

First Quarter 2024

AF Gruppen ASA

15 May 2024



Q1



From the CEO

AF Gruppen improves the profit compared to last year, but we are not satisfied with the overall profitability of the group. We delivered good results in Civil Engineering and Energy and Environment. The order backlog maintains at a high level considering the current market situation.

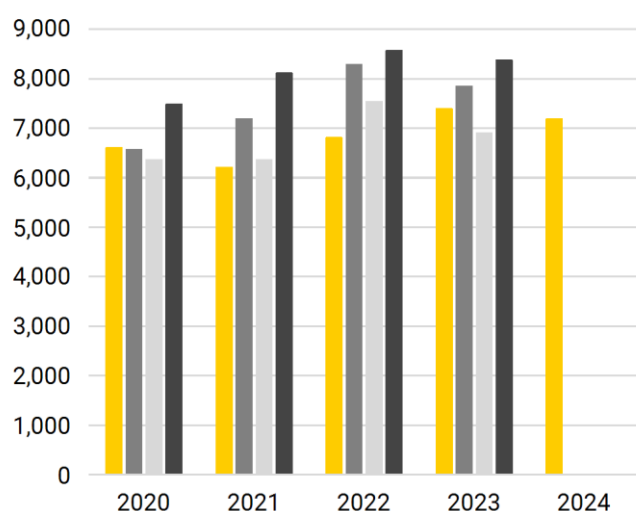
Society has very ambitious goals for reducing energy consumption up to 2030. AF Gruppen delivers solutions that reduce overall energy consumption and increase the proportion of energy from renewable sources. We are a total supplier offering services ranging from consulting, prefabrication and installation to operation of solutions for buildings and industry. In addition, we have built up a portfolio of central energy plants. We see increasing demand for energy services and AF Energi has had a growth in revenue of more than 30% in the past year.

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.

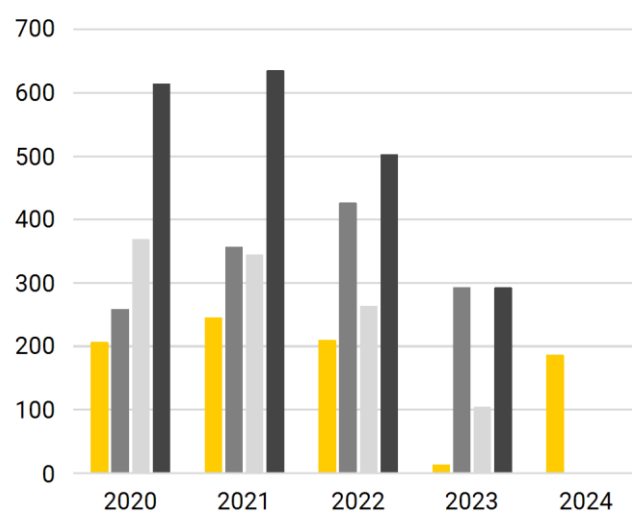
OVERVIEW

- Revenues were NOK 7,187 million (7,393 million) for the 1st quarter.
- Earnings before tax were NOK 186 million (13 million) for the 1st quarter.
- The profit margin was 2.6 % (0.2 %) for the 1st quarter.
- Net operating cash flow was NOK 128 million (-24 million) for the 1st quarter.
- The order backlog stood at NOK 40,275 million (41,668 million) as at 31 March 2024.
- Net interest-bearing debt as at 31 March 2024 were NOK 974 million (570 million).
- The Board of Directors has proposed a dividend for payment of NOK 3.50 (6.50) due in the first half of 2024.

REVENUES PER QUARTER (NOK MILLION)



EARNINGS BEFORE TAX PER QUARTER (NOK MILLION)



SUMMARY OF 1ST QUARTER

Key figures (NOK million)	1Q 24	1Q 23	2023
Operating and other revenue	7,187	7,393	30,530
EBITDA	357	146	1,325
Earnings before financial items and tax (EBIT)	201	15	749
Earnings before tax (EBT)	186	13	700
Result per share (NOK)	1.30	-0.03	3.73
Diluted result per share (NOK)	1.30	-0.03	3.73
EBITDA margin	5.0 %	2.0 %	4.3 %
Operating profit margin	2.8 %	0.2 %	2.5 %
Profit margin	2.6 %	0.2 %	2.3 %
Return on capital employed (ROaCE) ¹⁾	19.5 %	26.8 %	15.9 %
Cash flow from operating activities	128	-24	1,552
Net interest-bearing debt (receivables)	974	570	641
Shareholders' equity	3,288	3,458	3,203
Total equity and liabilities	15,038	15,180	14,647
Equity ratio	21.9 %	22.8 %	21.9 %
Order intake	5,472	9,296	32,756
Order backlog	40,275	41,668	41,991
LTI-1 rate	0.8	1.4	0.8
Sick leave rate	4.5 %	4.4 %	4.1 %

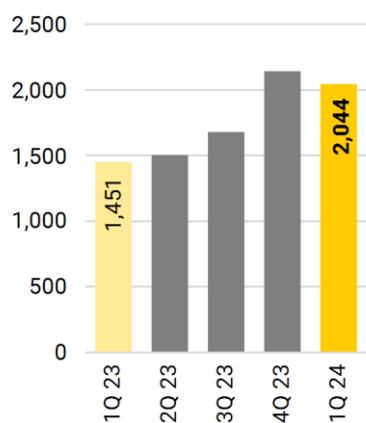
¹⁾ Rolling average last four quarters

Business Areas

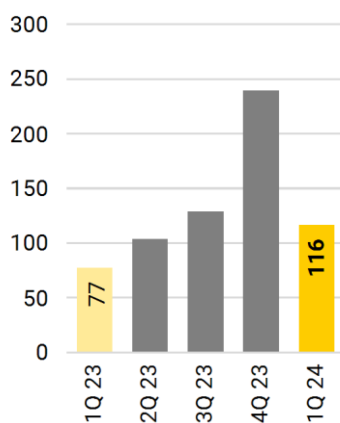


CIVIL ENGINEERING

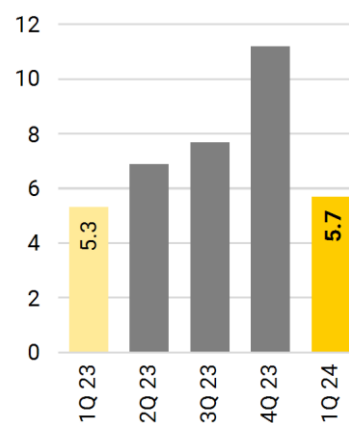
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



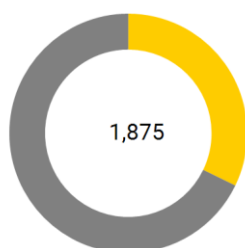
OPERATING PROFIT (%)



KEY FIGURES

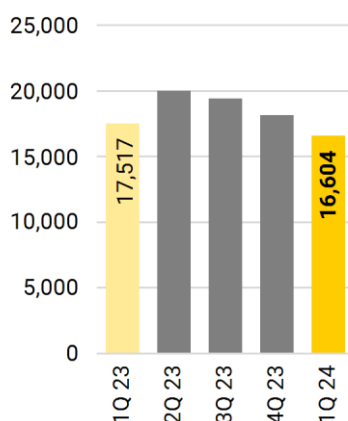
NOK million	1Q 24	1Q 23	2023
Operating and other revenue	2,044	1,451	6,776
Earnings before financial items and tax (EBIT)	116	77	550
Earnings before tax (EBT)	131	78	572
Operating profit margin	5.7 %	5.3 %	8.1 %
Profit margin	6.4 %	5.4 %	8.4 %

NUMBER OF EMPLOYEES



AF Gruppen 5,824

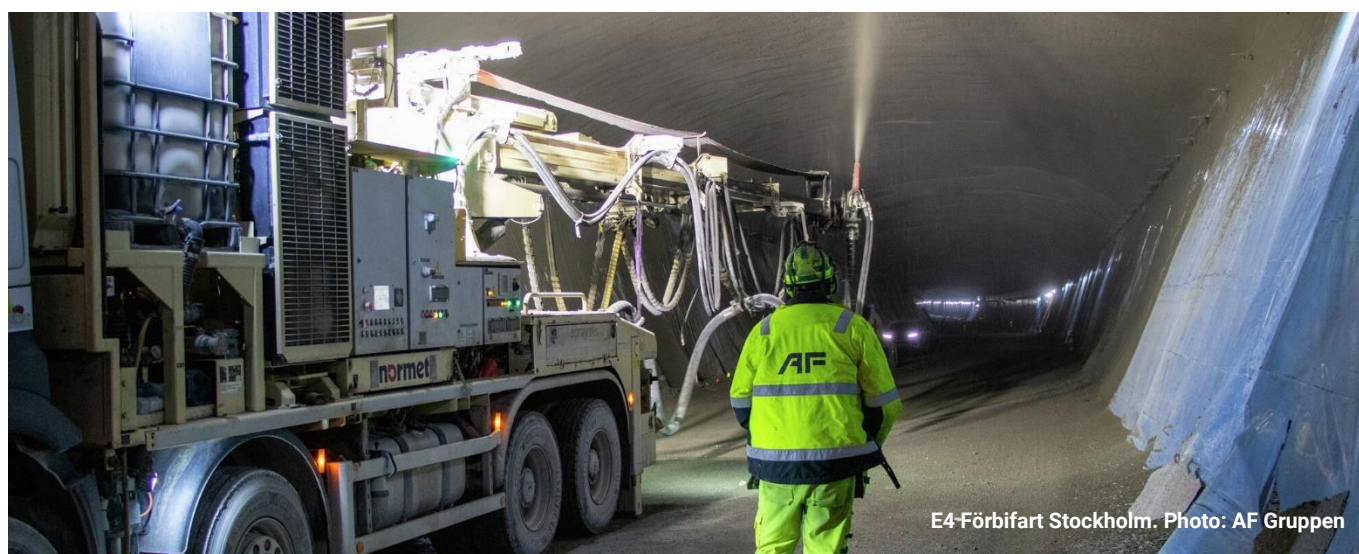
ORDER BACKLOG (NOK million)



CIVIL ENGINEERING CONSISTS OF

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

* VSP consists of the Consolvo entities



E4-Förbifart Stockholm. Photo: AF Gruppen

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.

