



Bakkegruppen AS

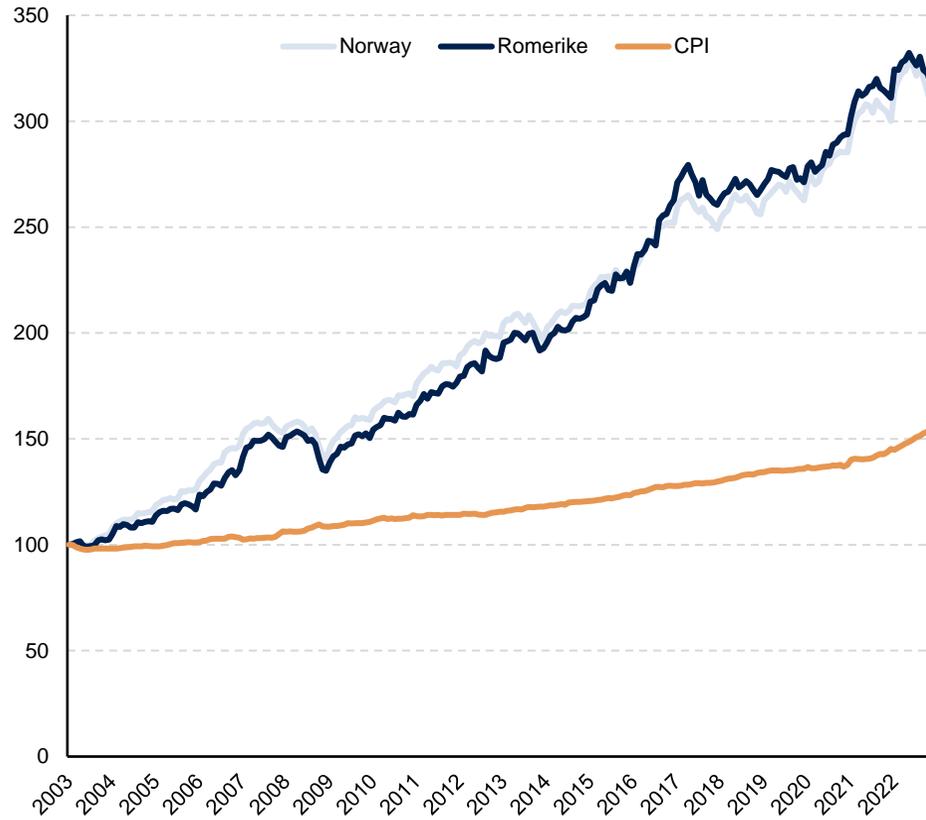
Company update
March 2023

Residential housing market update

2022-2023 was a challenging year for residential developers in Norway

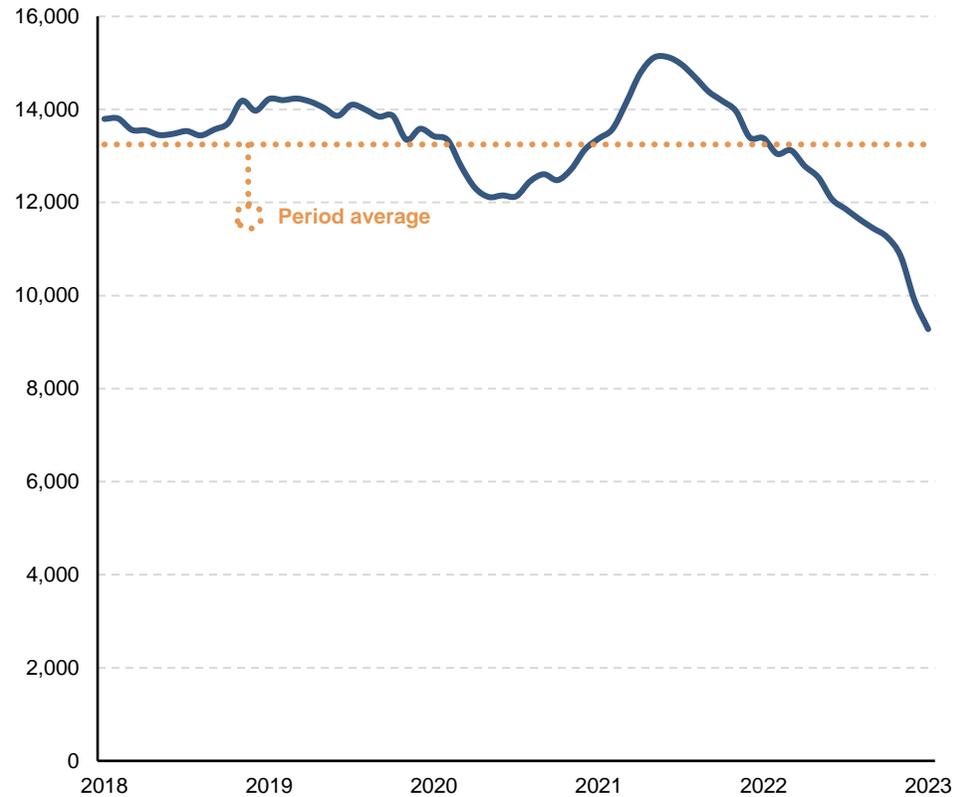
Residential housing price¹

Index=Jan 2003



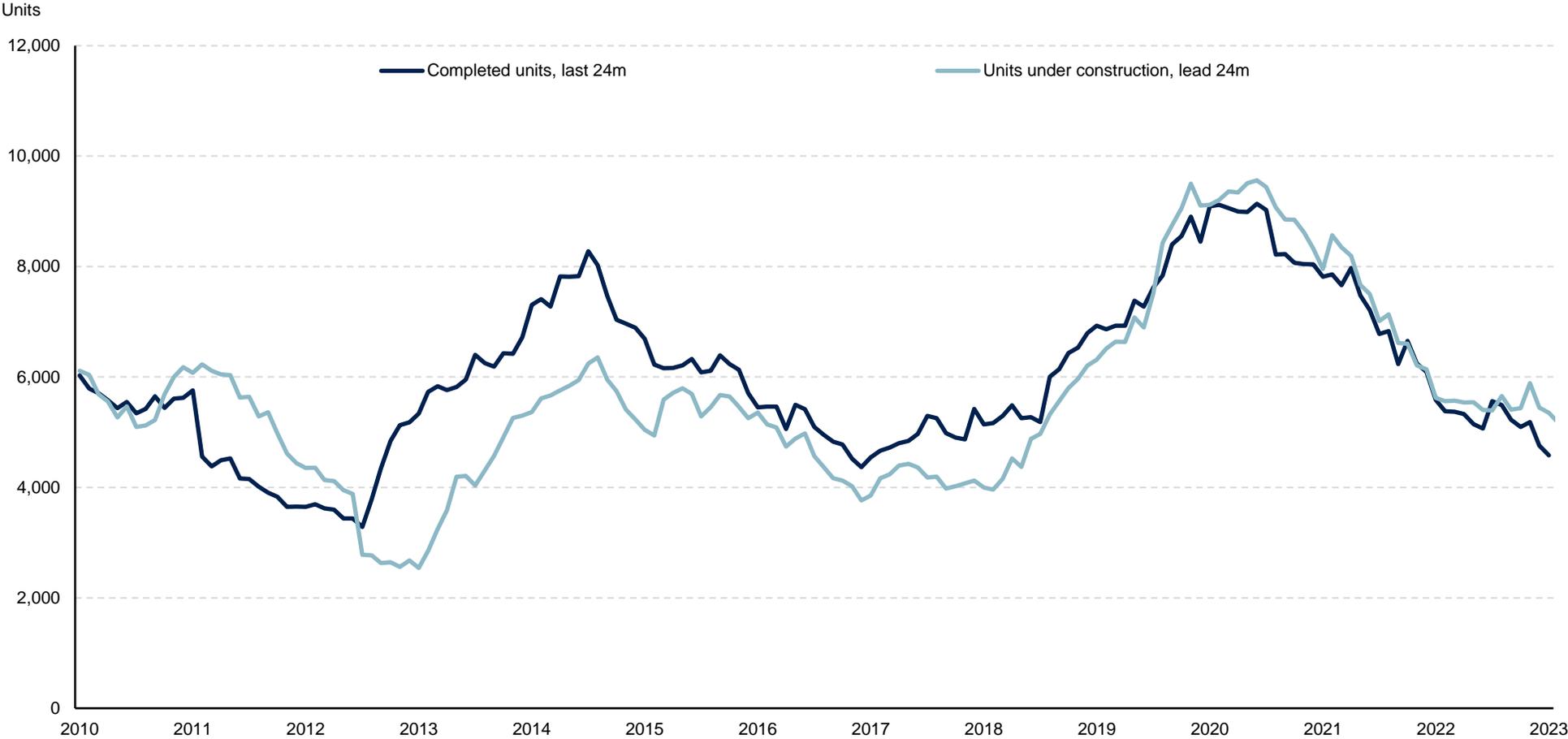
Newbuild residential housing sales in Norway²

Units sold (12m rolling)¹



Completed versus units under construction (residential housing in Oslo, Norway)

Units under construction are now flattening out while completed units are still declining



The group consist of Bakke- småhus, Leiligheter and MittEgetLokale

Segment

1 Bakke Småhus



Description

Since 2008, Bakke Småhus have designed and built houses in an element factory in Aurskog. The Group has full control over the entire production process from the drawing board until the key is in the door. Bakke Småhus is committed to deliver quality at an affordable price, so that as many families as possible can enjoy a nice home in a good neighbourhood.

