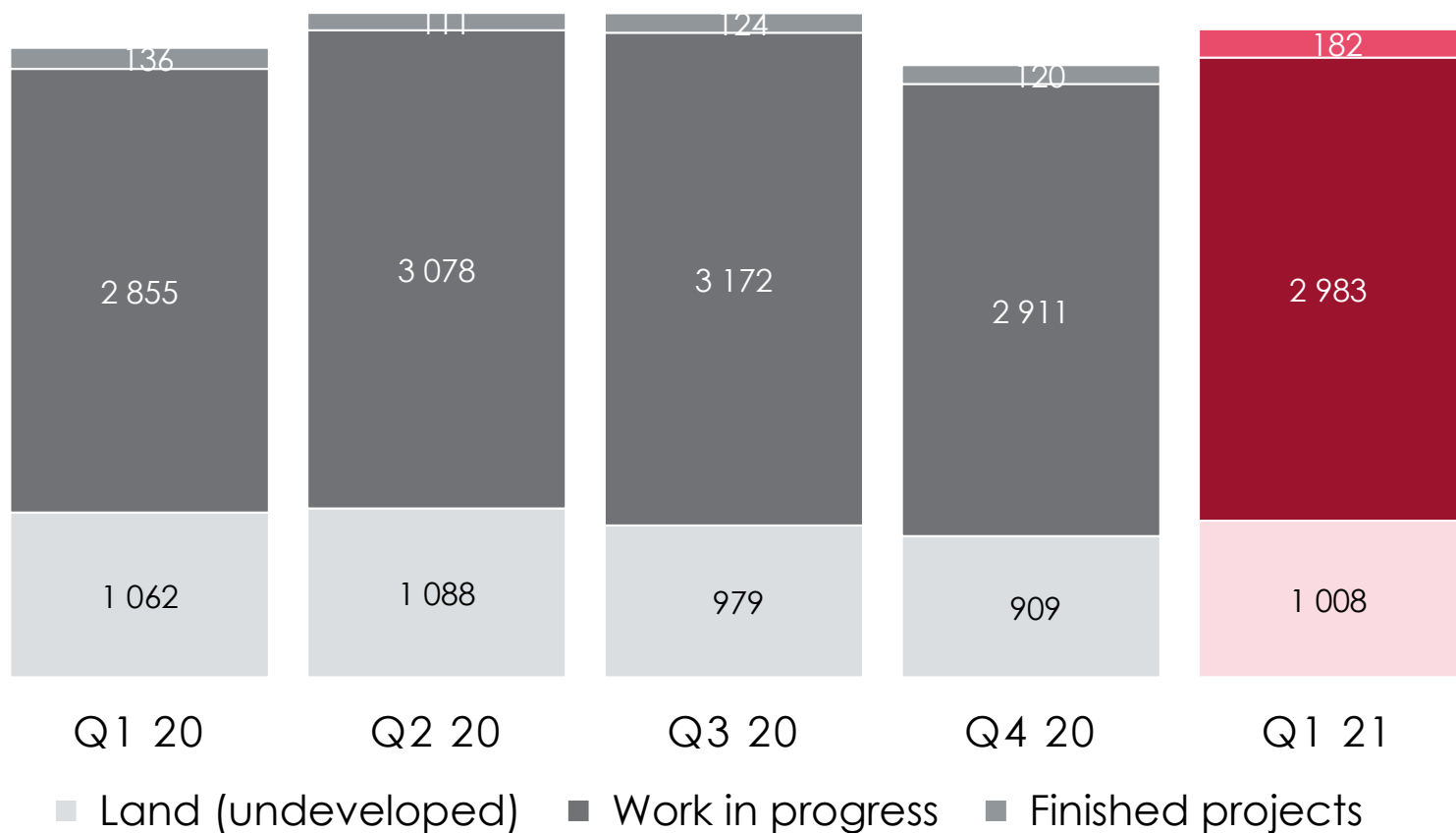
# Inventories (property) Q1 2021

Q1 21 vs Q4 20

- Land value up NOK 99m
  - Mainly due to consolidation of former JV
- Work in progress up NOK 72m
  - Mainly due to construction starts
- Finished goods up NOK 61m
  - Due to completions not delivered

## Inventory value development

NOK million

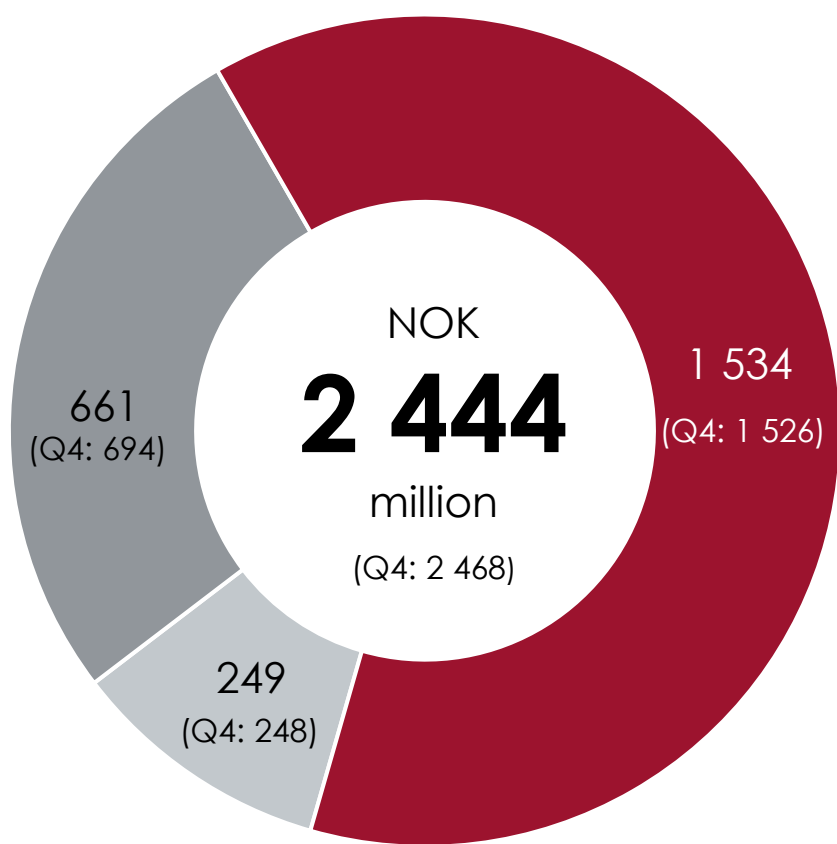


Note: UP transaction completed in Q12020. Land bank reduction of NOK 657 million booked Q4 2019 following reclassifications from land to assets held for sale.

# Debt structure

## Interest-bearing debt at 31.3.21

NOK million



■ Land loans Urban Property\* ■ Land loan ■ Construction loan

\* Repurchase agreements portfolio B.

	Loan facility	Drawn at 31.3.21 (NOKm)	Interest rate margin*
1	Construction loan facilities from a range of Nordic credit institutions	1 534	1.75% - 2.60%
2	Land loans Urban Property**	661	3.75%***
3	Land loan facilities from a range of Nordic credit institutions	249	2.00% - 2.50%
4	NOK 150 million revolving credit facility from DNB maturing in 2023	0	2.90% - 3.40%
5	NOK 150 million working capital facility from DNB with annual renewal	0	2.10%
6	NOK 300 million infrastructure facility maturing in 2024	0	2.70%

Total Q1 2021 net interest-bearing debt NOK 1 746 million

Total Q4 2020 net interest-bearing debt NOK 1 583 million

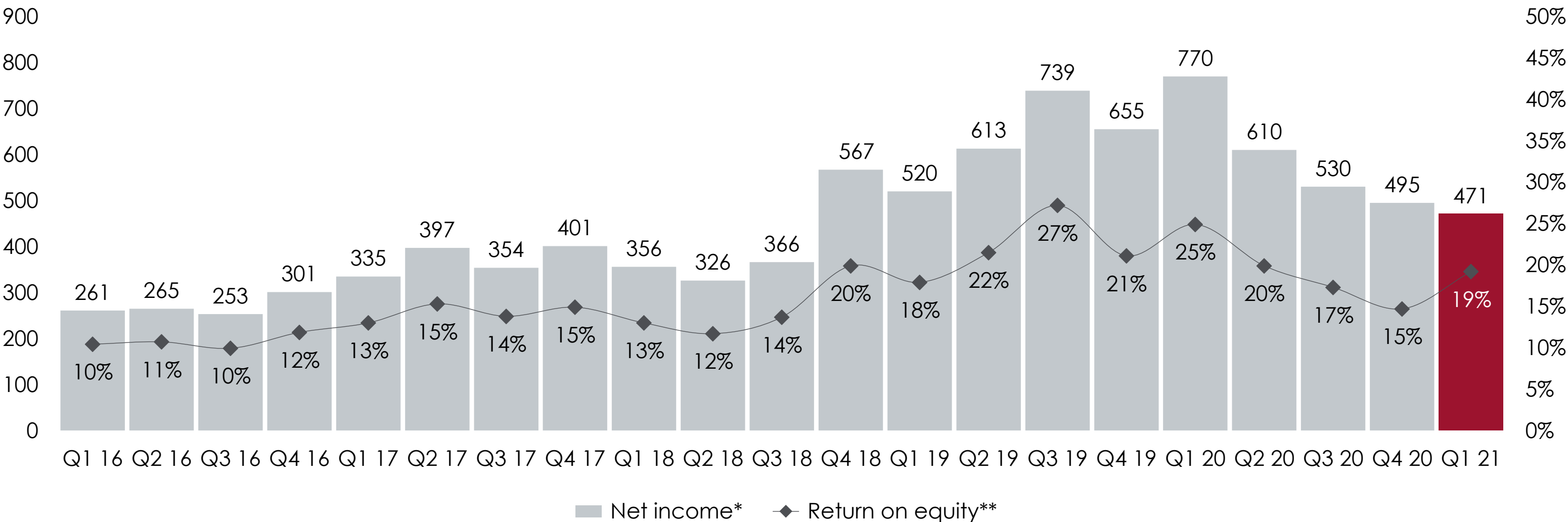
\* Margin to 3m NIBOR.  
\*\* Repurchase agreements portfolio B.  
\*\*\* + 2.00% fee at property repurchase.



# Return on equity (IFRS)

12 months rolling net income (NOKm) ROE (%)

Q1 2020 Net income excluding Other gains of NOK 1 029m



\* Net income attributable to shareholders in Selvaag Bolig ASA.  
\*\* Based on equity at the start of the period (attributed to shareholders in Selvaag Bolig ASA).



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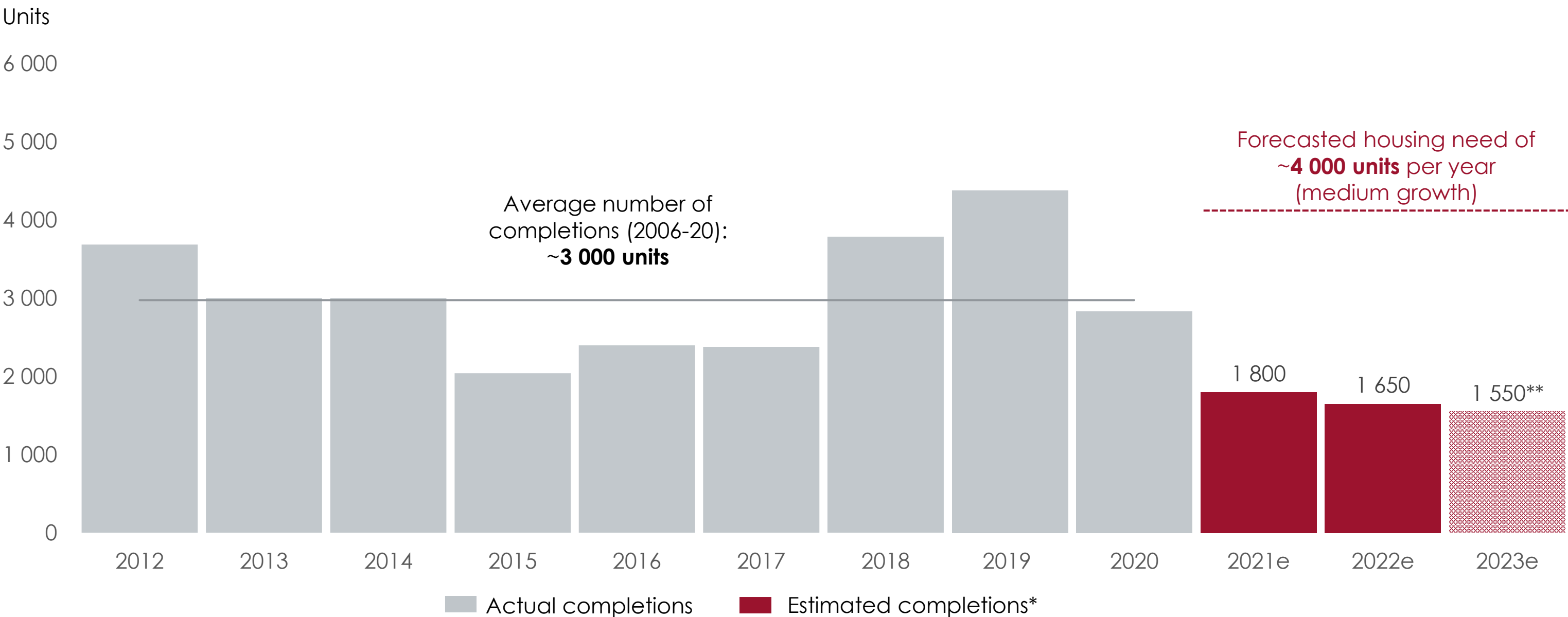
Market

Outlook and summary





# Estimated completions in Oslo well below forecasted need



Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: SA – Econ Nye Boliger, Forecasted housing need: Prognosesenteret.

Note: Number of persons per household in Oslo: 1.90.

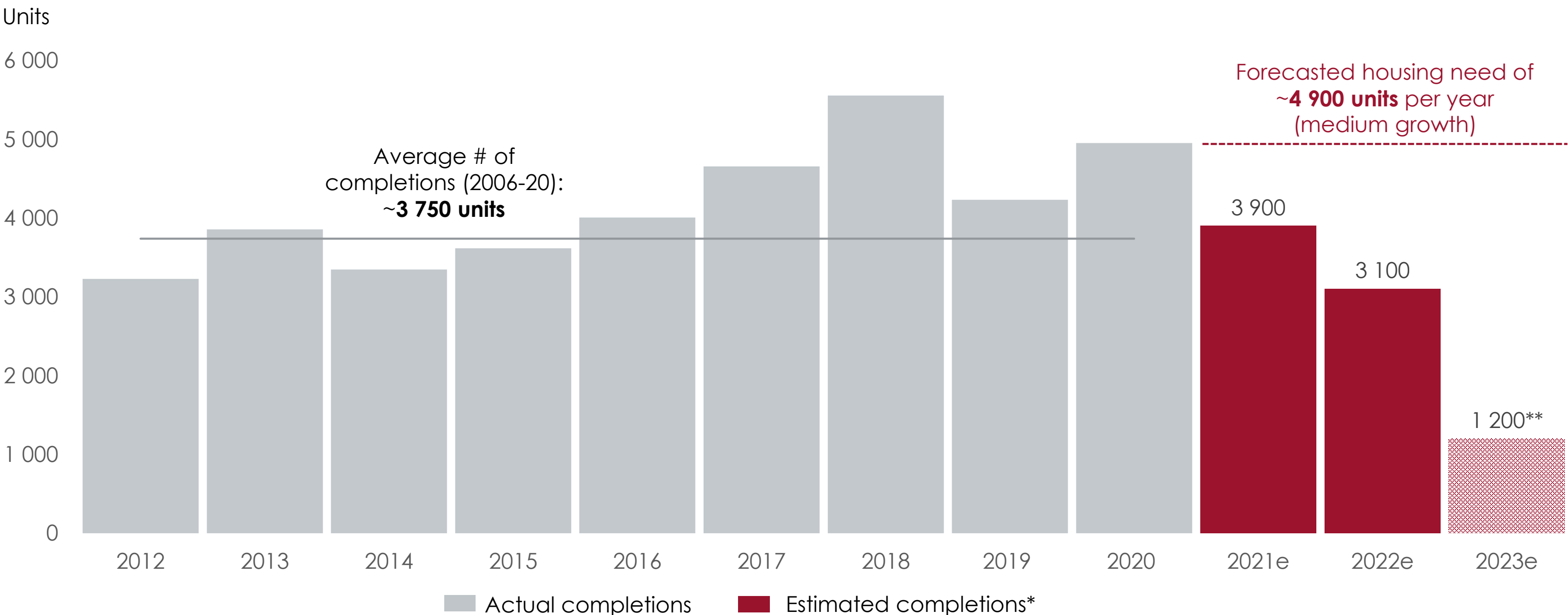
Note: Housing demand calculated on parameters such as number of persons per household, lag on housing development, housing demolition.

Note: Completions exclusive of student- and senior housing.

\* Estimates based on actual start and time of construction.

\*\* Uncertainty due to project lead-time. Expected to increase as new projects come to market through 2021/2022.

# Estimated completions in Viken ex Buskerud & Østfold



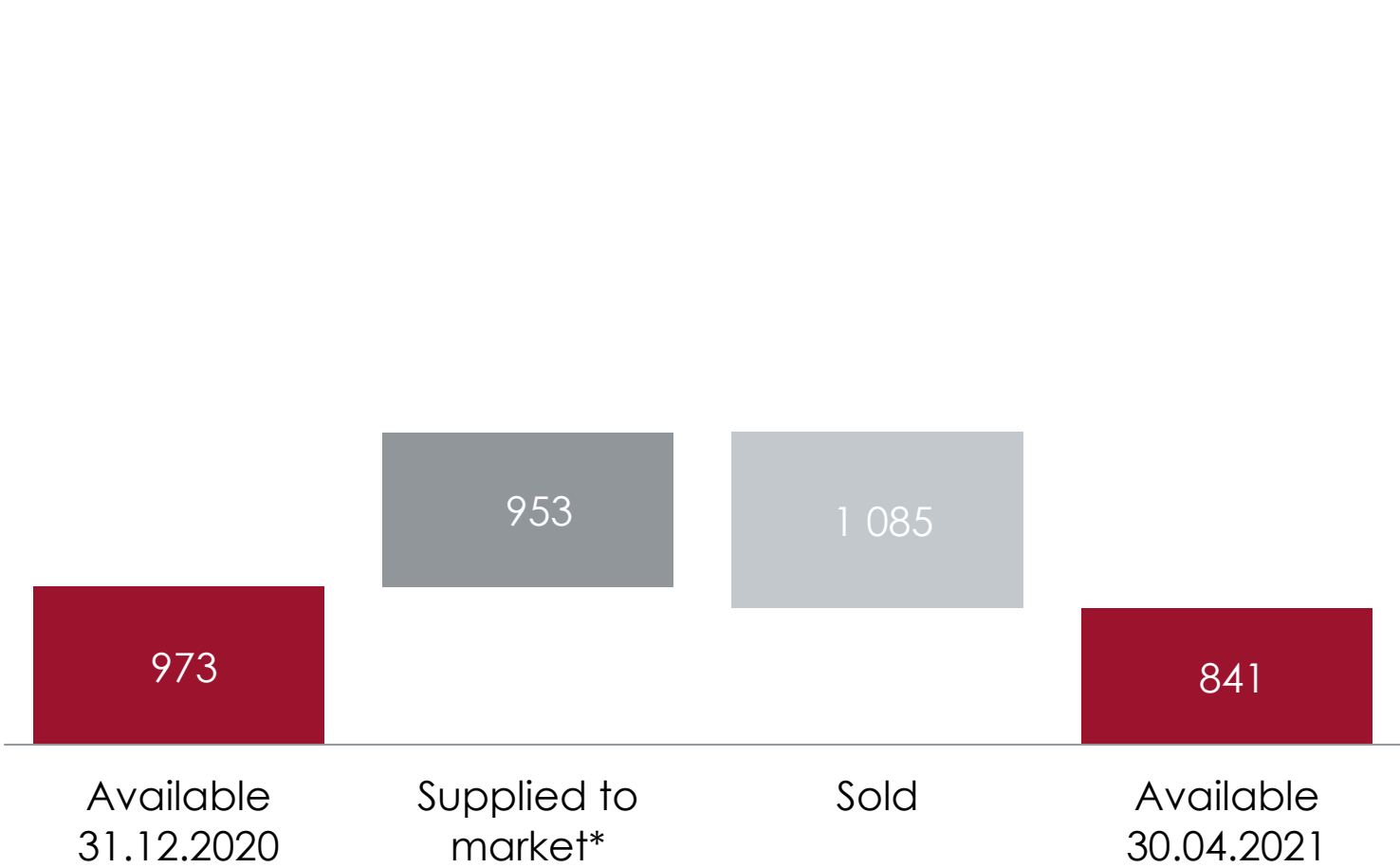
Sources: Historic data: Statistics Norway (SSB), Forecasted housing completions: SA – Econ Nye Boliger, Forecasted housing need: Prognosesenteret.  
Note: Number of persons per household in Oslo: 1.90.  
Note: Housing demand calculated on parameters such as number of persons per household, lag on housing development, housing demolition.  
Note: Completions exclusive of student- and senior housing.  
\* Estimates based on actual start and time of construction.  
\*\* Uncertainty due to project lead-time. Expected to increase as new projects come to market through 2021/2022.