AF Anlegg had a high level of activity and good profitability in the 1st quarter. The Civil Engineering business area reported revenues of NOK 2,044 million (1,451 million) for the 1st quarter. This represents a growth of 41% compared to the same quarter last year. Earnings before tax were NOK 131 million (78 million) for the quarter.

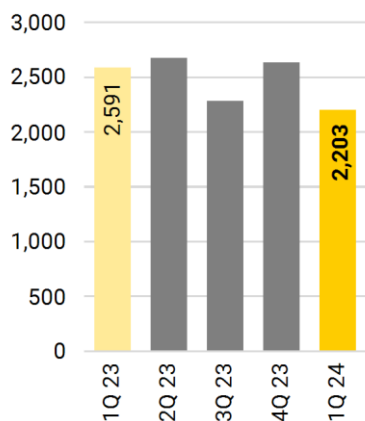
AF Anlegg had record-high revenue during the quarter and delivered good results in the 1st quarter, with solid profit contributions from several projects. AF Anlegg has several major projects in production, and in general there is a high level of activity and good operational performance in the projects.

Målselv Maskin & Transport reported very good results for the 1st quarter. VSP (formerly referred to as Consolvo) had a good level of activity, with a result below expectations. Eiçon had a low level of activity during the first three months of the year with a weak result.

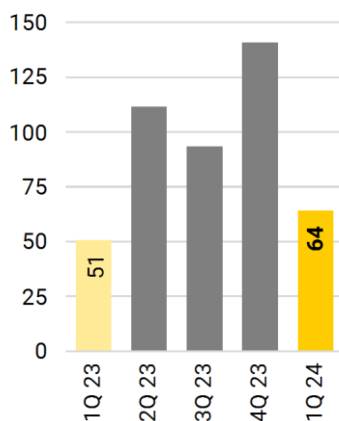
Civil engineering had an order intake of NOK 508 million (3,599 million) in the 1st quarter. The order backlog for Civil Engineering was NOK 16,604 million (17,517 million) as at 31 March 2024.

CONSTRUCTION

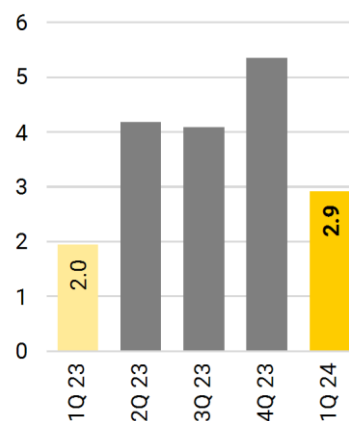
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



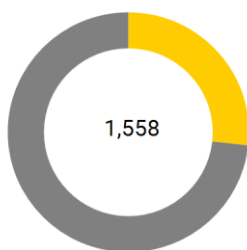
OPERATING MARGIN (%)



KEY FIGURES

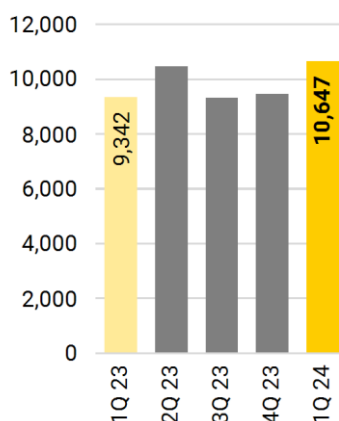
NOK million	1Q 24	1Q 23	2023
Operating and other revenue	2,203	2,591	10,182
Earnings before financial items and tax (EBIT)	64	51	396
Earnings before tax (EBT)	66	46	378
Operating profit margin	2.9 %	2.0 %	3.9 %
Profit margin	3.0 %	1.8 %	3.7 %

NUMBER OF EMPLOYEES



AF Gruppen 5,824

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)



LAB Entreprenør rehabilitating Baneveien 16 in Bergen. Photo: AF Gruppen

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 2,203 million (2,591 million) for the 1st quarter, this represents a 15% decline since the same quarter last year. The business area reported a result for the quarter with earnings before tax of NOK 66 million (46 million) with a profit margin of 3.0 % (1.8 %).

AF Bygg Østfold delivered very good results in the 1st quarter. AF Byggfornyelse, Haga & Berg, Strøm Gundersen, Strøm Gundersen Vestfold, HTB and ÅBF delivered good

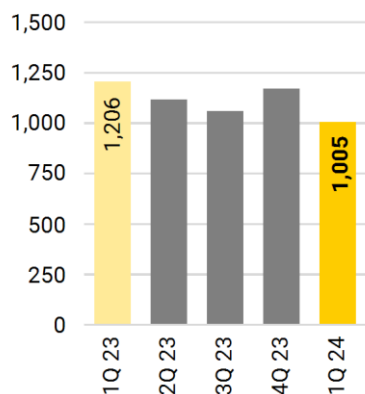
results. AF Bygg Oslo had a result somewhat below expectations this quarter. LAB Entreprenør had results below expectations. AF Håndverk and FAS had weak results in the 1st quarter.

Construction announced 7 new contracts to the stock exchange this quarter with an estimated value of NOK 2,356 million excluding VAT. AF Bygg Oslo has, for example, signed an agreement with KLP Eiendom for the construction of the Nora project at Bislett in Oslo. The contract will be carried out as a turnkey contract, and is valued at NOK 906 million, excluding VAT. LAB Entreprenør has entered into a turnkey contract for the Sandsli Stasjon residential project in Bergen, with a contract value of approximately NOK 430 million excluding VAT. Strøm Gundersen has signed two contracts for the construction of both a hotel and office buildings at Brakerøya in Drammen. Both are turnkey contracts with a combined value of NOK 516 million excluding VAT.

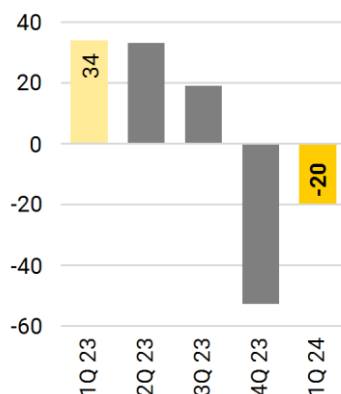
Construction had an order intake of NOK 3,386 million (1,887 million) in the 1st quarter. The order backlog of Construction was NOK 10,647 million (9,342 million) as at 31 March 2024.

BETONMAST

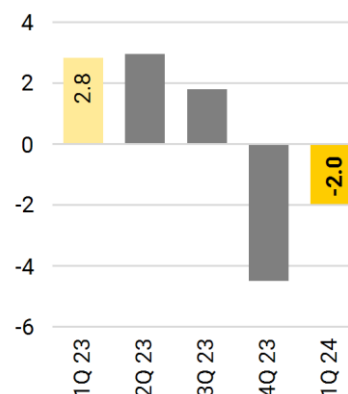
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



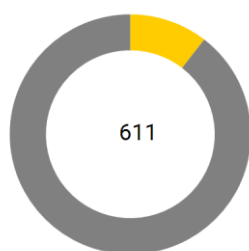
OPERATING MARGIN (%)



KEY FIGURES

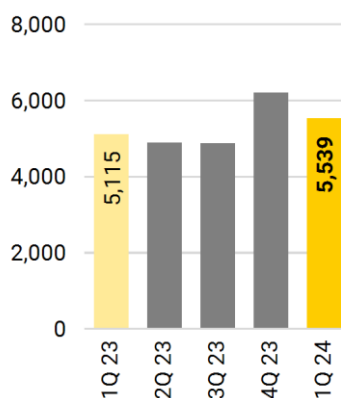
NOK million	1Q 24	1Q 23	2023
Operating and other revenue	1,005	1,206	4,553
Earnings before financial items and tax (EBIT)	-20	34	34
Earnings before tax (EBT)	-11	40	58
Operating profit margin	-2.0 %	2.8 %	0.7 %
Profit margin	-1.1 %	3.3 %	1.3 %

NUMBER OF EMPLOYEES



AF Gruppen 5,824

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



Åsgård school. Photo: Lars Prangerød

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 a negative result in the 1st quarter and a reduced level of activity, with a decline in revenue of 17% compared with the same quarter last year. Revenues were NOK 1,005 million (1,206 million) and earnings before tax were NOK -11 million (40 million) in the 1st quarter.

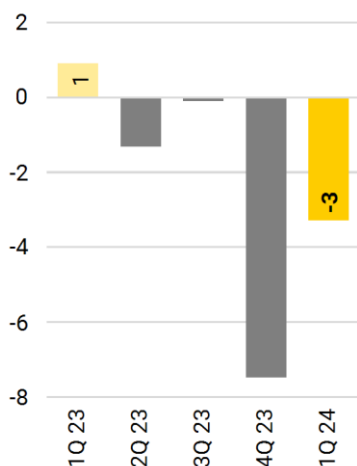
The Betonmast Røsand, and Østfold units delivered good results for the quarter. Betonmast Buskerud-Vestfold and Innlandet delivered results somewhat below expectations. Betonmast Romerike and Asker and Bærum delivered below expectations in the 1st quarter. Betonmast Oslo, Boligbygg and Trøndelag reported 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.

