



Annual Report 2024  
Bakkegruppen

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# Directors' Report

## GROUP OVERVIEW

Bakkegruppen (the "Group") acts as a developer of residential properties, with a strategic focus on both detached houses (Bakke AS) and apartments (Bakke Leiligheter AS) in the greater Oslo and Romerike area. The Group acts as an industrial homebuilder, and has a vertically integrated value chain from land acquisition through delivery of finished turnkey homes. The Group also delivers project management services as well as marketing and sales to associated companies owned together with external investors.

Bakke AS has its own production facilities at Aurskog, Norway, where all buildings for the detached house projects are produced and assembled on-site by internal personnel. This enables cost-efficient production and full control over the value chain. The company also produces wall elements for some of apartment projects conducted by the sister company Bakke Leiligheter AS.

Bakke Leiligheter AS acts as general contractor for the Group's apartment projects, including management of the project companies in the Group and coordination of subcontractors. The company also offers project management including the zoning process, concept development and commissioning of turnkey contracts on behalf of the Group's builder companies and the associated companies.

The subsidiary MRB Holding AS is parent company for most of the Group's subsidiaries owning commercial real estate, as well as the subsidiary BG Utleie AS, which is active within rental of scaffolding and related products to both Group companies and external customers.

For an overview of Bakkegruppen's group companies and investments with ownership less than 50%, see note 11 to the Financial Statements.

## HIGHLIGHTS 2024

2024 was a challenging year for Bakkegruppen as the downturn in the Norwegian market for new housing units combined with rising interest rates led to a financial restructuring process being initiated in the second half of 2023 and concluded in the first half of 2024. As part of this process, the Group has entered into an agreement with its creditors entailing suspension of amortizations and conversion of interest payments on certain loans to payment-in-kind until 2027. As part of this process, some subsidiaries and ownership interests were divested, including the subsidiary MittEgetLokale AS which comprised the Group's activities within sale and construction of storage units and was sold on 28 February, 2024. Following the restructuring, the Group's core business remains within housing development.

The restructuring process, while ongoing, significantly limited the Group's ability to secure project financing. This had an additional negative effect on the activity level in the beginning of the year. Still, we were able to commence construction of a total of 153 housing units in our wholly-owned projects during the year, compared to 39 in 2023. The increased number of construction starts is explained by the two apartment building projects at Sentrumshagen Aurskog and Skogmo Park phase 2. Furthermore, construction of 141 apartments was started at Fredheimkvarteret in Ås, where the Group has a 40% ownership interest.

During 2024, 195 new sales contracts were signed, including sales contracts in associated companies where the Group conducts marketing and sales of the projects. Total value of the contracts was NOK 894 million. The corresponding figures for 2023 was 172 contracts with a value of NOK 799 million.

54 housing units were delivered during 2024, a reduction from 246 units in 2023.

At year-end, the Group had an inventory of completed but unsold housing units counting 15 houses and detached houses with a total sales value of NOK 111 million.

## FINANCIAL REVIEW

(Corresponding numbers for 2023 are presented in brackets. All figures in NOK unless specified).

### *Operating Revenue*

Bakkegruppen's total revenue for 2024 was 650 million (1,045 million) where the decrease is mainly due to reduced demand but also sale of subsidiaries. Total revenues of 4 million (82 million) is related to partially owned entities (joint ventures) which in the financial statements are consolidated on a line-by-line basis showing the pro-rata share of revenues, expenses, and balance sheet items. Out of total reported revenues, NOK 25 million are from sale of storage units in MittEgetLokale AS, which is no longer part of the Group.

### *Operating expenses*

Operating expenses totalled 742 million (1,089 million), out of which project expenses accounted for 504 million (813 million). This cost is mainly related to construction costs for homes sold in the period. One previous project impairment of 6 million was reversed in 2024, reducing net project expenses correspondingly.

Personnel expenses accounted for 111 million (156 million) of the total. The overall decrease in costs is mainly related to reduced activity and a reduction of personnel.

Depreciation, amortisation and impairment expenses amounted to 50 million, an increase from 25 million in 2023. The increase is related to a total of 30 million in impairments of commercial properties used by the Group and leased out to third parties. The impairments are based on valuations conducted by third parties.

Other operating expenses during the year was 77 million (95 million). This includes approximately 14 million in one-off expenses related to the financial restructuring process,

#### *Operating Profit*

The group made an operating loss of 95 million (44 million). EBITDA (operating profit before depreciation, amortisation and impairments) for 2024 was negative with 46 million, compared a negative 20 million in 2023.

#### *Financial Items and Tax*

Net financial items totalled – 102 million (-88 million) and relates to financing not directly related to building projects, such as the parent company's bond loan, revolving credit facilities and loans with pledge in shares in plot-owning subsidiaries. The increase in interest cost is related to higher total debt, i.a. due to interest payments as payment-in-kind.

Total tax cost for the year amounted to -48,6 million (-26,4 million), and the Group's loss for the year 2024 totalled 148 million (105 million).

#### *Cash Flow*

Net cash flow from operational activities was -44 million in 2024 (151 million in 2023). The group accounts use the percentage-of-completion method for the main part of its activities, which is the main reason for the deviation between the cash flow from operational activities and operating profit.

Due to sale of subsidiaries and shares, net cash flow from investment activities was positive with 9 million in 2024 (negative 86 million) and cash flow from financing activities was positive with 44 million (negative with 149 million).

The total cash position for the group at year-end was 72.1 million, an increase of 9.2 million from 62,9 million in 2023. For the parent company Bakkegruppen AS, the cash position was 22.9 million at year-end, an increase of 21.0 million from last year.

#### *Balance Sheet*

Assets in Bakkegruppen at 31 December totalled 2,407 million (2,633 million). Inventories (land, housing under construction, and sold/completed houses) at 31 December totalled 1,604 million (1,897 million). Equity at 31 December totalled 142 million (292 million), which equals an equity ratio of 5.9% (11.1%). The board has proposed a dividend from the parent company of NOK 1.7 million for 2024 (0 in 2023). The dividend payment has been pre-accepted by the banks and bondholders.

The group held cash and cash equivalents of 72 million at 31 December 2024 (63 million at 31 December 2023). Corresponding numbers for the parent company were 22.9 million (1.9 million). Total interest-bearing debt at 31 December amounted to 1,989 million (1,856 million). 1,236 million (1,067 million) was classified as long-term interest-bearing debt and 753 million (759 million) as short-term. Current interest-bearing debt is mainly related to construction loans connected to ongoing projects. Non-interest-bearing debt is accounts payable, advance payments from customers, and public duties payable.

### **RISK AND RISK MANAGEMENT**

Operating as a housing developer, Bakkegruppen is exposed to a number of risks, of which the main risks can be categorized as financial risks and market risks.

#### *Financial risks*

##### **Credit risk**

The group's credit risk is mainly related to settlement from customers. Customers are, for a large part, Norwegian private individuals. Normally a deposit is paid upfront when a customer enters into a contractual agreement with the group. Furthermore, the customer has a legal obligation to cover the group's losses if the customer forfeits the contract. Customer payments are paid to a client account before an apartment or house is delivered to the buyer.

##### **Liquidity risk**

Liquidity risk entails that the group is not able to meet its financial obligations as they fall due, either in the ordinary course of payments or repayment or refinancing of loans on maturity. Like other property developers, depends on continuous access to project financing from financial institutions as well as other sources. To the extent possible, the Group seeks to mitigate liquidity risk by financing known obligations as early as practically possible, and by maintaining business relationships with several alternative financing providers. Access to project financing will also depend on the general financing market.

##### **Interest rate risk**

Interest rate risk is the risk related to the loan portfolio's exposure to the general interest level in Norway (Nibor) and the development of market terms (margin) of banks in general. The group has a policy not to enter into fixed interest contracts, combined with the fact that the main part of the debt is relatively short-term. The group however also has an implicit exposure to interest rates because there is a correlation between interest rates, property prices and the market for newbuilding projects.

##### *Risk related to suppliers*

The group has established risk reduction measures related to large suppliers to the group. Every material supplier has to satisfy a certain set of criteria, such as equity ratio and the lifetime of the supplier.

The group has no or very limited currency exposure and risk.

### Market risks

As a developer of residential housing units, the Group is exposed to a number market-related risks. Although housing demand in the long term is driven by population growth and the need to replace older houses no longer suited for occupancy, demand in the shorter term might deviate significantly from longer-term trends due to a number of macroeconomic factors including the general interest rate level and availability of credit. Project revenues are influenced by the development in market prices for newbuild homes, while project expenses are exposed to changes in market prices for raw materials and building components, as well as the wage level.

### RESEARCH AND DEVELOPMENT ACTIVITIES

The group has no R&D activities and has had no such activities during 2024 (or 2023).

### WORK ENVIRONMENT AND EMPLOYEES

As of 31 December 2024, the group had a total of 103 (173) employees. Of total employees, 83% (70%) are men and 18% (30%) are women. The sickness rate was 4,4 per cent for the group in 2024, and 2,1% for the parent company. The group has recorded 24 minor work-related injuries during 2024, none of which led to lost-time.

The Group has previously participated in external surveys of the work environment, including Great place to work®. The results of previous surveys have revealed that our employees view us as an attractive employer. The survey was not conducted during 2024 due to financial constraints, but it is being considered to use this or similar tools going forward to evaluate the employees' well-being and motivation. In the meantime, we have relied on establishing arenas such as regular meetings with all employees as well as social initiatives to gather feedback on employee satisfaction.

