



FRIGAARD
Property Group

Q1 2022 result presentation

Simon Nyquist Martinsen

CEO

May 12, 2022

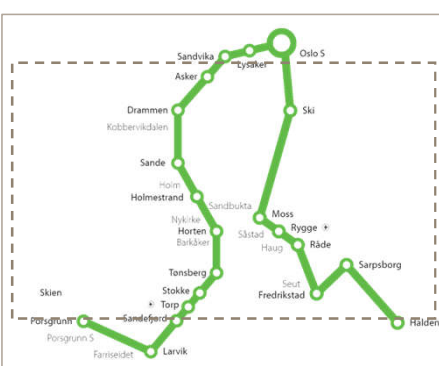
This is Frigaard Property Group



Strategy

FPG aims to be the leading contractor and residential property developer in its core markets, by combining its industrial and financial expertise

Focused on "Intercity triangle"
Urban areas in Eastern Norway outside Oslo



Key figures (MNOK)

Key figures	2018 ¹⁾	2019	2020	2021	Q1 2022
Revenues	654	1 043	1 267	1 583	378
EBITDA	84	52	92 ³⁾	21 ²⁾	15
Net profit	47	17	58	-5	8
EBITDA-margin	12.8%	5.0%	7.3%	1.3%	3.9%
Order backlog	969	846	1,020	1 520	1 629
Equity ratio	29.1%	27.8%	28.7%	22.3%	22.5%

• Note: 1) Reported financials. Alento AS was acquired 30 June 2018 and hence not fully reflected in reported financials. 2018 pro forma revenue of NOK 926m and pro forma EBITDA of NOK 110m. 2) After one off costs related to a project within the Construction segment of MNOK 41. 3) Including share sale gain of MNOK 47.

• The presentation should be read together with the full Q1 text report from Frigaard Property Group. The two-brand strategy of Metacon AS into "Metacon" and "Frigaard Entreprenør" was launched Mid-February 2022.

Highlights Q1 2022 (Q1 2021)

- Revenue increased by 10.3% to MNOK 377.6 (342.4) in the quarter.
- EBITDA for the quarter on same level as last year MNOK 14.9 (16.0).
- EBITDA margins of 3.9% (4.7%) in the quarter.
- Net profit increased to 7.8 MNOK (4.6) in the quarter.
- Continued strong results in the subsidiary Alento, 7.7% EBITDA margin in the quarter.
- High number sold of residential properties 57 (2) .
- Solid and growing order backlog of MNOK 1 628.5 (950.2), including MNOK 404.8 (50.5) related to own development projects in Frigaard Bolig.
- Strong financial position at the end of the quarter, cash balances ended at MNOK 205.6.
- Turbulent market conditions following the ongoing situation in Ukraine.
- Handed over a logistic 20k sqm building in Tranås, Sweden to Relog in March and secured final payment of 60 MNOK April 1st.
- Handed over the largest construction project ever in Frigaard Property Groups history, to BAMA in April 2022.
- Secured development area of around 10 000 BRAS in the center of Ski, Norway, in April.
- Signed the largest ever steel construction contract as sub supplier for a distribution center for IKEA, in May.