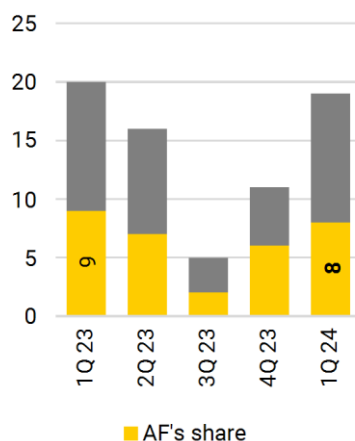
Betonmast had an order intake of NOK 342 million (1,906 million) in the 1st quarter. As at 31 March 2024, Betonmast's order backlog was NOK 5,539 million (5,115 million).

PROPERTY

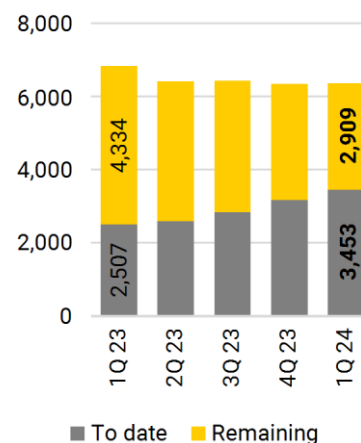
EARNINGS BEFORE TAX (NOK million)



ENTERED INTO SALES CONTRACTS (TOTAL NUMBER)



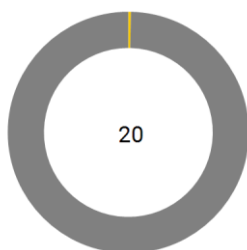
TURNOVER UNITS IN PRODUCTION (NOK million)



KEY FIGURES

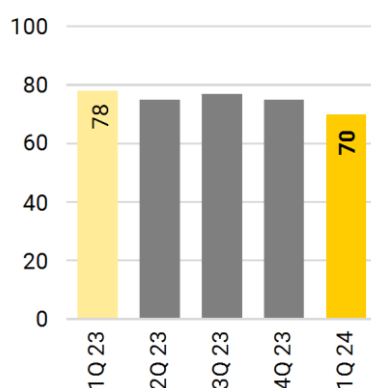
NOK million	1Q 24	1Q 23	2023
Operating and other revenue	6	10	27
Earnings before financial items and tax (EBIT)	-7	-1	-20
Earnings before tax (EBT)	-3	1	-8
Capital employed	870	678	818

NUMBER OF EMPLOYEES



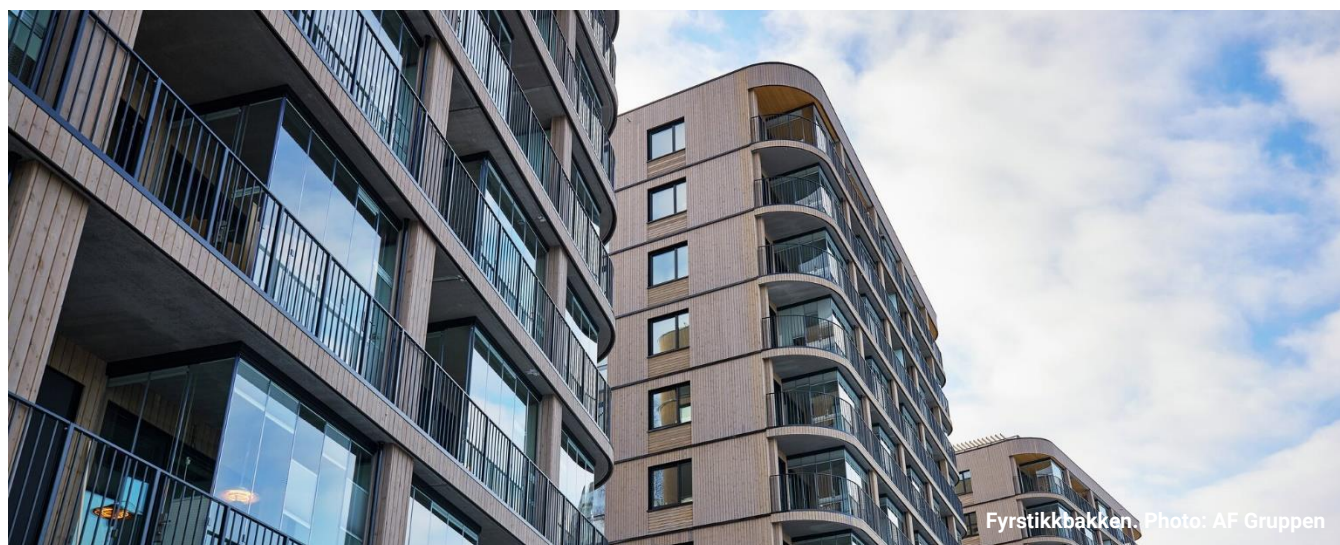
AF Gruppen 5,824

SALES RATIO PROJECTS IN PROGRESS (%)



PROPERTY CONSISTS OF

- AF Eiendom
- LAB Eiendom



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 earnings before tax of NOK -3 million (1 million) in the 1st quarter. A challenging property market with high interest rates and uncertain market sentiment have contributed to low sales figures in the quarter. Sales contracts for 19 (20) homes were signed in the quarter, of which AF's share is 8 (9).

In the first quarter, a total of 103 homes were handed over, mainly at the Skårersletta MIDT and Fyrstikkbakken projects. There were a total of 27 (5) completed unsold

units at the end of the quarter, of which AF's share was 14 (2).

There were three residential property projects in the production stage at the end of the quarter. A total of 735 units are in production, of which AF's share is 319:

- Skårersletta MIDT in Lørenskog (214 units in production, for which 136 sales contracts have been signed).
- Bekkestua Have in Bærum (232 units in production, for which 228 sales contracts have been signed).
- Rolvsrud Arena in Lørenskog (289 units in production, for which 150 sales contracts have been signed).

This gives a sales ratio of 70% for commenced projects. For more information on projects for own account, see Note 7.

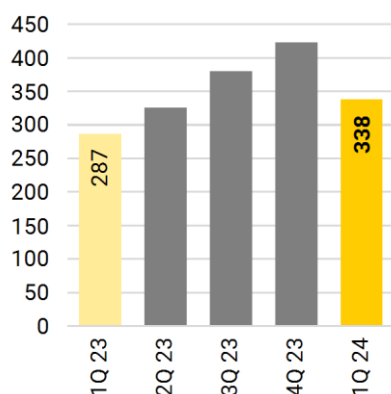
During the quarter, AF Eiendom has completed the purchase of the Ullevålsveien 114 site in Oslo with a framework permit for the construction of approximately 80 housing units and commercial premises at street level.

AF has a total development portfolio in Norway estimated to yield 1,707 (1,580) residential units. AF's share of this is 852 (788) residential units.

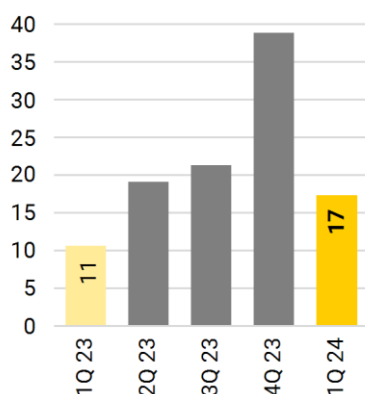
AF has an ownership stake in commercial property under construction with a total RFA of 73,407 (58,899) square metres, of which AF's share is an RFA of 36,524 (29,270) square metres.

ENERGY AND ENVIRONMENT

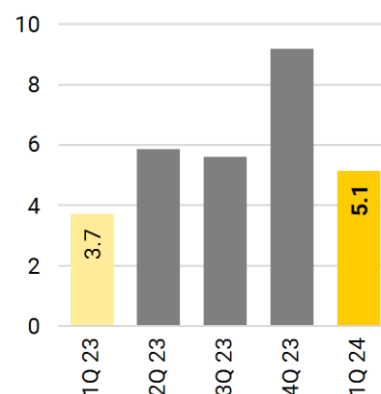
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



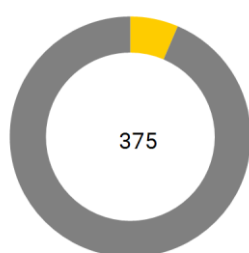
OPERATING MARGIN (%)



KEY FIGURES

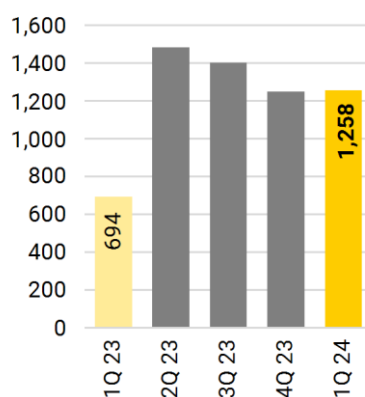
NOK million	1Q 24	1Q 23	2023
Operating and other revenue	338	287	1,417
Earnings before financial items and tax (EBIT)	17	11	90
Earnings before tax (EBT)	17	13	96
Operating profit margin	5.1 %	3.7 %	6.3 %
Profit margin	5.1 %	4.4 %	6.8 %