The board consists of two men and two women. The board has implemented a non-discrimination policy within the group. It has been entered into a board liability insurance.

### ENVIRONMENT

The group activities have an impact on the environment. Bakkegruppen has implemented procedures to minimize the environmental footprint of the group. Waste is recycled as far as possible at building sites, through sorting into waste streams. Measures are taken to reduce construction waste in collaboration with producers of return systems. Excess wood from production is used for heating our facilities at Aurskog. The group uses to large extent electric vans and trucks.

### SUPPLIER DUE DILIGENCE ASSESSMENTS

In accordance with the Norwegian Transparency Act (*Norwegian: Åpenhetsloven*), The Group carries out due diligence assessments of its suppliers and the results of these assessments are available in a separate report which is available on the company's website [bakke-as.no](http://bakke-as.no).

### GOING CONCERN

The group and parent company accounts are prepared, and confirmed by the board, based on a going concern assumption as per §4-5 of the Norwegian Accounting Act. The restructuring agreement entered into between the company, its shareholders its creditors as part of the financial restructuring process completed in 2024, contains several mechanisms aimed at stabilising the group's business until end of the first quarter 2027 (the "stabilisation period"). During the stabilisation period, amortization on most loans (excluding construction loans) have been suspended, and interest is accrued as payment-in-kind. Maturity on the loans have also been extended until the end of the stabilisation period, which significantly reduces refinancing risks in the period. Financial covenants have also been waived in the stabilisation period, except the covenant to maintain a minimum balance of unrestricted cash of NOK 30 million at all times. As the Group's cash flow is currently negative, the main risk during the stabilisation period is not being able to maintain the minimum cash balance, which would trigger an event of default. This risk is mitigated by mechanisms under the agreement to secure funding of certain group costs not directly connected to projects, continuation of project financing, as well as the suspension of amortization and interest payments. Further, the Group has been given the right to convert bonds with a face value of up to NOK 250 million to a new hybrid instrument, which would classify as equity.

The agreement also contains provisions on corporate governance and overall strategy, including an intention to strengthen the Group's balance sheet through sale of assets/projects and gives creditors the right to appoint a majority of the board's directors. In the board's view, the restructuring agreement supports operations throughout the stabilisation period and gives time to consider and implement measures to preserve and enhance the value of the Group's assets. During the period, it is expected that the market for newbuild homes will improve, which in turn should increase the value of the Group's land bank and other investments beyond what would be realistically achievable should the Group be forced to realize assets in the short term. Even so, the Group remains dependent on continued support from its creditors during the stabilisation period and the restructuring agreements also provides certain rights for the Group's creditors to require sale and/or project/assets to be separated from the Group which may have implications for the Group.

There is also uncertainty as to the continued going concern assumption following expiry of the stabilisation period including the long-term viability of the company and Group's business which depends on several factors beyond the Group's control, including refinancing or extension of significant existing debt maturities, access to project financing as well as improvement in the market for newbuild homes and sale of land plots. Even so, the board's view is that it is expected that a long-term viable solution to secure a going concern should be achievable, as the Group's creditors have demonstrated significant support to the Group by agreeing to the stabilisation period and installed mechanisms to cater for uncertainties during the stabilisation period, expected improvement of the market conditions going forward, recent liquidity contribution from the Group's lenders, as well as new loans to support projects/assets. Even though the market is currently challenging, certain assets and projects owned by the Group should still be attractive to potential buyers, and a sale would provide additional liquidity to support operations.

In summary, while there are certain risks as addressed above, the board does not consider such risks to classify as material uncertainty for going concern to be likely based on the implemented measures, support and expected opportunities for the Group going forward. Should an assumption of going concern no longer be considered relevant, this would have significant implications for the Group's financial position. In particular, inventory property is recorded at the lowest of cost and market value, where market values are based on estimated recoverable amounts under the assumption that the project is completed by the Group. Should the Group be forced instead to divest its inventory property in current market conditions, it is the board's view that the realistically recoverable amount would be significantly lower than book values, which in turn would reduce the book value of the Group's equity.

## OUTLOOK

Despite positive development in Norwegian house prices during the first months of 2025, the market for newbuilds must still be considered weak, especially for projects outside the larger cities. A growing optimism was seen in January and February, where number of new sale contracts exceeded the levels seen in 2023. However, since the postponement of the first policy rate cut from the Norwegian Central Bank, which was expected in March, demand has once again seen a setback. This is further accentuated by the turmoil spurred by discussions over international trade and tariffs, and the increased volatility in global financial markets.

As we operate in an industry with long lead times from launch of project sales until completions, the low sales levels will have a negative impact on the Group's financial results throughout 2025 and into 2026.

Furthermore, our business model is based on a high degree of vertical integration, with a corresponding base of fixed costs. The current activity level, combined with pressure on obtainable margins in the projects, means that realised project margins are not sufficient to cover group costs, and operating cash flow is expected to remain negative in the short term. The Group is thus dependent on access to financing, alternatively sale of assets or investments to fund operations until the activity level increases. In connection with the financial restructuring, the Group and its creditors have entered into an agreement where certain costs not attributable to the building projects are to be financed by the Group's lending banks.

## EVENTS AFTER THE BALANCE SHEET DATE

It has not been identified events after the balance sheet date that would significantly affect the Group's financial position.

## BAKKEGRUPPEN AS (PARENT COMPANY)

Total revenues in the parent company was 35.2 million in 2024 (29.8 million), operating profit was -37.2 million (-48.3 million). Loss for the year was 25.3 million, compared to a loss of 0.3 million in 2023.

The parent company's equity amounted to 29.7 million (56.7 million) at 31 December 2024.

## ALLOCATION OF NET INCOME

The Board of Directors has proposed the net income of Bakkegruppen AS to be attributed to:

Proposed dividends	1.672.000
From other equity	- 27 006.000
<b>Net income allocated</b>	<b>- 25.334.000</b>

May 9<sup>th</sup>, 2025



Terje Johansen Ermesjø  
Chairman of the board



Richard Heiberg  
Director



Annette Malm Jüstad  
Director



Lisa Fredriksen  
Director



Morten Bakke  
CEO

# Annual Financial statements Bakkegruppen

## Income statement 1.1.- 31.12.

Bakkegruppen AS				Group		
2024	2023	Note	NOK 1000	Note	2024	2023
35 064	29 427	2,4	Sales revenues	2,3,4	641 079	1 013 813
94	375		Other operating revenues	3,4	8 791	31 108
<b>35 158</b>	<b>29 802</b>		<b>Total operating revenues</b>		<b>649 870</b>	<b>1 044 921</b>
0	0		Project expenses	5	503 794	812 919
33 297	33 691	6	Pay and personnel expenses	6	111 101	156 020
1 605	3 584	9,10	Depreciation, amortisation and impairment	9,10	49 719	24 543
37 493	40 861	7	Other operating expenses	7	77 437	95 801
<b>72 395</b>	<b>78 136</b>		<b>Total operating expenses</b>		<b>742 050</b>	<b>1 089 282</b>
0	0		Share of income/(loss) from associated companies		-3 219	270
<b>-37 238</b>	<b>-48 334</b>		<b>Total operating profit (loss)</b>		<b>-95 400</b>	<b>-44 091</b>
24 079	51 336		Income from investments in subsidiaries		0	0
73 350	69 263		Interest income		4 816	3 142
174	174		Other financial income		6 472	4 356
88 459	70 180	16	Interest costs	16	107 238	86 332
3 153	2 662		Other financial costs		5 671	8 815
<b>5 991</b>	<b>47 931</b>		<b>Net financial items</b>		<b>-101 622</b>	<b>-87 649</b>
<b>-31 247</b>	<b>-403</b>		<b>Profit (loss) before income taxes</b>		<b>-197 022</b>	<b>-131 741</b>
5 912	88	8	Income tax (expense) income	8	48 642	26 438
<b>-25 334</b>	<b>-315</b>		<b>Profit (loss) for the year</b>		<b>-148 380</b>	<b>-105 303</b>
<b>Allocation</b>						
1 672	0		Proposed dividends		1 672	0
-27 006	-315		Transferred to/from other equity		-150 052	-105 303
<b>-25 334</b>	<b>-315</b>		<b>Total allocation</b>		<b>-148 380</b>	<b>-105 303</b>

