



Quarterly Financial Statements
Q1 2025 Bakkegruppen

Contents

HIGHLIGHTS	3
FINANCIAL AND OPERATIONAL REVIEW	3
OUTLOOK AND RISK FACTORS	4
RESPONSIBILITY STATEMENT	4
CONSOLIDATED STATEMENT OF PROFIT AND LOSS (UNAUDITED).....	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)	6
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)	7
CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)	8
SELECTED NOTES TO THE QUARTERLY FINANCIAL STATEMENTS	9
NOTE 1 GENERAL INFORMATION AND ACCOUNTING POLICIES.....	9
NOTE 2 SEGMENT INFORMATION	9
NOTE 3 REVENUES	9
NOTE 4 INTEREST-BEARING LIABILITIES	10

Highlights

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

- Operating revenues NOK 164 million (NOK 179 million) ¹
- Operating loss NOK 26 million (loss NOK 22 million)
- Gross sales in Q1 NOK 171 million (NOK 109 million) ²

¹ Operating revenues recognised 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

Within our apartment division, Bakke Leiligheter, we currently have two wholly-owned projects under construction, Skogmo BT2 at Jessheim and Sentrumshagen at Aurskog. In total, the projects contain 118 housing units, of which 108 apartments and 10 row houses. Both projects will be completed in 2H 2025. Furthermore, construction is ongoing and expected to be completed in 2H 2026 at Fredheimkvartalet Ås, where the Group has a 40% ownership. We have also launched additional units for sale at Skogmo Park (BT3) and at Møllestrøket in Vestby (48% ownership). In both these projects, sales have been divided into phases with slightly different market offerings. The experience so far is that the first sale phases, which commenced in mid 2024, have achieved satisfactory pre-sales levels, while sales of units launched in late 2024 and early 2025 have been more challenging. In order to achieve sufficient pre-sales level to start construction, alternatives for splitting construction into phases are being considered for both projects.

Within the house division (Bakke AS), construction is ongoing at Sentrumshagen (Aurskog), Lørenfallet (Lillestrøm), Høgåskollen (Enebakk) and Strandlia (Nesodden). In total, these projects count 41 housing units, with a mix of multifamily houses with 4-8 apartments and row houses. We also have ongoing sales at Steindansen (Jessheim), Bakkedalen (Kløfta) and Bjørkeåsen (Nannestad). Within the house division, there is more flexibility in terms of advance sales levels necessary for obtaining construction financing, as the projects can more easily be divided into smaller sub-projects depending on sales. Operating at a smaller scale however means less economies of scale and reduces project profitability.

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

Sales

Reported revenues from Property development totalled NOK 156 million in Q1 2025. This compares with NOK 142 million in Q1 2024. In terms of new sale contracts entered into, number of housing units and total sales value increased somewhat from last year. Total sales (gross, including JVs) in Q1 2025 was 33 housing units with a total value of NOK 171 million. This compares with 23 units and NOK 109 million in Q1 2024.

New building starts

During Q1 2025, the Group commenced construction on a total of 21 housing units in fully owned projects.

Deliveries

In total, the Group delivered 9 housing units and one land plot in the quarter, with a total sales value of NOK 42 million. The corresponding figures for Q1 2024 were 13 housing units with a sales value of NOK 75 million. All figures are gross, i.e. also includes deliveries from companies where the Group does not have a controlling interest.

Inventory

At March 31, 2025, the Group had an inventory of 9 finished but unsold housing units with a total listed sales value of NOK 75 million.

Financial highlights

Total revenues for Q1 2025 were NOK 164 million, compared with NOK 179 million in Q1 2024. Note, however, that NOK 25 million of revenues in Q1 2024 relates to the former subsidiary Mittegetlokale AS.

Project expenses amounted to NOK 143 million in the quarter, compared to NOK 140 million in the corresponding period last year. Personnel expenses were NOK 28 million, down from NOK 31 million in Q1 2024. Depreciation and amortization expenses of NOK 4.8 million are somewhat higher than in Q1 2024 (NOK 4.3 million). No impairments have been made in either period.

