

# SELVAAG BOLIG

## Q2 2021

Oslo, 18 August 2021

Sverre Molvik, CEO

Christopher Brunvoll, CFO



# Agenda

## Highlights

Operational update

Financial update

Market

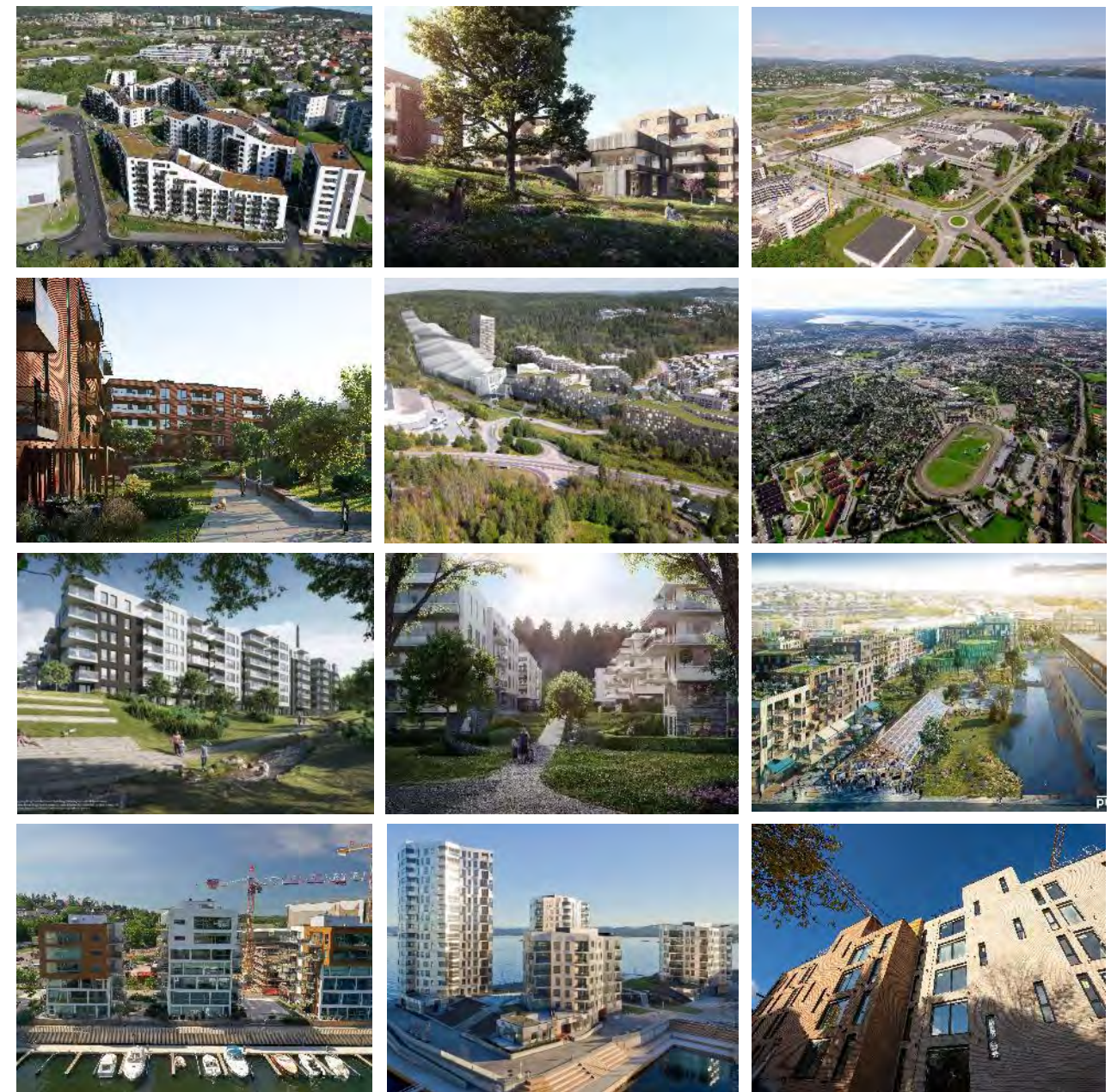
Outlook and summary





# Highlights Q2 2021

- Solid Q2 results considering few deliveries
- H1 '21 sales value up 38% compared to H1'20
- Increased number of units under construction
- Expanded land bank in Stockholm, expected sales start in 2022
- Dividend of NOK 2.00 per share\* for H1 '21



Completed, ongoing and upcoming projects

\* Pay-out on 31 August, 2021

# Key financials Q2 and H1 2021

Q2 2021

394

Operating revenues  
NOK million

22.3

Adjusted EBITDA\* margin  
Per cent

881

Operating revenues (NGAAP)  
NOK million

16.9

EBITDA\*\* margin (NGAAP)  
Per cent

First half year 2021

962

Operating revenues  
NOK million

22.6

Adjusted EBITDA\* margin  
Per cent

1 739

Operating revenues (NGAAP)  
NOK million

17.0

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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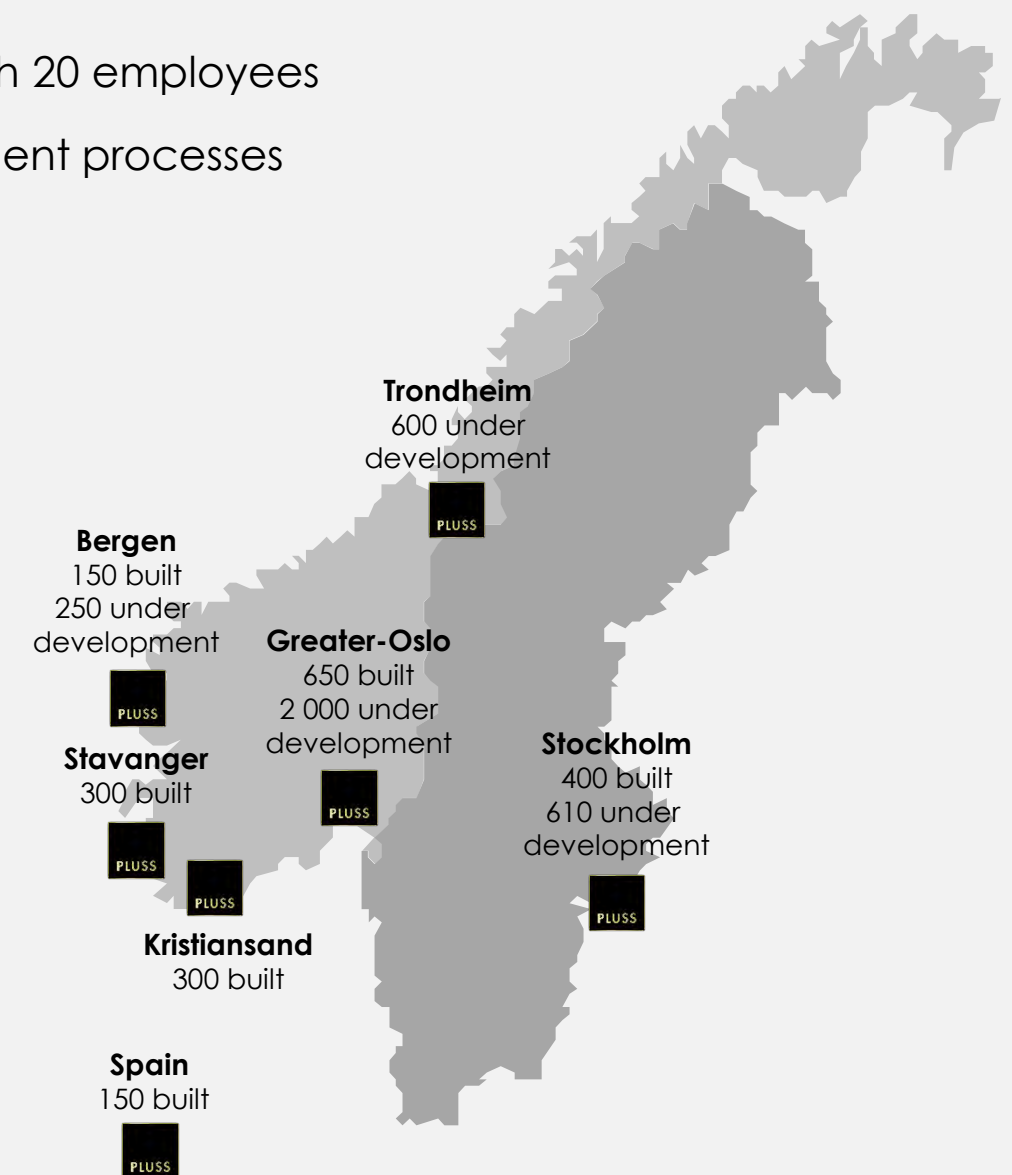
# Operational news

## Pluss concept providing competitive advantages

- A leading provider of shared facility concepts
- Early mover advantage
  - Service and maintenance operated by in house subsidiary with 20 employees
  - Built competence through continuous learning and development processes
  - High customer satisfaction
- Strong customer demand
- Sought after concept among regulatory authorities

## Successful entry in Stockholm via organic growth

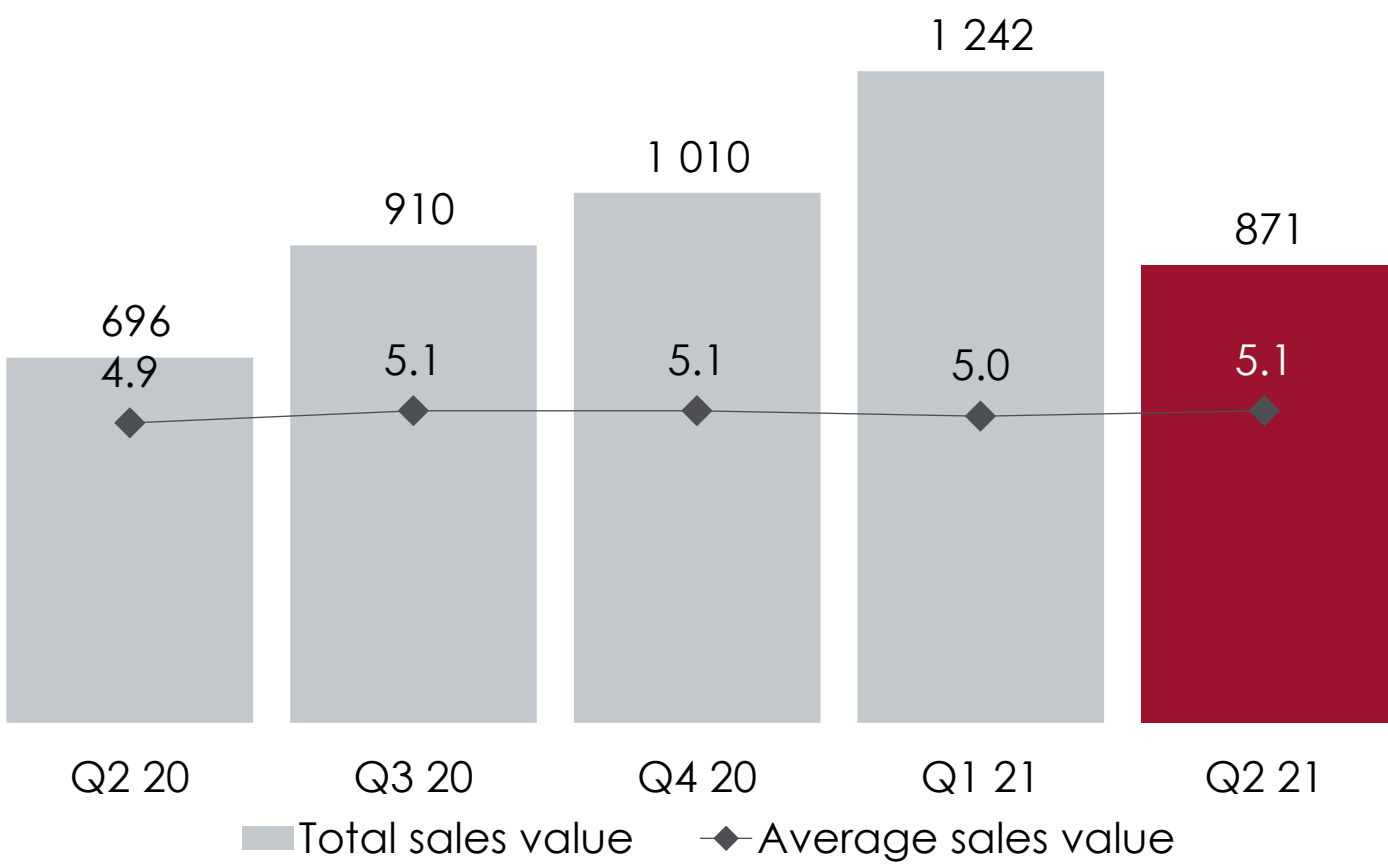
- New land acquisition with sales start in 2022
  - 250 Pluss units
  - Located in transformation area Barkarbystaden
- Total landbank growing
  - Barkarbystaden – 250 units
  - Årstadfältet – 140 units
  - Slakthus area – 170 units
  - Lövholmen - 50 units



# Sales value and units sold

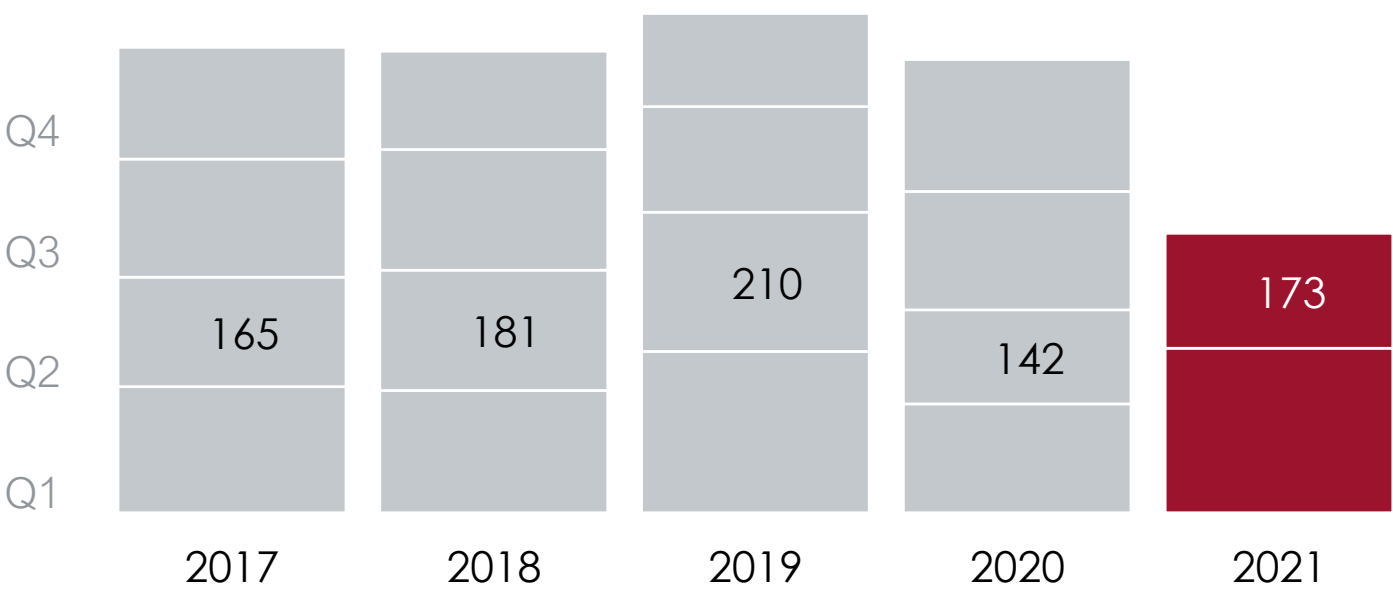
## Sales value

NOK million



## Number of units sold per quarter

Units



# of units sold YtD	355	365	453	306	421
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Note: Sales value is adjusted for Selvaag Bolig's share in joint ventures.

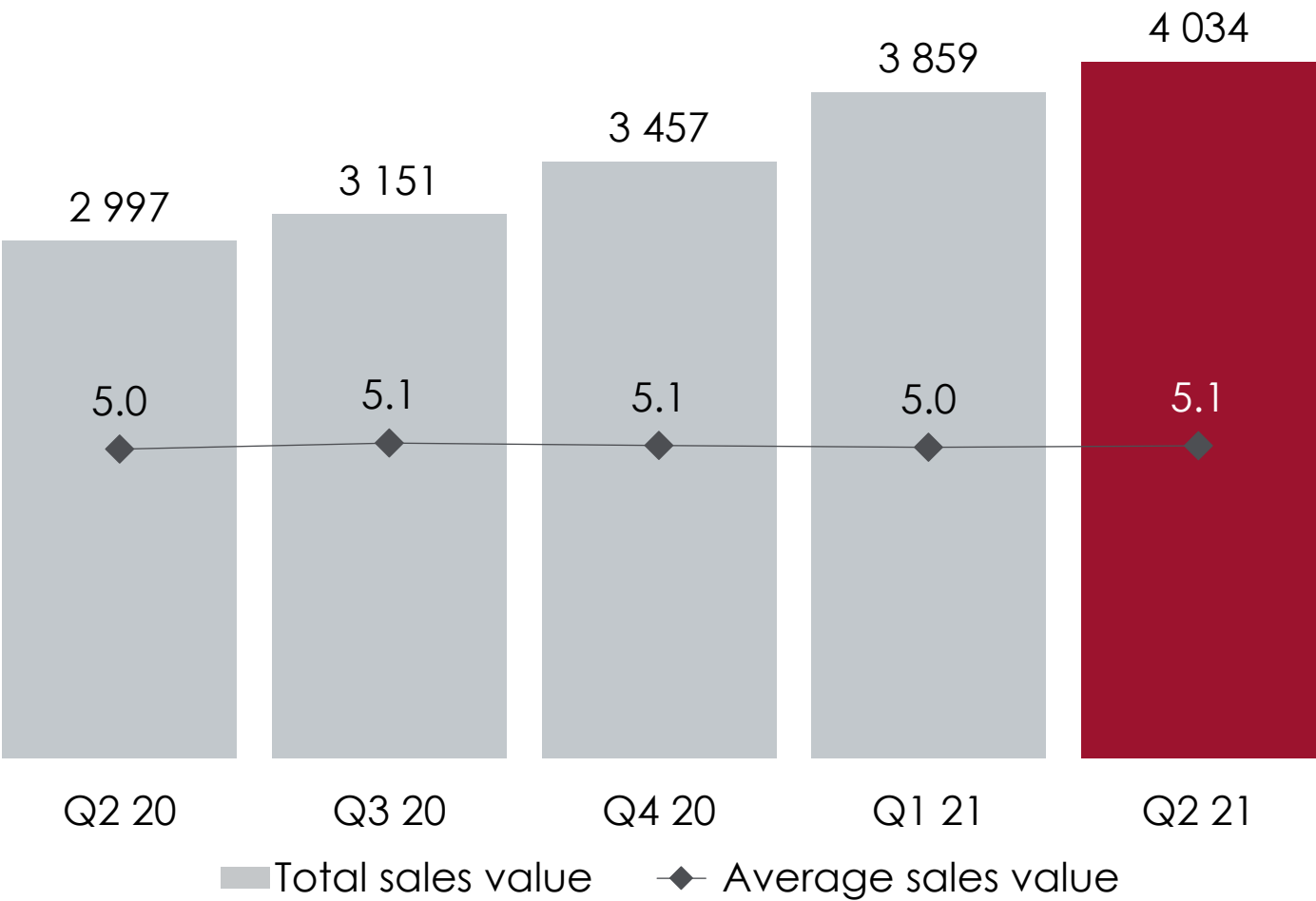
Units sold are sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act. In accordance with the IFRS, they are recognised as income on delivery.

**SELVAAG** BOLIG

# Rolling sales value and units sold

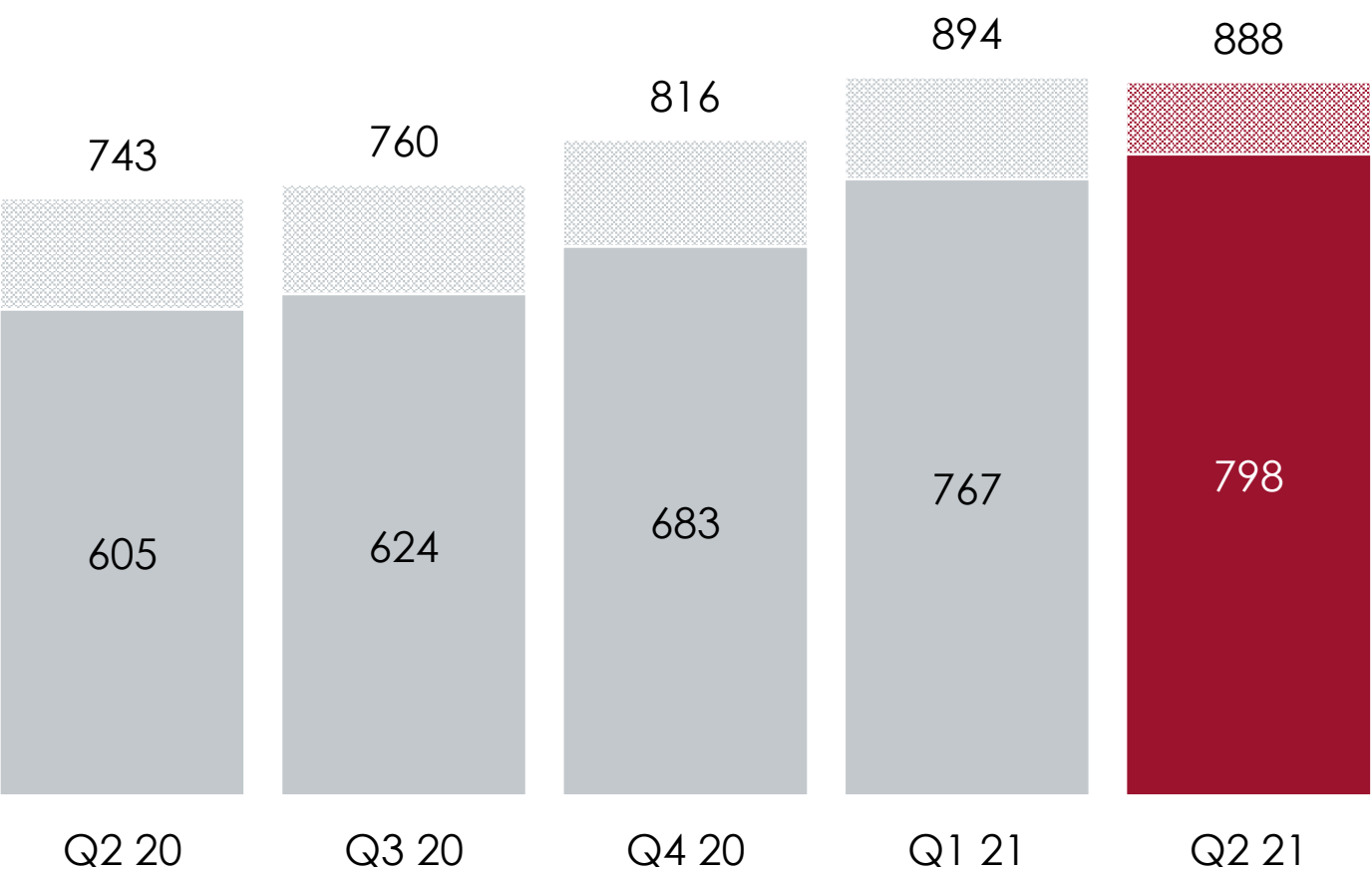
Sales value 12-month rolling

NOK million



Units sold 12-month 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.

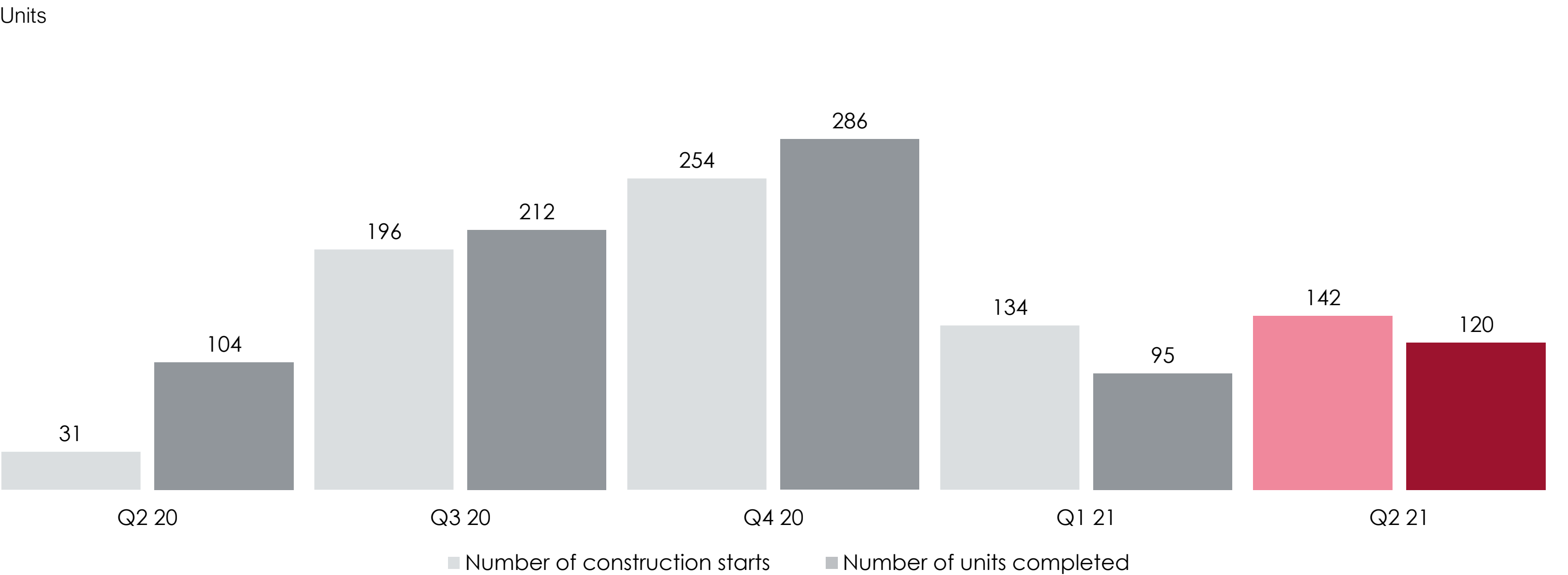
**SELVAAG** BOLIG

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



# Construction starts and completions

## Construction starts and completions per quarter



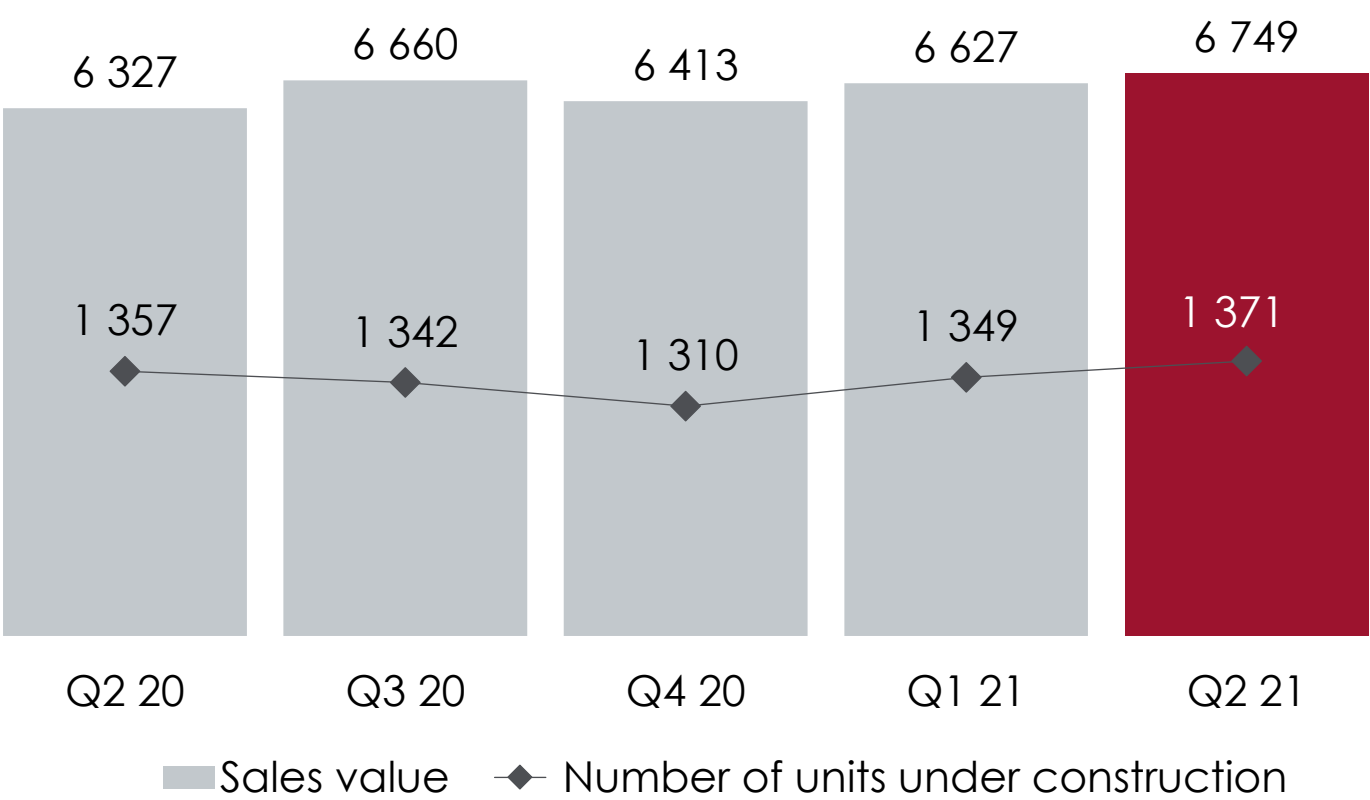
Note: Number of units are adjusted for Selvaag Bolig's share in joint ventures.