## Balance sheet

Bakkegruppen AS				Group		
31.12.24	31.12.23	Note	NOK 1000	Note	31.12.24	31.12.23
<b>Assets</b>						
5 835	0	8	Deferred tax asset		0	0
5 034	6 900	9	Intangible Assets	9	5 034	6 900
17 959	21 952	10	Properties	10	235 826	277 213
824	1 306	10	Plants and Equipment	10	56 019	63 645
<b>29 652</b>	<b>30 158</b>		<b>Total intangible and fixed assets</b>		<b>296 879</b>	<b>347 757</b>
9 683	9 683	11	Shares in subsidiaries		0	0
0	0		Shares in joint ventures and associates	11	35 859	47 626
0	0		Other shares	11	726	709
<b>9 683</b>	<b>9 683</b>		<b>Total non current financial assets</b>		<b>36 585</b>	<b>48 335</b>
686 429	640 428	12	Receivables group companies		0	0
0	25		Receivables joint ventures and associates		48 403	29 209
4 280	4 720		Other long term receivables		23 324	26 648
<b>690 709</b>	<b>645 173</b>		<b>Total non current receivables</b>		<b>71 727</b>	<b>55 857</b>
<b>730 043</b>	<b>685 014</b>		<b>Total non current assets</b>		<b>405 191</b>	<b>451 949</b>
0	0		Inventory property	5	1 603 975	1 896 678
0	161		Inventories		1 764	7 733
9 410	10 580		Trade receivables	4	315 260	204 580
24 079	205 434	12	Receivables group companies		0	0
1 404	3 860		Other short term receivables		8 870	9 588
22 928	1 892	14	Cash and cash equivalents	14	72 111	62 913
<b>57 820</b>	<b>221 926</b>		<b>Total current assets</b>		<b>2 001 981</b>	<b>2 181 492</b>
<b>787 863</b>	<b>906 940</b>		<b>TOTAL ASSETS</b>		<b>2 407 172</b>	<b>2 633 441</b>
160	160	15	Share capital	15	160	160
2 501	2 501	15	Share premium	15	829	2 501
715	715		Other paid in capital		715	715
26 299	53 306		Other equity		140 442	288 822
<b>29 676</b>	<b>56 683</b>		<b>Total equity</b>		<b>142 146</b>	<b>292 198</b>
0	77	8	Deferred tax liabilities	8	71 301	139 042
571 388	500 000	16,17,18	Bonds	16,17,18	571 388	500 000
6 648	7 043	16,17,18	Non current interest liabilities financial institutions	16,17,18	665 177	567 022
128 067	148 446	12	Non current liabilities group companies		0	0
0	0		Other long term liabilities		41 930	62 559
<b>706 102</b>	<b>655 566</b>		<b>Total non-current liabilities</b>		<b>1 349 797</b>	<b>1 268 623</b>
17 873	35 529	16,17,18	Current interest-bearing liabilities	16,17,18	752 932	789 070
5 759	4 578		Trade payables		50 482	99 921
0	0	8	Current income taxes payable	8	0	6 696
2 837	1 618		Public taxes		1 700	10 720
1 672	0		Dividends		1 672	0
0	119 098	12	Current liabilities group companies		0	0
23 943	33 867		Other current liabilities		108 443	166 213
<b>52 085</b>	<b>194 690</b>		<b>Total current liabilities</b>		<b>915 229</b>	<b>1 072 620</b>
<b>758 187</b>	<b>850 257</b>		<b>Total liabilities</b>		<b>2 265 026</b>	<b>2 341 243</b>
<b>787 863</b>	<b>906 939</b>		<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 407 172</b>	<b>2 633 441</b>

May 9<sup>th</sup>, 2025Terje Johansen Ermesjø  
Chairman of the boardRichard Heiberg  
DirectorAnnette Malm Jüstad  
DirectorLisa Fredriksen  
DirectorMorten Bakke  
CEO

## Changes in equity

### Group

NOK 1000	Share capital	Share premium reserve	Other paid-in capital	Retained earnings	Total equity
<b>Equity as at 01.01.2024</b>	<b>160</b>	<b>2 501</b>	<b>715</b>	<b>288 822</b>	<b>292 198</b>
Dividends		-1 672		0	-1 672
Insufficient tax provision in previous years				-80	-80
Net income/(loss) for the period				-148 300	-148 300
<b>Equity as at 31.12.2024</b>	<b>160</b>	<b>829</b>	<b>715</b>	<b>140 443</b>	<b>142 146</b>
<b>Equity as at 01.01.2023</b>	<b>160</b>	<b>2 501</b>	<b>715</b>	<b>379 125</b>	<b>382 501</b>
Dividends				0	0
Reversed dividends				15 000	15 000
Net income/(loss) for the period				-105 303	-105 303
<b>Equity as at 31.12.2023</b>	<b>160</b>	<b>2 501</b>	<b>715</b>	<b>288 822</b>	<b>292 198</b>

### Bakkegruppen AS

NOK 1000	Share capital	Share premium reserve	Other paid-in capital	Retained earnings	Total equity
<b>Equity as at 01.01.2024</b>	<b>160</b>	<b>2 501</b>	<b>715</b>	<b>53 306</b>	<b>56 682</b>
Dividends		-1 672		0	-1 672
Insufficient tax provision in previous years				-80	-80
Net income/(loss) for the period				-25 254	-25 254
<b>Equity as at 31.12.2024</b>	<b>160</b>	<b>829</b>	<b>715</b>	<b>27 972</b>	<b>29 675</b>
<b>Equity as at 01.01.2023</b>	<b>160</b>	<b>2 501</b>	<b>715</b>	<b>38 621</b>	<b>41 998</b>
Reversed dividends				15 000	15 000
Net income/(loss) for the period				-315	-315
<b>Equity as at 31.12.2023</b>	<b>160</b>	<b>2 501</b>	<b>715</b>	<b>53 306</b>	<b>56 682</b>

## Cash flow statement

Bakkegruppen AS			Group	
2024	2023	NOK 1000	2024	2023
<b>Cash flow from operating activities</b>				
-31 247	-403	Profit/ (loss) before income taxes	-197 022	-135 519
71 388	0	Finance cost non cash effect	71 388	0
0	0	Income taxes paid	-6 696	-10 330
0	0	Profit/Loss on sale subsidiary, non-cash effects	3 940	3 778
1 605	3 584	Depreciation and amortisation expenses	49 719	24 543
5 996	0	Changes in inventories	279 564	-215 531
183 812	-69 905	Changes in short term receivables	718	12 759
1 170	-5 343	Changes in account receivables	-110 680	536 780
1 180	1 183	Changes in account payables	-49 439	-65 878
-127 802	88 316	Changes in other operating activities	-78 428	0
<b>106 101</b>	<b>17 433</b>	<b>Net cash flow from operating activities</b>	<b>-36 935</b>	<b>150 602</b>
<b>Cash flow from investing activities</b>				
-1 099	-554	Purchase/sale of tangible non current assets	1 159	-57 112
0	0	Net purchase and proceeds from other investments	935	-29 082
<b>-1 099</b>	<b>-554</b>	<b>Net cash flow from investing activities</b>	<b>2 095</b>	<b>-86 194</b>
<b>Cash flow from financing activities</b>				
76 137	-50 739	Changes in non current receivables	-15 870	-7 280
-17 656	-483	Repayment of borrowings	-409 075	-469 589
-142 448	32 012	Changes in debt	468 984	327 469
0	0	Dividends paid	0	0
<b>-83 966</b>	<b>-19 209</b>	<b>Net cash flow from financing activities</b>	<b>44 039</b>	<b>-149 400</b>
<b>21 036</b>	<b>-2 330</b>	<b>Net change in cash and cash equivalents</b>	<b>9 198</b>	<b>-84 992</b>
1 892	4 222	Cash and cash equivalents at start of period	62 913	147 905
22 928	1 892	Cash and cash equivalents at end of period	72 111	62 913

# Notes to the financial statements for Bakkegruppen

## Note 1 General information

Bakkegruppen AS is a limited liability company with registered office Finstadhagan 7, 1930 Aurskog, Norway. Bakkegruppen's principal offices are located in Finstadhagen in Aurskog and in Drammensveien 165, 0277 Oslo.

Bakkegruppen AS with subsidiaries (together the Group or Bakkegruppen) is a residential developer of row houses and apartments, conducting its business in Norway, with a regional focus on the greater Oslo/Romerike area. Bakkegruppen also operates other businesses, including scaffolding rental supplies (BG Utleie AS). The Group's operations within storage unit development (MittEgetLokale AS), as well as a spa and conference center (Rømskog Spa & Resort) were sold during 2023-2024. For additional information regarding the Group, please visit [www.bakke-as.no](http://www.bakke-as.no).

These consolidated financial statements were approved by the Board of Directors on 9<sup>th</sup> May, 2025.

## Note 2 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

### Basis for consolidation

The Group's consolidated financial statements comprise Bakkegruppen AS and companies in which Bakkegruppen AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares and can exercise control over the company. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statements have been prepared in accordance with the same accounting principles for both parent and subsidiaries.

The purchase method is applied when accounting for business combinations. Companies which have been acquired or divested during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

Participation in joint ventures, where two or more participants by agreement jointly control an economic activity, is accounted for under the gross method in the consolidated accounts. Applying the gross method, the Group recognises its share of the income, expenses, assets and liabilities in the accounts. Joint ventures with insignificant activity may be held at cost in the consolidated financial statements. An associated company is an entity in which the Group has a significant influence but does not exercise control over the management of its finances and operations, normally when the Group owns 20%-50% of the shares. The consolidated financial statements include the Group's share of the profits/losses from associated companies, accounted for under the equity method, from the date when a significant influence is achieved and until the date when such influence ceases. When the Group's share of a loss exceeds the Group's investment in an associate, the amount carried in the Group's balance sheet is reduced to zero and further losses are not recognised unless the Group has an obligation to cover any such loss.

### Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

### Revenue recognition

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Revenues from the sale of services and long-term manufacturing projects are recognised in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. For housing and property projects, revenues and cost of goods sold are accounted for according to the percentage of completion method, where the degree of completion is estimated on the basis of expenses incurred relative to total estimated cost, multiplied by the sales rate. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have been incurred will be recognised as revenue. The total estimated loss on a contract will be recognised in the income statement during the period when it is identified that a project will generate a loss.

