



Quarterly Financial Statements
Q2 2025 Bakkegruppen

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Highlights of the second quarter and the first half year 2025

(Figures in brackets relate to the corresponding period of 2024. The figures are unaudited.)

Second quarter 2025

- Operating revenues NOK 155 million (NOK 146 million) ¹
- Operating loss NOK 20 million (loss NOK 12 million)
- Gross sales in NOK 147 million (NOK 369 million) ²

First half year 2025

- Operating revenues NOK 319 million (NOK 325 million) ¹
- Operating loss NOK 46 million (loss NOK 33 million)
- Gross sales NOK 318 million (539 million)

¹ Operating revenues recognized in the income statement (NGAAP), according to the percentage of completion method

² Sales contracts entered into with customers pursuant to the Norwegian Housing Construction Act (Bustadsoppføringslova). Excludes sales of storage sections by MittEgetLokale, which was part of the Group until 28 February 2024. Sales in jointly controlled entities are reported gross and not adjusted for ownership.

Financial and operational review

The first half of 2025 has been characterized by a market that is still challenging, with number of sales well below previous years and few new building starts.

Within our apartment division, Bakke Leiligheter, we currently have two wholly-owned projects under construction, Skogmo BT2 at Jessheim and Sentrumshagen at Aurskog. Both projects will be completed during August/September 2025. The projects contain a total of 118 housing units, of which 108 apartments and 10 row houses at Skogmo that will be finished later this year and early next year. At the time of writing, four apartments at Skogmo and 15 at Sentrumshagen are unsold. Out of the ten rowhouses, two have so far been sold, and we therefore expect the number of completed, unsold units to increase once the projects are finalized. Furthermore, construction is ongoing and expected to be completed in 2H 2026 at Fredheimkvartalet Ås, where the Group has 40% ownership. Møllestrøket in Vestby (48% ownership) has achieved satisfactory sales levels, but has yet not received construction financing.

Within the house division (Bakke AS), construction is ongoing at Sentrumshagen (Aurskog), Lørenfallet (Lillestrøm), Høgåskollen (Enebakk) and Strandlia (Nesodden). In total, these projects count 49 housing units, with a mix of multifamily houses with 4-8 apartments and row houses. We also have ongoing sales at Stendansen (Jessheim), Bakkedalen (Kløfta) and Bjørkeåsen (Nannestad). At Bjørkeåsen, construction of the first eight units will commence in 2H.

Mittegetlokale AS was sold on 28th February 2024 and are included in the group accounts (for the corresponding period in 2024) up until this date with revenues of NOK 25 million and an operating profit of NOK 7 million.

Sales

Reported revenues from Property development totaled NOK 302 million in the first half of 2025. This compares with NOK 270 million in the first half of 2024. In terms of new sale contracts entered into, number of housing units and total sales value decreased from last year. Total sales (gross, including JVs) in 1H 2025 were 62 housing units with a total value of NOK 318 million. This compares with 122 units and NOK 539 million in 1H 2024. Note, however, that in 1H 2024 42 of the units with a total sales value of NOK 146 million relates to the Møllestrøket JV, where construction start has still to be decided.

New building starts

During 1H 2025, the Group commenced construction on a total of 47 housing units, all in fully owned projects.

Deliveries

The Group delivered 10 (15) housing units with a total sales value of NOK 56 million in Q2 2025 (NOK 99 million). During the first six months, a total of 19 (28) housing units and one land plot with a total sales value of NOK 98 million (NOK 173 million) were delivered to buyers. All figures are gross, i.e. also include deliveries from companies where the Group does not have a controlling interest.

Inventory

As of June 30th, 2025, the Group had an inventory of eight finished but unsold housing units with a total listed sales value of NOK 60 million.

Financial highlights – first six months 2025

Total revenues for 1H 2025 were NOK 319 million, compared with NOK 325 million in 1H 2024. Note, however, that NOK 25 million of revenues in 1H 2024 relates to the former subsidiary Mittegetlokale AS.

Project expenses amounted to NOK 273 million in the period, compared to NOK 250 million in the corresponding period last year. Personnel expenses were NOK 51 million, down from NOK 56 million in 1H 2024. Depreciation and amortization expenses amounted to NOK 9.3 million, compared to 8.4 million in 1H 2024. No impairments have been made in either period.