# Units under construction and completions

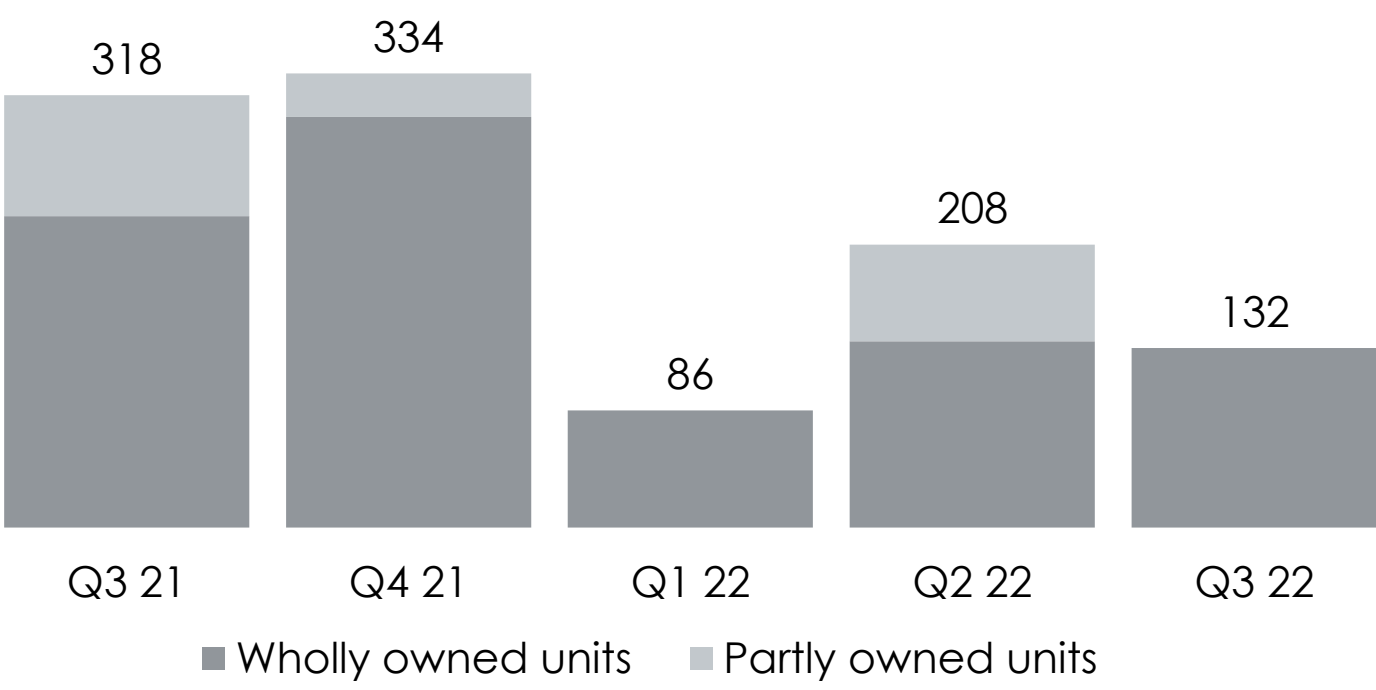
## Sales value units under construction

NOK million



## Expected completions per quarter

Units



- Q2 2021: 82% of units under construction sold by Q2 2021
- Q2 2021: 87% of construction volume in Greater Oslo Area\*

- Expected completions for the full year 2021: 867 units
- 94% of 2021 completions sold by Q2 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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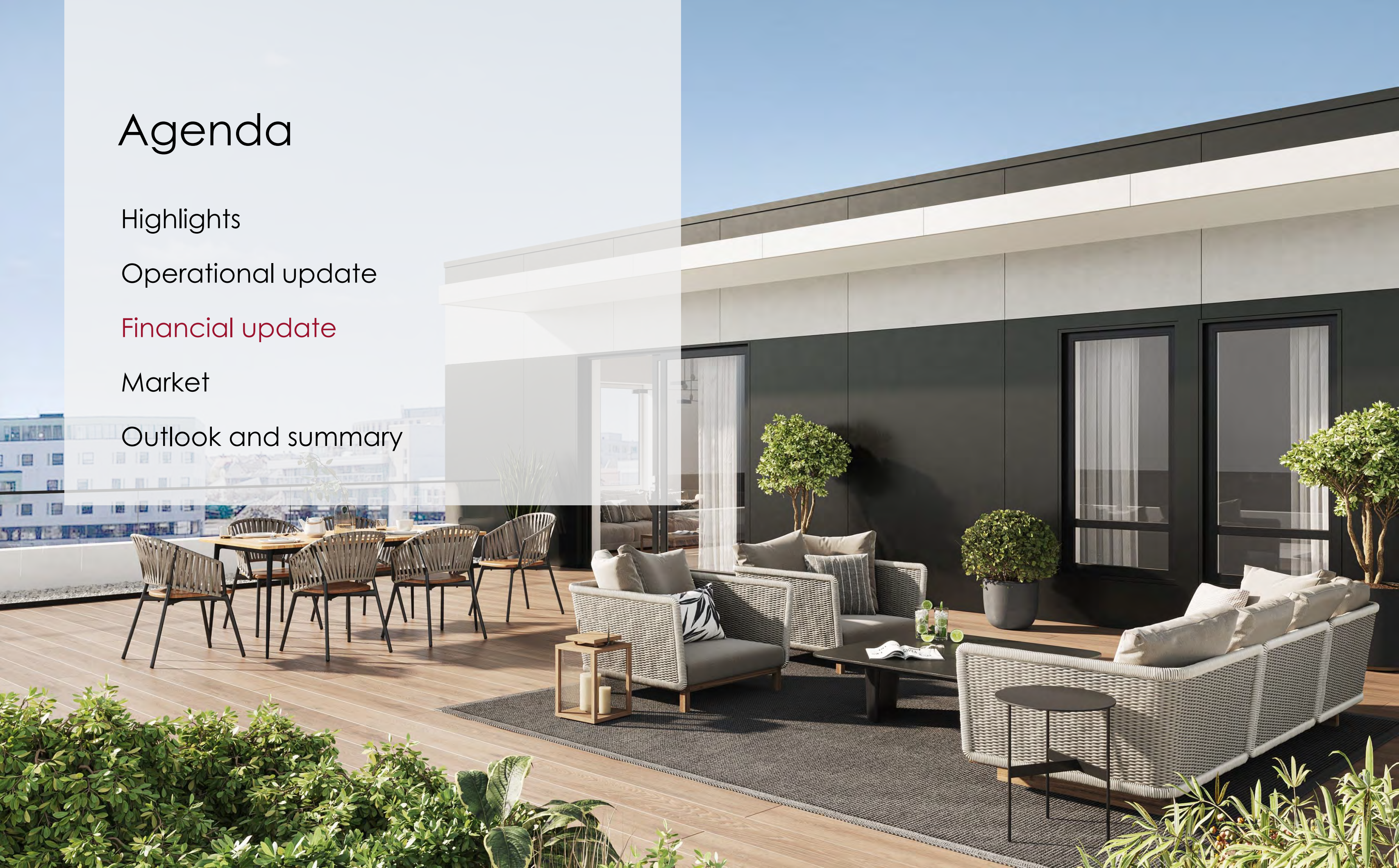
Highlights

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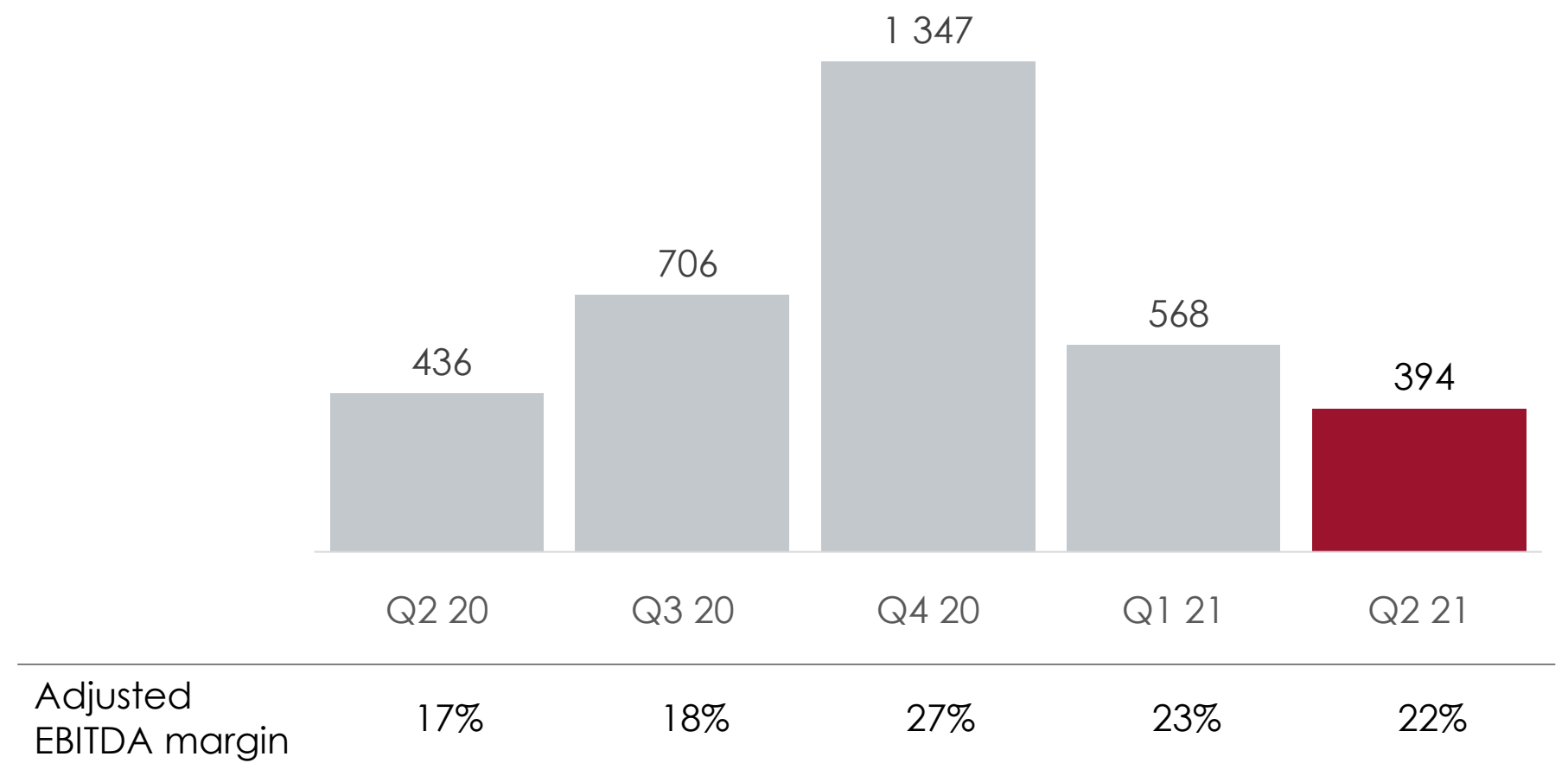


# Income statement highlights Q2 2021 (IFRS)

- 132 units delivered (122)
  - 46 units from share of JVs (36)
- Revenues NOK 394m (436)
  - Other revenues NOK 13m (13)
- Project costs NOK 305m (337)
  - Of which NOK 9m is interest (14)
- Other costs NOK 52m (65)
- Adjusted EBITDA\* NOK 88m (75)
- EBITDA\* NOK 79m (62)
- EPS in the quarter NOK 0.60 (0.52)

## Operating revenues (IFRS)

NOK million



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

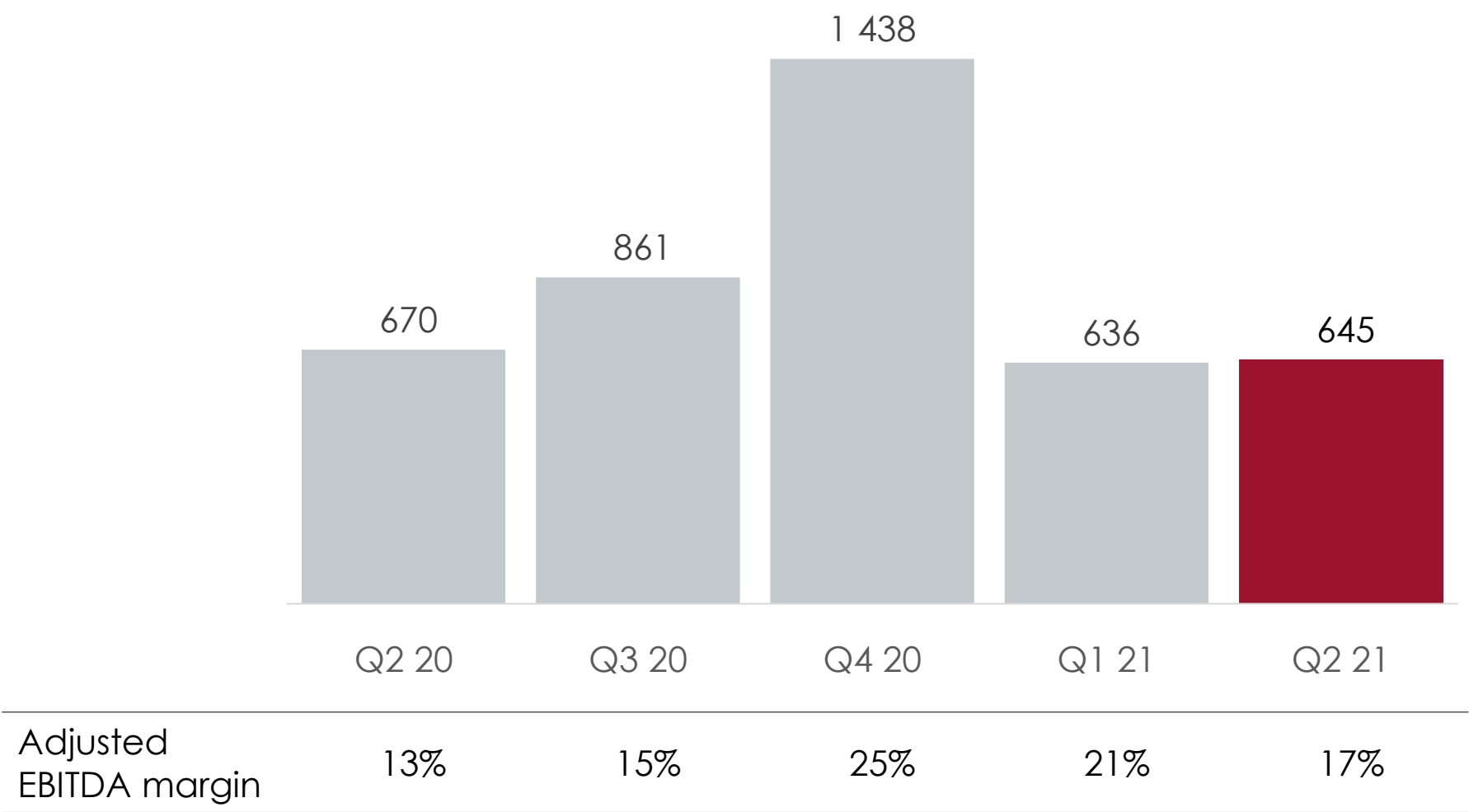


# Q2 2021 proforma figures including proportionate share of JV

- 132 units delivered (122)
- Revenues NOK 645 (670)
  - Other revenues NOK 17m (17)
- Project costs NOK 502m (534)
  - Of which NOK 20m is interest (23)
- Other costs NOK 57m (75)
- Adjusted EBITDA\* NOK 110m (89)
- EBITDA\* NOK 89m (65)
- EPS in the quarter NOK 0.60 (0.52)

## Operating revenues (IFRS)

NOK million



\* 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.

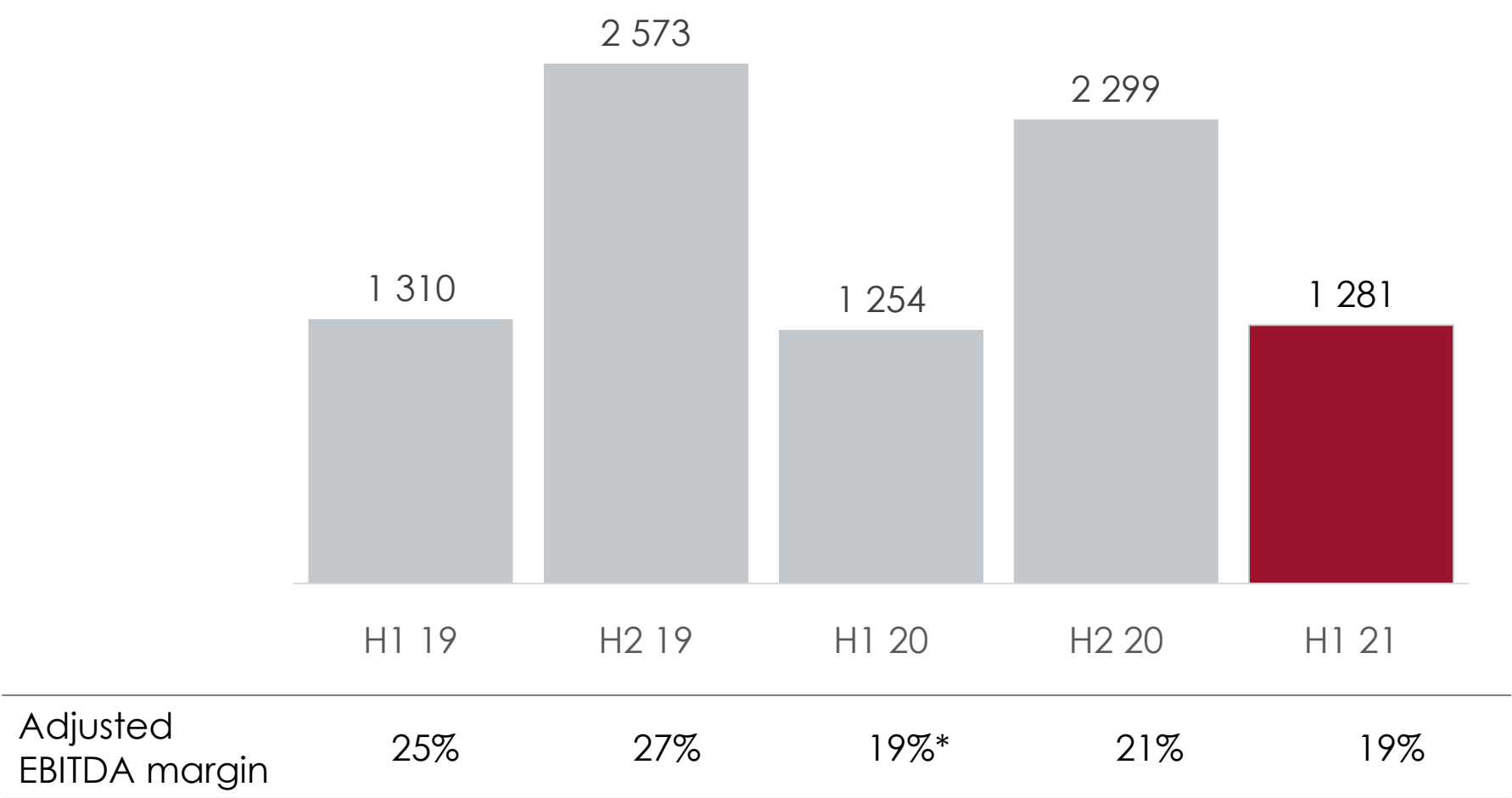
\*Q1 2020 adjusted EBITDA margin of 26.0% excluding other gains of NOK 1 029m.

# H1 2021 proforma figures including proportionate share of JV

- 256 units delivered (236)
  - 56 units from share of JVs (110)
- Revenues NOK 1 281m (1 254)
  - Other revenues NOK 36m (34)
- Adjusted EBITDA\* NOK 241m (240)
- EBITDA\* NOK 208m (195)
- EPS in H1 NOK 1.42 (12.60\*\*)

## Operating revenues (IFRS)

NOK million



\* EBITDA is profit before interest, taxes, depreciation and amortization. EBITDA adjusted is excluding financial expenses included in project costs. Excluding other gains of NOK 1 029m

\*\* NOK 1.59 ex UP transaction

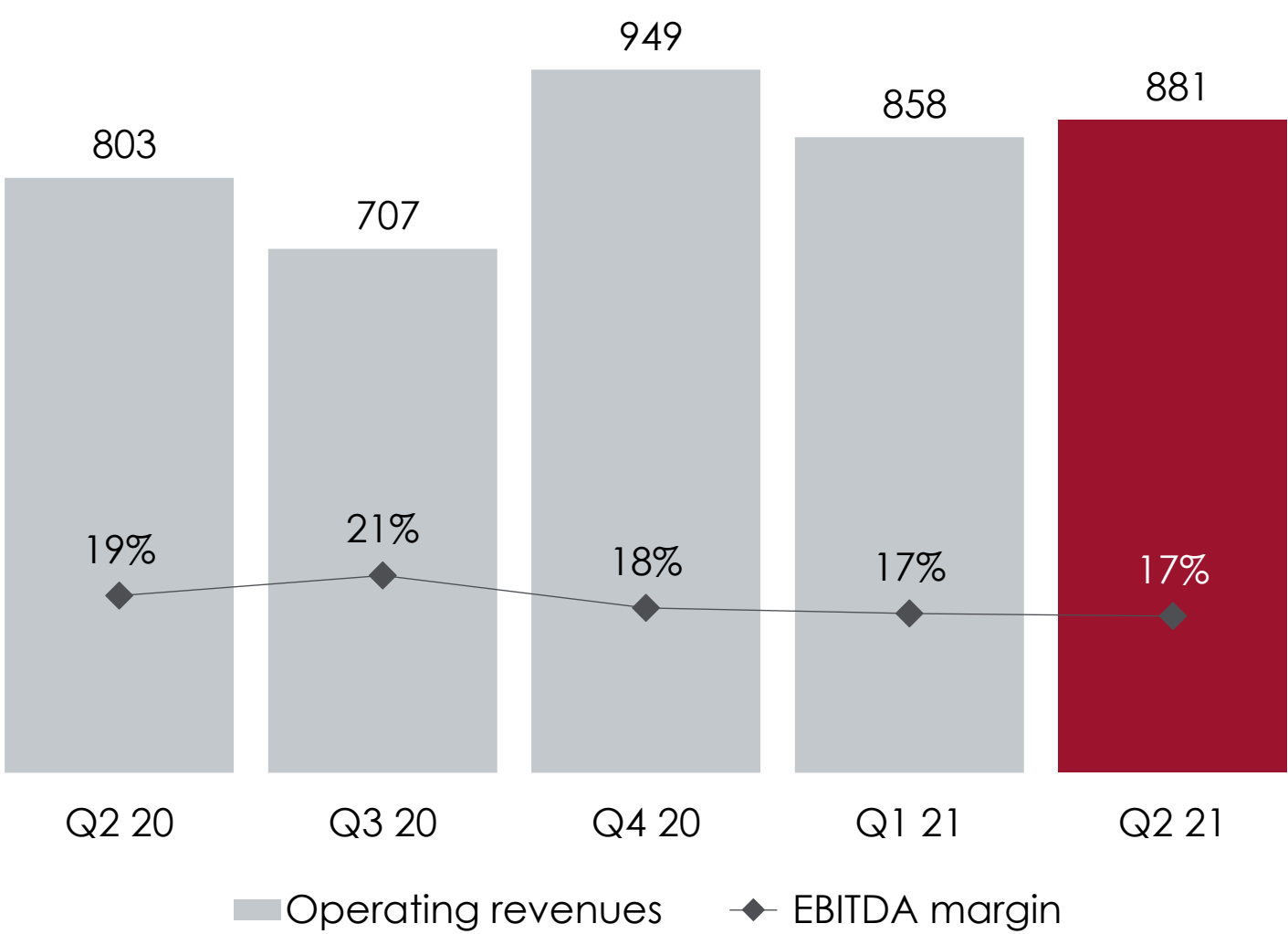
\* Excluding other gains of NOK 1 029m



# Income statement highlights Q2 2021 (NGAAP)

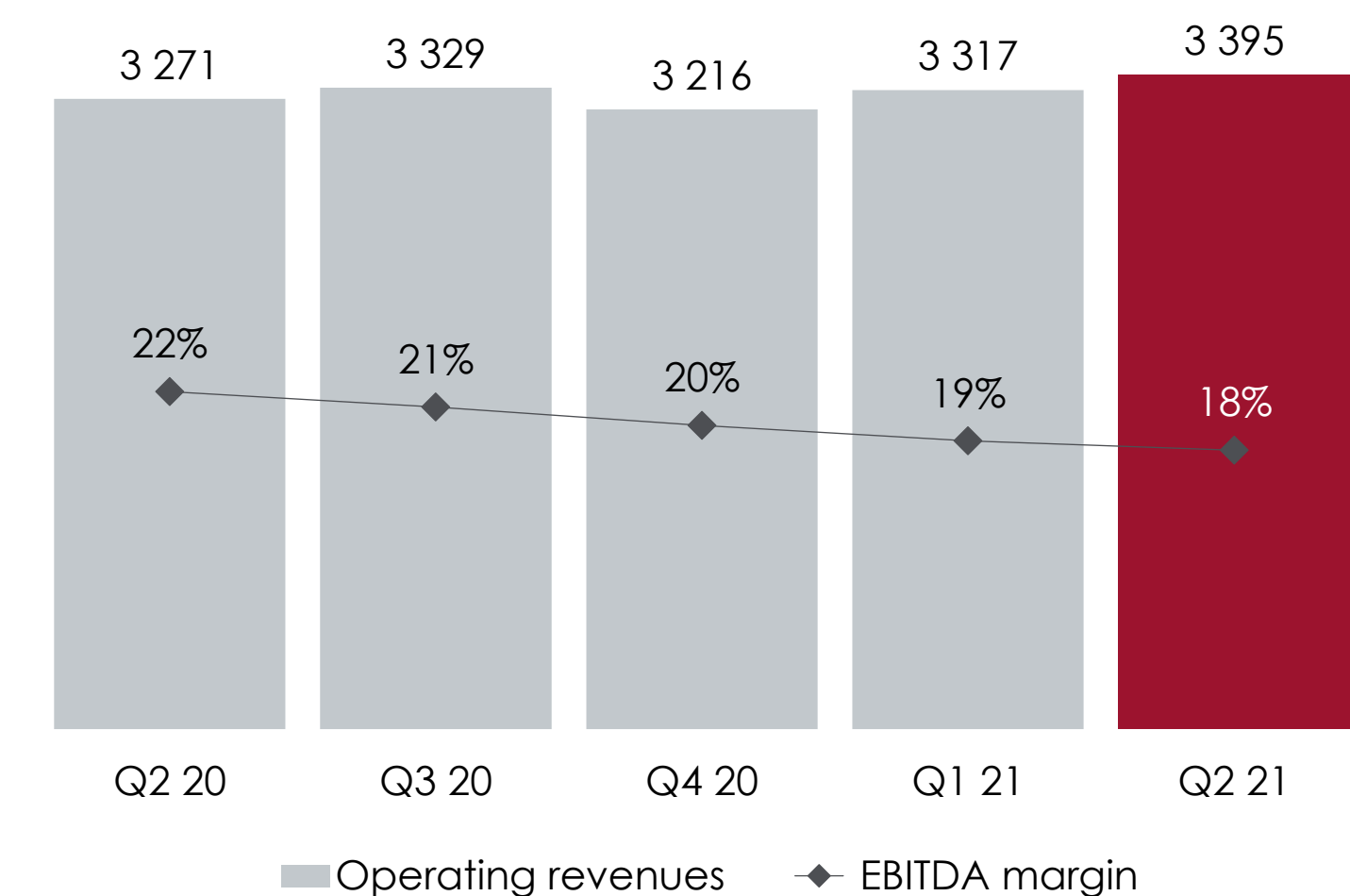
Revenues and EBITDA margin (NGAAP)\*

NOK million



12 month-rolling revenues (NGAAP)\*

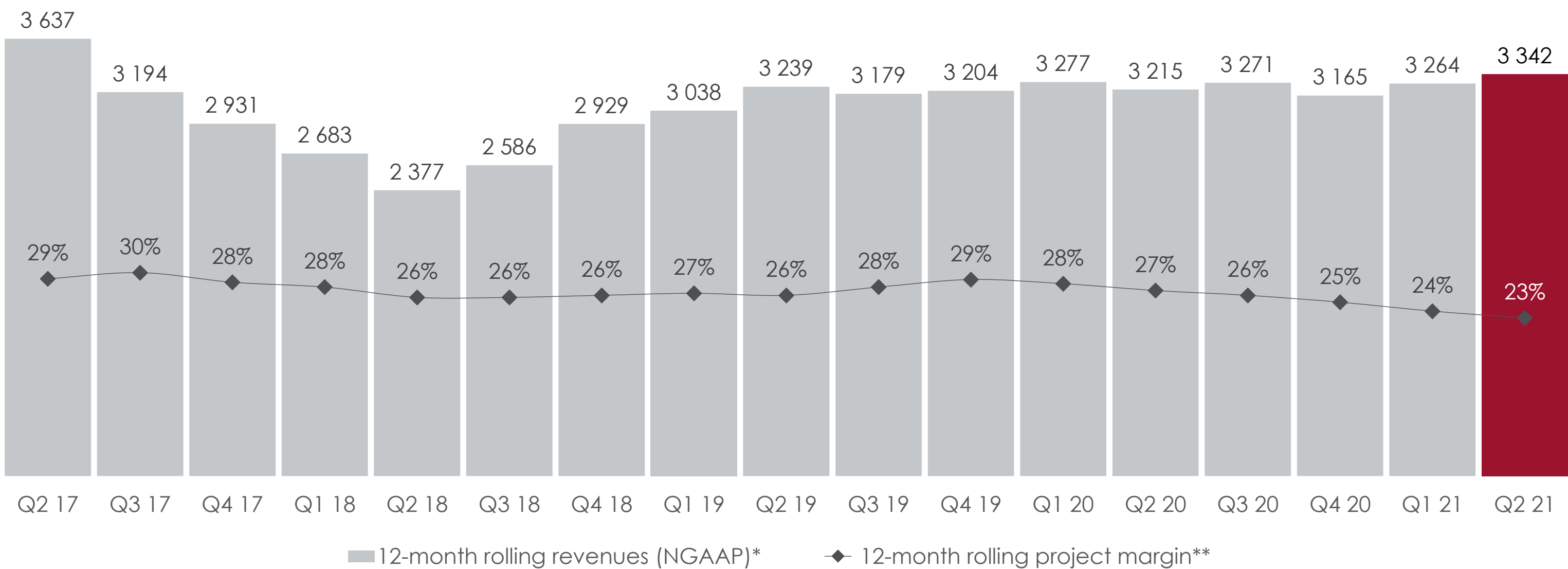
NOK million



\* 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



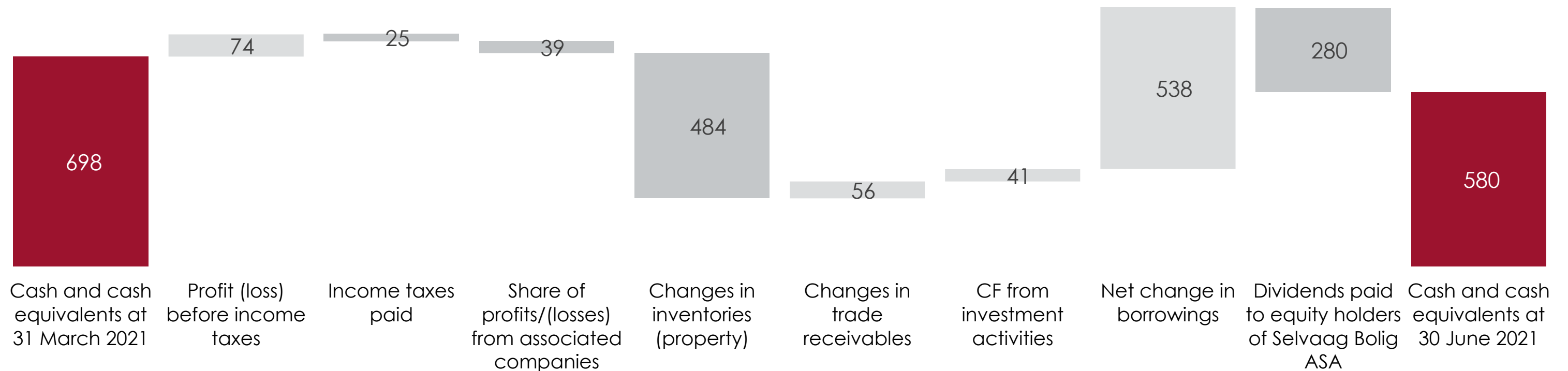
\* Construction costs are exclusive of financial expenses in the segment reporting (NGAAP).

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



# Cash flow development Q2 2021

NOK million



- Cash flow from operations negative at NOK 416m driven by increased inventories from ongoing production
- Cash flow from investing activities positive at NOK 41m mainly due to proceeds from sale of share in JV
- Cash flow from financing activities positive at NOK 256m mainly due to net increase in construction loans of NOK 538m, partly offset by dividend payments of NOK 280m

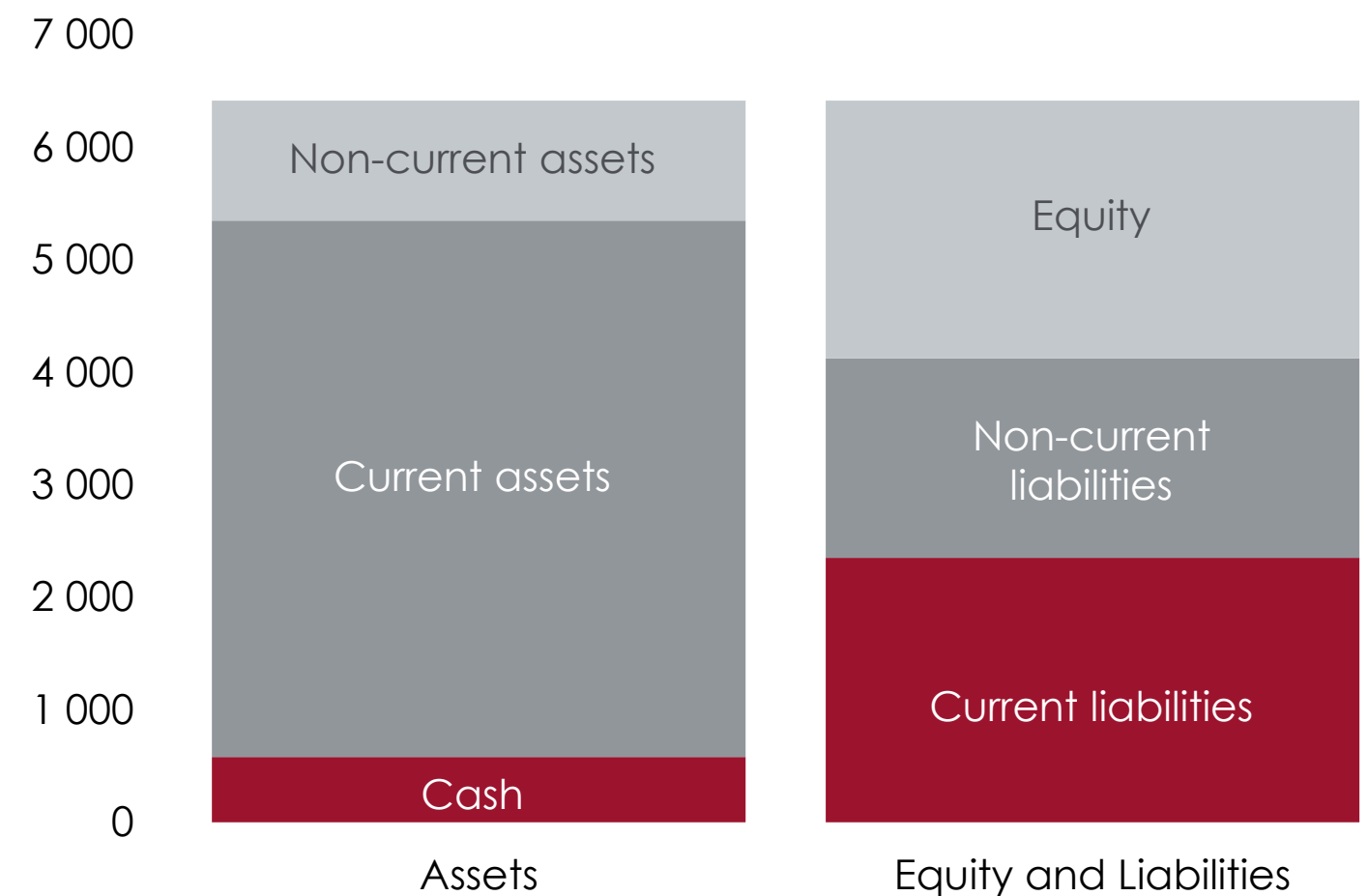
Note: Amounts < NOK -20m < NOK 20m are excluded from the cash flow overview.