## Inventory properties and inventories

Bakkegruppen's inventory property mainly comprises land and property under development and construction, as well as unsold finished units, ie assets held for sale in the ordinary course of business. Inventories comprises materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are recognised at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location. The cost of conversion includes costs directly related to the construction of the property and an allocation of fixed and variable overheads incurred during development and construction. Other costs are included in the cost of inventories only to the extent that they are directly attributable to bringing the inventories to their present location and condition, including planning and design costs. Borrowing costs directly attributable to the acquisition, construction or production of property are added to the cost of those assets until the assets are substantially ready for their intended use or sale. Capitalisation of borrowing costs commences when the Group undertakes activities on the regulated plot/property. Capitalisation of other directly attributable costs commences when it is more likely than not that the project will be realised.

When carrying out purchase price allocations in connection with acquisition of land or properties, excess values are capitalised at the Group's cost of purchase for the land/property.

The cost of goods is correlated with the sale of the goods and accounted for on an accrual basis through changes in inventory. When properties are sold, the carrying amount is recognised as a project expense in the income statement in the period in which the related revenue is recognised.

## Income tax

Income tax expense consists of the tax payable and changes in deferred tax.

Taxes payable are recognised on taxable profits at the current tax rate. Current tax liabilities and assets are measured at the amount that is expected to be paid to or recovered from the tax authorities. The tax rates and tax rules used to calculate the amounts are those that have been adopted or substantively adopted by the end of the reporting period (the Norwegian nominal tax rate 22%).

Deferred tax/tax assets are calculated on all differences between the carrying amount of an asset or liability in the consolidated financial statements and their respective tax value, with the exception of temporary differences related to investments in subsidiaries, joint ventures or associates where the timing of reversal of temporary differences can be controlled and it is probable that temporary differences will not reverse. For the calculation of deferred tax assets and liabilities, the nominal tax rates expected to be applied when the asset is realised, or the liability is paid, will be used.

Deferred tax assets relating to tax deficits and other tax-reducing temporary differences are recognised to the extent that it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset.

## Balance sheet classification

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

## Property, plant and equipment

Property, plant and equipment are tangible items intended for production, delivery of goods or administrative purposes and have a lasting useful life. Property, plant and equipment are stated at their cost less accumulated depreciation and impairment losses, if any. Acquisition costs include costs directly attributable to the acquisition of the asset. Subsequent costs, such as regular maintenance costs, are recognised in the profit or loss, while other costs that are expected to provide future financial benefits are capitalised.

The assets are depreciated on a linear basis over the estimated useful life of the asset. Useful life, depreciation methods and the residual value are reviewed annually. Depreciation commences when the assets are ready for their intended use. If there is any indication that the value of an asset may be impaired, the asset will be written down to the recoverable amount if the recoverable amount is lower than the carrying value. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted are used.

When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the profit or loss.

## Leases

Leases in which the Group has substantially all the risks and rewards incidental to ownership of an asset are classified as financial leases, and assets and liabilities are capitalised.

## Subsidiaries and investment in associates

Subsidiaries and investments in joint ventures and associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

## Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

## Short term investments

Short term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognised as other financial income.

## Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

## Note 3 Segment information

The operating segments presented are the key components of the Bakkegruppen Group's business, and the main segment is defined as Property development, including rowhouses and detached houses (Bakke AS) and apartments (Bakke Leiligheter AS). The Other segment comprises scaffolding rental supplies (BG Utleie AS), commercial real estate properties, holding and eliminations. Holding and eliminations consist of unallocated costs associated with the Group's corporate administration, financial management and the elimination of inter-segment sales. Note that Rømskog Spa & Resort was sold at year-end 2023, and MittEgetLokale AS was sold on February 28, 2024.

EBITDA (earnings before interest, taxes, depreciation and amortisation) per segment is shown in the table below:

NOK 1000	2024			2023		
	Property development	Other areas	Total	Property development	Other areas	Total
Operating revenues	563 280	86 590	649 870	702 518	342 403	1 044 921
Project expenses	472 329	31 465	503 794	563 346	249 573	812 919
Other operating expenses	115 842	72 695	188 538	137 946	113 875	251 821
Share of income/(loss) from associated companies	-3 219	0	-3 219	270	0	270
<b>EBITDA</b>	<b>-28 110</b>	<b>-17 571</b>	<b>-45 680</b>	<b>1 496</b>	<b>-21 045</b>	<b>-19 549</b>

## Note 4 Revenues and trade receivables

Norway is the geographical segment for all revenues, as the Group conducts its business in Norway. A specification of operating revenues is shown below.

NOK 1000	2024			2023		
	Sales revenues	Other operating revenues	Total	Sales revenues	Other operating revenues	Total
Property development	555 336	7 944	563 280	698 499	4 018	702 518
Mittegetlokale	25 460	0	25 460	263 738	4 281	268 018
Rental revenues scaffolding/equipment	55 097	753	55 851	50 161	1 003	51 164
Hotel related revenues	0	0	0	0	21 431	21 431
Holding/Eliminations	5 186	94	5 280	1 414	375	1 789
<b>Total operating revenues</b>	<b>641 079</b>	<b>8 791</b>	<b>649 870</b>	<b>1 013 813</b>	<b>31 108</b>	<b>1 044 921</b>

The revenues in Bakkegruppen AS are related to administrative services to subsidiaries and joint ventures.

Trade receivables related to sold units under construction booked according to percentage of completion, amount to NOK 298 million for the Group at 31 December 2024 (NOK 198 million at 31 December 2023), and trade receivables related to amounts withheld from customers amounts to NOK 2.8 million at 31.12.2024.

## Note 5 Project expenses and inventory property

Bakkegruppen's inventory property mainly comprises land and property under development and construction, as well as unsold finished units, i.e. assets held for sale in the ordinary course of business.

NOK 1000	2024	2023
Carrying amount inventory property at 1 January	1 896 678	1 668 487
Additions capitalised project expenses	211 091	1 041 110
Inventory expenses on sold units (project expenses)	-503 794	-812 919
Impairment losses	0	0
<b>Carrying amount inventory property at 31 December</b>	<b>1 603 975</b>	<b>1 896 678</b>
Land bank including development costs	1 342 090	
Under construction	171 426	
Completed unsold units	90 460	
<b>Total</b>	<b>1 603 975</b>	

The cost of goods is correlated with the sale of the goods and accounted for on an accrual basis through changes in inventory. Inventories are pledged, refer to Note 18. When properties are sold, the carrying amount is recognised as a project expense in the income statement in the period in which the related revenue is recognised. Payroll expenses are disclosed gross before capitalising project expenses, refer to Note 6.

## Valuation

The properties are valued at the lower of acquisition cost and net realisable value. The Group management has determined the most significant assumptions relevant to the valuation of individual properties/projects, including size and geographic location, construction costs, project progression, and timing of sale. Based on internal estimates of net realisable value, it has been concluded that net realisable value exceeds book value for all of the group's projects, and no impairments were recognised during 2024. Further, a previous impairment of NOK 6 million has been reversed. The reversal has been booked as a negative project expense in the group accounts.

## Purchase obligations and options for land

The group has entered into a number of agreements for the future acquisition of land for development of housing projects through purchase obligations and options. The option premium in option contracts is recognised at acquisition cost in inventory as they are incurred and when it is probable that the project will be realised. When the agreements will mature is uncertain, depending on external planning processes not controlled by the Group. Certain agreements for purchase of land plots also has provisions for variable payments and profit sharing, depending on e.g. the outcome of zoning processes and number of housing units.

Total payments for purchase obligations and options that based on management estimates are likely to be exercised amount to 535 million, of which 71 million are included in the statement of financial position as of 31 December 2024. Some of the agreements also contain provisions for adjustment of the amounts payable based on inflation. If the amounts come to payment, they will be included as part of project expenses for the respective projects.

The table below shows the distribution of amounts per financial year (not adjusted for inflation).

NOK 1000	2025	2026	2027	Later	Total
Total payments	6 100	152 097	205 374	171 750	535 321

The group has assessed whether a provision for loss needs to be made for some of these contracts at 31 December 2024, and no loss-making contracts have been identified for 2024 (or 2023).

## Note 6 Employees and payroll expenses

Payroll expenses comprise all types of remuneration to personnel employed by the Group and are expensed when earned. Ordinary pay can be both fixed pay and hourly wages and is earned and paid periodically. Holiday pay is earned on the basis of ordinary pay and is normally paid in the holiday months of the following year. Bonuses are earned and calculated on the basis of various performance target and are paid in arrears.

Bakkegruppen is obligated to follow the Act on Mandatory company pensions (OTP), and the Group's pension scheme follows the requirement as set in this Act. The pension contributions are charged to expenses as they are incurred.

Payroll expenses are disclosed gross before capitalising project expenses, refer to Note 5.

### Salaries and remuneration

The table below sets out the salaries and remuneration for 2024 and 2023 and the average number of man-years, for Bakkegruppen AS and the Group consolidated, respectively.

NOK 1000	Bakkegruppen AS		Group	
	2024	2023	2024	2023
Salary	24 541	26 363	90 144	125 453
Social security tax on salaries, pensions, bonuses etc	4 928	4 616	16 944	21 994
Pension expenses	1 906	1 608	6 275	8 494
Other benefits	1 923	1 103	-1 662	77
<b>Total payroll expenses</b>	<b>33 297</b>	<b>33 691</b>	<b>111 701</b>	<b>156 018</b>
Average number of man-years	17	19	100	173

<sup>1)</sup> Salary consists of base salary and holiday payment.