2 Bakke Leiligheter



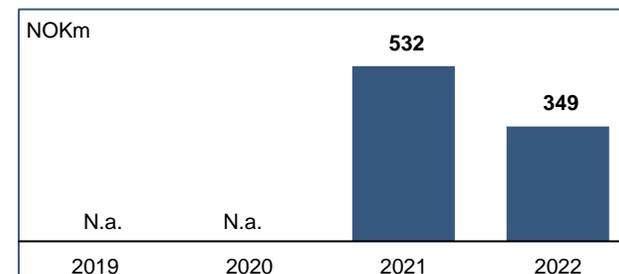
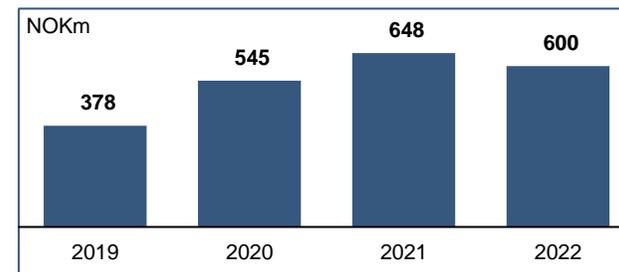
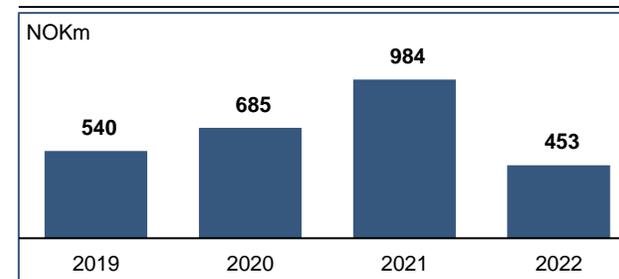
Bakke Apartments is the Group's commitment to larger apartment and urban development projects. Bakke Apartments is behind several major projects and has a significant plot portfolio under ongoing development, such as the Franzefoss site outside Sandvika in Bærum.

3 MittEgetLokale



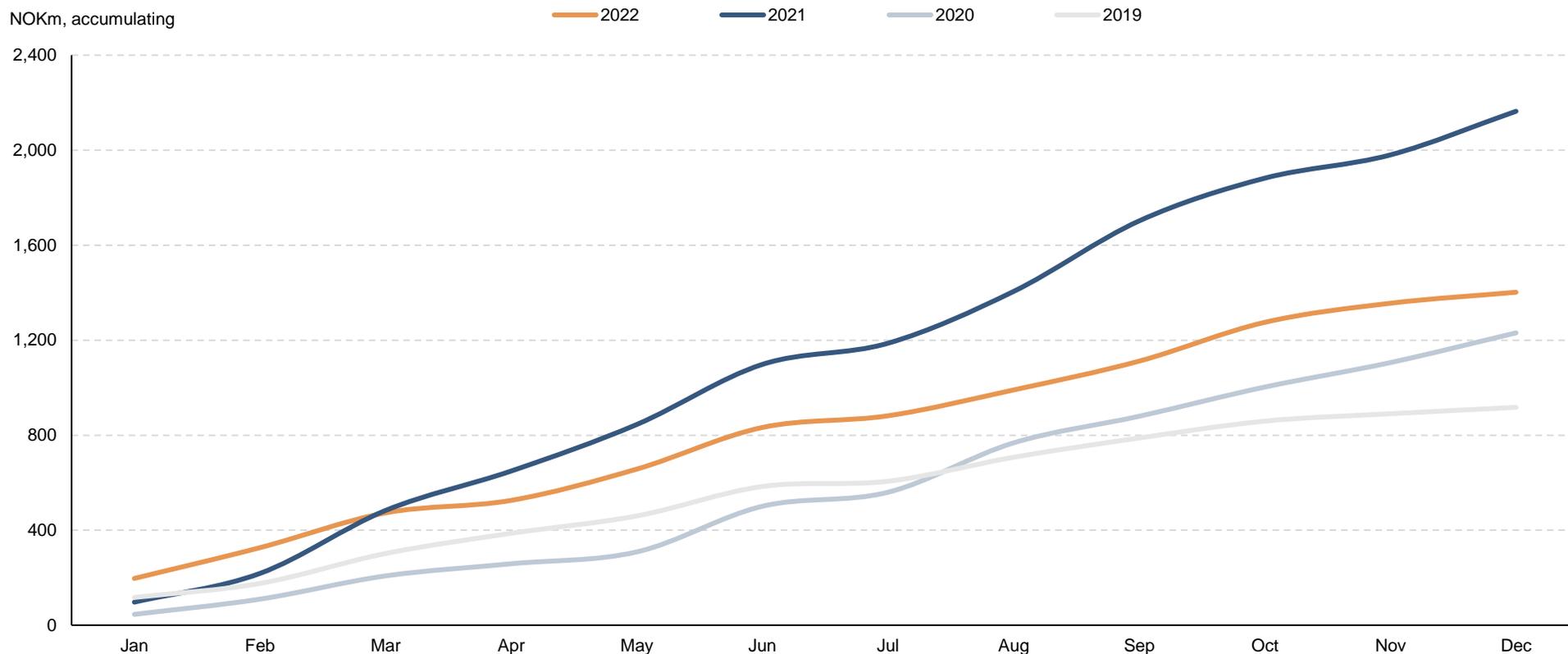
MittEgetLokale builds and sells remote storage premises. The premises are delivered as unfurnished storage premises without heating, ready for use or furnished as desired. Storage spaces are always available to the customer, and they are free to sell or rent out the storage premises as they would like.