# Balance sheet highlights Q2 2021

- Book value of equity NOK 24.3 per share
  - Equity ratio 35.7%
- Changes from Q1 2021:
  - Inventories increased by NOK 509m
  - Trade and Other receivables decreased by NOK 51m
  - Cash decreased by NOK 118m
- Prepayments from customers represent NOK 303m of other current non-interest-bearing liabilities

## Balance sheet composition

NOK million





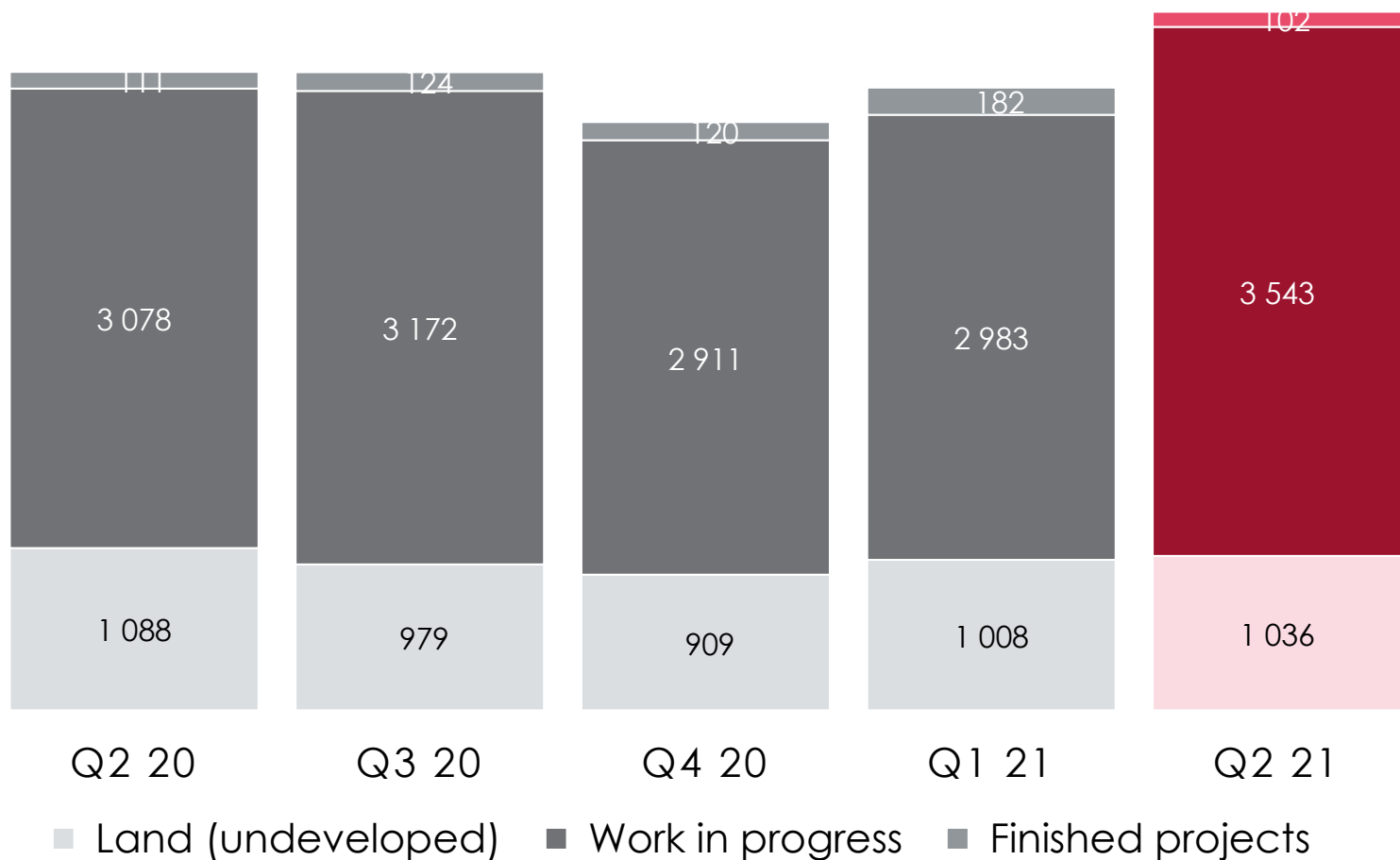
# Inventories (property) Q2 2021

Q2 21 vs Q1 21

- Land value up NOK 28m
  - Mainly due to buy back of land from UP
- Work in progress up NOK 560m
  - Due to high ongoing production, construction starts, combined with limited completions
- Finished goods down NOK 80m
  - Due to delivery of previously completed units

## Inventory value development

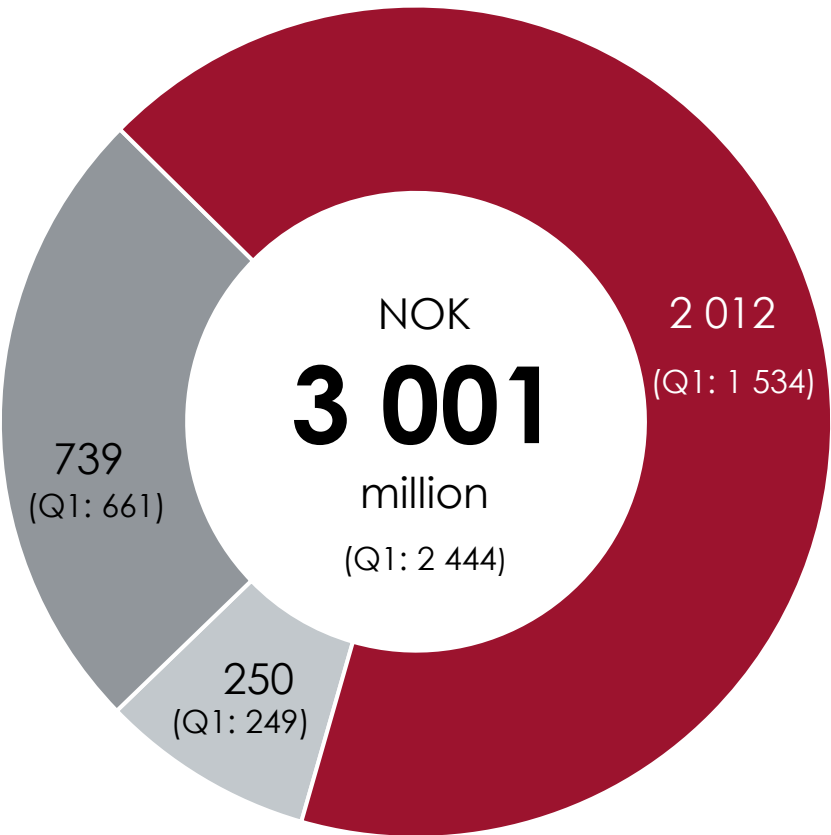
NOK million



# Debt structure

## Interest-bearing debt at 30.6.21

NOK million



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

\* Repurchase agreements portfolio B.

	Loan facility	Drawn at 30.6.21 (NOKm)	Interest rate margin*
1	Construction loan facilities from a range of Nordic credit institutions	2 012	1.75% - 2.60%
2	Land loans Urban Property**	739	3.75%***
3	Land loan facilities from a range of Nordic credit institutions	250	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 Q2 2021 net interest-bearing debt NOK 2 421 million**

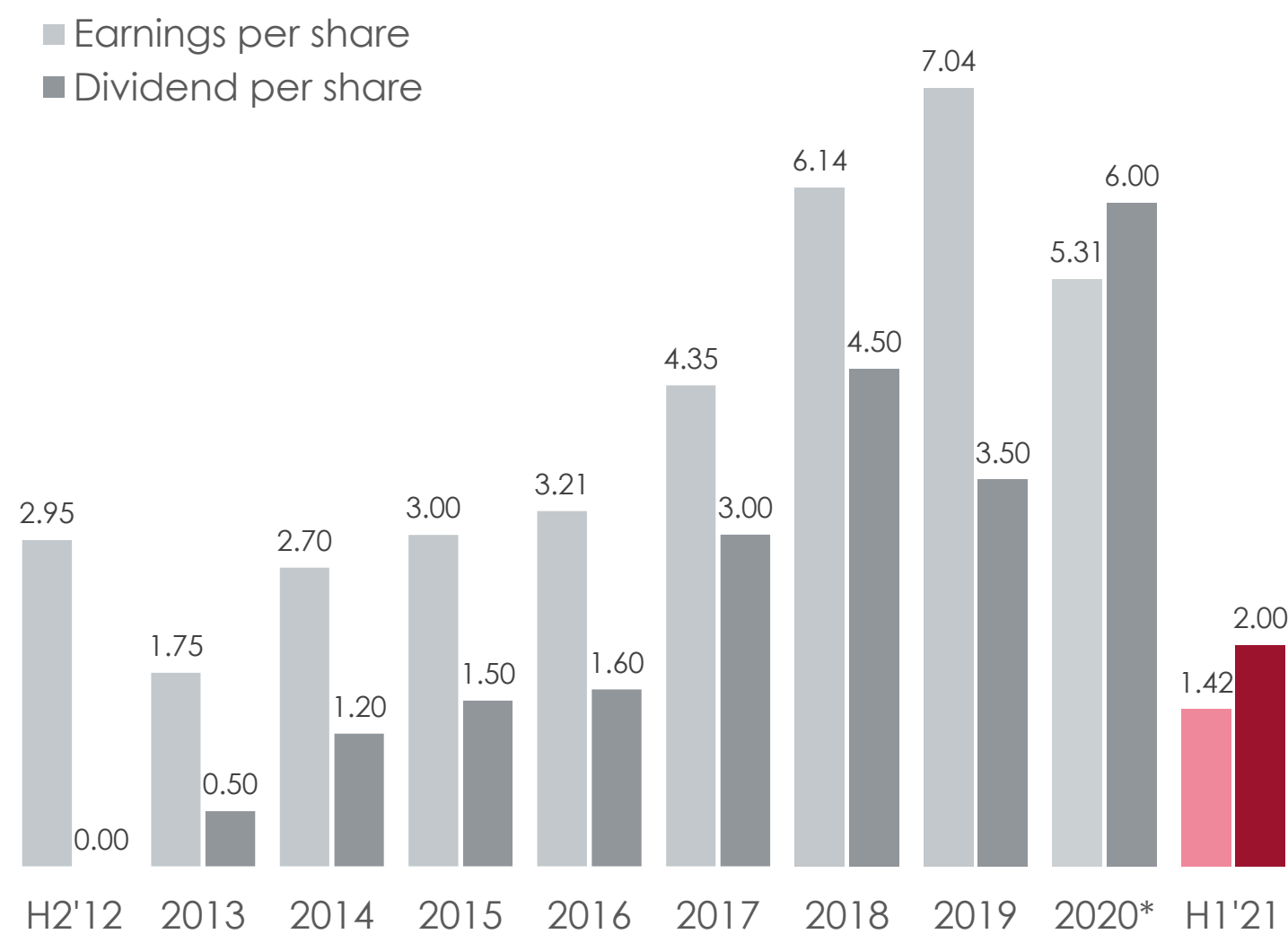
Total Q1 2021 net interest-bearing debt NOK 1 746 million

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



# Earnings and dividend per share since IPO

Annual dividend and earnings per share



\* Excluding earnings and dividend from UP transaction.

Dividend policy: DPS of minimum 60 per cent of net annual profit. No equity ratio minimum.

Accumulated dividend and earnings per share

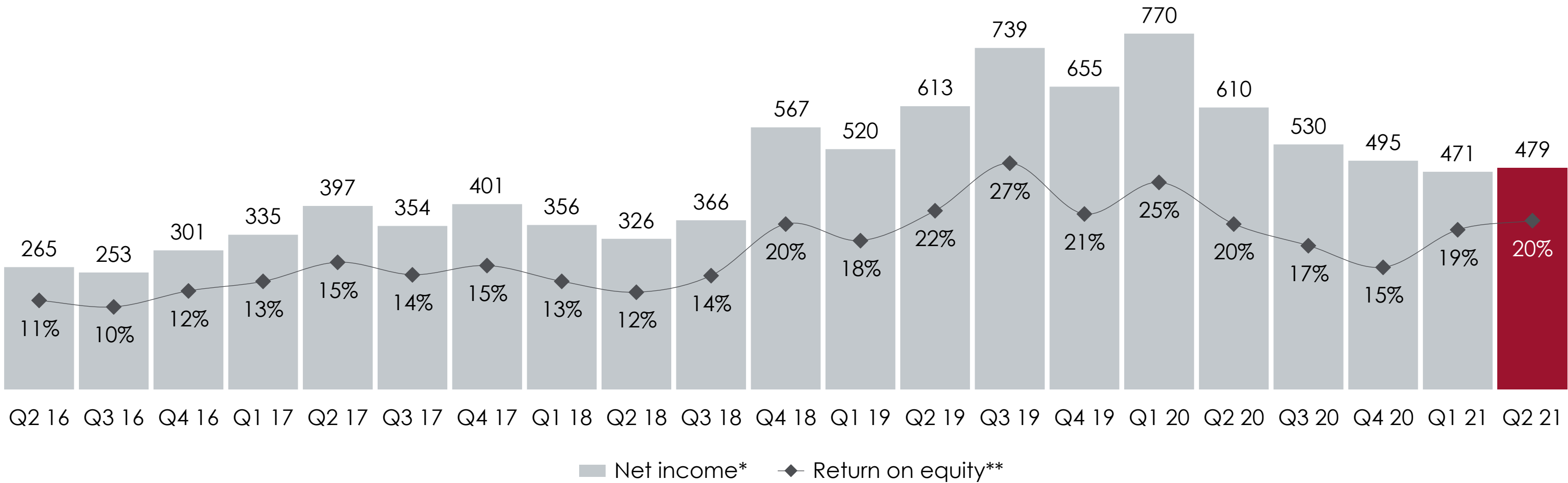


\* EPS of NOK 11.02 and DPS of NOK 22 from UP transaction included from 2020.

# Return on equity (IFRS)

12-month 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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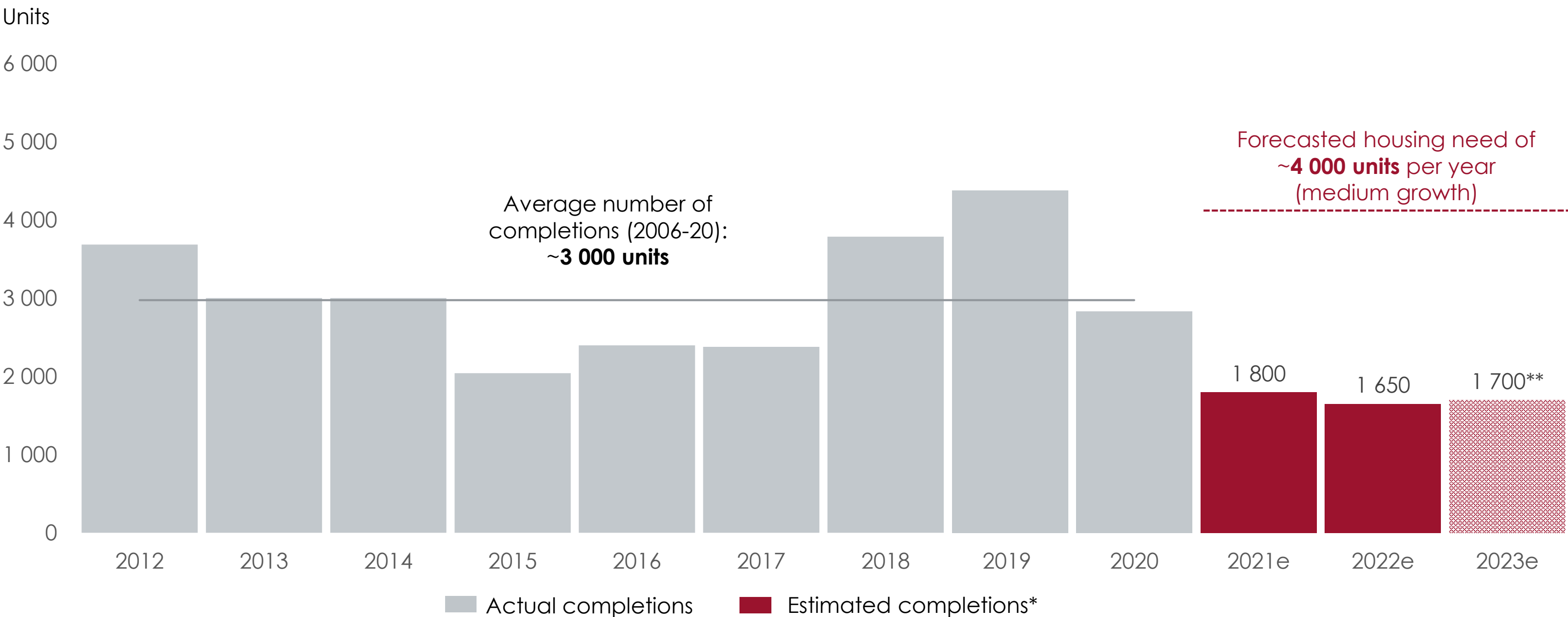
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# Estimated completions in Oslo well below forecasted need



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.

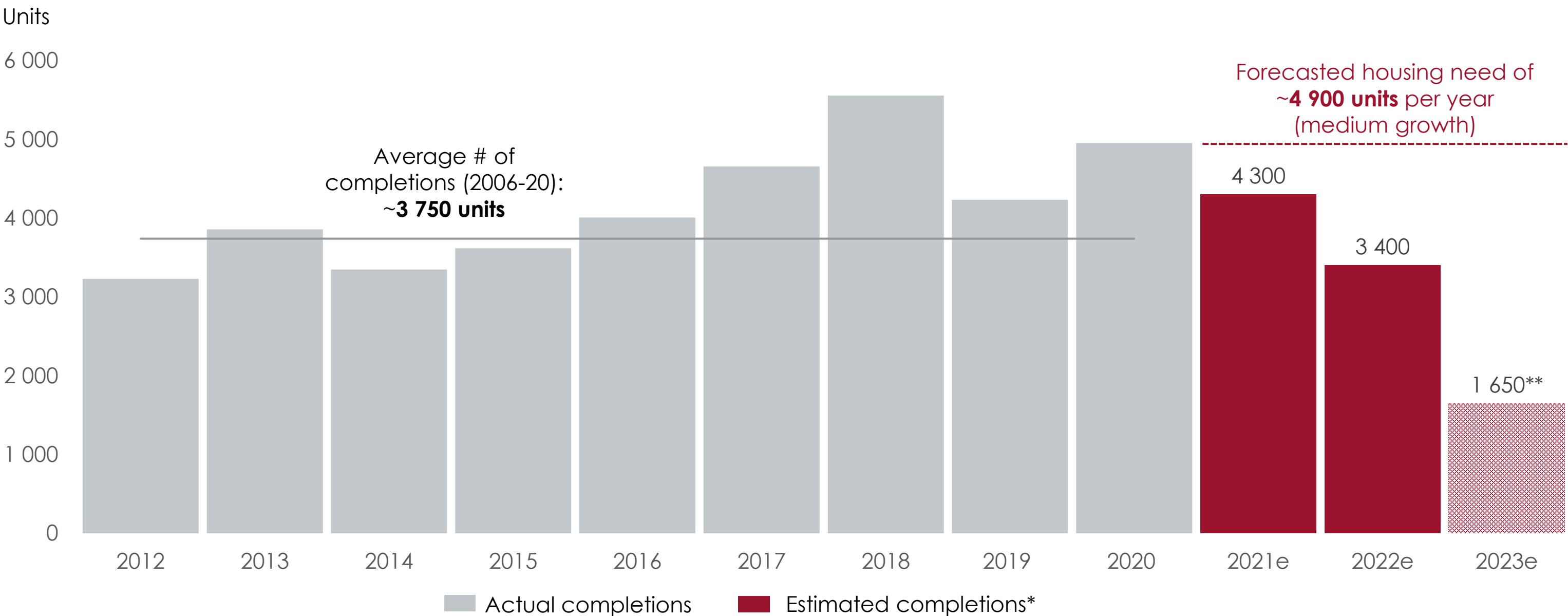
Note: Completions exclusive of student- and senior housing.

\* 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.

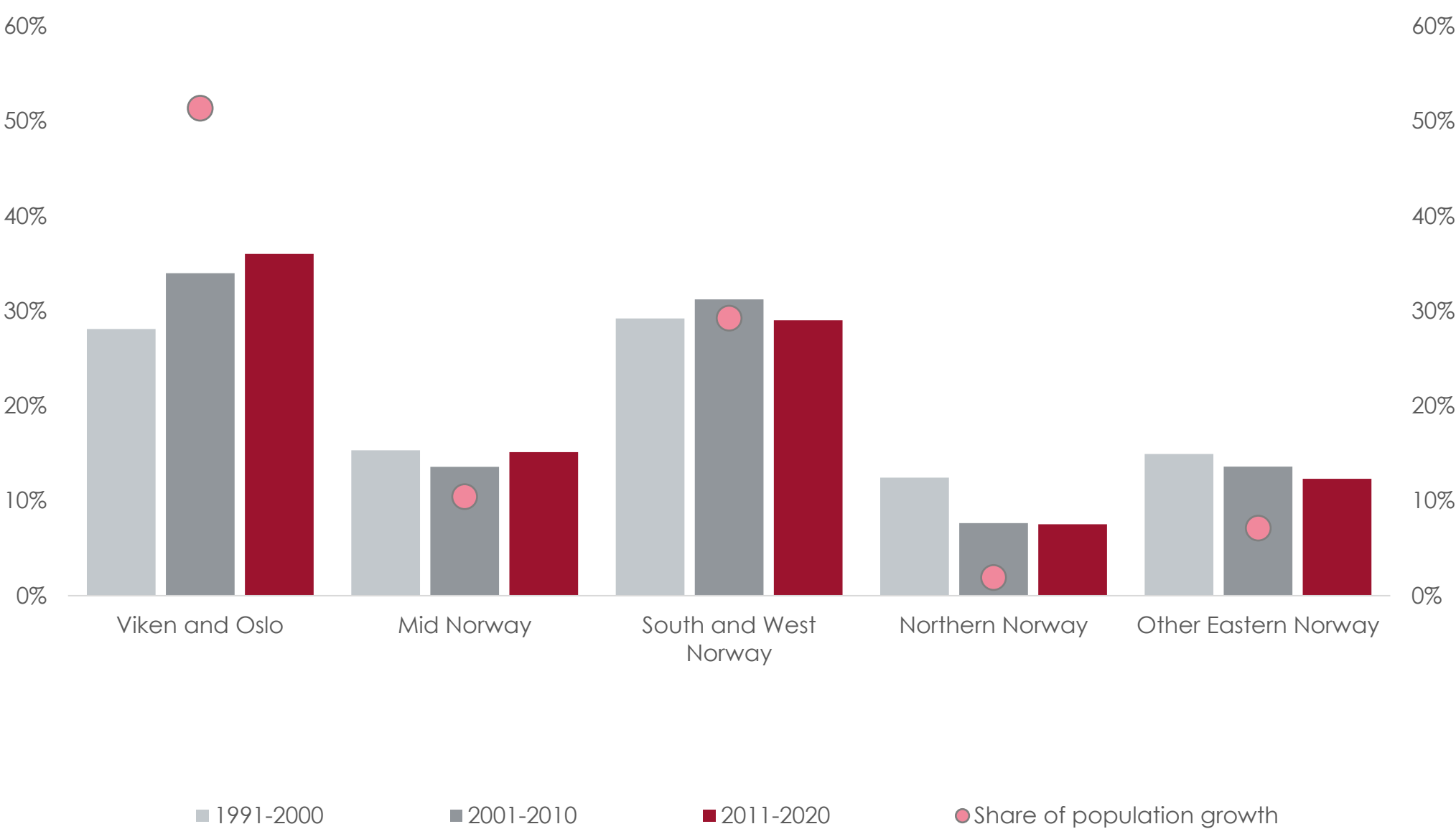
Note: Completions exclusive of student- and senior housing.

\* 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.

# Share of newbuild and population growth by region

Share of newbuild and population growth by region



Source: Statistics Norway, Samfunnsøkonomisk Analyse



# Newbuild market update

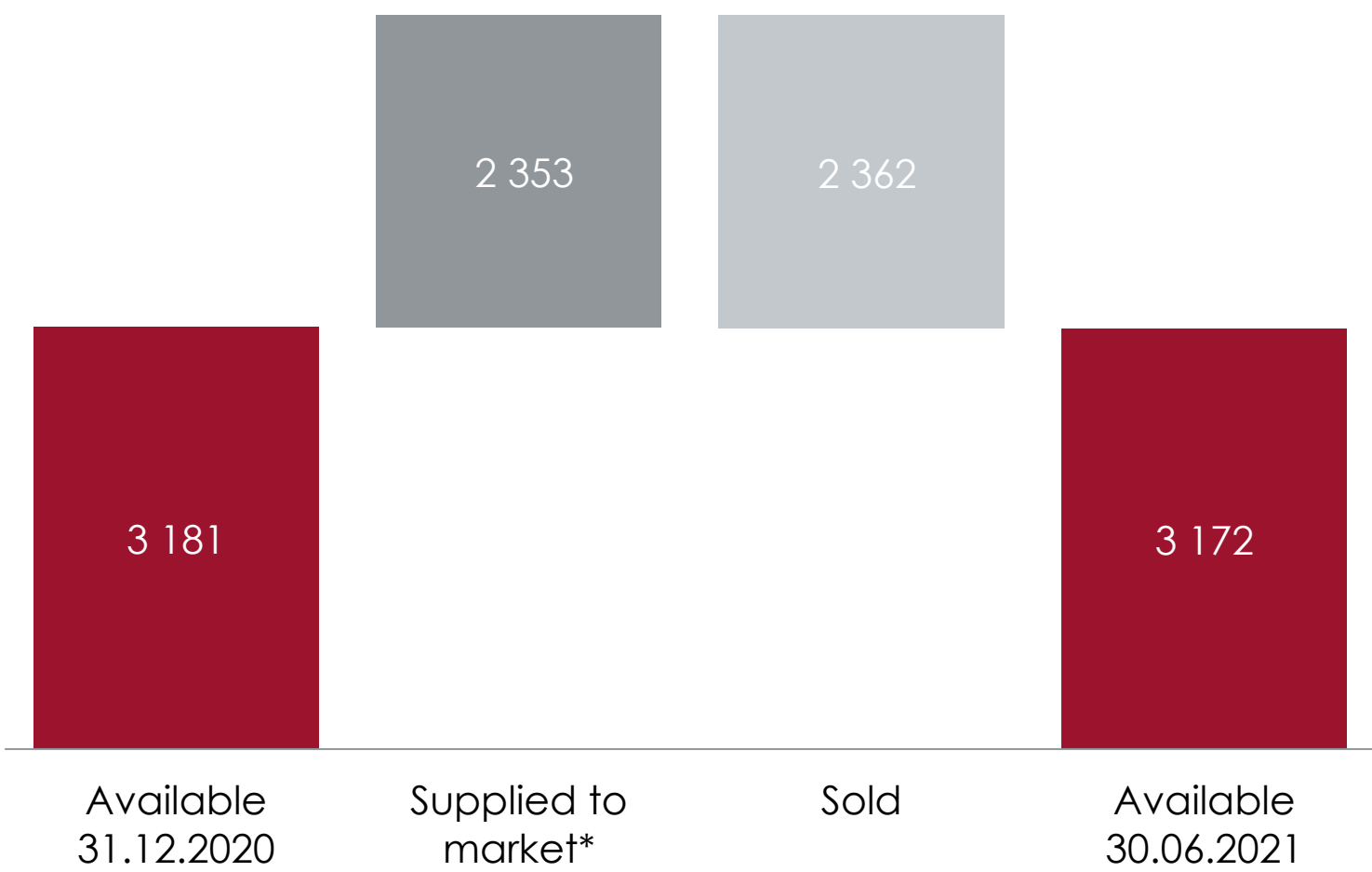
Oslo – 1.1.21 - 30.6.21

Units



Viken ex. Buskerud and Østfold – 1.1.21 - 30.6.21

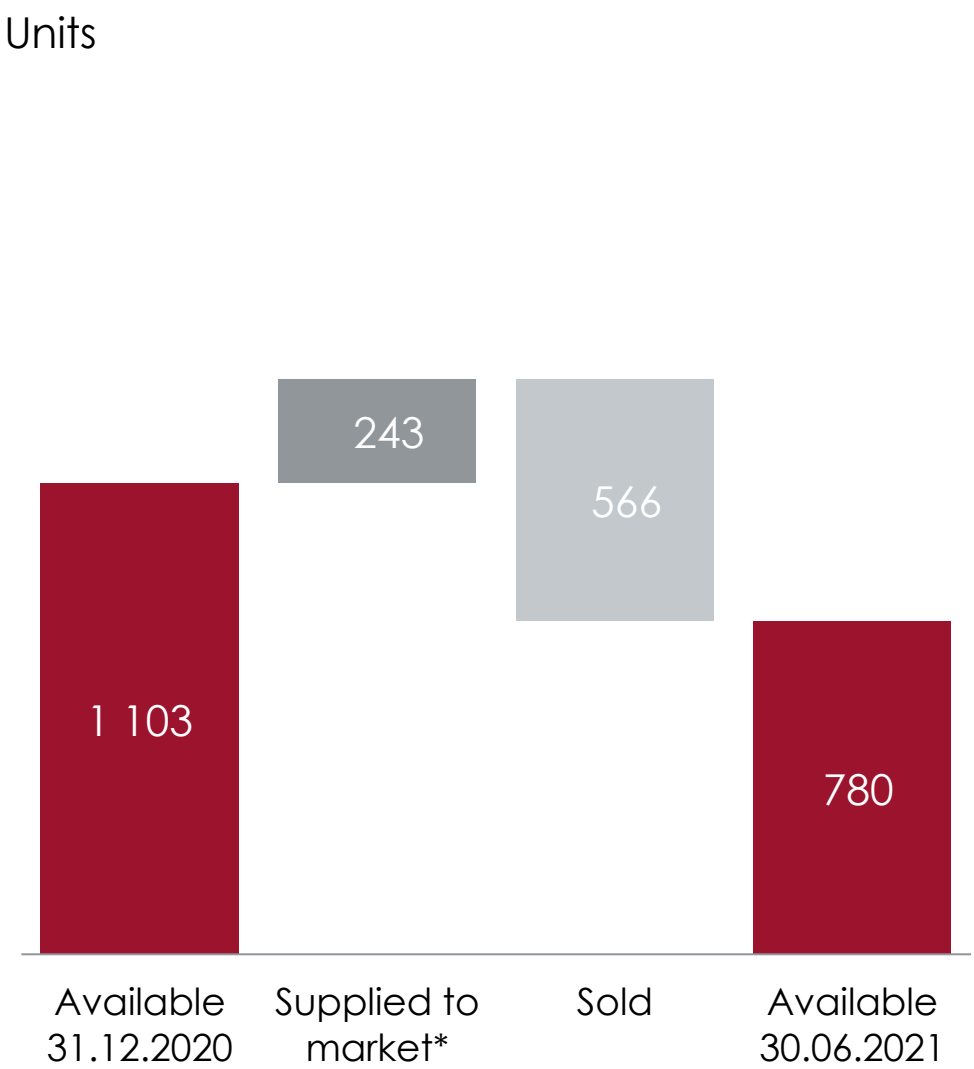
Units



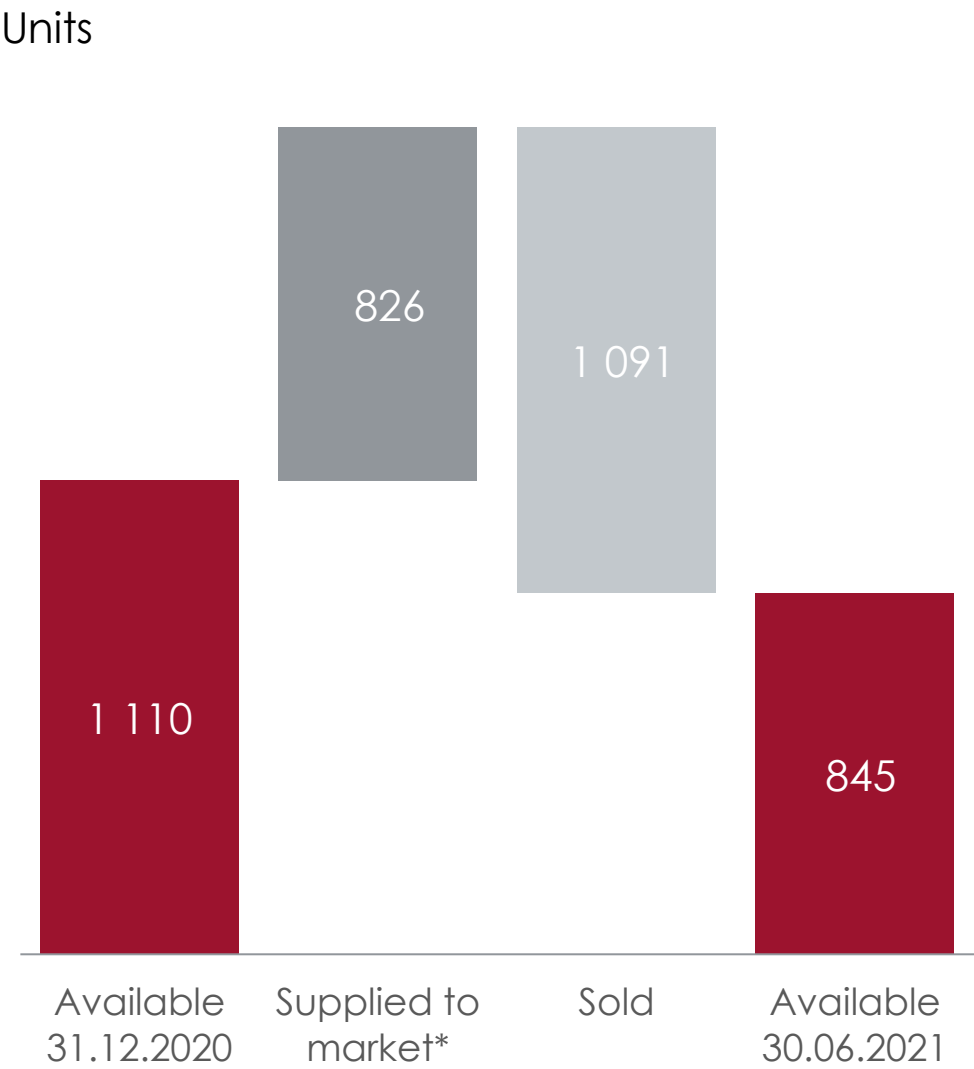
Source: SA - ECON Nye Boliger.  
\* Adjusted for temporary withdrawals or cancellations during the period.