<sup>2)</sup> Other benefits are the total of all other cash and non-cash related benefits received by the individual during the year presented, and includes such items as bonuses, the taxable portion of insurance premiums, company car, car allowances and electronic communication items

## Remuneration to the Board of Directors and senior executives [Nina]

The table below sets out the remuneration for 2024 and 2023 for the Board of Directors and senior executives in Bakkegruppen AS:

Remuneration to senior executives NOK 1000	Bakkegruppen AS		Group	
	2024	2023	2024	2023
Board of Directors	675	796	675	796
Salary	7 712	6 377	13 694	11 883
Pension benefits	403	108	794	494
Other benefits	511	361	989	856
<b>Total remuneration</b>	<b>9 301</b>	<b>7 642</b>	<b>16 152</b>	<b>14 029</b>

The Group CEO, CFO, COO, Chairman and the members of the Board have no agreements for further compensation due to termination or changes in the position. There are no loans or share-based payments from the company to Group CEO or the Board of Directors

## Note 7 Fees to auditors

The amounts in the table below represent the fees for the audit of the statutory financial statements for companies with statutory audit requirements, adjusted for proportionate consolidation, in addition to the audit of the consolidated financial statement and other services.

NOK 1000	Bakkegruppen AS		Group	
	2024	2023	2024	2023
Statutory audit services	755	314	2 694	3 017
Tax advisory services	23	51	169	522
Other assurance services	-	233	166	829
Other non-audit services	295	-	644	198
<b>Total fees paid to auditor (ex VAT)</b>	<b>1 073</b>	<b>598</b>	<b>3 673</b>	<b>4 566</b>

## Note 8 Taxes

	Bakkegruppen AS		Group	
<b>Tax expense</b>				
NOK 1000	2024	2023	2024	2023
Current income tax payable	-	0	-0	6 565
Changes in deferred taxes	-	5 912	-88	-48 642
<b>Income taxes in profit</b>	<b>-5 912</b>	<b>-88</b>	<b>-48 642</b>	<b>-26 438</b>

### Reconciliation of the effective rate of tax

NOK 1000	2024	2023	2024	2023
Profit/(loss) before tax	-31 247	-403	-197 022	-131 741
Expected income tax according to income tax rate 22%	-6 874	-89	-43 345	-28 983
Tax effect of permanent differences	962	1	-5 471	-2 195
Other	0	0	174	4 740
<b>Income taxes in profit</b>	<b>-5 912</b>	<b>-88</b>	<b>-48 642</b>	<b>-26 438</b>
Effective rate of tax	18,9 %	0,2 %	24,7 %	-2,0 %

### Deferred tax assets and liabilities at 31 December

NOK 1000	2024	2023	2024	2023
<b>Non-current assets and liabilities</b>				
Intangible assets				
Tangible assets	2 358	352	282 111	162 356
Other non-current items				
<b>Current assets and liabilities</b>				
Inventory property			110 695	620 502
Receivables and inventories	-688		176 016	3 855
Provisions	-135		-9 295	-14 843
Other current items			-24 500	-46 733
Tax losses carried forward	-28 057		-210 931	-93 127
<b>Net temporary differences</b>	<b>-26 522</b>	<b>352</b>	<b>324 096</b>	<b>632 010</b>
<b>Net recognised deferred tax liabilities 22%</b>	<b>-</b>	<b>5 835</b>	<b>77</b>	<b>71 301</b>
				<b>139 042</b>

### Reconciliation deferred tax assets and liabilities

Deferred tax assets and liabilities at 1 January	77	165	139 043	162 907
Changes in deferred taxes	-5 912	-88	-48 642	-33 002
Deferred tax assets/liabilities acquisitions			0	-377
Other	1		-19 100	9 515
<b>Deferred tax assets and liabilities at 31 December</b>	<b>-5 834</b>	<b>77</b>	<b>71 301</b>	<b>139 043</b>

## Note 9 Intangible assets

Intangible assets acquired through acquisitions are capitalised at cost and depreciated on a linear basis over their useful life. Expenditure on internally generated or customised IT systems is capitalised and presented as intangible assets.

	Bakkegruppen AS		Group	
NOK 1000	2024	2023	2024	2023
<b>Cost at 1 January</b>	<b>17 867</b>	<b>17 313</b>	<b>26 746</b>	<b>26 862</b>
Additions	-	554	0	554
Disposals	-	-	0	670
<b>Cost at 31 December</b>	<b>17 867</b>	<b>17 867</b>	<b>26 746</b>	<b>26 746</b>
<b>Accumulated depreciations at 1 January</b>	<b>10 967</b>	<b>8 685</b>	<b>19 845</b>	<b>13 969</b>
Depreciations	1 866	2 282	1 866	6 536
Disposals	-	-	0	659
<b>Accumulated depreciations at 31 December</b>	<b>12 833</b>	<b>10 967</b>	<b>21 711</b>	<b>19 845</b>
<b>Carrying amount at 1 January</b>	<b>6 900</b>	<b>8 628</b>	<b>6 900</b>	<b>12 893</b>
<b>Carrying amount at 31 December</b>	<b>5 034</b>	<b>6 900</b>	<b>5 035</b>	<b>6 900</b>
Estimated useful life	5-10 years	5-10 years	5-10 years	5-10 years
Depreciation method	Linear	Linear	Linear	Linear

## Note 10 Property, plant, equipment and leases

### 2024

NOK 1000	Properties	Plants and equipment	Leases equipment	Total plant and equipment	Total
<b>Cost at 1 January</b>	<b>304 312</b>	<b>25 589</b>	<b>80 750</b>	<b>106 339</b>	<b>410 651</b>
Additions	7 401	41	1 977	2 017	9 419
Disposals	6 595	2 114	0	2 114	8 709
<b>Cost at 31 December</b>	<b>305 118</b>	<b>23 515</b>	<b>82 727</b>	<b>106 242</b>	<b>411 360</b>
<b>Accumulated depreciations at 1 January</b>	<b>26 675</b>	<b>17 012</b>	<b>26 109</b>	<b>43 121</b>	<b>69 796</b>
Depreciations	11 800	-114	7 216	7 102	18 902
Disposals	0	0	0	0	0
Impairments	30 817	0	0	0	30 817
<b>Accumulated depreciations at 31 December</b>	<b>69 292</b>	<b>16 898</b>	<b>33 325</b>	<b>50 223</b>	<b>119 515</b>
<b>Carrying amount at 1 January</b>	<b>277 637</b>	<b>8 577</b>	<b>54 641</b>	<b>63 218</b>	<b>340 855</b>
<b>Carrying amount at 31 December</b>	<b>235 826</b>	<b>6 617</b>	<b>49 402</b>	<b>56 019</b>	<b>291 845</b>
Estimated useful life	25 -50 years	3-5 years	5-8 years		
Depreciation method	Linear	Linear	Linear		

### 2023

NOK 1000	Properties	Plants and equipment	Leases equipment	Total plant and equipment	Total
<b>Cost at 1 January</b>	<b>274 765</b>	<b>35 041</b>	<b>63 362</b>	<b>98 403</b>	<b>373 168</b>
Additions	105 526	2 505	17 388	19 893	125 419
Disposals	75 979	11 957	0	11 957	87 936
<b>Cost at 31 December</b>	<b>304 312</b>	<b>25 589</b>	<b>80 750</b>	<b>106 339</b>	<b>410 651</b>
<b>Accumulated depreciations at 1 January</b>	<b>31 195</b>	<b>20 537</b>	<b>19 142</b>	<b>39 679</b>	<b>70 874</b>
Depreciations	6 119	4 617	6 967	11 584	17 703
Disposals	10 639	8 143	-	8 143	18 782
<b>Accumulated depreciations at 31 December</b>	<b>26 675</b>	<b>17 012</b>	<b>26 109</b>	<b>43 121</b>	<b>69 795</b>
<b>Carrying amount at 1 January</b>	<b>243 570</b>	<b>14 505</b>	<b>44 220</b>	<b>58 725</b>	<b>302 294</b>
<b>Carrying amount at 31 December</b>	<b>277 637</b>	<b>8 578</b>	<b>54 641</b>	<b>63 219</b>	<b>340 856</b>
Estimated useful life	25 -50 years	3-5 years	5-8 years		
Depreciation method	Linear	Linear	Linear		

See note 16 for specification on equipment lease, the whole amount is related to BG Utileie AS

## Note 11 Subsidiaries, joint ventures and associated companies

Subsidiaries of Bakkegruppen AS	Registered office	Ownership share and voting power	Carrying value 31.12.2024	Carrying value 31.12.2023
Bakke AS	Aurskog	100 %	3	30
Bakke Leiligheter	Aurskog	100 %	9 650	3
MRB Holding AS	Aurskog	100 %	30	9 650
			<b>9 683</b>	<b>9 683</b>

The table below shows shares in subsidiaries owned through Bakke AS, Bakke Leiligheter AS and MRB Holding AS as of 31 December 2024 and specification of changes from last year:

Shares in subsidiaries owned through subsidiaries	Registered office	share and voting power	Changes from last year
<b>Bakke AS</b>			
Nitteberg Panorama Holding AS	Aurskog	100 %	
Nitteberg Panorama Nord AS	Aurskog	100 %	
Gartnevegen Eiendom AS	Aurskog	100 %	
Romeriksåsen AS	Aurskog	100 %	
Bakke Prosjekt AS	Aurskog	100 %	
Bråtejordet Utvikling AS	Aurskog	100 %	
Østmarka Panorama Holding AS	Aurskog	100 %	
Østmarka Panorama AS	Aurskog	100 %	
<b>Bakke Leiligheter AS</b>			
Linjekvartalet Bolig AS	Aurskog	100 %	
Frogner Prosjektutvikling AS	Aurskog	100 %	
Bakke Bolig Aurskog AS	Aurskog	100 %	
Bakke Bolig Jessheim AS	Aurskog	100 %	
Skogmo Eiendom AS	Aurskog	100 %	
<b>MRB Holding AS</b>			
Bakkegruppen Oppgjør AS	Oslo	100 %	
BG Utleie AS	Aurskog	100 %	
Finstadhagan 13 AS	Aurskog	100 %	
Bakkegruppen Ansatte Invest AS	Aurskog	100 %	
Bakkegruppen Eiendom AS	Aurskog	100 %	
Finstadhagan Eiendom AS	Aurskog	100 %	
Finstadhagan 17 AS	Aurskog	100 %	
Finstadhagan 25 AS	Aurskog	100 %	
Luftveien 4 AS	Aurskog	100 %	
Mittegetlokale Killingmo AS	Aurskog	100 %	
Mittegetlokale Brumunddal AS	Aurskog	100 %	

Specification of investments in joint ventures consolidated proportionately (according to gross method)	Registered office	Ownership share and voting power	Carrying amount 1.1.	Additions/ disposals	Share of profit	Dividends / repaid capital	Carrying amount 31.12.
<b>Bakke AS and subsidiaries:</b>							
Tjonåsen Utvikling AS **	Nordby	49 %	-1 470		-780		0
Romsaas Boligut AS	Kongsvinger	50 %	45		0		45
<b>Total Bakke AS and subsidiaries</b>			<b>-1 426</b>	<b>0</b>	<b>-780</b>	<b>0</b>	<b>45</b>
<b>Bakke Leiligheter AS and subsidiaries:</b>							
Nannestad Eiendom Utvikling AS	Aurskog	50 %	259		-123		137
SPG Bakke Bolig Gressvik AS	Oslo	49 %	1 869		-997		872
Moerveien Utvikling AS and subsidiary* Moerveien AS	Aurskog Oslo	40 % 40 %	-4 079		4 079		0
<b>Total Bakke Leiligheter AS and subsidiaries</b>			<b>8 842</b>	<b>-10 793</b>	<b>2 959</b>	<b>0</b>	<b>1 008</b>
<b>MRB Holding AS and subsidiaries:</b>							
Slåttmyrbakken Eiendom AS	Elverum	50 %	889		-119	-500	269
<b>Total MRB Holding AS and subsidiaries</b>			<b>888</b>	<b>0</b>	<b>-119</b>	<b>-500</b>	<b>269</b>
<b>Total Bakkegruppen AS and subsidiaries</b>			<b>8 304</b>	<b>-10 793</b>	<b>2 060</b>	<b>-500</b>	<b>1 322</b>

\* The ownership in Moerveien utvikling AS was decreased from 50% to 40% during 2024

\*\* Carrying amount set to zero due to negative quity

Specification of investments in associated companies consolidated according to the equity method	Registered office	Ownership share and voting power	Carrying amount 1.1.	Additions/ disposals	Share of profit	Dividends / repaid capital	Carrying amount 31.12.
<b>Bakke Leiligheter AS and subsidiaries:</b>							
Bakke & Malling Vestby AS	Oslo	48 %	15 912		-648		16 560
Dammensvika Eiendomsutvikling AS	Oslo	40 %	11 957	-11 957			0
Moerveien Utvikling AS and subsidiary Moerveien AS	Aurskog Oslo	40 % 40 %					0
Fjordbyen Lierstranda Utvikling AS and subsidiaries	Aurskog	40 %	10 808	-3 065	-2 521		5 221
Gilhusveien 5A AS	Aurskog	40 %					
Gilhusveien 19 AS	Aurskog	40 %					
Gilhusveien 5B, 15, 17 AS	Aurskog	40 %					
Einåsen Bolig 1 AS	Oslo	10 %					
<b>Total investments</b>			<b>38 678</b>	<b>-15 022</b>	<b>-3 169</b>	<b>0</b>	<b>21 781</b>
<b>Specification of investments in joint ventures and associated companies held at cost</b>							
<b>Bakke AS and subsidiaries:</b>							
GG3 Bolig AS	Aurskog	40 %	0				0
Holslia Eiendom AS	Aurskog	49 %	0				0
<b>Bakke Leiligheter AS and subsidiaries:</b>							
Kalkbyen Holding AS	Oslo	32 %	12 756				12 756
Aamodt Utvikling AS	Nordby	50 %					0
<b>Total investments</b>			<b>12 756</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12 756</b>
<b>Total investments joint ventures/associates (equity method/cost)</b>			<b>51 434</b>	<b>-15 022</b>	<b>-3 169</b>	<b>0</b>	<b>35 860</b>

SPG Bakke Franzefossbyen Holding has changed name to Kalkbyen Holding AS, and the ownership has decreased from 36% to 31,57%.  
Bakke Bolig Fjordbyen AS has changed name to Fjordbyen Lierstranda Utvikling AS

Other shares	31.12.2024	31.12.2023
Bolig Rykkinn AS (owned through Bakke Leiligheter AS)	656	656
Other shares	70	53
<b>Total other shares</b>	<b>726</b>	<b>709</b>

## Note 12 Receivables and liabilities group companies

Non current receivables group companies in Bakkegruppen AS			Non current liabilities group companies in Bakkegruppen AS		
NOK 1000	2024	2023	NOK 1000	2024	2023
Bakke AS	14 863	46 970	Nitteberg Panorama Nord AS	36 266	44 180
Romeriksåsen AS		2 664	Romeriksåsen AS	1 039	
Bakke Prosjekt AS	110 222	111 019	Gartnervegen AS		11 848
Nitteberg Panorama Holding AS	68 301	60 668	Bakke Boliginvest AS	373	354
Gartnervegen Eiendom AS	11 947		Østmarka Panorama Holding AS	40 982	1 340
Bråtejordet Utvikling AS	42 287	36 358	<b>Total Bakke AS subsidiaries</b>	<b>78 661</b>	<b>57 723</b>
Nitteberg Panorama Øst AS		422	Skogmo Eiendom AS	21 122	11 329
Østmarka Panorama AS	37 677	401	Frogner Prosjektutvikling AS		11 446
P. Eiendom og Invest AS		1	<b>Total Bakke Leiligheter AS and subsidiaries</b>	<b>21 122</b>	<b>22 774</b>
<b>Total Bakke AS and subsidiaries</b>	<b>285 298</b>	<b>258 502</b>	MRB Holding AS	23 691	
Bakke Leiligheter AS	215 089	222 352	Bakkegruppen Eiendom AS		1 057
Linjekvartalet Bolig AS	5 555	2 609	MittEgetLokale Vestby AS		11 624
Bakke Bolig Aurskog AS	25 151	28 091	MittEgetLokale Hamar AS		6 823
Frogner Prosjektutvikling AS	90 249		MittEgetLokale Porsgrunn AS		5 587
Bakke Bolig Jessheim AS	23 016	21 059	MittEgetLokale Heia AS		29 097
<b>Total Bakke Leiligheter AS and subsidiaries</b>	<b>359 061</b>	<b>274 110</b>	MittEgetLokale Tromsø AS		8 966
MRB Holding AS		12 855	Finstadhagan 13 AS	1 480	1 904
Bakkegruppen Eiendom AS	13 977		Bakkegruppen Ansatte Invest AS	3 089	2 890
Bakkegruppen Oppgjør AS		950	<b>Total MRB Holding AS subsidiaries</b>	<b>28 259</b>	<b>67 949</b>
Luftveien 4 AS	428		<b>Non current liabilities group companies</b>	<b>128 042</b>	<b>#####</b>
MittEgetLokale AS	332	67 704			
MittEgetLokale Brumunddal AS	157				
MittEgetLokale Killingmo AS	25 589	19 268			
MittEgetLokale Gardermoen AS		5 771			
Finstadhagan Eiendom AS	219	71			
Finstadhagan 25 AS	1 344	1 196			
<b>Total MRB Holding AS and subsidiaries</b>	<b>42 046</b>	<b>107 815</b>			
<b>Non current receivables group companies</b>	<b>686 404</b>	<b>640 427</b>			
	686 429	640 428			
	-25	-0			
Current receivables group companies in Bakkegruppen AS			Current liabilities group companies in Bakkegruppen AS		
NOK 1000	2024	2023	NOK 1000	2024	2023
Bakke AS	10 860		Bakke AS		60 291
Gartnervegen AS		23 162	Bakke Prosjekt AS		2 919
Romeriksåsen AS	2 431		Østmarka Panorama Holding AS		194
Nitteberg Panorama Nord AS	1 878	11 237	Østmarka Panorama AS		6 939
<b>Total Bakke AS and subsidiaries</b>	<b>15 168</b>	<b>34 399</b>	P. Eiendom og Invest AS		86,168
Bakke Leiligheter AS		35 000	<b>Total Bakke AS and subsidiaries</b>	<b>0</b>	<b>70 429</b>
Frogner prosjektutvikling AS	8 487	135 631	Bakke Leiligheter AS		42 119
<b>Total Bakke Leiligheter AS and subsidiaries</b>	<b>8 487</b>	<b>170 631</b>	Bakke Bolig Aurskog AS		4 567
Luftveien 4 AS	424	404	Bakke Bolig Jessheim AS		1 027
<b>Total MRB Holding AS and subsidiaries</b>	<b>424</b>	<b>404</b>	<b>Total Bakke Leiligheter AS and subsidiaries</b>	<b>0</b>	<b>47 713</b>
<b>Current receivables group companies</b>	<b>24 079</b>	<b>205 434</b>	Bakkegruppen Oppgjør AS		956
<b>Total receivables group companies</b>	<b>710 483</b>	<b>845 862</b>	<b>Total MRB Holding AS subsidiaries</b>	<b>0</b>	<b>956</b>
			<b>Current liabilities group companies</b>	<b>0</b>	<b>119 098</b>
			<b>Total liabilities group companies</b>	<b>128 042</b>	<b>267 545</b>

Current intra group receivables and current intra group liabilities at year end consist of Group contributions and dividends for the year.