# Newbuild market update

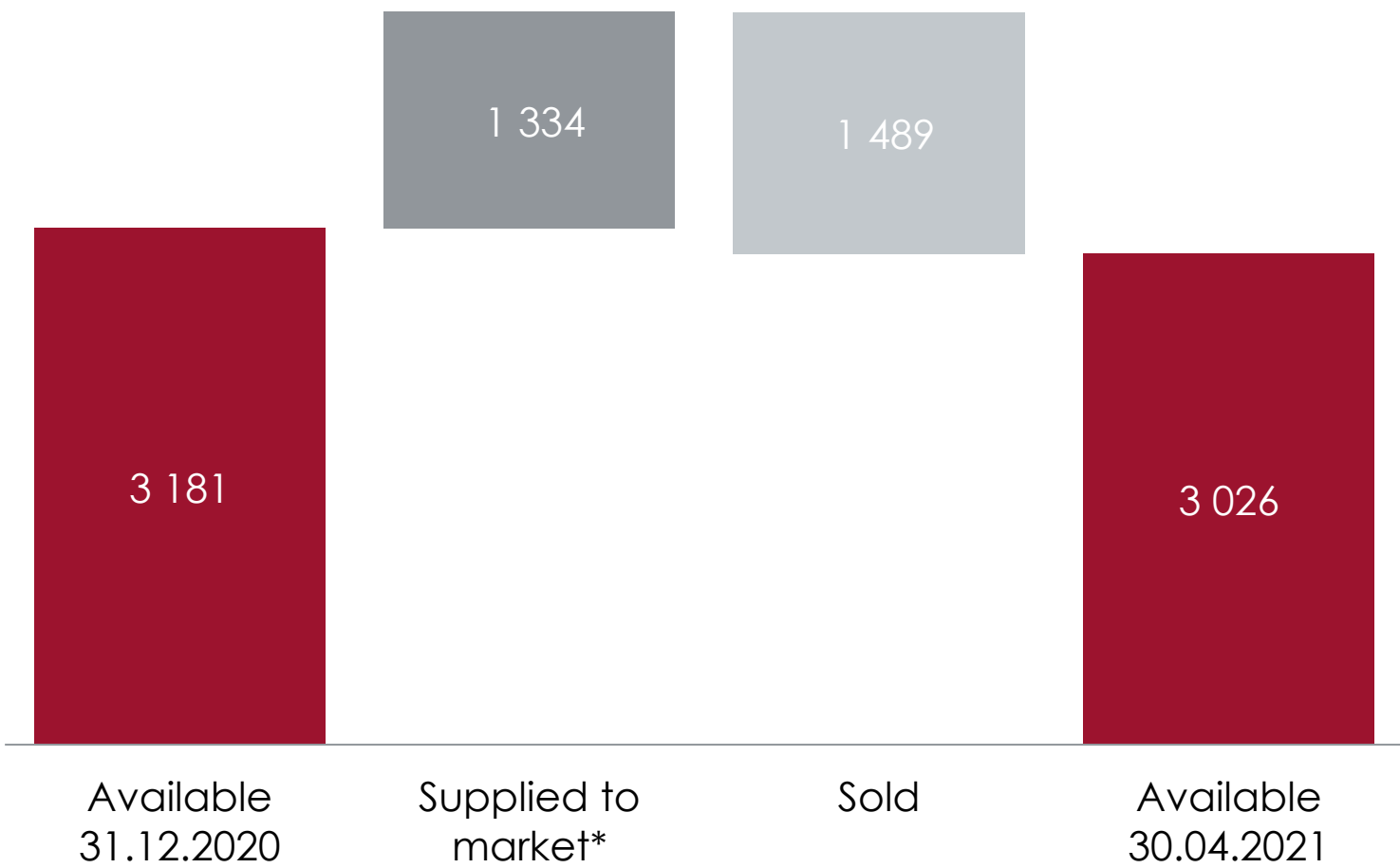
Oslo – 1.1.21 - 30.4.21

Units



Viken ex. Buskerud and Østfold – 1.1.21 - 30.4.21

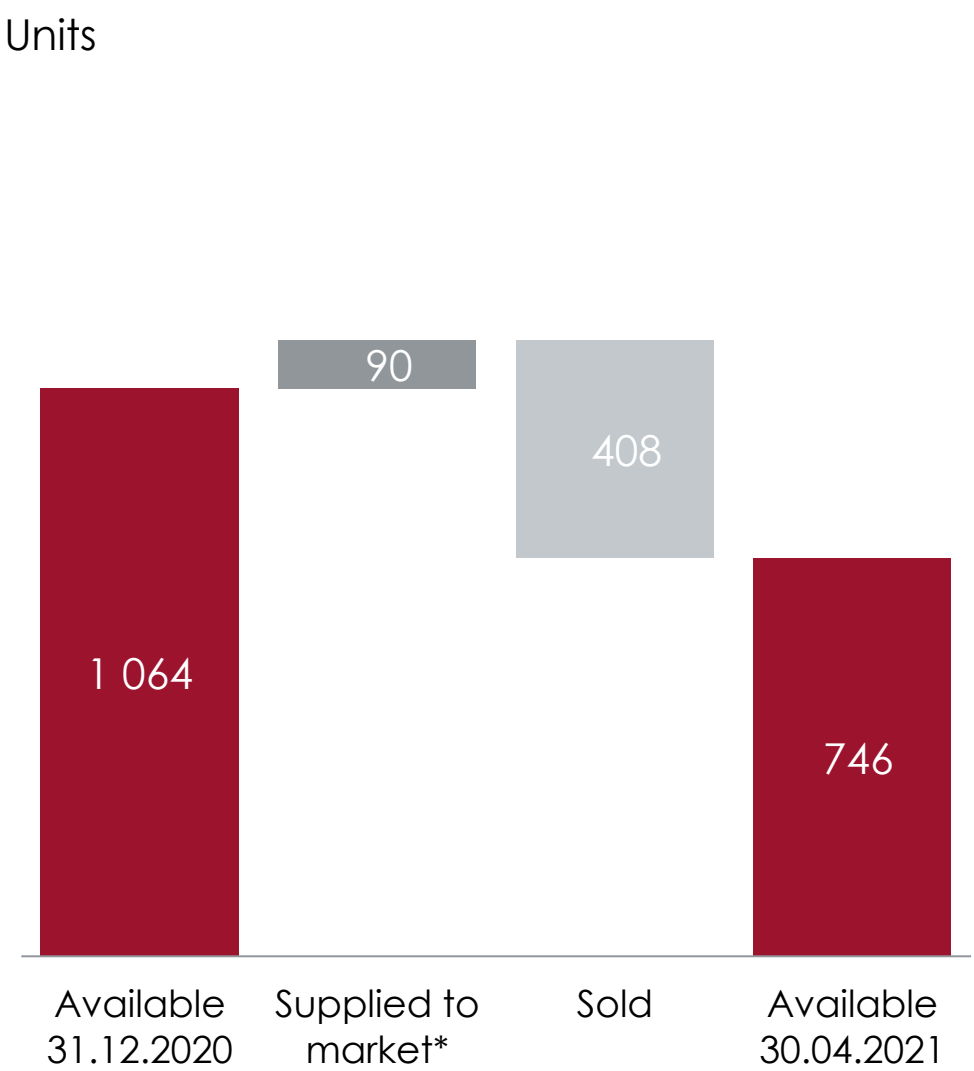
Units



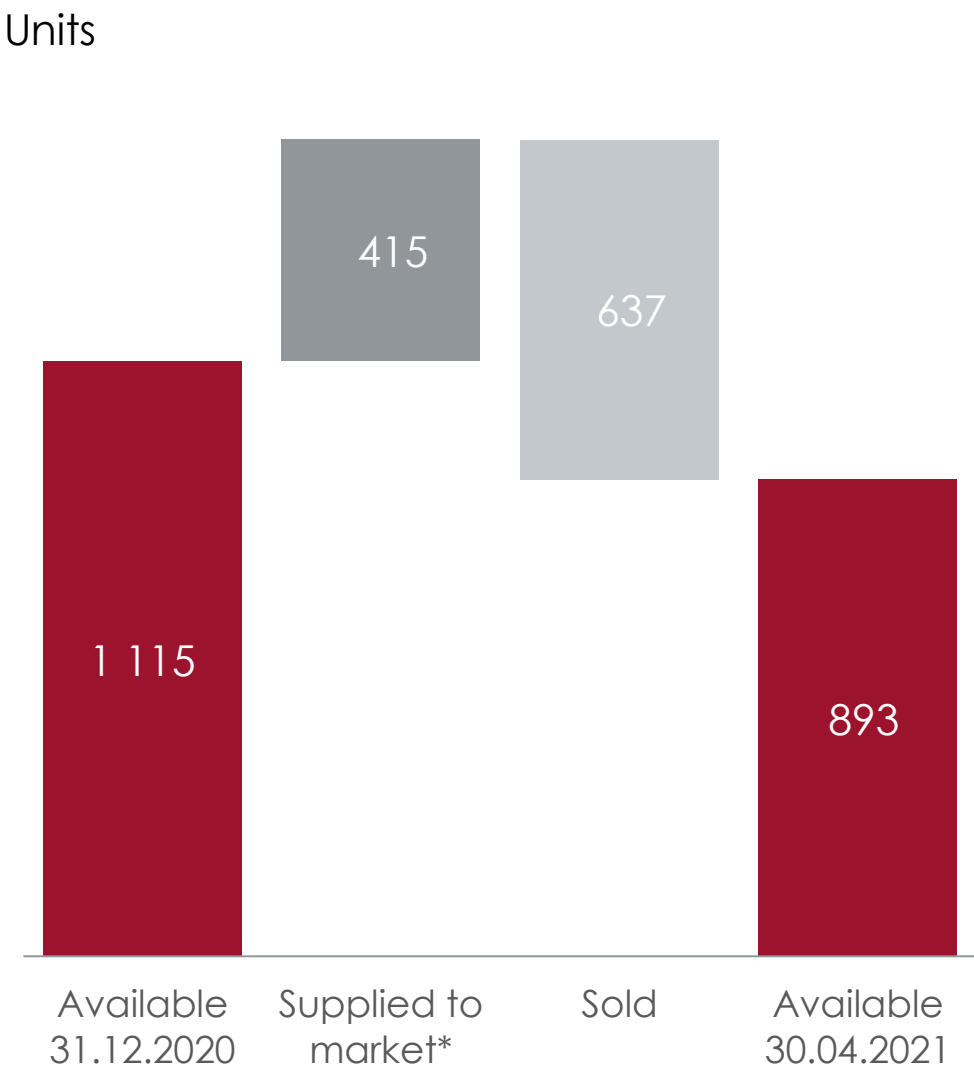
Source: SA - ECON Nye Boliger.  
\* Adjusted for temporary withdrawals or cancellations during the period.

# Newbuild market update

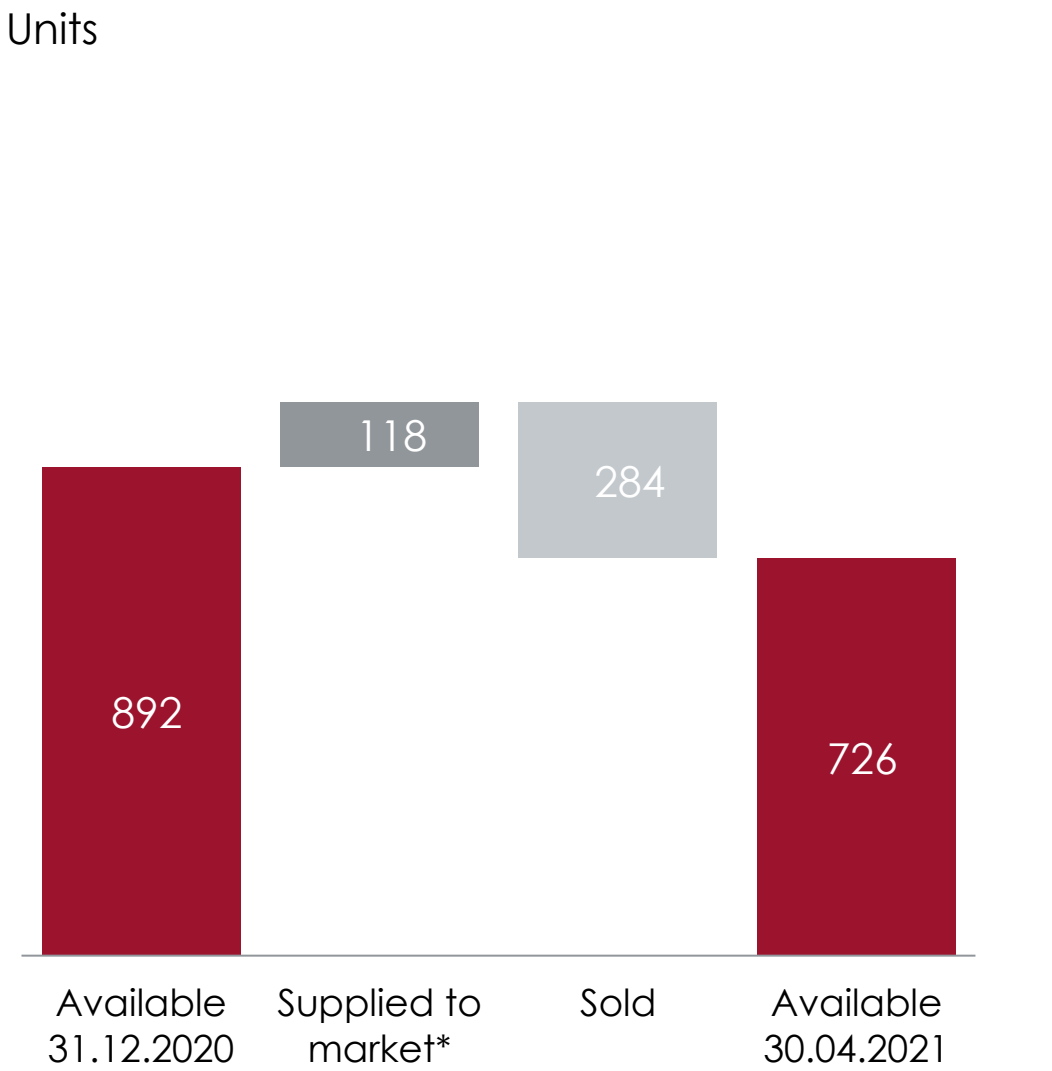
Bergen – 1.1.21 - 30.4.21



Trondheim – 1.1.21 - 30.4.21



Stavanger & Sandnes – 1.1.21 - 30.4.21

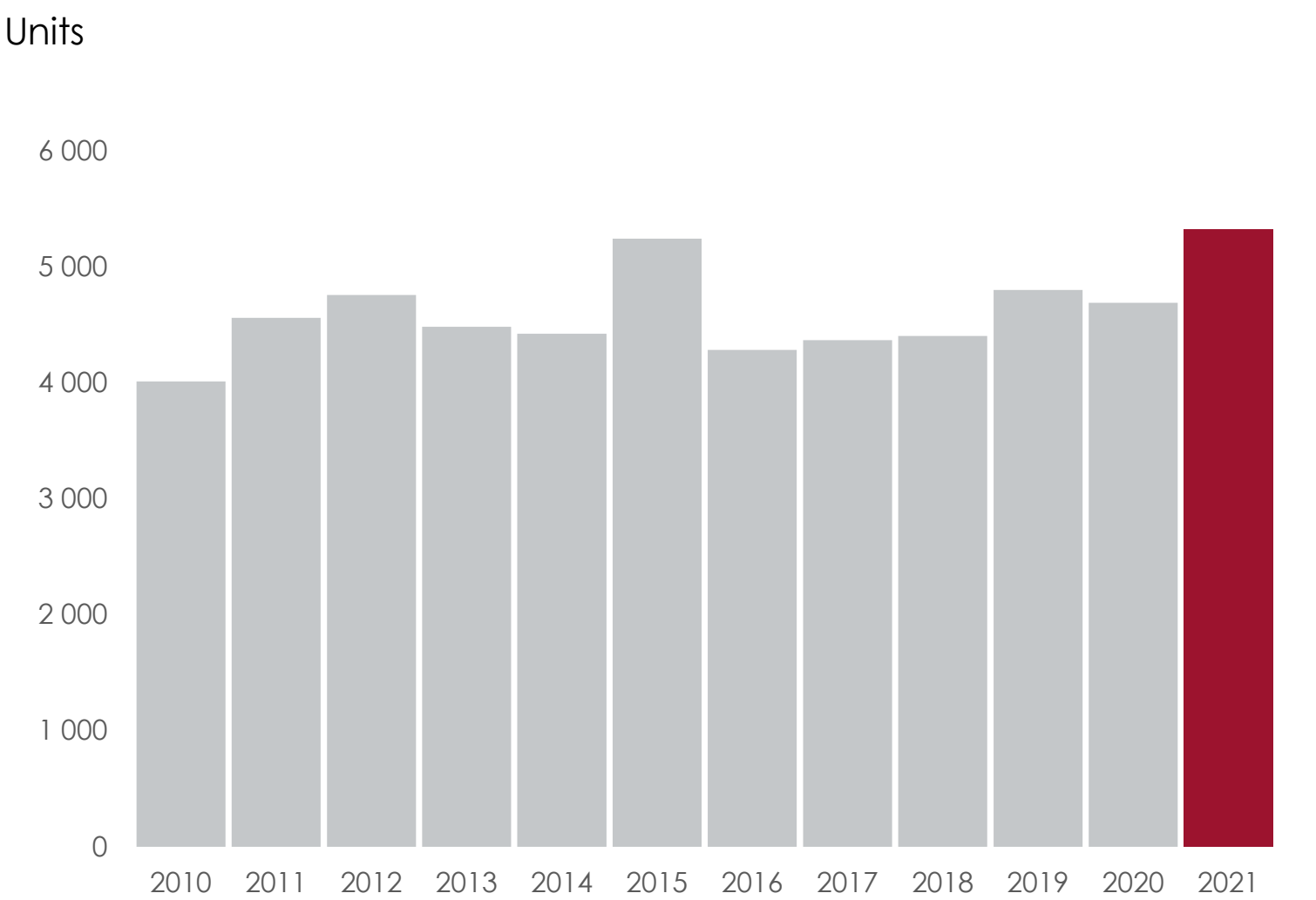


Source: SA - ECON Nye Boliger.  
\* Adjusted for temporary withdrawals or cancellations during the period.

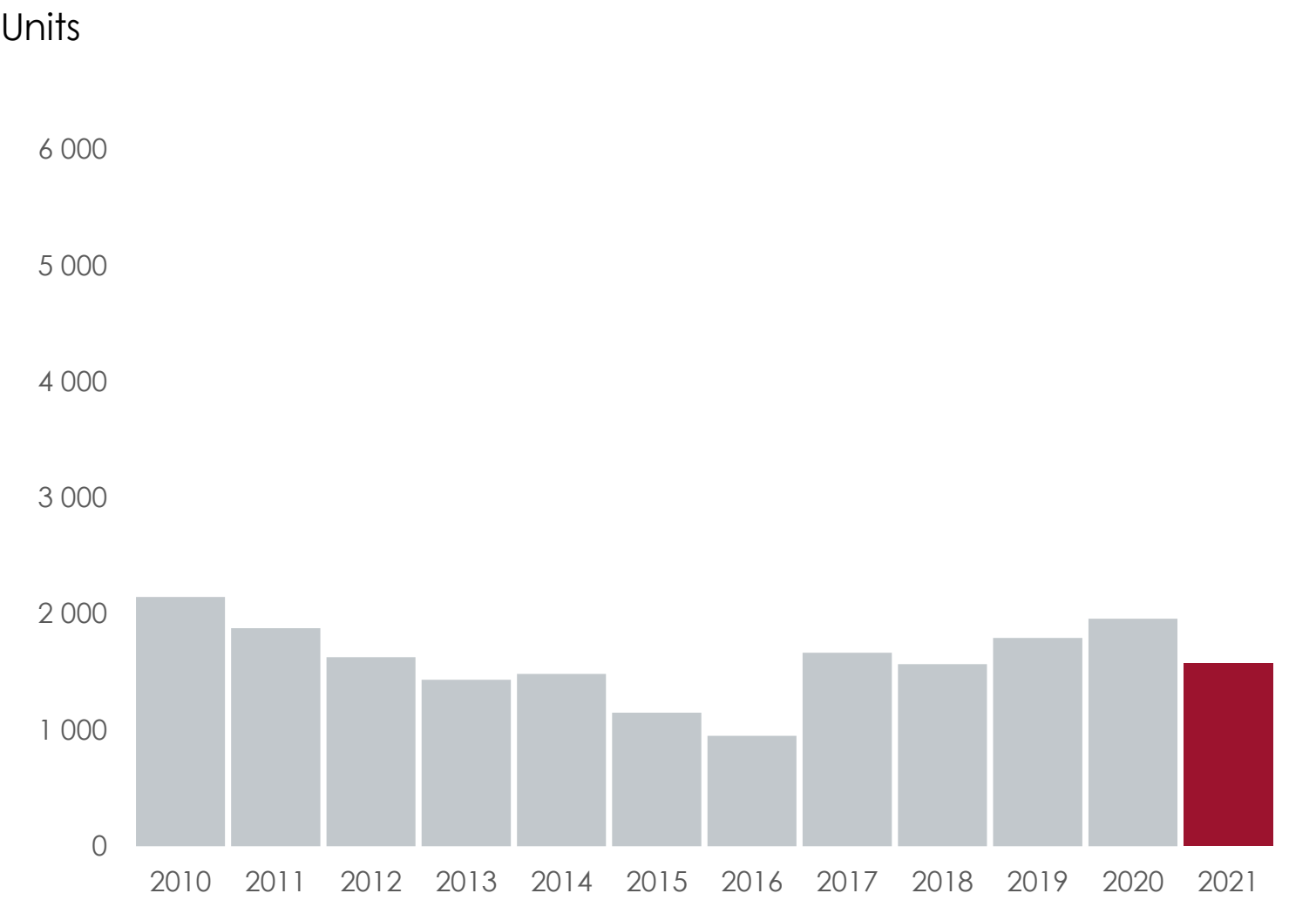


# Oslo second-hand market update

Units sold 1.1 - 31.3, 2010-21



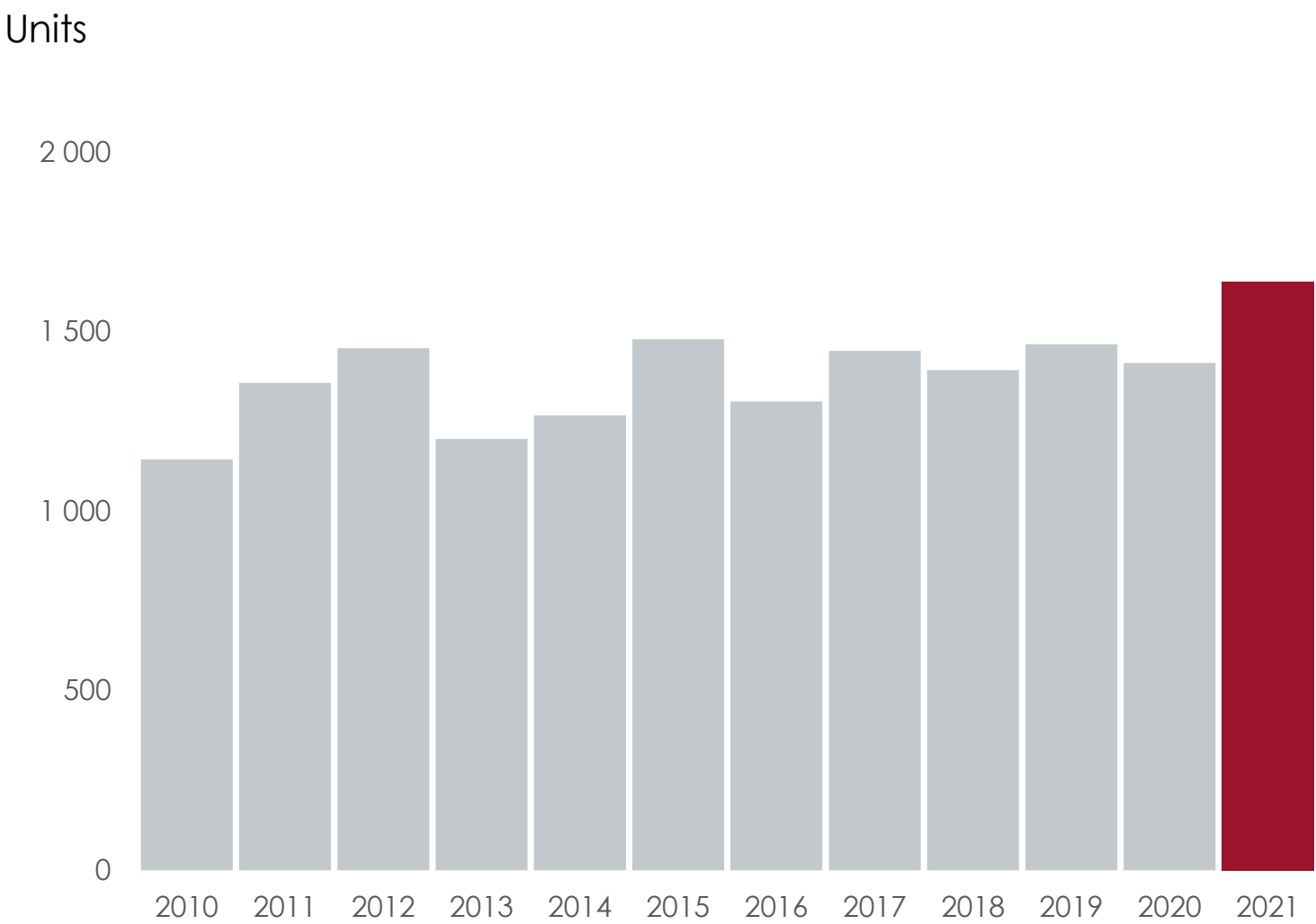
Inventory 30.4, 2010-21



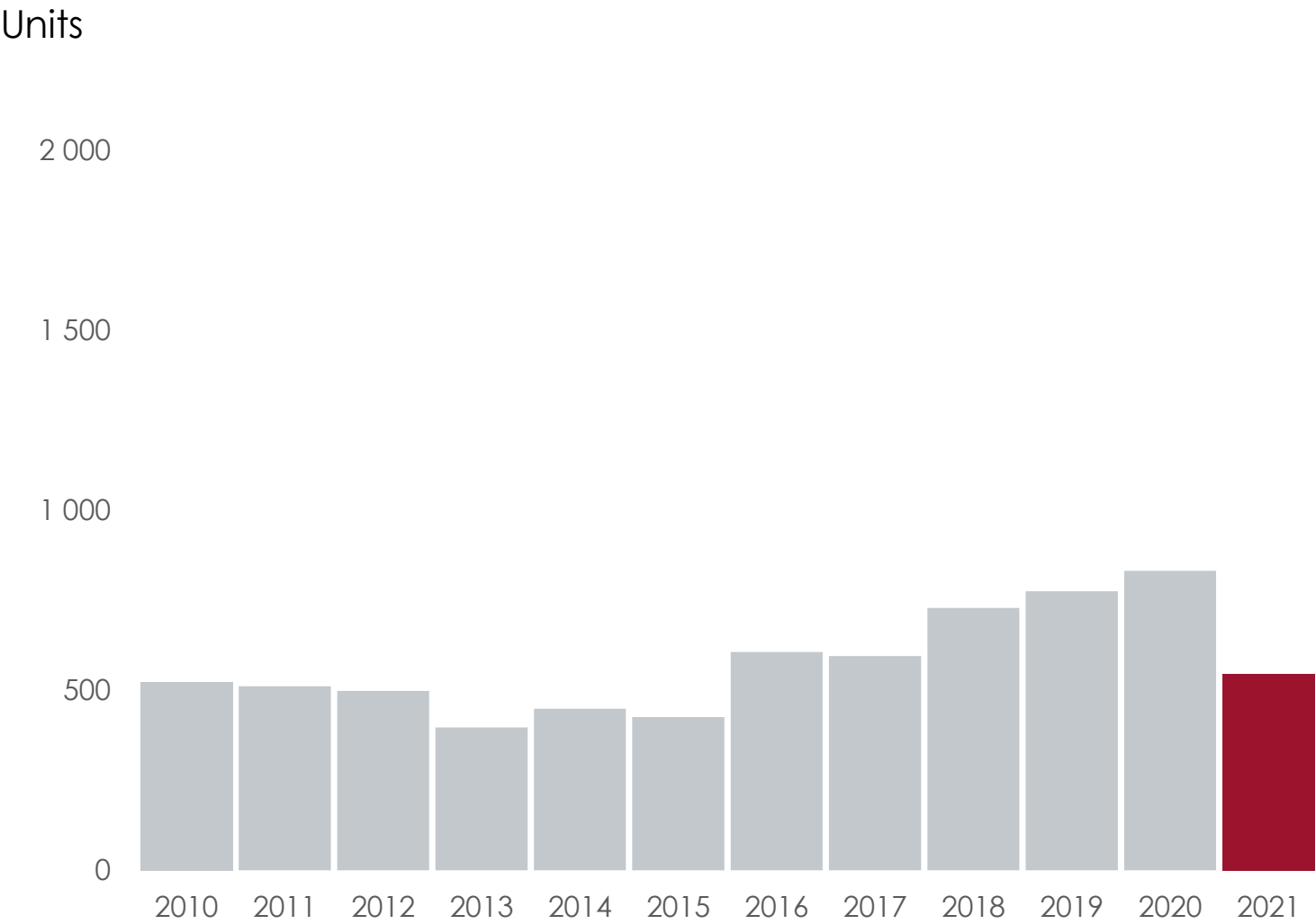
Source: Eiendomsverdi.

