



Second Quarter and First Half of  
2024

# AF Gruppen ASA

30 August 2024

The logo for AF Gruppen ASA, consisting of the letters 'AF' in a bold, black, sans-serif font, set against a yellow square background.

# Q2



## *From the CEO*

AF Gruppen maintained a high level of activity in the quarter, but the result is impacted by downward adjustments made to the estimated results for one of the Group's offshore projects. The quarter includes several strong performances, especially in the areas of Civil Engineering and Energy and Environment. It is gratifying to see continued positive trends in safety performance and sick leave.

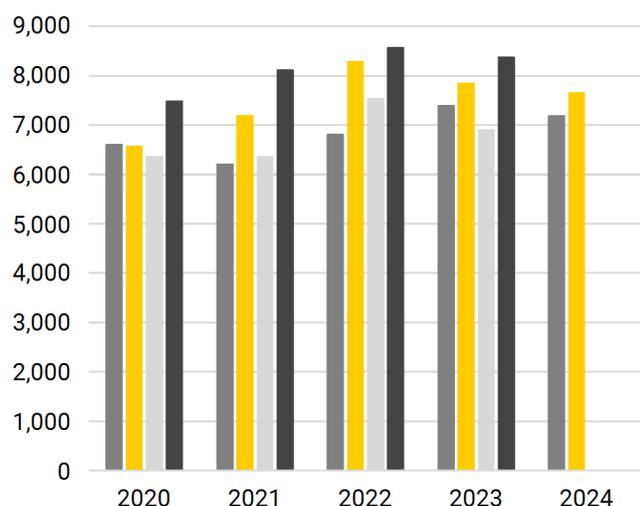
In recent years, the construction industry has experienced a high level of uncertainty regarding market forces that affect activity and employment for most players in the industry. To stimulate increased activity and profitability, the whole industry must work together to strengthen interaction, innovation and productivity throughout the value chain.

AF has always been proud of its strength and ability to perform complex tasks. The group's entrepreneurial spirit has been characterised by the ability and willingness to think differently and to find better, more future-oriented ways to generate value.

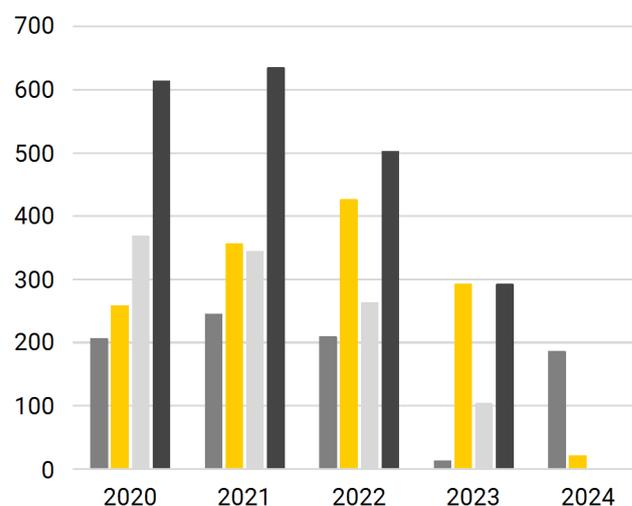
## OVERVIEW

- Revenues were NOK 7,651 million (7,853 million) for the 2nd quarter and NOK 14,838 million (15,246 million) for the 1st half of the year.
- Earnings before tax were NOK 21 million (292 million) for the 2nd quarter and NOK 207 million (305 million) for the 1st half of the year.
- The profit margin was 0.3% (3.7%) for the 2nd quarter and 1.4% (2.0%) for the 1st half of the year.
- Net operating cash flow was NOK 661 million (227 million) for the 2nd quarter and NOK 789 million (203 million) for the 1st half of the year.
- The order backlog stood at NOK 38,253 million (44,693 million) as at 30 June 2024.
- The order intake was NOK 5,629 million (10,877 million) in the 2nd quarter and NOK 11,100 million (20,173 million) for the 1st half of the year.
- Net interest-bearing debt (receivables) was NOK 979 million (1,582 million) as at 30 June 2024.

REVENUES PER QUARTER (NOK MILLION)



EARNINGS BEFORE TAX PER QUARTER (NOK MILLION)



## SUMMARY OF 2ND QUARTER

Key figures (NOK million)	2Q 24	2Q 23	1H 24	1H 23	2023
Operating and other revenue	7,651	7,853	14,838	15,246	30,530
EBITDA	210	438	567	584	1,325
Earnings before financial items and tax (EBIT)	37	303	238	318	749
Earnings before tax (EBT)	21	292	207	305	700
Result per share (NOK)	-0.07	1.72	1.23	1.69	3.73
Diluted result per share (NOK)	-0.07	1.72	1.23	1.69	3.73
EBITDA margin	2.7 %	5.6 %	3.8 %	3.8 %	4.3 %
Operating profit margin	0.5 %	3.9 %	1.6 %	2.1 %	2.5 %
Profit margin	0.3 %	3.7 %	1.4 %	2.0 %	2.3 %
Return on capital employed (ROaCE) <sup>1)</sup>	-	-	14.5 %	23.3 %	15.9 %
Cash flow from operating activities	661	227	789	203	1,552
Net interest-bearing debt (receivables)	979	1,582	979	1,582	641
Shareholders' equity	2,844	2,897	2,844	2,897	3,203
Total equity and liabilities	14,846	14,872	14,846	14,872	14,647
Equity ratio	19.2 %	19.5 %	19.2 %	19.5 %	21.9 %
Order intake	5,629	10,877	11,100	20,173	32,756
Order backlog	38,253	44,693	38,253	44,693	41,991
LTI-1 rate	0.4	0.7	0.6	1.1	0.8
Sick leave rate	3.6 %	3.9 %	4.1 %	4.2 %	4.1 %

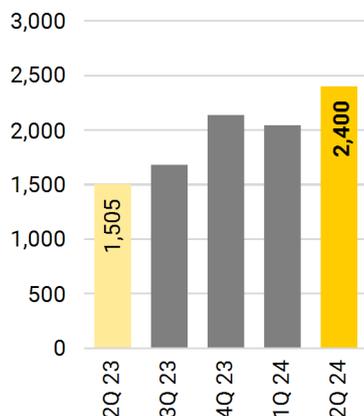
<sup>1)</sup> Rolling average last four quarters

# Business Areas

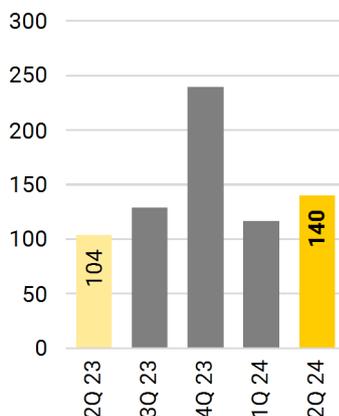


# CIVIL ENGINEERING

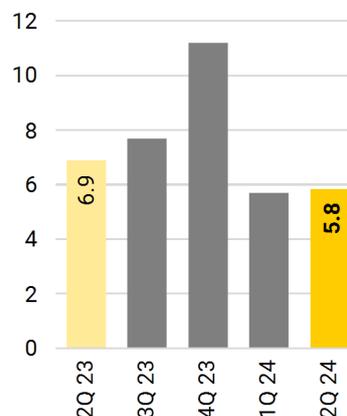
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



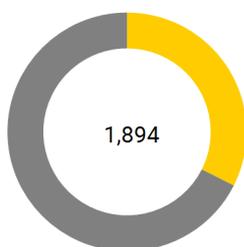
OPERATING PROFIT (%)



## KEY FIGURES

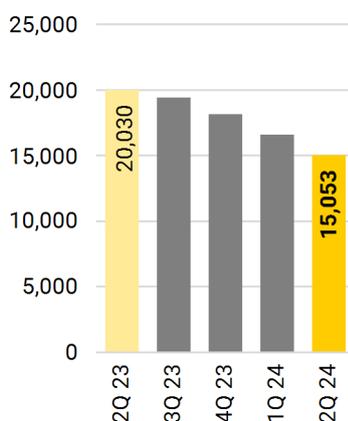
NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
Operating and other revenue	2,400	1,505	4,444	2,956	6,776
Earnings before financial items and tax (EBIT)	140	104	256	181	550
Earnings before tax (EBT)	154	107	285	185	572
Operating profit margin	5.8 %	6.9 %	5.8 %	6.1 %	8.1 %
Profit margin	6.4 %	7.1 %	6.4 %	6.3 %	8.4 %

NUMBER OF EMPLOYEES



AF Gruppen 5,842

ORDER BACKLOG (NOK million)



## CIVIL ENGINEERING CONSISTS OF

- AF Anlegg
- Målselv Maskin & Transport
- Eiqon
- VSP\*
- Stenseth & RS

\* VSP consists of the Consolvo entities



Cable tunnel between Sogn and Ulven in Oslo. Photo: Bård Gudim

AF is one of Norway's largest companies in the civil engineering market, and the customers include both public and private actors. Its project portfolio includes roads, railways, bridges, port facilities, airports, tunnels, foundation work, renovation and construction of concrete structures, power and energy plants, as well as onshore facilities for oil and gas.

Civil Engineering significantly increased the activity in the 2nd quarter with revenue growth of 59% compared to the same quarter last year. The Civil Engineering business area reported revenues of NOK 2,400 million (1,505 million) for the 2nd quarter. Earnings before tax were NOK 154 million (107 million) for the quarter. The profit margin was 6.4 %

(7.1 %). For the 1st half of the year, revenues totalled NOK 4,444 million (2,956 million) and earnings before tax were NOK 285 million (185 million).

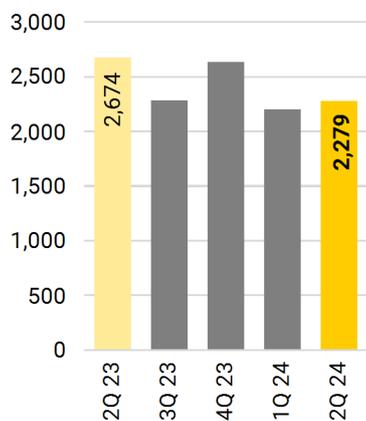
AF Anlegg had another quarter of record-high revenue and delivered good results. AF Anlegg has a solid project portfolio with several major projects in production. In general, there is a high level of activity and good operational performance in the projects.

Målselv Maskin & Transport, Stenseth & RS and VSP reported very good results for the 2nd quarter. Eiqon reported a low level of activity and a weak result for the quarter.

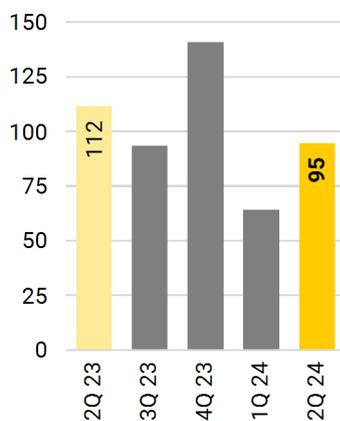
Civil engineering had an order intake of NOK 848 million (4,018 million) in the 2nd quarter. The order backlog for Civil Engineering was NOK 15,053 million (20,030 million) as at 30 June 2024.

# CONSTRUCTION

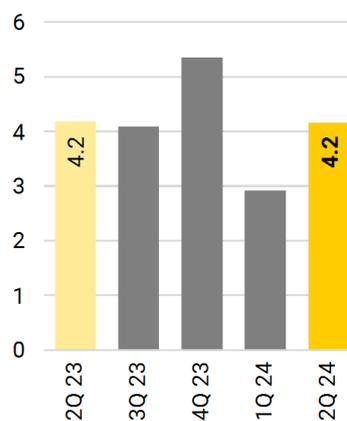
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



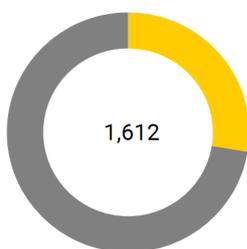
OPERATING MARGIN (%)



## KEY FIGURES

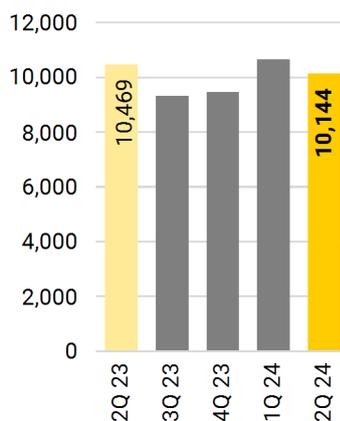
NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
Operating and other revenue	2,279	2,674	4,482	5,264	10,182
Earnings before financial items and tax (EBIT)	95	112	159	162	396
Earnings before tax (EBT)	97	105	163	151	378
Operating profit margin	4.2 %	4.2 %	3.5 %	3.1 %	3.9 %
Profit margin	4.2 %	3.9 %	3.6 %	2.9 %	3.7 %

NUMBER OF EMPLOYEES



AF Gruppen 5,842

ORDER BACKLOG (NOK million)



## CONSTRUCTION CONSISTS OF

- AF Bygg Oslo
- AF Byggfornyelse
- AF Bygg Østfold
- Strøm Gundersen
- Strøm Gundersen Vestfold
- Haga & Berg
- AF Håndverk
- LAB Entreprenør
- Åsane Byggmesterforretning (ÅBF)
- Fundamentering (FAS)
- Helgesen Tekniske Bygg (HTB)



Museum of the Viking Age. Photo: Max Emanuelson

AF provides contracting services for residential, public and commercial buildings. Our services range from planning to construction and renovation. AF cooperates closely with customers to find efficient and innovative solutions adapted to their needs. The business area encompasses the Norwegian entities except for Betonmast and is mainly located in Eastern Norway and the Bergen Region.

Construction reported revenues of NOK 2,279 million (2,674 million) for the 2nd quarter, which corresponds to a 15% decline compared to the same quarter last year. The business area reported earnings before tax of NOK 97 million (105 million) with a profit margin of 4.2 % (3.9 %) for the quarter. For the 1st half of the year revenues totalled NOK 4,482 million (5,264 million) and earnings before tax were NOK 163 million (151 million).