Other operating expenses of NOK 29 million were lower than in 1H 2024 (NOK 42 million). Total operating expenses of NOK 362 million are however NOK 6 million higher than in 1H 2024. The difference is entirely explained by higher project expenses, as revenues and hence production values were higher in the period (when adjusted for the sale of Mittegetlokale).

The Group reports an operating loss of NOK 46 million in 1H 2025, compared to an operating loss of NOK 33 million in 1H 2024.

Assets on 30 June 2025 totaled NOK 2 593 million, compared to NOK 2 324 million on 30 June 2024. The total cash position was NOK 53 million, a decrease of NOK 19 million from 31 December 2024.

Bakkegruppen was in compliance with the financial covenants related to the amended bond agreement (minimum unrestricted liquidity of NOK 30 million) on 30th of June 2025. As described under Subsequent events, the minimum liquidity covenant has been temporarily waived after the balance sheet date.

Outlook and risk factors

The Norwegian market for new residential developments continues to be weak, and number of housings starts nationally remains low and significantly lower than what analysts consider needed to meet long-term housing needs. Bakkegruppen and other housebuilders struggle to launch new profitable projects with prices sufficiently low to attract demand. This is particularly the case for apartment projects outside the larger cities, which includes Bakkegruppen's core geographical markets. The situation is somewhat better for multi-dwelling houses with four to eight housing units; in this segment we have been able to launch projects where a lower production cost and price than similarly sized apartments have been able to attract buyers.

Norges Bank finally cut the policy rate in June 2025, for the first time since 2020. The cut was long awaited, but is not sufficient to improve demand for new housing significantly. Policymakers and representatives for the sector are discussing alternative measures that can be implemented in order to increase the number of new housing starts, including simplifying zoning processes and reviewing technical requirements that increase building costs.

The current relatively low level of new home sales will continue to impact the Group's financial performance throughout the remainder of 2025 and into 2026, reflecting the long lead times inherent in the residential development cycle. The Group's vertically integrated business model—from land acquisition through construction and sales—requires a higher level of market activity than seen currently to sustain positive operating cash flows. As such, cash flows are expected to remain negative in the short term, and the Group remains reliant on access to external financing, asset sales, or strategic investments to support operations until market conditions improve. Due to the nature of the Group's business, access to project financing is critical.

Subsequent events and going concern assumption

In 2023, a framework for financial restructuring of Bakkegruppen was agreed between the Company, its shareholders, banks and bondholders. Following this, there has been continued dialogue between the Company, its core banks and major bondholders with the goal to further strengthen the framework and establish a long-term viable capital structure for the Group.

On July 11th, 2025, Bakkegruppen announced that it has signed letters of intent both for the sale of certain residential projects to an undisclosed buyer, and for a further restructuring of the company's debt obligations whereby the company's outstanding bond loan will be partially redeemed, and the company's banks and bondholders will become owners of ordinary and preference shares in Bakkegruppen, respectively. The debt restructuring is contingent on a successful outcome of the asset sale, and vice versa. Conclusion of the transactions is expected by the end of September.

The agreement entails a new bank loan from the core banks of NOK 150 million, which will be exclusively allocated toward the partial settlement of the outstanding bond obligation. Further, bondholders will receive partial settlement in the form of non-accumulating preference shares in Bakkegruppen, while the core banks will become owners of 40% of the ordinary shares in Bakkegruppen, and key personnel will own 9%. The current shareholders in Bakkegruppen will remain majority owners with a 51% shareholding.

As part of the letter of intent entered into, the financial covenant under the bond loan agreement, which states that the Group shall maintain a minimum liquidity of NOK 30 million, has been temporarily waived.

Due to the nature of the business and the projects' life cycle, as well as the currently low activity level, cash flows have remained negative after the balance sheet date, and the Group has been dependent upon new loans in order to finance working capital needs. Without this additional financing, the Group would not have been able to maintain operations.

The transactions described above will, if concluded, strengthen the Company and the Group's equity, reduce interest bearing debt and accompanying interest expenses, and reduce future payment obligations. In summary, it is the Board's view that there is sufficient likelihood of establishing a long-term viable solution for the Group to support an assumption of going concern. 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.