# Bergen second-hand market update

Units sold 1.1 - 31.3, 2010-21



Inventory 30.4, 2010-21

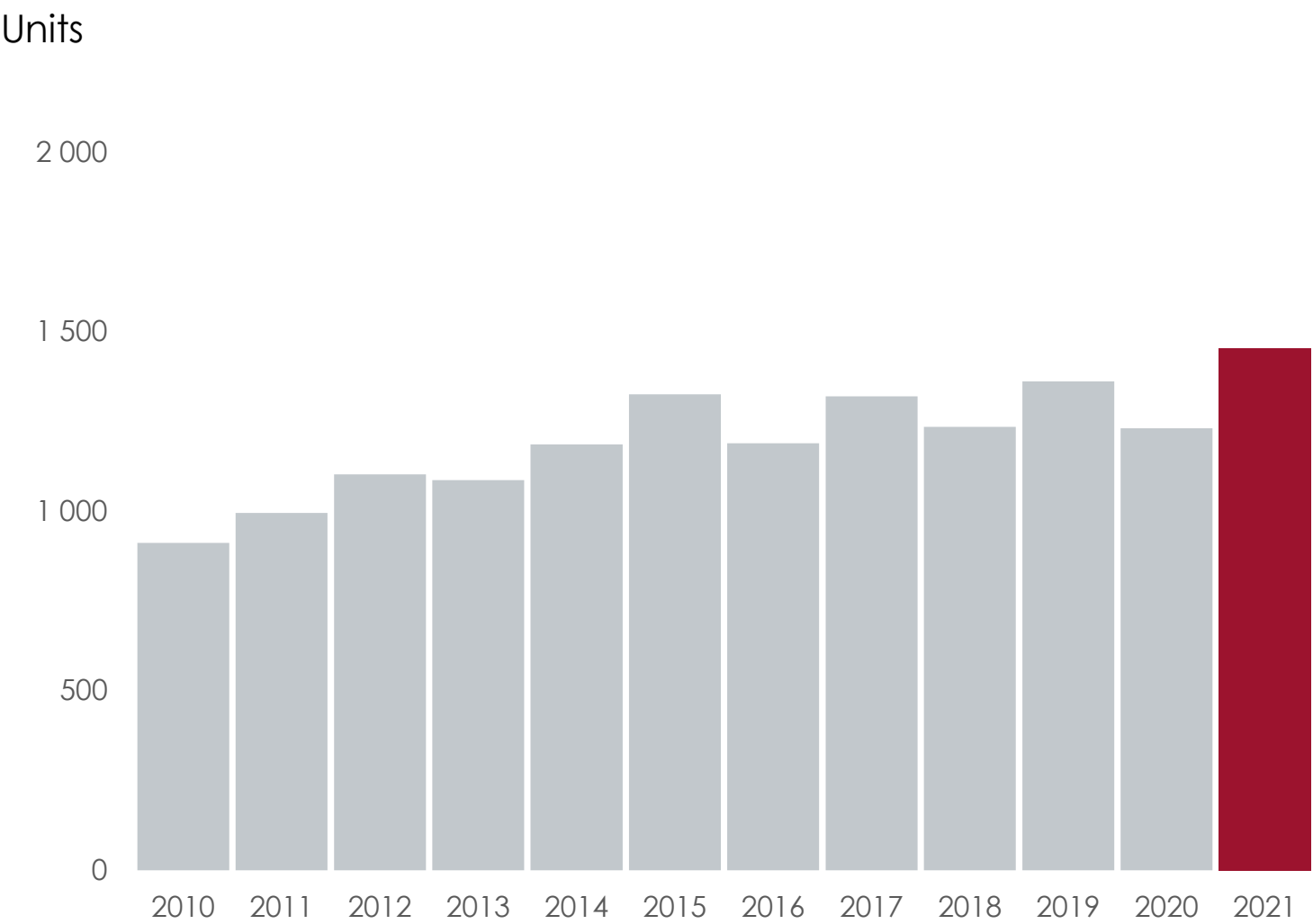


Source: Eiendomsverdi.

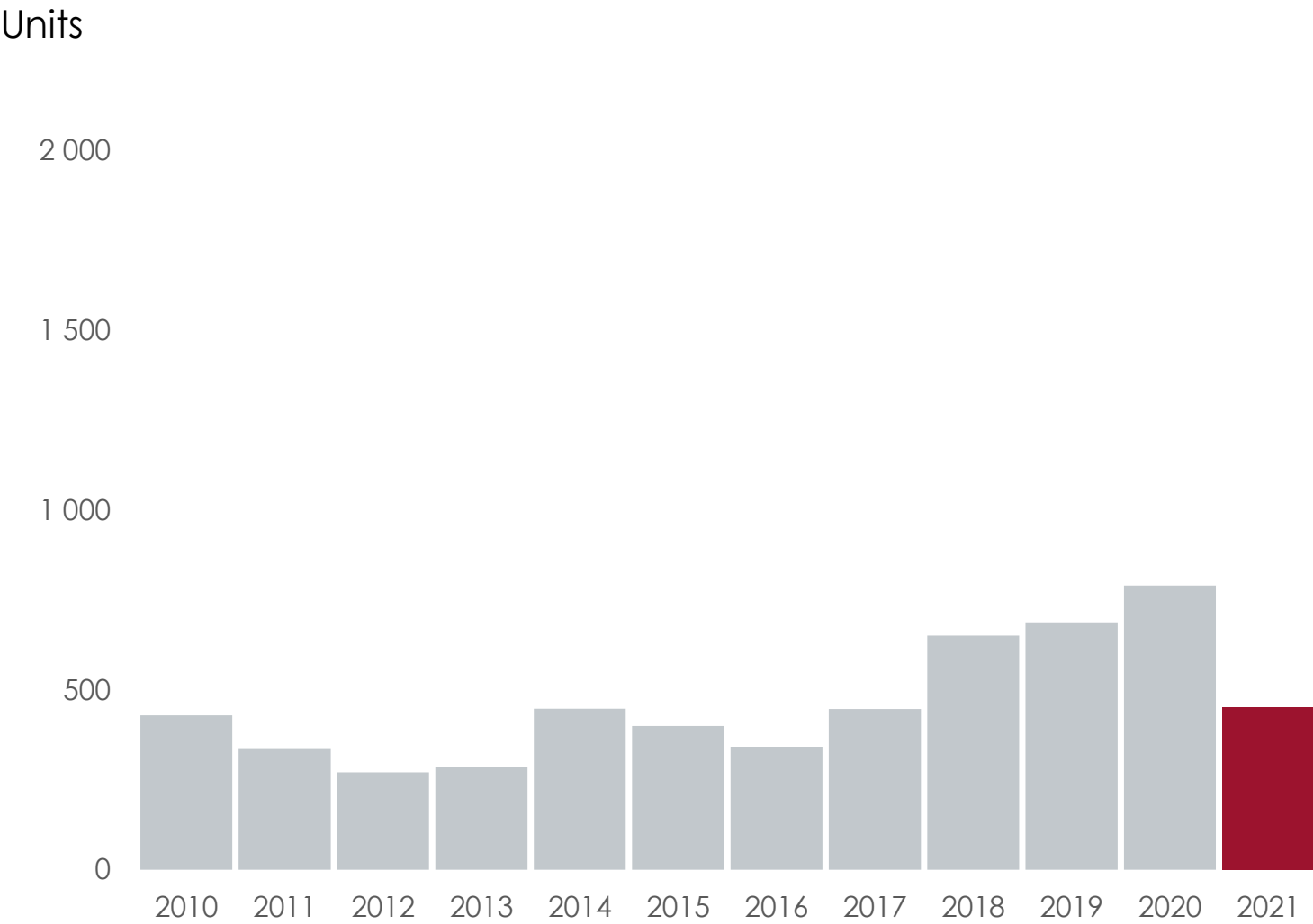


# Trondheim second-hand market update

Units sold 1.1 - 31.3, 2010-21



Inventory 30.4, 2010-21

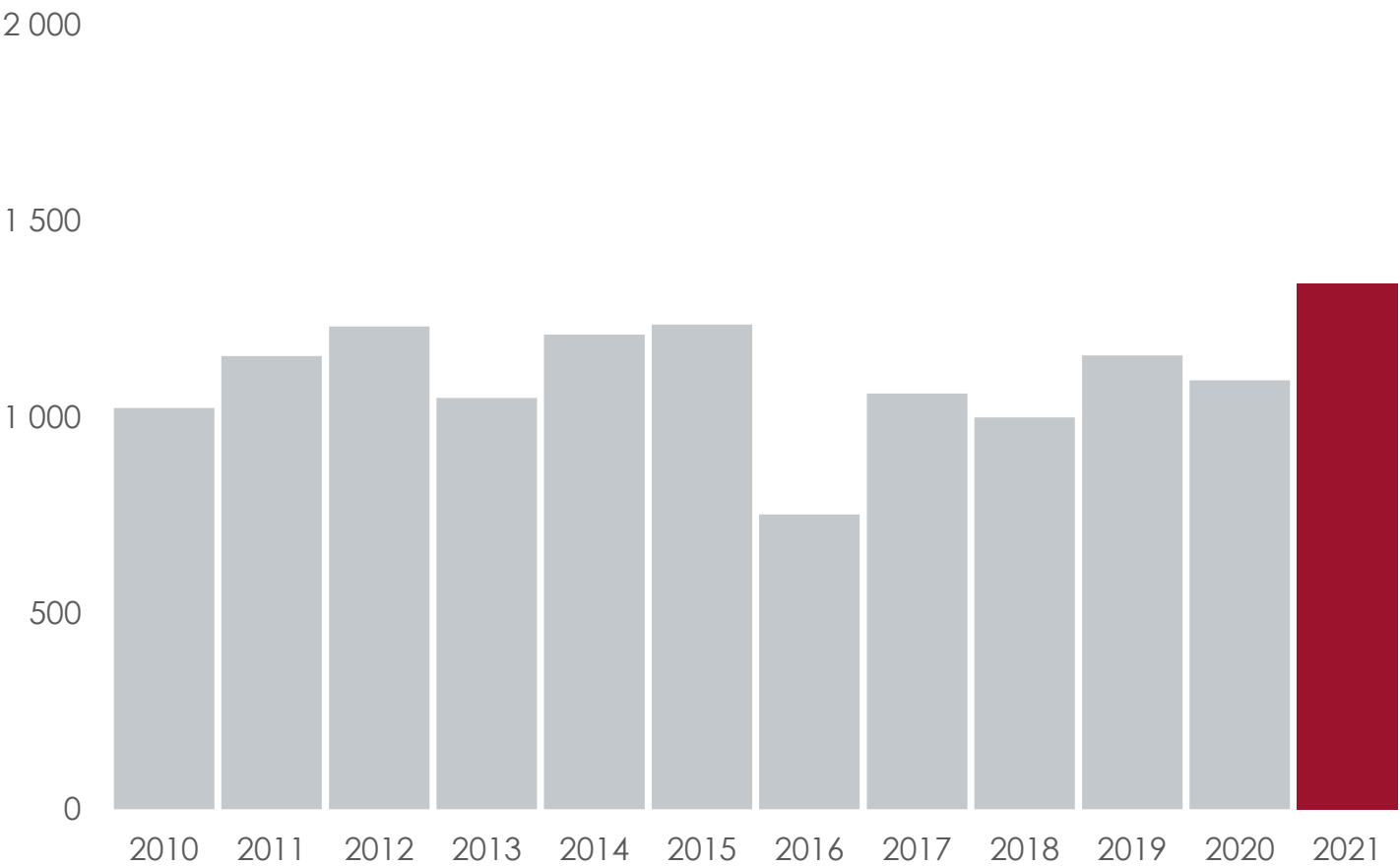


Source: Eiendomsverdi.

# Stavanger-area\* second-hand market update

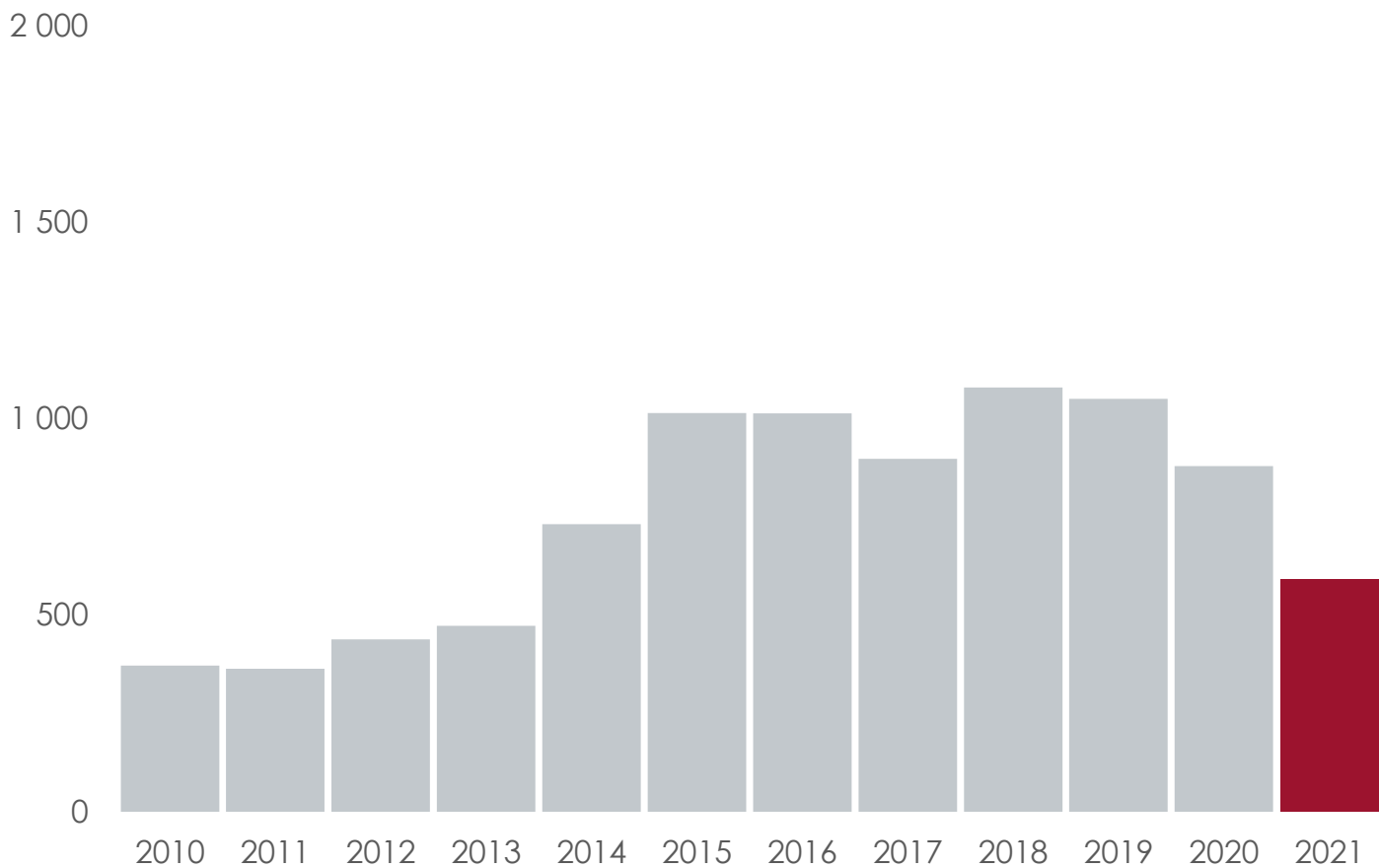
Units sold 1.1 - 31.3, 2010-21

Units



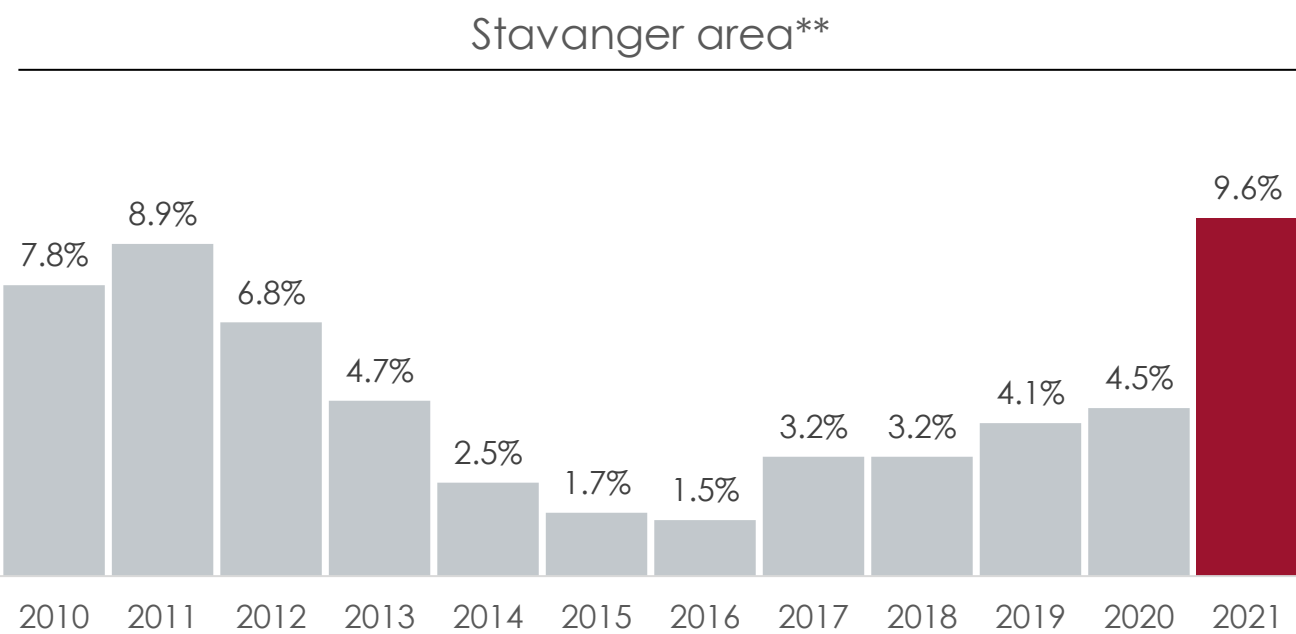
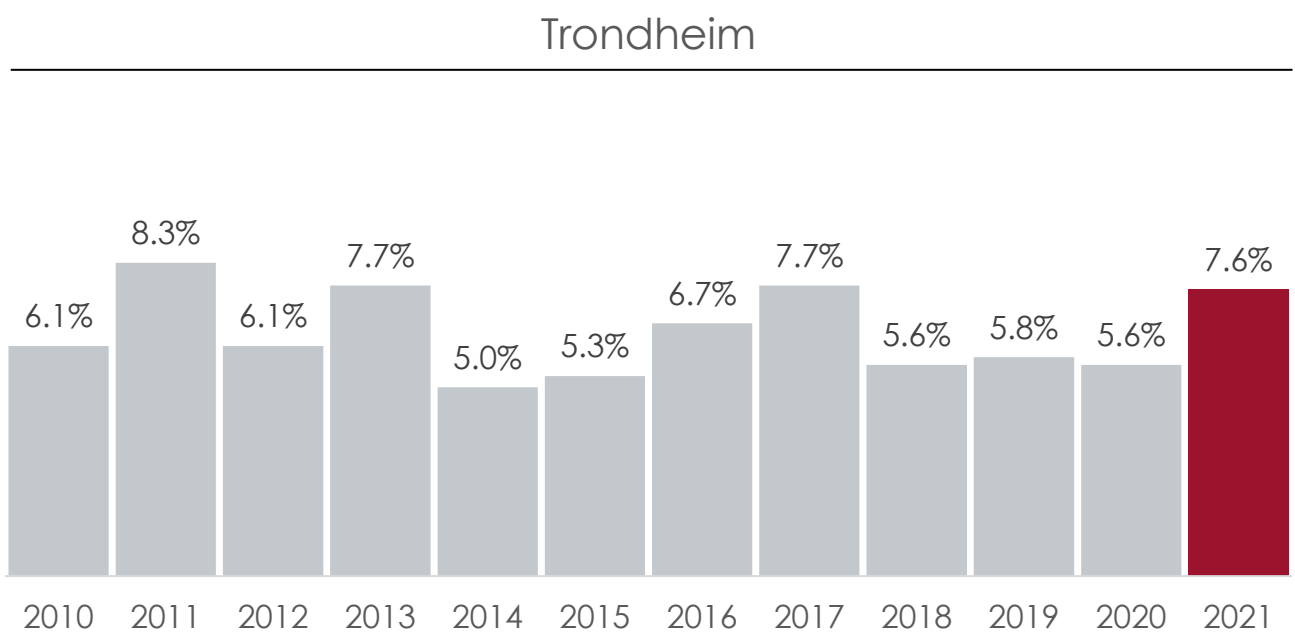
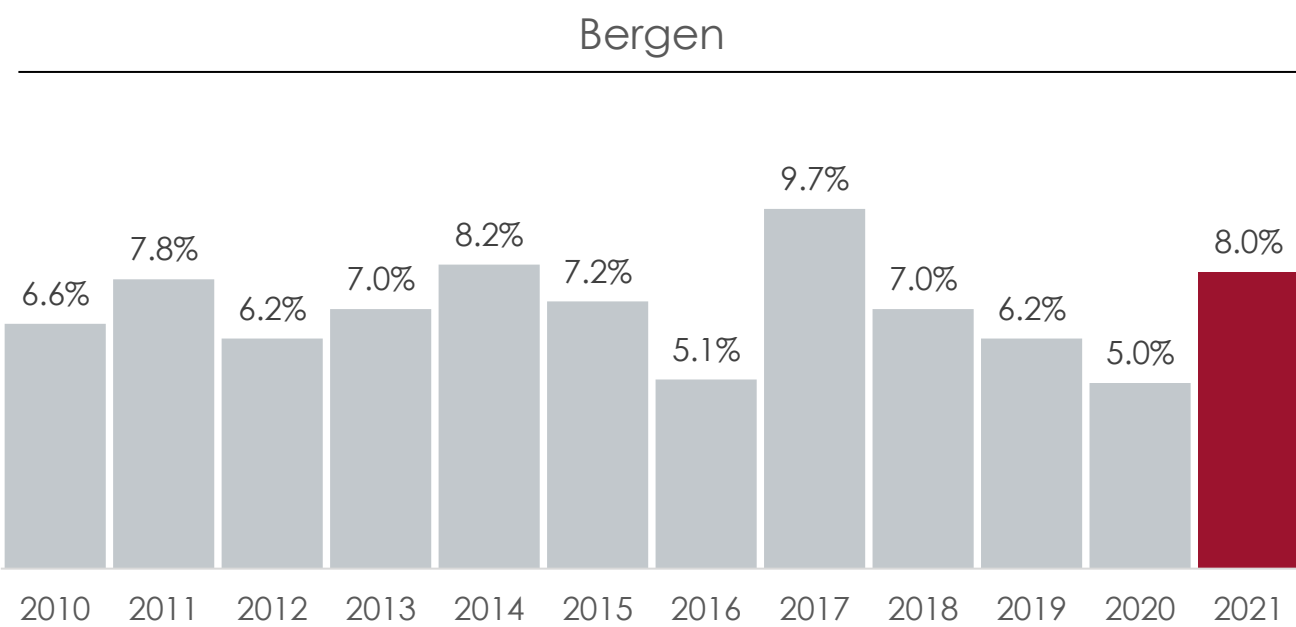
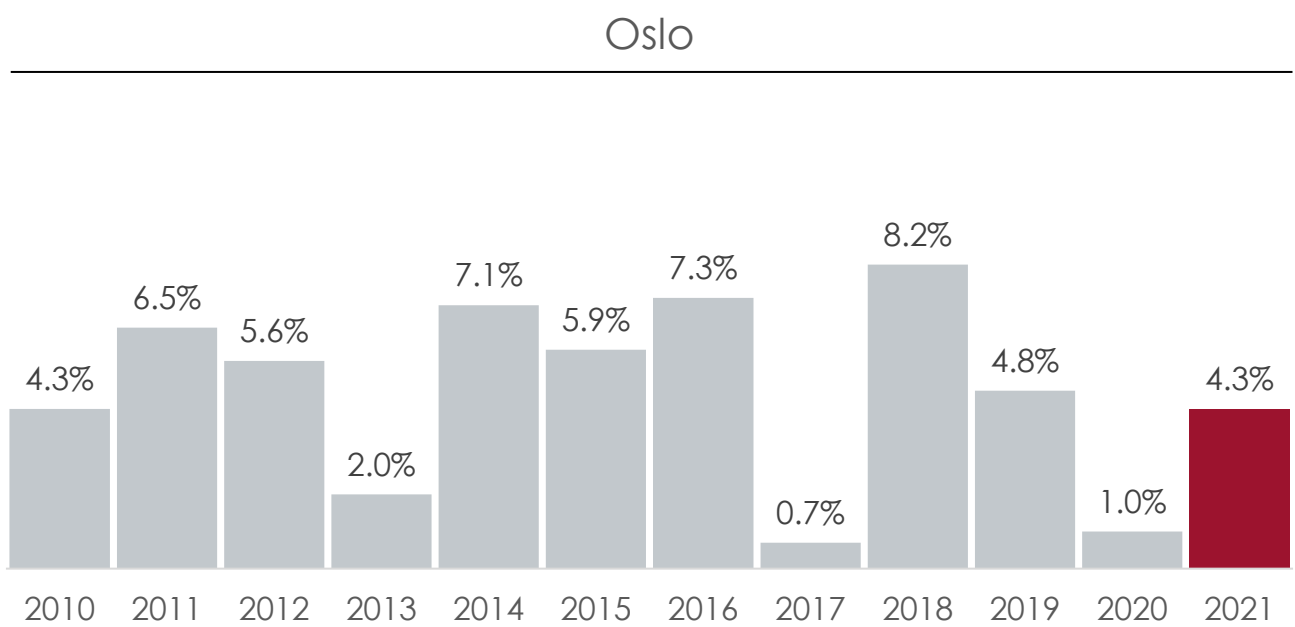
Inventory 30.4, 2010-21

Units



Source: Eiendomsverdi.  
\* Includes Stavanger, Sola, Sandnes, Randaberg.