NUMBER OF EMPLOYEES



AF Gruppen 5,824

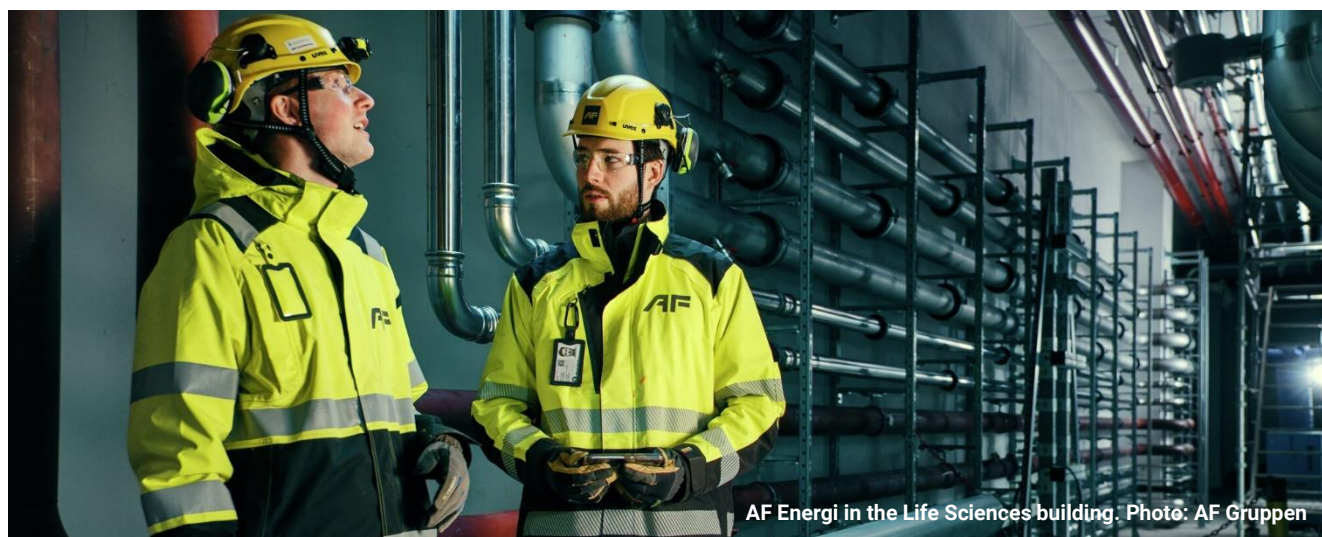
ORDER BACKLOG (NOK million)



ENERGY AND ENVIRONMENT

CONSIST OF

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



AF Energi in the Life Sciences building. Photo: AF Gruppen

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.

Energy and Environment had revenue growth of 18% in the 1st quarter compared to the same quarter last year. Revenues for the 1st quarter were NOK 338 million (287 million). Earnings before tax were NOK 17 million (13 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 the projects resulted in a good result for the 1st quarter.

AF Decom had revenue growth in the 1st quarter compared with the same quarter last year, but had a result somewhat below expectations. Our environmental activities clean up and sort different materials for recycling. AF Decom demolished and facilitated the recycling of approximately 1,166 (4,542) tonnes of metal in the first quarter. The steel industry accounts for about 7% of the world's total CO₂ emissions. Reusing steel results in 70% lower CO₂

emissions than ore-based production. This corresponds to a reduction in emissions of 1 kg CO₂ for each kilo of steel recycled. This means that AF Decom's demolition operations have helped to reduce alternative CO₂ emissions by 1,166 tonnes thus far in 2024.

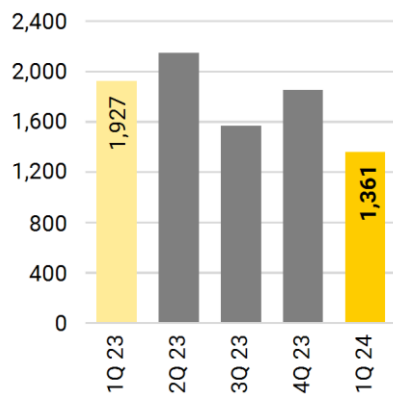
The foundation for our environmental activities is that waste can to a large extent be reused, and thus be a valuable resource in a growing circular economy. AF's environmental centres receive contaminated material and are working to reuse as much as possible instead of it going to landfill. The environmental centres delivered very good results in the quarter. AF's environmental centres have recycled 63,923 (46,565) tonnes of material in the first quarter. The recycling rate realised for contaminated material in the 1st quarter was 77%.

One contract was reported to the stock exchange during the quarter. AF Decom has been nominated as contractor by Helse Sør Øst RHF for accommodation rigs I and II at Nye Rikshospitalet (New National Hospital) in Oslo and the contract has a value of approximately NOK 129 million excluding VAT.

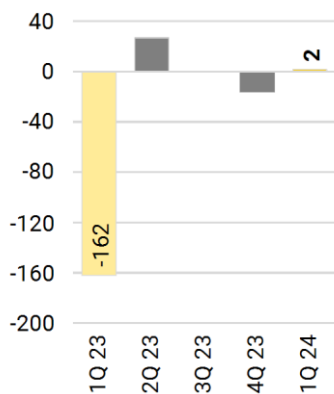
Energy and environment had an order intake of NOK 347 million (341 million) in the 1st quarter. The order backlog for Energy and Environment stood at NOK 1,258 million (694 million) as at 31 March 2024.

SWEDEN

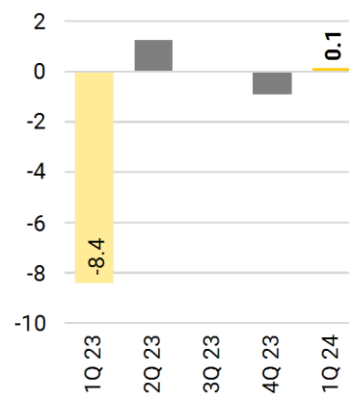
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



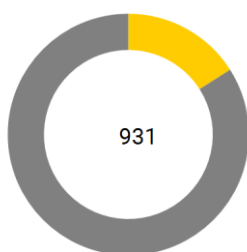
OPERATING MARGIN (%)



KEY FIGURES

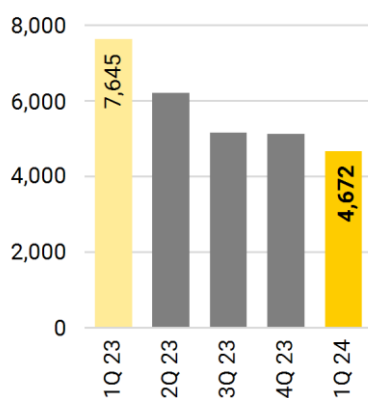
NOK million	1Q 24	1Q 23	2023
Operating and other revenue	1,361	1,927	7,501
Earnings before financial items and tax (EBIT)	2	-162	-152
Earnings before tax (EBT)	-	-163	-160
Operating profit margin	0.1 %	-8.4 %	-2.0 %
Profit margin	-	-8.5 %	-2.1 %

NUMBER OF EMPLOYEES



AF Gruppen 5,824

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
- AF Anläggning Väst



Kanonaden doing foundation work in Älgkullen Wind Park. Photo: AF Gruppen

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 1,361 million (1,927 million) for the 1st quarter. This corresponds to a decline in revenue of 29% compared with the same quarter last year. Earnings before tax were NOK 0 million (-163 million).

AF Prefab in Mälardalen reported very good results in the 1st quarter. Kanonaden delivered a good result. AF Bygg Syd and AF Härnösand Byggreturer delivered results somewhat below expectations for the quarter, and HMB

delivered a weak result. The former Betonmast Sweden units had negative results this quarter.

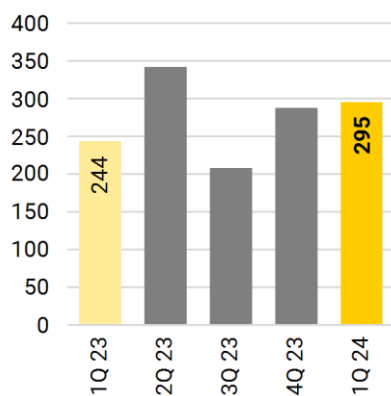
AF Projektutveckling, AF's property business in Sweden, has one residential project with a total of 83 units that was completed during the quarter. For further information on the residential project, see Note 7. The unit has a building site inventory (residential units under development) that is estimated at 1,480 (1,080) residential units. AF's share of this is 765 (540) residential units.

No contracts have been reported to the stock exchange in the 1st quarter.

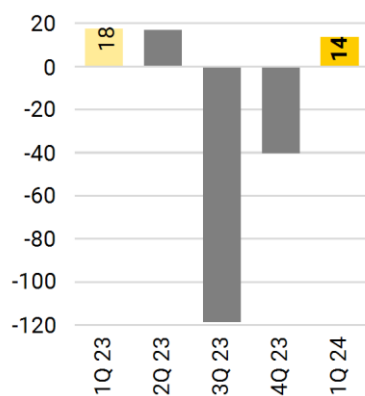
Sweden had an order intake of NOK 905 million (1,934 million) in the 1st quarter. The order backlog for Sweden stood at NOK 4,672 million (7,645 million) as at 31 March 2024.