AF Bygg Østfold, Strøm Gundersen, Strøm Gundersen Vestfold and Haga & Berg delivered very good results for

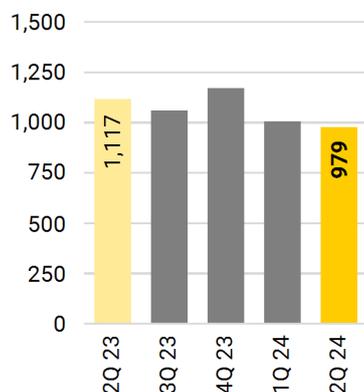
the 2nd quarter. AF Byggfornyelse and ÅBF delivered good results. AF Bygg Oslo, LAB Entreprenør and HTB had a result somewhat below expectations this quarter. AF Håndverk and FAS had weak results in the 2nd quarter.

Four new contracts were reported to the stock exchange this quarter. AF Bygg Oslo has signed a contract to build block 4 of the Storøykilen residential project for OBOS at Fornebu. The contract is a turnkey contract with a value of approximately NOK 425 million excl. VAT. ÅBF has signed a turnkey contract with Bergen municipality for the construction of Haugland Housing Community with a contract value of approximately NOK 125 million excl. VAT. LAB Entreprenør has signed a contract for the renovation and remodelling of Augustin Hotel in Bergen. The turnkey contract is valued at approximately NOK 115 million excl. VAT. HTB has signed a contract for the construction of a new warehouse and logistics building in Osterøy municipality valued at NOK 111 million excl. VAT.

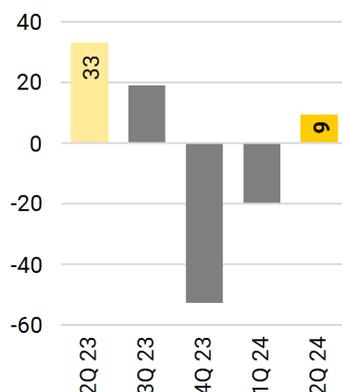
Construction had an order intake of NOK 1,775 million (3,801 million) in the 2nd quarter. The order backlog of Construction was NOK 10,144 million (10,469 million) as at 30 June 2024.

# BETONMAST

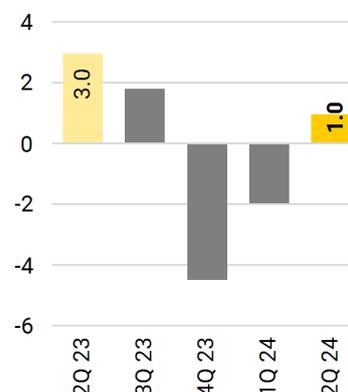
## REVENUE (NOK million)



## OPERATING PROFIT (NOK million)



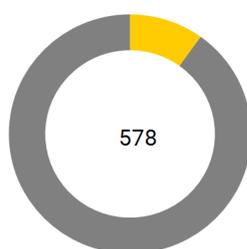
## OPERATING MARGIN (%)



## KEY FIGURES

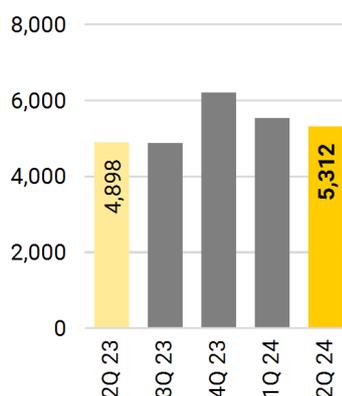
NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
Operating and other revenue	979	1,117	1,984	2,323	4,553
Earnings before financial items and tax (EBIT)	9	33	-10	67	34
Earnings before tax (EBT)	19	37	9	77	58
Operating profit margin	1.0 %	3.0 %	-0.5 %	2.9 %	0.7 %
Profit margin	2.0 %	3.4 %	0.4 %	3.3 %	1.3 %

## NUMBER OF EMPLOYEES



AF Gruppen 5,842

## ORDER BACKLOG (NOK million)



## BETONMAST CONSISTS OF

- Betonmast Boligbygg
- Betonmast Oslo
- Betonmast Trøndelag
- Betonmast Romerike
- Betonmast Røsand
- Betonmast Østfold
- Betonmast Innlandet
- Betonmast Buskerud-Vestfold
- Betonmast Asker og Bærum
- Betonmast Eiendom



Campus Kristiansund. Photo: Hans Fredrik Asbjørnsen

Betonmast is a construction contractor with operations in the largest markets in Norway. The project portfolio comprises everything from major residential projects to commercial and public buildings. Betonmast is a major player in construction for the public sector and has specialist expertise in project development and collaborative contracts. Betonmast also has a property portfolio in Norway.

Betonmast had revenues of NOK 979 million (1,117 million) in the 2nd quarter. This corresponds to a decline in revenue of 12% compared with the same quarter last year. The reported result in the quarter was weak and earnings before tax were NOK 19 million (37 million) in the 2nd quarter. For the 1st half of the year revenues totalled NOK 1,984 million (2,323 million) and earnings before tax were NOK 9 million (NOK 77 million).

The Betonmast Røsand, Innlandet and Østfold units delivered good results for the quarter. Betonmast Romerike

and Buskerud-Vestfold reported results somewhat below expectations and Betonmast Asker og Bærum delivered results below expectations. Betonmast Boligbygg, Oslo and Trøndelag reported weak results this quarter.

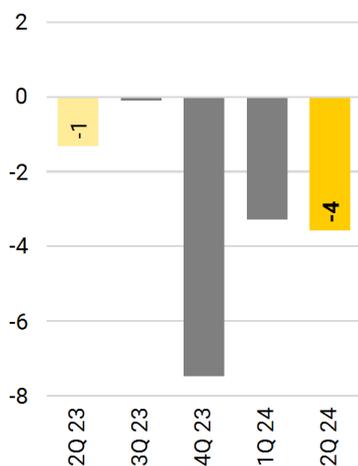
Betonmast has a separate property portfolio with one property project with a total of 15 residential units under production. Betonmast Eiendom reported a weak result for the quarter. For further information on the projects, see Note 7.

Betonmast reported two new contracts to the stock exchange during this quarter. Betonmast Boligbygg will build 141 apartments in a central location in Ås. The project is called Fredheimkvartalet, and the contract is a turnkey contract valued at approximately NOK 400 million excl. VAT. Betonmast Buskerud-Vestfold has signed a turnkey contract with Folksom and Coop Norge Eiendom for the construction of apartments and commercial premises in Tønsberg. The contract is valued at NOK 237 million excl. VAT. Commencement of this project is conditional on adequate advance sales.

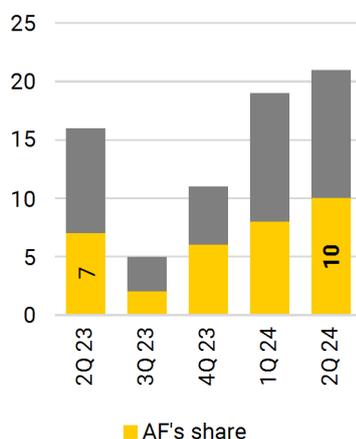
Betonmast had an order intake of NOK 752 million (900 million) in the 2nd quarter. As at 30 June 2024, Betonmast's order backlog was NOK 5,312 million (4,898 million).

# PROPERTY

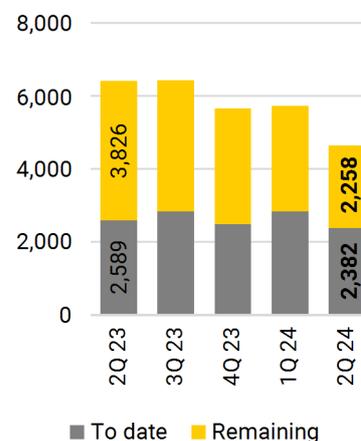
**EARNINGS BEFORE TAX (NOK million)**



**ENTERED INTO SALES CONTRACTS (TOTAL NUMBER)**



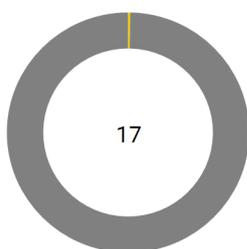
**TURNOVER UNITS IN PRODUCTION (NOK million)**



## KEY FIGURES

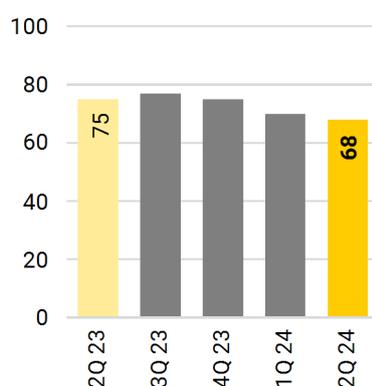
NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
Operating and other revenue	5	6	11	16	27
Earnings before financial items and tax (EBIT)	-8	-3	-15	-5	-20
Earnings before tax (EBT)	-4	-1	-7	-	-8
Capital employed	897	756	897	756	818

**NUMBER OF EMPLOYEES**



AF Gruppen 5,842

**SALES RATIO PROJECTS IN PROGRESS (%)**



**PROPERTY CONSISTS OF**

- AF Eiendom
- LAB Eiendom



Rolvsrud Arena. Photo: Bård Gudim

AF develops, designs and carries out residential and commercial projects in Norway, and activities take place in geographical areas where AF has its own production capacity. AF works closely with other players in the industry, and the development projects are mainly organised as associated companies and joint ventures. Property consists of two operating units, AF Eiendom and LAB Eiendom, with local presence in Greater Oslo and the Bergen region respectively.

Property reported a weak result for the quarter. Earnings before tax were NOK -4 million (-1 million) in the 2nd quarter. For the 1st half of the year earnings before tax were NOK -7 million (NOK 0 million).

A challenging property market with high interest rates and uncertain market sentiment have contributed to low sales figures in the quarter. Sales contracts for 21 (16) homes were signed in the quarter, of which AF's share is 10 (7).

In the 2nd quarter, a total of 132 homes were handed over, mainly at the Skårersletta MIDT and Bekkestua Have projects. There was a total of 41 (4) completed unsold units at the end of the quarter, of which AF's share was 21 (1).

There were three residential property projects in the production stage at the end of the quarter. A total of 589 units are in production, of which AF's share is 246:

- Skårersletta MIDT in Lørenskog (126 units in production, for which 75 sales contracts have been signed).
- Bekkestua Have in Bærum (174 units in production, for which 172 sales contracts have been signed).
- Rolvsrud Arena in Lørenskog (289 units in production, for which 153 sales contracts have been signed).

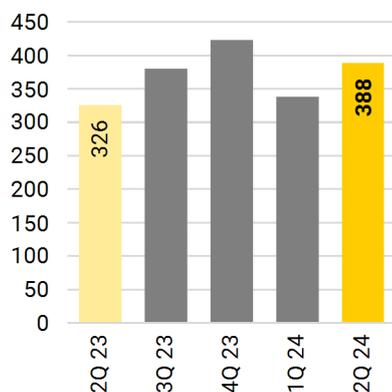
This gives a sales ratio of 68% for commenced projects. For more information on projects for own account, see Note 7.

AF has a total development portfolio in Norway estimated to yield 1,707 (1,651) residential units. AF's share of this is 852 (824) residential units.

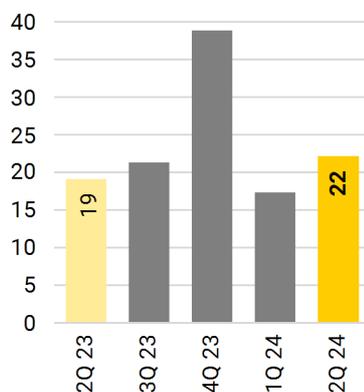
AF has an ownership stake in commercial property under construction with a total RFA of 73,407 (73,107) square metres, of which AF's share is an RFA of 36,524 (36,374) square metres.

# ENERGY AND ENVIRONMENT

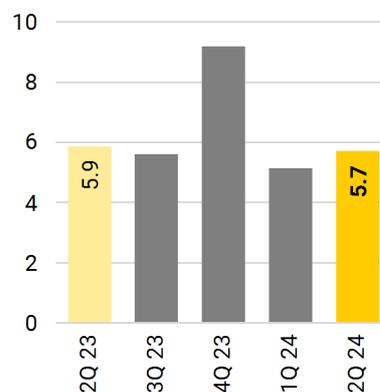
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



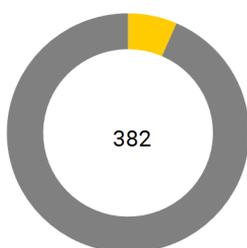
OPERATING MARGIN (%)



## KEY FIGURES

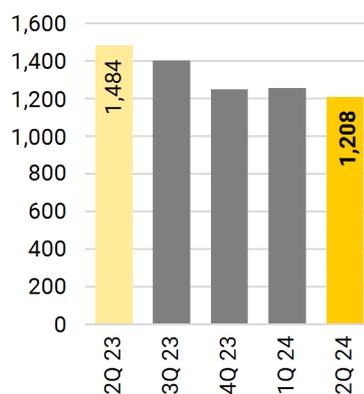
NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
Operating and other revenue	388	326	726	613	1,417
Earnings before financial items and tax (EBIT)	22	19	40	30	90
Earnings before tax (EBT)	21	21	38	33	96
Operating profit margin	5.7 %	5.9 %	5.4 %	4.9 %	6.3 %
Profit margin	5.4 %	6.3 %	5.3 %	5.4 %	6.8 %

NUMBER OF EMPLOYEES



AF Gruppen 5,842

ORDER BACKLOG (NOK million)



## ENERGY AND ENVIRONMENT

### CONSIST OF

- AF Energi
  - Enaktiva
  - AF Energija Baltic
  - ETA Norge
- AF Decom
  - Rimol Miljøpark
  - Nes Miljøpark
  - Jølsen Miljøpark
- Mepex



Energy hub at Radiumhospitalet. Photo: Catchlight

AF offers energy-efficient solutions for buildings and industry and is a leading player in environmental clean-up, demolition and recycling. Contaminated materials are sorted, decontaminated and recycled at AF's environmental centres Rimol, Jølsen and Nes.

Revenues for Energy and Environment in the 2nd quarter were NOK 388 million (326 million). This corresponds to a revenue growth of 19% compared to the same quarter last year. Earnings before tax were NOK 21 million (21 million). For the 1st half of the year revenues totalled NOK 726 million (613 million) and earnings before tax were NOK 38 million (33 million).

AF Energi has significantly increased its level of activity compared to the same quarter last year. A high level of activity and good operational performance in many projects contributed to a good result for the 2nd quarter.

AF Energi completed the purchase of 70% of the shares in ETA Norge, a contractor in bioenergy, during the quarter. See Note 3 for further information.