# Regional price\* development 1.1-30.4, 2010-21

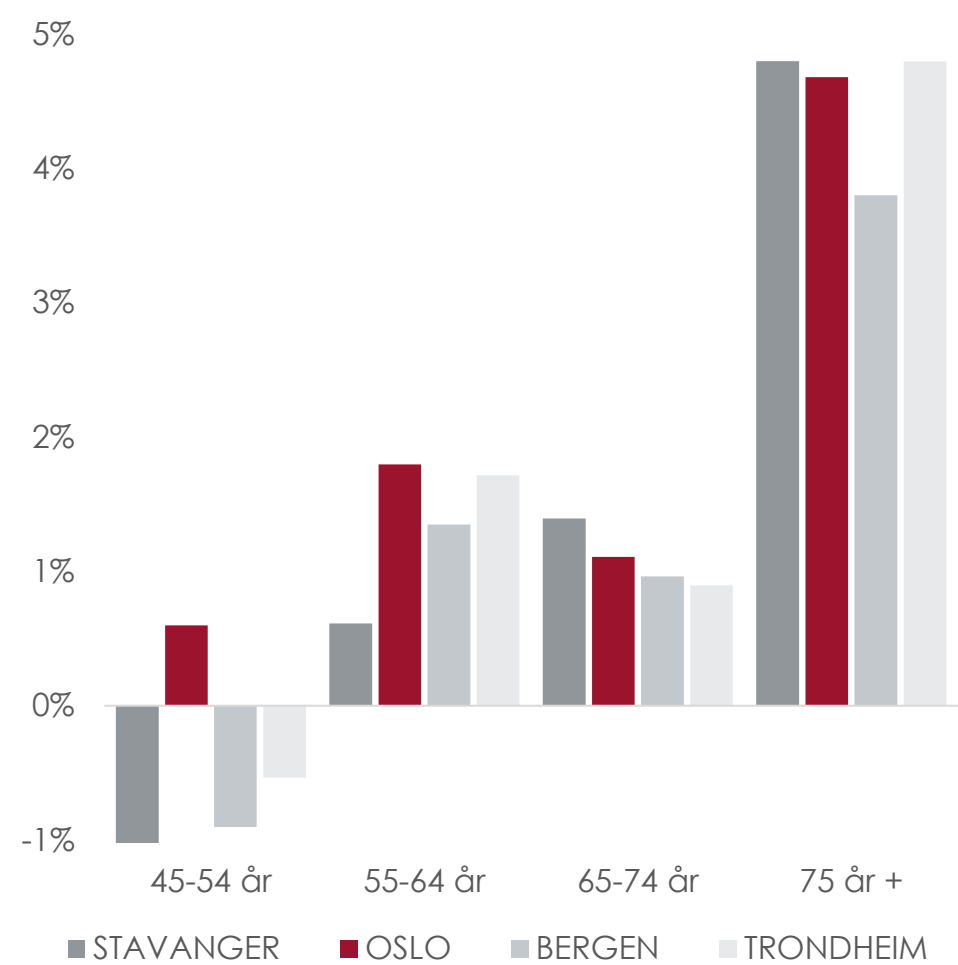


Source: Eiendom Norge.  
\* Nominal price change.  
\*\* Includes Stavanger, Sola, Sandnes, Randaberg.

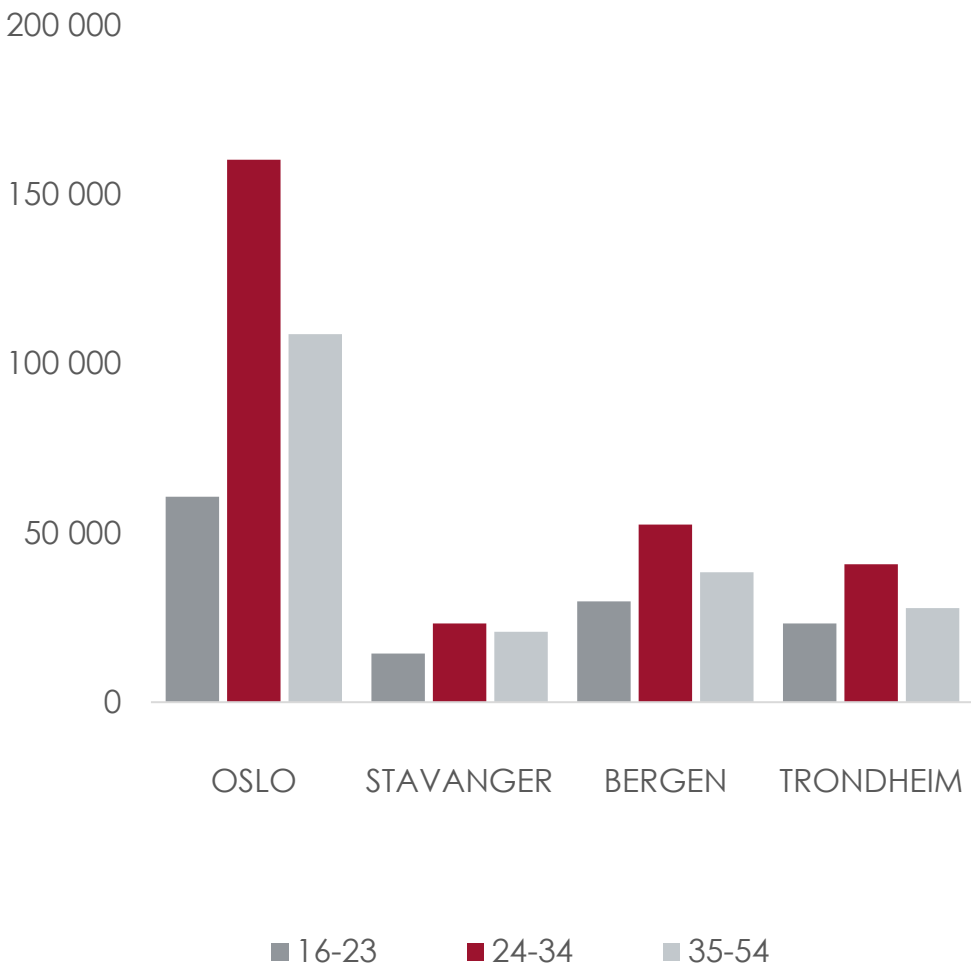


# Shift in demographics trigger new housing needs

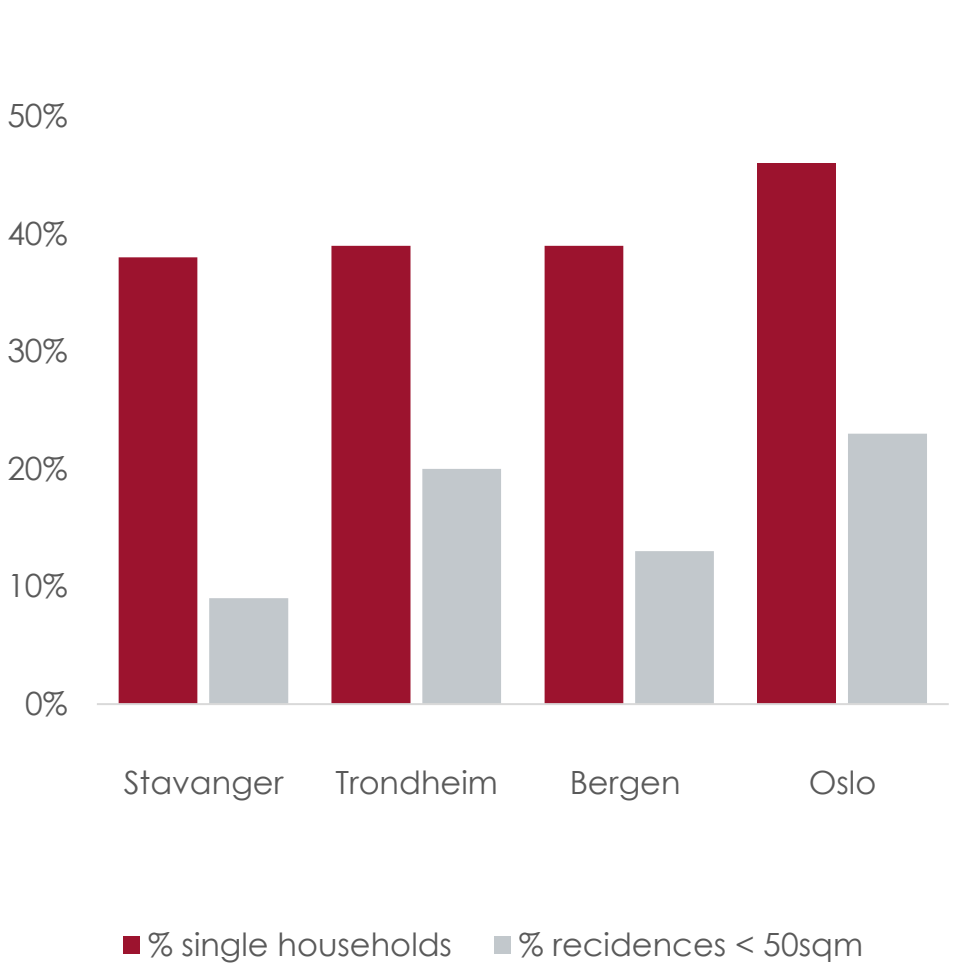
Annual population growth\* by age



Number of people by age in 2020



Share of small & single households



Source: Statistics Norway.  
\* Estimated annual growth for the 2020-25 period.  
\*\* Number of persons per household in Norway.



# Change in needs calls for new concepts

## Selvaag Pluss

- Lifestyle concept
- Attractive common areas
- Professional hosting services
- Service offerings and good neighbourliness, make every day living easier
- Guestrooms for family and friends
- Work-out- and fitness centre

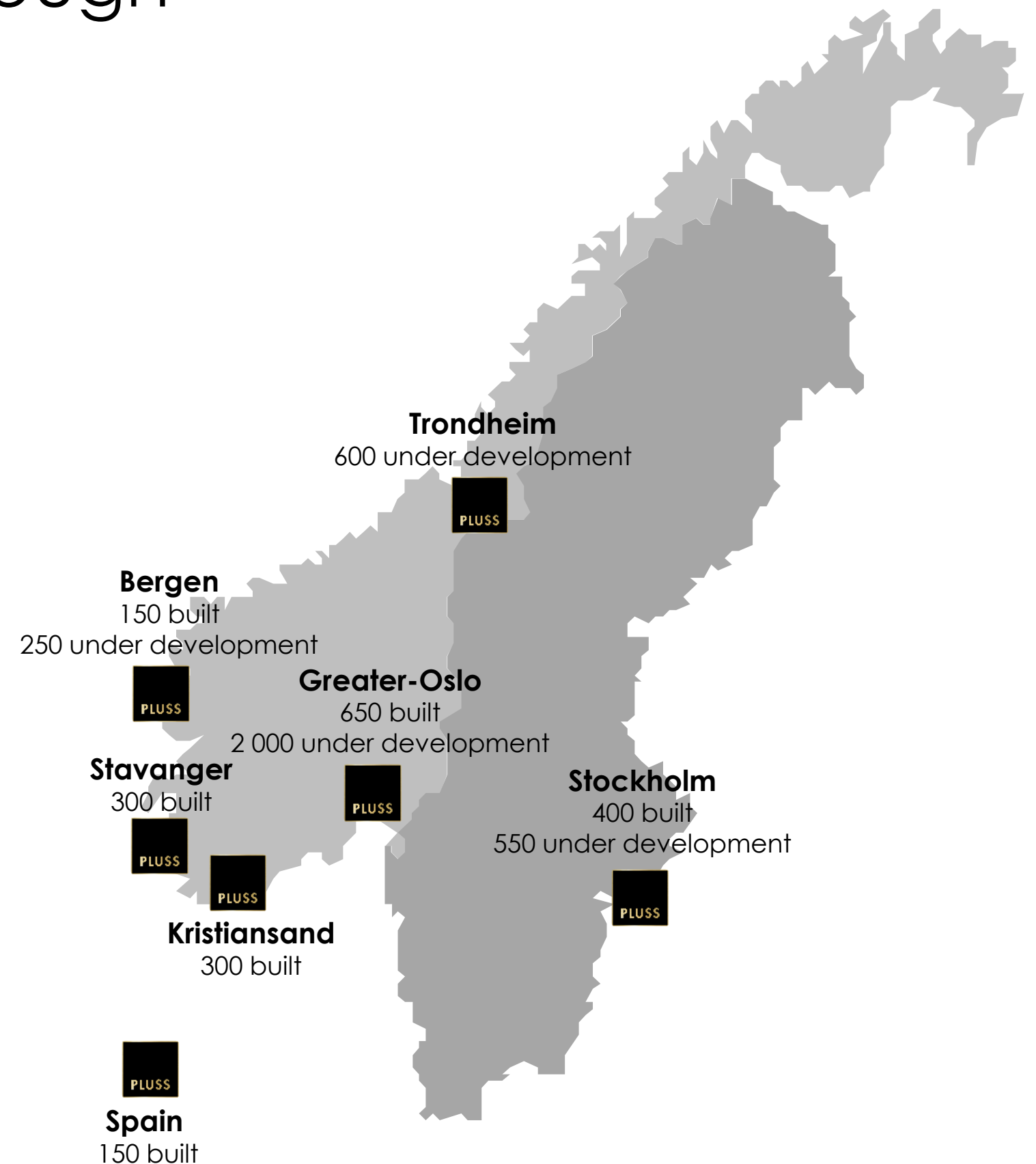
## Selvaag City

- Urban lifestyle concept with compact apartments
- Attractive common areas
- Professional hosting services
- Service offerings and good neighbourliness, make every day living easier
- Guestrooms for family and friends
- Work-out- and fitness centre



# Already a leading provider through Selvaag Pluss

- A proven concept of housing with shared facilities and service
- Built 2 000 Pluss units since 2004
  - Oslo, Drammen, Stavanger, Kristiansand, Bergen, Stockholm and Alfaz del Pi (Spain)
- 150 Pluss units to be sold in two current projects
- > 3 000 Pluss units under development
  - Lørenskog
  - Asker
  - Trondheim
  - Stockholm





# Upcoming projects 2022 to 2024



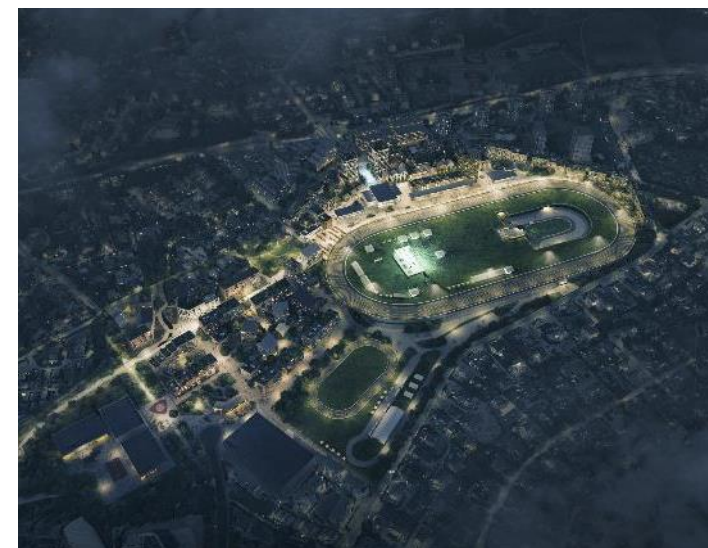
## Lørenskog stasjonsby | Greater Oslo

- ~ 1 500 units total
- ~ 250 Pluss units
- ~ 850 units remaining for sale



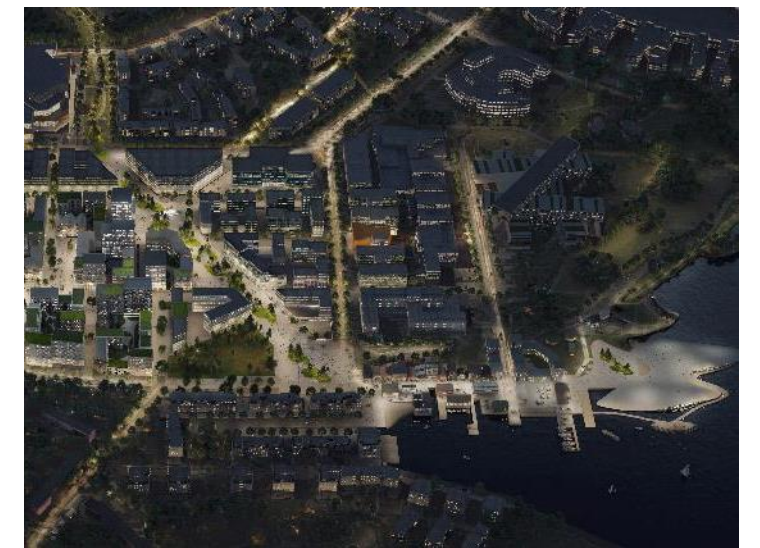
## Skårerbyen | Greater Oslo

- ~ 1 100 units total
- ~ 250 Pluss units
- ~ 750 units remaining for sale



## Bjerke | Oslo

- ~ 1 200 units total
- ~ 300 Pluss units
- Expected sales start: 2024



## Fornebu | Greater Oslo

- ~ 2 000 units total (50/50 JV)
- ~ 500 Pluss units
- Expected sales start: 2024



# Upcoming large regional projects



## RingvePluss | Trondheim

- ~ 600 units total
- ~ 400 Pluss units
- Expected sales start: 2021/22



## Sandsli | Bergen

- ~ 600 units total
- ~ 250 Pluss units
- Sales start H2 2020



## Elveparken | Stavanger-area

- ~ 600 units total
- ~ 250 Pluss units
- Expected sales start: 2023



## Fredrikstad | Greater Oslo

- ~ 1 500 units
- ~ 400 Pluss units
- Expected sales start: 2022/23

- 
- On 10 May, SBO had approximately 410 units for sale in Norway
  - Planning for sale start of additional 415 units through Q3 2021



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# Outlook

- Continued positive market sentiment in Greater Oslo
- Attractive projects for sale in all the markets where we operate
- Targeting new areas for future growth





# Summary

- Record high Q1 sales value
- Units under production increased
- Strong operational results considering few deliveries
- Revised dividend policy
- Christopher Brunvoll appointed new CFO



Thank you for your attention – follow us online!