Other operating expenses of NOK 12 million were significantly lower than in Q1 2024 (NOK 25 million). Total operating expenses of NOK 188 million are NOK 12 million lower than in Q1 2024.

The group reports an operating loss of NOK 26 million in Q1 2025, compared to an operating loss of NOK 22 million in Q1 2024.

Assets on 31 March 2025 totaled NOK 2 501 million, compared to NOK 2 326 million on 31 March 2024. The total cash position was NOK 66 million, a decrease of NOK 6 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 31 March 2025.

Outlook and risk factors

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 2024. 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 was further accentuated by the turmoil spurred by discussions over international trade and tariffs, and the increased volatility in global financial markets.

Still, the Group has been able to start construction on a number of projects in both 2024 and 2025, and these projects are still ongoing and proceeding according to schedule. During the second half of 2025, construction of several projects will be completed and handed over to customers, including the current building phases of the apartment projects at Skogmo and Sentrumshagen. Further, the Group has a number of projects where sales are ongoing, and where we expect to reach sufficient pre-sales levels for obtaining financing and commencing construction during the year.

As we operate in an industry with long lead times from launch of project sales until completions, the low sales levels seen currently will have a negative impact on the Group's financial results through 2025 and into 2026. The Group's business model is based on an integrated value chain, spanning all activities from land acquisition through sales and physical construction. As a consequence, the Group is dependent on a higher activity level than seen currently. Operating cash flows are therefore 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 that was completed in 2024, the Group, its shareholders its creditors have entered into an agreement with several mechanisms aimed at stabilising the Group's business until the end of the first quarter 2027. During this period, it is expected that the market for newbuild homes will improve.

Responsibility statement

We hereby confirm that, to the best of our knowledge, the interim financial statements for the period from 1 January to 31 March 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 gives a true and fair view of important events in the accounting period and their impact on the interim report for quarter, as well as the principal risks and uncertainties facing the business in the next accounting period.

May 30, 2025

The Board of Bakkegruppen AS

Consolidated statement of profit and loss (unaudited)

NOK 1000	Note	Q1 2025	Q1 2024
Sales revenues	2,3	162 999	177 086
Other operating revenues	2,3	527	1 871
Total operating revenues		163 526	178 957
Project expenses	2	142 652	139 573
Pay and personnel expenses		28 135	30 709
Depreciation, amortisation and impairment		4 805	4 287
Other operating expenses		12 126	24 922
Total operating expenses		187 717	199 491
Share of income/(loss) from associated companies		-1 661	-1 280
Total operating profit (loss)		-25 851	-21 815
Income from investments in subsidiaries		0	0
Interest income		1 703	1 545
Other financial income		14	43
Interest costs	4	26 543	24 314
Other financial costs		323	2 627
Net financial items		-25 148	-25 353
Profit (loss) before income taxes		-51 000	-47 168
Income tax (expense) income		11 220	10 377
Profit (loss) for the period		-39 780	-36 791
Allocation			
Proposed dividends		0	0
Transferred to/from other equity		-39 780	-36 791
Total allocation		-39 780	-36 791

Consolidated statement of financial position (unaudited)