AF Decom had a high level of activity compared with the same quarter last year and delivered good results for the

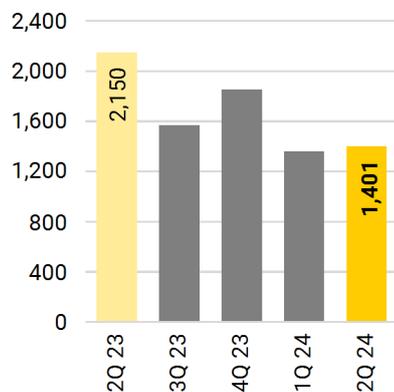
2nd quarter. Our environmental activities clean up and sort different materials for recycling. AF Decom demolished and facilitated the recycling of approximately 1,560 (2,354) tonnes of metal in the 2nd quarter. The steel industry accounts for about 7% of the world's total CO<sub>2</sub> emissions. Reusing steel results in 70 per cent lower CO<sub>2</sub> emissions than ore-based production. This corresponds to a reduction in emissions of 1 kg CO<sub>2</sub> for each kilo of steel recycled. This means that AF Decom's demolition operations have helped to reduce alternative CO<sub>2</sub> emissions by 2,726 tonnes thus far in 2024.

The foundation for our environmental activities is that waste can to a large extent be reused, and thus be a valuable resource in a growing circular economy. AF's environmental centres receive contaminated material and are working to reuse as much as possible instead of it going to landfill. The environmental centres delivered very good results in the quarter. AF's environmental centres have recycled a total of 85,134 (78,108) tonnes of material in the 2nd quarter. The recycling rate realised for contaminated material in the first half of 2024 was 78%.

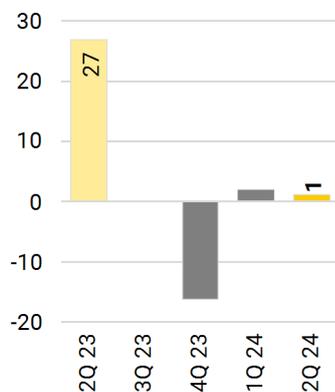
Energy and environment had an order intake of NOK 338 million (1,116 million) in the 2nd quarter. The order backlog for Energy and Environment stood at NOK 1,208 million (1,484 million) as at 30 June 2024.

# SWEDEN

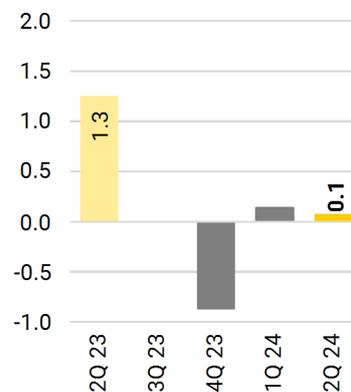
## REVENUE (NOK million)



## OPERATING PROFIT (NOK million)



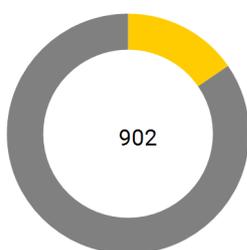
## OPERATING MARGIN (%)



## KEY FIGURES

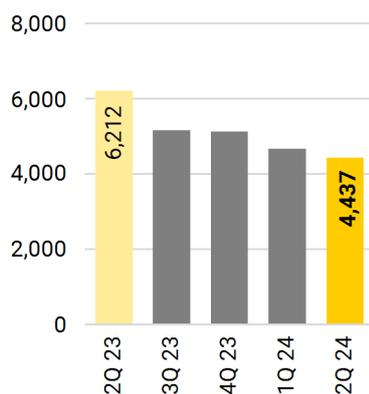
NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
Operating and other revenue	1,401	2,150	2,763	4,077	7,501
Earnings before financial items and tax (EBIT)	1	27	3	-135	-152
Earnings before tax (EBT)	-2	26	-3	-138	-160
Operating profit margin	0.1 %	1.3 %	0.1 %	-3.3 %	-2.0 %
Profit margin	-0.2 %	1.2 %	-0.1 %	-3.4 %	-2.1 %

## NUMBER OF EMPLOYEES



AF Gruppen 5,842

## ORDER BACKLOG (NOK million)



## SWEDEN CONSISTS OF

- Kanonaden
- AF Prefab i Mälardalen
- AF Bygg Syd
- AF Projektutveckling
- AF Härnösand Byggreturer
- HMB
- AF Bygg Väst
- AF Bygg Öst



HMB Construction is building Rytterborgsskolan. Photo: Kicki Nilsson

The Sweden business area comprises AF's Swedish operations in civil engineering, construction, property and demolition. The geographic area of operation encompasses Gothenburg and Southern Sweden, as well as Stockholm and Mälardalen.

Sweden reported revenues of NOK 1,401 million (2,150 million) for the 2nd quarter. This corresponds to a decline in revenue of 35% compared with the same quarter last year. Earnings before tax were NOK -2 million (26 million). For the 1st half of the year revenues totalled NOK 2,763 million (4,077 million) and earnings before tax were NOK -3 million (-138 million).

There are still significant variations in the results from Sweden. AF Prefab in Mälardalen reported very good results in the 2nd quarter. Kanonaden and AF Härnösand Byggreturer continue to deliver good results. HMB had a result somewhat below expectations and AF Bygg Syd had a weak result this quarter. The former Betonmast Sweden companies also had negative results this quarter. AF Anläggning Väst has now been discontinued.

AF Projektutveckling, AF's property business in Sweden, had no residential projects under production this quarter.

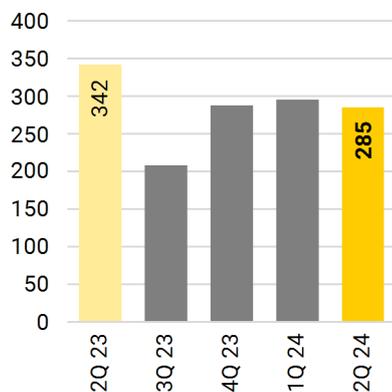
AF Projektutveckling has a building site inventory (residential units under development) that is estimated at 1,544 (1,150) residential units. AF's share of this is 797 (575) residential units.

Three contracts were reported to the stock exchange in the 2nd quarter. HMB has signed a contract to build 113 apartments for Bonava in Uppsala. The project will be implemented as a turnkey contract in two phases, with an option on phase two. The contract amount for both phases is SEK 297 million excl. VAT. HMB has also been awarded a contract to build 87 apartments in the Stockholm municipality on behalf of Familjebostäder. The general contract is valued at SEK 178 million excl. VAT. An agreement to build a new sewage treatment plant in Skåne was reported to the stock exchange on 20 June 2024, but the procurement has been cancelled by the client after the end of the quarter due to issues with the design of the evaluation model. The tender will be announced again with revised procurement documents and the contract is therefore not included in the order backlog.

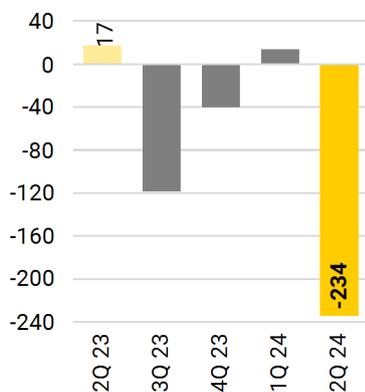
Sweden had an order intake of NOK 1,167 million (718 million) in the 2nd quarter. The order backlog for Sweden stood at NOK 4,437 million (6,212 million) as at 30 June 2024.

# OFFSHORE

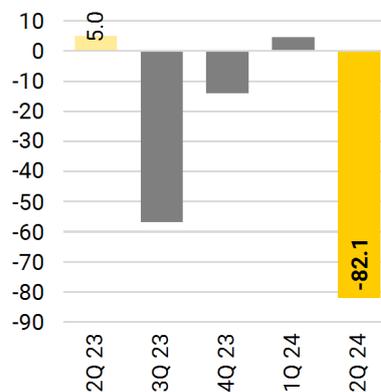
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



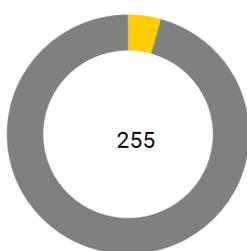
OPERATING MARGIN (%)



## KEY FIGURES

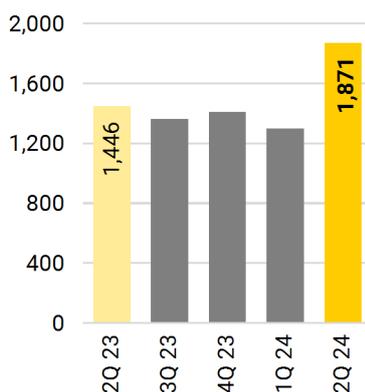
NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
Operating and other revenue	285	342	580	586	1,082
Earnings before financial items and tax (EBIT)	-234	17	-220	35	-124
Earnings before tax (EBT)	-241	12	-234	28	-139
Operating profit margin	-82.1 %	5.0 %	-38.0 %	5.9 %	-11.5 %
Profit margin	-84.5 %	3.6 %	-40.3 %	4.8 %	-12.9 %

NUMBER OF EMPLOYEES



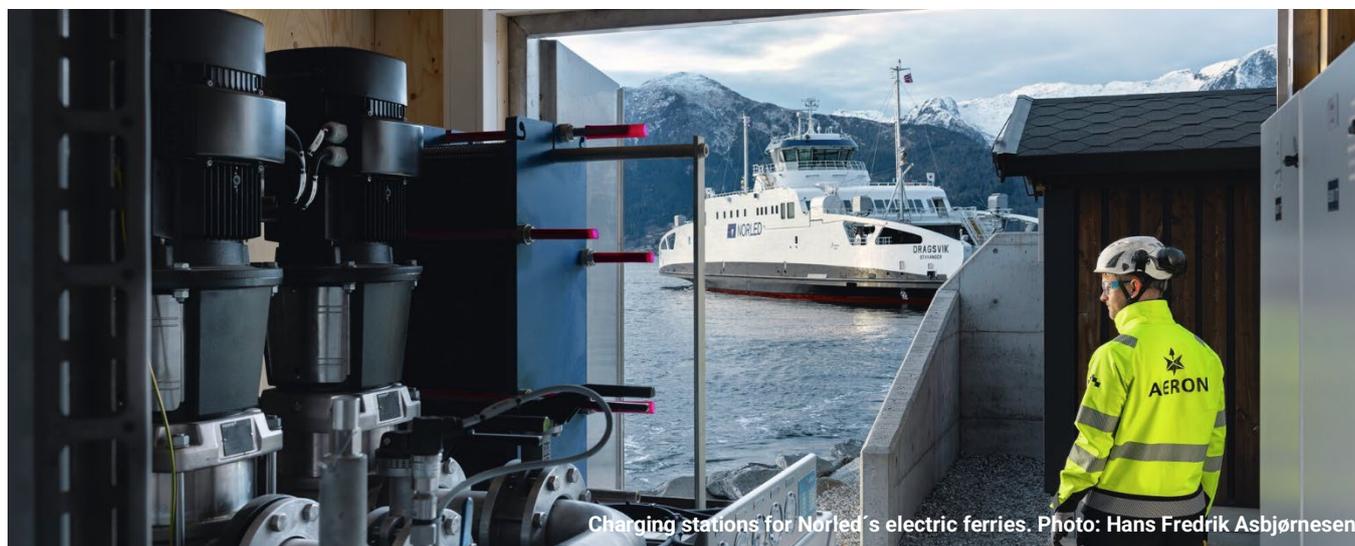
AF Gruppen 5,842

ORDER BACKLOG (NOK million)



OFFSHORE CONSISTS OF

- AF Offshore Decom
- Aeron



Charging stations for Norled's electric ferries. Photo: Hans Fredrik Asbjørnesen

AF has varied activities aimed at the maritime business and the oil and gas sector. Our services range from new construction and modification of climate control systems (HVAC) for the offshore and marine markets, to the removal and recycling of offshore installations. AF has a state-of-the-art facility for environmental clean-up at Vats.

Offshore reported revenues of NOK 285 million (342 million) in the 2nd quarter. During the quarter, further downward adjustments have been made to the estimated results for one project in AF Offshore Decom carried out on the Dutch continental shelf. The estimate was revised down by around NOK 240 million excl. VAT. The project was also mentioned and revised down in the second half of 2023. The provisions impact the results for Offshore. Earnings before tax were NOK -241 million (12 million). Revenues totalled NOK 580 million (586 million) and earnings before tax were NOK -234 million (28 million) for the 1st half of the year.

AF Offshore Decom demolishes and facilitates the recycling of offshore installations. AF Offshore Decom has sorted 98% of the structures for recycling as of the 2nd quarter, where metal is the main component. AF Offshore Decom demolished and facilitated the recycling of 6,501 (6,456) tonnes of steel in the 2nd quarter, corresponding to a reduction of alternative CO<sub>2</sub> emissions of 6,501 tonnes compared to ore-based production.

Aeron increased its level of activity compared to the same quarter last year and reported good results for the quarter.

One new contract was reported to the stock exchange in the quarter. Aeron has been awarded an EPCi contract for the delivery of complete ventilation and cooling systems to a 2GW offshore wind project. The contract is part of a major development project under the auspices of the Dutch company TenneT. The contract has a value exceeding NOK 500 million excl. VAT.

Offshore had an order intake of NOK 859 million (164 million) in the 2nd quarter. The order backlog for Offshore was NOK 1,871 million (1,446 million) as at 30 June 2024.



Nye Tøyenbadet. Photo: Max Emanuelson

## SHARE PRICE PERFORMANCE DURING THE LAST 12 MONTHS



## FINANCIAL INFORMATION

AF Gruppen shall have robust financing with respect to operational and market-related fluctuations. The Group's goal for return on invested capital is 20%, and its financial position shall underpin the growth strategy and provide an adequate dividend capacity.

In the 2nd quarter, net operating cash flow was NOK 661 million (227 million) and net cash flow from investments was NOK -112 million (-323 million). Cash flow before capital transactions and financing was NOK 550 million (-96 million) for the 2nd quarter. For the 1st half of the year cash flow from operating activities was NOK 789 million (203 million), and cash flow from net investments NOK -222 million (-400 million). Cash flow before financing activities was NOK 568 million (-197 million) for the 1st half of the year.