Next event:  
2<sup>nd</sup> quarter 2021  
18 August 2021



@SelvaagAksjen



# Appendix

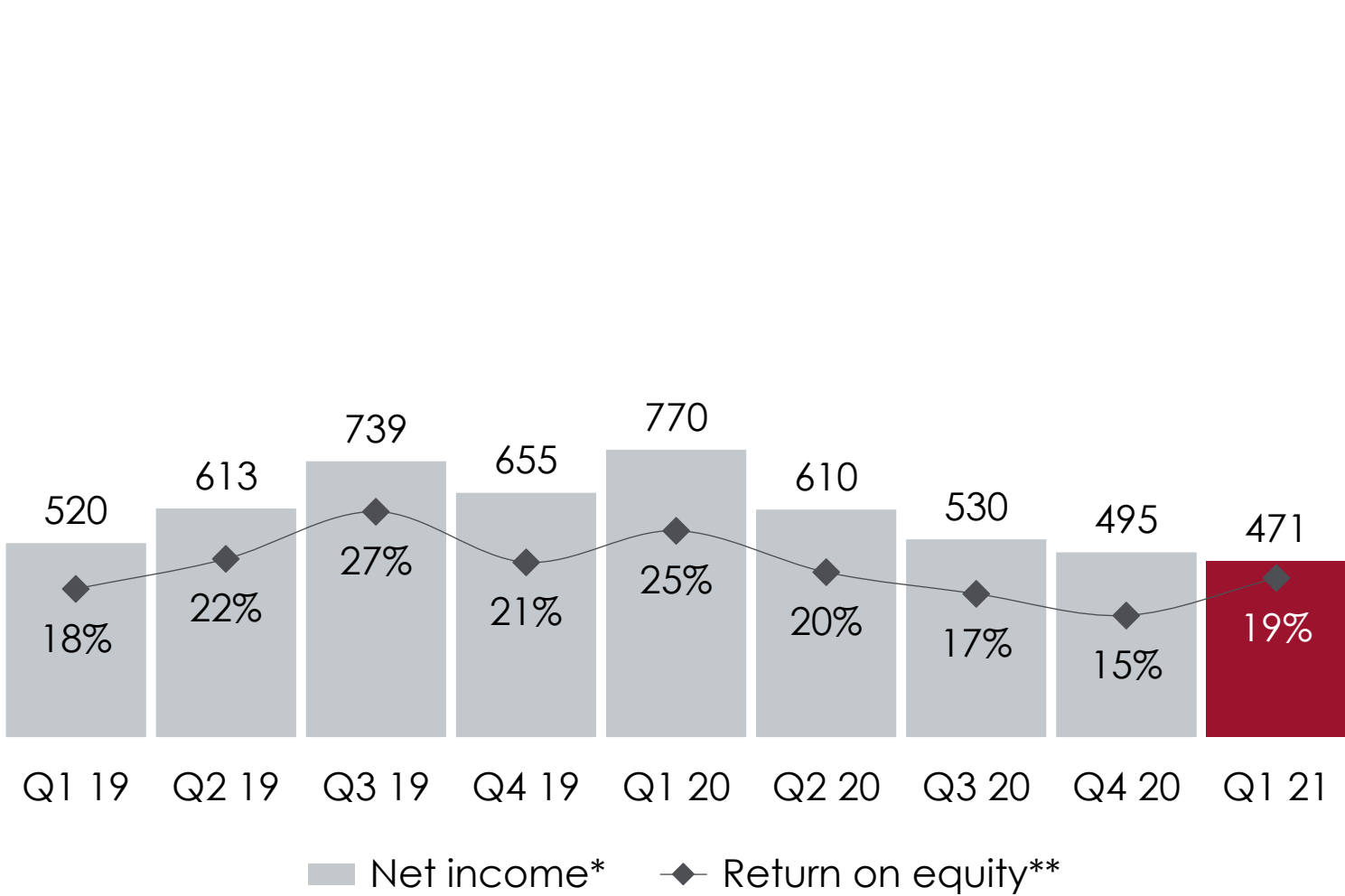




# Return on equity (IFRS)

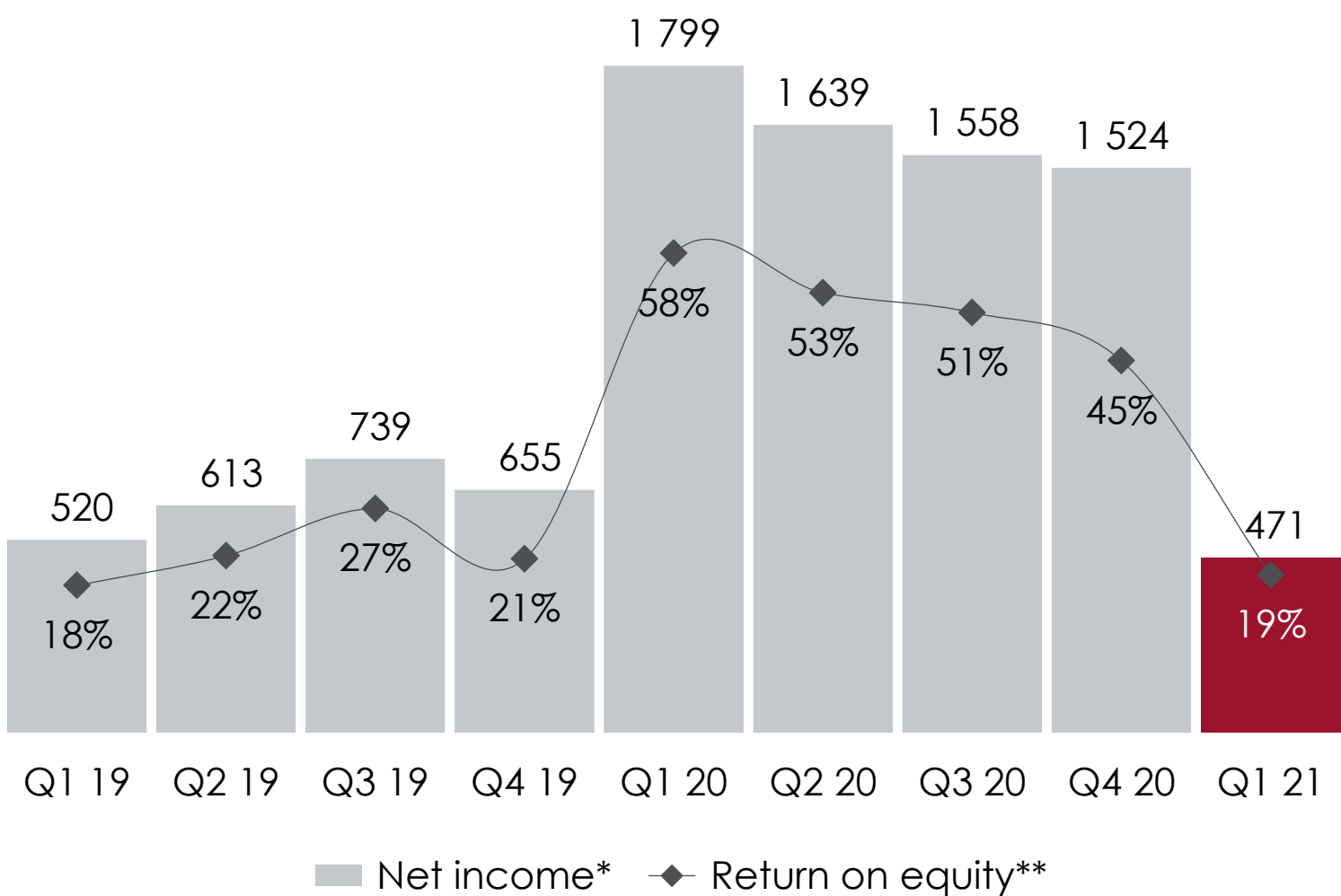
12 months rolling net income (NOKm) ROE (%)

Q1 2020 Net income excluding Other gains of NOK 1 029m



12 months rolling net income (NOKm) ROE (%)

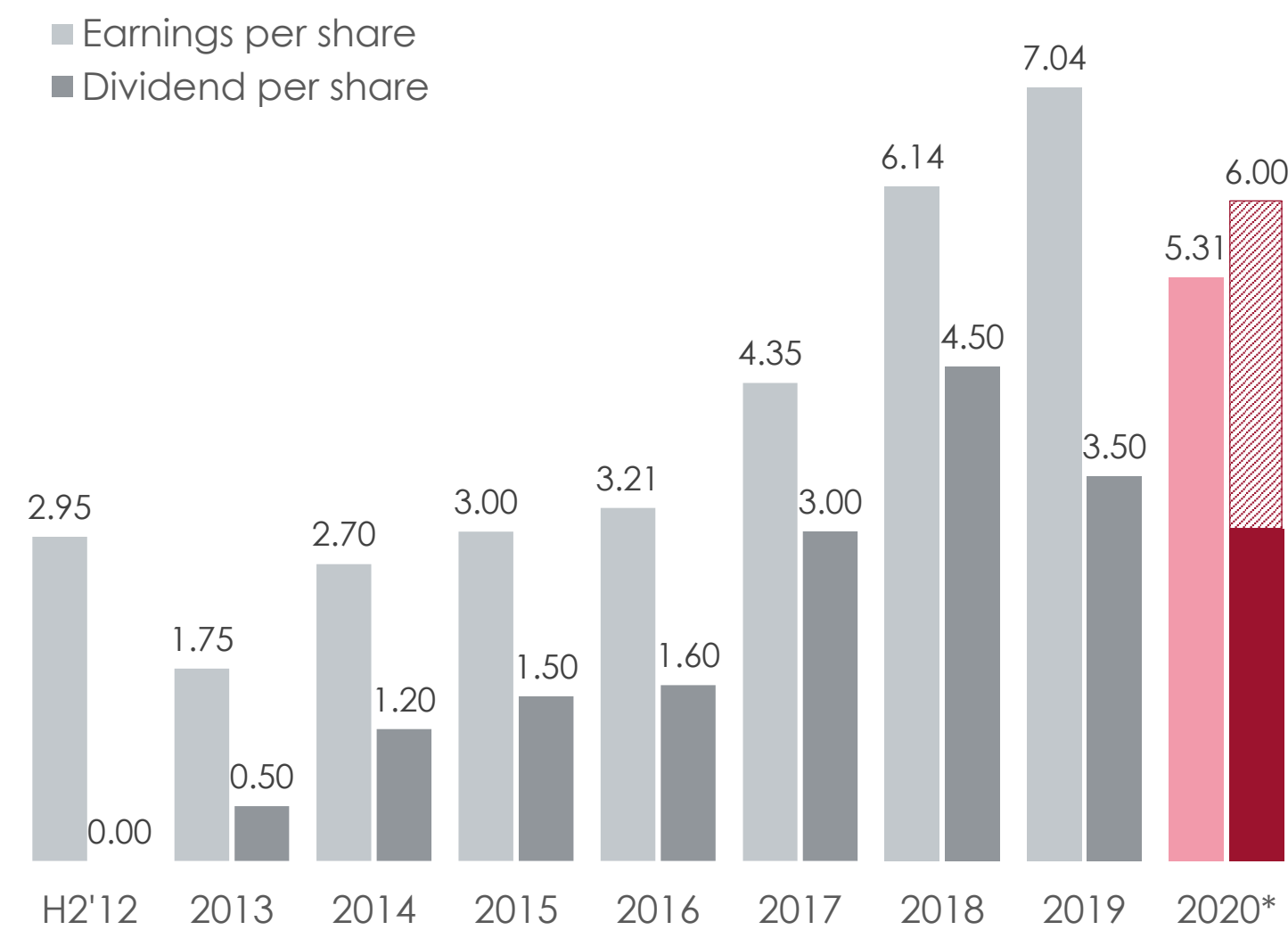
Q1 2020 Net income including Other gains of NOK 1 029m



\* Net income attributable to shareholders in Selvaag Bolig ASA.  
\*\* Based on equity at the start of the period (attributed to shareholders in Selvaag Bolig ASA).

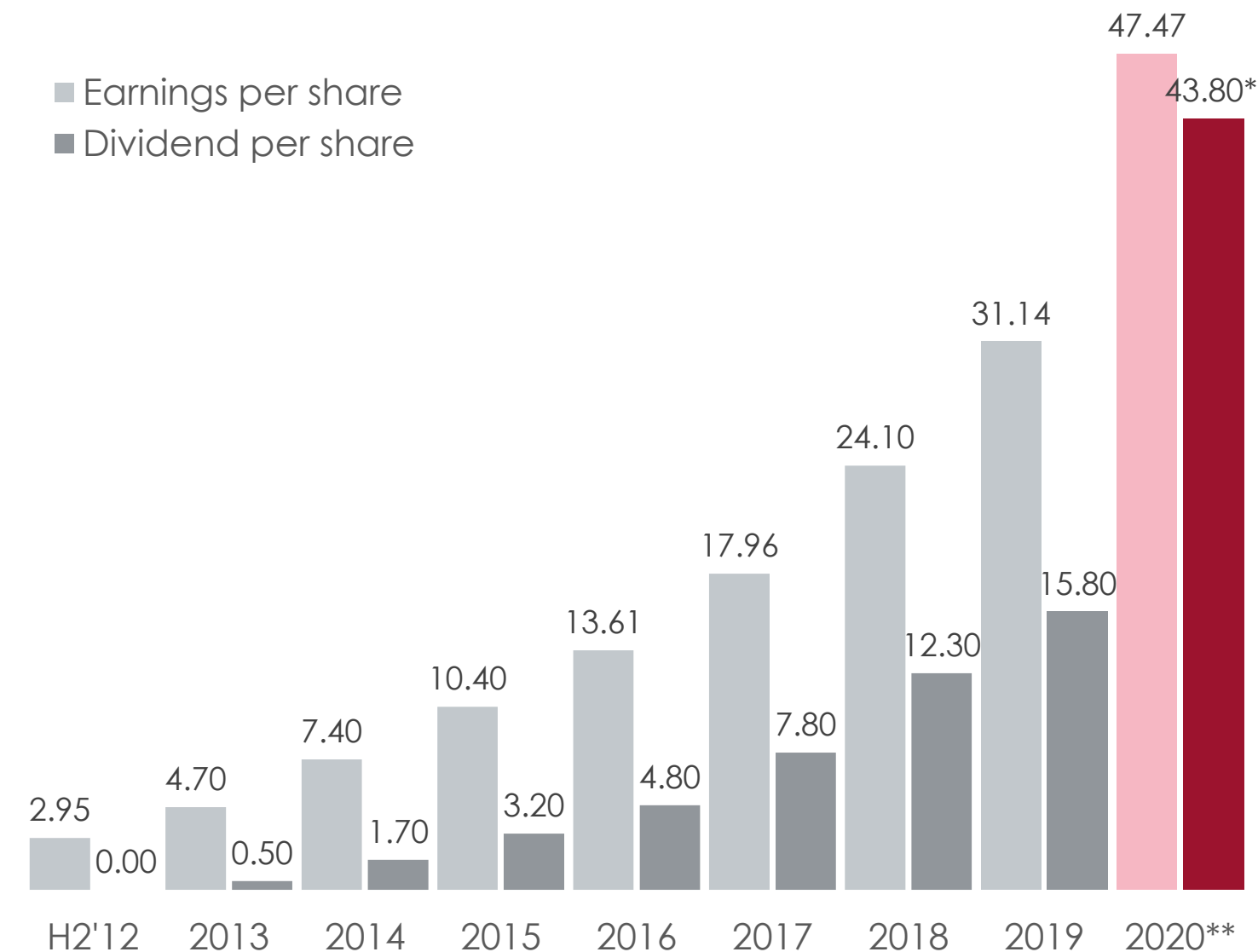
# Earnings and dividend per share since IPO

Annual dividend and earnings per share



▨ Proposed dividend for H2 2020 NOK 3.00 per share.  
\* Excluding earnings and dividend from UP transaction.

Accumulated dividend and earnings per share



\*\* Includes EPS of NOK 11.02 and DPS of NOK 22 from UP transaction.



# Dividend policy

## Revised dividend policy:

**Selvaag Bolig's ambition is to pay high and stable dividends to its owners.**

The company aims to pay dividends of minimum 60 per cent of net annual profit, paid in two instalments over the year. However, the size of the dividend will be weighed against the company's liquidity forecasts and capital adequacy.

## Old dividend policy:

**Selvaag Bolig's ambition is to pay high and stable dividends to its owners.**

The company aims to pay dividends of minimum 40 per cent of net annual profit, paid in two instalments over the year. However, the size of the dividend will be weighed against the company's liquidity forecasts and capital adequacy.

The company will maintain an equity ratio of minimum 30 per cent.

# Share performance since IPO in June 2012



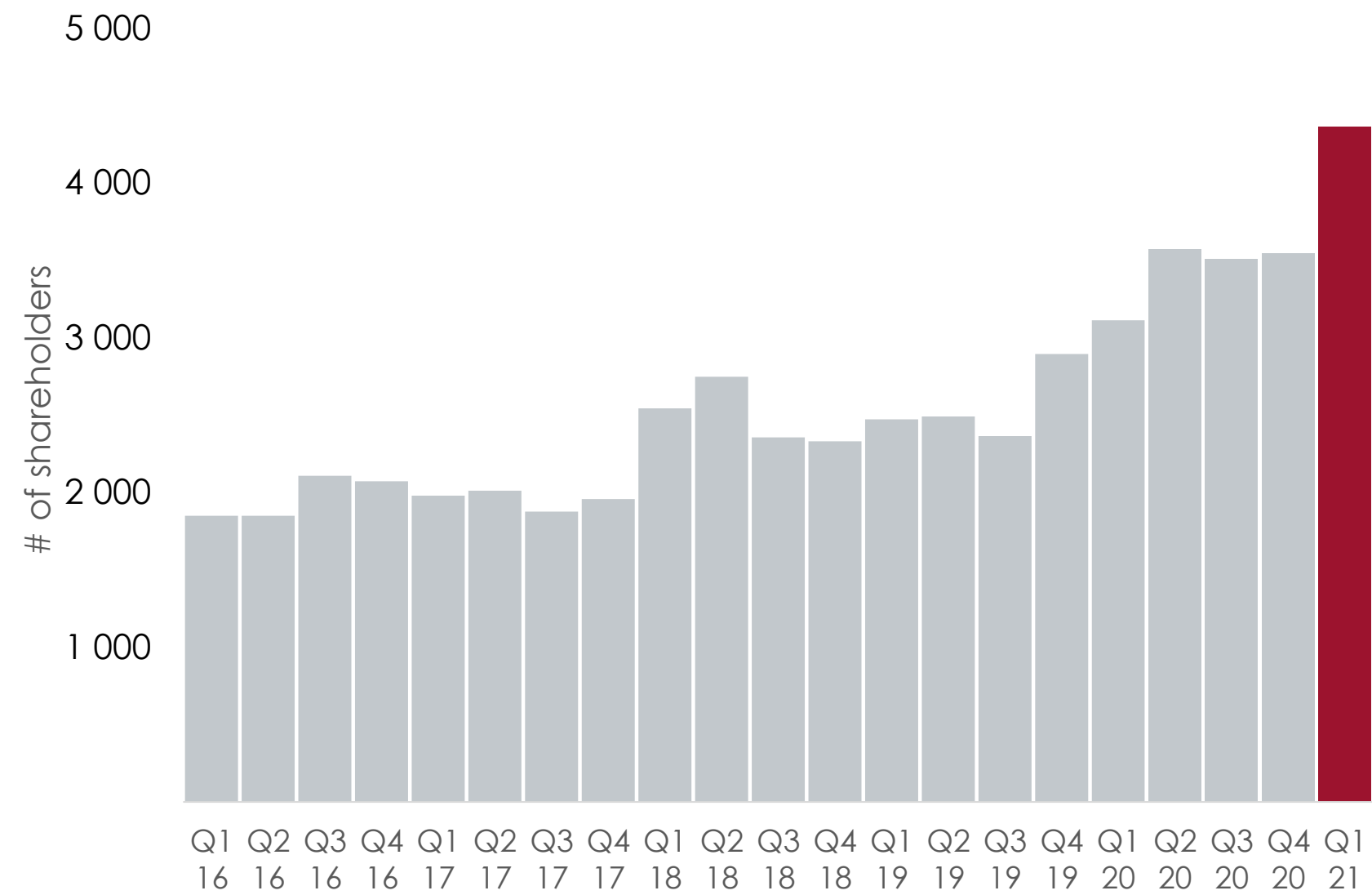
Source: Oslo Børs.



# Share information

- Total number of shares: 93.8 million
- Number of shareholders: 4 361 (3 547)\*
  - 20 largest controlling 80.1% (79.9)
  - Selvaag AS largest shareholder - 53.5%
- Trading
  - 4.6 million shares during the quarter (4.2)
  - Share turnover totaled NOK 279 million (214)

\* All numbers in brackets from previous quarter.



# Largest shareholders at 31.3, 2021

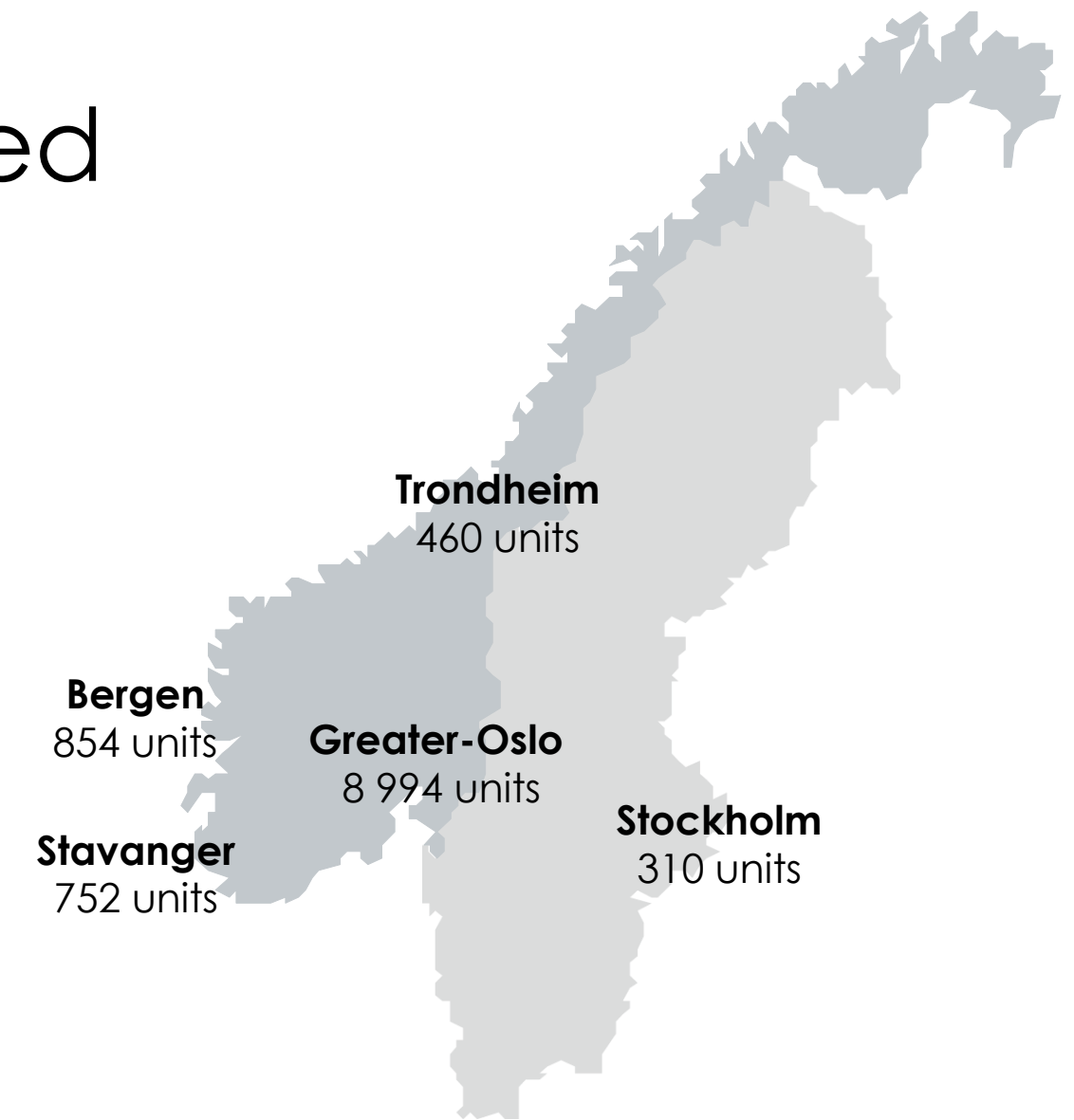
Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
Skandinaviska Enskilda Banken AB *	6 231 726	6.6%
PARETO INVEST AS	2 731 676	2.9%
VERDIPAPIRFONDET ALFRED BERG GAMBA	2 717 700	2.9%
Morgan Stanley & Co. Int. Plc. *	2 281 825	2.4%
JPMorgan Chase Bank, N.A., London *	1 950 674	2.1%
State Street Bank and Trust Comp *	1 553 061	1.7%
MUSTAD INDUSTRIER AS	770 000	0.8%
J.P. Morgan Bank Luxembourg S.A. *	749 829	0.8%
Skandinaviska Enskilda Banken AB *	700 000	0.7%
Landkreditt Utbytte	650 000	0.7%
SANDEN AS	635 000	0.7%
BANAN II AS	600 000	0.6%
VERDIPAPIRFONDET EIKA SPAR	578 441	0.6%
SPARHANS AS	550 000	0.6%
Brown Brothers Harriman & Co. *	521 780	0.6%
Morgan Stanley & Co. International	438 610	0.5%
VERDIPAPIRFONDET EIKA NORGE	437 374	0.5%
Brown Brothers Harriman & Co. *	427 048	0.5%
HOLTA INVEST AS	410 000	0.4%
<b>Total 20 largest shareholders</b>	<b>75 114 831</b>	<b>80.1%</b>
Other shareholders	18 650 857	19.9%
<b>Total number of shares</b>	<b>93 765 688</b>	<b>100.0%</b>

\* Further information regarding shareholders is presented at: <http://sboasa.no/en>.