Gross sales per business segment



Group operational update, gross sales¹

Not as good as 2021, but 2022 was still a better year than both 2020 and 2019



After a relatively strong start, 2022 gross sales ended up below 2021 levels and our own expectations at the start of the year. However, the underperformance was primarily driven by market headwinds, rather than challenges relating to specific projects or the Group's business operations. The drop in gross sales compared to 2021 was comparable to and somewhat better than the overall market. Looking at the Group's gross sales performance over the last four years, 2022 is still the second best year.

5 Note 1) Sales numbers are not adjusted for ownership in JVs.

Småhus project overview

Mature portfolio with limited zoning risk – Sales and margins impacted by difficult market

Project name	Ownership	Regulation status	Estimated finish	Gross units	Net units
Lørenfallet	100%	Building permit (Obtained)	Dec-25	85	85
Bakkedalen	100%	Detailed zoning plan (Obtained) BP (Pending)	Dec-23	17	17
Høgåsen	100%	Detailed zoning plan (Obtained) BP (Pending)	Dec-25	90	90
Langelandskollen	100%	Detailed zoning plan (Obtained) BP (Pending)	Dec-30	250	250
Sentrumshagen	100%	Detailed zoning plan (Pending Q1 23)	Dec-28	155	155
Kjeller B7	100%	Area zoning plan (Obtained)	Dec-25	39	39
Tjonåsen	50%	Detailed zoning plan (Obtained)	Dec-24	95	48
Smedstadtunet	100%	Building permit (Obtained)	Apr-23	55	55
Granåsen BK 1	100%	Building permit (Obtained)	Jul-23	14	14
Strandlia	100%	Building permit (Obtained)	Dec-25	52	52
Bjørkåsen 1	50%	Building permit (Obtained)	Jun-23	72	36
Bjørkåsen 2	50%	Building permit (Obtained)	Dec-24	50	25
Bjørkåsen 3 -x	50%	Detailed- and area zoning plan (partly obtained)	Dec-30	450	225
Kapittel 1-3 Småhus	100%	Building permit (Obtained)	Dec-23	53	53
Bråtejordet	100%	Area zoning plan (Obtained)	Jun-27	210	210
Månetoppen	100%	Detailed zoning plan (Obtained)	Dec-32	622	622
SUM				2,309	1,976

- Mature land bank where most projects are in sale and/or have obtained building permits / zoning plans from local authorities
- Currently 8 projects are in the market for sale, but sales pace is impacted by current market sentiment
- Sales price reductions have been partly implemented but volumes are low and fewer buyers are now willing to commit today with delivery in 12-24 months
- Projected decent activity level during 1H 2023, however if current markets conditions continue for a pro-longed period of time, further cost reduction measures and reduction in capacity may be necessary
- Currently exploring partnerships or part sales on Månetoppen and Langelandskollen

Bakke Leiligheter operational update

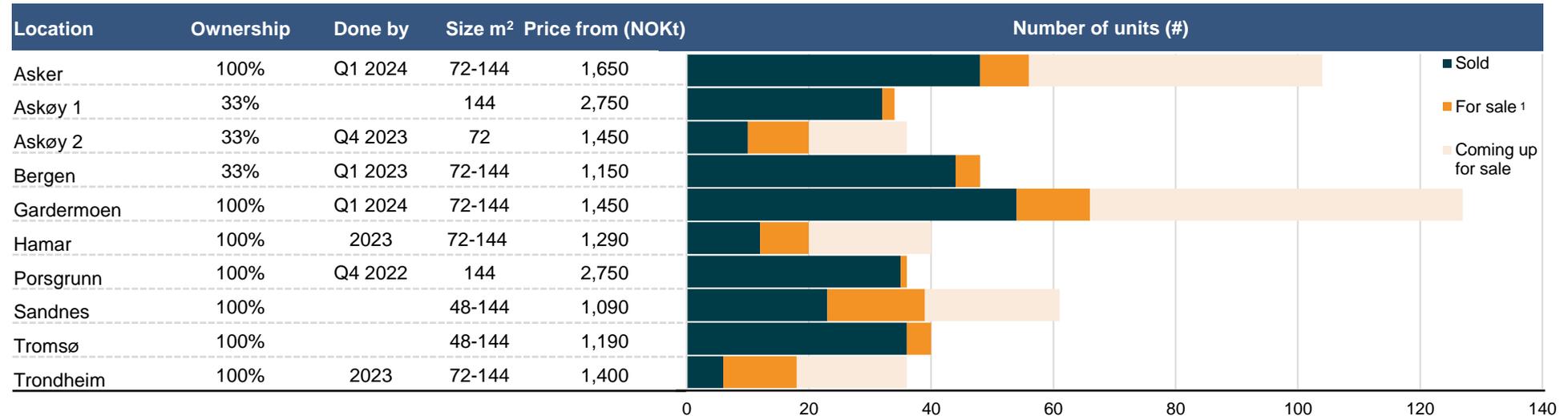
Mature portfolio with limited zoning risk – Sales and margins impacted by difficult market