At the end of the 2nd quarter, AF Gruppen had cash and cash equivalents of NOK 411 million (494 million). Net interest-bearing debt (receivables) as at 30 June 2024 was NOK 979 million (1,582 million).

AF Gruppen's total financing facilities amount to NOK 3,500 million. The financing facilities consist of a multi-currency overdraft facility (rolling 1-year term) of NOK 2,000 million in DNB and a sustainability-linked revolving long-term credit facility (3+1+1 year maturity) of NOK 1,500, effective from September 2023.

Available liquidity at 30 June 2024, including overdraft facilities with Handelsbanken and DNB, is NOK 3,261 million.

Total assets were NOK 14,846 million (14,872 million) as at 30 June 2024. The Group's equity totalled NOK 2,844 million (2,897 million) as at 30 June 2024. This corresponds to an equity ratio of 19.2% (19.5%). The Group's equity ratio exclusive the effects of IFRS 16 is 20.3% (20.5%) as at 30 June 2024.

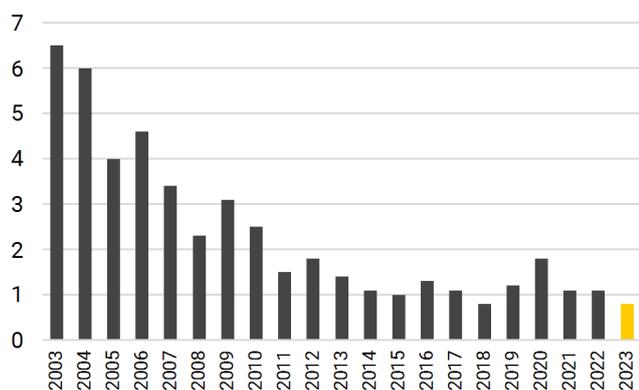
## THE SHARE

AF Gruppen's shares are listed on the Oslo Børs OB Match List and trade under the ticker AFG. The share is included in the Oslo Børs All Share Index (OSEAX), Benchmark Index

### LIST OF SHAREHOLDERS AS AT 30 JUNE 2024

Name	No. Shares	% share
ØMF HOLDING AS	17,972,233	16.6
OBOS BBL	17,459,483	16.1
CONSTRUCTIO AS	15,338,012	14.1
FOLKETRYGDFONDET	9,171,392	8.5
LJM AS	2,515,217	2.3
ARTEL KAPITAL AS	2,508,267	2.3
VITO KONGSVINGER AS	1,911,676	1.8
ARNE SKOGHEIM AS	1,753,870	1.6
JANIKO AS	1,370,186	1.3
MOGER INVEST AS	1,242,609	1.1
<b>Ten largest shareholders</b>	<b>71,242,945</b>	<b>65.6</b>
Total other shareholders	37,236,855	34.3
Own shares	52,200	0
<b>Total number of shares</b>	<b>108,532,000</b>	<b>100</b>

## LTI-1 RATE DEVELOPMENT



(OSEBX), Mutual Fund Index (OSEFX) and the Industrials Index (OINP).

As of 30 June 2024, the AF share had a closing price of NOK 132.40. This corresponds to a return of 9.4% for the for the 1st half of the year. The Oslo Børs Benchmark Index showed a return of 8.9% for the same period.

A dividend for the first half of the year was distributed in the 1st half year to AF Gruppen's shareholders totalling NOK 3.50 (6.50) per share. This payment is consistent with the company's dividend policy to pay out a minimum of 50% of the profit for the year as a dividend.

The company's Board of Directors has been granted authority by the General Meeting to determine the dividend to be distributed in the 2nd half of the year. A decision will be made on this in connection with the presentation of the quarterly results for the 3rd quarter on 15 November 2024.

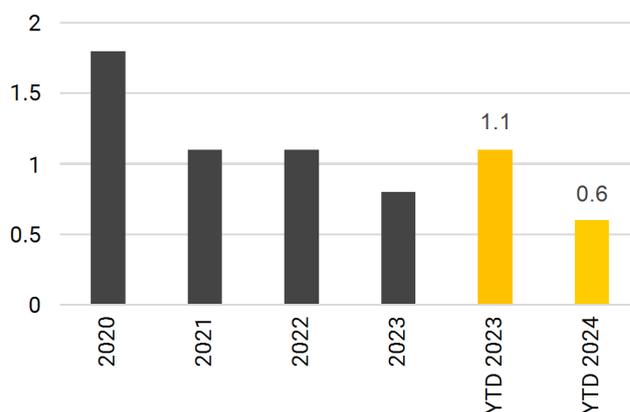
The number of shares in AF Gruppen is 108,532,000, which corresponds to share capital of NOK 5,426,600.

## SAFETY AND HEALTH

Health, safety and environment (HSE) has high priority in AF Gruppen and is an integral part of the management at all levels. AF has a structured and uniform HSE system that encompasses all projects. The working environment should be safe for everyone, including those who are employed by our subcontractors. AF's subcontractors are therefore included in the injury statistics.

The LTI (lost-time injury) rate is an important measurement parameter for safety work at AF. The LTI-1 rate is defined as the number of serious personal injuries and absence injuries per million man-hours. A total of 2 (4) injuries resulting in absence were registered in the 2nd quarter. This gives an LTI-1 rate of 0.4 (0.7) for the 2nd quarter. For the 1st half of the year the LTI-1 rate is 0.6 (1.1).

## LTI-1 RATE



Systematic and long-term work is being carried out to reduce the LTI-1 rate. Significant resources are being invested to further improve our HSE efforts in order to be able to achieve our goal of an LTI-1 rate of zero. Key to this work is AF's fundamental understanding and acceptance that all injuries have a cause and can therefore be avoided. Identifying risk and risk analysis are key parts of our preventive activities. Based on a given risk scenario, physical and organisational barriers are established to reduce the risk of personal injury.

Learning from own mistakes is of critical importance. AF has systematised this through reporting and follow up of undesired incidents, as well as investigating the most serious incidents. The number of reports has increased steadily in recent years. We see a clear correlation between the increased reporting of undesired incidents and decrease in injuries.

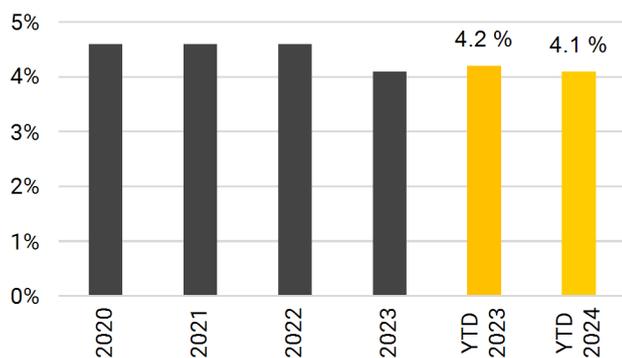
The registration of sick leave forms the basis for the measurement of health work at AF. In the 2nd quarter, the sick leave rate was 3.6% (3.9%) and 4.1% (4.2%) for the 1st half of the year. Our target is a healthy sick leave level, without absence due to occupational illnesses or injuries. Systematic efforts are being made, which consist of ongoing risk analysis of exposure that is harmful to health, the establishment of physical and organisational barriers, and close follow-up of employees on sick leave.

AF strives to avoid environmental damage and minimise undesirable effects on the environment. Environmental work is an integral part of HSE work, and the main tools used are therefore the same that are used otherwise in connection with HSE work.

## CLIMATE AND ENVIRONMENT

As part of the strategy for 2021-2024, AF has set a goal of halving relative greenhouse gas emissions and waste volumes that cannot be reused or recycled by 2030. The most important factor in reducing our own climate footprint

## SICK LEAVE DEVELOPMENT



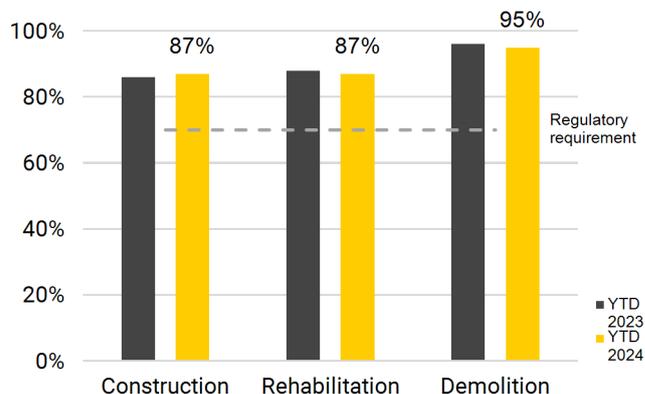
is logistics planning to, among other things, reduce the transport of masses. In addition, the use of electric machinery, a modern machinery and car fleet and sorting of waste will help to further reduce our own greenhouse gas emissions.

The source separation rate indicates how much of the waste from AF's operations is separated for the purpose of facilitating recycling. The government requirement for source separation is 70%. In the 2nd quarter, the source separation rate for construction was 86% (86%), for renovation it was 89% (85%) and for demolition it was 96% (96%). For the 1st half of the year the recycling result for building was 87% (86%), the result for renovation was 87% (88%) and the result for demolition was 95% (96%). These results are considered to be very good. A total of 54,904 tonnes (47,008 tonnes) of waste were separated at source in the 2nd quarter, and a total of 99,000 tonnes (172,168 tonnes) of waste were separated at source for the 1st half of the year.

AF wants to use the expertise we have to create further indirect savings on greenhouse gas emissions. AF's environmental centres offer services where materials that previously would have ended up in landfill sites now can be recovered and have their useful life extended. The environmental centres have recycled a total of 149,057 tonnes (124,673 tonnes) of materials for the 1st half of the year.

The Offshore and Energy and Environment business areas are based on services that solve environmental challenges in the area of demolition and recycling. All our demolition activities, both onshore and offshore, are based on a circular economy, where over 95% of all material from demolition is sorted for recycling. Metals, especially steel, are one of the main components of that which is recycled. The steel industry accounts for about 7% of the world's total CO<sub>2</sub> emissions. Reusing steel results in 70% lower CO<sub>2</sub> emissions than ore-based production. This corresponds to a reduction in emissions of 1 kg CO<sub>2</sub> for each kilo of steel

## SOURCE SEPARATION RATE



recycled. AF Offshore Decom and AF Decom demolished and facilitated the recycling of 8,060 tonnes (8,810 tonnes) of metal in the 2nd quarter, and 13,999 tonnes (25,002 tonnes) of metal for the 1st half of the year. In total, this represents a reduction of alternative CO<sub>2</sub> emissions by around 13,999 tonnes (25,002 tonnes) for the 1st half of the year.

AF reports climate accounts based on the Greenhouse Gas Protocol (GHG), where our own direct and indirect emissions (scope 1 and 2), as well as other selected indirect emissions (scope 3) are measured in tonnes of CO<sub>2</sub> equivalents. The other selected indirect emissions included in the climate accounts are emissions from waste generated, business travel and commuting. Waste from demolition operations is not included in the emission figures in scope 3. The carbon footprint is defined as emissions of greenhouse gases in tons of CO<sub>2</sub> equivalents per NOK million revenues, and at 30 June 2024, the carbon footprint for scope 1 and 2 was 1.6 (1.1). AF has set a target of halving greenhouse gas emissions for each service type relative to revenue by 2030. The basis year of the reduction target of scope 1 and 2 emissions is 2020, and the carbon footprint for that year was 1,6.

Climate accounts (tonnes CO <sub>2</sub> e <sup>1</sup> )	YTD 2Q 24	YTD 2Q 23
Scope 1: Direct emissions	22,957	16,006
Scope 2: Indirect emissions, energy	1,116	813
<b>Greenhouse gas emissions scope 1 and 2</b>	<b>24,072</b>	<b>16,820</b>
Carbon footprint <sup>2</sup> scope 1 and 2	1.6	1.1
Scope 3: Other indirect emissions <sup>3</sup>	5,673	6,421
<b>Greenhouse gas emissions scope 1-3</b>	<b>29,745</b>	<b>23,241</b>

<sup>1</sup>) Greenhouse gas emissions with global warming potential equivalent to CO<sub>2</sub>

<sup>2</sup>) Tonnes CO<sub>2</sub>e emissions per NOK million in revenue

<sup>3</sup>) Other selected indirect emissions

There are large differences in greenhouse gas emissions relative to revenue in the various types of services. The use of diesel in construction machinery is the largest direct source of emission. Both civil engineering and demolition activities require heavy construction machinery in order to carry out work and move large amounts of materials in projects. The use of heavy construction machinery is limited to groundwork and project logistics in our construction projects. It is, therefore, important for AF to analyse and reduce greenhouse gas emissions within each type of service and not reduce activity in civil engineering and demolition in relation to construction. The service types we measure in this context are civil engineering, construction and demolition services. Services that are not included in these categories are energy efficiency services, environmental centres, property activities and general services.

<b>Civil engineering services</b>	<b>YTD 2Q 24</b>	<b>YTD 2Q 23</b>
Scope 1: Direct emissions	18,861	11,663
Scope 2: Indirect emissions, energy	478	225
<b>CO<sub>2</sub>e emissions scope 1 og 2 (tonn CO<sub>2</sub>e)<sup>1</sup></b>	<b>19,339</b>	<b>11,889</b>
Carbon footprint <sup>2</sup> scope 1 and 2	3.4	2.7
<b>Construction services</b>	<b>YTD 2Q 24</b>	<b>YTD 2Q 23</b>
Scope 1: Direct emissions	1,502	1,498
Scope 2: Indirect emissions, energy	530	505
<b>CO<sub>2</sub>e emissions scope 1 og 2 (tonn CO<sub>2</sub>e)<sup>1</sup></b>	<b>2,032</b>	<b>2,004</b>
Carbon footprint <sup>2</sup> scope 1 and 2	0.3	0.2
<b>Demolition services</b>	<b>YTD 2Q 24</b>	<b>YTD 2Q 23</b>
Scope 1: Direct emissions	2,370	2,423
Scope 2: Indirect emissions, energy	69	53
<b>CO<sub>2</sub>e emissions scope 1 og 2 (tonn CO<sub>2</sub>e)<sup>1</sup></b>	<b>2,439</b>	<b>2,476</b>
Carbon footprint <sup>2</sup> scope 1 and 2	3.6	3.5

## **ORGANISATION**

AF Gruppen is working continuously to build a uniform corporate culture. Motivated employees and a solid organisation are an important foundation for creating value. It is prioritized in AF to develop organisations with a good composition of technical expertise and management at all levels. The resources are organised close to production, with project teams where the managers have a high degree of influence.