NOK 1000	Note	31.03.25	31.03.24	31.12.24
Assets				
Deferred tax asset		0	0	0
Intangible Assets		4 646	6 412	5 034
Properties		233 851	274 705	235 826
Plants and Equipment		53 647	61 088	56 019
Total intangible and fixed assets		292 144	342 205	296 879
Shares in subsidiaries		0	0	0
Shares in joint ventures and associates		34 238	46 345	35 859
Other shares		706	709	726
Total non current financial assets		34 944	47 055	36 585
Receivables group companies		0	0	0
Receivables joint ventures and associates		53 347	25 887	48 403
Other long term receivables		26 035	25 191	23 324
Total non current receivables		79 381	51 078	71 727
Total non current assets		406 470	440 337	405 191
Inventory property		1 607 062	1 626 318	1 603 975
Inventories		3 038	7 818	1 764
Trade receivables		413 570	157 301	315 260
Receivables group companies		0	0	0
Other short term receivables		4 160	17 050	8 870
Cash and cash equivalents		66 424	76 683	72 111
Total current assets		2 094 255	1 885 170	2 001 981
TOTAL ASSETS		2 500 725	2 325 507	2 407 172
Share capital		160	160	160
Share premium		829	2 501	829
Other paid in capital		715	715	715
Other equity		98 881	252 031	140 442
Total equity		100 585	255 407	142 146
Deferred tax liabilities		61 900	111 034	71 301
Bonds	4	580 893	500 000	571 388
Non current interest liabilities financial institutions	4	664 130	556 105	665 177
Non current liabilities group companies		0	0	0
Other long term liabilities		42 105	87 023	41 930
Total non-current liabilities		1 349 028	1 254 162	1 349 797
Current interest-bearing liabilities	4	846 469	563 837	752 932
Trade payables		89 390	46 437	50 482
Current income taxes payable		-5	1 638	0
Public taxes		-3 284	11 033	1 700
Dividends		1 672	0	1 672
Current liabilities group companies		0	0	0
Other current liabilities		116 870	192 992	108 443
Total current liabilities		1 051 112	815 938	915 229
Total liabilities		2 400 140	2 070 100	2 265 026
TOTAL EQUITY AND LIABILITIES		2 500 725	2 325 507	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				-1 701	-1 701
Dividends		0		0	0
Insufficient tax provision in previous years				-80	-80
Net income/(loss) for the period				-39 780	-39 780
Equity as at 31.03.2025	160	829	715	98 882	100 585
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	Q1 2025	Q1 2024	2024
Cash flow from operating activities			
Profit/ (loss) before income taxes	-51 029	-48 335	-197 022
Finance cost non cash effect	9 505	0	71 388
Income taxes paid	0	-5 049	-6 696
Profit/Loss on sale subsidiary, non-cash effects	0	1 168	3 940
Depreciation and amortisation expenses	4 805	24 543	49 719
Changes in inventories	-2 542	252 635	272 679
Changes in short term receivables	4 710	-7 462	718
Changes in account receivables	-98 310	47 279	-110 680
Changes in account payables	38 908	-53 484	-49 439
Changes in other operating activities	13 251	0	-78 434
Net cash flow from operating activities	-80 703	13 153	-43 826
Cash flow from investing activities			
Purchase/sale of tangible non current assets	-71	-18 990	1 159
Net purchase and proceeds from other investments	0	1 280	7 826
Net cash flow from investing activities	-71	-17 710	8 985
Cash flow from financing activities			
Changes in non current receivables	-7 654	4 779	-15 870
Repayment of borrowings	-18 638	-14 148	-404 638
Changes in debt	101 379	27 695	464 547
Dividends paid	0	0	0
Net cash flow from financing activities	75 087	18 326	44 039
Net change in cash and cash equivalents	-5 687	13 769	9 198
Cash and cash equivalents at start of period	72 111	62 913	62 913
Cash and cash equivalents at end of period	66 424	76 683	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 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 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.

	Q1 2025			Q1 2024		
	Property development	Other areas	Total	Property development	Other areas	Total
NOK 1000						
Operating revenues	156 059	7 467	163 526	141 941	37 015	178 957
Project expenses	140 404	2 247	142 652	122 616	16 957	139 573
Other operating expenses	31 099	9 190	40 289	35 389	20 242	55 631
Share of income/(loss) from associated companies	-1 661	0	-1 661	-1 280	0	-1 280
EBITDA	-17 106	-3 970	-21 075	-17 344	-184	-17 528

Note 3 Revenues

The table below shows a specification of operating revenues.