Responsibility statement

We hereby confirm that, to the best of our knowledge, the interim financial statements for the period from 1st January to 30th June 2025 have been prepared in accordance with applicable accounting standards (NGAAP), and that the information in the financial statements gives a true and fair view of the group's assets, liabilities, financial position and profit or loss taken as a whole. We also confirm that, to the best of our knowledge, the interim report for the quarter and first half year of 2025 gives a true and fair view of important events in the accounting period and their impact on the interim report for quarter and first half year of 2025, as well as the principal risks and uncertainties facing the business in the next accounting period.

August 28, 2025

The Board of Bakkegruppen AS

Consolidated statement of profit and loss (unaudited)

NOK 1000	Note	Second quarter		First half year	
		Q2 2025	Q2 2024	H1 2025	H1 2024
Sales revenues	2,3	153 908	144 204	316 907	321 290
Other operating revenues	2,3	1 635	2 058	2 162	3 929
Total operating revenues		155 543	146 262	319 069	325 219
Project expenses	2	130 025	110 414	272 677	249 987
Pay and personnel expenses		22 781	25 336	50 916	56 045
Depreciation, amortization and impairment		4 523	4 142	9 329	8 429
Other operating expenses		16 773	16 647	28 898	41 569
Total operating expenses		174 103	156 538	361 819	356 030
Share of income/(loss) from associated companies		-1 323	-1 302	-2 984	-2 582
Total operating profit (loss)		-19 883	-11 578	-45 734	-33 393
Interest income		1 816	708	3 519	2 254
Other financial income		74	1 560	88	1 603
Interest costs	4	27 138	30 579	53 681	54 893
Other financial costs		169	665	492	3 292
Net financial items		-25 417	-28 976	-50 565	-54 329
Profit (loss) before income taxes		-45 300	-40 554	-96 300	-87 722
Income tax (expense) income		9 966	8 922	21 186	19 299
Profit (loss) for the period		-35 334	-31 632	-75 114	-68 423
Allocation					
Proposed dividends		0	0	0	0
Transferred to/from other equity		-35 334	-31 632	-75 114	-68 423
Total allocation		-35 334	-31 632	-75 114	-68 423

Consolidated statement of financial position (unaudited)

NOK 1000	Note	30.06.25	30.06.24	31.12.24
Assets				
Deferred tax asset		0	0	0
Intangible Assets		4 259	5 942	5 034
Properties		232 053	275 550	235 826
Plants and Equipment		51 120	59 023	56 019
Total intangible and fixed assets		287 432	340 515	296 879
Shares in joint ventures and associates		33 078	32 848	35 859
Other shares		706	709	726
Total non-current financial assets		33 784	33 557	36 585
Receivables joint ventures and associates		55 851	40 275	48 403
Other long term receivables		26 810	25 155	23 324
Total non-current receivables		82 661	65 430	71 727
Total non-current assets		403 877	439 502	405 191
Inventory property		1 638 840	1 561 632	1 603 975
Inventories		1 819	8 802	1 764
Trade receivables		491 051	204 238	315 260
Receivables group companies		0	0	0
Other short term receivables		4 172	28 527	8 870
Cash and cash equivalents		53 332	81 744	72 111
Total current assets		2 189 215	1 884 944	2 001 981
TOTAL ASSETS		2 593 092	2 324 445	2 407 172
Share capital		160	160	160
Share premium		829	2 501	829
Other paid in capital		715	715	715
Other equity		61 349	220 399	140 442
Total equity		63 053	223 775	142 146
Deferred tax liabilities		50 620	100 645	71 301
Bonds	4	590 554	545 887	571 388
Non-current interest liabilities financial institutions	4	664 545	565 008	665 177
Non-current liabilities group companies		0	0	0
Other long term liabilities		41 930	112 772	41 930
Total non-current liabilities		1 347 648	1 324 311	1 349 797
Current interest-bearing liabilities	4	959 846	552 859	752 932
Trade payables		65 461	54 276	50 482
Current income taxes payable		-5	1 638	0
Public taxes		12 401	13 590	1 700
Dividends		1 672	0	1 672
Other current liabilities		143 015	153 995	108 443
Total current liabilities		1 182 390	776 359	915 229
Total liabilities		2 530 039	2 100 670	2 265 026
TOTAL EQUITY AND LIABILITIES		2 593 092	2 324 445	2 407 172

Consolidated statement of changes in equity (unaudited)