# Newbuild market update

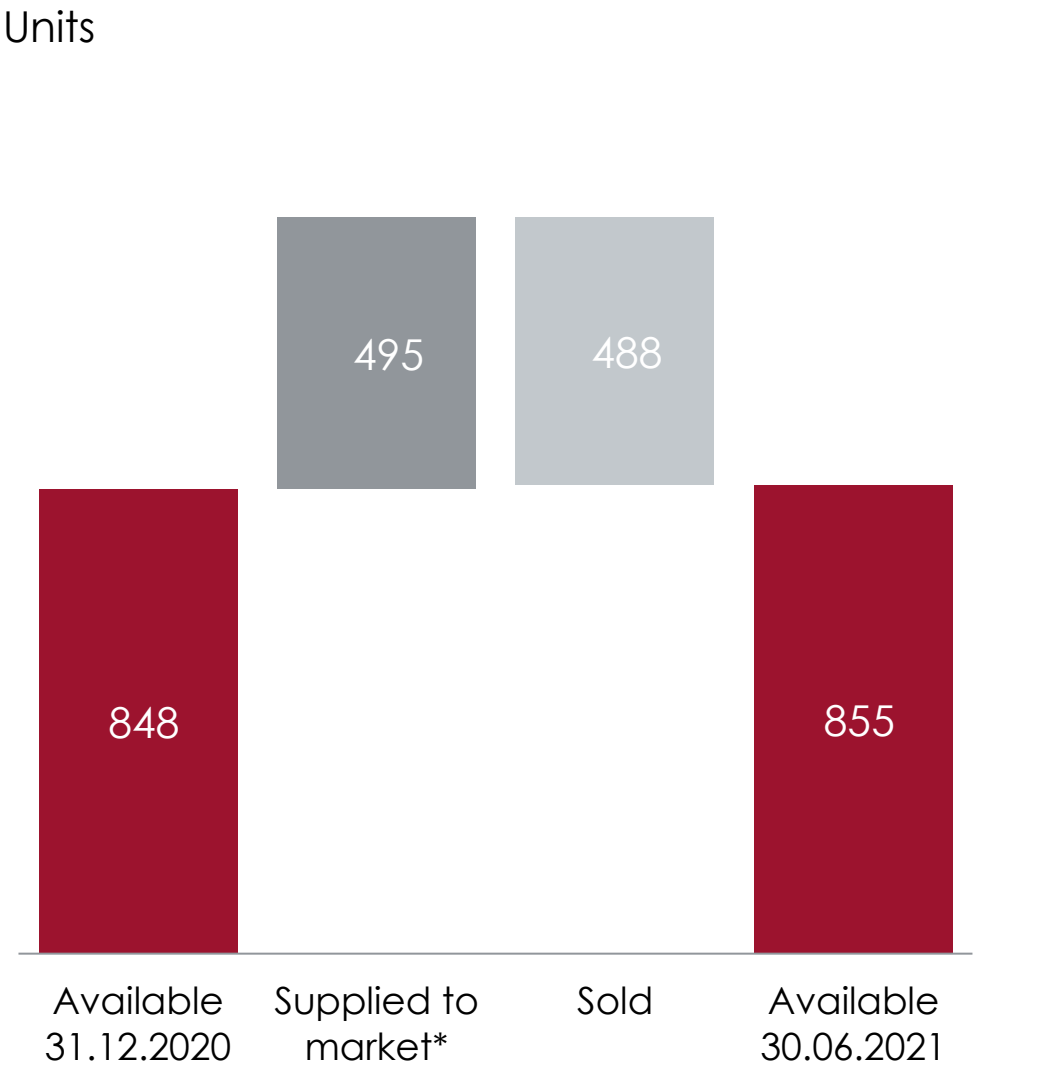
Bergen – 1.1.21 - 30.6.21



Trondheim – 1.1.21 - 30.6.21



Stavanger & Sandnes – 1.1.21 - 30.6.21

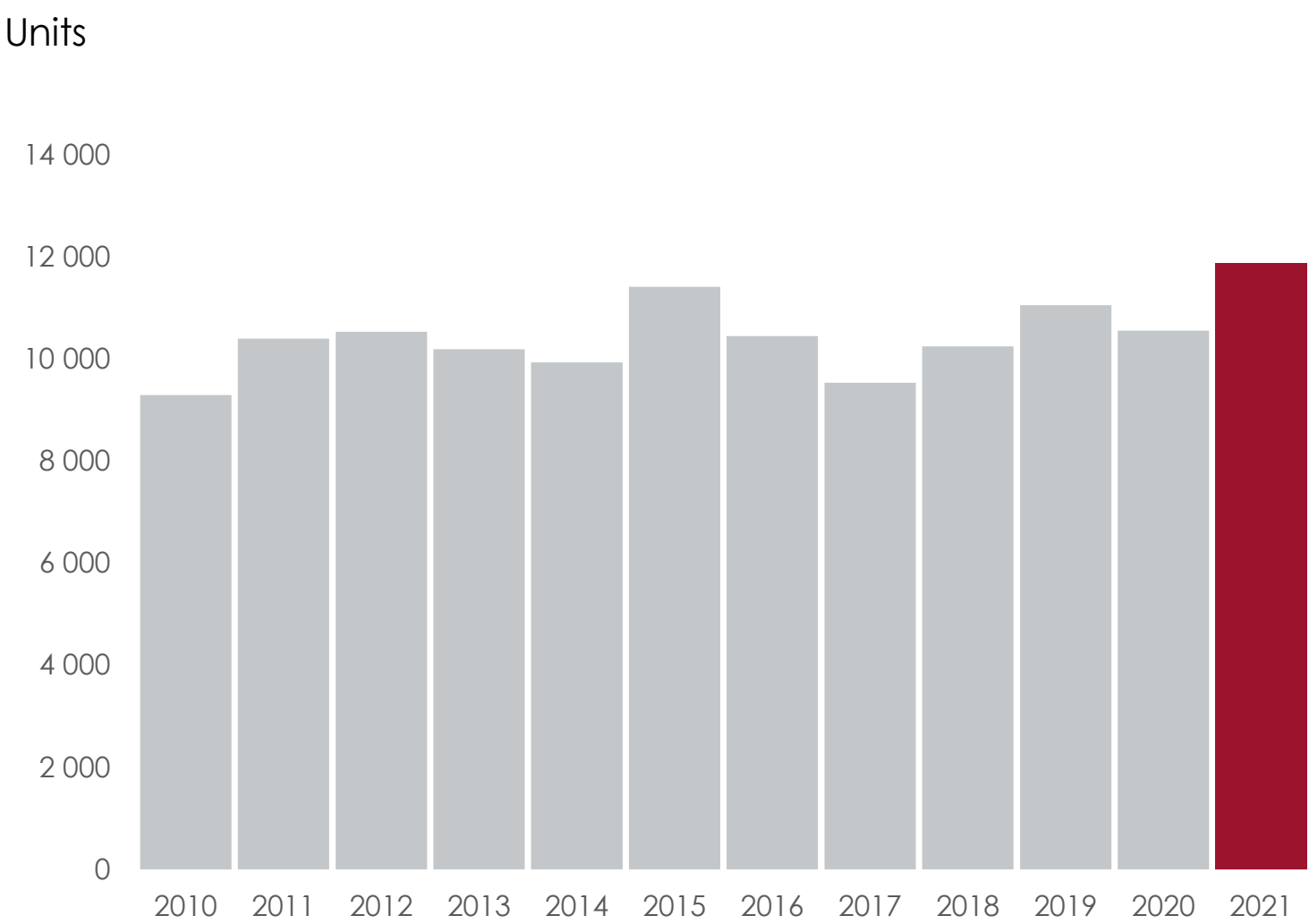


Source: SA - ECON Nye Boliger.  
\* Adjusted for temporary withdrawals or cancellations during the period.

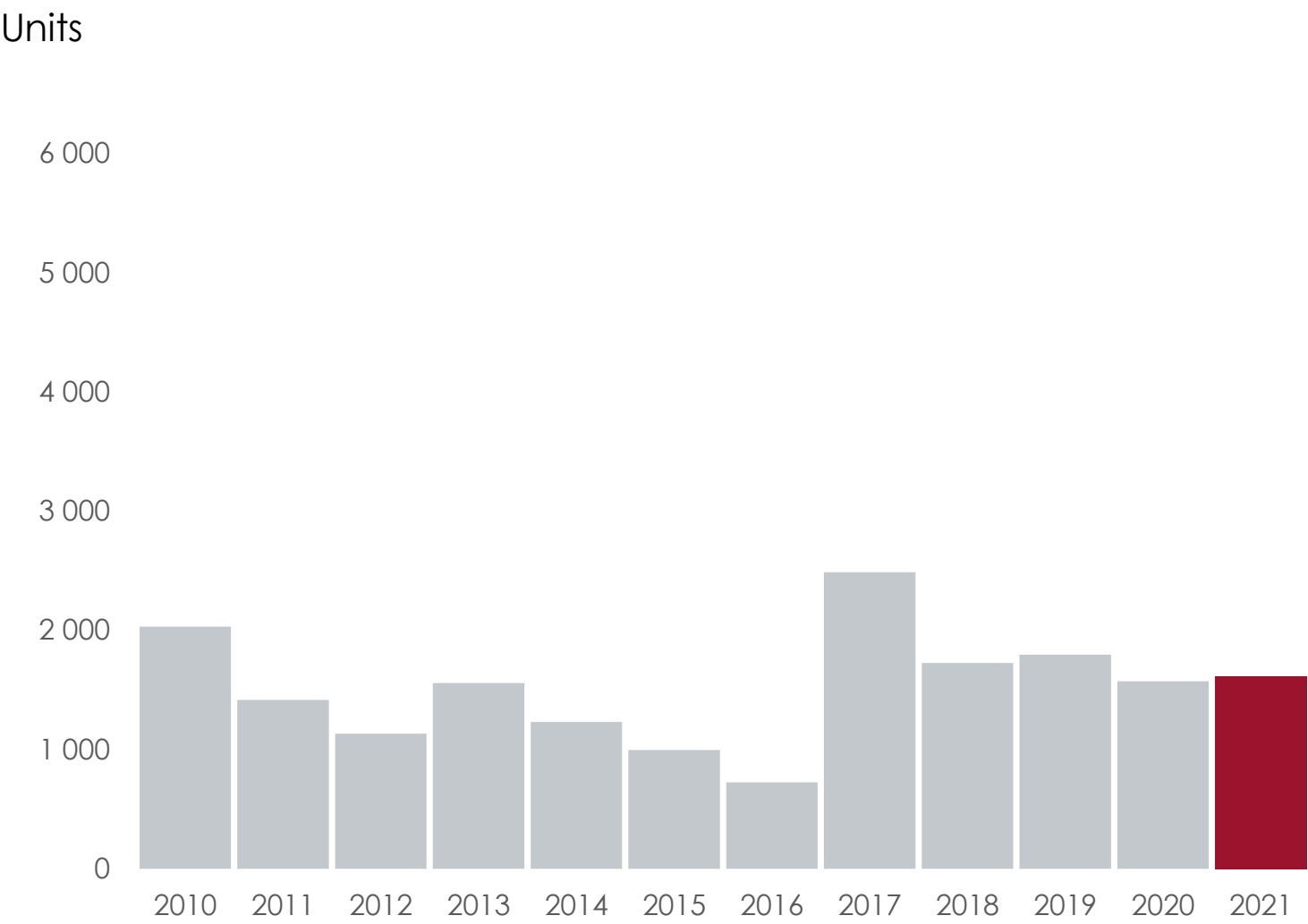


# Oslo second-hand market update

Units sold 1.1 - 30.6, 2010-21



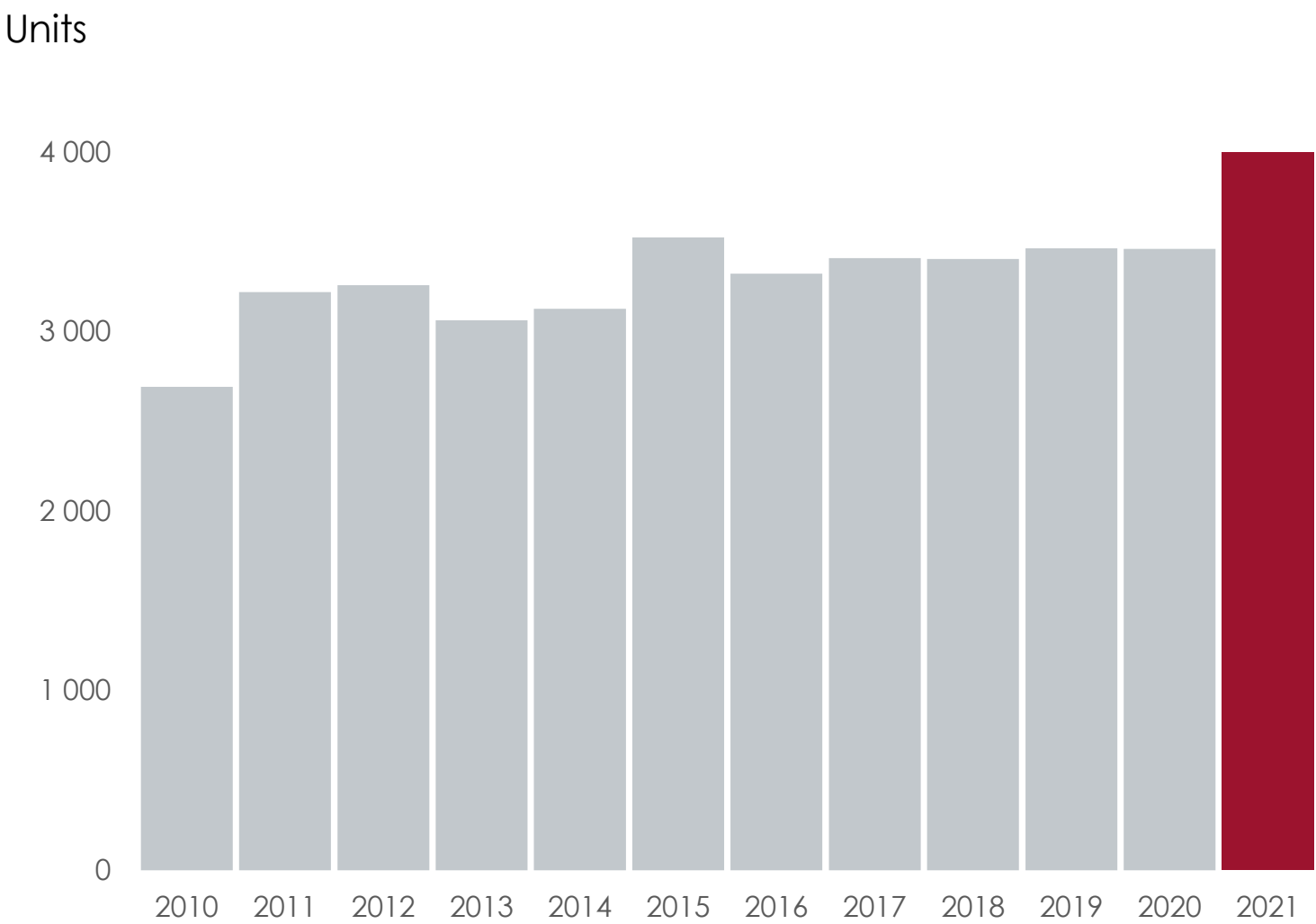
Inventory 1.8, 2010-21



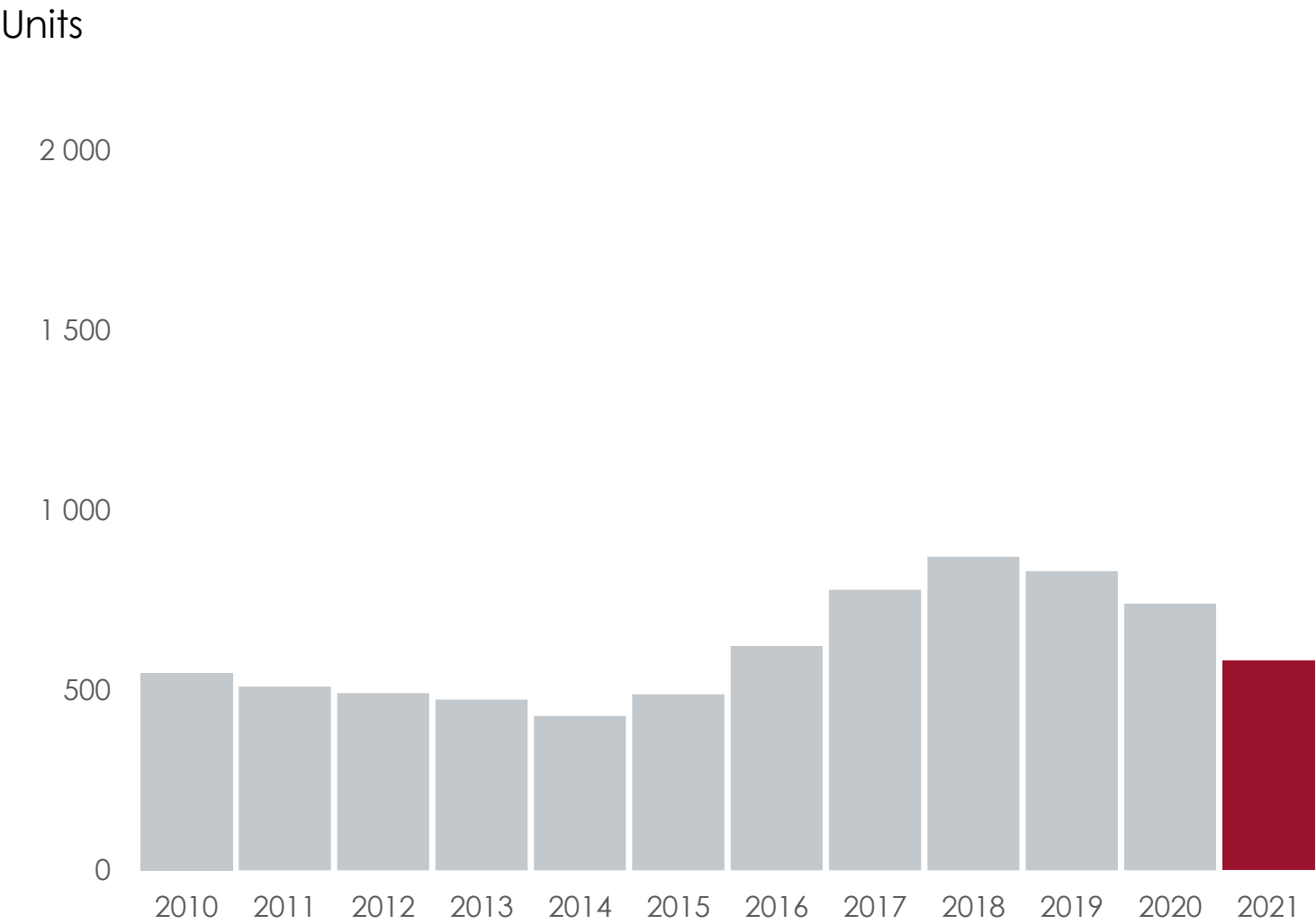
Source: Eiendomsverdi.

# Bergen second-hand market update

Units sold 1.1 - 30.6, 2010-21



Inventory 1.8, 2010-21

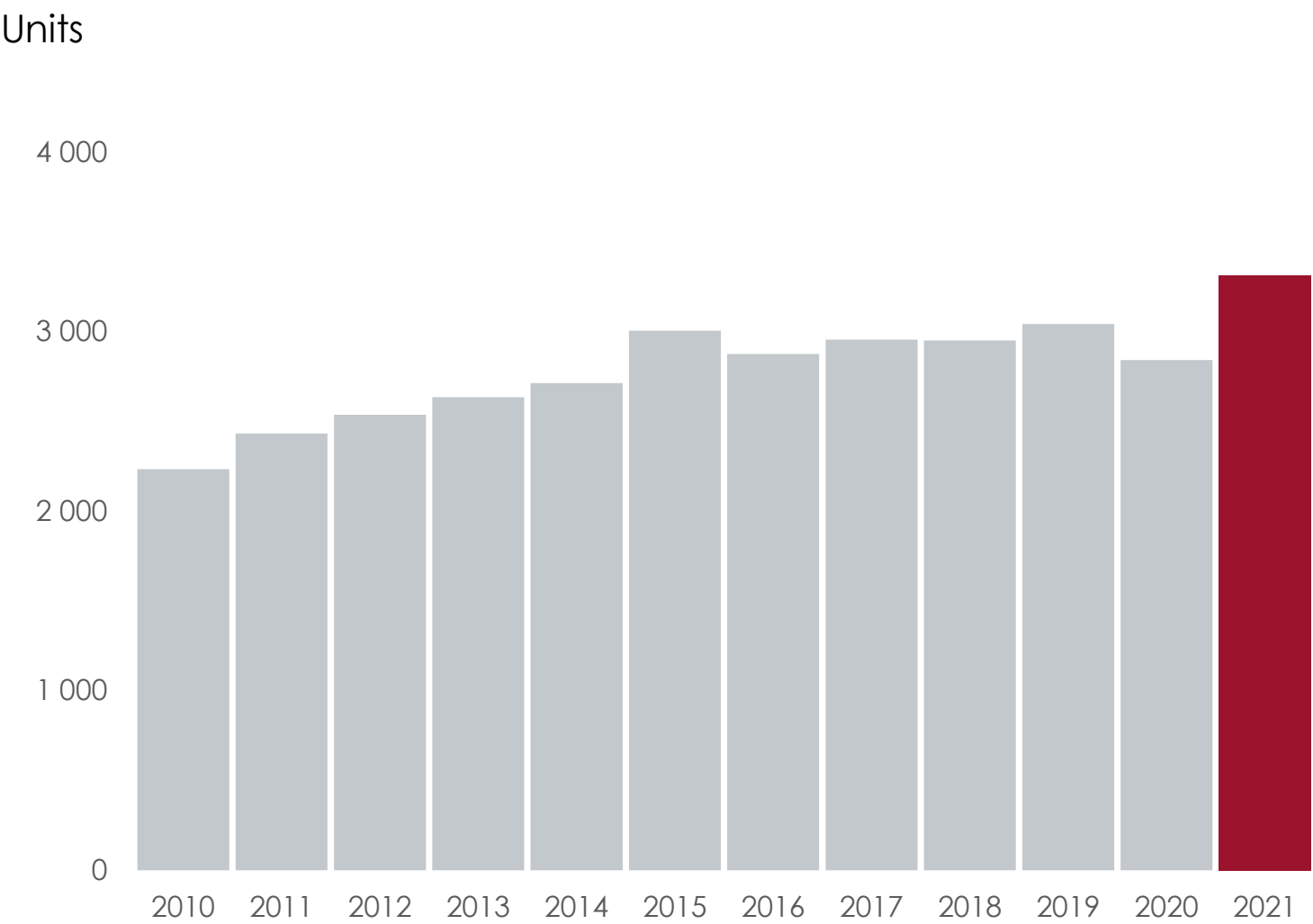


Source: Eiendomsverdi.

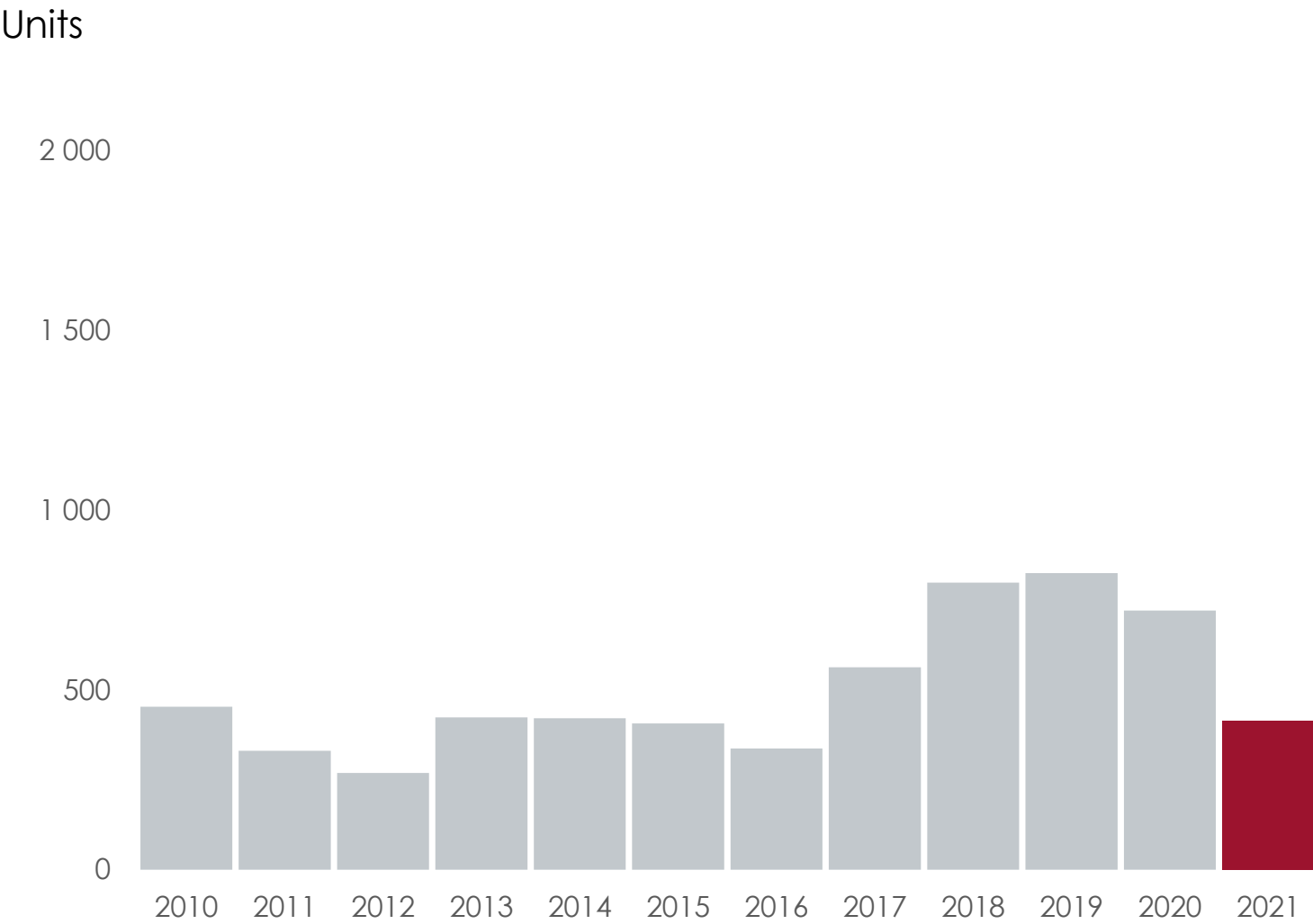


# Trondheim second-hand market update

Units sold 1.1 - 30.6, 2010-21



Inventory 1.8, 2010-21

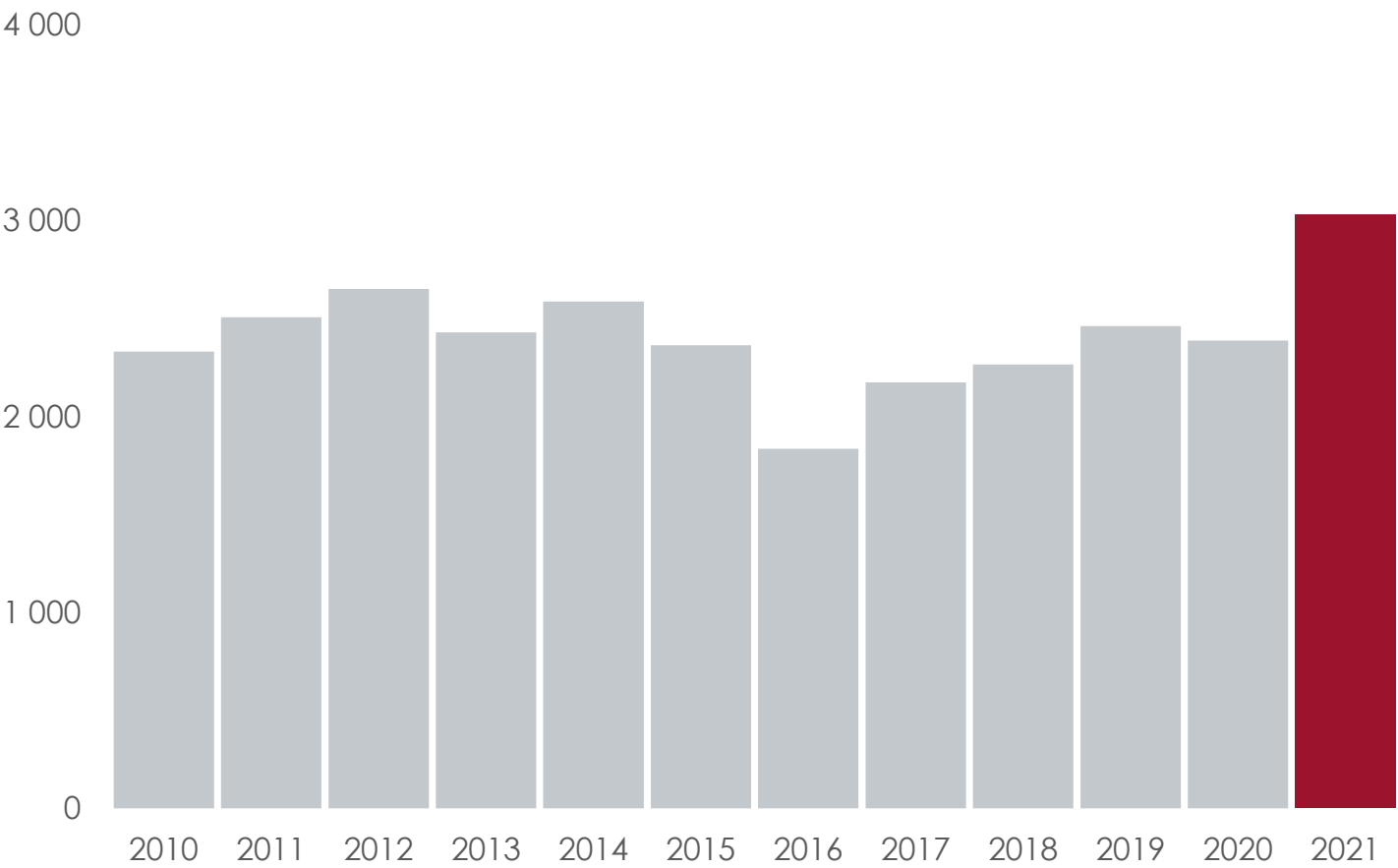


Source: Eiendomsverdi.