AF aims to be a company to which talented individuals apply, whether they are women or men. A long-term goal is to increase the total proportion of women to 20% and the proportion amongst officials to 40%. This is an ambitious goal. In the 2nd quarter the share of women is 10.2 % (9.5 %) in total and 20.2 % (19.7 %) amongst officials.

At AF everyone has equal worth. The working environment shall be inclusive and safe, with a zero-tolerance policy towards discrimination with a clear culture where violations have consequences. AF has been working on the diversity project "Diversity and Equality" since 2018, and as part of the project, the campaign "Of equal value" was launched. The campaign has been very well received in all projects in both our Swedish and Norwegian business units. AF's work on diversity, including through the Diversitas network and #EqualityCheck, has contributed to an increased focus on, and changes of attitude in relation to, unconscious bias.

AF maintains a high focus on innovation and digitalisation within all our business areas. We are working in a structured manner on how new technology can contribute to increased productivity and minimise risk in our projects, a safer working environment for our employees, and not to mention create greater value for our customers. In addition, we are continuously seeking new business models on the border of or outside of our current core areas. AF Gruppen has its own corporate function for innovation and digitalisation, in addition to a joint venture fund with OBOS for venture capital investments in the building and construction industry (Construct Venture).

AF invests a lot of time and resources in development of employees through the AF Academy. More than 80% of the current managers have been recruited internally. Our employees are good ambassadors in the recruitment of new colleagues.

At the end of the 2nd quarter AF Gruppen had a total of 5,842 (6,272) employees. Of these employees 4,811 (5,060) were employed in Norway, 975 (1,166) in Sweden, 26 (23) in Lithuania, 25 (20) in Germany and 5 (3) in Great Britain.

## **RISK AND RISK MANAGEMENT**

AF Gruppen is exposed to risk of both non-financial and financial nature. Risk reflects uncertainty or variations in the result. Non-financial risk encompasses business risk, reputational risk, and operational risk. Business risk arises as a result of external circumstances. These circumstances may, for example, be related to how customers, climate changes, political-, regulatory- and geopolitical risk. Reputational risk is the risk of loss of

reputation. AF's credibility is based on trust and we have an uncompromising attitude towards ethics and a strong corporate culture with zero tolerance for, among other things, corruption and bribery. Our employees represent AF Gruppen in all business context, and it is essential that they identify with and follow AF's Code of Conduct. Suppliers and subcontractors are also obliged to follow the Code of Conduct through AF's supplier declaration. Operational risk is the risk of losses due to deficiencies or errors in processes and systems, human errors or external events. AF Gruppen wants to undertake operational risk that the business units can influence and control. AF has developed risk management processes that are well adapted to our operations. Standardised, action-oriented risk management processes ensure comprehensive and coherent risk management in all parts of the organisation. AF seeks to limit exposure to risk that cannot be influenced. A risk review is conducted for all projects before a tender is even submitted. Analysis of risk during the tendering phase enables the correct pricing and management of risk in the project. The same project organisations conduct detailed risk reviews every quarter. The Corporate Management Team participates in risk reviews of all projects with a contract value in excess of NOK 100 million. In addition, 38 quarterly reviews in the business units were completed during the 2nd quarter, where the Corporate Management Team also participated.

Financial risk encompasses market risk, credit risk and liquidity risk. Market risk includes commodity price risk, foreign exchange risk and interest rate risk. AF is exposed to foreign exchange risk, including indirectly via suppliers who purchase from abroad, as well as the purchase and leasing of machinery manufactured abroad. As a major demolition and recycling operator, AF Gruppen is also exposed to fluctuations in steel prices. AF aims to have low exposure to risks that cannot be influenced, and use hedging instruments to mitigate the risk associated with foreign exchange rates and steel prices. AF has credit risk in relation to customers, suppliers and partners. In addition to the parent company and bank guarantees, the use of credit rating tools contributes to reducing risk. The liquidity risk is considered low. AF Gruppen's available liquidity, including credit facilities of NOK 3,500 million, stood at NOK 3,261 million as at 30 June 2024.

## **MARKET OUTLOOK**

The international macro environment of persistent geopolitical turmoil and high interest rates continue to affect AF Gruppen's activities in Norway and Sweden. In August 2024 Norges Bank decided to keep its key policy rate unchanged at 4.5% and forecasts that it will remain at this level for some time to come. In August 2024, the Swedish Riksbank decided to reduce the key policy rate by 0.25 percentage points to 3.5%. The reduction is the second this year. The first reduction of 0.25 percentage points was made in May. Interest rates affect investment activity and will continue to be a major driver of uncertainty for project starts going forward. Changed framework conditions require adaptability and innovation, which will be crucial in the construction industry in the future.

Inflation in the euro zone has been reduced in 2024 but remains above the European Central Bank's (ECB) target of 2%. The ECB estimates that the current level of inflation will persist well into 2025 and decided in July 2024 to keep interest rates unchanged. According to Statistics Norway's construction cost indices, the price level of materials increased during the first half of the year. Wood and concrete have risen in price by 7.1% and 5.8% respectively so far this year.

### **Civil Engineering**

The civil engineering market has traditionally been less sensitive to cyclical fluctuations, as public sector demand is the strongest driver behind investments in civil engineering. In the balanced state budget for 2024, nearly NOK 90.0 billion has been allocated for purposes under the National Transport Plan (NTP). A new NTP was presented in March 2024 and indicates a shift in resource input from major investments to smaller investment measures, operations and maintenance in the years ahead. The annual average financial budget in the upcoming NTP has been maintained at the same level as the current NTP. The final allocations for purposes under the NTP are managed from year to year through the national budget.

As of August 2024, Prognosesenteret forecasts that the total civil engineering market in Norway amounted to NOK 141.6 billion in 2023. Prognosesenteret expects the civil engineering market to remain stable in 2024, with a slight increase of 1.3% in 2025, primarily driven by investments. For civil engineering investments in Sweden, Byggföretagen reports an estimate of SEK 155.4 billion for 2023 (6.2%), and a slight decrease of 0.7% to SEK 154.3 billion in 2024. The forecasts for the civil engineering market indicate a good basis for AF's civil engineering activities.

## Construction and Property

High interest rates affect willingness to invest, and it becomes less profitable to start new projects. For the construction market in Norway in total, as of August 2024 Prognosesenteret forecasts a decline in production value of 4.3% for 2024, and an increase of 7.2% in 2025. Prognosesenteret expects that the growth in 2025 will be due to many start permits that will materialise first this year, in addition to two planned new hospital buildings in Oslo. A nationwide reduction in new residential and non-residential buildings is expected in 2024, while moderate growth is expected in rehabilitation, renovation and extensions (ROT). All building segments are expected to grow in 2025. In March 2024, Byggföretagen reported that building investments in Sweden are estimated at SEK 495.7 for 2023, and expects this to decrease to SEK 461.1 billion (-7.0%) in 2024, primarily in connection with the "homes" segment.

As of December 2023, Real Estate Norway estimated nominal housing price inflation of 4% for 2024. So far this year, Real Estate Norway reports a strong rise in house prices of 8.0% on a national basis. In July 2024, Svensk Mäklarstatistik reported 2% annual growth for apartments and 1% for detached houses. During the second quarter of the year, prices for both apartments and detached homes in Sweden rose by 3%.

## Energy and Environment

The Norwegian authorities have set ambitious targets for reducing energy use up to 2030, and high electricity prices make investments in energy-efficient measures very attractive. According to the Norwegian Building Industry Association, the potential for energy efficiency is 20 TWh for buildings in Norway, which will provide good market opportunities for AF's energy business. AF's Energy and Environment business area encompasses AF's energy services related to land-based operations, as well as services related to demolition and recycling onshore in Norway. The activities of the business area have been closely related to the construction market, where the level of new building starts will affect the market for demolition and recycling services. Rig and operation services contributed to maintaining our level of activity in a

construction market characterised by a lower level of activity. Demand for energy and other environmentally-related services is growing. Cleaned material from AF's environmental centres is finding an increasing number of areas of application, such as an additive to spray concrete and as gritting sand during the winter season.

## Offshore

AF Gruppen's services within removal and recycling of decommissioned oil platforms solve a significant societal challenge. The aim is to recycle as much of the materials from the decommissioned offshore platforms as possible. The recycling of steel from decommissioned oil platforms is a significant contribution to reducing greenhouse gas emissions compared with ordinary steel production. The increased rate of investment in offshore wind has increased demand for large crane vessels and shipyards in Europe. A tight vessel market in which the available capacity is wanted for platform installation, decommissioning and wind installation globally will present a capacity challenge, and AF Offshore Decom is working to establish strong relationships with a range of vessel owners to secure capacity for the next few years.

Aeron is well positioned for further electrification of the marine sector and installations on the Norwegian shelf. The ever-increasing CO<sub>2</sub> tax could also help accelerate the pace of electrification. AF Gruppen's services within climate control (HVAC) as well as maintenance and modifications, also have a good market outlook. Increased investments in offshore wind are also providing new market opportunities. The Dutch company TenneT and its 2GW offshore wind project in the North Sea, where Aeron will supply complete ventilation and cooling systems, is a good example of this.

## Oslo, 29 August 2024

Board of Directors of AF Gruppen ASA

For more detailed information, please contact:

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## RESPONSIBILITY STATEMENT FROM MEMBERS OF THE BOARD AND CEO

On this day, the Board of Directors and the CEO have reviewed and approved the semi-annual report and the unaudited abridged consolidated semi-annual financial statements for AF Gruppen as at 30 June 2024, and for the for the 1st half of the year 2024 (Semi-annual Report 2024).

It is confirmed to the best of our knowledge that:

- The semi-annual financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting and IFRS, as approved by the EU, as well as supplementary requirements in the Norwegian Accounting Act.
- The amounts and disclosures in the semi-annual financial statements provide a true and fair view of AF Gruppen’s assets, liabilities, financial position and results as a whole.
- The amounts and disclosures in the semi-annual report provide a true and fair view of performance, earnings and the position of the company and group, along with a description of the most important risk and uncertainty factors AF Gruppen faces.

Oslo, 29 August 2024

**Amund Tøftum**  
CEO

**Morten Grongstad**  
Board Chairman

**Marianne Gjertsen Ebbesen**

**Kristian Holth**

**Saloume Djoudat**

**Erik Tømmeraas Veiby**

**Hilde Kristin Herud**

**Hege Bømark**

**Hilde Wikesland Flaen**  
Employee elected

**René Elkjær Kristensen**  
Employee elected

**Espen Jahr**  
Employee elected

*The document is signed electronically and therefore has no hand-written signatures.*

# Financial information



## CONDENSED CONSOLIDATED STATEMENT OF INCOME

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
Operating and other revenue	7,651	7,853	14,838	15,246	30,530
Subcontractors	-4,076	-4,018	-7,419	-7,897	-15,774
Cost of materials	-1,383	-1,609	-2,862	-2,872	-5,131
Payroll costs	-1,435	-1,340	-2,923	-2,824	-5,851
Operating expenses ex. depreciation and impairment	-589	-477	-1,134	-1,132	-2,483
Net gains (losses) and profit (loss) from associates	43	29	66	64	34
<b>EBITDA</b>	<b>210</b>	<b>438</b>	<b>567</b>	<b>584</b>	<b>1,325</b>
Depreciation and impairment of tangible fixed assets	-75	-54	-136	-106	-220
Depreciation and impairment of right of use assets	-97	-80	-191	-159	-335
Depreciation and impairment of intangible assets	-1	-	-1	-1	-22
<b>Earnings before financial items and tax (EBIT)</b>	<b>37</b>	<b>303</b>	<b>238</b>	<b>318</b>	<b>749</b>
Net financial items	-16	-11	-31	-13	-49
<b>Earnings before tax (EBT)</b>	<b>21</b>	<b>292</b>	<b>207</b>	<b>305</b>	<b>700</b>
Income tax expense	-7	-65	-50	-68	-185
<b>Net income for the period</b>	<b>14</b>	<b>227</b>	<b>157</b>	<b>237</b>	<b>515</b>
Attributable to:					
Shareholders in the Parent Company	-8	185	133	182	402
Non-controlling interests	22	42	24	55	112
<b>Net income for the period</b>	<b>14</b>	<b>227</b>	<b>157</b>	<b>237</b>	<b>515</b>
Earnings per share (NOK)	-0.07	1.72	1.23	1.69	3.73
Diluted earnings per share (NOK)	-0.07	1.72	1.23	1.69	3.73
<b>Key figures</b>	<b>2Q 24</b>	<b>2Q 23</b>	<b>1H 24</b>	<b>1H 23</b>	<b>2023</b>
EBITDA margin	2.7 %	5.6 %	3.8 %	3.8 %	4.3 %
Operating profit margin	0.5 %	3.9 %	1.6 %	2.1 %	2.5 %
Profit margin	0.3 %	3.7 %	1.4 %	2.0 %	2.3 %
Return on capital employed (ROaCE) <sup>1)</sup>	-	-	14.5 %	23.3 %	15.9 %
Return on equity	-	-	14.1 %	26.5 %	16.4 %
Equity ratio	19.2 %	19.5 %	19.2 %	19.5 %	21.9 %
Net interest-bearing debt (receivables) <sup>2)</sup>	979	1,582	979	1,582	641
Capital employed <sup>3)</sup>	4,653	5,293	4,653	5,293	4,540
Order intake	5,629	10,877	11,100	20,173	32,756
Order backlog	38,253	44,693	38,253	44,693	41,991

<sup>1)</sup> Return on capital employed (ROaCE) = (Earnings before tax + interest expense) / average capital employed

<sup>2)</sup> Net interest-bearing debt (receivables) = Cash and cash equivalents + interest-bearing receivables - interest-bearing debt

<sup>3)</sup> Capital employed = Equity + interest-bearing debt

# STATEMENT OF COMPREHENSIVE INCOME

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
Net income for the period	14	227	157	237	515
Net actuarial gains and losses	-	-	-	-	-1
Currency translation differences non-controlling int.	-1	-2	-1	4	7
<b>Items that will not be reclassified to income statement in subsequent periods</b>	<b>-1</b>	<b>-2</b>	<b>-1</b>	<b>4</b>	<b>6</b>
Net cash flow hedges	1	-	-7	-29	-5
Currency translation differences shareholders of the parent	-12	-16	-9	55	83
<b>Items that may be reclassified to income statement in subsequent periods</b>	<b>-10</b>	<b>-16</b>	<b>-16</b>	<b>26</b>	<b>77</b>
<b>Other comprehensive income for the period</b>	<b>-11</b>	<b>-17</b>	<b>-17</b>	<b>30</b>	<b>83</b>
<b>Total comprehensive income for the period</b>	<b>4</b>	<b>209</b>	<b>141</b>	<b>267</b>	<b>598</b>
Attributable to:					
- Shareholders of the parent	-18	169	117	208	479
- Non-controlling interests	22	40	24	59	119
<b>Total comprehensive income for the period</b>	<b>4</b>	<b>209</b>	<b>141</b>	<b>267</b>	<b>598</b>