## Note 13 Related parties

Two parties are deemed to be related if one party can influence the decisions of the other. Related party relationships are a normal feature of commerce and business. All transactions with related parties must be carried out on market terms and conditions.

Receivables, liabilities and transactions between Bakkegruppen AS and its subsidiaries, which are related parties to the company, have been eliminated in the consolidated accounts and are not disclosed in the note below for Bakkegruppen consolidated. For Bakkegruppen AS, transactions with related parties are mainly related to sale of administrative services to its subsidiaries and are included in the table.

For the Group, sale of services involving Bakkegruppen and its related parties mainly relate to sale of administrative services and are based on market terms. Sales to related parties also include sale of residential properties to joint ventures, shareholders or leading executives, also based on market terms.

The Group has the following significant transactions with joint ventures and associates, shareholders or leading executives:

NOK 1000	Bakkegruppen AS		Group	
	2024	2023	2024	2023
<b>Profit and loss</b>				
Sales to related parties	33 257	29 427	24 784	43 796
<b>Statement of financial position</b>				
Loans to joint ventures	-	25	48 403	29 209

Shareholder Morten Bakke has provided security up to NOK 6 million for Bakkegruppen AS, in favour of Høland & Setskog Sparebank.

For guarantees provided to joint ventures refer to Note 18.

## Note 14 Cash and cash equivalents

NOK 1000	Bakkegruppen AS		Group	
	2024	2023	2024	2023
Restricted bank accounts and deposits	1 528	1 567	11 992	21 790
Non-restricted cash	21 400	325	60 119	41 123
<b>Total cash and cash equivalents</b>	<b>22 928</b>	<b>1 892</b>	<b>72 111</b>	<b>62 913</b>

Cash includes cash at bank and in hand. Restricted bank accounts include employee tax payable to Norwegian authorities and restricted bank deposits related to funds reserved for the construction of a bypass road in Ullensaker kommune (Skogmo).

## Note 15 Share capital

The share capital of Bakkegruppen AS on 31 December 2024 consists of the following shares and shareholders:

Shareholder	Class A shares	Class B shares	% of votes	% of capital
Morten Roar Bakke	128 000	8 000	35,2 %	8,5 %
Randi Solvang Bakke	128 000	8 000	35,2 %	8,5 %
Snorre Bakke Holding AS		664 000	14,8 %	41,5 %
Sondre Bakke Holding AS		664 000	14,8 %	41,5 %
<b>Total</b>	<b>256 000</b>	<b>1 344 000</b>	<b>100,0 %</b>	<b>100,0 %</b>

Two classes of shares (A and B) are established in Bakkegruppen AS. The share capital of NOK 160 thousand in Bakkegruppen AS as of 31 December 2024 consists of 256 000 class A shares and 1 344 000 class B shares, in total 1 600 000 shares, with nominal value of NOK 0.10 per share.

Class A shares are preferred stock and have 70% of the votes in Bakkegruppen AS. Class B shares have a voting share of 30%.

Class A shares will receive 70% of dividends up to NOK 30 million. Dividends above NOK 30 million are allocated pro rata between Class A shares and Class B shares

## Note 16 Interest-bearing liabilities

The Group has the following non-current and current interest-bearing liabilities to credit institutions:

Company	Loan instrument	Lender	31.12.2024			2023	
			Non-current	Current	Total interest-bearing liabilities	Non-current	Current
Bakkegruppen AS	Bond	Bondholders	571 388		571 388	500 000	500 000 2027
Bakkegruppen AS	Property loans	Aurskog Sparebank	6 648		6 648	7 043	7 043 > 5 years
Bakkegruppen AS	RCF	Høland Sparebank		11 258	11 258		15 529 Annual renewal
Bakkegruppen AS	Property loan	Pareto Bank	6 615		6 615	20 000	20 000 2027
<b>Total Bakkegruppen AS</b>			<b>578 036</b>	<b>17 873</b>	<b>595 909</b>	<b>507 043</b>	<b>35 529</b> <b>542 572</b>
Bakke AS	Property loans	SP1 - Østlandet	28 301		28 301	25 025	25 025 2027
Bakke AS	Share purchase	SP1 - Østlandet	149 546		149 546	134 741	134 741 2027
Bakke AS	RCF	SP1 - Østlandet	-	-	-	10 002	10 002 Annual renewal
Østmarka Panorama AS	Share purchase	SP1 - Østlandet	88 545		88 545	78 200	78 200 2027
Østmarka Panorama AS	Construction loan	SP1 - Østlandet		3 476	3 476		Upon completion of project
Bakke Prosjekt AS	Construction loans	SP1 - Østlandet	251 460		251 460	226 985	226 985 Upon completion of project
Bakke Prosjekt AS	Land financing	Pareto Bank	42 904		42 904	50 800	50 800 2027
Bakke Prosjekt AS	Construction loan	Aurskog Sparebank	26 110		26 110	6 868	6 868 Upon completion of project
Bakke Prosjekt AS	Construction loan	Høland Sparebank	37 469		37 469	4 574	4 574 Upon completion of project
Gartnervegen Eiendom AS	Construction loan	Pareto Bank	42 078		42 078	26 365	26 365 Upon completion of project
Gartnervegen Eiendom AS	Construction loan	Høland Sparebank	2 465		2 465	10 694	10 694 Upon completion of project
Bråtejordet Utvikling AS	Construction loan	SP1 - Østlandet	5 914		5 914		Upon completion of project
<b>Total Bakke sub group</b>			<b>266 392</b>	<b>411 876</b>	<b>678 268</b>	<b>237 966</b>	<b>415 256</b> <b>653 222</b>
Skogmo AS	Construction loans	SP1 - Østlandet		147 744	147 744		- Upon completion of project
Skogmo AS	Land financing	SP1 - Østlandet	152 791		152 791	149 754	149 754 2027
Bakke Leiligheter AS	Land financing	Romerike Sparebank		50 985	50 985	50 985	2027
Bakke Leiligheter AS	Construction loan	Romerike Sparebank	2 879		2 879		- Upon completion of project
Bakke Bolig Aurskog AS	Construction loan	Pareto Bank	121 575		121 575		- Upon completion of project
Bakke Bolig Aurskog AS	Construction loan	Aurskog Sparebank	8 100		8 100	8 100	8 100 2028
<b>Total Bakke Leiligheter sub group</b>			<b>160 891</b>	<b>323 183</b>	<b>484 074</b>	<b>157 854</b>	<b>104 455</b> <b>262 309</b>
MRB Holding AS	Share purchase	Høland Sparebank	12 404		12 404	11 265	11 265 > 5 years
MittEgetLokale Killingmo AS	Property loan	Pareto Bank	60 000	-	60 000		55 657 2027
Luftveien 4 AS	Property loan	Nordea	19 320		19 320	20 010	20 010 2025
BG Utleie AS	Property loan	Aurskog Sparebank	9 017		9 017	9 217	9 217 > 5 years
BG Utleie AS	Equipment lease	Nordea	25 658		25 658	33 751	33 751 > 5 years
BG Utleie AS	Equipment lease	SP1 - Østlandet	2 827		2 827	3 701	3 701 > 5 years
BG Utleie AS	Equipment lease	Brage Finans	8 116		8 116	9 301	9 301 > 5 years
BG Utleie AS	Car loan	Møller Finans	187		187		> 5 years
BG Utleie AS	Equipment lease	DnB	1 922		1 922		> 5 years
Bakkegruppen Eiendom AS	Share purchase	Høland Sparebank	25 088		25 088	23 123	23 123 > 5 years
Bakkegruppen Eiendom AS	Share purchase	Aurskog Sparebank	11 067		11 067		> 5 years
Finstadhagan 25 AS	Property loan	Høland Sparebank	44 783		44 783	41 122	41 122 > 5 years
Finstadhagan 13 AS	Property loan	Eiendomskredit	7 770		7 770	7 190	7 190 > 5 years
Finstadhagan 13 AS	Property loan	Høland Sparebank	3 087		3 087	4 003	4 003 2027
<b>Total MRB sub group</b>			<b>231 246</b>	<b>-</b>	<b>231 246</b>	<b>164 159</b>	<b>233 829</b> <b>397 988</b>
<b>Total group</b>			<b>1 236 565</b>	<b>752 932</b>	<b>1 989 497</b>	<b>1 067 022</b>	<b>789 069</b> <b>1 856 091</b>

The duration of construction loans follows the completion rate of each specific project. The loan is paid back in full upon completion of project. Interest rates are bases on three month Nibor + margin.