Project name	Ownership	Regulation status	Estimated finish	Gross units	Net units
Sentrumshagen	100%	Detailed zoning plan (Obtained)	Dec-26	180	180
Skogmo Park 2	100%	Building permit (Obtained)	Dec-25	69	69
Skogmo Park 3-5	100%	Detailed zoning plan (Obtained)	Dec-29	243	243
Smedhagen Park	50%	Detailed zoning plan (Obtained)	Dec-23	54	27
Fabeltunet 2	100%	Detailed zoning plan (Obtained)	Dec-23	63	63
Fabeltunet (resterende)	100%	Detailed zoning plan (Obtained)	Dec-32	500	500
Fredheimkvartalet	50%	Detailed zoning plan (Pending)	Dec-25	144	72
Dammenslia	50%	Detailed zoning plan (Pending)	Dec-26	160	80
Orderudjordet	100%	Area zoning plan (Obtained)	Dec-30	340	340
Møllestrøket	46%	Detailed zoning plan (Pending)	Dec-30	563	259
Gilhusbukta (1)	50%	Area zoning plan (Pending)	Dec-29	291	146
Gilhusbukta (2)	34%	Area zoning plan (Pending)	Jan-35	816	277
Kalkbyen (Franzefoss)	26%	Area zoning plan (Pending)	Dec-30	1,000	260
Bråtejordet (leiligheter)	100%	Detailed zoning plan (Pending)	Dec-25	129	129
SUM				4,552	2,645

- Large and mature land bank where we expect the main portion to have cleared most hurdles to obtaining building permits and zoning plans by early / mid 2024. Currently very high activity level on development and land bank. We expect all projects except Gilhusbukta and remaining parts of Fabeltunet (n: rekkefølgekrav) to be more or less ready for marketing and construction in this time frame.
- Few projects currently under construction (Fabeltunet, Smedhagen Park)
- Two partial projects launched during Q4 (Skogmopark 2 and Sentrumshagen), Sentrumshagen is getting close to 50% sales and we expect construction to commence in early autumn, but a risk that Skogmopark 2 will be delayed till 2024
- Ensuring sufficient sales to initiate construction of new projects remains a key success factor for operations going forward