## EQUITY

NOK million	Paid-in capital	Translation differences	Actuarial pension gain/(loss)	Cash flow hedge	Retained earnings	Attributable to shareholders	Non-controlling interests	Total equity
<b>As at 31 December 2022</b>	<b>682</b>	<b>-19</b>	<b>-19</b>	<b>-18</b>	<b>1,950</b>	<b>2,575</b>	<b>918</b>	<b>3,494</b>
Comprehensive income	-	55	-	-29	182	208	59	267
Capital increase	-	-	-	-	-	-	2	2
Purchase of treasury shares	-	-	-	-	-18	-18	-	-18
Sale of treasury shares	-	-	-	-	11	11	-	11
Dividend paid	-	-	-	-	-700	-700	-141	-841
Share-based remuneration	12	-	-	-	-	12	1	12
Put options for non-controlling interests	-	-	-	-	-7	-7	1	-5
Addition from acquisition of subsidiaries	-	-	-	-	-	-	7	7
Transactions with non-controlling interests	-	-	-	-	-13	-13	-19	-32
<b>As at 30 June 2023</b>	<b>693</b>	<b>36</b>	<b>-19</b>	<b>-47</b>	<b>1,406</b>	<b>2,069</b>	<b>828</b>	<b>2,897</b>
<b>As at 31 December 2023</b>	<b>815</b>	<b>64</b>	<b>-20</b>	<b>-23</b>	<b>1,487</b>	<b>2,323</b>	<b>880</b>	<b>3,203</b>
Comprehensive income	-	-9	-	-7	133	117	24	141
Purchase of treasury shares	-	-	-	-	-13	-13	-	-13
Sale of treasury shares	-	-	-	-	6	6	-	6
Dividend paid	-	-	-	-	-380	-380	-121	-501
Share-based remuneration	19	-	-	-	-	19	2	21
Put options for non-controlling interests	-	-	-	-	13	13	-13	-
Addition from acquisition of subsidiaries	-	-	-	-	-	-	5	5
Transactions with non-controlling interests	-	-	-	-	-7	-7	-11	-18
<b>As at 30 June 2024</b>	<b>834</b>	<b>55</b>	<b>-20</b>	<b>-30</b>	<b>1,240</b>	<b>2,078</b>	<b>766</b>	<b>2,844</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK million	30/06/24	30/06/23	31/12/23
Tangible fixed assets	1,759	1,735	1,797
Right of use assets	1,001	866	979
Goodwill	4,577	4,531	4,531
Intangible assets	9	6	8
Investment in associates and joint ventures	663	553	565
Deferred tax asset	196	147	167
Interest-bearing receivables	380	268	317
Pension plan and other financial assets	43	12	43
<b>Total non-current assets</b>	<b>8,629</b>	<b>8,119</b>	<b>8,407</b>
Inventories	592	372	439
Projects for own account	207	190	194
Trade receivables and other current receivables	3,783	4,064	3,518
Contract assets	1,186	1,578	1,710
Interest-bearing receivables	39	52	32
Derivatives	-	4	2
Cash and cash equivalents	411	494	347
<b>Total current assets</b>	<b>6,218</b>	<b>6,754</b>	<b>6,241</b>
<b>Total assets</b>	<b>14,846</b>	<b>14,872</b>	<b>14,647</b>
Equity attributable to shareholders of the parent	2,078	2,069	2,323
Non-controlling interests	766	828	880
<b>Total equity</b>	<b>2,844</b>	<b>2,897</b>	<b>3,203</b>
Interest-bearing debt	113	65	93
Interest-bearing debt - lease liability	710	622	666
Retirement benefit obligations	7	3	8
Provisions	94	132	120
Deferred tax	387	453	441
Derivatives	15	40	11
<b>Total non-current liabilities</b>	<b>1,326</b>	<b>1,314</b>	<b>1,338</b>
Interest-bearing debt	663	1,427	233
Interest-bearing debt - lease liability	323	282	345
Trade payables and other short-term debt	6,770	6,650	7,067
Contract liabilities	1,770	1,284	1,389
Derivatives	20	25	15
Provisions	843	576	810
Tax payable	288	417	247
<b>Total current liabilities</b>	<b>10,676</b>	<b>10,662</b>	<b>10,106</b>
<b>Total liabilities</b>	<b>12,002</b>	<b>11,976</b>	<b>11,444</b>
<b>Total equity and liabilities</b>	<b>14,846</b>	<b>14,872</b>	<b>14,647</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
Earnings before financial items and tax (EBIT)	37	303	238	318	749
Depreciation, amortisation and impairment	173	135	329	266	576
Change in net working capital	544	-114	386	-178	675
Income taxes paid	-60	-71	-118	-152	-470
Net gains (losses) and profit (loss) from associates	-43	-29	-66	-64	-34
Other adjustments	10	4	21	12	56
<b>Cash flow from operating activities</b>	<b>661</b>	<b>227</b>	<b>789</b>	<b>203</b>	<b>1,552</b>
Net investments	-112	-323	-222	-400	-613
<b>Cash flow before financing activities</b>	<b>550</b>	<b>-96</b>	<b>568</b>	<b>-197</b>	<b>939</b>
Share issue	-	-	-	-	81
Dividends paid to shareholders in the Parent Company	-380	-700	-380	-700	-700
Dividends paid to non-controlling interests	-72	-87	-121	-140	-142
Transactions with non-controlling interests	-21	6	-170	-17	-23
Sale (purchase) of treasury shares	-6	-	-13	-7	-2
Borrowings (repayment) of debt	31	719	244	789	-516
Interest and other financial expenses paid	-30	-32	-54	-51	-99
<b>Cash flow from financing activities</b>	<b>-477</b>	<b>-93</b>	<b>-493</b>	<b>-126</b>	<b>-1,401</b>
<b>Change in cash and cash equivalents with cash effect</b>	<b>72</b>	<b>-189</b>	<b>74</b>	<b>-323</b>	<b>-462</b>
Net cash and cash equivalents at the beginning of period	348	677	347	765	765
Change in cash and cash equivalents without cash effect	-10	7	-10	52	44
<b>Net cash and cash equivalents at the end of period</b>	<b>411</b>	<b>494</b>	<b>411</b>	<b>494</b>	<b>347</b>

## BUSINESS AREAS

AF Gruppen's division into operating segments is consistent with the division of the business areas: Civil Engineering, Construction, Betonmast, Property, Energy and Environment, Sweden and Offshore.

Segment information is presented in accordance with the AF Gruppen's accounting policies in accordance with IFRS with the exception of the principles for revenue recognition for residential property development in accordance with IFRS 15. This policy exception applies to the segments Construction, Property and Sweden. Revenue from projects for own account in these segments is not recognised upon handover as regulated in IFRS 15, but in accordance with the degree of completion method. This means that the recognition of revenue in these projects is the product of the degree of completion, sales ratio and expected contribution margin.

Segment information is presented in accordance with reporting to the Corporate Management Team and is consistent with the financial information utilised by the Company's senior decision-makers when evaluating developments and allocating resources. The effect of the deviant application of principles on the consolidated accounts is illustrated in a separate table in the segment information. Additional information on projects for own account is provided in Note 7.

### Civil Engineering

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	2,365	1,413	4,350	2,769	6,458
Internal operating and other revenue	36	92	94	187	318
<b>Total operating and other revenue</b>	<b>2,400</b>	<b>1,505</b>	<b>4,444</b>	<b>2,956</b>	<b>6,776</b>
EBITDA	224	151	408	273	754
Earnings before financial items and tax (EBIT)	140	104	256	181	550
<b>Earnings before tax (EBT)</b>	<b>154</b>	<b>107</b>	<b>285</b>	<b>185</b>	<b>572</b>
EBITDA-margin	9.3 %	10.1 %	9.2 %	9.2 %	11.1 %
Operating margin	5.8 %	6.9 %	5.8 %	6.1 %	8.1 %
Profit margin	6.4 %	7.1 %	6.4 %	6.3 %	8.4 %
Assets	4,312	3,346	4,312	3,346	4,007
<b>Order intake</b>	<b>848</b>	<b>4,018</b>	<b>1,357</b>	<b>7,617</b>	<b>9,548</b>
<b>Order backlog</b>	<b>15,053</b>	<b>20,030</b>	<b>15,053</b>	<b>20,030</b>	<b>18,140</b>

## Construction

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	2,278	2,650	4,480	5,208	10,124
Internal operating and other revenue	1	24	3	56	58
<b>Total operating and other revenue</b>	<b>2,279</b>	<b>2,674</b>	<b>4,482</b>	<b>5,264</b>	<b>10,182</b>
EBITDA	117	133	205	205	483
Earnings before financial items and tax (EBIT)	95	112	159	162	396
<b>Earnings before tax (EBT)</b>	<b>97</b>	<b>105</b>	<b>163</b>	<b>151</b>	<b>378</b>
EBITDA-margin	5.2 %	5.0 %	4.6 %	3.9 %	4.7 %
Operating margin	4.2 %	4.2 %	3.5 %	3.1 %	3.9 %
Profit margin	4.2 %	3.9 %	3.6 %	2.9 %	3.7 %
Assets	4,882	4,956	4,882	4,956	5,109
<b>Order intake</b>	<b>1,775</b>	<b>3,801</b>	<b>5,162</b>	<b>5,689</b>	<b>9,601</b>
<b>Order backlog</b>	<b>10,144</b>	<b>10,469</b>	<b>10,144</b>	<b>10,469</b>	<b>9,464</b>

## Betonmast

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	975	1,117	1,977	2,323	4,551
Internal operating and other revenue	3	-	7	-	3
<b>Total operating and other revenue</b>	<b>979</b>	<b>1,117</b>	<b>1,984</b>	<b>2,323</b>	<b>4,553</b>
EBITDA	14	38	-3	78	55
Earnings before financial items and tax (EBIT)	9	33	-10	67	34
<b>Earnings before tax (EBT)</b>	<b>19</b>	<b>37</b>	<b>9</b>	<b>77</b>	<b>58</b>
EBITDA-margin	1.4 %	3.4 %	-0.1 %	3.4 %	1.2 %
Operating margin	1.0 %	3.0 %	-0.5 %	2.9 %	0.7 %
Profit margin	2.0 %	3.4 %	0.4 %	3.3 %	1.3 %
Assets	3,188	3,081	3,188	3,081	3,191
<b>Order intake</b>	<b>752</b>	<b>900</b>	<b>1,093</b>	<b>2,806</b>	<b>6,341</b>
<b>Order backlog</b>	<b>5,312</b>	<b>4,898</b>	<b>5,312</b>	<b>4,898</b>	<b>6,203</b>

## Property

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	5	6	11	16	27
Internal operating and other revenue	-	-	-	-	-
<b>Total operating and other revenue</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>16</b>	<b>27</b>
EBITDA	-8	-3	-15	-5	-20
Earnings before financial items and tax (EBIT)	-8	-3	-15	-5	-20
<b>Earnings before tax (EBT)</b>	<b>-4</b>	<b>-1</b>	<b>-7</b>	<b>0</b>	<b>-8</b>
EBITDA-margin	-	-	-	-	-
Operating margin	-	-	-	-	-
Profit margin	-	-	-	-	-
Assets	908	769	908	769	842
<b>Order backlog</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Energy and Environment

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	368	309	690	584	1,341
Internal operating and other revenue	20	18	37	29	76
<b>Total operating and other revenue</b>	<b>388</b>	<b>326</b>	<b>726</b>	<b>613</b>	<b>1,417</b>
EBITDA	39	35	73	62	156
Earnings before financial items and tax (EBIT)	22	19	40	30	90
<b>Earnings before tax (EBT)</b>	<b>21</b>	<b>21</b>	<b>38</b>	<b>33</b>	<b>96</b>
EBITDA-margin	10.2 %	10.8 %	10.1 %	10.2 %	11.0 %
Operating margin	5.7 %	5.9 %	5.4 %	4.9 %	6.3 %
Profit margin	5.4 %	6.3 %	5.3 %	5.4 %	6.8 %
Assets	965	778	965	778	923
<b>Order intake</b>	<b>338</b>	<b>1,116</b>	<b>685</b>	<b>1,457</b>	<b>2,027</b>
<b>Order backlog</b>	<b>1,208</b>	<b>1,484</b>	<b>1,208</b>	<b>1,484</b>	<b>1,249</b>

## Sweden

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	1,356	2,132	2,673	4,053	7,423
Internal operating and other revenue	45	18	90	24	78
<b>Total operating and other revenue</b>	<b>1,401</b>	<b>2,150</b>	<b>2,763</b>	<b>4,077</b>	<b>7,501</b>
EBITDA	18	45	38	-101	-60
Earnings before financial items and tax (EBIT)	1	27	3	-135	-152
<b>Earnings before tax (EBT)</b>	<b>-2</b>	<b>26</b>	<b>-3</b>	<b>-138</b>	<b>-160</b>
EBITDA-margin	1.3 %	2.1 %	1.4 %	-2.5 %	-0.8 %
Operating margin	0.1 %	1.3 %	0.1 %	-3.3 %	-2.0 %
Profit margin	-0.2 %	1.2 %	-0.1 %	-3.4 %	-2.1 %
Assets	2,460	2,642	2,460	2,642	2,816
<b>Order intake</b>	<b>1,167</b>	<b>718</b>	<b>2,072</b>	<b>2,652</b>	<b>4,991</b>
<b>Order backlog</b>	<b>4,437</b>	<b>6,212</b>	<b>4,437</b>	<b>6,212</b>	<b>5,128</b>