OFFSHORE

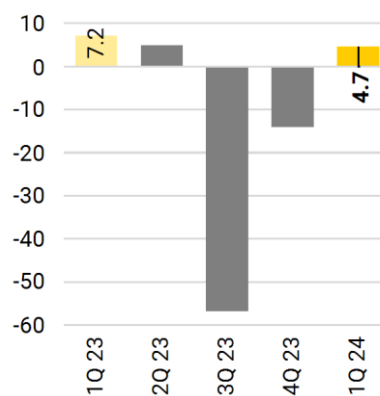
REVENUE (NOK million)



OPERATING PROFIT (NOK million)



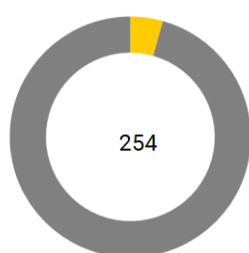
OPERATING MARGIN (%)



KEY FIGURES

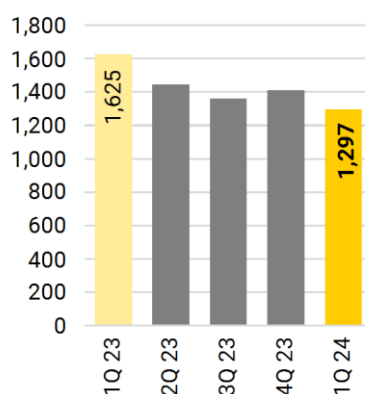
NOK million	1Q 24	1Q 23	2023
Operating and other revenue	295	244	1,082
Earnings before financial items and tax (EBIT)	14	18	-124
Earnings before tax (EBT)	7	16	-139
Operating profit margin	4.7 %	7.2 %	-11.5 %
Profit margin	2.3 %	6.4 %	-12.9 %

NUMBER OF EMPLOYEES



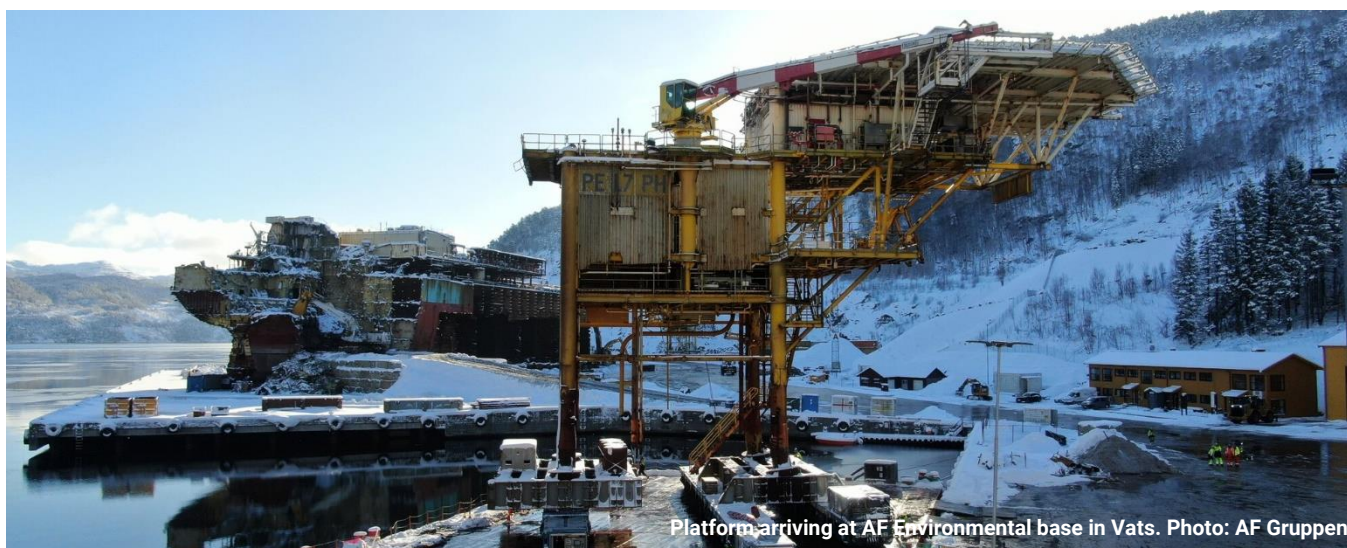
AF Gruppen 5,824

ORDER BACKLOG (NOK million)



OFFSHORE CONSISTS OF

- AF Offshore Decom
- Aeron



Platform arriving at AF Environmental base in Vats. Photo: AF Gruppen

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 has increased its level of activity compared with the same quarter last year. Revenues in the 1st quarter were NOK 295 million (244 million). Earnings before tax were NOK 7 million (16 million).

Aeron maintained a high level of activity and reported good profitability for the quarter.

AF Offshore Decom had higher revenue than the corresponding quarter last year, related to several offshore campaigns completed during the quarter. AF Offshore Decom reports a weak result in the 1st quarter.

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 1st quarter, where metal is the main component. AF Offshore Decom demolished and facilitated the recycling of 4,772 (11,651) tonnes of steel in the 1st quarter, corresponding to a reduction of alternative CO₂ emissions of 4,772 tonnes compared to ore-based production.

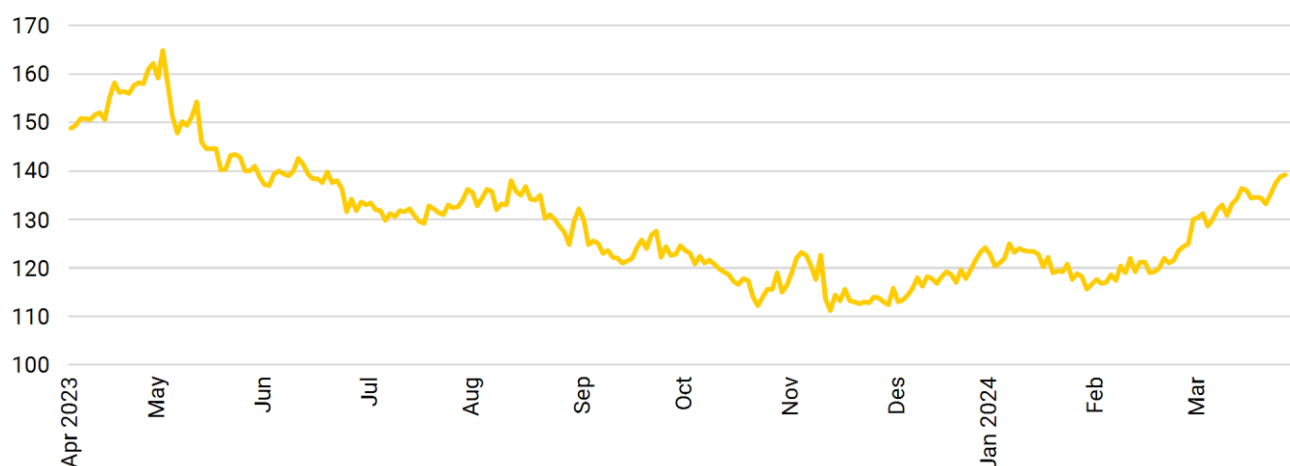
Offshore had an order intake of NOK 183 million (175 million) in the 1st quarter. The order backlog for Offshore was NOK 1,297 million (1,625 million) as at 31 March 2024.



RESTRICTED AREA
WARNING
The antenna starts moving
without warning.
Be aware of possible
falling objects from the antenna.

USAF Decommissioning the Earth Observatory in Ny-Ålesund. Photo: Dag S. Roland

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 1st quarter, net operating cash flow was NOK 128 million (-24 million) and net cash flow from investments was NOK -110 million (-77 million). Cash flow before capital transactions and financing was NOK 18 million (-101 million) for the 1st quarter.

At the end of the 1st quarter, AF Gruppen had cash and cash equivalents of NOK 348 million (677 million). Net interest-bearing debt (receivables) as at 31 March 2024 was NOK 974 million (570 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 31 March 2024, including overdraft facilities with Handelsbanken and DNB, is NOK 3,317 million.

Total assets were NOK 15,038 million (15,180 million) as at 31 March 2024. The Group's equity totalled NOK 3,288 million (3,458 million) as at 31 March 2024. This corresponds to an equity ratio of 21.9% (22.8%).

THE SHARE

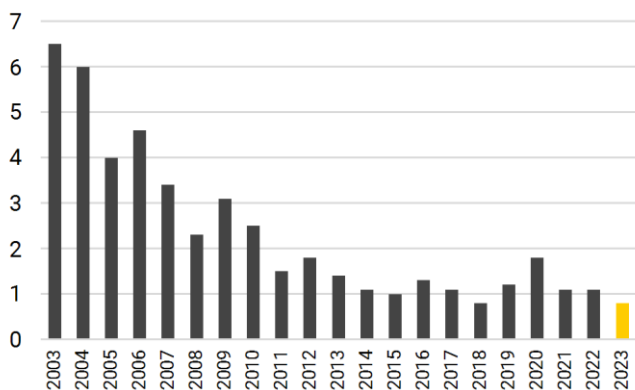
AF Gruppen's shares are listed on the Oslo Børs OB Match List and trade under the ticker AFG. The share is included in the Oslo Børs All Share Index (OSEAX), Benchmark Index (OSEBX), Mutual Fund Index (OSEFX) and the Industrials Index (OINP).

As of 31 March 2024, the AF share had a closing price of NOK 139.20. This corresponds to a return of 12.1% for the

LIST OF SHAREHOLDERS AS AT 31 MARCH 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	9,052,777	8.3
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
Ten largest shareholders	71,124,330	65.5
Total other shareholders	37,355,470	34.4
Own shares	52,200	0
Total number of shares	108,532,000	100

LTI-1 RATE DEVELOPMENT



1st quarter. The Oslo Børs Benchmark Index showed a return of 1.6% for the same period.

The Board of Directors has proposed a dividend of NOK 3.50 (6.50) per share for payment in the first half-year of 2024. This proposed dividend 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 number of shares in AF Gruppen is 108,532,000, which corresponds to share capital of NOK 5,426,600.

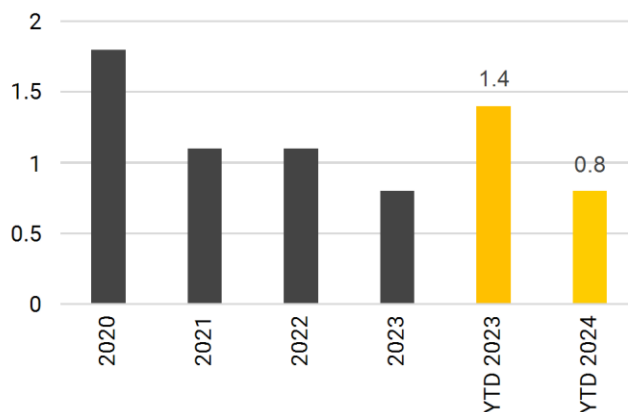
SAFETY AND HEALTH

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 4 (8) injuries resulting in absence were registered in the 1st quarter. This gives an LTI-1 rate of 0.8 (1.4) for the 1st quarter.

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.

LTI-1 RATE



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 1st quarter, the sick leave rate was 4.5% (4.4%). 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.