# Stavanger-area\* second-hand market update

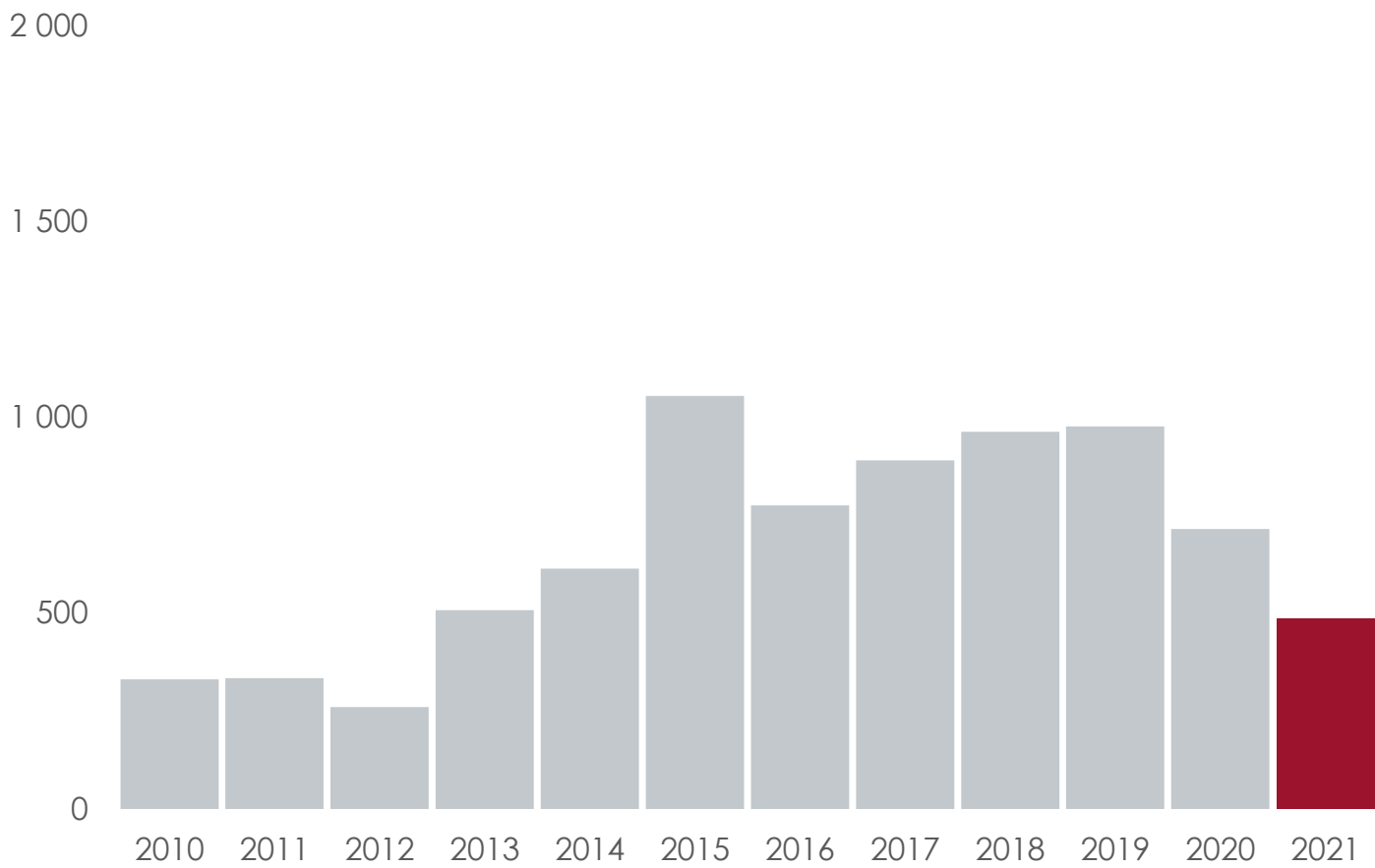
Units sold 1.1 - 30.6, 2010-21

Units



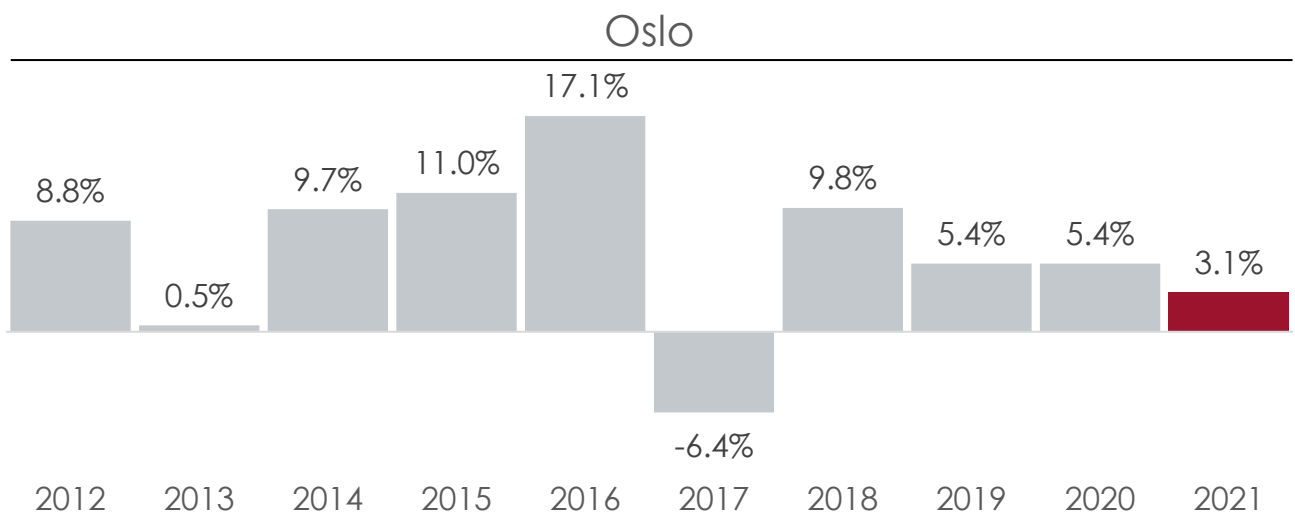
Inventory 1.8, 2010-21

Units

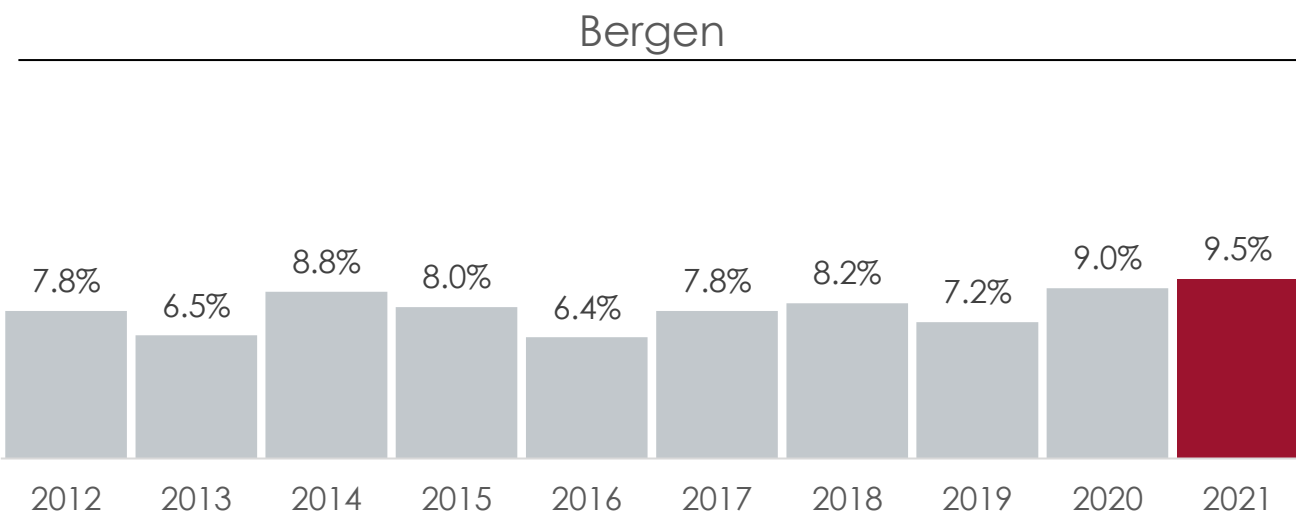


Source: Eiendomsverdi.  
\* Includes Stavanger, Sola, Sandnes, Randaberg.

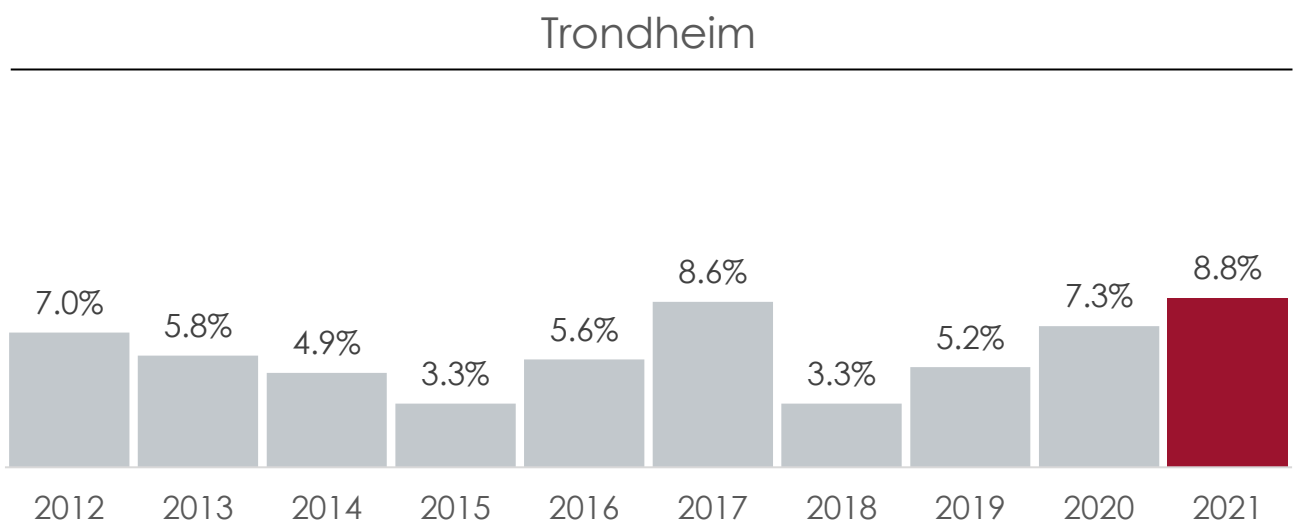
# Regional price\* development 1.1-31.7, 2012-21



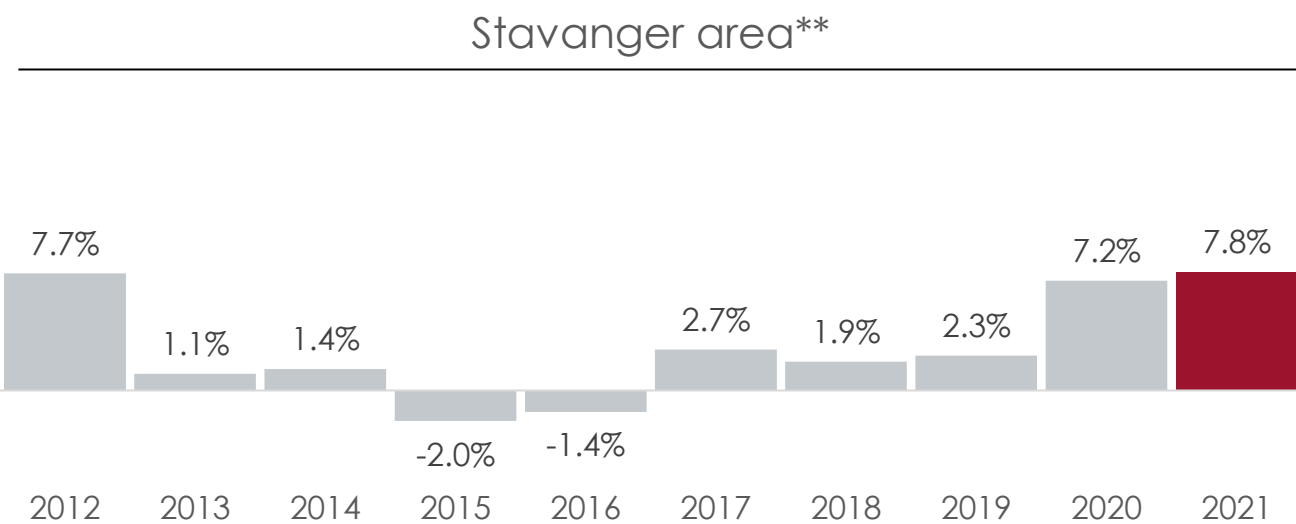
- YTD increase of 3.1% = NOK 2 700 per sqm\*\*\*



- YTD increase of 9.5% = NOK 5 200 per sqm\*\*\*



- YTD increase of 8.8% = NOK 4 800 per sqm\*\*\*



- YTD increase of 7.8 % = NOK 3 100 per sqm\*\*\*

Source: Eiendom Norge.  
\* Nominal price change.  
\*\* Includes Stavanger, Sola, Sandnes, Randaberg.  
\*\*\* Based on average price per sqm per 31 July 2021



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# Outlook

- Normalized market sentiment
- Attractive projects for sale in all the markets where we operate
  - Possible sales starts in H2
    - Sinsenveien in Oslo (total 350 units JV)
    - Ringve Pluss in Trondheim (total 600 units)
    - New phases in ongoing projects in all regions
- Targeting new areas for future growth
- Sales start in Stockholm in 2022





# Summary

- Solid Q2 results considering few deliveries
- H1'21 sales value up 38% compared to H1'20
- Increased number of units under construction
- Expanded land bank in Stockholm, expected sales start in 2022
- Dividend of NOK 2.00 per share\* for H1'21

\* Pay-out on August 31, 2021





Thank you for your attention – follow us online!

Next event:  
3<sup>rd</sup> quarter 2021  
11 November 2021



@SelvaagAksjen



# Appendix

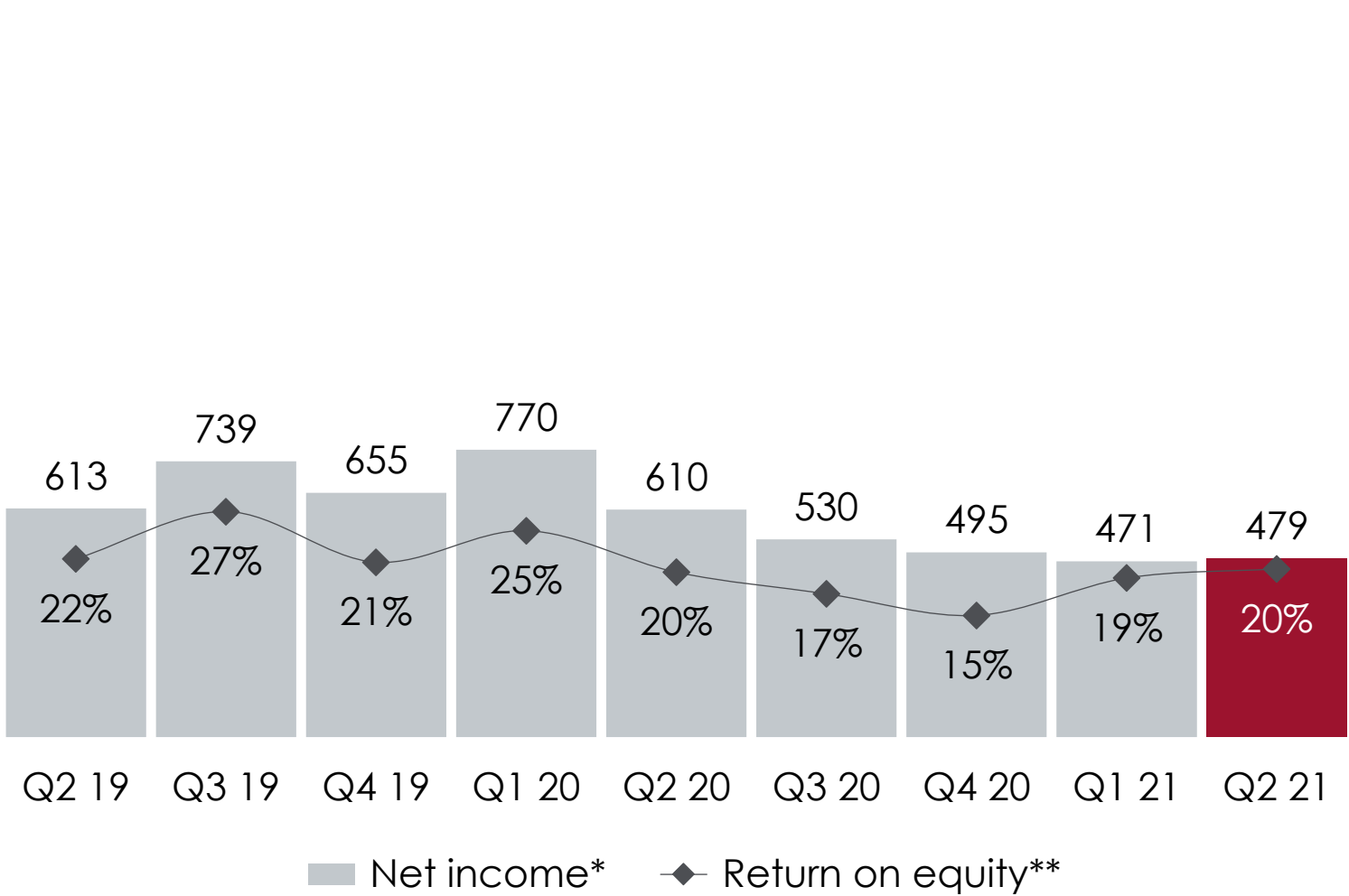




# Return on equity (IFRS)

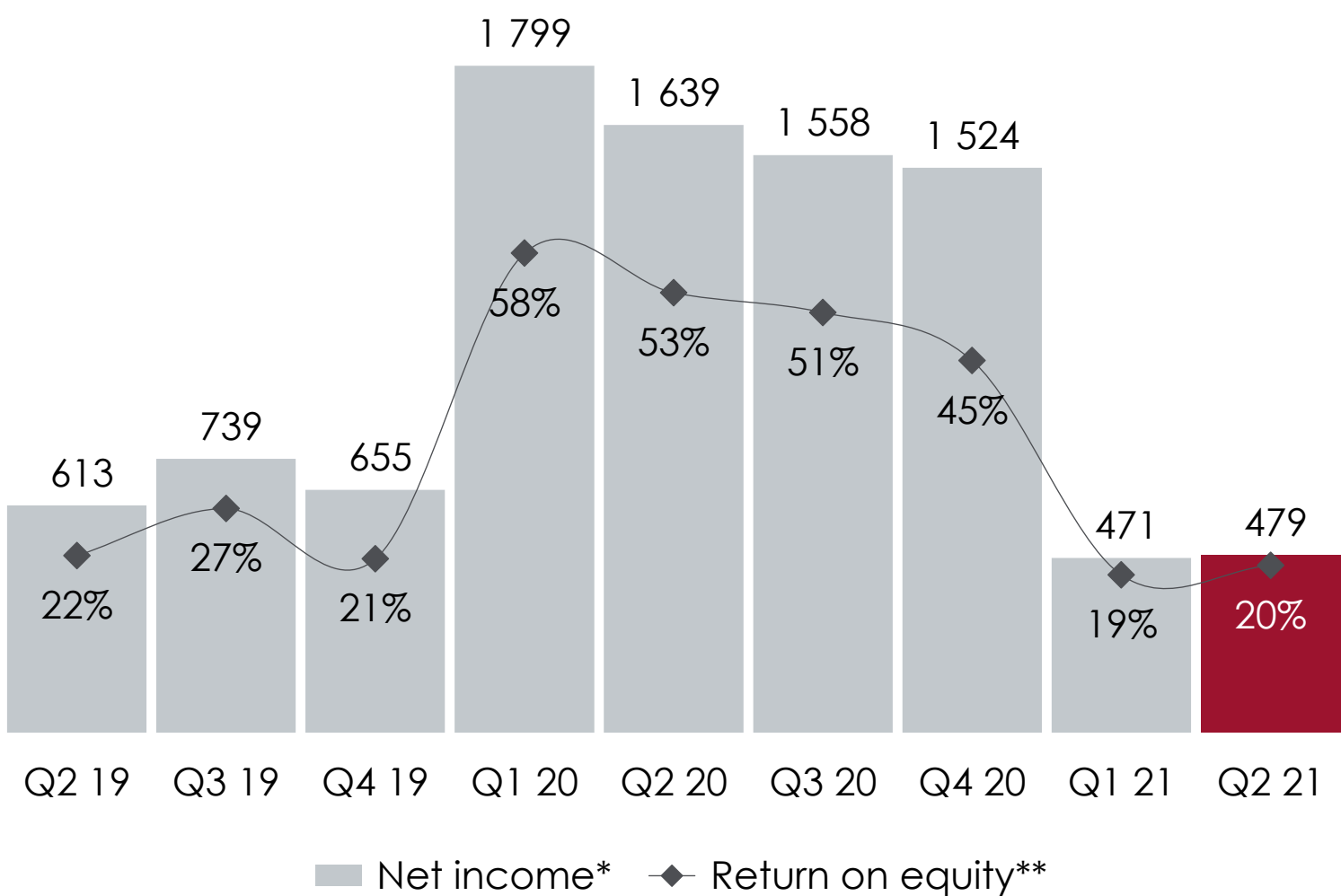
12-month rolling net income (NOKm) ROE (%)

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



12-month rolling net income (NOKm) ROE (%)

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

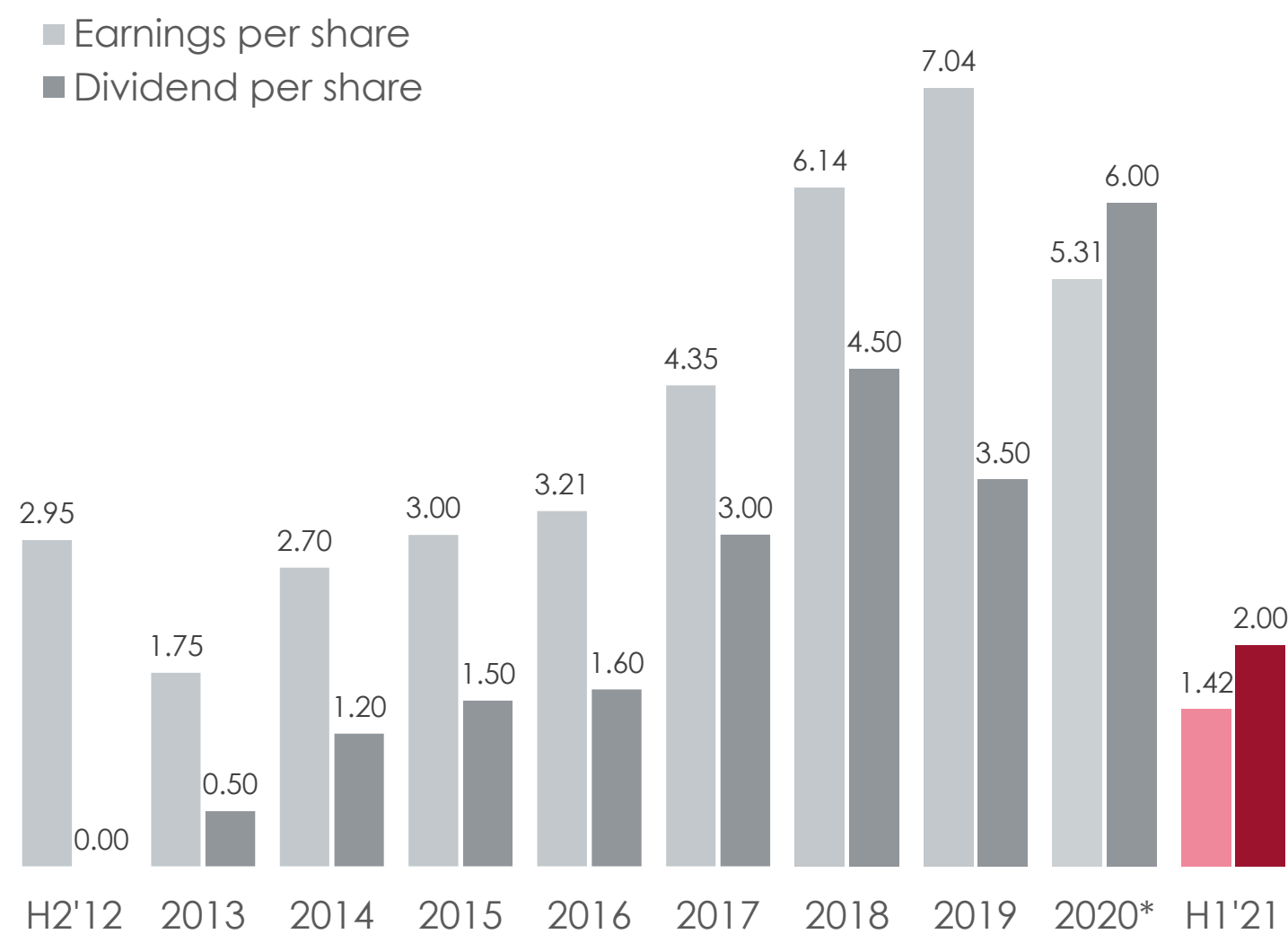


\* Net income attributable to shareholders in Selvaag Bolig ASA.  
\*\* Based on equity at the start of the period (attributed to shareholders in Selvaag Bolig ASA).



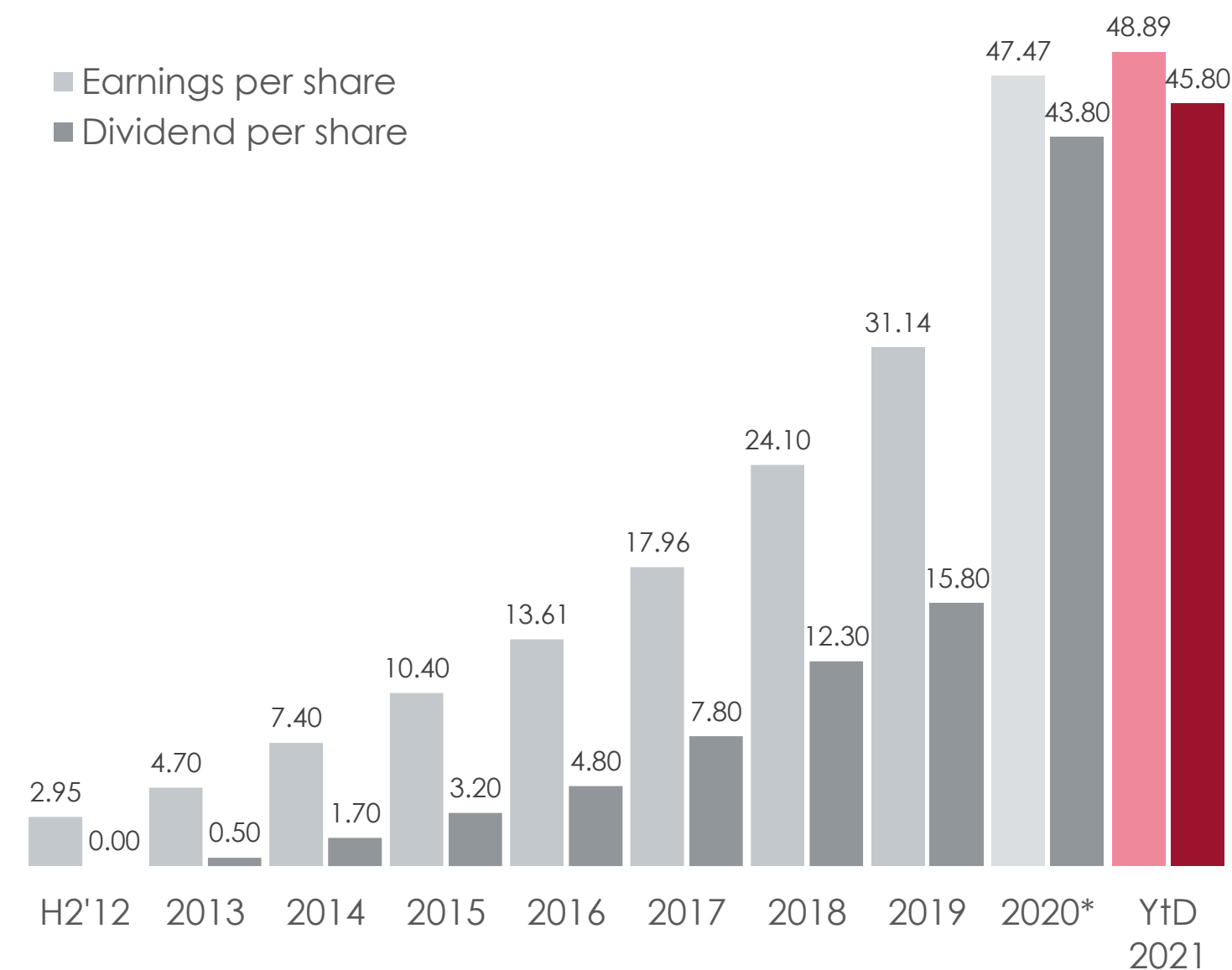
# Earnings and dividend per share since IPO

Annual dividend and earnings per share



\* 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

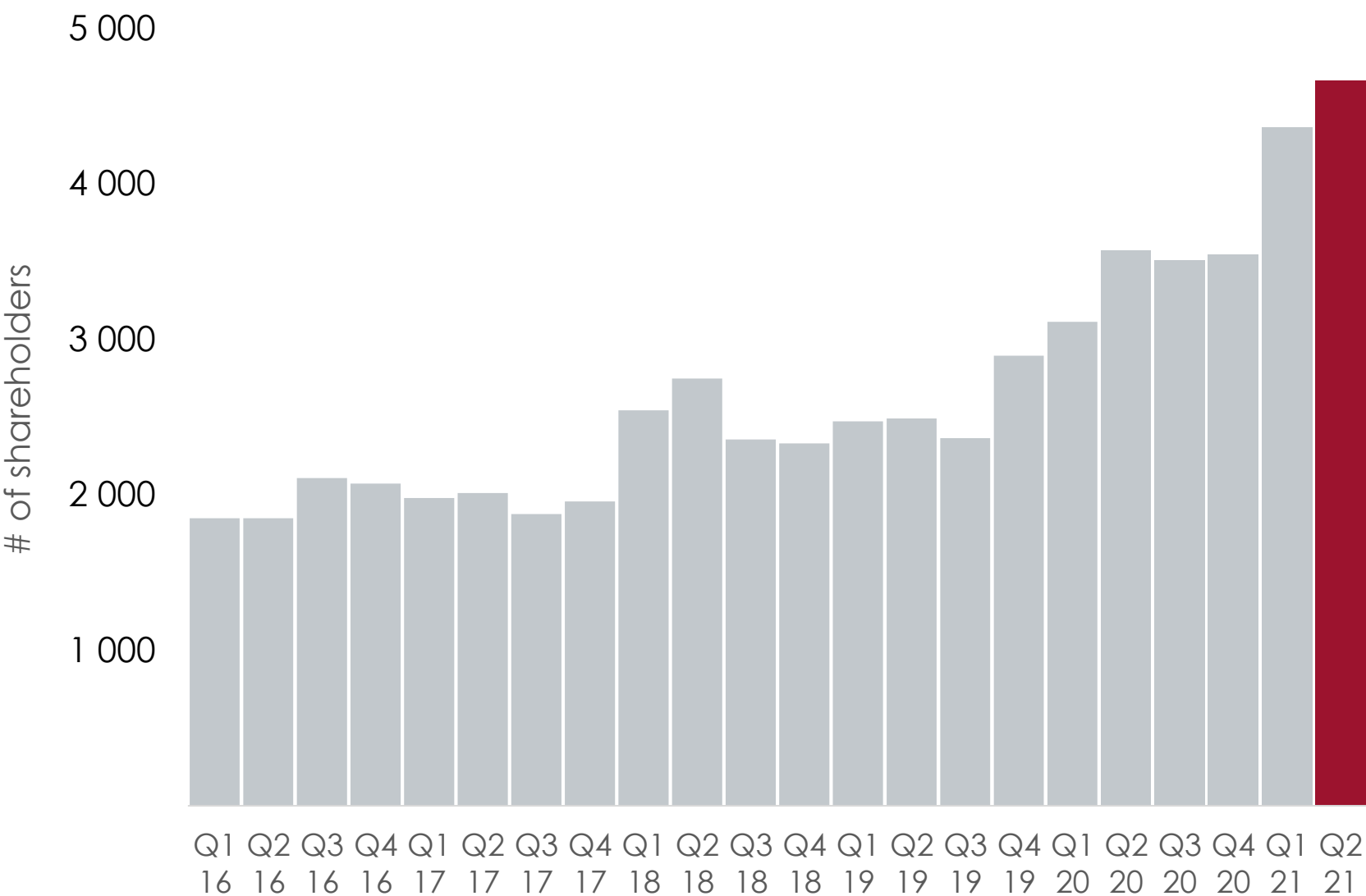


Source: Oslo Børs.



# Share information

- Total number of shares: 93.8 million
- Number of shareholders: 4 665 (4 361)\*
  - 20 largest controlling 80.2% (80.1)
  - Selvaag AS largest shareholder - 53.5%
- Trading
  - 4.7 million shares during the quarter (4.6)
  - Share turnover totaled NOK 288 million (279)



\* All numbers in brackets from previous quarter.