## Offshore

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	285	342	580	586	1,081
Internal operating and other revenue	-	-	1	-	1
<b>Total operating and other revenue</b>	<b>285</b>	<b>342</b>	<b>580</b>	<b>586</b>	<b>1,082</b>
EBITDA	-225	24	-202	49	-95
Earnings before financial items and tax (EBIT)	-234	17	-220	35	-124
<b>Earnings before tax (EBT)</b>	<b>-241</b>	<b>12</b>	<b>-234</b>	<b>28</b>	<b>-139</b>
EBITDA-margin	-78.9 %	7.1 %	-34.8 %	8.4 %	-8.7 %
Operating margin	-82.1 %	5.0 %	-38.0 %	5.9 %	-11.5 %
Profit margin	-84.5 %	3.6 %	-40.3 %	4.8 %	-12.9 %
Assets	986	950	986	950	1,098
<b>Order intake</b>	<b>859</b>	<b>164</b>	<b>1,042</b>	<b>339</b>	<b>798</b>
<b>Order backlog</b>	<b>1,871</b>	<b>1,446</b>	<b>1,871</b>	<b>1,446</b>	<b>1,410</b>

## Other Segments (Group)

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	29	29	51	46	110
Internal operating and other revenue	15	16	27	29	61
<b>Total operating and other revenue</b>	<b>44</b>	<b>45</b>	<b>78</b>	<b>75</b>	<b>171</b>
EBITDA	17	17	38	36	104
Earnings before financial items and tax (EBIT)	-1	-2	1	-2	27
<b>Earnings before tax (EBT)</b>	<b>-35</b>	<b>-2</b>	<b>-69</b>	<b>-8</b>	<b>-45</b>
Assets	1,649	1,645	1,649	1,645	1,995
<b>Order backlog</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Eliminations

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	-59	-99	-129	-180	-350
Internal operating and other revenue	-120	-168	-258	-326	-595
<b>Total operating and other revenue</b>	<b>-179</b>	<b>-267</b>	<b>-387</b>	<b>-506</b>	<b>-945</b>
EBITDA	-	-6	-2	-9	-32
Earnings before financial items and tax (EBIT)	-	-6	-2	-9	-32
<b>Earnings before tax (EBT)</b>	<b>-</b>	<b>-16</b>	<b>-2</b>	<b>-17</b>	<b>-32</b>
Assets	-4,435	-3,217	-4,435	-3,217	-5,239
<b>Order backlog</b>	<b>-225</b>	<b>-381</b>	<b>-225</b>	<b>-381</b>	<b>-213</b>

## GAAP adjustments (IFRS 15)

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	48	-47	157	-159	-235
Internal operating and other revenue	-	-	-	-	-
<b>Total operating and other revenue</b>	<b>48</b>	<b>-47</b>	<b>157</b>	<b>-159</b>	<b>-235</b>
EBITDA	13	4	26	-6	-20
Earnings before financial items and tax (EBIT)	13	4	26	-6	-20
<b>Earnings before tax (EBT)</b>	<b>13</b>	<b>4</b>	<b>26</b>	<b>-6</b>	<b>-20</b>
Assets	-69	-79	-69	-79	-94
<b>Order backlog</b>	<b>454</b>	<b>534</b>	<b>454</b>	<b>534</b>	<b>610</b>

## Segment total

NOK million	2Q 24	2Q 23	1H 24	1H 23	2023
External operating and other revenue	7,651	7,853	14,838	15,246	30,530
Internal operating and other revenue	-	-	-	-	-
<b>Total operating and other revenue</b>	<b>7,651</b>	<b>7,853</b>	<b>14,838</b>	<b>15,246</b>	<b>30,530</b>
EBITDA	210	438	567	584	1,325
Earnings before financial items and tax (EBIT)	37	303	238	318	749
<b>Earnings before tax (EBT)</b>	<b>21</b>	<b>292</b>	<b>207</b>	<b>305</b>	<b>700</b>
EBITDA-margin	2.7 %	5.6 %	3.8 %	3.8 %	4.3 %
Operating margin	0.5 %	3.9 %	1.6 %	2.1 %	2.5 %
Profit margin	0.3 %	3.7 %	1.4 %	2.0 %	2.3 %
Assets	14,846	14,872	14,846	14,872	14,647
<b>Order intake</b>	<b>5,629</b>	<b>10,877</b>	<b>11,100</b>	<b>20,173</b>	<b>32,756</b>
<b>Order backlog</b>	<b>38,253</b>	<b>44,693</b>	<b>38,253</b>	<b>44,693</b>	<b>41,991</b>

# NOTES

## 1. GENERAL INFORMATION

AF Gruppen is one of Norway's leading contracting and industrial groups. AF Gruppen is divided into seven business areas: Civil Engineering, Construction, Betonmast, Property, Energy and Environment, Sweden and Offshore.

AF Gruppen ASA is a public limited company registered and domiciled in Norway. The head office is located at Innspurten 15, 0663 Oslo. AF is listed on Oslo Børs under the ticker symbol AFG.

This summary of financial information for the 2nd quarter 2024 has not been audited.

## 2. BASIS OF PREPARATION

The consolidated accounts for AF Gruppen encompass AF Gruppen ASA and its subsidiaries, joint ventures and associated companies. The consolidated financial statements for the 2nd quarter 2024 have been prepared in accordance with IAS 34 Interim Accounts. The summary of the financial information presented in the quarterly accounts is intended to be read in conjunction with the annual report for 2023, which has been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as adopted by the EU.

As a result of rounding off, the numbers and percentages will not always add up to the total.

### 3. CHANGES IN THE GROUP'S STRUCTURE

#### *Acquisition of ETA Norge AS*

AF Gruppen entered into an agreement on 14 May 2024 to acquire 70 per cent of the shares in ETA Norge AS, a bioenergy contractor. ETA Norge AS was established in 2013 and is located in Fiskum in Øvre Eiker. The company employs 13 people and provides heating systems within bioenergy (tiles, pellets, wood and solar), and assists with engineering, installation and service. Its customers are mainly business customers and agriculture. In the period from 2021 to 2023, ETA Norge AS had an average turnover of NOK 86 million and an operating margin of 15.1%. The agreed contract value on a 100 per cent basis for ETA Norge is up to NOK 110 million. Settlement consists of cash, a significant portion of which is conditional on the results for the period 2024-2026. The conditional settlement will be paid in 2027. ETA Norge will be part of the Energy and Environment business area.

Presented below is an allocation of the purchase price based on the opening balance sheet of ETA Norge AS as at 30 April 2024. Allocation of the purchase price was prepared using the acquisition method as regulated in IFRS 3. The purchase price has been allocated at the fair value of the assets and liabilities of ETA Norge AS. The allocation is not final.

Purchase price allocation ETA Norge	NOK million
Cash consideration	47
Contingent consideration	19
<b>Consideration for 70% of the shares in ETA Norge AS</b>	<b>67</b>
Other non-controlling interests in ETA Norge AS (30% of assets and liabilities)	5
<b>Gross consideration for 100% of the shares in ETA Norge AS</b>	<b>72</b>
Fixed assets	16
Cash and cash equivalents	9
Short-term non-interest-bearing receivables	31
Inventories	5
Deferred tax and tax payables	-5
Non-current interest-bearing liabilities	-1
Non-current lease liabilities	-13
Trade payables and current non-interest-bearing liabilities	-25
<b>Net identifiable assets and liabilities</b>	<b>18</b>
<b>Goodwill</b>	<b>54</b>
Cash consideration for 70% of the shares in ETA Norge AS	47
- Cash and Cash equivalents in ETA Norge AS (100%)	-9
<b>Net consideration included in net investments in the cash flow statement</b>	<b>38</b>

### 4. ACCOUNTING POLICIES

#### **Effect of IFRS 16 lease liability**

AF Gruppen presents figures for the Group as lessee to comply with the accounting principles for IFRS 16. The present value of future rental payments for lease liabilities is recognised in the balance sheet as an interest-bearing loan, and right of use is recognised as a non-current asset, with the exception of for short-term or terminable leases. The right of use recognised on the balance sheet will be amortised over the agreed term of the lease including any reasonably certain option periods, and interest on the lease liability will be recognised as an interest expense. Both instalments and interest on lease liabilities recognised on the balance sheet are classified as cash flow from financing activities in the cash flow statement.

Recognised lease liabilities in the Group affect key figures, including equity ratio and net interest-bearing liabilities, as shown in tables on the next page.

## Consolidated statement of income – Effect of IFRS 16

NOK million	2Q 24 less IFRS 16	Effect of IFRS 16	2Q 24	YTD 2Q 24 less IFRS 16	Effect of IFRS 16	YTD 2Q 24
Operating expenses excl. depr. and impairment	-681	91	-589	-1,312	178	-1,134
<b>EBITDA</b>	<b>119</b>	<b>91</b>	<b>210</b>	<b>388</b>	<b>178</b>	<b>567</b>
Depr. and impairment of right of use assets	-15	-83	-97	-29	-162	-191
<b>Earnings before financial items and tax (EBIT)</b>	<b>29</b>	<b>8</b>	<b>37</b>	<b>222</b>	<b>16</b>	<b>238</b>
Net financial items	-8	-8	-16	-14	-17	-31
<b>Earnings before tax (EBT)</b>	<b>21</b>	<b>-</b>	<b>21</b>	<b>208</b>	<b>-1</b>	<b>207</b>
Income tax expense	-7	-	-7	-49	-	-50
<b>Net income for the period</b>	<b>15</b>	<b>-</b>	<b>14</b>	<b>159</b>	<b>-1</b>	<b>157</b>

NOK million	2Q 23 less IFRS 16	Effect of IFRS 16	2Q 23	YTD 2Q 23 less IFRS 16	Effect of IFRS 16	YTD 2Q 23	2023 less IFRS 16	Effect of IFRS 16	2023
Operating expenses excl. depr. and impairment	-550	73	-477	-1,275	143	-1,132	-2,789	306	-2,483
<b>EBITDA</b>	<b>365</b>	<b>73</b>	<b>438</b>	<b>441</b>	<b>143</b>	<b>584</b>	<b>1,019</b>	<b>306</b>	<b>1,325</b>
Depr. and impairment of right of use assets	-13	-67	-80	-27	-132	-159	-54	-280	-335
<b>Earnings before financial items and tax (EBIT)</b>	<b>297</b>	<b>6</b>	<b>303</b>	<b>307</b>	<b>12</b>	<b>318</b>	<b>724</b>	<b>25</b>	<b>749</b>
Net financial items	-5	-6	-11	-2	-11	-13	-23	-25	-49
<b>Earnings before tax (EBT)</b>	<b>292</b>	<b>-</b>	<b>292</b>	<b>304</b>	<b>-</b>	<b>305</b>	<b>700</b>	<b>-</b>	<b>700</b>
Income tax expense	-65	-	-65	-68	-	-68	-185	-	-185
<b>Net income for the period</b>	<b>227</b>	<b>-</b>	<b>227</b>	<b>237</b>	<b>-</b>	<b>237</b>	<b>515</b>	<b>-</b>	<b>515</b>

## Consolidated statement of financial position – Effect of IFRS 16

NOK million	30.06.24 less IFRS 16	Effect of IFRS 16	30.06.24	30.06.23 less IFRS 16	Effect of IFRS 16	30.06.23	31.12.23 less IFRS 16	Effect of IFRS 16	2023
Right of use assets	248	752	1,001	238	629	866	238	741	979
<b>Total assets</b>	<b>14,094</b>	<b>752</b>	<b>14,846</b>	<b>14,244</b>	<b>629</b>	<b>14,872</b>	<b>13,907</b>	<b>741</b>	<b>14,647</b>
Total equity	2,865	-22	2,844	2,917	-21	2,897	3,224	-21	3,203
Interest-bearing debt - lease liability (non-current)	180	530	710	166	456	622	149	517	666
Deferred tax	392	-5	387	457	-5	453	446	-5	441
Interest-bearing debt - lease liability (current)	44	280	323	44	238	282	64	281	345
<b>Total equity and liabilities</b>	<b>14,094</b>	<b>752</b>	<b>14,846</b>	<b>14,244</b>	<b>629</b>	<b>14,872</b>	<b>13,907</b>	<b>741</b>	<b>14,647</b>
Equity ratio	20.3 %	-	19.2 %	20.5 %	-	19.5 %	23.2 %	-	21.9 %
Gross interest-bearing debt	1,000	810	1,810	1,702	694	2,396	539	798	1,337
Net interest-bearing debt (receivabl.)	169	810	979	887	694	1,582	-156	798	641

## **5. ESTIMATES**

The preparation of the interim accounts requires the use of assessments, estimates and assumptions that have an effect on the application of accounting principles and recognised figures related to assets and liabilities, revenues and costs. The estimates are based on the management's best judgement and experience, and there is some uncertainty related to the concurrence of these estimates with the actual result. Estimates and their underlying assumptions are assessed on a continuous basis. Changes in accounting estimates are recognised for the period in which the estimate is changed and for future periods if these are affected by the change in estimate.

## **6. TRANSACTIONS WITH RELATED PARTIES**

The Group's related parties consist of associates, joint ventures, the Company's shareholders, members of the Board of Directors and Corporate Management Team. All business transactions with related parties are carried out in accordance with the arm's length principle.

## **7. DEVIANT APPLICATION OF PRINCIPLES IN THE SEGMENT ACCOUNTS**

The segment information is presented in accordance with the Group's accounting policies in accordance with IFRS except for the principles for revenue recognition for residential property development in accordance with IFRS 15. This policy exception applies to the Construction, Property and Sweden segments. Revenue from projects for own account in these segments is not recognised upon handover as regulated in IFRS 15, but in accordance with the percentage of completion method. This means that revenue and cost for these projects is recognized in proportion with the stage of completion and the sales ratio for the project. The effect of this on the consolidated accounts is illustrated in a separate table in the segment information. The Betonmast segment is reported in accordance with IFRS. To ensure completeness Betonmast's property projects are included in the table below.

The effect of the deviant application of principles in the segment accounts with respect to earnings before tax is NOK 13 million (4 million) for the 2nd quarter 2024, and 26 million (-6 million) for the 1st half of the year. The effect on equity was NOK -69 million (-81 million), and the accumulated reversed revenues were NOK 454 million (534 million) as at 30 June 2024.

The table on the next page shows residential housing projects for our own account that are in the production phase. Contractor values have been included in those cases where group companies are the contractor.