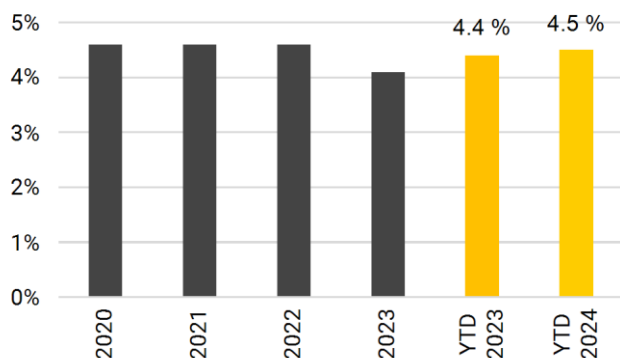
AF strives to avoid environmental damage and minimise undesirable effects on the environment. Environmental work is an integral part of HSE work, and the main tools used are therefore the same that are used otherwise in connection with HSE work.

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 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 1st quarter, the source

SICK LEAVE DEVELOPMENT



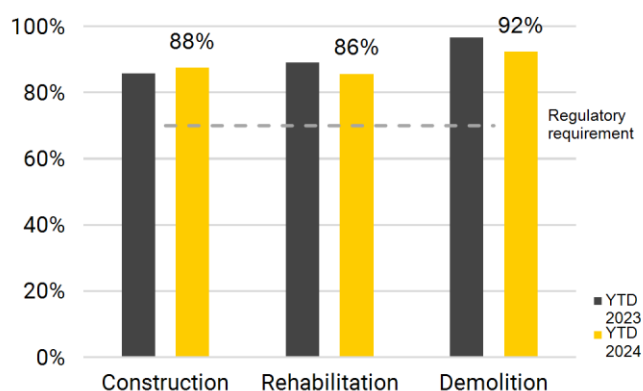
separation rate for construction was 88% (86%), for renovation it was 86% (89%) and for demolition it was 92% (97%). These results are considered to be very good. A total of 44,096 tonnes (125,160 tonnes) of waste were separated at source in the 1st quarter.

AF wants to use the expertise we have to create further indirect savings on greenhouse gas emissions. AF's environmental centres offers 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 63,923 tonnes (46,565 tonnes) of materials for the 1st quarter.

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 CO₂ emissions. Reusing steel results in 70% lower CO₂ emissions than ore-based production. This corresponds to a reduction in emissions of 1 kg CO₂ for each kilo of steel recycled. AF Offshore Decom and AF Decom demolished and facilitated the recycling of 5,938 tonnes (16,193 tonnes) of metal in the 1st quarter. In total, this represents a reduction of alternative CO₂ emissions by around 5,938 tonnes (16,193 tonnes) for the 1st quarter.

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 CO₂ 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 CO₂ equivalents per NOK million revenues, and at 31 March 2024, the carbon

SOURCE SEPARATION RATE



footprint for scope 1 and 2 was 1.7 (1.2). 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 ₂ e ¹)	YTD 1Q 24	YTD 1Q 23
Scope 1: Direct emissions	11,543	8,513
Scope 2: Indirect emissions, energy	720	514
Greenhouse gas emissions scope 1 and 2	12,263	9,027
Carbon footprint ² scope 1 and 2	1.7	1.2
Scope 3: Other indirect emissions ³	2,706	2,549
Greenhouse gas emissions scope 1-3	14,969	11,576

¹⁾ Greenhouse gas emissions with global warming potential equivalent to CO₂

²⁾ Tonnes CO₂e emissions per NOK million in revenue

³⁾ 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.

Civil engineering services	YTD 1Q 24	YTD 1Q 23

Scope 1: Direct emissions	9,162	5,998
Scope 2: Indirect emissions, energy	267	107
CO₂e emissions scope 1 og 2 (tonn CO₂e)¹	9,430	6,105
Carbon footprint ² scope 1 and 2	3.6	2.9
Construction services	YTD 1Q 24	YTD 1Q 23
Scope 1: Direct emissions	1,032	921
Scope 2: Indirect emissions, energy	388	357
CO₂e emissions scope 1 og 2 (tonn CO₂e)¹	1,420	1,278
Carbon footprint ² scope 1 and 2	0.4	0.3
Demolition services	YTD 1Q 24	YTD 1Q 23
Scope 1: Direct emissions	1,216	1,332
Scope 2: Indirect emissions, energy	40	31
CO₂e emissions scope 1 og 2 (tonn CO₂e)¹	1,256	1,363
Carbon footprint ² scope 1 and 2	3.6	4.5

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 1st quarter the share of women is 9.9 % (9.4 %) in total and 20.0 % (19.3 %) amongst officials.

In AF, everyone is of equal value, and the company shall have an inclusive and safe working environment with zero tolerance for discrimination and a culture where violations have consequences. AF has been working on the diversity project "The best people" since 2018, and as part of the project, the campaign "Of equal value" has been 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 #HunSpanderer, has contributed to an increased focus on and change of attitudes related to unconscious discrimination.

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 1st quarter AF Gruppen had a total of 5,824 (6,012) employees. Of these employees 4,766 (4,846) were employed in Norway, 1,000 (1,122) in Sweden, 27 (21) in Lithuania, 26 (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 competitors act, climate changes, regulatory changes or other political risk. The importance of business risk has been highlighted by the effect of Covid-19 pandemic and Russia's invasion of Ukraine. 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 1st 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 3,317 million as at 31 March 2024.

MARKET OUTLOOK

Our Norwegian and Swedish operations are affected by the international macro environment of persistent geopolitical turmoil and high interest rates. Changes in interest rate policy both internationally and nationally will affect AF Gruppen's activities. In May 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 May 2024, the Riksbank in Sweden decided to lower its key policy rate from 4.0% to 3.75%. Interest rates affect investment activity and will be a major driver of uncertainty for project starts going forward. Inflation in the euro zone has reduced the growth rate in the first quarter of the year, and as of March 2024 the European Central Bank forecasts an average inflation rate of 2.3% for the euro zone in 2024. This indicates that the economies of Norway and Sweden's largest trading partners are stabilising.

Changed framework conditions require adaptability and innovation, which will be crucial in the construction industry in the future. This includes improving existing activities, creating new business, attracting new expertise and investing in new technology. The green shift and transition to a circular economy set further requirements for adaptability and innovation. The construction industry has a significant climate and environmental impact, and innovation to reduce the industry's climate and environmental footprint will be an important competitive parameter going forward.

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. 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 April 2024, Prognosesenteret forecasts that the total civil engineering market in Norway amounted to NOK 141.6 billion in 2023. Adjusted for inflation, this represents a decrease in real terms of 3% compared with 2022. Prognosesenteret expects the civil engineering market to remain stable in 2024, with a slight increase of 1.7% 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

Higher 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 March 2024 Prognosesenteret forecasts a decline in production value of 5.3% for 2024, and an increase of 8.2% in 2025. The upwards adjustment for 2025 is based on the fact that many approved start permits are first expected to be forthcoming during the year, in addition to two larger 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.

Final figures from Prognosesenteret as of March 2024 show that the number of commenced residential units in Norway ended at 17,909 in 2023, a decrease of more than 30% since 2022. The number of started residential units is expected to pick up in 2024 and 2025, and are estimated at 21,000 and 26,000, respectively. Prognosesenteret's estimates for started residential units are based on statistics regarding the number of start permits. The market sentiment is resulting in greater uncertainty regarding the estimates for started residential units.

Figures from Real Estate Norway show a strong increase in the first quarter of the year. So far in 2024, house prices in Norway have risen by 5.9%. As of December 2023, Real Estate Norway forecasts nominal housing price inflation of 4% for 2024, where Oslo and Stavanger stand out with an increase in house prices of 6% and 7%, respectively.

In March 2024, Byggföretagen reports that building investments in Sweden are estimated at SEK 495.7 (-8.8%) for 2023, and expects this to decrease to SEK 461.1 billion (-7.3%) in 2024, primarily in connection with the "homes" segment. Svensk Mäklarstatistik reported a price increase of 1% for apartments and a 1% decrease for detached houses for the year 2023. In the first quarter of the year, they report a price increase for both apartments and detached houses in Sweden of 1.5% and 1.1%, respectively.

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 10 TWh 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 creates capacity challenges, and AF Offshore Decom is working to establish strong relationships with 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 CO₂ 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 better market outlook. Increased investment in offshore wind is also providing new market opportunities. Good examples of this include the offshore wind farms Sunrise Wind in New York and East Anglia Windfarm in the UK to which Aeron supplies ventilation and cooling equipment.