# Largest shareholders at 30.6, 2021

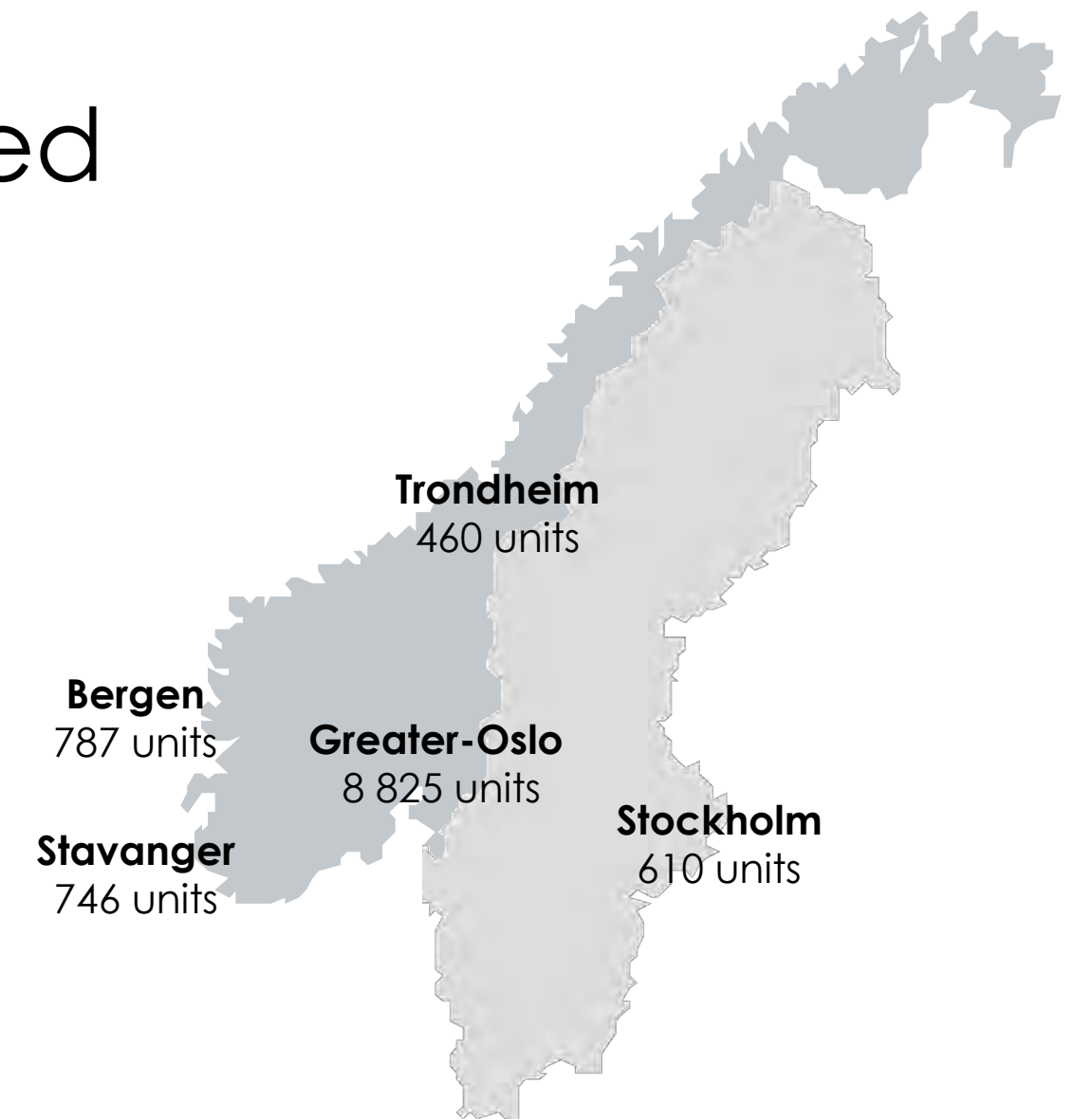
Shareholder	# of shares	% share
SELVAAG AS	50 180 087	53.5%
Skandinaviska Enskilda Banken AB *	7 204 973	7.7%
VERDIPAPIRFONDET ALFRED BERG GAMBA	3 117 700	3.3%
PARETO INVEST AS	2 965 309	3.2%
JPMorgan Chase Bank, N.A., London *	1 960 535	2.1%
State Street Bank and Trust Comp *	1 181 749	1.3%
Morgan Stanley & Co. Int. Plc. *	1 008 976	1.1%
Skandinaviska Enskilda Banken AB *	800 000	0.9%
MUSTAD INDUSTRIER AS	770 000	0.8%
Landkreditt Utbytte	700 000	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%
J.P. Morgan Bank Luxembourg S.A. *	537 165	0.6%
Brown Brothers Harriman & Co. *	520 667	0.6%
Brown Brothers Harriman & Co. *	502 866	0.5%
Skandinaviska Enskilda Banken AB *	478 922	0.5%
Morgan Stanley & Co. International *	452 154	0.5%
VERDIPAPIRFONDET EIKA NORGE	437 374	0.5%
<b>Total 20 largest shareholders</b>	<b>75 181 918</b>	<b>80.2%</b>
Other shareholders	18 583 770	19.8%
<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

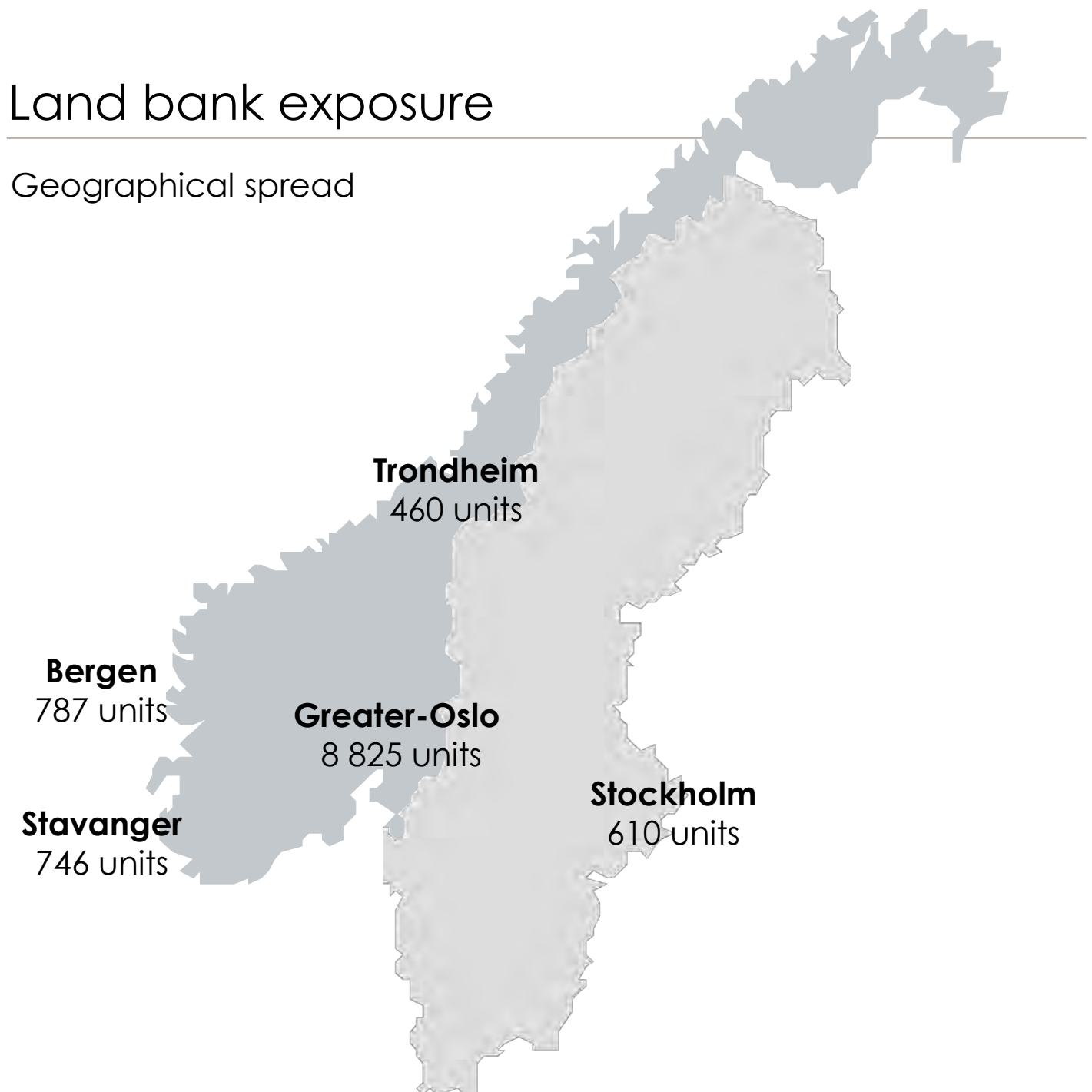
## Land-bank strategy

- 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 30 June 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





# 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



# Upcoming projects 2022 to 2024



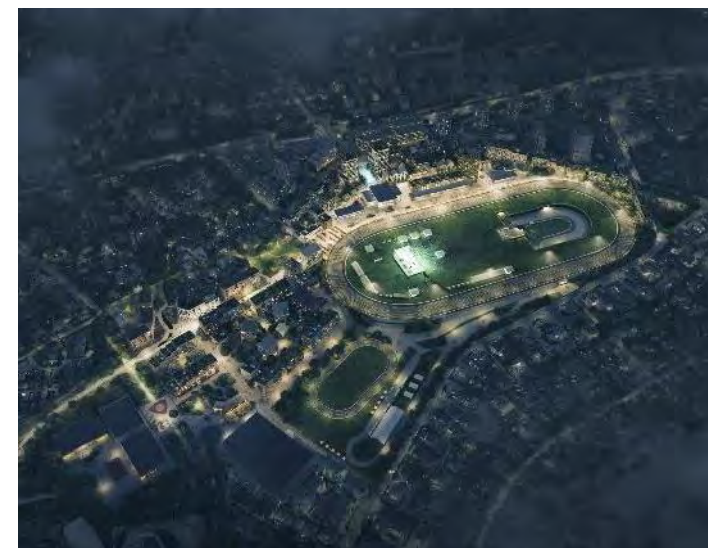
## Lørenskog stasjonsby | Greater Oslo

- ~ 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



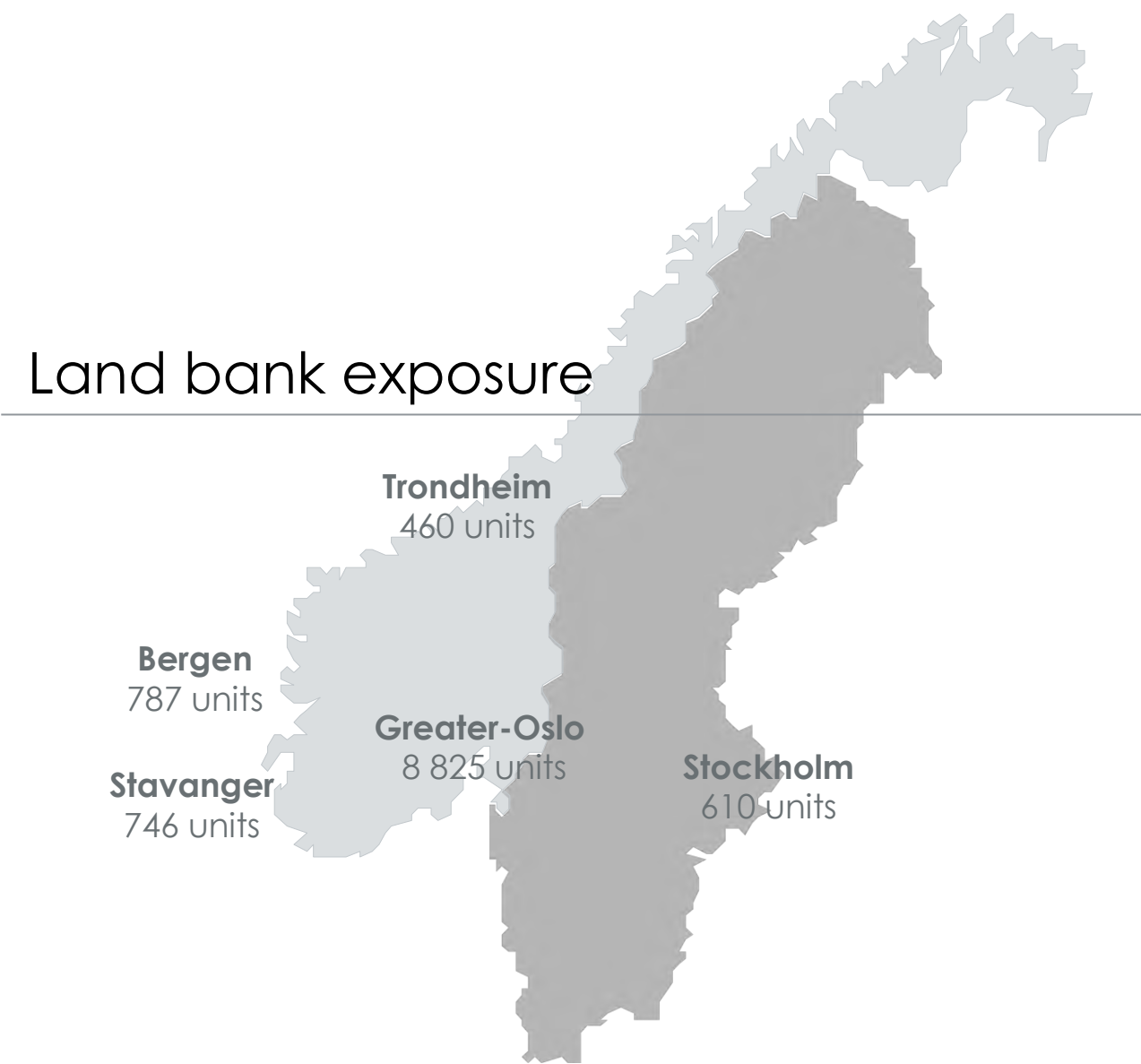
## Fredrikstad | Greater Oslo

- ~ 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

# Land bank acquisitions

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



Lilleakerveien 47   Oslo	Årstadfältet   Stockholm	Slakthus area   Stockholm	Barkabystaden   Stockholm
<ul style="list-style-type: none"> <li>• Western part of Oslo</li> <li>• Up to 150 units</li> </ul>	<ul style="list-style-type: none"> <li>• Söderort transformation district</li> <li>• 120 units</li> </ul>	<ul style="list-style-type: none"> <li>• Söderort transformation district</li> <li>• 150 units</li> </ul>	<ul style="list-style-type: none"> <li>• Söderort transformation district</li> <li>• 250 units - Plus</li> </ul>



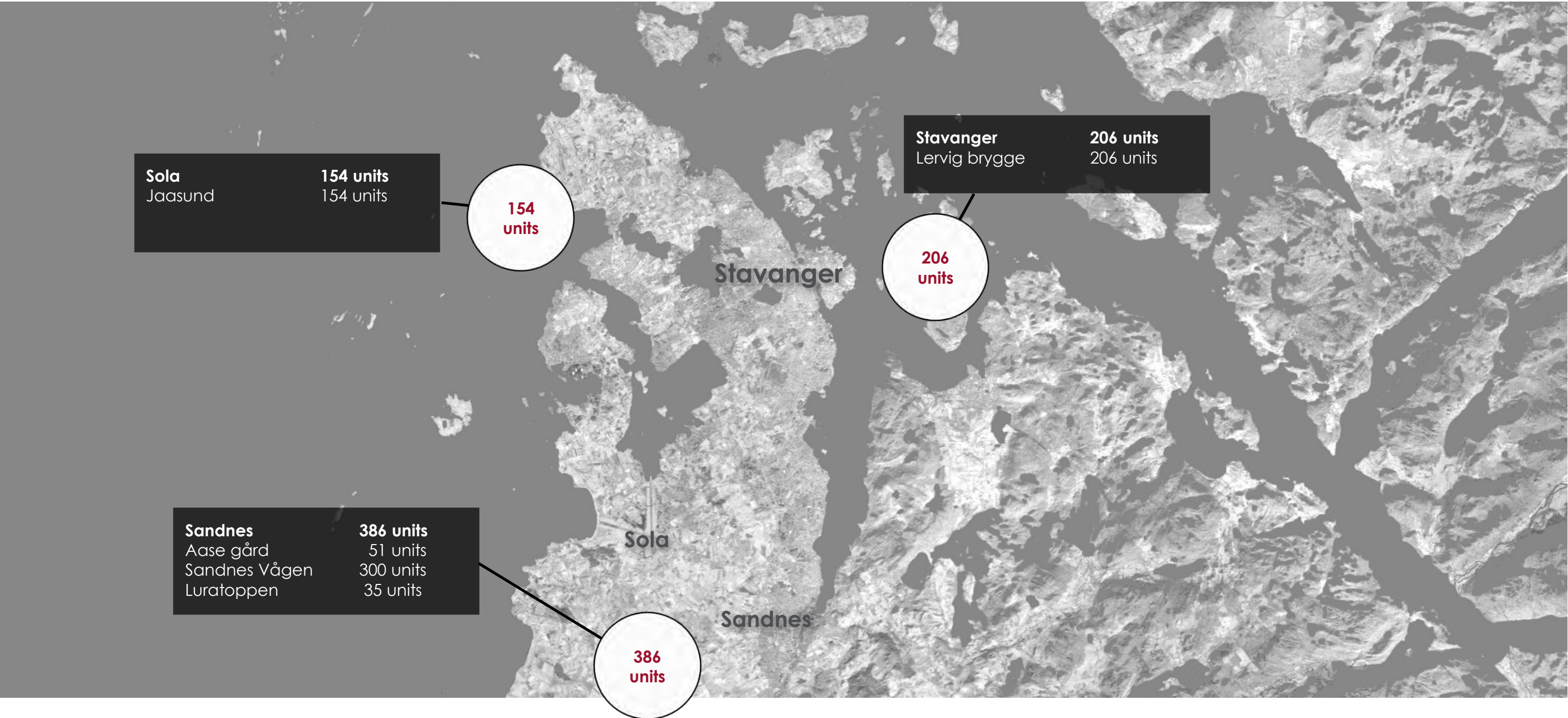
# Land bank in Oslo and Greater Oslo at 30.6.21



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



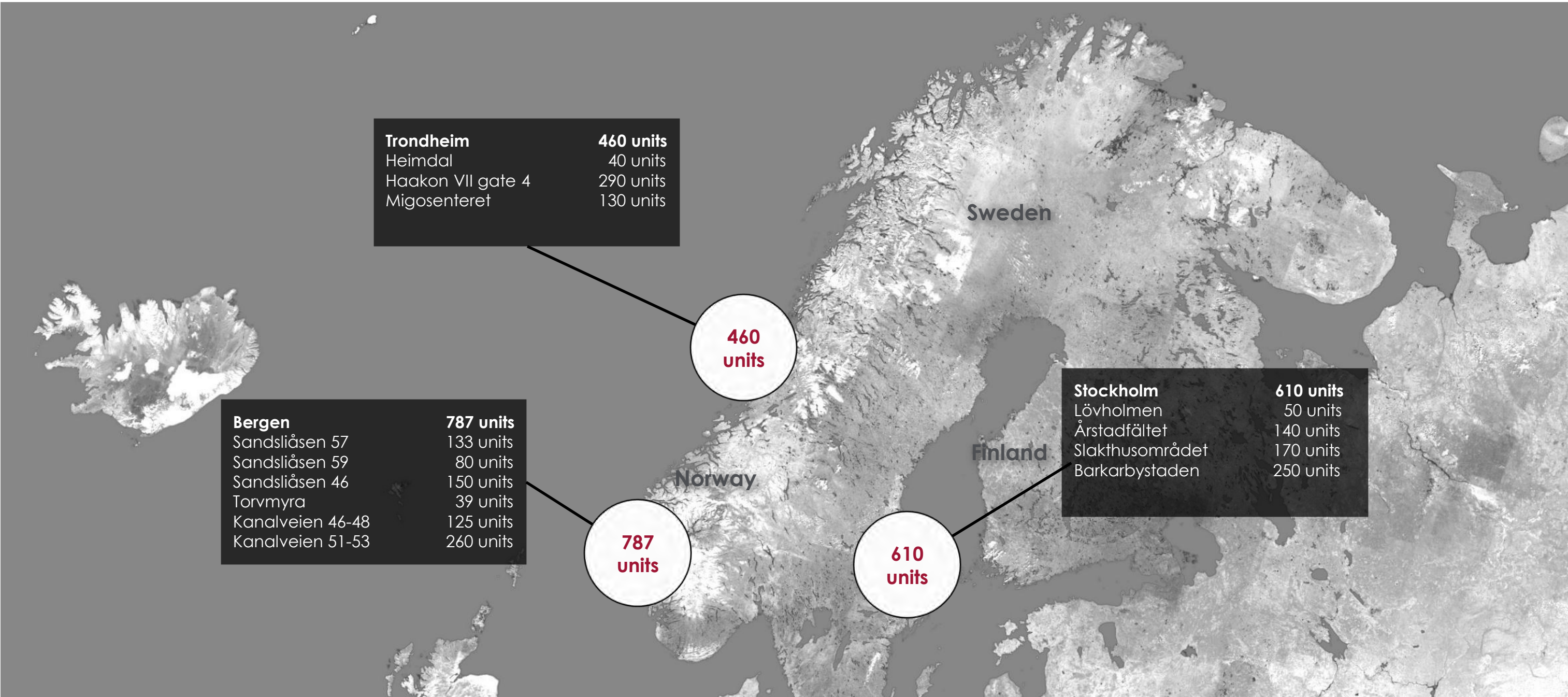
# Land bank in Stavanger area at 30.6.21



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



# Land bank in Bergen, Trondheim and Stockholm at 30.6.21



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

# Cooperation with Urban Property from 1.1.2021

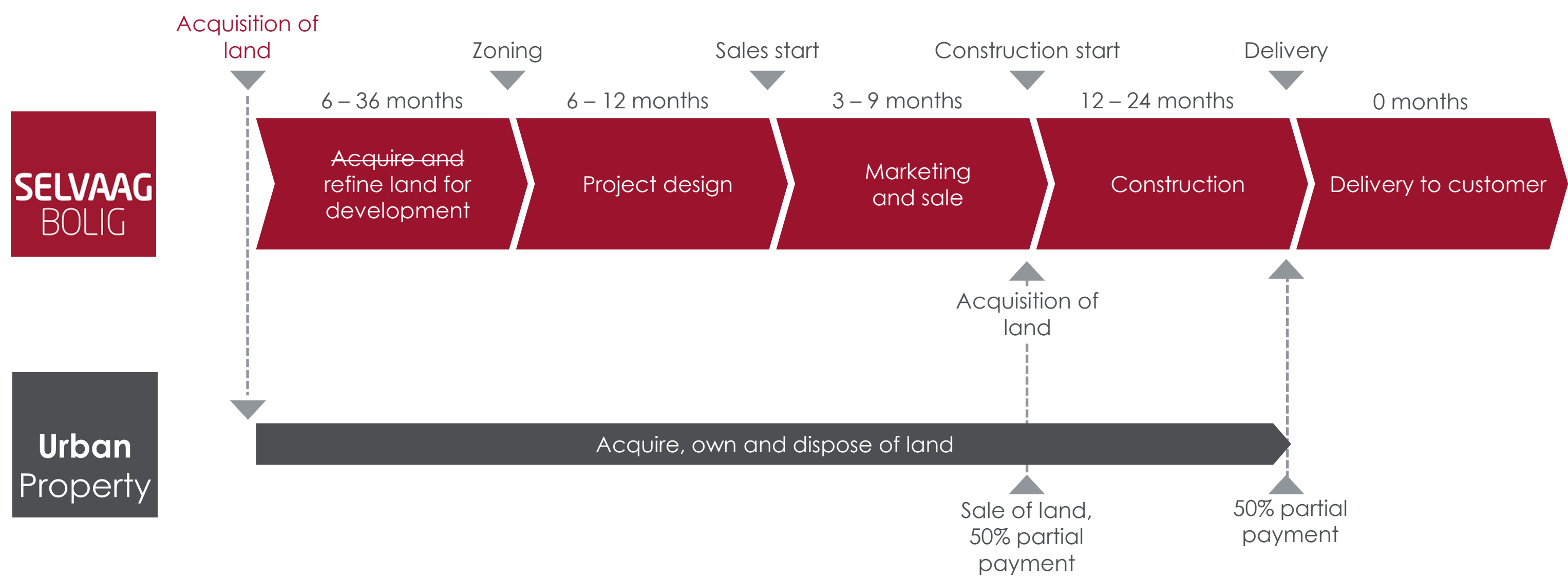
Selvaag Bolig sold most of its land bank to Urban Property in January 2020, entering a long-term and strategic partnership. Urban Property is a financially sound, well capitalized and predictable partner.

- 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)



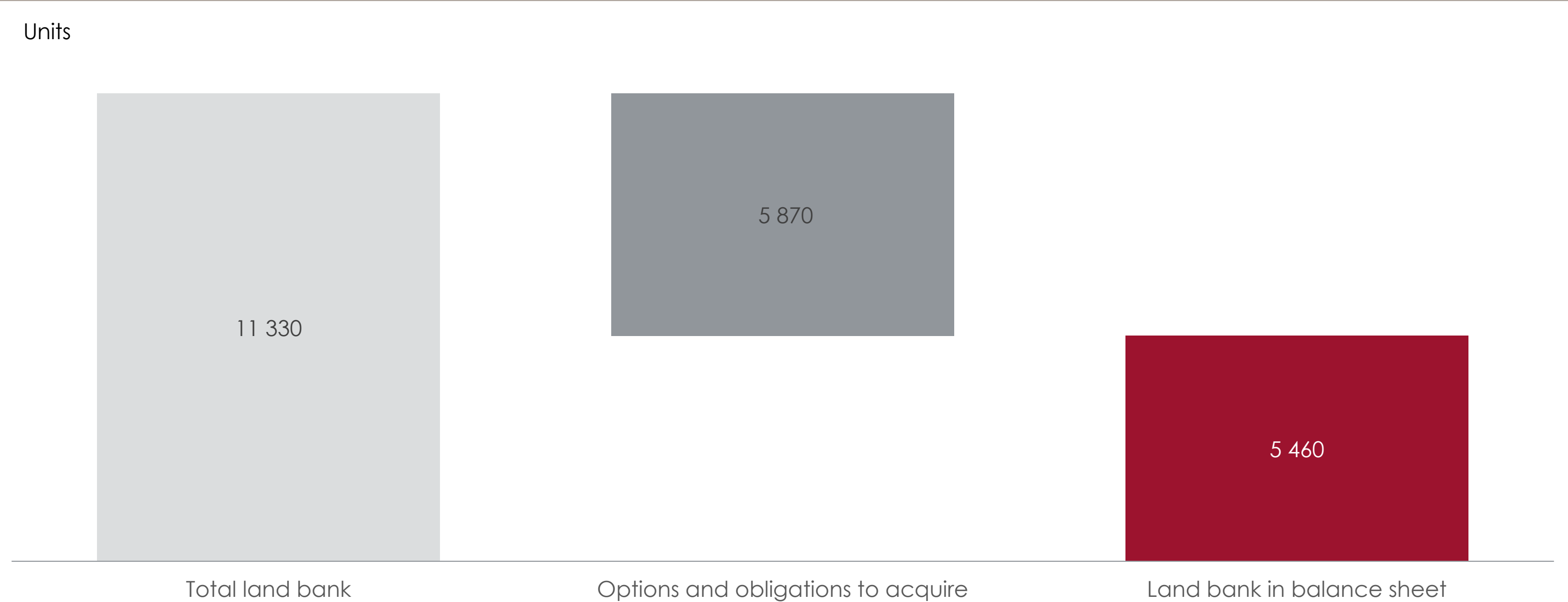
# Reduced capital binding in practice, in effect no equity needed in Selvaag Bolig for land

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



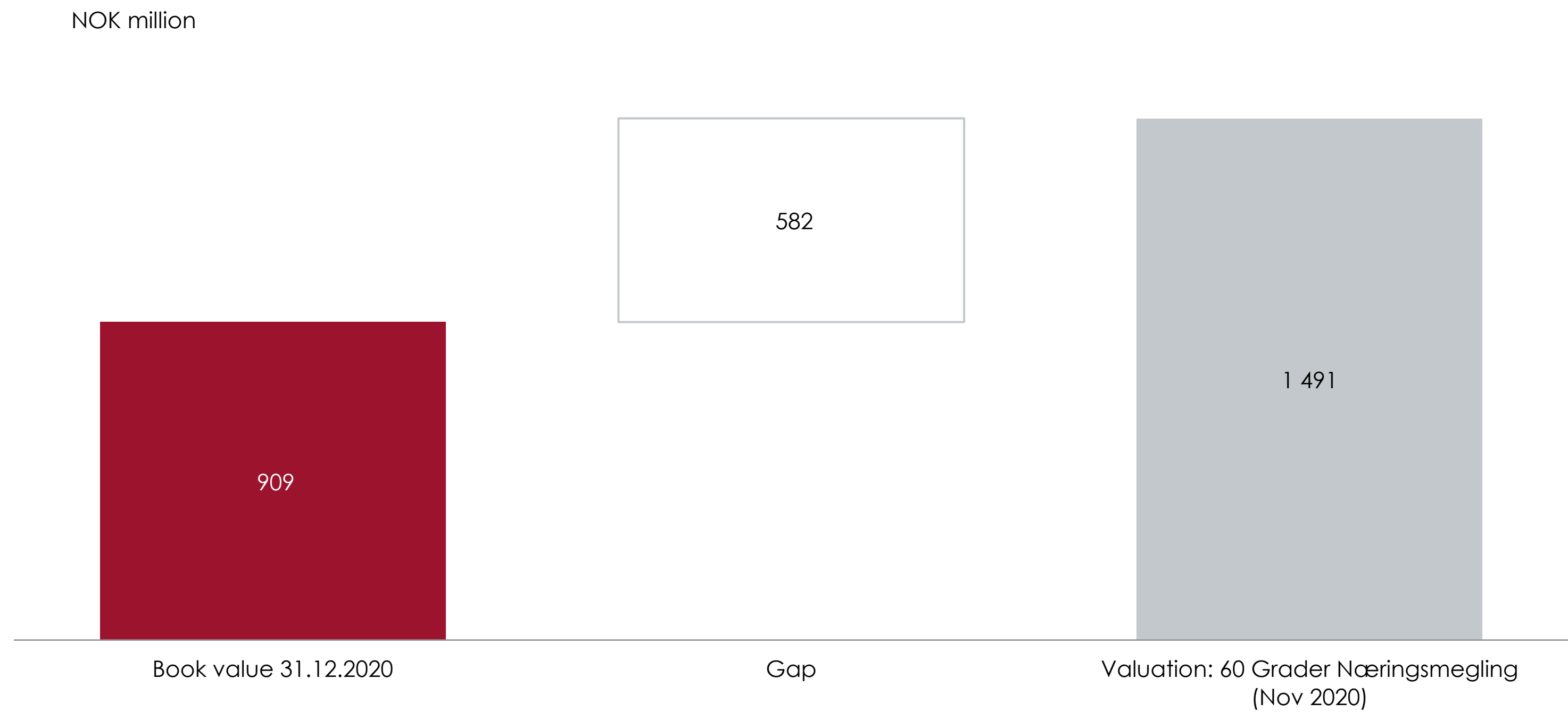
# Substantial portfolio for development

Total land bank portfolio at 30.6.2021





# Valuation of remaining land bank\*

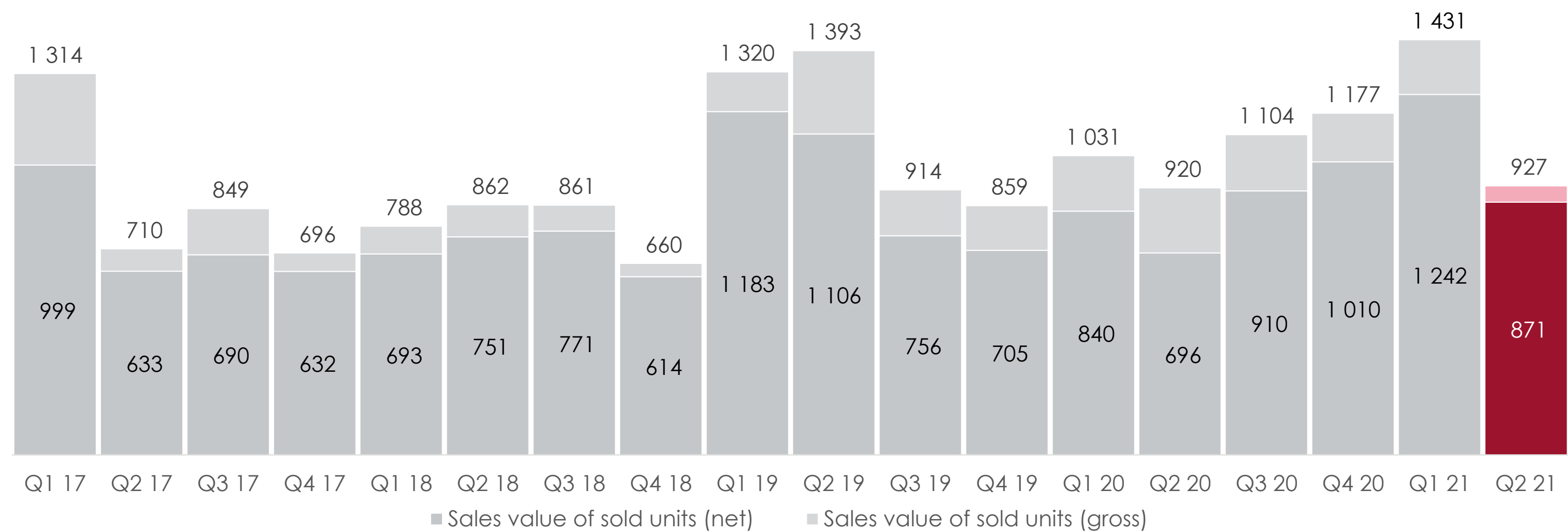


\* Part of SBO land bank not included in the UP transaction.