	Q1 2025			Q1 2024		
	Sales revenues	Other operating revenues	Total	Sales revenues	Other operating revenues	Total
NOK 1000						
Property development	152 906	3 153	156 059	140 259	1 683	141 941
Mittegetlokale	0	0	0	25 460	0	25 460
Rental revenues scaffolding/equipment	9 468	188	9 656	8 975	188	9 163
Holding/Eliminations	625	-2 814	-2 188	2 392	0	2 392
Total operating revenues	162 999	527	163 526	177 086	1 871	178 957

Other operating revenues consist of rental revenues on properties.

Note 4 Interest-bearing liabilities

The Group had the following non-current and current interest-bearing liabilities as of 31 March 2025:

NOK 1000					31.03.2025	
Company	Loan instrument	Lender	Non-current	Current	Total interest-bearing liabilities	Maturity
Bakkegruppen AS	Bond	Bondholders	580 893		580 893	2027
Bakkegruppen AS	Property loans	Aurskog Sparebank	6 452		6 452	> 5 years
Bakkegruppen AS	RCF	Høland Sparebank		11 100	11 100	Annual renewal
Bakkegruppen AS	Property loan	Pareto Bank		6 615	6 615	2027
Total Bakkegruppen AS			587 345	17 715	605 060	
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		4 594	4 594	Annual renewal
Østmarka Panorama AS	Share purchase	SP1 - Østlandet	88 545		88 545	2027
Østmarka Panorama AS	Construction loan	SP1 - Østlandet		3 609	3 609	Upon completion of project
Bakke Prosjekt AS	Construction loans	SP1 - Østlandet		249 481	249 481	Upon completion of project
Bakke Prosjekt AS	Construction loans	Pareto Bank		65 252	65 252	2027
Bakke Prosjekt AS	Construction loan	Aurskog Sparebank		14 674	14 674	Upon completion of project
Bakke Prosjekt AS	Construction loan	Høland Sparebank		38 129	38 129	Upon completion of project
Gartnervegen Eiendom AS	Construction loan	Pareto Bank		56 390	56 390	Upon completion of project
Bråtejordet Utvikling AS	Construction loan	SP1 - Østlandet		6 720	6 720	Upon completion of project
Total Bakke sub group			266 392	438 848	705 240	
Skogmo AS	Construction loans	SP1 - Østlandet		181 071	181 071	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		3 830	3 830	Upon completion of project
Bakke Bolig Aurskog AS	Construction loan	Pareto Bank		154 021	154 021	Upon completion of project
Bakke Bolig Aurskog AS	Construction loan	Aurskog Sparebank	8 100		8 100	2028
Total Bakke Leiligheter sub group			160 891	389 907	550 798	
MRB Holding AS	Share purchase	Høland Sparebank	12 641		12 641	> 5 years
MittEgetLokale Killingmo AS	Property loan	Pareto Bank	60 000		60 000	2027
Luftveien 4 AS	Property loan	Nordea	19 082		19 082	2025
BG Utleie AS	Property loan	Aurskog Sparebank	8 946		8 946	> 5 years
BG Utleie AS	Equipment lease	Nordea	24 163		24 163	> 5 years
BG Utleie AS	Equipment lease	SP1 - Østlandet	2 690		2 690	> 5 years
BG Utleie AS	Equipment lease	Brage Finans	7 997		7 997	> 5 years
BG Utleie AS	Equipment lease	DnB	1 865		1 865	> 5 years
Bakkegruppen Eiendom AS	Share purchase	Høland Sparebank	25 493		25 493	> 5 years
Bakkegruppen Eiendom AS	Share purchase	Aurskog Sparebank	10 967		10 967	> 5 years
Finstadhagan 25 AS	Property loan	Høland Sparebank	45 496		45 496	> 5 years
Finstadhagan 13 AS	Property loan	Eiendomskreditt	7 919		7 919	> 5 years
Finstadhagan 13 AS	Property loan	Høland Sparebank	3 134		3 134	2027
Total MRB sub group			230 394	-	230 394	
Total group			1 245 023	846 469	2 091 492	

The duration of construction loans follows completion rate of each specific project. The loan is paid back in full upon completion of 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.

Bakkegruppen was in compliance with the financial covenants under the amended bond agreement on 31 March 2025.