Oslo, 14 May 2024

Board of Directors of AF Gruppen ASA

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Financial information



CONDENSED CONSOLIDATED STATEMENT OF INCOME

NOK million	1Q 24	1Q 23	2023
Operating and other revenue	7,187	7,393	30,530
Subcontractors	-3,343	-3,879	-15,774
Cost of materials	-1,479	-1,263	-5,131
Payroll costs	-1,488	-1,485	-5,851
Operating expenses ex. depreciation and impairment	-544	-655	-2,483
Net gains (losses) and profit (loss) from associates	23	35	34
EBITDA	357	146	1,325
Depreciation and impairment of tangible fixed assets	-62	-52	-220
Depreciation and impairment of right of use assets	-94	-79	-335
Depreciation and impairment of intangible assets	-1	-	-22
Earnings before financial items and tax (EBIT)	201	15	749
Net financial items	-15	-2	-49
Earnings before tax (EBT)	186	13	700
Income tax expense	-43	-3	-185
Net income for the period	143	10	515
Attributable to:			
Shareholders in the Parent Company	141	-3	402
Non-controlling interests	2	13	112
Net income for the period	143	10	515
Earnings per share (NOK)	1.30	-0.03	3.73
Diluted earnings per share (NOK)	1.30	-0.03	3.73
Key figures	1Q 24	1Q 23	2023
EBITDA margin	5.0 %	2.0 %	4.3 %
Operating profit margin	2.8 %	0.2 %	2.5 %
Profit margin	2.6 %	0.2 %	2.3 %
Return on capital employed (ROaCE) ¹⁾	19.5 %	26.8 %	15.9 %
Return on equity	21.0 %	29.4 %	16.4 %
Equity ratio	21.9 %	22.8 %	21.9 %
Net interest-bearing debt (receivables) ²⁾	974	570	641
Capital employed ³⁾	4,978	5,071	4,540
Order intake	5,472	9,296	32,756
Order backlog	40,275	41,668	41,991

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

²⁾ Net interest-bearing debt (receivables) = Cash and cash equivalents + interest-bearing receivables - interest-bearing debt

³⁾ Capital employed = Equity + interest-bearing debt

STATEMENT OF COMPREHENSIVE INCOME

NOK million	1Q 24	1Q 23	2023
Net income for the period	143	10	515
Net actuarial gains and losses	-	-	-1
Currency translation differences non-controlling int.	-	6	7
Items that will not be reclassified to income statement in subsequent periods	-	6	6
Net cash flow hedges	-8	-29	-5
Currency translation differences shareholders of the parent	2	71	83
Items that may be reclassified to income statement in subsequent periods	-6	42	77
Other comprehensive income for the period	-6	48	83
Total comprehensive income for the period	137	58	598
Attributable to:			
- Shareholders of the parent	135	39	479
- Non-controlling interests	2	19	119
Total comprehensive income for the period	137	58	598

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
As at 31 December 2022	682	-19	-19	-18	1,950	2,575	918	3,494
Comprehensive income	-	71	-	-29	-3	39	19	58
Purchase of treasury shares	-	-	-	-	-18	-18	-	-18
Sale of treasury shares	-	-	-	-	11	11	-	11
Dividend paid	-	-	-	-	-	-	-63	-63
Share-based remuneration	7	-	-	-	-	7	1	8
Put options for non-controlling interests	-	-	-	-	-10	-10	-	-10
Addition from acquisition of subsidiaries	-	-	-	-	-	-	3	3
Transactions with non-controlling interests	-	-	-	-	4	4	-29	-25
As at 31 March 2023	689	52	-19	-47	1,933	2,608	850	3,458
As at 31 December 2023	815	64	-20	-23	1,487	2,323	880	3,203
Comprehensive income	-	2	-	-8	141	135	2	137
Purchase of treasury shares	-	-	-	-	-13	-13	-	-13
Sale of treasury shares	-	-	-	-	6	6	-	6
Dividend paid	-	-	-	-	-	-	-50	-50
Share-based remuneration	9	-	-	-	-	9	1	10
Transactions with non-controlling interests	-	-	-	-	-10	-10	5	-6
As at 31 March 2024	824	66	-20	-31	1,611	2,450	838	3,288

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK million	31/03/24	31/03/23	31/12/23
Tangible fixed assets	1,791	1,469	1,797
Right of use assets	1,024	895	979
Goodwill	4,533	4,527	4,531
Intangible assets	7	6	8
Investment in associates and joint ventures	639	507	565
Deferred tax asset	174	131	167
Interest-bearing receivables	331	315	317
Pension plan and other financial assets	43	9	43
Total non-current assets	8,543	7,859	8,407
Inventories	528	304	439
Projects for own account	195	159	194
Trade receivables and other current receivables	3,998	4,444	3,518
Contract assets	1,390	1,681	1,710
Interest-bearing receivables	36	51	32
Derivatives	-	4	2
Cash and cash equivalents	348	677	347
Total current assets	6,494	7,320	6,241
Total assets	15,038	15,180	14,647
Equity attributable to shareholders of the parent	2,450	2,608	2,323
Non-controlling interests	838	850	880
Total equity	3,288	3,458	3,203
Interest-bearing debt	97	77	93
Interest-bearing debt - lease liability	720	649	666
Retirement benefit obligations	8	3	8
Provisions	118	135	120
Deferred tax	430	430	441
Derivatives	17	28	11
Total non-current liabilities	1,389	1,323	1,338
Interest-bearing debt	537	603	233
Interest-bearing debt - lease liability	336	284	345
Trade payables and other short-term debt	6,947	6,377	7,067
Contract liabilities	1,509	1,984	1,389
Derivatives	27	36	15
Provisions	730	705	810
Tax payable	274	409	247
Total current liabilities	10,360	10,399	10,106
Total liabilities	11,749	11,721	11,444
Total equity and liabilities	15,038	15,180	14,647

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

NOK million	1Q 24	1Q 23	2023
Earnings before financial items and tax (EBIT)	201	15	749
Depreciation, amortisation and impairment	156	131	576
Change in net working capital	-158	-63	675
Income taxes paid	-58	-81	-470
Net gains (losses) and profit (loss) from associates	-23	-35	-34
Other adjustments	10	8	56
Cash flow from operating activities	128	-24	1,552
Net investments	-110	-77	-613
Cash flow before financing activities	18	-101	939
Share issue	-	-	81
Dividends paid to shareholders in the Parent Company	-	-	-700
Dividends paid to non-controlling interests	-49	-53	-142
Transactions with non-controlling interests	-150	-23	-23
Sale (purchase) of treasury shares	-7	-7	-2
Borrowings (repayment) of debt	214	69	-516
Interest and other financial expenses paid	-24	-19	-99
Cash flow from financing activities	-16	-33	-1,401
Change in cash and cash equivalents with cash effect	2	-134	-462
Net cash and cash equivalents at the beginning of period	347	765	765
Change in cash and cash equivalents without cash effect	-	45	44
Net cash and cash equivalents at the end of period	348	677	347

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	1Q 24	1Q 23	2023
External operating and other revenue	1,985	1,356	6,458
Internal operating and other revenue	59	95	318
Total operating and other revenue	2,044	1,451	6,776
EBITDA	185	122	754
Earnings before financial items and tax (EBIT)	116	77	550
Earnings before tax (EBT)	131	78	572
EBITDA-margin	9.0 %	8.4 %	11.1 %
Operating margin	5.7 %	5.3 %	8.1 %
Profit margin	6.4 %	5.4 %	8.4 %
Assets	4,176	3,572	4,007
Order intake	508	3,599	9,548
Order backlog	16,604	17,517	18,140

Construction

NOK million	1Q 24	1Q 23	2023
External operating and other revenue	2,202	2,558	10,124
Internal operating and other revenue	1	33	58
Total operating and other revenue	2,203	2,591	10,182
EBITDA	87	73	483
Earnings before financial items and tax (EBIT)	64	51	396
Earnings before tax (EBT)	66	46	378
EBITDA-margin	4.0 %	2.8 %	4.7 %
Operating margin	2.9 %	2.0 %	3.9 %
Profit margin	3.0 %	1.8 %	3.7 %
Assets	4,983	4,859	5,109
Order intake	3,386	1,887	9,601
Order backlog	10,647	9,342	9,464

Betonmast

NOK million	1Q 24	1Q 23	2023
External operating and other revenue	1,001	1,206	4,551
Internal operating and other revenue	4	-	3
Total operating and other revenue	1,005	1,206	4,553
EBITDA	-16	39	55
Earnings before financial items and tax (EBIT)	-20	34	34
Earnings before tax (EBT)	-11	40	58
EBITDA-margin	-1.6 %	3.3 %	1.2 %
Operating margin	-2.0 %	2.8 %	0.7 %
Profit margin	-1.1 %	3.3 %	1.3 %
Assets	3,165	3,209	3,191
Order intake	342	1,906	6,341
Order backlog	5,539	5,115	6,203

Property

NOK million	1Q 24	1Q 23	2023
External operating and other revenue	6	10	27
Internal operating and other revenue	-	-	-
Total operating and other revenue	6	10	27
EBITDA	-7	-1	-20
Earnings before financial items and tax (EBIT)	-7	-1	-20
Earnings before tax (EBT)	-3	1	-8
EBITDA-margin	-	-	-
Operating margin	-	-	-
Profit margin	-	-	-
Assets	881	701	842
Order backlog	-	-	-

Energy and Environment

NOK million	1Q 24	1Q 23	2023
External operating and other revenue	321	276	1,341
Internal operating and other revenue	17	11	76
Total operating and other revenue	338	287	1,417
EBITDA	34	27	156
Earnings before financial items and tax (EBIT)	17	11	90
Earnings before tax (EBT)	17	13	96
EBITDA-margin	10.1 %	9.4 %	11.0 %
Operating margin	5.1 %	3.7 %	6.3 %
Profit margin	5.1 %	4.4 %	6.8 %
Assets	830	708	923
Order intake	347	341	2,027
Order backlog	1,258	694	1,249

Sweden

NOK million	1Q 24	1Q 23	2023
External operating and other revenue	1,317	1,921	7,423
Internal operating and other revenue	44	7	78
Total operating and other revenue	1,361	1,927	7,501
EBITDA	19	-145	-60
Earnings before financial items and tax (EBIT)	2	-162	-152
Earnings before tax (EBT)	-	-163	-160
EBITDA-margin	1.4 %	-7.5 %	-0.8 %
Operating margin	0.1 %	-8.4 %	-2.0 %
Profit margin	-	-8.5 %	-2.1 %
Assets	2,529	3,113	2,816
Order intake	905	1,934	4,991
Order backlog	4,672	7,645	5,128

Offshore

NOK million	1Q 24	1Q 23	2023
External operating and other revenue	295	244	1,081
Internal operating and other revenue	-	-	1
Total operating and other revenue	295	244	1,082
EBITDA	23	25	-95
Earnings before financial items and tax (EBIT)	14	18	-124
Earnings before tax (EBT)	7	16	-139
EBITDA-margin	7.8 %	10.3 %	-8.7 %
Operating margin	4.7 %	7.2 %	-11.5 %
Profit margin	2.3 %	6.4 %	-12.9 %
Assets	1,155	1,022	1,098
Order intake	183	175	798
Order backlog	1,297	1,625	1,410