NOK 1000	Share capital	Share premium reserve	Other paid-in capital	Retained earnings	Total equity
Equity as at 01.01.2025	160	829	715	140 443	142 146
Adjustment of ingoing balance				-3 900	-3 900
Dividends		0		0	0
Insufficient tax provision in previous years				-80	-80
Net income/(loss) for the period				-75 114	-75 114
Equity as at 30.06.2025	160	829	715	61 349	63 053
Equity as at 01.01.2024	160	2 501	715	288 822	292 198
Dividends		-1 672		0	-1 672
Insufficient tax provision in previous years				-80	-80
Net income/(loss) for the period				-148 300	-148 300
Equity as at 31.12.2024	160	829	715	140 443	142 146

Consolidated cash flow statement (unaudited)

NOK 1000	<i>Year to date</i>		<i>Full year</i>
	Q2 2025	Q2 2024	2024
Cash flow from operating activities			
Profit/ (loss) before income taxes	-96 300	-87 983	-197 022
Finance cost non cash effect	19 166	0	71 388
Income taxes paid	0	-5 049	-6 696
Profit/Loss on sale subsidiary, non-cash effects	0	261	3 940
Depreciation and amortization expenses	9 329	8 429	49 719
Changes in inventories	-34 416	314 869	272 679
Changes in short term receivables	4 698	-18 939	718
Changes in account receivables	-175 791	342	-110 680
Changes in account payables	14 979	-45 644	-49 439
Changes in other operating activities	44 615	-245 559	-78 434
Net cash flow from operating activities	-213 722	-79 274	-43 826
Cash flow from investing activities			
Purchase/sale of tangible non-current assets	119	-1 187	1 159
Net purchase and proceeds from other investments	0	14 778	7 826
Net cash flow from investing activities	119	13 591	8 985
Cash flow from financing activities			
Changes in non-current receivables	-10 934	-9 573	-15 870
Repayment of borrowings	-44 193	-19 985	-404 638
Changes in debt	250 450	114 070	464 547
Dividends paid	-500	0	0
Net cash flow from financing activities	194 823	84 513	44 039
Net change in cash and cash equivalents	-18 779	18 831	9 198
Cash and cash equivalents at start of period	72 111	62 913	62 913
Cash and cash equivalents at end of period	53 332	81 744	72 111

Selected notes to the quarterly financial statements

Note 1 General information and accounting policies

Bakkegruppen AS is a limited liability company with registered office Finstadhagan 7, 1930 Aurskog, Norway. Bakkegruppen's principal offices are located in Finstadhagan 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 commercial real estate and scaffolding rental supplies (BG Utleie AS). For additional information regarding the Group, please visit www.bakke-as.no.

The Group's consolidated financial information has been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The quarterly report is a condensed interim report prepared in accordance with 'NRS 11 Delårsregnskap'. The report does not include all the information and disclosures required for annual financial statements and should be read in conjunction with the Group's consolidated financial statements for 2024. The accounting policies applied in preparing these interim condensed consolidated financial statements are otherwise consistent with those applied in the Group's consolidated financial statements for the year ended 31. December 2024.

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 in the company and can exercise control over the company.

Note 2 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 (Bakke) and apartments (Bakke Leiligheter). The Other segment consists of other businesses including BG Utleie AS, other holdings and eliminations.

NOK 1000	H1 2025			H1 2024		
	Property development	Other areas	Total	Property development	Other areas	Total
Operating revenues	302 418	16 651	319 069	270 307	54 912	325 219
Project expenses	270 645	2 032	272 677	229 255	20 731	249 987
Other operating expenses	60 002	19 812	79 814	56 106	41 508	97 614
Share of income/(loss) from associated companies	-2 984	0	-2 984	-2 582	0	-2 582
EBITDA	-31 213	-5 193	-36 406	-17 636	-7 328	-24 964

Note 3 Revenues

The table below shows a specification of operating revenues.

NOK 1000	H1 2025			H1 2024		
	Sales revenues	Other operating revenues	Total	Sales revenues	Other operating revenues	Total
Property development	295 769	6 649	302 418	267 547	2 760	270 307
Mittegetlokale	0	0	0	25 460	0	25 460
Rental revenues scaffolding/equipment	21 628	376	22 004	22 799	376	23 175
Holding/Eliminations	-490	-4 863	-5 353	5 484	793	6 277
Total operating revenues	316 907	2 162	319 069	321 290	3 929	325 219

Other operating revenues consist of rental revenues on properties.