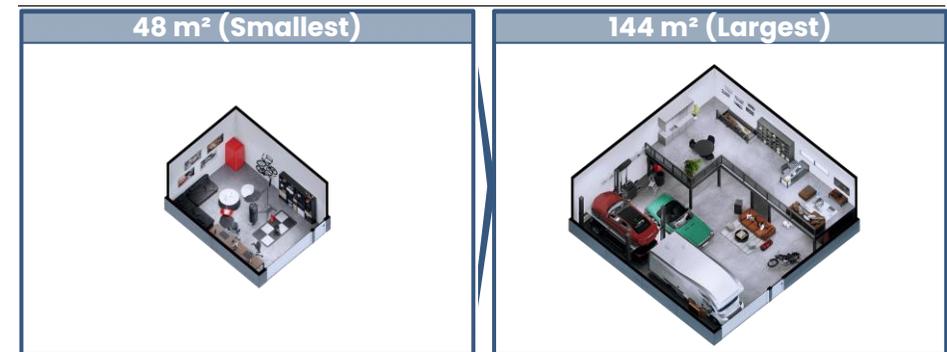
MittEgetLokale operational update

Demand for storage units remains strong, despite challenging residential market



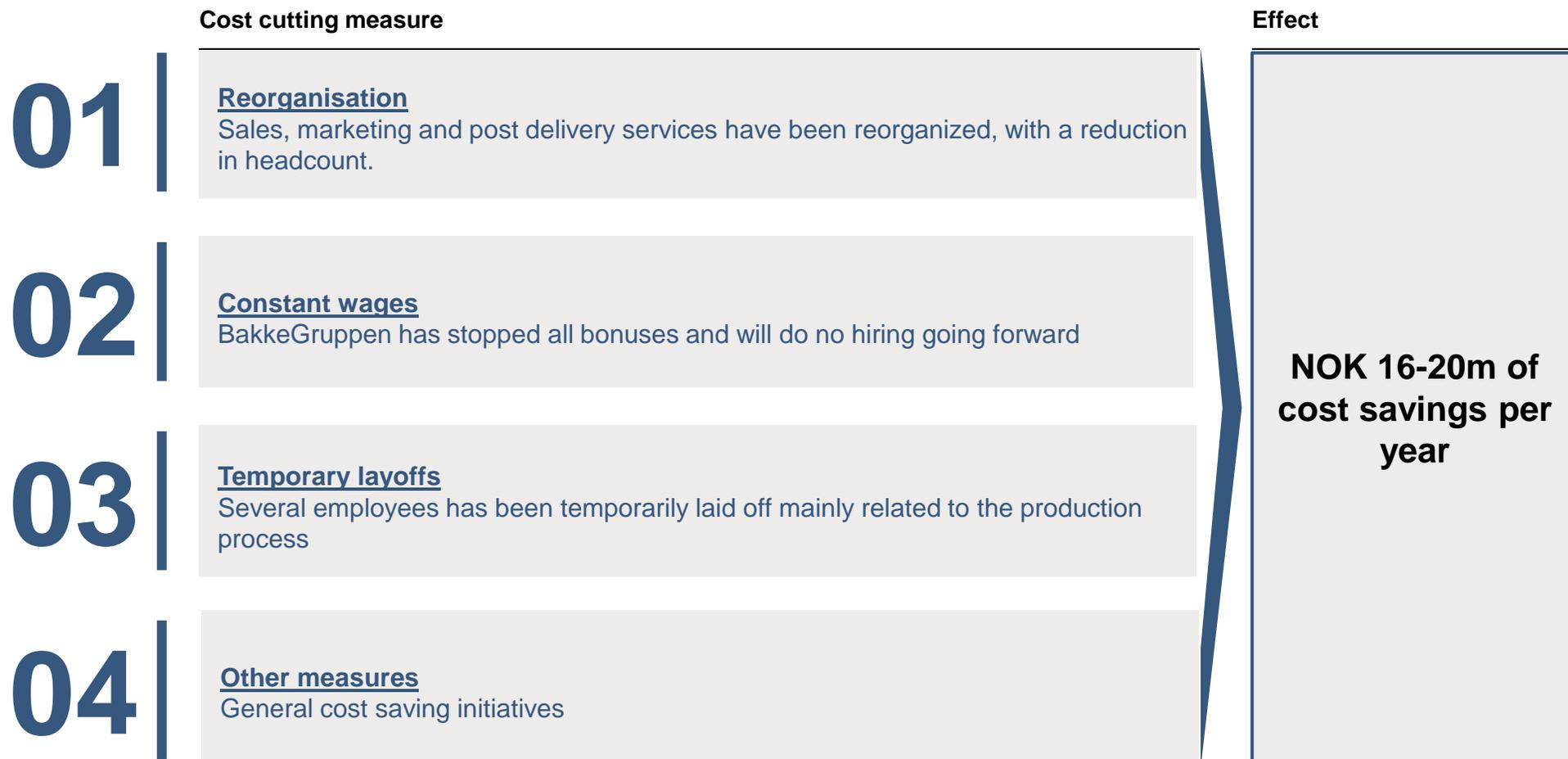
- Relatively strong performance, with limited negative effects from the slow down in the residential market
- A number of projects are getting close to delivery, starting in February through August
- Two large projects were launched in October (Gardermoen and Asker) and both are getting close to 50% sales. Both projects expected to be completed by summer of 2024
- Currently good margins as well as very good sales, main risk is availability of suitable plots as well as settlement structure that provides effective financing.
- MittEgetlokale has so far in 2023 been responsible for more than 50% of total sales on group level.

Product offering (4x standardised storage facilities)