# Value of units sold - gross and net

## Sales value of units sold

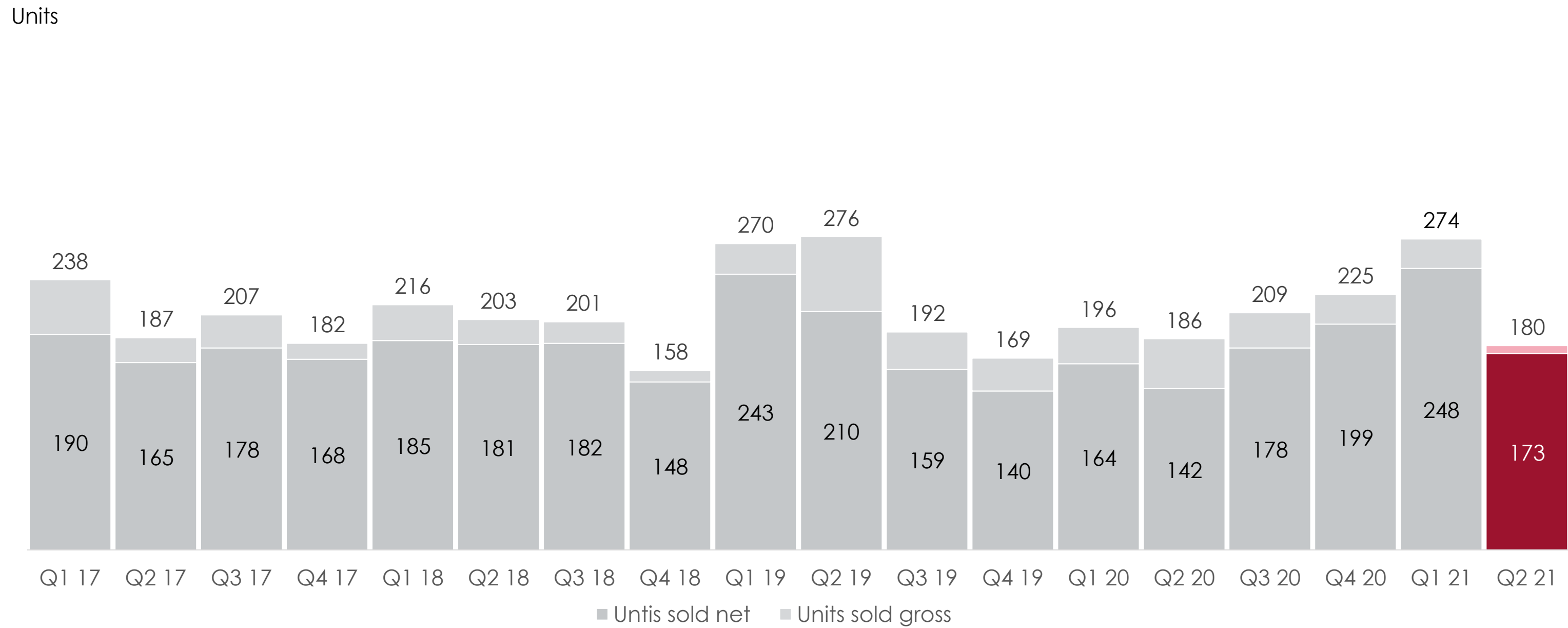
NOK million





# Number of units sold - gross and net

## Number of units sold



# Income statement IFRS

(figures in NOK million)	Q2 2021	Q2 2020	1H 2021	1H 2020	2020
Total operating revenues	394.2	435.5	962.0	644.6	2 698.0
Project expenses	(304.8)	(336.8)	(706.0)	(470.7)	(1 967.6)
Other operating expenses	(49.9)	(62.6)	(104.6)	(114.3)	(256.8)
Associated companies and joint ventures	39.4	25.9	45.4	112.5	135.0
<b>EBITDA</b>	<b>78.914</b>	<b>61.970</b>	<b>196.779</b>	<b>172.220</b>	<b>608.481</b>
Depreciation and amortisation	(2.6)	(2.4)	(5.1)	(4.9)	(9.8)
Other gains (loss)	-	-	-	1 028.7	1 045.1
<b>EBIT</b>	<b>76.3</b>	<b>59.6</b>	<b>191.6</b>	<b>1 196.0</b>	<b>1 643.8</b>
Net financial expenses	(2.3)	(1.0)	(6.3)	(1.0)	9.7
<b>Profit/(loss) before taxes</b>	<b>74.0</b>	<b>58.6</b>	<b>185.3</b>	<b>1 195.1</b>	<b>1 653.5</b>
Income taxes	(17.6)	(10.3)	(52.2)	(17.8)	(129.9)
<b>Net income</b>	<b>56.4</b>	<b>48.3</b>	<b>133.1</b>	<b>1 177.3</b>	<b>1 523.6</b>



# Balance sheet

(figures in NOK million)	Q2 2021	Q1 2021	Q2 2020	2020
Intangible assets	383.4	383.4	383.4	383.4
Property, plant and equipment	6.8	7.1	5.4	7.3
Investments in associated companies and joint ventures	438.6	407.9	378.8	406.9
Other non-current assets	237.8	255.9	254.3	228.1
<b>Total non-current assets</b>	<b>1 066.6</b>	<b>1 054.3</b>	<b>1 021.9</b>	<b>1 025.7</b>
<b>Inventories (property)</b>	<b>4 681.1</b>	<b>4 172.4</b>	<b>4 276.8</b>	<b>3 940.8</b>
- Land	1 036.2	1 008.0	1 088.3	909.3
- Land held for sale				
- Work in progress	3 542.6	2 982.5	3 077.8	2 911.0
- Finished goods	102.3	182.0	110.7	120.5
Other current receivables	86.9	137.9	104.7	119.0
Cash and cash equivalents	580.2	697.9	678.8	885.3
Assets held for sale	-	-	-	-
<b>Total current assets</b>	<b>5 348.2</b>	<b>5 008.3</b>	<b>5 060.2</b>	<b>4 945.1</b>
<b>TOTAL ASSETS</b>	<b>6 414.8</b>	<b>6 062.6</b>	<b>6 082.1</b>	<b>5 970.8</b>
Equity attributed to shareholders in Selvaag Bolig ASA*	2 280.6	2 502.1	2 363.6	2 430.0
Non-controlling interests	7.8	7.8	7.9	7.8
<b>Total equity</b>	<b>2 288.3</b>	<b>2 509.9</b>	<b>2 371.4</b>	<b>2 437.8</b>
Non-current interest-bearing liabilities	1 481.8	1 074.8	1 635.8	1 100.3
Other non-current non interest-bearing liabilities	292.8	279.7	149.5	136.5
<b>Total non-current liabilities</b>	<b>1 774.6</b>	<b>1 354.5</b>	<b>1 785.4</b>	<b>1 236.8</b>
Current interest-bearing liabilities	1 519.1	1 368.9	1 010.6	1 368.1
Other current non interest-bearing liabilities	832.8	829.2	914.6	928.1
<b>Total current liabilities</b>	<b>2 351.9</b>	<b>2 198.2</b>	<b>1 925.3</b>	<b>2 296.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 414.8</b>	<b>6 062.6</b>	<b>6 082.1</b>	<b>5 970.8</b>

\* Corresponding to a book value of NOK per share

24.32

# Cash flow statement

(figures in NOK million)	1H 2021	1H 2020	2020
Net cash flow from operating activities	(503.0)	959.6	1 615.7
Net cash flow from investment activities	35.7	377.5	413.8
Net cash flow from financing activities	162.1	(1 837.0)	(2 322.9)
Net change in cash and cash equivalents	(305.2)	(499.9)	(293.4)
<b>Cash and cash equivalents at start of period</b>	<b>885.3</b>	<b>1 178.7</b>	<b>1 178.7</b>
<b>Cash and cash equivalents at end of period</b>	<b>580.2</b>	<b>678.8</b>	<b>885.3</b>



# Operational highlights – key operating figures

	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
Units sold	142	178	199	248	173
Construction starts	31	196	254	134	142
Units completed	104	212	286	95	120
Units delivered	122	212	272	124	132
Units under construction	1 357	1 342	1 310	1 349	1 371
Proportion of sold units under construction	78 %	77 %	74 %	82 %	82 %
Completed unsold units	25	19	19	17	15
Sales value of units under construction (NOK million)	6 327	6 660	6 413	6 627	6 749
Number of employees	87	85	85	85	85

# EBITDA Q2 2021

(figures in NOK million)	Property development	Other	Total
Operating revenues	868.5	12.6	881.1
Project expenses	(680.0)	(0.1)	(680.1)
Other operating expenses	(12.4)	(40.1)	(52.4)
EBITDA (percentage of completion)	176.2	(27.6)	148.5
Note: Construction costs are exclusive of financial expenses in the segment reporting.			
IFRS EBITDA for the quarter, per segment			
Operating revenues	381.6	12.6	394.2
Project expenses	(304.7)	(0.1)	(304.8)
Other operating expenses	(12.4)	(37.5)	(49.9)
Share of income (losses) from associated companies and joint ventures	39.4	-	39.4
EBITDA	104.0	(25.1)	78.9
Units in production	1 371	N/A	N/A
Units delivered	132	N/A	N/A

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

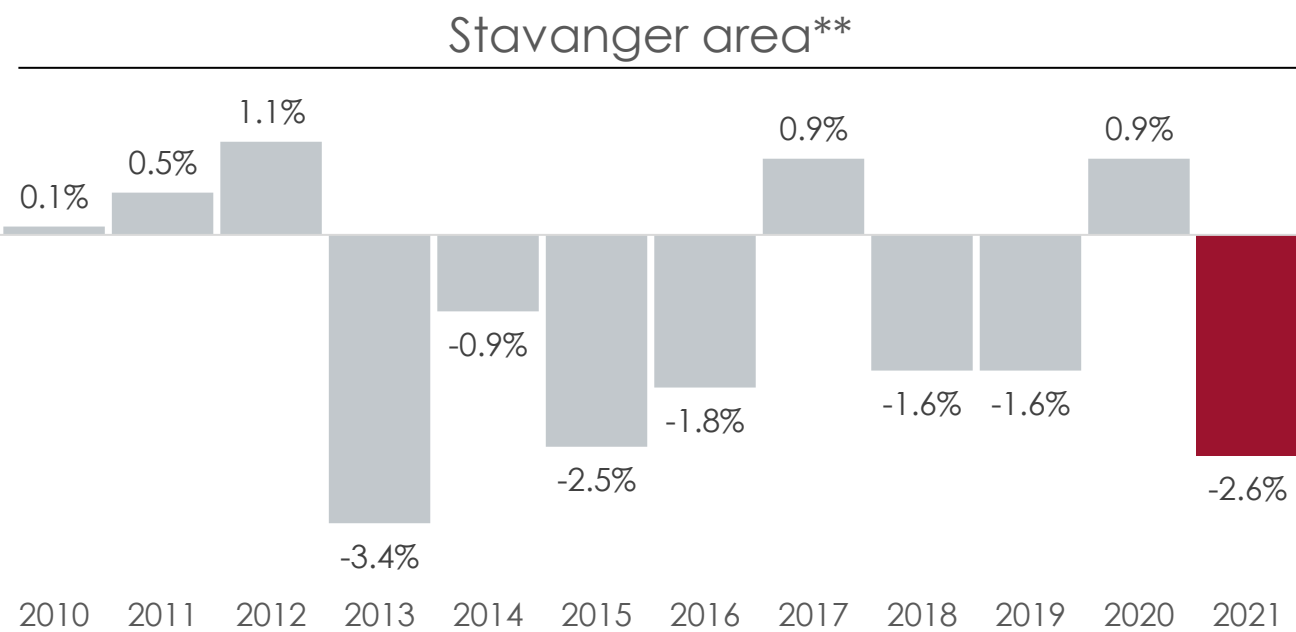
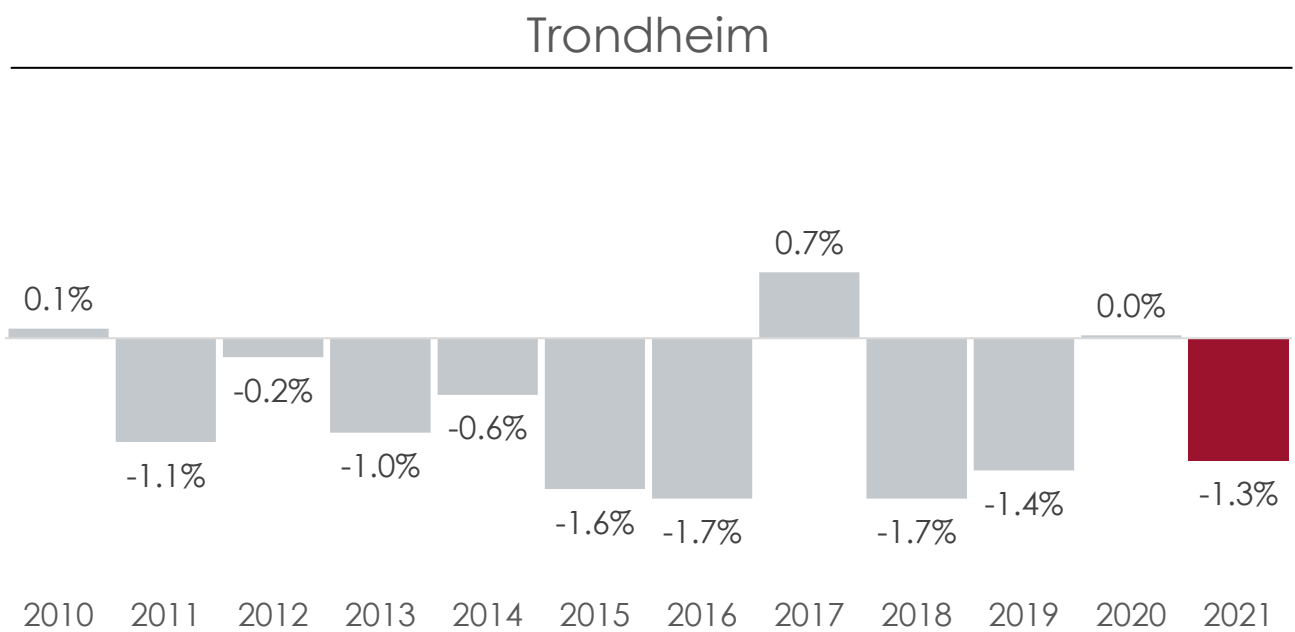
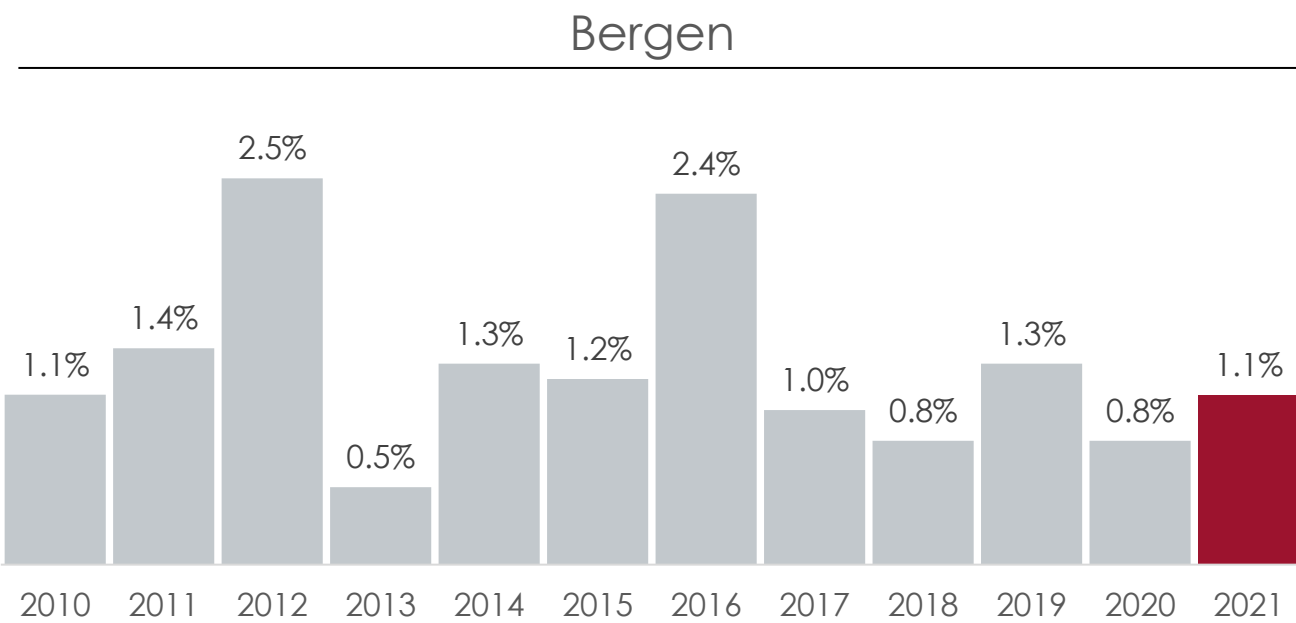
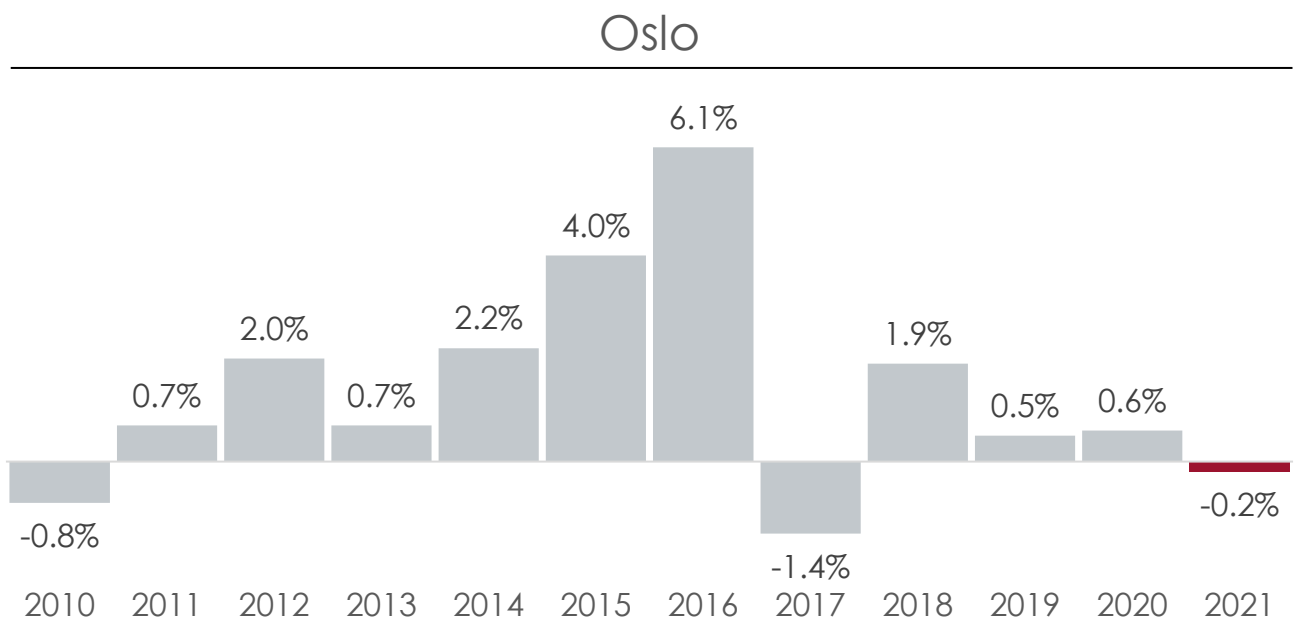


# Norwegian housing market

- 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.

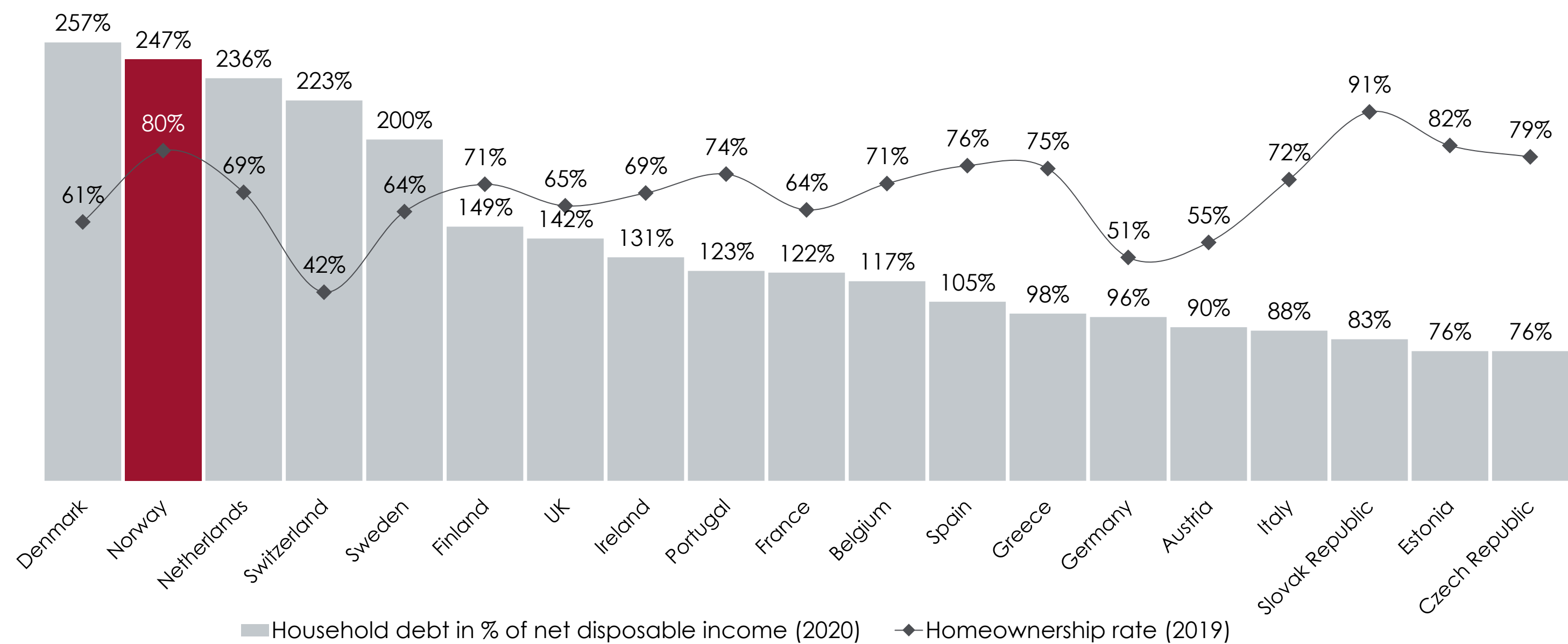
# Regional price\* development July, 2010-21



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



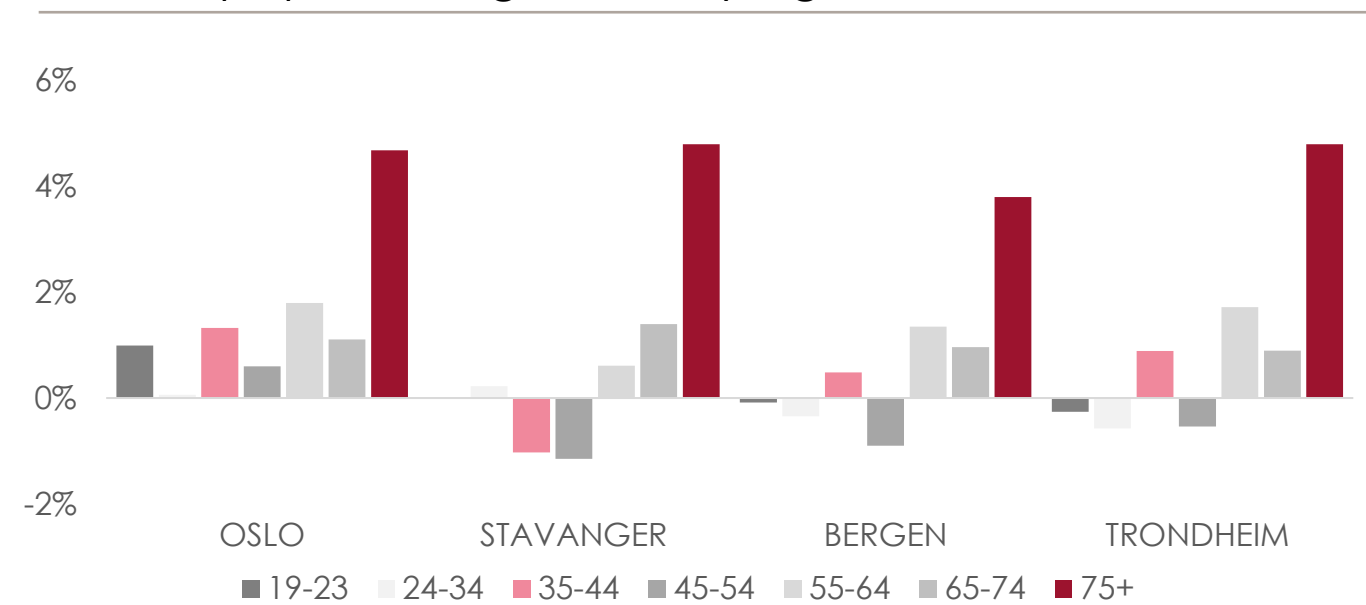
# Total household debt and homeownership



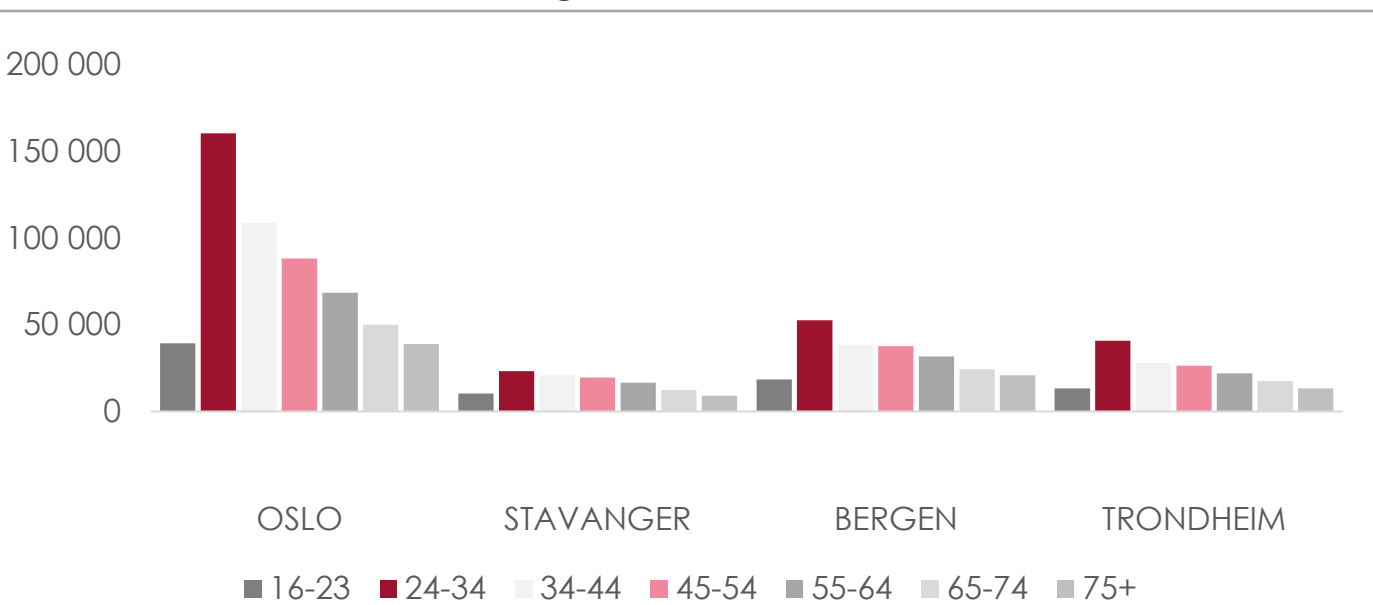
Source: OECD, Statista.

# Shift in demographics trigger new housing needs

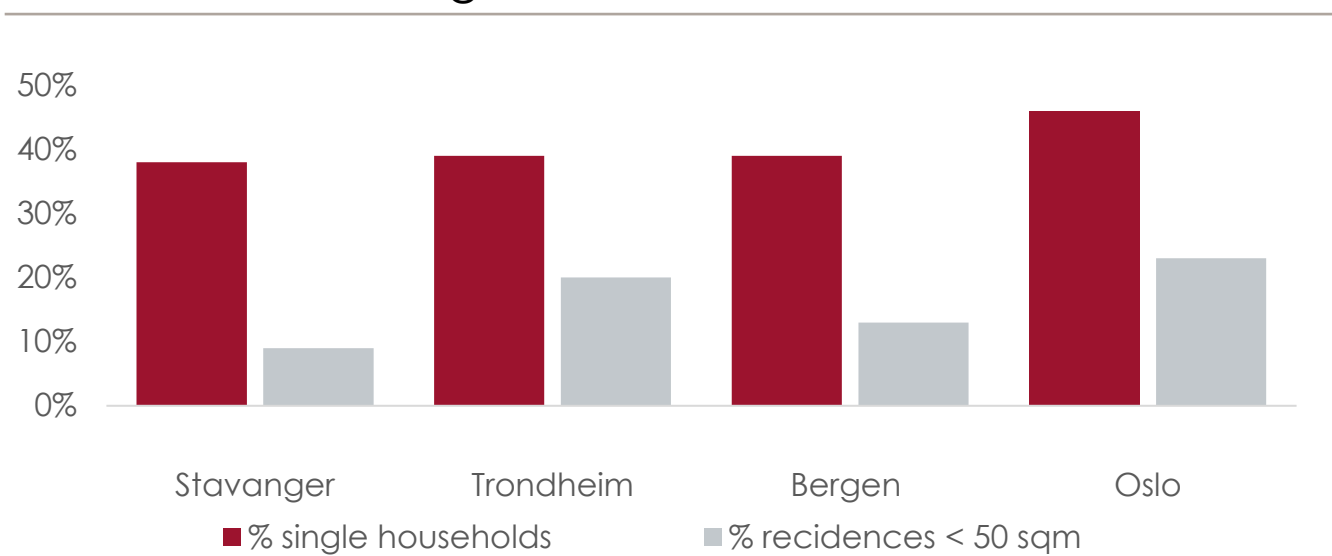
Annual population growth\* by age



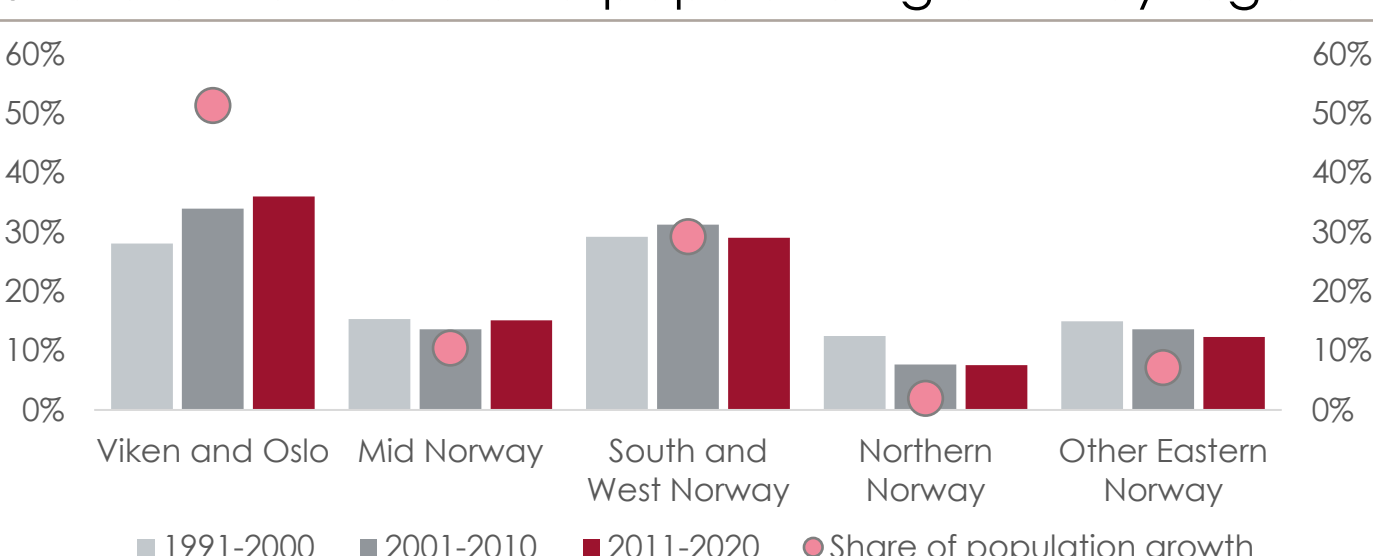
Number of people by age in 2020



Share of small & single households



Share of newbuild and population growth by region

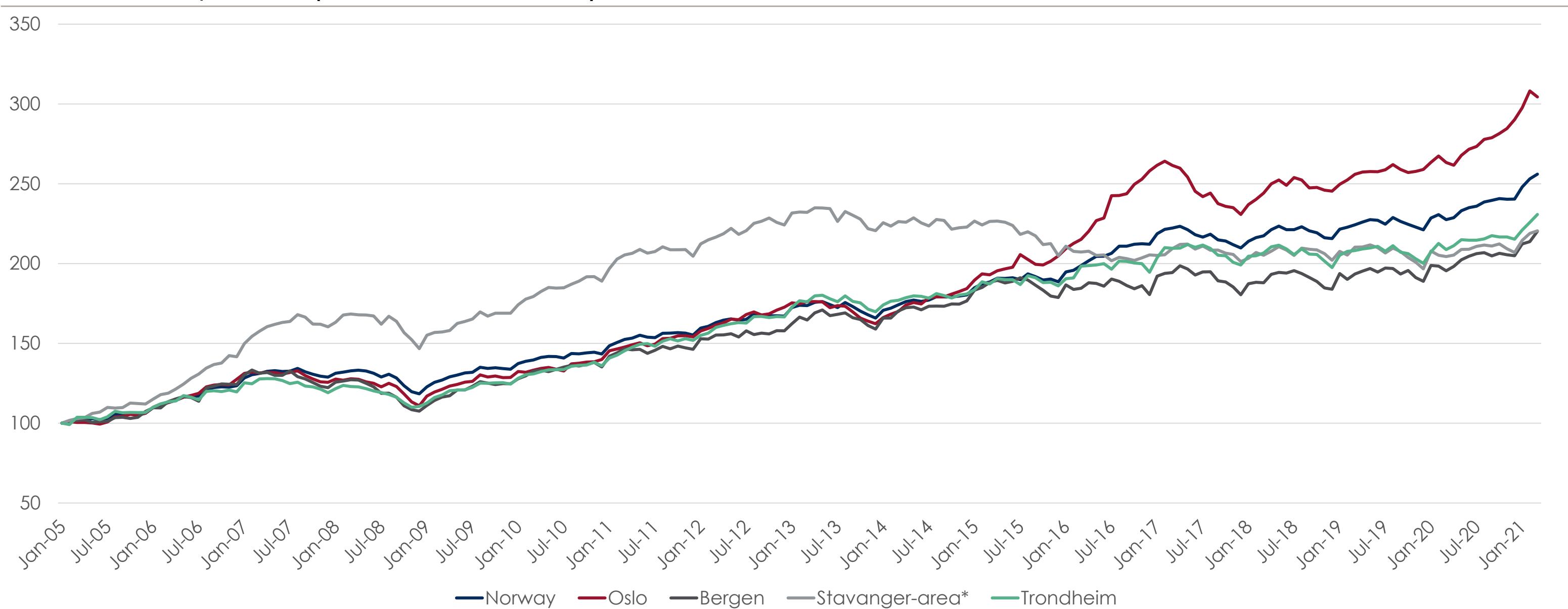


Source: Statistics Norway, Samfunnsøkonomisk Analyse  
\* Estimated annual growth for the 2020-25 period.  
\*\* Number of persons per household in Norway.