# Addressing the long term housing need

- Nearly 60 000 homes over the last 70 years
- Housing for all
- Focus on fast growing urban regions
- Large projects with more than 150 units



# Positioned to realize large projects in Norway's four largest growing urban areas

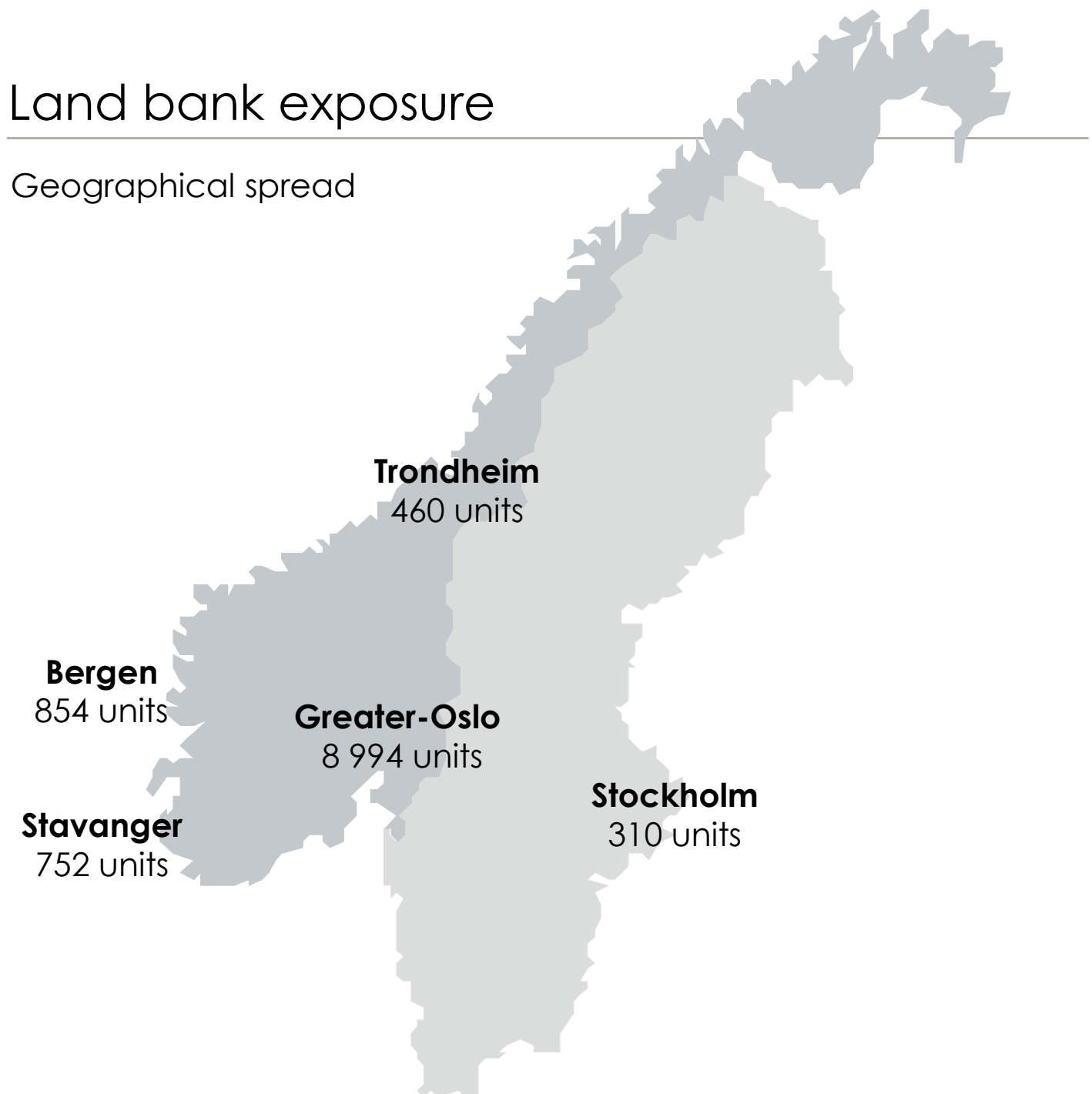
## Land-bank strategy

- Acquire the right mix of zoned and un-zoned land in suitable locations
- Land acquisitions in defined core areas in co-operation with Urban Property
- High degree of site utilization and strategic land development
- Substantial land bank to accommodate targets/growth in core areas
- Good infrastructure and public transport
- Joint ventures (JVs)

Note: The numbers represent the size of the land portfolio as at 31 March 2021. All numbers are adjusted for Selvaag Bolig's share in joint ventures. 1) Greater Oslo area: Oslo, Akershus, Buskerud, Vestfold and Østfold, 2) The residential property development portfolio consists of land plots that are to be paid for when planning permission is received. The portfolio has a development potential of ~5 900 residential units.

## Land bank exposure

Geographical spread





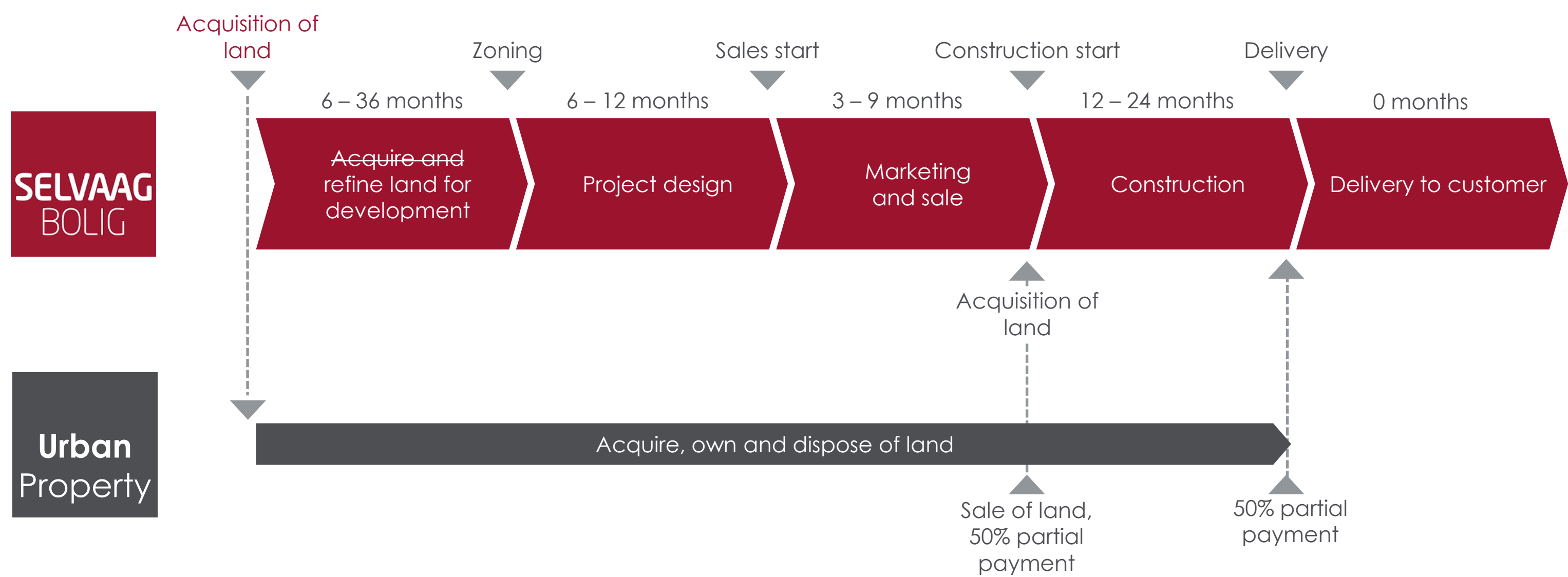
# Cooperation with Urban Property from 1.1.2021

Selvaag Bolig sold most of its land bank to Urban Property in January 2020, entering a long-term and strategic partnership. Urban Property is a financially sound, well capitalized and predictable partner.

- How it works:
  - Urban Property has a right of first refusal (ROFR) to purchase all new land Selvaag Bolig wants to develop
  - Urban Property acquires land on Selvaag Bolig recommendations
  - Selvaag Bolig has an option to repurchase the land in stages
  - Fee structure:
    - 2.5% transaction fee
    - Annual option premium of NIBOR +375bp
- Benefits for Selvaag Bolig:
  - Eliminates need for equity when purchasing land, as SBO pay 50% of purchasing price at construction start and 50% at project completion
  - Increases return on equity
  - Allows for a higher dividend payout ratio
  - More efficient and predictable funding of existing and new land plots
  - Increases competitiveness when making land purchases
  - Down-side risk for SBO limited to 48 months option premium (break fee)

# Reduced capital binding in practice, in effect no equity needed in Selvaag Bolig for land

Residential development value chain: cooperation between Selvaag Bolig and Urban Property

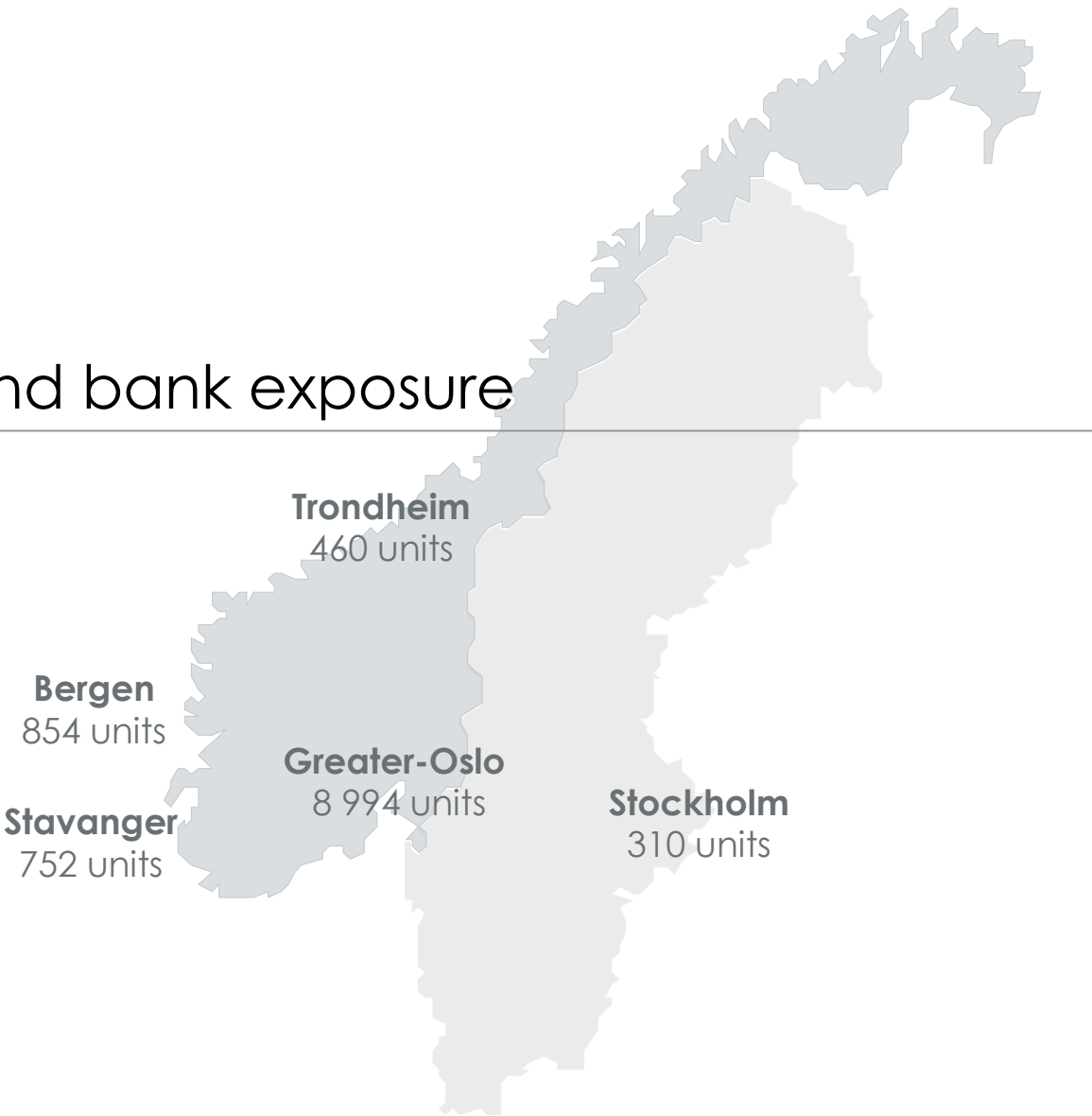




# Land bank acquisitions

- Land bank replacement secure long-term growth
- Persistent presence in established areas in Norway
- Increasing exposure in new growth area

## Land bank exposure



### Lilleakerveien 47 | Oslo

- Western part of Oslo
- Up to 150 units

### Årstadfältet | Stockholm

- Söderort transformation district
- 120 units

### Slakthus area | Stockholm

- Söderort transformation district
- 150 units

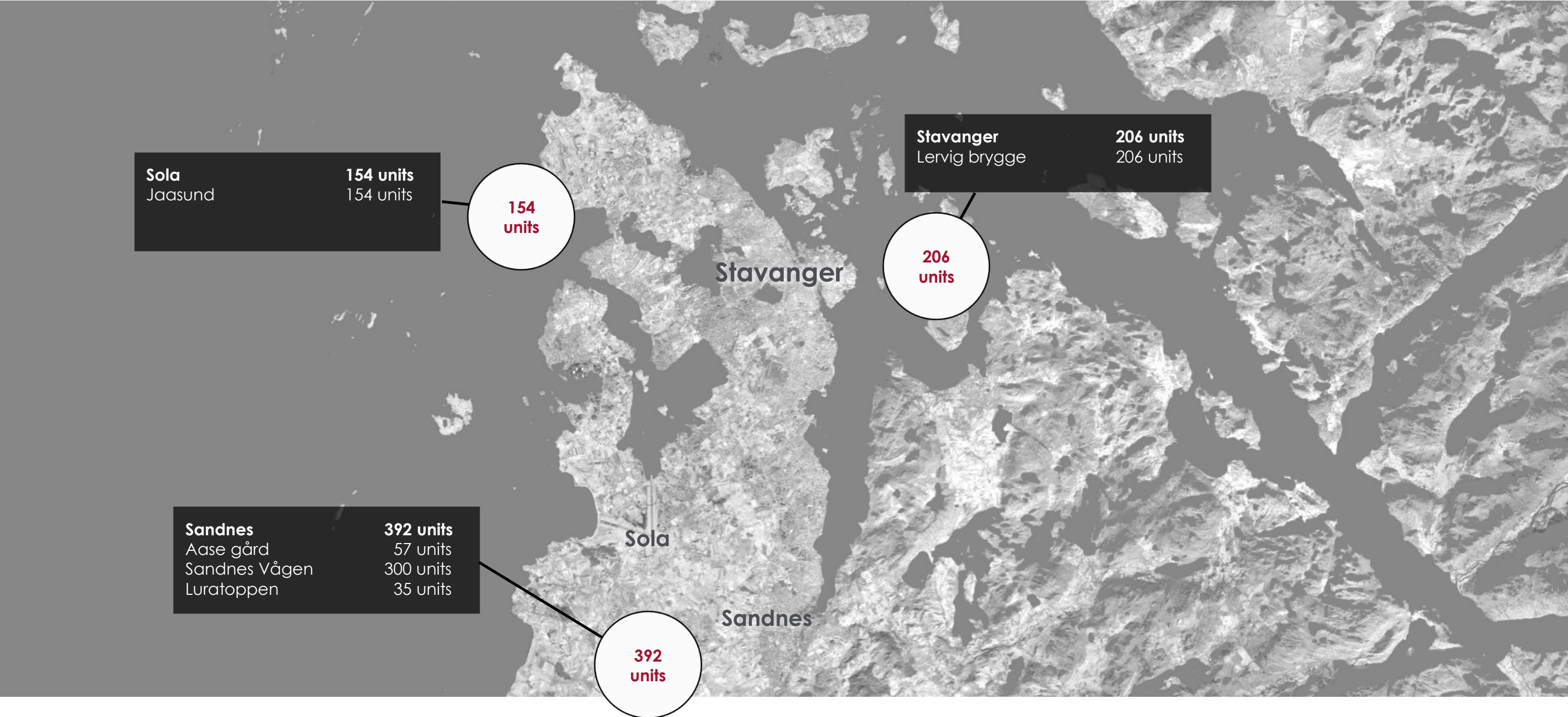
# Land bank in Oslo and Greater Oslo at 31.3.21



\*The numbers are adjusted for Selvaag Bolig's share in joint ventures.



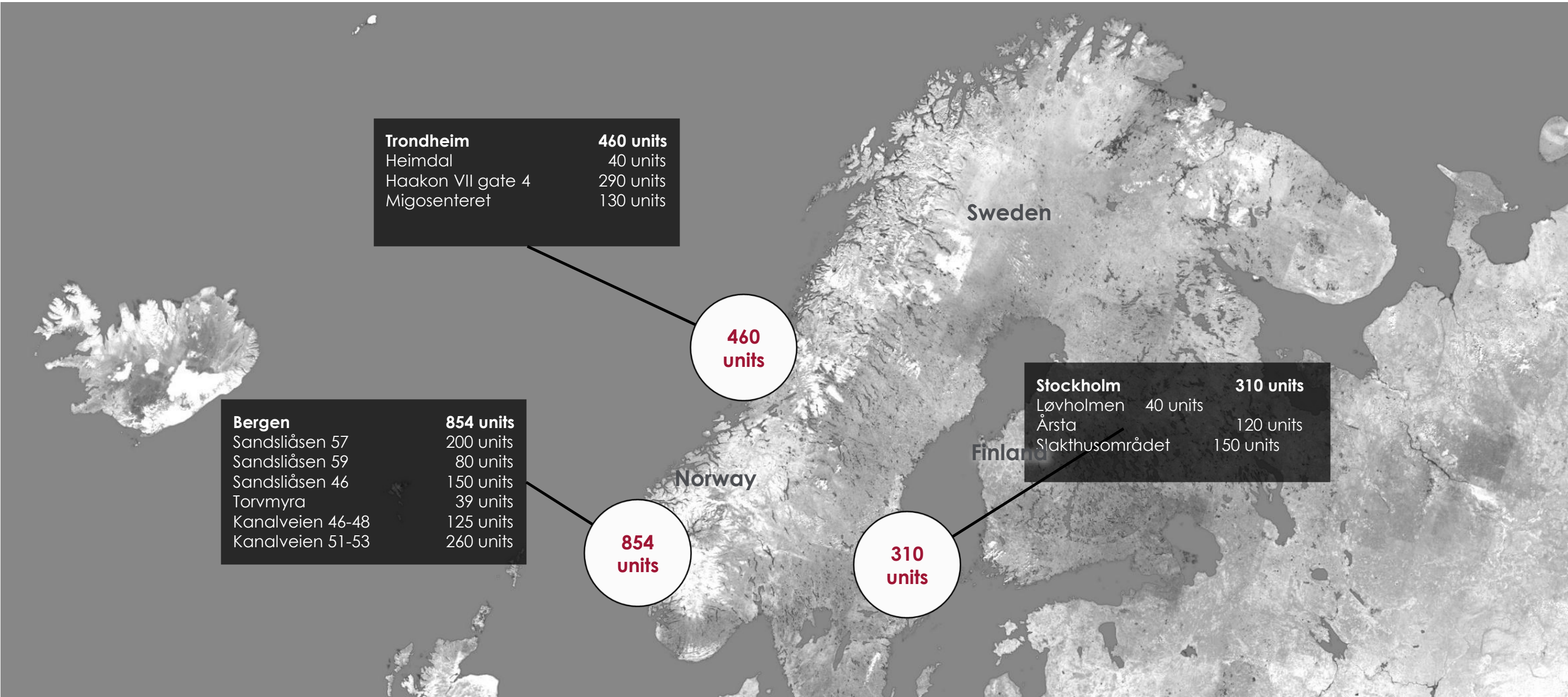
# Land bank in Stavanger area at 31.3.21



\*The numbers are adjusted for Selvaag Bolig's share in joint ventures.



# Land bank in Bergen, Trondheim and Stockholm at 31.3.21

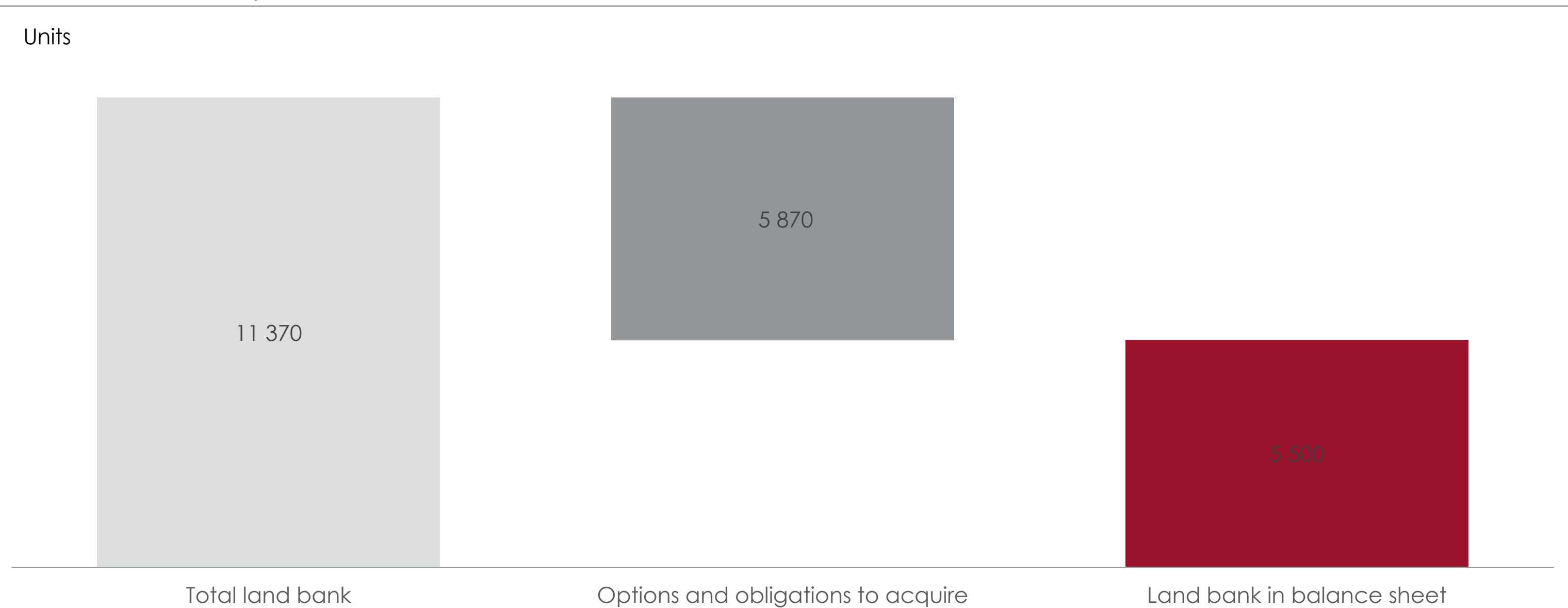


\*The numbers are adjusted for Selvaag Bolig's share in joint ventures.