Cost savings initiatives

To take effect from Q2 2023



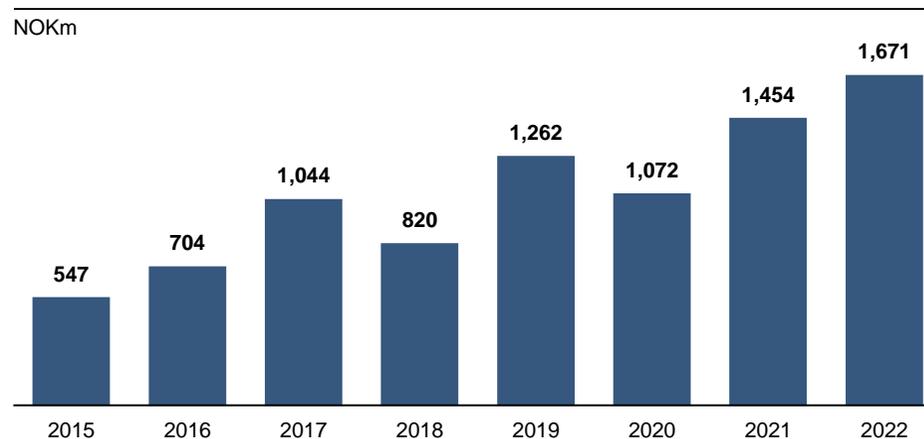
Financials

Reported income statements and balance sheet

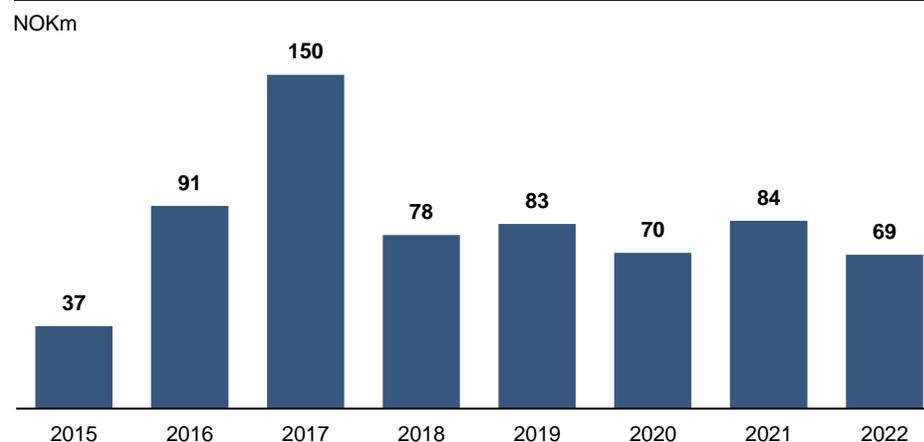
P&L (NOKm)	Q4 2022 ¹	Q4 2021	2022 ¹	2021
Sales revenues	333	393	1,631	1,426
Other operating revenues	10	22	40	28
Total operating revenues	344	415	1,671	1,454
Project expenses	265	329	1,342	1,157
Pay and personell expenses	48	46	172	144
Other operating expenses	19	16	88	69
EBITDA	12	24	69	84
D&A	7	4	19	14
Total operating profit¹	4	20	49	70
Net financial items	-19	-18	-64	-50
Profit before tax	-15	2	-15	20
Income tax	3	-1	3	-5
Profit for the period	-12	1	-12	14
Balance sheet (NOKm)		2022	2021	
Property, Plant and equipment		309	214	
Shares in associated companies		16	12	
Other shares		3	1	
Non-current receivables		50	38	
Total non-current assets		378	265	
Inventory property		1,666	1,216	
Inventories		11	10	
Trade Receivables		743	764	
Other short term receivables		19	42	
Cash and cash equivalents		148	182	
Total current assets		2,587	2,214	
Total assets		2,965	2,479	
Total equity		387	414	
Non current interest-bearing liabilities		241	110	
Bonds		500	500	
Deferred tax and other long-term liabilities		231	154	
Total non-current liabilities		971	764	
Current interest-bearing liabilities		1,177	1,020	
Trade payables and other current liabilities		430	281	
Current liabilities		1,606	1,301	
Total liabilities		2,578	2,065	
Total equity and liabilities		2,965	2,479	

10 1) Q4 2022 EBITDA contains a loss of NOK -752k from associated companies

Revenue development



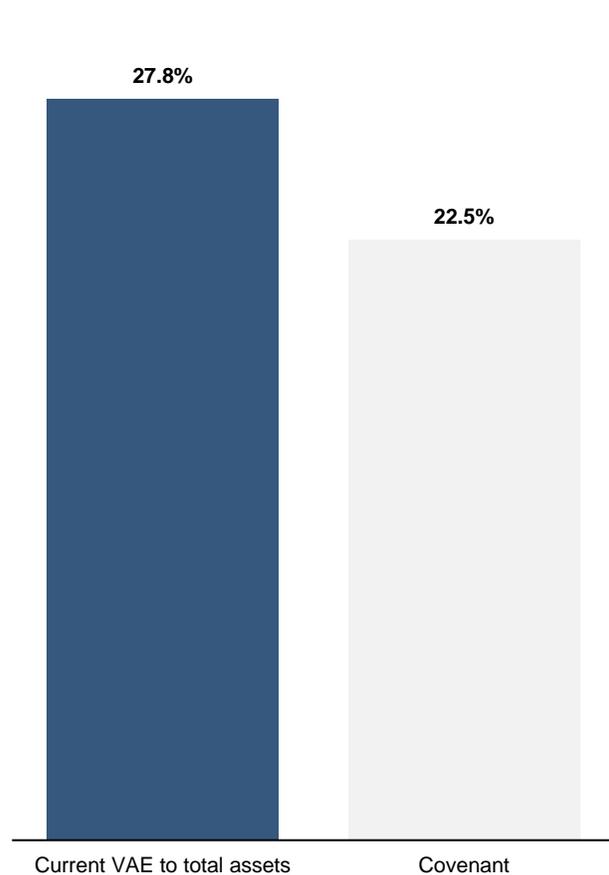
EBITDA development



Financial covenants (Q4-2022)