Other Segments (Group)

NOK million	1Q 24	1Q 23	2023
External operating and other revenue	22	17	110
Internal operating and other revenue	12	12	61
Total operating and other revenue	34	29	171
EBITDA	20	19	104
Earnings before financial items and tax (EBIT)	2	1	27
Earnings before tax (EBT)	-33	-6	-45
Assets	1,852	1,965	1,995
Order backlog	-	-	-

Eliminations

NOK million	1Q 24	1Q 23	2023
External operating and other revenue	-70	-81	-350
Internal operating and other revenue	-138	-158	-595
Total operating and other revenue	-208	-240	-945
EBITDA	-1	-2	-32
Earnings before financial items and tax (EBIT)	-1	-2	-32
Earnings before tax (EBT)	-1	-1	-32
Assets	-4,452	-3,894	-5,239
Order backlog	-244	-461	-213

GAAP adjustments (IFRS 15)

NOK million	1Q 24	1Q 23	2023
External operating and other revenue	109	-112	-235
Internal operating and other revenue	-	-	-
Total operating and other revenue	109	-112	-235
EBITDA	13	-10	-20
Earnings before financial items and tax (EBIT)	13	-10	-20
Earnings before tax (EBT)	13	-10	-20
Assets	-81	-76	-94
Order backlog	502	193	610

Segment total

NOK million	1Q 24	1Q 23	2023
External operating and other revenue	7,187	7,393	30,530
Internal operating and other revenue	-	-	-
Total operating and other revenue	7,187	7,393	30,530
EBITDA	357	146	1,325
Earnings before financial items and tax (EBIT)	201	15	749
Earnings before tax (EBT)	186	13	700
EBITDA-margin	5.0 %	2.0 %	4.3 %
Operating margin	2.8 %	0.2 %	2.5 %
Profit margin	2.6 %	0.2 %	2.3 %
Assets	15,038	15,180	14,647
Order intake	5,472	9,296	32,756
Order backlog	40,275	41,668	41,991



AF Gruppen at Homenkollstafetten 2024. Photo: Mikkel Moxness, Catchlight

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 1st 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 1st 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[®] 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

There were no material changes to the Group's structure during the year.

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, except for short-term or terminable leases. The right of use asset 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 the following tables.

Consolidated statement of income – Effect of IFRS 16

NOK million	1Q 24			1Q 23			2023		
	less IFRS 16	Effect of IFRS 16	1Q 24	less IFRS 16	Effect of IFRS 16	1Q 23	less IFRS 16	Effect of IFRS 16	2023
Operating expenses excl. depr. and impairment	-631	87	-544	-725	70	-655	-2,789	306	-2,483
EBITDA	270	87	357	76	70	146	1,019	306	1,325
Depr. and impairment of right of use assets	-14	-79	-94	-14	-65	-79	-54	-280	-335
Earnings before financial items and tax (EBIT)	193	8	201	9	6	15	724	25	749
Net financial items	-7	-8	-15	3	-5	-2	-23	-25	-49
Earnings before tax (EBT)	186	-1	186	12	-	13	700	-	700
Income tax expense	-43	-	-43	-3	-	-3	-185	-	-185
Net income for the period	144	-1	143	10	-	10	515	-	515

Consolidated statement of financial position – Effect of IFRS 16

NOK million	31.03.24			31.03.23			31.12.23		
	less IFRS 16	Effect of IFRS 16	31.03.24	less IFRS 16	Effect of IFRS 16	31.03.23	less IFRS 16	Effect of IFRS 16	2023
Right of use assets	251	772	1,024	240	655	895	238	741	979
Total assets	14,265	772	15,038	14,525	655	15,180	13,907	741	14,647
Total equity	3,310	-21	3,288	3,479	-21	3,458	3,224	-21	3,203
Interest-bearing debt - lease liability (non-current)	181	539	720	168	480	649	149	517	666
Deferred tax	435	-5	430	435	-5	430	446	-5	441
Interest-bearing debt - lease liability (current)	45	291	336	44	241	284	64	281	345
Total equity and liabilities	14,265	772	15,038	14,525	655	15,180	13,907	741	14,647
Equity ratio	23.2 %	-	21.9 %	24.0 %	-	22.8 %	23.2 %	-	21.9 %
Gross interest-bearing debt	860	830	1,689	892	721	1,613	539	798	1,337
Net interest-bearing debt (receivabl.)	144	830	974	-151	721	570	-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 (-10 million) for the 1st quarter 2024. The effect on equity was NOK -82 million (-83 million), and the accumulated reversed revenues were NOK 502 million (193 million) as at 31 March 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 ¹⁾	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%
Total completed earlier years - Property²⁾	373	201	1	11	9			
Snipetorp, Skien	-	16	-	3	3	Q3 2018	Q2 2020	50%
2317 Sentrumskvartalet A-D, Hamar	296	121	-	6	4	Q2 2020	Q1 2023	50%
SPG Bostader Linden, Strömstad ³⁾	154	162	-	162	-	Q4 2021	Q3 2023	45%
SPG Bostader Häggen, Strömstad ³⁾	89	94	-	94	-	Q2 2022	Q3 2023	45%
Klosterøya Vest 4, Skien	-	69	-	13	12	Q1 2021	Q1 2023	24%
Total completed earlier years - Betonmast²⁾	539	462	-	278	19			
BRF Prefekten, Mölndal	130	83	67	16	11	Q4 2021	Q1 2024	50%
Total completed 2024 - Sweden	130	83	67	16	11			
Skårersletta Midt 1, Lørenskog	231	81	69	12	10	Q3 2021	Q1 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%
Total completed 2024 - Property	373	122	102	20	18			
Skårersletta Midt 1, Lørenskog	114	40	-	-	8	Q3 2021	Q2 2024	50%
Skårersletta Midt 2, Lørenskog	137	48	-	-	9	Q3 2021	Q2 2024	50%
Skårersletta Midt 3 og 4, Lørenskog	360	126	-	-	61	Q4 2022	Q4 2024	50%
Bekkestua Have, Bærum	-	232	-	-	4	Q4 2021	Q2 2024	50%
Rolvsrud Arena trinn 1, Lørenskog	299	95	-	-	23	Q2 2022	Q3 2024	33%
Rolvsrud Arena trinn 2 og 3, Lørenskog	312	99	-	-	31	Q4 2022	Q1 2025	33%
Rolvsrud Arena trinn 4, Lørenskog	110	35	-	-	25	Q3 2023	Q3 2025	33%
Rolvsrud Arena trinn 5, Lørenskog	189	60	-	-	60	Q1 2024	Q4 2025	33%
Total in production - Property	1,521	735	-	-	221			
Veum Hageby Tunet, Fredrikstad	-	15	-	-	5	Q2 2023	Q3 2024	30%
Total in production - Betonmast	-	15	-	-	5			

¹⁾ NOK million excl. VAT

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

³⁾ 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.

NOK million	31/03/24	31/03/23	31/12/23
GROSS INTEREST-BEARING DEBT / NET INTEREST-BEARING DEBT			
Non-current interest-bearing debt	97	77	93
Non-current interest-bearing debt - lease liability	720	649	666
Current interest-bearing debt	537	603	233
Current interest-bearing debt - lease liability	336	284	345
Gross interest-bearing debt	1,689	1,613	1,337
Less:			
Non-current interest-bearing receivables	-331	-315	-317
Current interest-bearing receivables	-36	-51	-32
Cash and cash equivalents	-348	-677	-347
Net interest-bearing debt (receivables)	974	570	641

NOK million	31/03/24	31/03/23	31/12/23
CAPITAL EMPLOYED			
Total equity	3,288	3,458	3,203
Gross interest-bearing debt	1,689	1,613	1,337
Capital employed	4,978	5,071	4,540
AVERAGE CAPITAL EMPLOYED			
Capital employed as at 2nd quarter 2022	-	4,366	-
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	-	-
Average capital employed	5,009	4,680	5,032
RETURN ON CAPITAL EMPLOYED			
Earnings before tax 2nd quarter 2022	-	426	-
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 last four quarters	873	1,204	700
Interest expense 2nd quarter 2022	-	8	-
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 last four quarters	103	53	99
Earnings before tax and interest expense last four quarters	977	1,256	799
Divided by:			
Average capital employed	5,009	4,680	5,032
Return on capital employed	19.5 %	26.8 %	15.9 %

NOK million	31/03/24	31/03/23	31/12/23
EQUITY RATIO			
Total equity	3,288	3,458	3,203
Divided by:			
Total equity and liabilities	15,038	15,180	14,647
Equity ratio	21.9 %	22.8 %	21.9 %
AVERAGE Total equity			
Total equity as at 2nd quarter 2022	-	3,126	-
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	-	-
Average total equity	3,090	3,341	3,133
RETURN ON EQUITY			
Net income 2nd quarter 2022	-	337	-
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 for the last four quarters	648	983	515
Divided by:			
Average equity	3,090	3,341	3,133
Return on equity	21.0 %	29.4 %	16.4 %



COMPANY INFORMATION

AF Gruppen ASA

Head office:

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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
Arne Sveen
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:

15/05/2024 Interim report 1st quarter 2024
30/08/2024 Interim report 2nd quarter 2024
15/11/2024 Interim report 3rd quarter 2024

The presentation of the interim report for 1st quarter 2024 takes place at Helsfyr Atrium, Innspurten 15, at 8:30 a.m.

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

Cover: AF Anlegg rehabilitating Nesjødammen for Statkraft Energi

Photo: Hans Fredrik Asbjørnsen

OPERATIONAL STRUCTURE