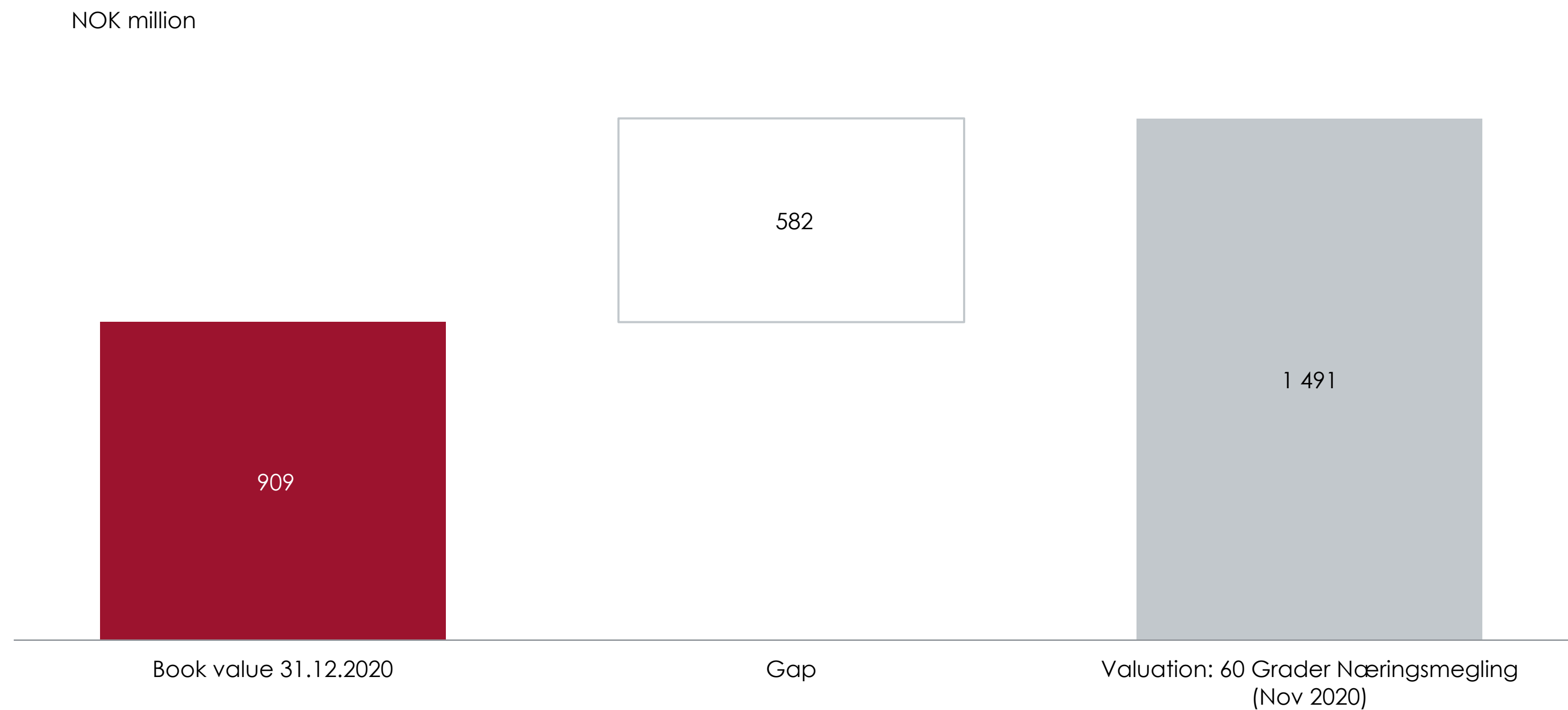


# Substantial portfolio for development

Total land bank portfolio at 31.3.2021



# Valuation of remaining land bank\*



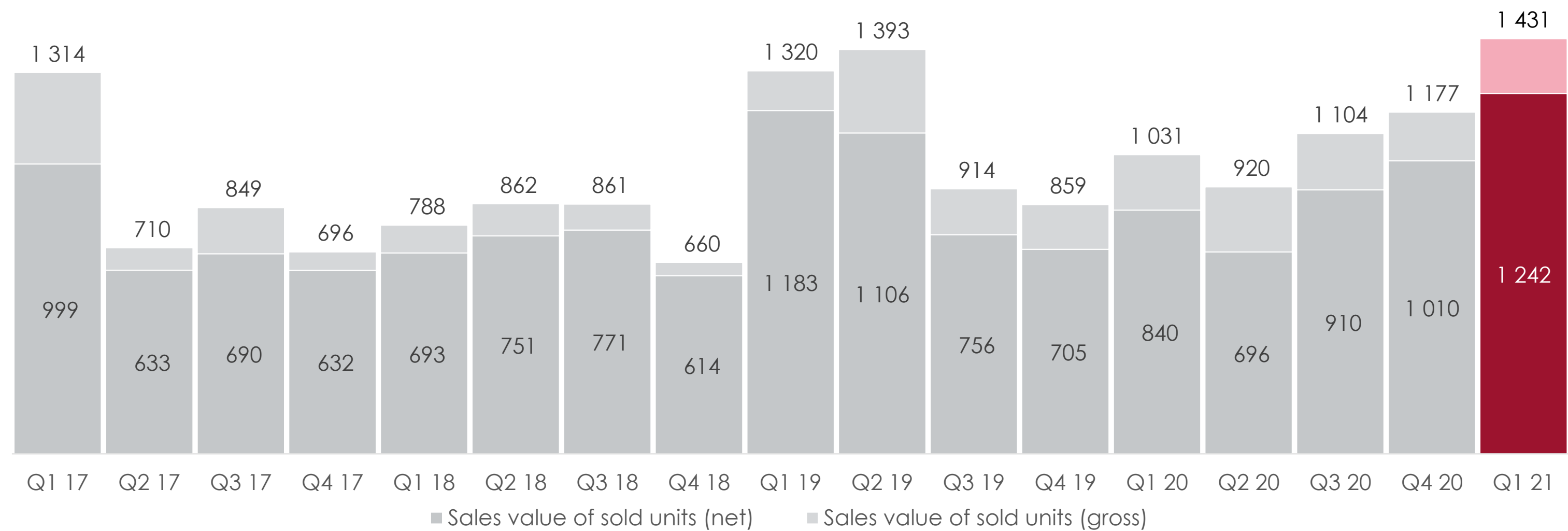
\* Part of SBO land bank not included in the UP transaction.



# Value of units sold - gross and net

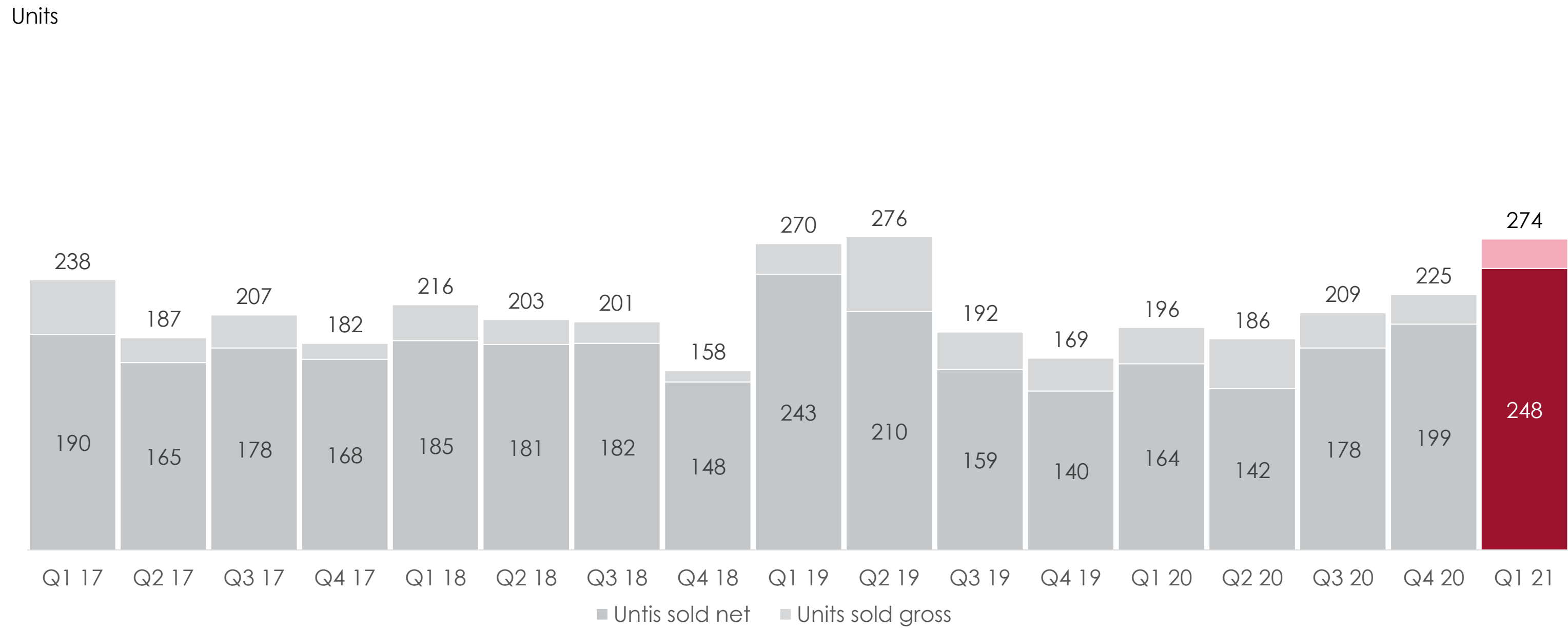
## Sales value of units sold

NOK million



# Number of units sold - gross and net

## Number of units sold





# Income statement IFRS

(figures in NOK million)	Q1 2021	Q1 2020	2020
Total operating revenues	567.9	209.1	2 698.0
Project expenses	(401.2)	(133.9)	(1 967.6)
Other operating expenses	(54.7)	(51.6)	(256.8)
Associated companies and joint ventures	6.0	86.7	135.0
<b>EBITDA</b>	<b>117.865</b>	<b>110.250</b>	<b>608.481</b>
Depreciation and amortisation	(2.6)	(2.5)	(9.8)
Other gains (loss)	-	1 028.7	1 045.1
<b>EBIT</b>	<b>115.3</b>	<b>1 136.4</b>	<b>1 643.8</b>
Net financial expenses	(4.0)	0.1	9.7
<b>Profit/(loss) before taxes</b>	<b>111.3</b>	<b>1 136.5</b>	<b>1 653.5</b>
Income taxes	(34.7)	(7.5)	(129.9)
<b>Net income</b>	<b>76.6</b>	<b>1 129.0</b>	<b>1 523.6</b>

# Balance sheet

(figures in NOK million)	Q1 2021	Q1 2020	2020
Intangible assets	383.4	383.4	383.4
Property, plant and equipment	7.1	5.5	7.3
Investments in associated companies and joint ventures	407.9	512.2	406.9
Other non-current assets	255.9	249.7	228.1
<b>Total non-current assets</b>	<b>1 054.3</b>	<b>1 150.8</b>	<b>1 025.7</b>
<b>Inventories (property)</b>	<b>4 172.4</b>	<b>4 053.9</b>	<b>3 940.8</b>
- Land	1 008.0	1 062.5	909.3
- Land held for sale			
- Work in progress	2 982.5	2 855.1	2 911.0
- Finished goods	182.0	136.4	120.5
Other current receivables	137.9	126.5	119.0
Cash and cash equivalents	697.9	771.3	885.3
Assets held for sale	-	-	-
<b>Total current assets</b>	<b>5 008.3</b>	<b>4 951.8</b>	<b>4 945.1</b>
<b>TOTAL ASSETS</b>	<b>6 062.6</b>	<b>6 102.5</b>	<b>5 970.8</b>
Equity attributed to shareholders in Selvaag Bolig ASA*	2 502.1	2 459.4	2 430.0
Non-controlling interests	7.8	7.9	7.8
<b>Total equity</b>	<b>2 509.9</b>	<b>2 467.2</b>	<b>2 437.8</b>
Non-current interest-bearing liabilities	1 074.8	1 171.5	1 100.3
Other non-current non interest-bearing liabilities	279.7	148.1	136.5
<b>Total non-current liabilities</b>	<b>1 354.5</b>	<b>1 319.6</b>	<b>1 236.8</b>
Current interest-bearing liabilities	1 368.9	1 345.8	1 368.1
Other current non interest-bearing liabilities	829.2	969.9	928.1
<b>Total current liabilities</b>	<b>2 198.2</b>	<b>2 315.7</b>	<b>2 296.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 062.6</b>	<b>6 102.5</b>	<b>5 970.8</b>

\* Corresponding to a book value of NOK per share

26.68



# Cash flow statement

(figures in NOK million)	Q1 2021	Q1 2020	2020
Net cash flow from operating activities	(87.8)	1 182.6	1 615.7
Net cash flow from investment activities	(5.6)	220.2	413.8
Net cash flow from financing activities	(94.0)	(1 810.1)	(2 322.9)
Net change in cash and cash equivalents	(187.4)	(407.3)	(293.4)
Cash and cash equivalents at start of period	885.3	1 178.7	1 178.7
Cash and cash equivalents at end of period	697.9	771.3	885.3

# Operational highlights – key operating figures

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21
Units sold	164	142	178	199	248
Construction starts	15	31	196	254	134
Units completed	89	104	212	286	95
Units delivered	114	122	212	272	124
Units under construction	1 431	1 357	1 342	1 310	1 349
Proportion of sold units under construction	76 %	78 %	77 %	74 %	82 %
Completed unsold units	37	25	19	19	17
Sales value of units under construction (NOK million)	6 742	6 327	6 660	6 413	6 627
Number of employees	87	87	85	85	85



# EBITDA Q1 2021

(figures in NOK million)	Property development	Other	Total
<b>Operating revenues</b>	<b>843.3</b>	<b>14.6</b>	<b>857.9</b>
Project expenses	(653.1)	(0.1)	(653.2)
Other operating expenses	(13.9)	(43.4)	(57.3)
<b>EBITDA (percentage of completion)</b>	<b>176.2</b>	<b>(28.9)</b>	<b>147.4</b>

Note: Construction costs are exclusive of financial expenses in the segment reporting.

## IFRS EBITDA for the quarter, per segment

Operating revenues	553.3	14.6	567.9
Project expenses	(401.1)	(0.1)	(401.2)
Other operating expenses	(13.9)	(40.8)	(54.7)
Share of income (losses) from associated companies and joint ventures	6.0	-	6.0
<b>EBITDA</b>	<b>144.2</b>	<b>(26.3)</b>	<b>117.9</b>
Units in production	1 349	N/A	N/A
Units delivered	124	N/A	N/A

Note: EBITDA is operating profit before depreciation, gains (losses) and profit from associated companies.

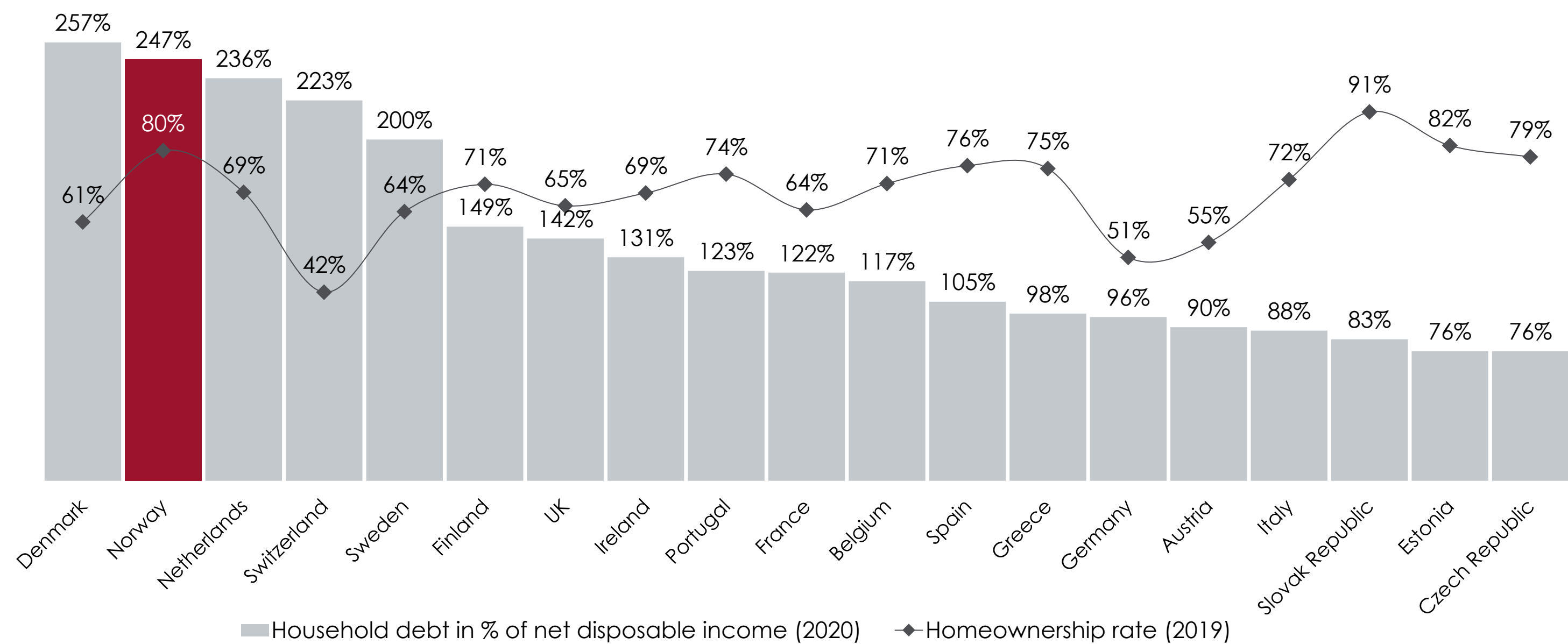
# Norwegian housing market

- Low risk for housebuilders
  - Advance sales: banks require that 50-70% of homes are sold before construction starts
  - Binding offers: offer to purchase is a binding sales contract, and requires a minimum 10% cash deposit
- High level of home ownership
  - 85% (one of the world's highest)
- Economic benefits for home owners
  - 23% of mortgage loan interest payments are tax deductible
  - Transfer stamp duty for new houses is lower than for second-hand homes
- Strong population growth
  - Norway's urban areas are among the fastest growing in Europe
  - Good market for new homes

Source: Selvaag Bolig and Eurostat.



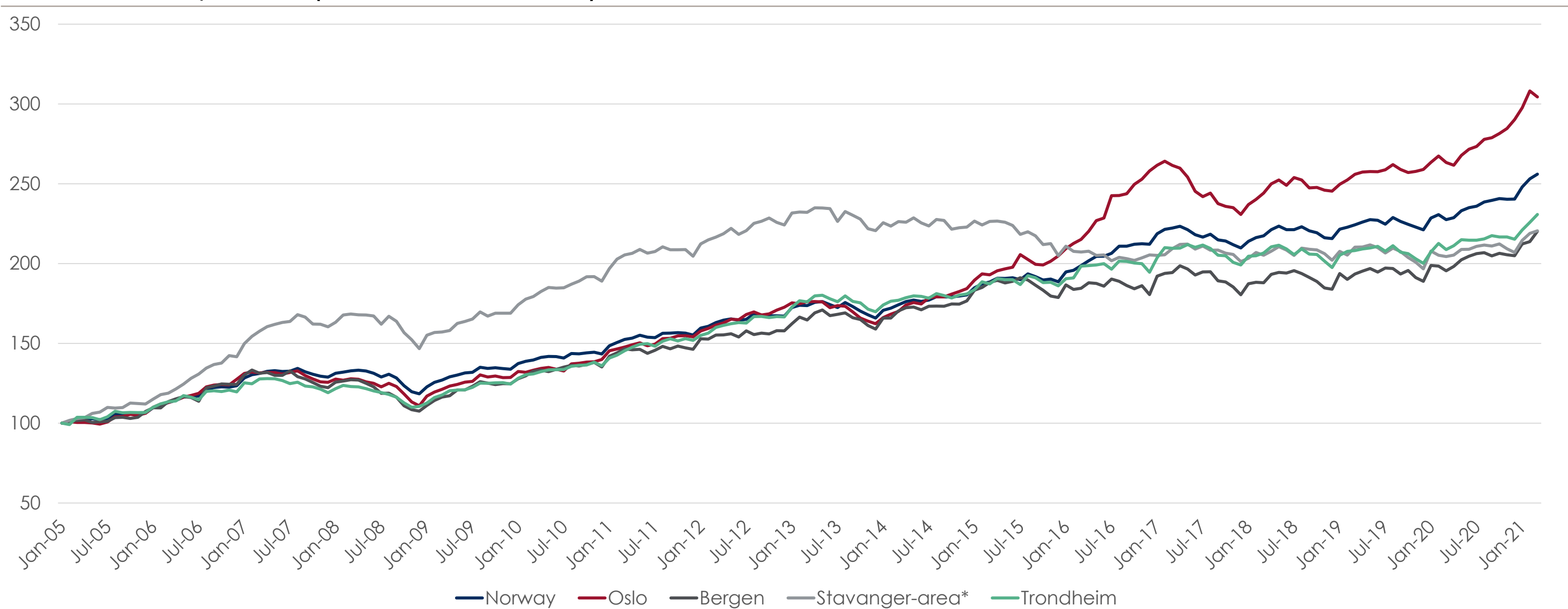
# Total household debt and homeownership



Source: OECD, Statista.

# Price development Norway and selected regions (2005-21)

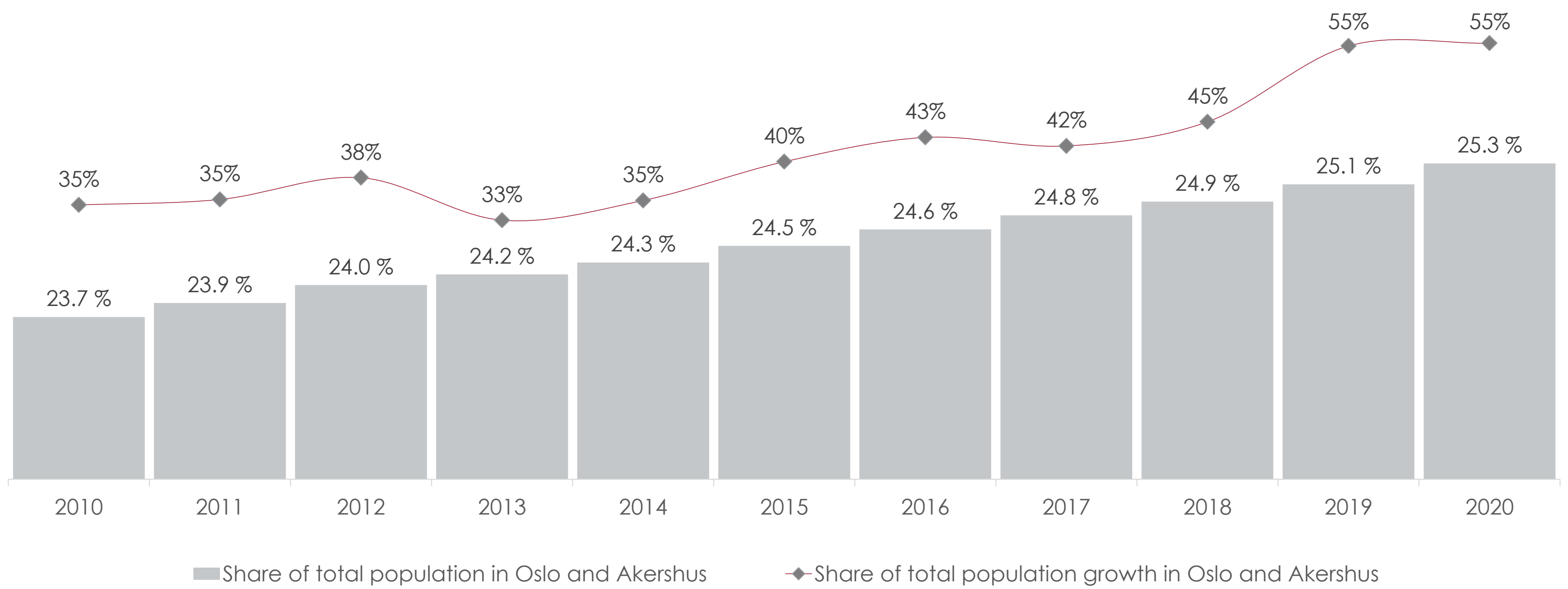
Price development (rebased 1.1.2005)



Source: Eiendomsverdi.  
\* Stavanger area includes: Randaberg, Sandnes, Sola, Stavanger.



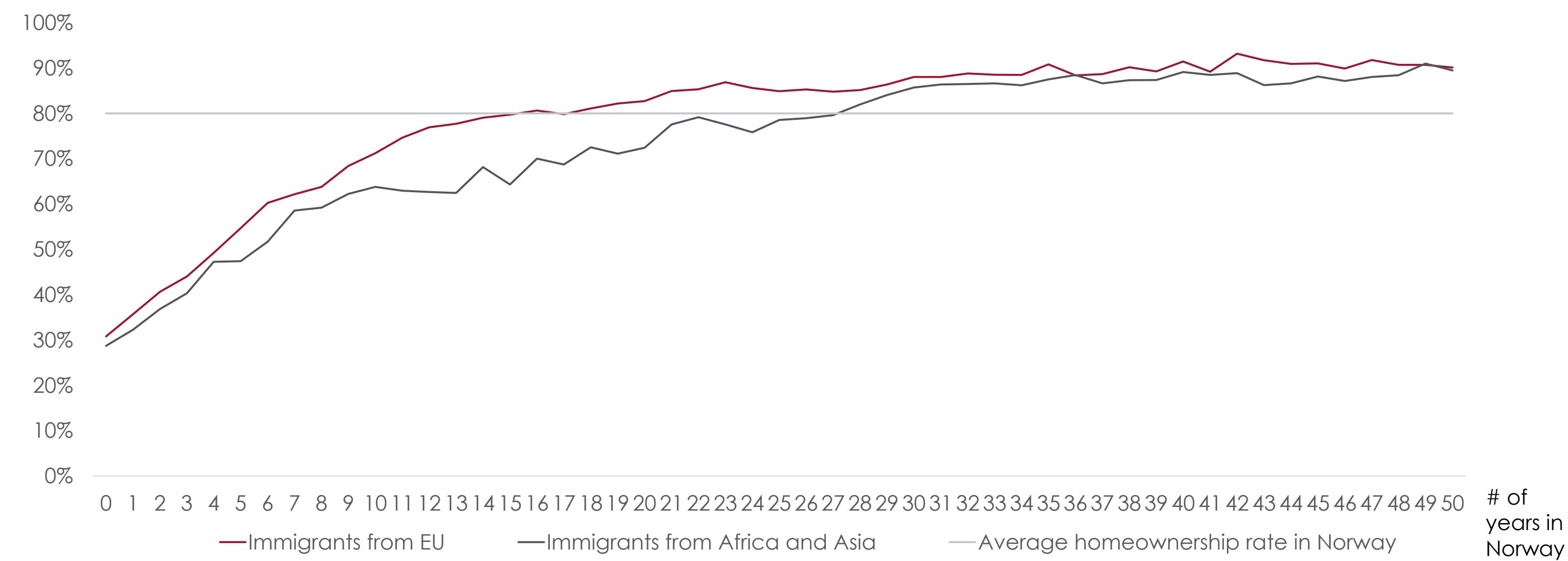
# Increasing share of population growth in Oslo and Akershus



Source: Statistics Norway.