As part of the group's long-term financing, Bakkegruppen issued a NOK 500 million bond at market terms in February 2021 with maturity date in February 2025. The proceeds from the bond issue were partly used to settle several revolving credit facilities, and the main part of the bond proceeds were used for further development of Bakkegruppen's land bank. In July 2024, parts of the outstanding bonds, with a total face value including accrued interest of approximately NOK 250 million, were converted into a new security with separate ISIN that if requested by the company can be converted to a new hybrid instrument. Further, the maturity date of the bond was postponed to March 2027, and the loan pays PIK interest until maturity.

Bakkegruppen was in compliance with the financial covenants under the amended bond agreement on 31 December 2024.

### Security and pledge

See Note 18 'Guarantees and pledged assets' regarding security and pledge.

## Note 17 Financial risk management

Bakkegruppen is exposed to financial risks originated from the operations and from the financing of the Group. Financial risks are monitored and managed on a consolidated level by Bakkegruppen's Group Management. The Group's overall risk management activities seek to minimise potential adverse effects on its financial performance.

**Credit risk**

The group's credit risk is mainly related to settlement from customers. Customers are, for a large part, Norwegian private individuals. Normally a deposit is paid upfront when customers enter into a contractual agreement with the group. Furthermore, after entering into a contract the customer has a legal obligation to cover the group's losses if the customer forfeits the contract. Customer payments are paid to a client account before an apartment or house is delivered to the buyer.

**Liquidity risk**

Liquidity risk entails that the group is not able to meet its financial obligations as they fall due, either in the ordinary course of payments or repayment or refinancing of loans on maturity. Like other property developers, depends on continuous access to project financing from financial institutions as well as other sources. To the extent possible, the Group seeks to mitigate liquidity risk by financing known obligations as early as practically possible, and by maintaining business relationships with several alternative financing providers. Access to project financing will also depend on the general financing market.

**Interest rate risk**

Interest rate risk is the risk related to the loan portfolio's exposure to the general interest level in Norway (Nibor) and the development of market terms (margin) of banks in general. The group has a policy not to enter into fixed interest contracts, combined with the fact that the main part of the debt is relatively short-term. The group however also has an implicit exposure to interest rates because there is a correlation between interest rates, property prices and the market for newbuilding projects.

**Risk related to suppliers**

The group has established risk reduction measures related to large suppliers to the group. Every material supplier has to satisfy a certain set of criteria, such as equity ratio and the lifetime of the supplier.

The group has no or very limited currency exposure and risk.

**Capital risk**

Bakkegruppen Group's capital management secures funding for ongoing and planned projects. The overriding goal is to provide financial capacity to perform operational activities uninterrupted and to support Bakkegruppen's business strategy, while providing returns for shareholders and benefits for other stakeholders as well as maintaining an optimum capital structure. In achieving the objectives, the Group maintains a secure liquidity though the year and a robust equity level through focus on the profitability of the various projects. The Group management evaluates all available funding sources on an on-going basis. Ongoing projects are mainly financed through construction loans which mature at project completion.

## Note 18 Guarantees and pledged assets

**Guarantees**

Guarantee obligations for the Group are mainly payment guarantees provided by Bakkegruppen AS for subsidiaries and joint ventures, related to the entities' pledged properties, amounting to NOK 104 million at year end 2024 (NOK 270 million at year end 2023). The large reduction is related to the restructuring agreement where most creditors agreed to terminate existing guarantees given by Bakkegruppen AS.

In connection with development projects Bakkegruppen AS or subsidiaries issue guarantees related to "Bustadoppføringslova" § 12 (guarantee for fulfilment of agreement), Bustadoppføringslova § 47 (guarantee for prepayment by customer), main contractorship and payment guarantees. The guarantees are issued through financial institutions with value up to NOK 416 million at year end 2024, whereof NOK 102 million was utilized. Bakkegruppen AS has also guaranteed pro rata according to its ownership share of 40% in Moerveien Utvikling AS for the latter's issuance of guarantees with up to NOK 56 million, of which NOK 44 million was issued at year-end 2024.

In addition, Bakkegruppen AS has given a guarantee related to the construction of a bypass road in Ullensaker kommune (Skogmo). The allocation of cost for the road is based on an agreement between local landowners, Skogmo projects share of guarantee for costs for the road is estimated to approx. NOK 25 million (NOK 29 million at year end 2023).

**Security**

Shares in the following Group entities are pledged as security:

**Company name**

Bakke AS	Bakke Leiligheter AS	MRB Holding AS
Bråtejordet Utvikling AS	Bakke Bolig Jessheim AS	Finstadhagan 13 AS
Østmarka Panorama Holding AS	Skogmo Eiendom AS	Finstadhagan 25 AS
Østmarka Panorama AS	Bakke Bolig Aurskog AS	Luftveien 4 AS
		BG Utleie AS

Bakke AS, Bakke Leiligheter AS and MRB Holding AS, the subsidiaries of Bakkegruppen AS, have acceded the Bond Agreement (refer to Note 16) as Guarantors, and the shares are pledged as security in favour of the Bondholders.

The Group's property, inventory and trade receivables are pledged in favour of each lender, with the following total book value of the pledged assets:

NOK 1000	31.12.24	31.12.23
Properties	235 826	277 213
Plants and Equipment	56 019	63 645
Inventory property	1 603 975	1 896 678
Inventories	1 764	7 733
Trade receivables	315 260	204 580
<b>Total</b>	<b>2 212 844</b>	<b>2 449 848</b>

Some Group entities also have given cross guarantee or cross security to each other's obligations.

## Note 19 Going concern and events after the balance sheet date

The group and parent company accounts are prepared, and confirmed by the board, based on a going concern assumption as per §4-5 of the Norwegian Accounting Act. The restructuring agreement entered into between the company, its shareholders its creditors as part of the financial restructuring process completed in 2024, contains several mechanisms aimed at stabilising the group's business until end of the first quarter 2027 (the "stabilisation period"). During the stabilisation period, amortization on most loans (excluding construction loans) have been suspended, and interest is accrued as payment-in-kind. Maturity on the loans have also been extended until the end of the stabilisation period, which significantly reduces refinancing risks in the period. Financial covenants have also been waived in the stabilisation period, except the covenant to maintain a minimum balance of unrestricted cash of NOK 30 million at all times. As the Group's cash flow is currently negative, the main risk during the stabilisation period is not being able to maintain the minimum cash balance, which would trigger an event of default. This risk is mitigated by mechanisms under the agreement to secure funding of certain group costs not directly connected to projects, continuation of project financing, as well as the suspension of amortization and interest payments. Further, the Group has been given the right to convert bonds with a face value of up to NOK 250 million to a new hybrid instrument, which would classify as equity.

The agreement also contains provisions on corporate governance and overall strategy, including an intention to strengthen the Group's balance sheet through sale of assets/projects and gives creditors the right to appoint a majority of the board's directors. In the board's view, the restructuring agreement supports operations throughout the stabilisation period and gives time to consider and implement measures to preserve and enhance the value of the Group's assets. During the period, it is expected that the market for newbuild homes will improve, which in turn should increase the value of the Group's land bank and other investments beyond what would be realistically achievable should the Group be forced to realize assets in the short term. Even so, the Group remains dependent on continued support from its creditors during the stabilisation period and the restructuring agreements also provides certain rights for the Group's creditors to require sale and/or project/assets to be separated from the Group which may have implications for the Group.

There is also uncertainty as to the continued going concern assumption following expiry of the stabilisation period including the long-term viability of the company and Group's business which depends on several factors beyond the Group's control, including refinancing or extension of significant existing debt maturities, access to project financing as well as improvement in the market for newbuild homes and sale of land plots. Even so, the board's view is that it is expected that a long-term viable solution to secure a going concern should be achievable, as the Group's creditors have demonstrated significant support to the Group by agreeing to the stabilisation period and installed mechanisms to cater for uncertainties during the stabilisation period, expected improvement of the market conditions going forward, recent liquidity contribution from the Group's lenders, as well as new loans to support projects/assets. Even though the market is currently challenging, certain assets and projects owned by the Group should still be attractive to potential buyers, and a sale would provide additional liquidity to support operations.

In summary, while there are certain risks as addressed above, the board does not consider such risks to classify as material uncertainty for going concern to be likely based on the implemented measures, support and expected opportunities for the Group going forward. Should an assumption of going concern no longer be considered relevant, this would have significant implications for the Group's financial position. In particular, inventory property is recorded at the lowest of cost and market value, where market values are based on estimated recoverable amounts under the assumption that the project is completed by the Group. Should the Group be forced instead to divest its inventory property in current market conditions, it is the board's view that the realistically recoverable amount would be significantly lower than book values, which in turn would reduce the book value of the Group's equity.

It has not been identified events after the balance sheet date that would significantly affect the Group's financial position.

To the General Meeting of Bakkegruppen AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Bakkegruppen AS.

<p>The financial statements comprise:</p> <ul style="list-style-type: none"><li>• The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2024, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and</li><li>• The financial statements of the Group, which comprise the balance sheet as at 31 December 2024, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.</li></ul>	<p>In our opinion:</p> <ul style="list-style-type: none"><li>• The financial statements comply with applicable statutory requirements.</li><li>• The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.</li><li>• The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.</li></ul>
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### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors and the Managing Director (management) is responsible for the other information. The other information comprises the Board of Directors' report. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinion on the Board of Directors' report**

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly for the statements on Corporate Social Responsibility.

#### **Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**

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Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Henning Dalsegg  
State Authorised Public Accountant  
(This document is signed electronically)

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**Dalsegg, Henning Arne**

Statsautorisert revisor

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