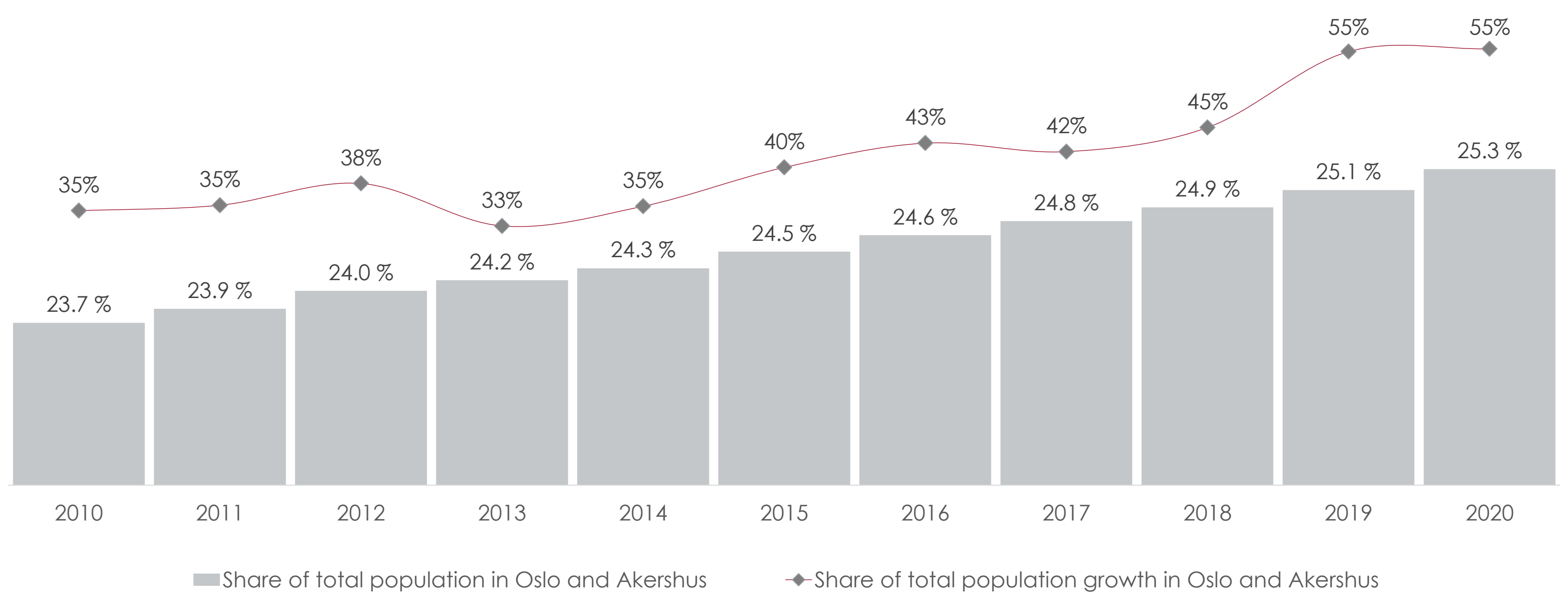
# Price development Norway and selected regions (2005-21)

Price development (rebased 1.1.2005)



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

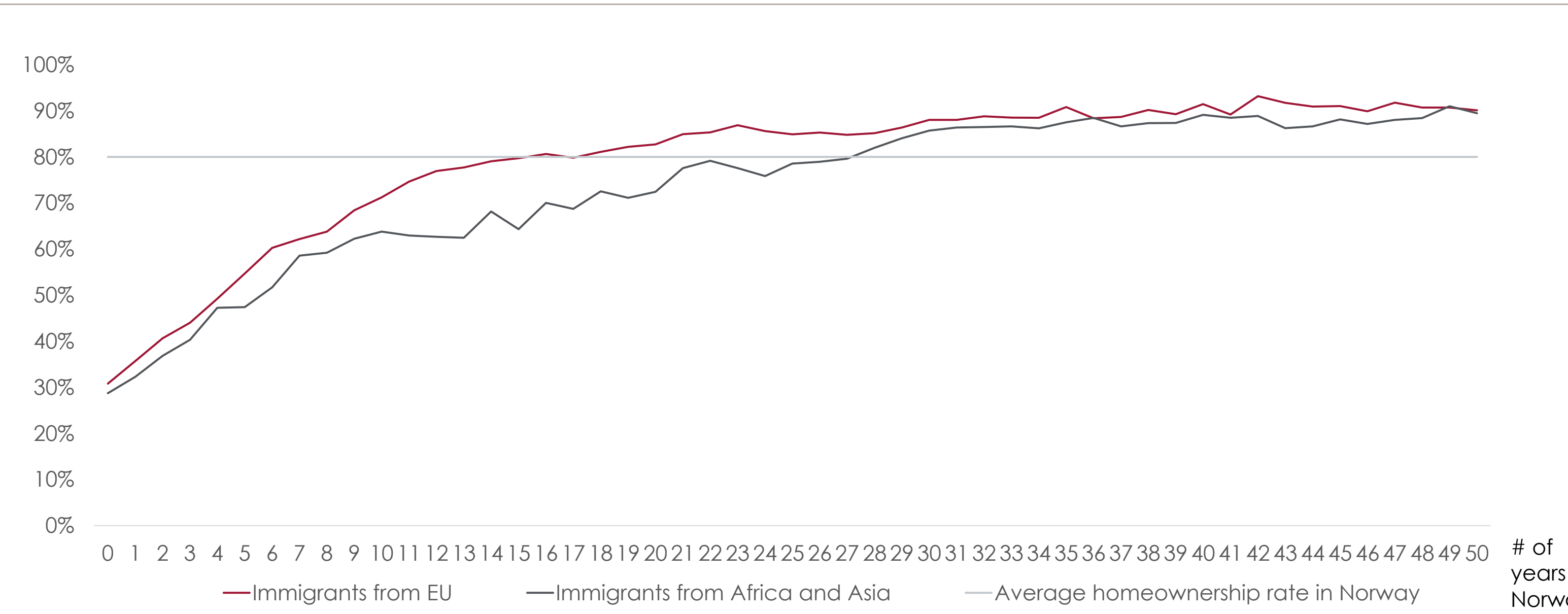
# Increasing share of population growth in Oslo and Akershus



Source: Statistics Norway.

# Immigration increases demand over time

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

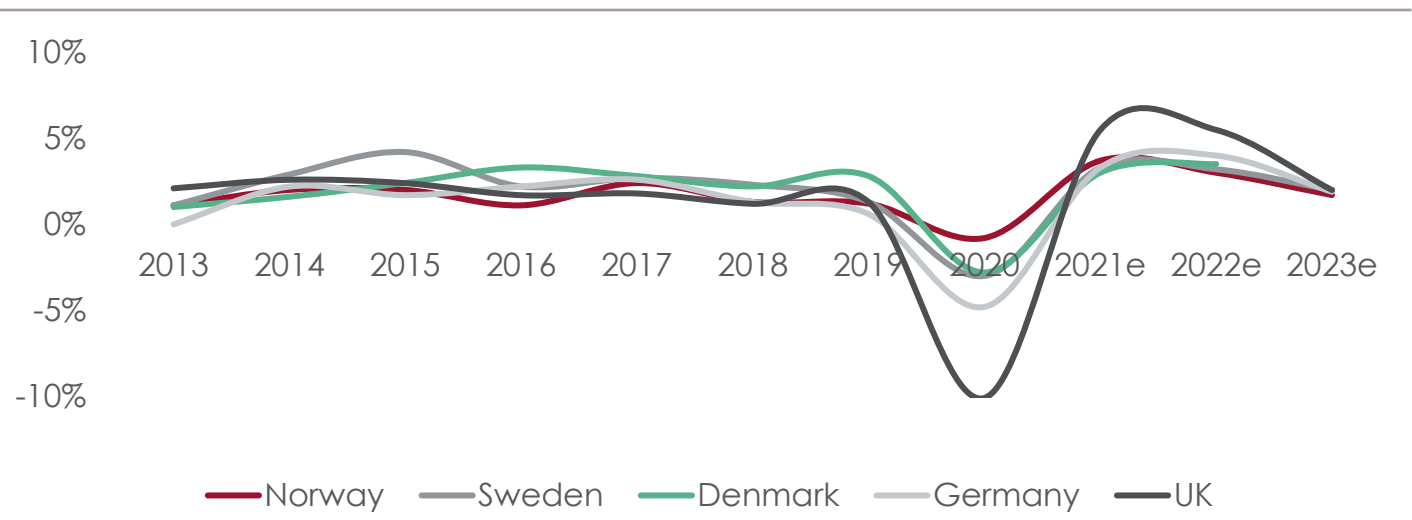


Source: Statistics Norway.

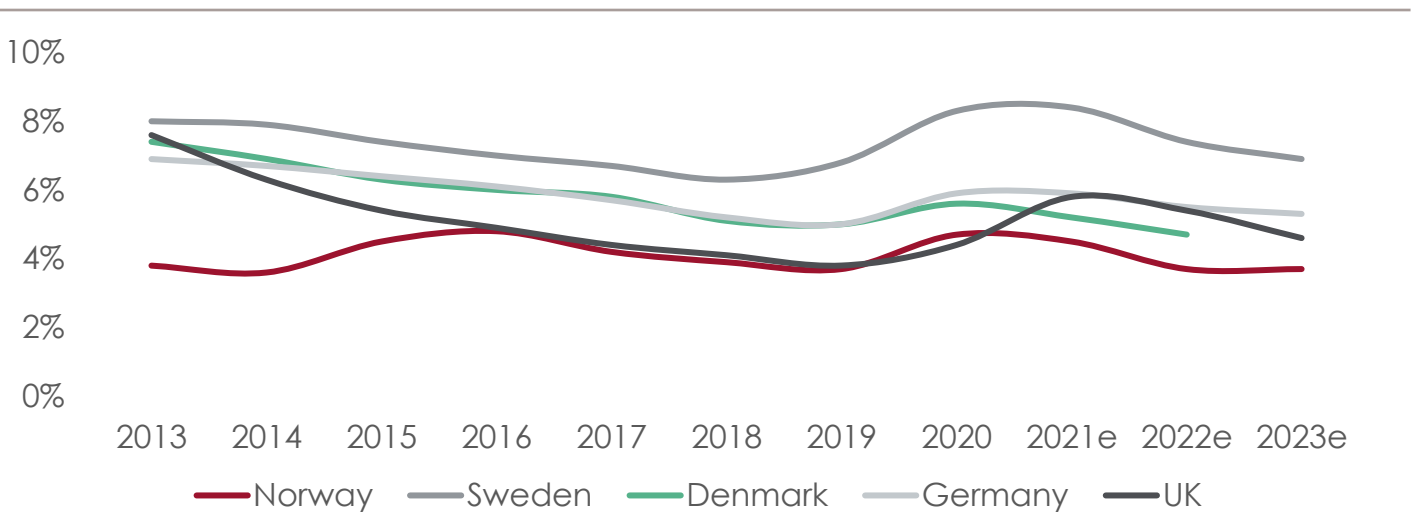


# Norway – relatively limited volatility

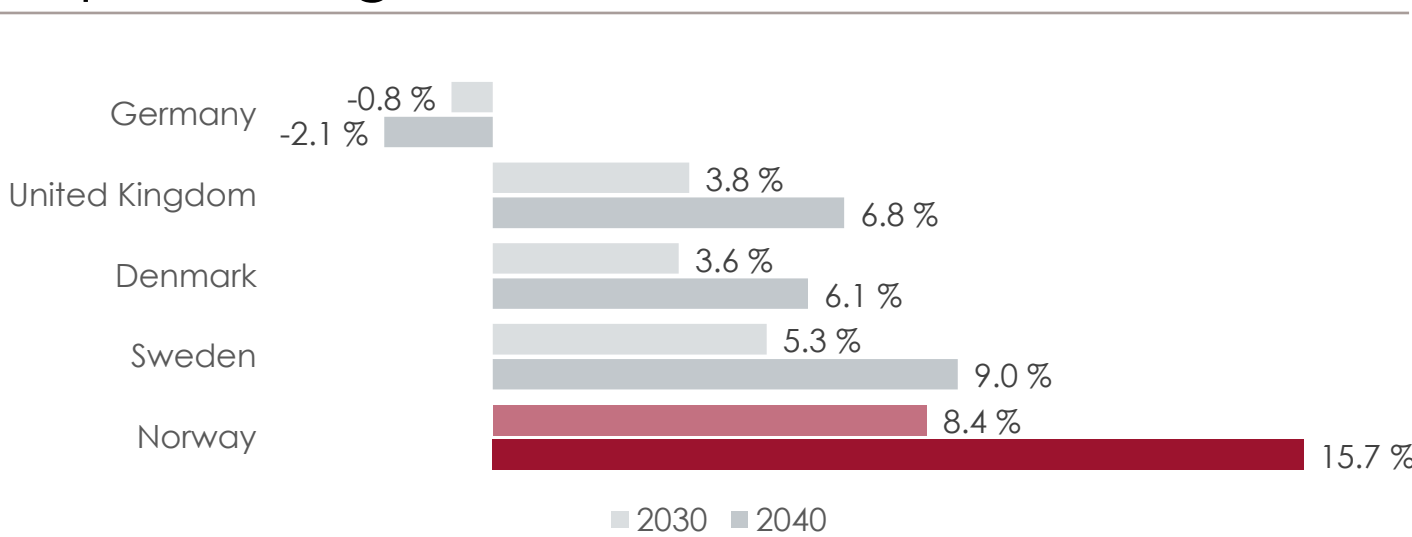
GDP growth 2013 - 2023e



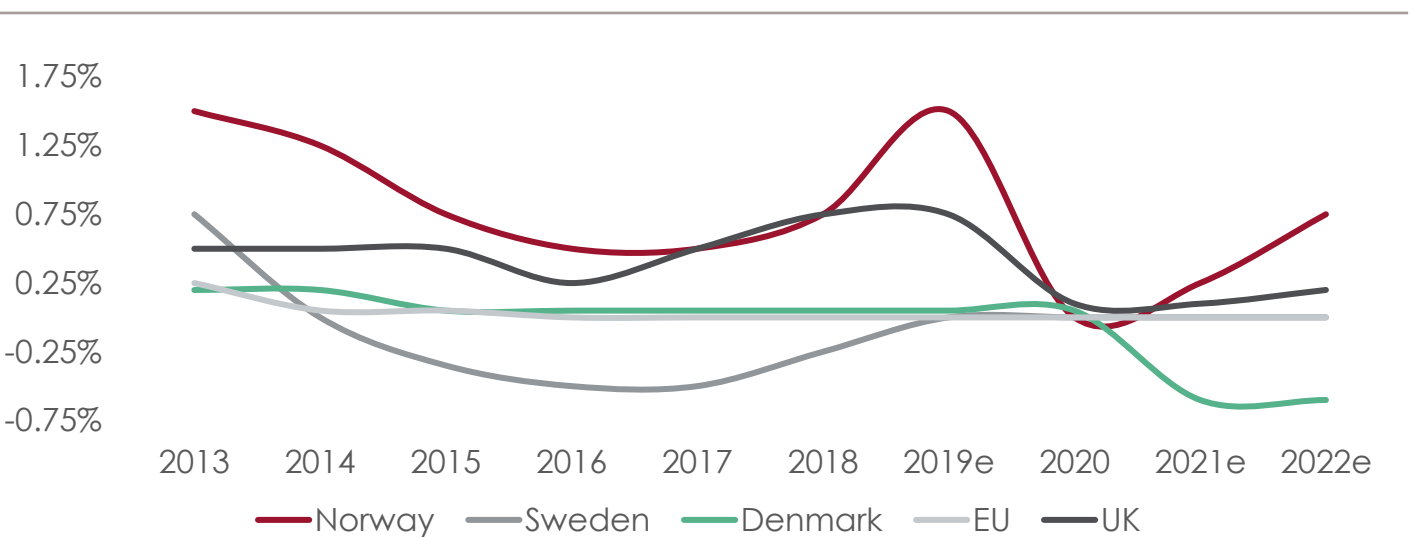
Unemployment 2013 - 2023e



Population growth 2020 - 2030e and 2040e



Interest rates\* 2013 - 2022e

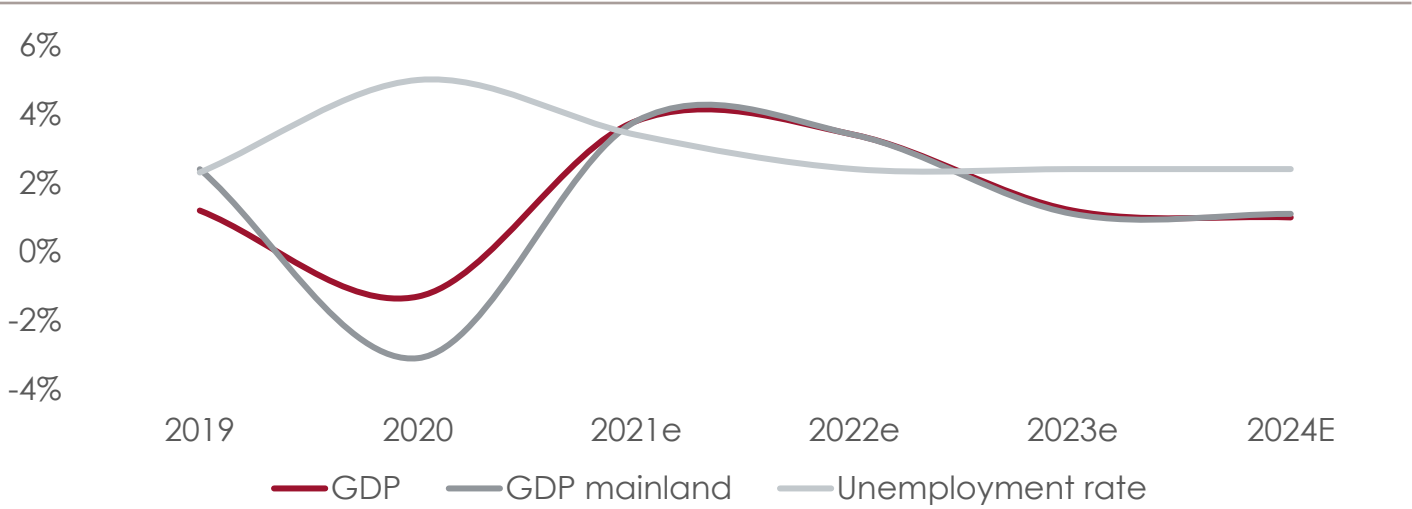


Source: Bloomberg, UN.

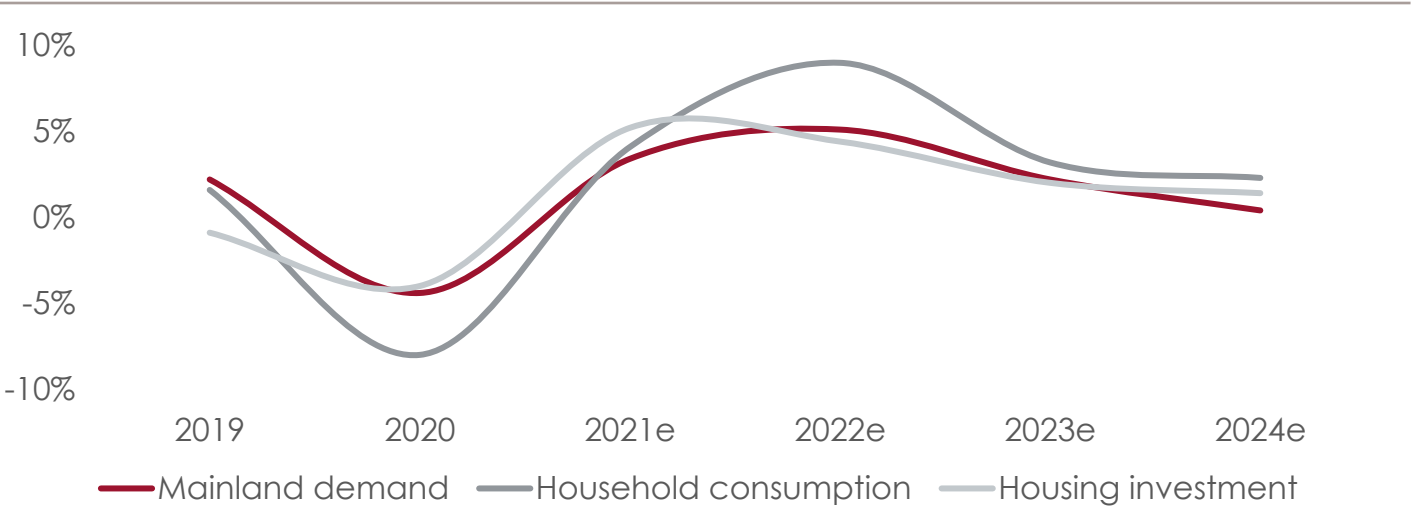
\* Central bank rates

# Norway – moving back to normal in through 2021

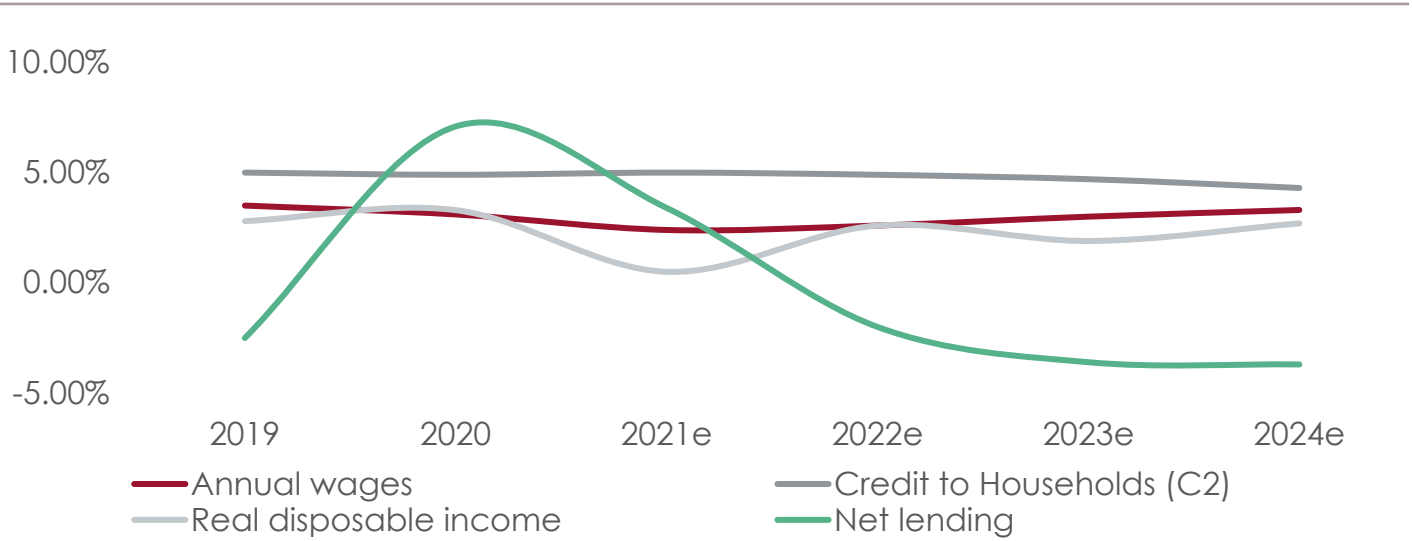
Real economy 2019 - 2024e



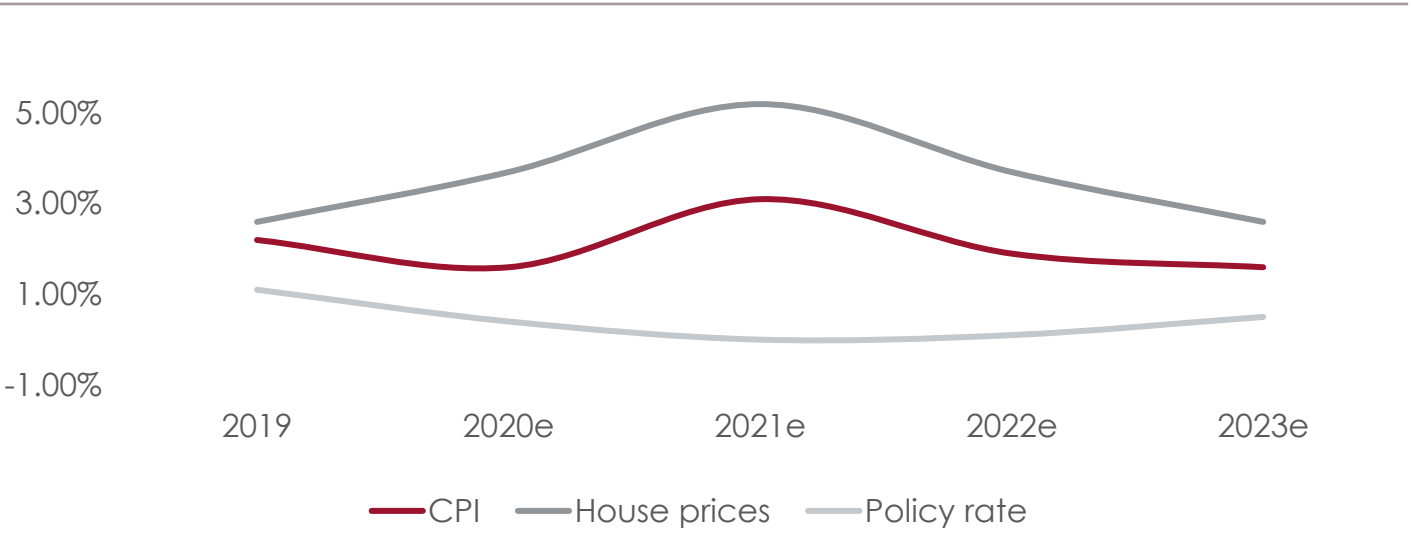
Demand 2019 - 2024e



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

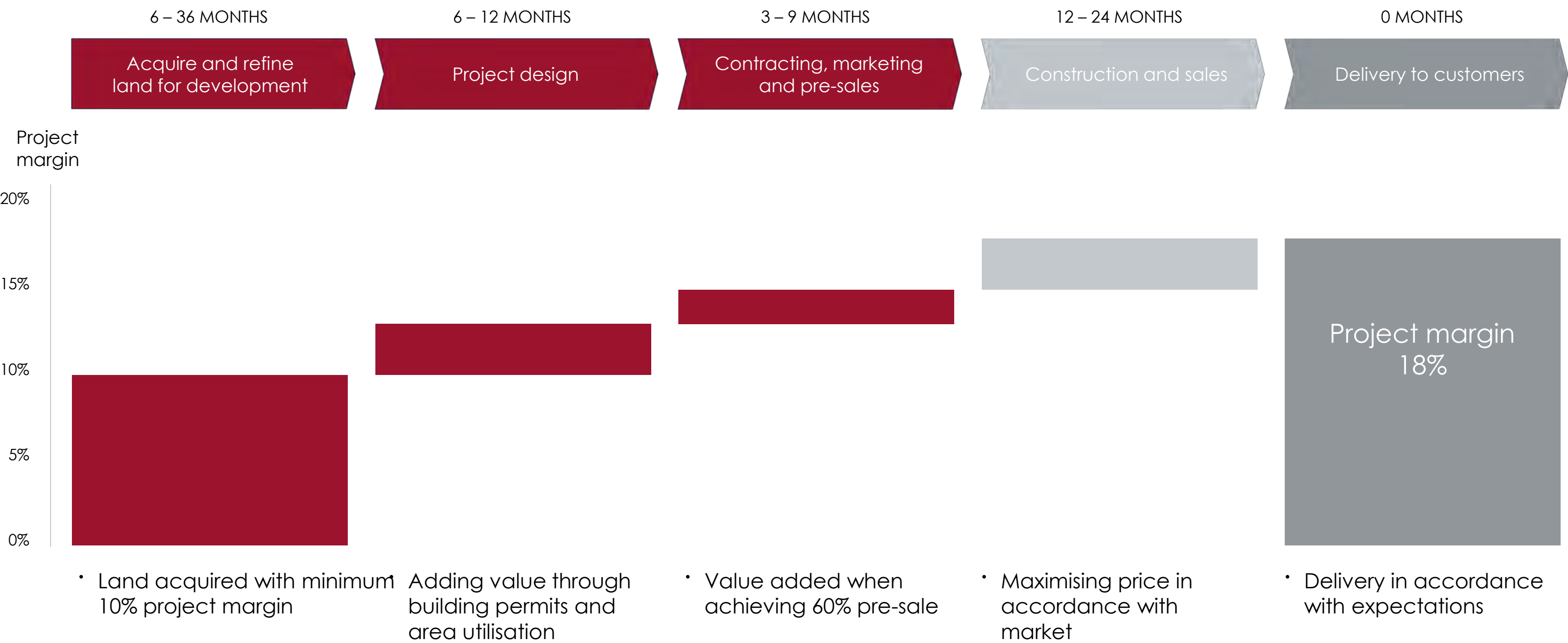
	1	PROJECT CALCULATIONS BEFORE URBAN PROPERTY	2	PROJECT CALCULATIONS AFTER URBAN PROPERTY
Figures for illustration purposes only		MNOK%		MNOK%
Sales revenue		348.5100.0%		348.5100.0%
Construction cost		195.856.2%		195.856.2%
Land cost		69.720.0%		85.224.4%
Other costs		24.57.0%		24.57.0%
Project cost		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**