# Immigration increases demand over time

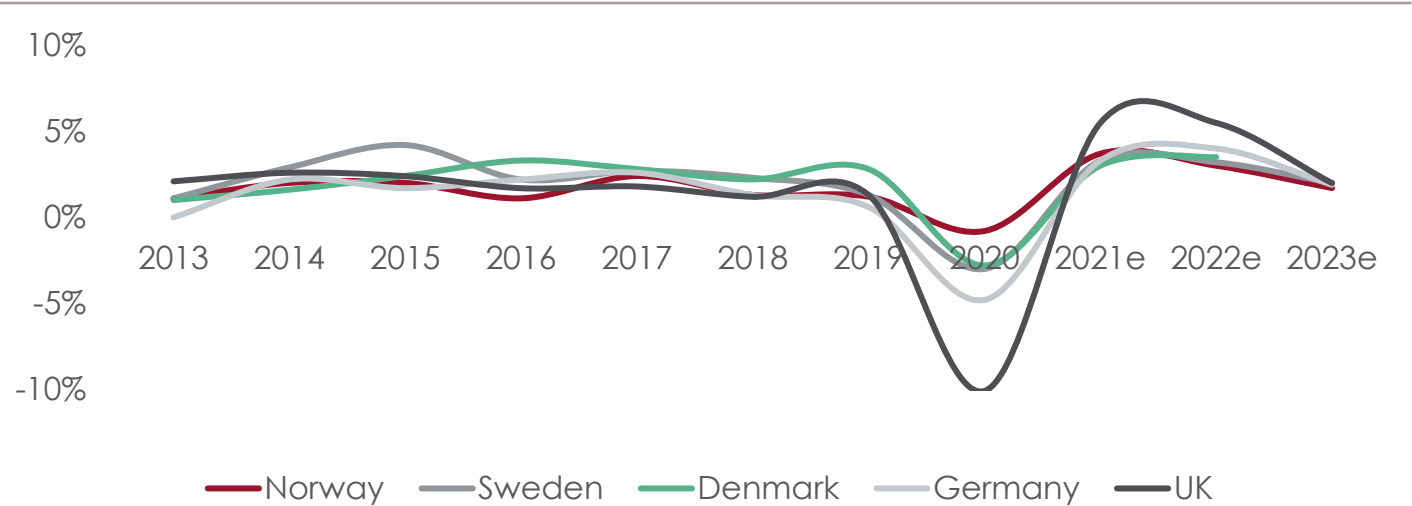
Homeownership rate among immigrants in Norway (per year living in Norway)



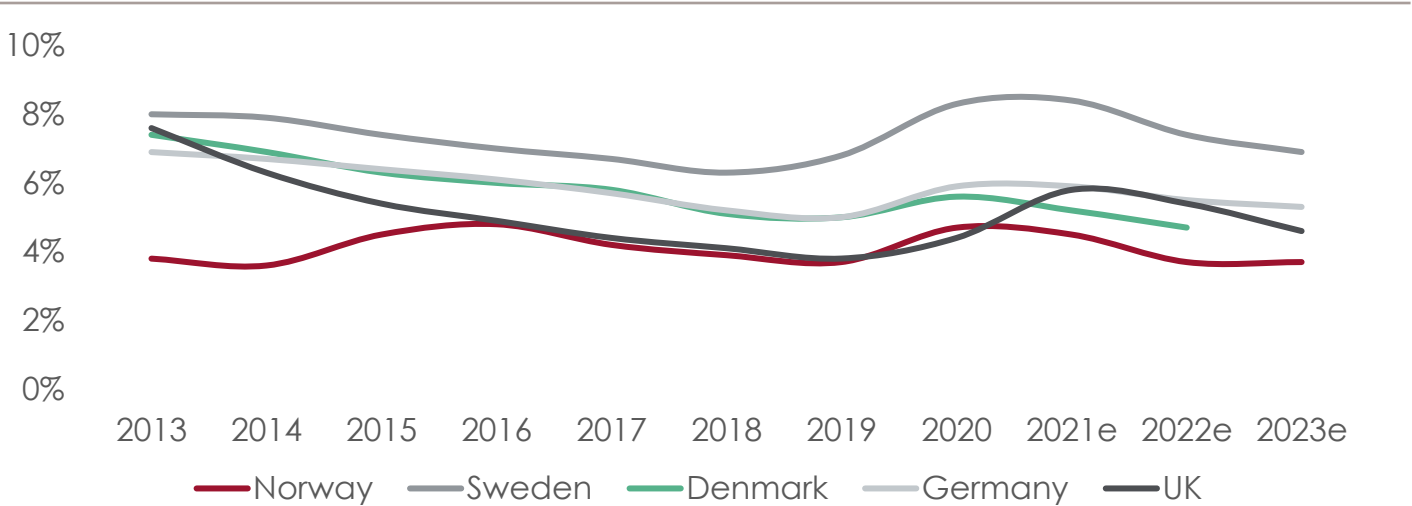
Source: Statistics Norway.

# Norway – relatively limited volatility

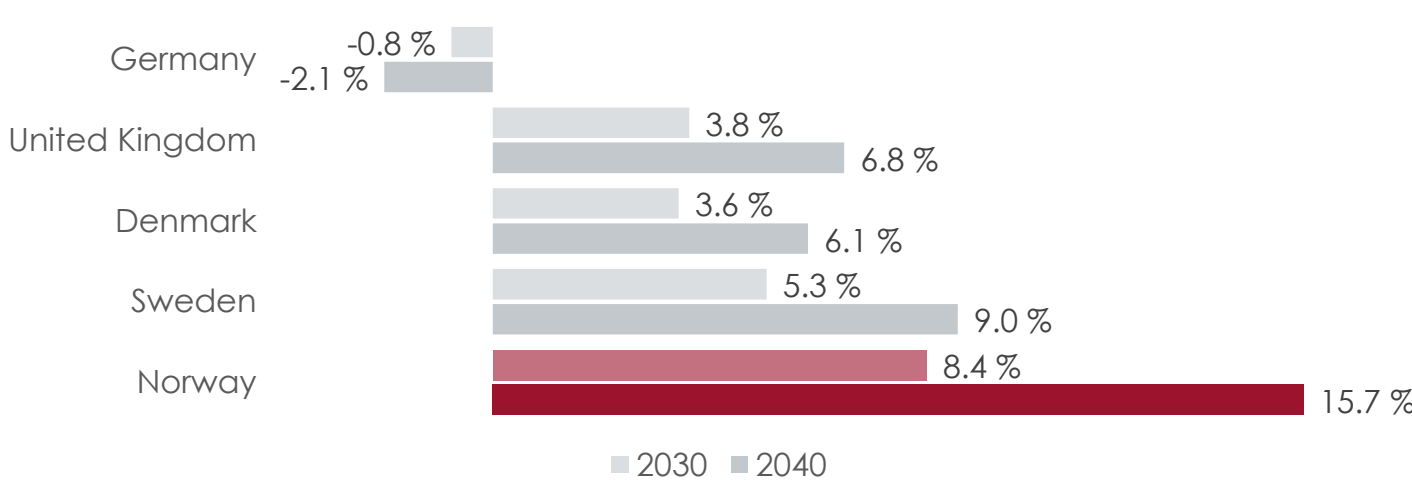
GDP growth 2013 - 2023e



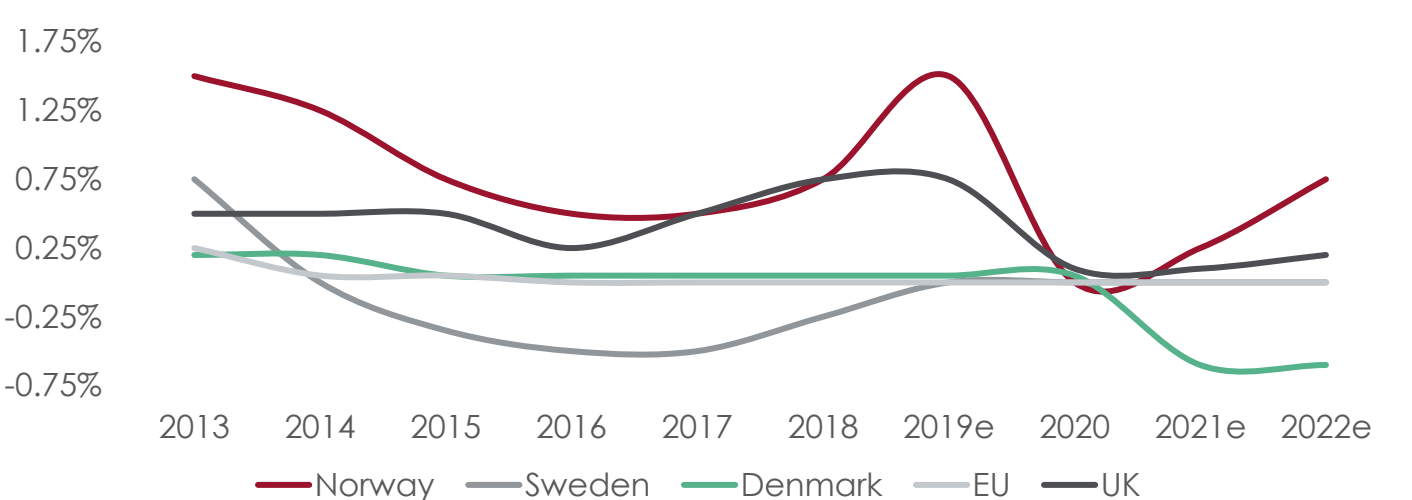
Unemployment 2013 - 2023e



Population growth 2020 - 2030e and 2040e



Interest rates\* 2013 - 2022e



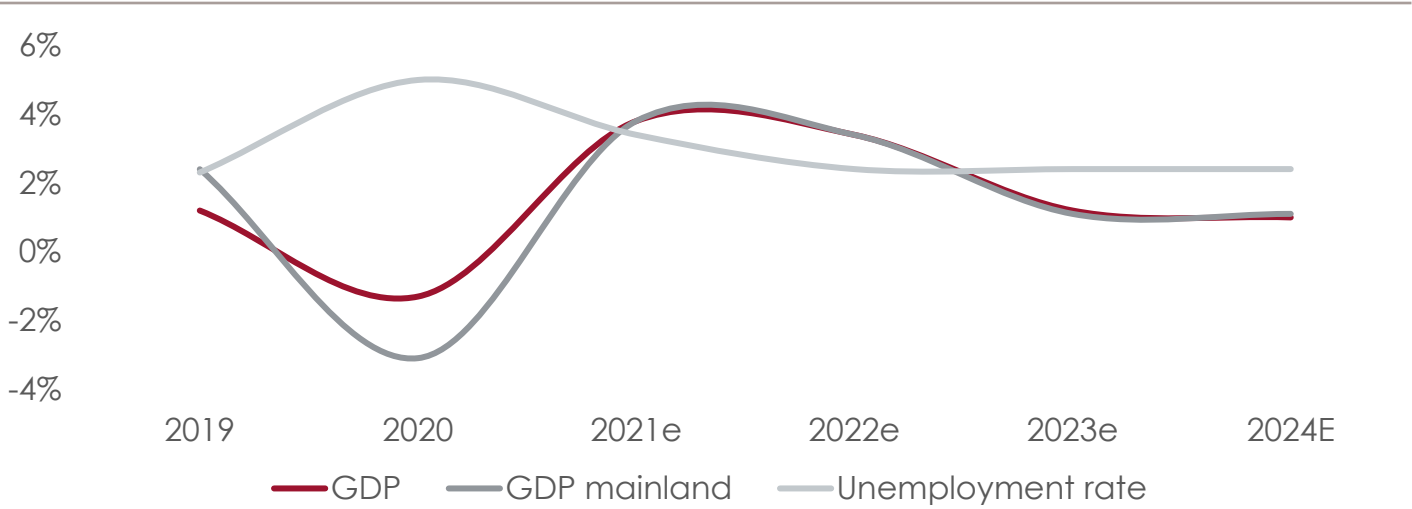
Source: Bloomberg, UN.

\* Central bank rates

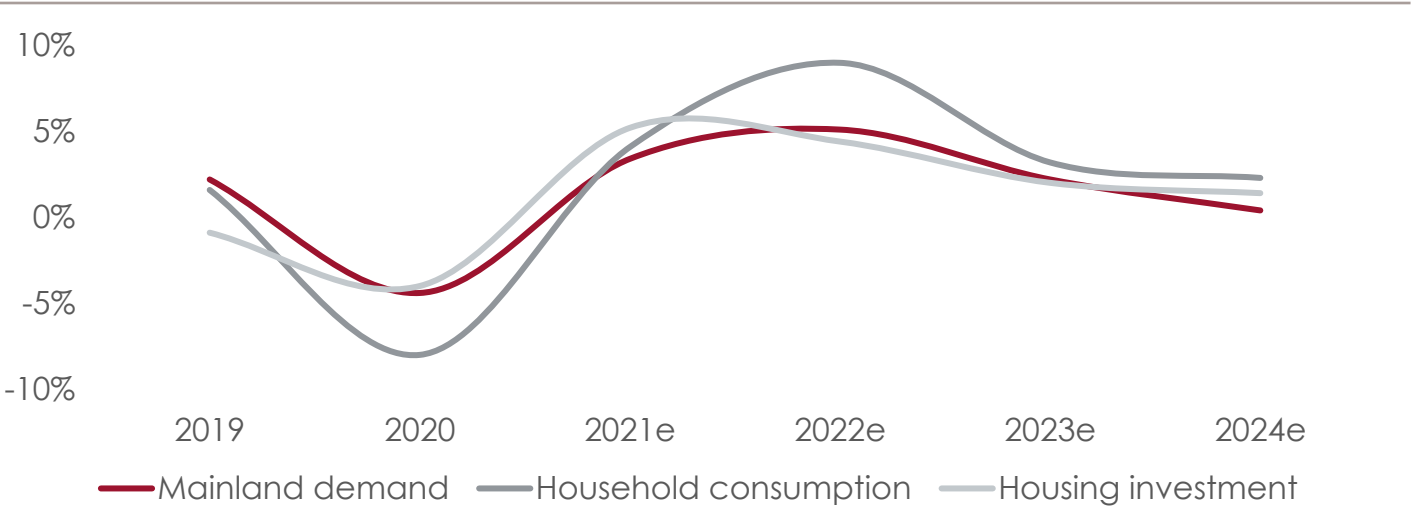


# Norway – moving back to normal in through 2021

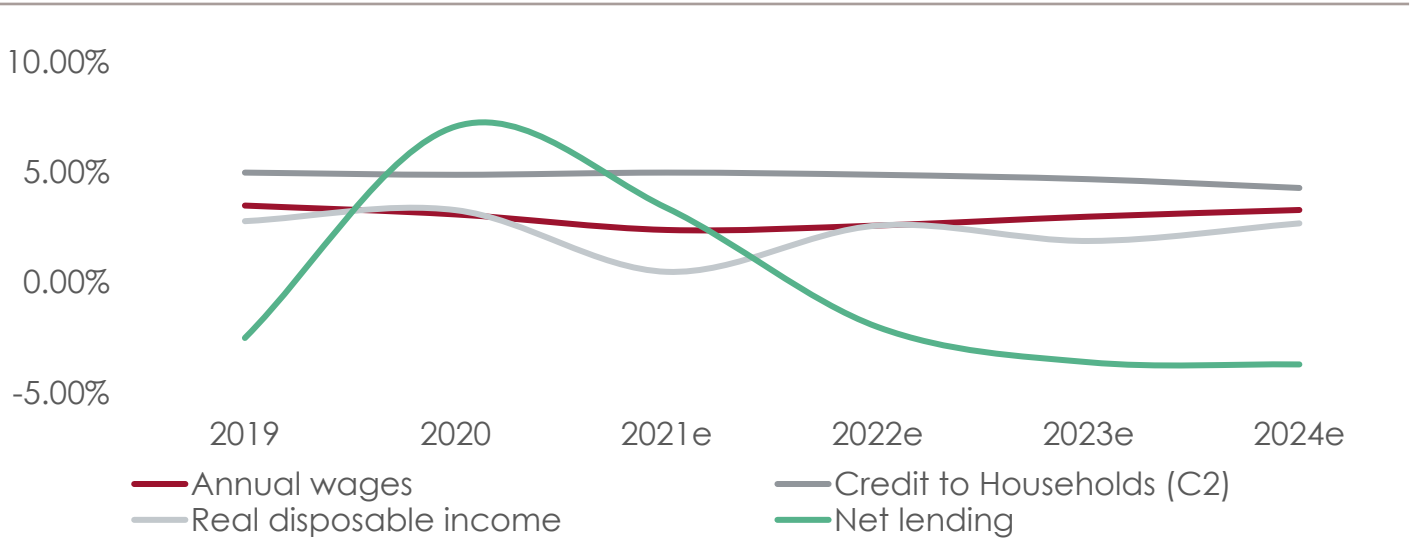
Real economy 2019 - 2024e



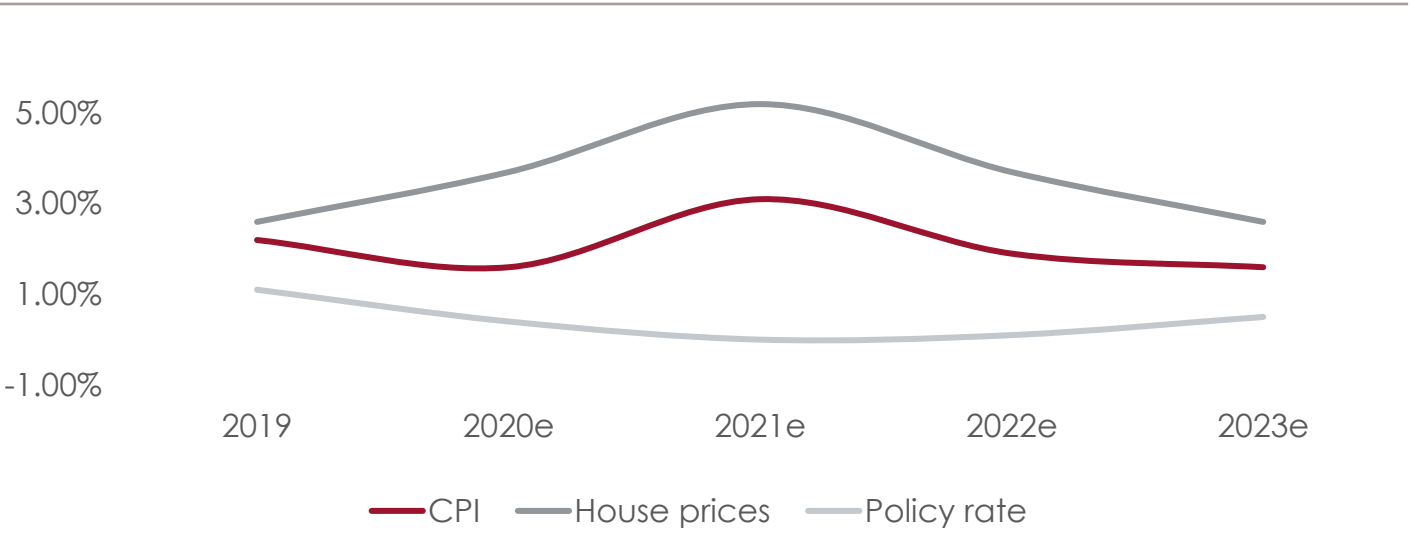
Demand 2019 - 2024e



Wages & disposable income 2019 – 2024e



Prices & interest rates 2019 – 2024e



Source: Monetary Policy Report 1 | 21, Central Bank of Norway.

# Example project calculations before and after

	1	PROJECT CALCULATIONS BEFORE URBAN PROPERTY	2	PROJECT CALCULATIONS AFTER URBAN PROPERTY
Figures for illustration purposes only		MNOK%		MNOK%
Sales revenue		348.5100.0%		348.5100.0%
Construction cost		195.856.2%		195.856.2%
Land cost		69.720.0%		85.224.4%
Other costs		24.57.0%		24.57.0%
Project cost		290.083.2%		305.587.7%
Net finance (excluding Urban Property)		16.84.8%		5.31.5%
TOTAL REVENUE		348.5100.0%		348.5100.0%
TOTAL COST		306.888.0%		310.989.2%
PROFIT		41.712.0%		37.710.8%
Internal rate of return (IRR)		12.2%		28.0%

- 1

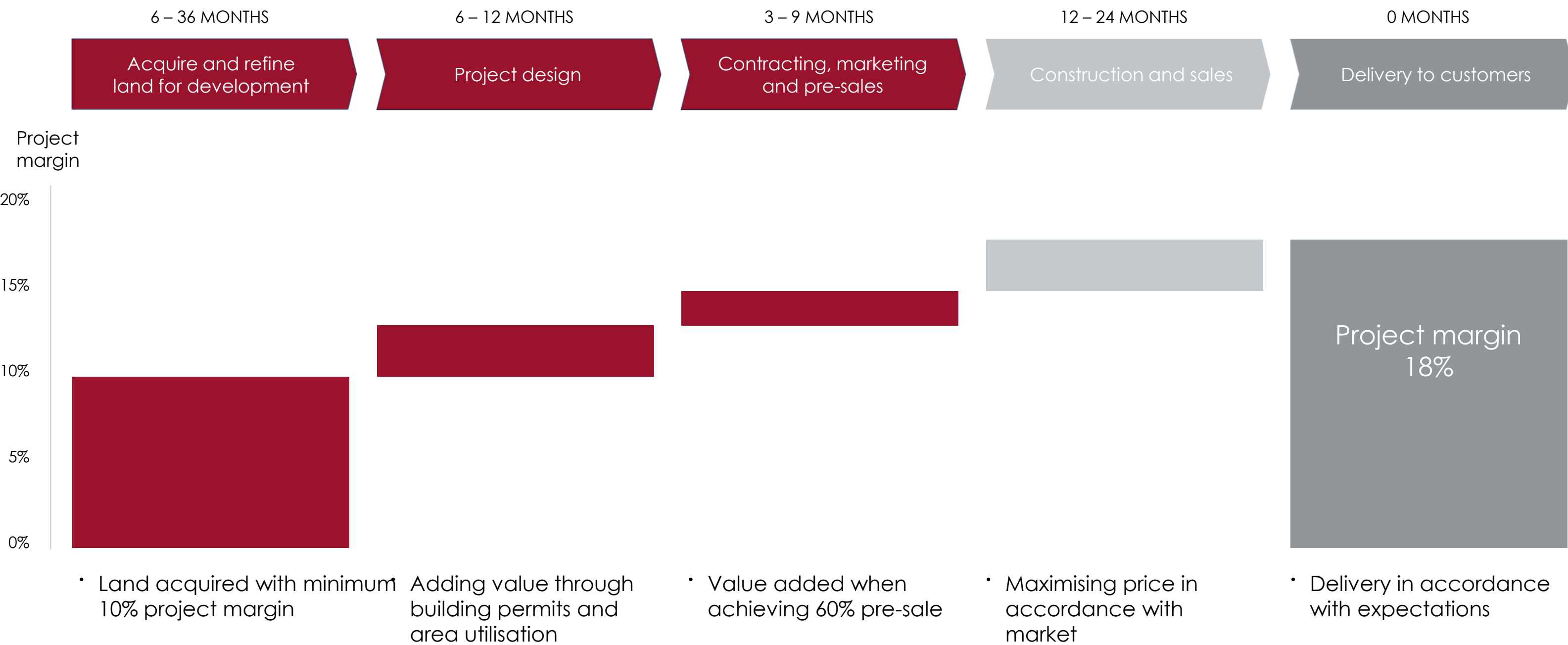
Initial project margin and IRR before Urban Property when purchasing land at market value
- 2

Initial project margin and IRR with Urban Property as partner when purchasing land at market value (including option premium)
- ➡

In total marginal lower project margins, but significantly increased IRR and RoE

Example apply a land ownership period in Urban Property of 3-4 years, and a finance cost of 4% on all capital employed in the project.

# Margin development through project stages\*



\* Assuming flat market development.



**SELVAAG BOLIG**