Note 4 Interest-bearing liabilities

The Group has the following non-current and current interest-bearing liabilities as of 30th June 2025:

			30.06.2025			
			Non-current	Current	Total interest-bearing liabilities	Maturity
Company	Loan instrument	Lender				
Bakkegruppen AS	Bond	Bondholders	590 554		590 554	2027
Bakkegruppen AS	Property loans	Aurskog Sparebank	6 250		6 250	> 5 years
Bakkegruppen AS	RCF	Holand Sparebank		12 743	12 743	Annual renewal
Bakkegruppen AS	Property loan	Pareto Bank		6 615	6 615	2027
Total Bakkegruppen AS			596 804	19 358	616 162	
Bakke AS	Property loans	SP1 - Østlandet	28 301		28 301	2027
Bakke AS	Share purchase	SP1 - Østlandet	149 546		149 546	2027
Bakke AS	RCF	SP1 - Østlandet		3 974	3 974	Annual renewal
Østmarka Panorama AS	Share purchase	SP1 - Østlandet	88 545		88 545	2027
Østmarka Panorama AS	Construction loan	SP1 - Østlandet		3 998	3 998	Upon completion of project
Bakke Prosjekt AS	Construction loans	SP1 - Østlandet		229 054	229 054	Upon completion of project
Bakke Prosjekt AS	Construction loans	Pareto Bank		77 175	77 175	2027
Bakke Prosjekt AS	Construction loan	Aurskog Sparebank		8 080	8 080	Upon completion of project
Bakke Prosjekt AS	Construction loan	Holand Sparebank		39 905	39 905	Upon completion of project
Gartnervegen Eiendom AS	Construction loan	Pareto Bank		55 549	55 549	Upon completion of project
Bråtejordet Utvikling AS	Construction loan	SP1 - Østlandet		6 995	6 995	Upon completion of project
Total Bakke sub group			266 392	424 730	691 122	
Skogmo AS	Construction loans	SP1 - Østlandet		265 321	265 321	Upon completion of project
Skogmo AS	Land financing	SP1 - Østlandet	152 791		152 791	2027
Bakke Leiligheter AS	Land financing	Romerike Sparebank		50 985	50 985	2027
Bakke Leiligheter AS	Construction loan	Romerike Sparebank		6 020	6 020	Upon completion of project
Bakke Bolig Aurskog AS	Construction loan	Pareto Bank		193 433	193 433	Upon completion of project
Bakke Bolig Aurskog AS	Construction loan	Aurskog Sparebank	8 100		8 100	2028
Total Bakke Leiligheter sub group			160 891	515 759	676 650	
MRB Holding AS	Share purchase	Holand Sparebank	12 888		12 888	> 5 years
MittEgetLokale Killingmo AS	Property loan	Pareto Bank	60 000		60 000	2027
Luftveien 4 AS	Property loan	Aurskog Sparebank	17 000		17 000	> 5 years
BG Utleie AS	Property loan	Aurskog Sparebank	8 879		8 879	> 5 years
BG Utleie AS	Equipment lease	Nordea	22 667		22 667	> 5 years
BG Utleie AS	Equipment lease	SP1 - Østlandet	2 552		2 552	> 5 years
BG Utleie AS	Equipment lease	Brage Finans	7 878		7 878	> 5 years
BG Utleie AS	Equipment lease	DnB	1 808		1 808	> 5 years
Bakkegruppen Eiendom AS	Share purchase	Holand Sparebank	25 914		25 914	> 5 years
Bakkegruppen Eiendom AS	Share purchase	Aurskog Sparebank	10 867		10 867	> 5 years
Finstadhagan 25 AS	Property loan	Holand Sparebank	46 237		46 237	> 5 years
Finstadhagan 13 AS	Property loan	Eiendomskreditt	7 919		7 919	> 5 years
Finstadhagan 13 AS	Property loan	Holand Sparebank	3 184		3 184	2027
Finstadhagan 13 AS	Property loan	Holand Sparebank	3 056		3 056	2027
Total MRB sub group			231 011	-	231 011	
Total group			1 255 098	959 846	2 214 945	

The duration of construction loans follows completion rate of each specific project. The loan is repaid upon completion of the project. Interest rates are based 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.

Please see subsection *Subsequent events* for additional information and updates regarding Bakkegruppen AS's bond.

Bakkegruppen was in compliance with the financial covenants under the amended bond agreement on 30. June 2025.