Property projects for own account	AF's construction value <sup>1)</sup>	Number of housing units				Construction period		Ownership share AF
		Total number	Hereof transferred in 2024	Hereof completed not transf.	Hereof not sold	Start up	Completion	
Skiparviklia 3D, Bergen (LAB Eiendom)	25	4	1	-	-	Q2 2022	Q4 2023	50%
Fyrstikkbakken Hus A-C, Oslo	348	119	-	9	9	Q2 2021	Q4 2023	50%
Brøter Terrasse, Lillestrøm	-	78	2	-	-	Q3 2020	Q4 2022	35%
<b>Total completed earlier years - Property<sup>2)</sup></b>	<b>373</b>	<b>201</b>	<b>3</b>	<b>9</b>	<b>9</b>			
Snipetorp, Skien	-	16	-	3	3	Q3 2018	Q2 2020	50%
2317 Sentrumskvartalet A-D, Hamar	296	121	1	5	4	Q2 2020	Q1 2023	50%
SPG Bostader Linden, Strömstad <sup>3)</sup>	154	162	-	162	-	Q4 2021	Q3 2023	45%
SPG Bostader Hæggen, Strömstad <sup>3)</sup>	89	94	-	94	-	Q2 2022	Q3 2023	45%
Klosterøya Vest 4, Skien	-	69	2	11	10	Q1 2021	Q1 2023	24%
<b>Total completed earlier years - Betonmast<sup>2)</sup></b>	<b>539</b>	<b>462</b>	<b>3</b>	<b>275</b>	<b>17</b>			
BRF Prefekten, Mölndal	130	83	68	15	5	Q4 2021	Q1 2024	50%
<b>Total completed 2024 - Sweden</b>	<b>130</b>	<b>83</b>	<b>68</b>	<b>15</b>	<b>5</b>			
Skårersletta Midt 1, Lørenskog	345	121	105	16	15	Q3 2021	Q2 2024	50%
Skårersletta Midt 2, Lørenskog	137	48	39	9	9	Q3 2021	Q2 2024	50%
Bekkestua Have, Bærum	-	55	55	-	-	Q4 2021	Q2 2024	50%
Baneveien, Bergen (LAB Eiendom)	18	1	1	-	-	Q2 2022	Q1 2024	50%
Fyrstikkbakken Hus D, Oslo	124	40	32	8	8	Q2 2021	Q1 2024	50%
<b>Total completed 2024 - Property</b>	<b>624</b>	<b>265</b>	<b>232</b>	<b>33</b>	<b>32</b>			
Skårersletta Midt 3 og 4, Lørenskog	360	126	-	-	51	Q4 2022	Q4 2024	50%
Bekkestua Have, Bærum	-	174	-	-	2	Q4 2021	Q3/Q4 24	50%
Rolvstrud Arena trinn 1, Lørenskog	299	95	-	-	22	Q2 2022	Q3 2024	33%
Rolvstrud Arena trinn 2 og 3, Lørenskog	312	99	-	-	31	Q4 2022	Q1 2025	33%
Rolvstrud Arena trinn 4, Lørenskog	110	35	-	-	23	Q3 2023	Q3 2025	33%
Rolvstrud Arena trinn 5, Lørenskog	189	60	-	-	60	Q1 2024	Q4 2025	33%
<b>Total in production - Property</b>	<b>1,270</b>	<b>589</b>	<b>-</b>	<b>-</b>	<b>189</b>			
Veum Hageby Tunet, Fredrikstad	-	15	-	-	2	Q2 2023	Q3 2024	30%
<b>Total in production - Betonmast</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>2</b>			

<sup>1)</sup> NOK million excl. VAT

<sup>2)</sup> Only projects with not sold or not transferred units as at year end 2023 are included.

<sup>3)</sup> Apartments for rental ("hyresrett"). Will be sold collectively when shares are transferred from property development company.

## 8. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events since the end of the quarter that would have had a material effect on the quarterly financial statements.

## **ALTERNATIVE PERFORMANCE MEASURES**

AF Gruppen presents alternative performance targets as a supplement to performance targets that are regulated by IFRS. The alternative performance targets are presented to provide better insight into and understanding of the operations, financial standing and foundation for development going forward. AF Gruppen uses alternative performance targets that are commonly used in the industry and among analysts and investors.

### **Return on capital employed (ROaCE):**

This performance target provides useful information to both AF's management and Board of Directors, as well as to investors concerning the results that have been achieved during the period under analysis. AF uses the performance target to measure the return on capital employed, regardless of whether the financing is through equity capital or debt. Use of the performance target should not be considered an alternative to performance targets calculated in accordance with IFRS, but as a supplement.

The alternative performance targets are defined as follows:

**EBITDA:** Earnings before i) taxes, ii) net financial items, iii) depreciation and amortisation.

**Operating profit (EBIT):** Earnings before i) taxes, ii) net financial items.

**EBITDA margin:** EBITDA divided by operating revenue and other revenues.

**Operating margin:** Operating profit (EBIT) divided by operating revenue and other revenues.

**Profit margin:** Earnings before tax divided by operating revenue and other revenues.

**Gross interest-bearing debt:** Sum total of long-term interest-bearing loans and credits and short-term interest-bearing loans and credits.

**Net interest-bearing debt (receivables):** Gross interest-bearing debt less i) long-term interest-bearing receivables, ii) short-term interest-bearing receivables and iii) cash and cash equivalents.

**Capital employed:** Sum total of shareholders' equity and gross interest-bearing debt.

**Average capital employed:** Average capital employed in the last four quarters.

**Return on capital employed (ROaCE):** Earnings before taxes and interest divided by the average capital employed.

**Equity ratio:** Shareholders' equity divided by total equity and liabilities.

**Average shareholders' equity:** Average shareholders' equity in the last four quarters.

**Return on equity:** Net income divided by average shareholders' equity.

**Order intake:** Estimated value of contracts, contract changes and orders that have been agreed upon during the reporting period.

**Order backlog:** Remaining estimated value of contracts, contract changes and orders that have been agreed upon, but have not been earned by the reporting date.

The table below shows the reconciliation of alternative performance targets with line items in the reported financial figures in accordance with IFRS.

<b>NOK million</b>	<b>30/06/24</b>	<b>30/06/23</b>	<b>31/12/23</b>
<b>GROSS INTEREST-BEARING DEBT / NET INTEREST-BEARING DEBT</b>			
Non-current interest-bearing debt	113	65	93
Non-current interest-bearing debt - lease liability	710	622	666
Current interest-bearing debt	663	1,427	233
Current interest-bearing debt - lease liability	323	282	345
<b>Gross interest-bearing debt</b>	<b>1,810</b>	<b>2,396</b>	<b>1,337</b>
Less:			
Non-current interest-bearing receivables	-380	-268	-317
Current interest-bearing receivables	-39	-52	-32
Cash and cash equivalents	-411	-494	-347
<b>Net interest-bearing debt (receivables)</b>	<b>979</b>	<b>1,582</b>	<b>641</b>

NOK million	30/06/24	30/06/23	31/12/23
<b>CAPITAL EMPLOYED</b>			
Total equity	2,844	2,897	3,203
Gross interest-bearing debt	1,810	2,396	1,337
<b>Capital employed</b>	<b>4,653</b>	<b>5,293</b>	<b>4,540</b>
<b>AVERAGE CAPITAL EMPLOYED</b>			
Capital employed as at 3rd quarter 2022	-	4,385	-
Capital employed as at 4th quarter 2022	-	4,900	-
Capital employed as at 1st quarter 2023	-	5,071	5,071
Capital employed as at 2nd quarter 2023	-	5,293	5,293
Capital employed as at 3rd quarter 2023	5,224	-	5,224
Capital employed as at 4th quarter 2023	4,540	-	4,540
Capital employed as at 1st quarter 2024	4,978	-	-
Capital employed as at 2nd quarter 2024	4,653	-	-
<b>Average capital employed</b>	<b>4,849</b>	<b>4,912</b>	<b>5,032</b>
<b>RETURN ON CAPITAL EMPLOYED</b>			
Earnings before tax 3rd quarter 2022	-	263	-
Earnings before tax 4th quarter 2022	-	502	-
Earnings before tax 1st quarter 2023	-	13	13
Earnings before tax 2nd quarter 2023	-	292	292
Earnings before tax 3rd quarter 2023	103	-	103
Earnings before tax 4th quarter 2023	292	-	292
Earnings before tax 1st quarter 2024	186	-	-
Earnings before tax 2nd quarter 2024	21	-	-
<b>Earnings before tax last four quarters</b>	<b>602</b>	<b>1,069</b>	<b>700</b>
Interest expense 3rd quarter 2022	-	10	-
Interest expense 4th quarter 2022	-	15	-
Interest expense 1st quarter 2023	-	20	20
Interest expense 2nd quarter 2023	-	32	32
Interest expense 3rd quarter 2023	27	-	27
Interest expense 4th quarter 2023	21	-	21
Interest expense 1st quarter 2024	24	-	-
Interest expense 2nd quarter 2024	30	-	-
<b>Interest expense last four quarters</b>	<b>102</b>	<b>76</b>	<b>99</b>
<b>Earnings before tax and interest expense last four quarters</b>	<b>704</b>	<b>1,146</b>	<b>799</b>
Divided by:			
Average capital employed	4,849	4,912	5,032
<b>Return on capital employed</b>	<b>14.5 %</b>	<b>23.3 %</b>	<b>15.9 %</b>

<b>NOK million</b>	<b>30/06/24</b>	<b>30/06/23</b>	<b>31/12/23</b>
<b>EQUITY RATIO</b>			
Total equity	2,844	2,897	3,203
Divided by:			
Total equity and liabilities	14,846	14,872	14,647
<b>Equity ratio</b>	<b>19.2 %</b>	<b>19.5 %</b>	<b>21.9 %</b>
<b>AVERAGE Total equity</b>			
Total equity as at 3rd quarter 2022	-	3,286	-
Total equity as at 4th quarter 2022	-	3,494	-
Total equity as at 1st quarter 2023	-	3,458	3,458
Total equity as at 2nd quarter 2023	-	2,897	2,897
Total equity as at 3rd quarter 2023	2,973	-	2,973
Total equity as at 4th quarter 2023	3,203	-	3,203
Total equity as at 1st quarter 2024	3,288	-	-
Total equity as at 2nd quarter 2024	2,844	-	-
<b>Average total equity</b>	<b>3,077</b>	<b>3,284</b>	<b>3,133</b>
<b>RETURN ON EQUITY</b>			
Net income 3rd quarter 2022	-	207	-
Net income 4th quarter 2022	-	428	-
Net income 1st quarter 2023	-	10	10
Net income 2nd quarter 2023	-	227	227
Net income 3rd quarter 2023	78	-	78
Net income 4th quarter 2023	200	-	200
Net income 1st quarter 2024	143	-	-
Net income 2nd quarter 2024	14	-	-
<b>Net income for the last four quarters</b>	<b>435</b>	<b>872</b>	<b>515</b>
Divided by:			
Average equity	3,077	3,284	3,133
<b>Return on equity</b>	<b>14.1 %</b>	<b>26.5 %</b>	<b>16.4 %</b>

# COMPANY INFORMATION

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## ***AF Gruppen ASA***

### **Head office:**

Innspurten 15  
0603 Oslo  
Tel +47 22 89 11 00

### **Postal address:**

Postboks 6272 Etterstad  
0603 Oslo  
Norway

## ***Company's Board of Directors***

Morten Grongstad, Board Chairman  
Hege Bømark  
Kristian Holth  
Saloume Djoudat  
Erik Tømmerraas Veiby  
Hilde Kristin Herud  
Marianne Gjertsen Ebbesen  
Hilde Wikesland Flaen  
René Elkjær Kristensen  
Espen Jahr

## ***Corporate Management***

Amund Tøftum, CEO  
Anny Øen, CFO  
Geir Flåta, EVP Civil Engineering and Property  
Bård Frydenlund, EVP Sweden and Betonmast  
Eirik Wraal, EVP Construction, Energy and environment, Corporate social responsibility  
Tormod Solberg, EVP Construction  
Lars Myhre Hjelmeseeth, EVP Offshore

## ***Financial calendar***

### **Presentation of interim accounts:**

30/08/2024 Interim report 2nd quarter 2024  
15/11/2024 Interim report 3rd quarter 2024  
14/02/2025 Interim report 4th quarter 2024  
15/05/2025 Interim report 1st quarter 2025

The presentation of the interim reports takes place at Hotel Continental, Stortingsgata 24-26, at 8:30 a.m.

**For more information on the company, visit our web site at [afgruppen.com](https://www.afgruppen.com)**

Cover: JV AF Ghella is building a clean water tunnel for the City of Oslo.

Photo: Bård Gudim

OPERATIONAL STRUCTURE



**Civil Engineering**

- AF Anlegg
- JR Anlegg
- AF Anläggning
- Målselv Maskin & Transport
- Eiqon
- VSP
- Consolvo
- Fjerby
- Rakon
- Protector
- Stenseth & RS

**Construction**

- AF Byggfornytelse
- AF Bygg Oslo
- AF Bygg Østfold
- LAB
- LAB Entreprenør
- Fundamentering
- Åsane Byggmester forretning
- Helgesen Tekniske Bygg
- AF Håndverk
- Kirkestuen
- Lasse Holst
- Thorendahl
- VD Vindu og Dør montasje
- Oslo Stillasutleie
- Storo Blikken-slagerverksted
- Betong & Tre
- Strøm Gundersen
- Strøm Gundersen
- Strøm Gundersen Vestfold
- Haga & Berg
- Haga & Berg Entreprenør
- Haga & Berg Service
- Oslo Brannsikring

**Betonmast**

- Betonmast Boligbygg
- Betonmast Oslo
- Betonmast Trøndelag
- Betonmast Romerike
- Betonmast Røsand
- Betonmast Østfold
- Betonmast Innlandet
- Betonmast Buskerud-Vestfold
- Betonmast Asker og Bærum
- Betonmast Eiendom

**Property**

- AF Eiendom
- LAB Eiendom

**Energy and Environment**

- AF Energi
- ETA Norge
- Enaktiva
- AF Decom
- Jølsen Miljøpark
- Rimol Miljøpark
- Nes Miljøpark
- Mepex

**Sweden**

- Kanonaden
- Kanonaden Entreprenad
- Kanonaden Mälardalen
- Bergbolaget i Götaland
- AF Prefab i Mälardalen
- AF Bygg Syd
- HMB
- HMB Construction
- HMB Construction Örebro
- AF Projektutveckling
- AF Härmösand Byggreturer
- AF Bygg Väst
- AF Bygg Öst

**Offshore**

- AF Offshore Decom
- AF Environmental Base Vats
- Aeron