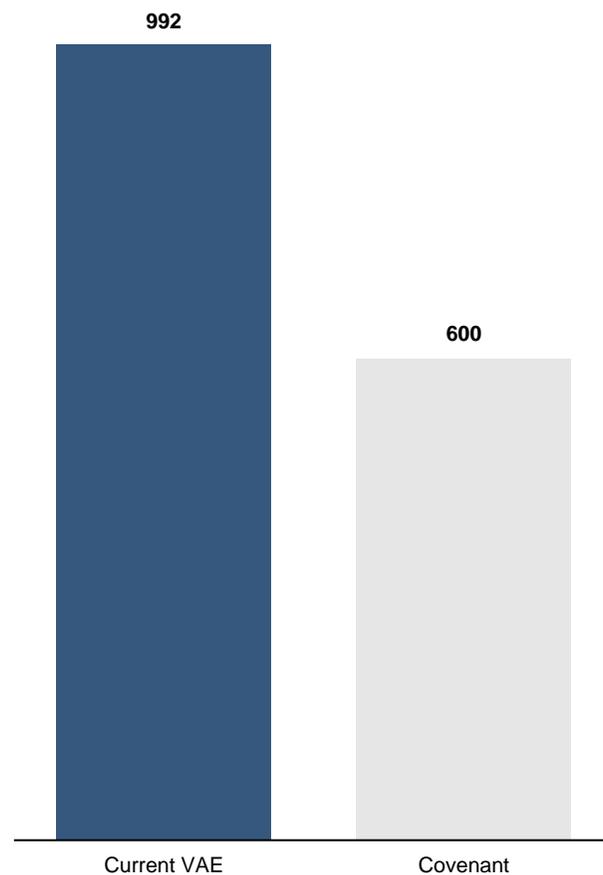
Value Adjusted Equity Ratio

VAE % of total assets



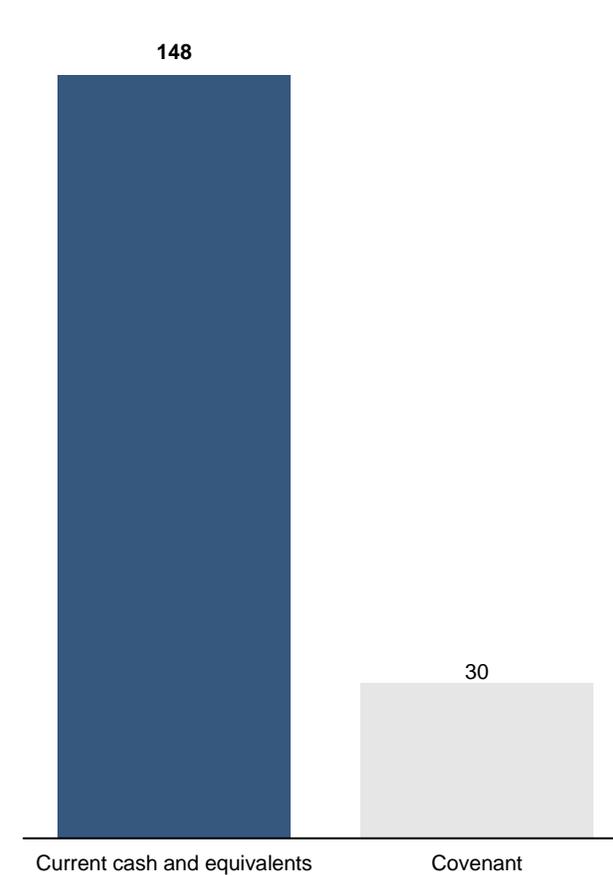
Value Adjusted Equity

NOKm



Minimum liquidity

NOKm



Concluding remarks

01

Challenging market environment

Increased interest rates, persistently high inflation and general economic uncertainty has led to a significant decrease of newbuild sales across the homebuilding industry in Norway, which has also impacted Bakkegruppen



02

Relative resilience due to segment diversification

Despite challenging market conditions, Bakkegruppen has performed relatively well, as the MEL business segment has proven to be more resilient than the residential segments



03

Multiple levers available to tackle market downturn

Bakkegruppen is actively working to ensure profitability and robust liquidity, through cost cutting measures and exploration of strategic transactions / partnerships



04

Well positioned for the inevitable return of newbuild demand

The fundamental drivers of demand for affordable quality housing remains intact, and with its mature high quality project portfolio, Bakkegruppen is well positioned to capture the inevitable rebound in the market when it arrives





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