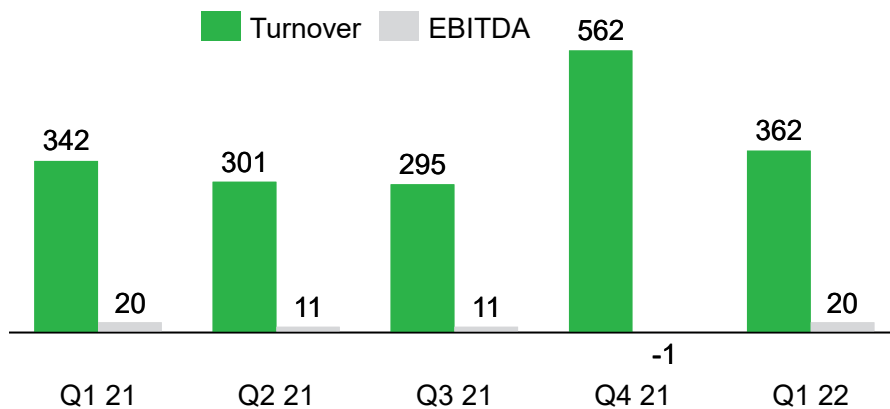
BAMA – Tranby - Alento

Construction segment: strong quarter, despite turbulent raw material market

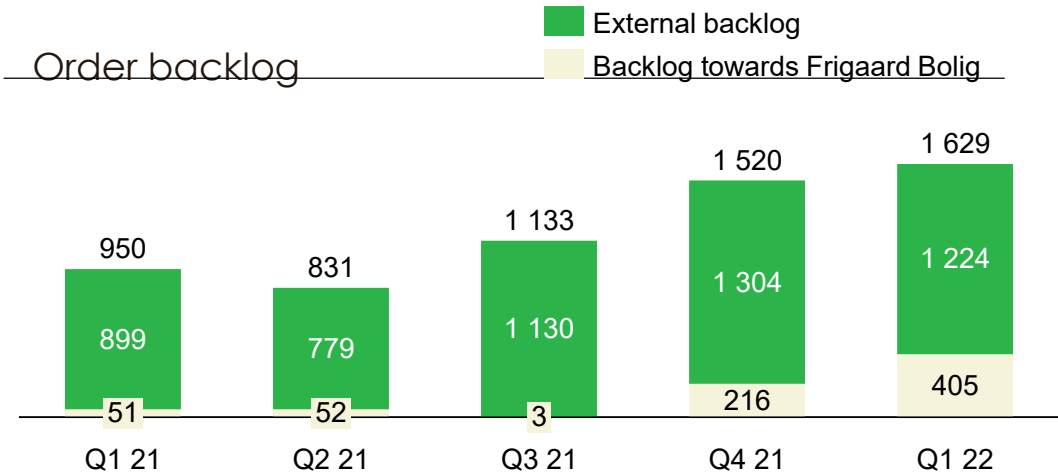
Highlights

- MNOK 362 revenue and MNOK 20 EBITDA, generated in the quarter, which is on the same level as last year.
- Various measures are taken to tackle the somewhat challenging situation in the supplier market following the ongoing situation in Ukraine.
- Despite the above, new contracts are signed and pipelines are healthy.
- Very profitable quarter for our subsidiary Alento, which continue to deliver best in class margins. Revenue and EBITDA margin in Q1 ended at MNOK 282 and 7,7%.
- All time high order backlog of MNOK 1 629 of which MNOK 918 attributable to 2022, and MNOK 588 relates to 2023. Several orders in the pipeline with potential to be signed the coming quarters.

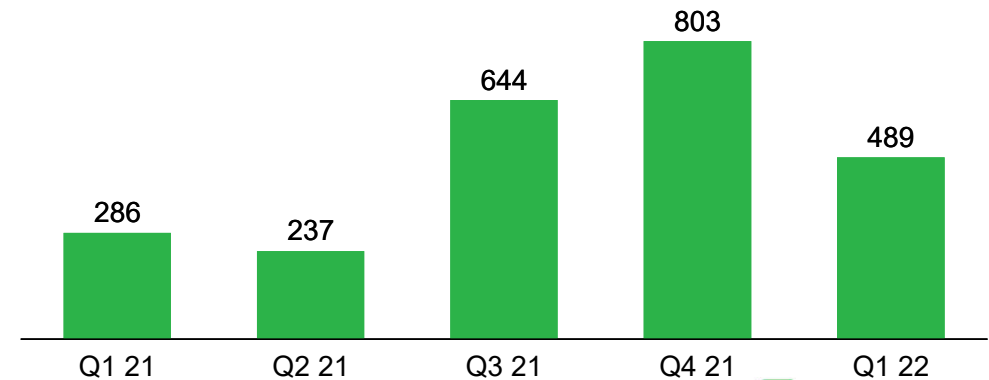
Revenues and EBITDA



Order backlog



Order intake

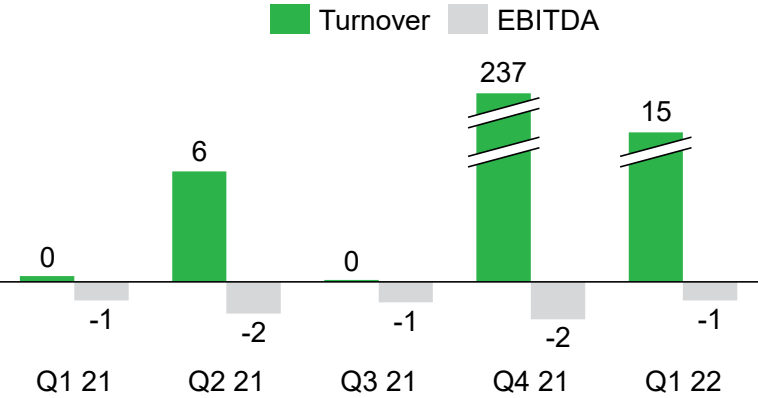


Property development segment: projects on track and all-time high sale

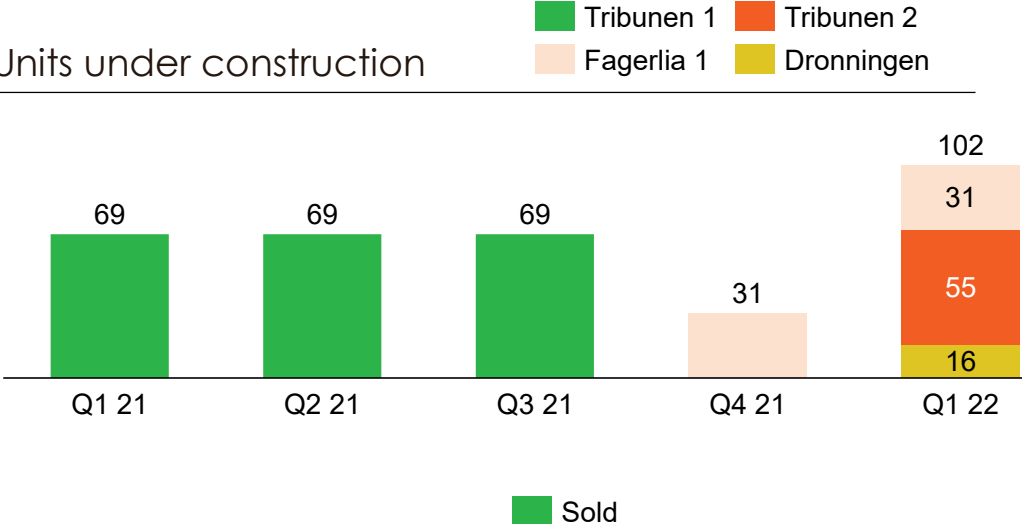
Highlights

- Revenue of MNOK 15 and MNOK – 1 EBITDA generated in the quarter.
- 57 units (apartments) sold during first quarter and 102 units currently under construction.
- Construction started for the phase two of Tribunen in Moss and the third phase was successfully launched in the market. The project Dronningen (Sarpsborg) was also launched and sales have been good. Construction of the Høglia project (Mysen) will commence in May.
- The 20k+ logistic centre in Tranås, Sweden was handed over in March.
- An estimated development area of 10 000 BRAs was secured in the center of Ski in April.

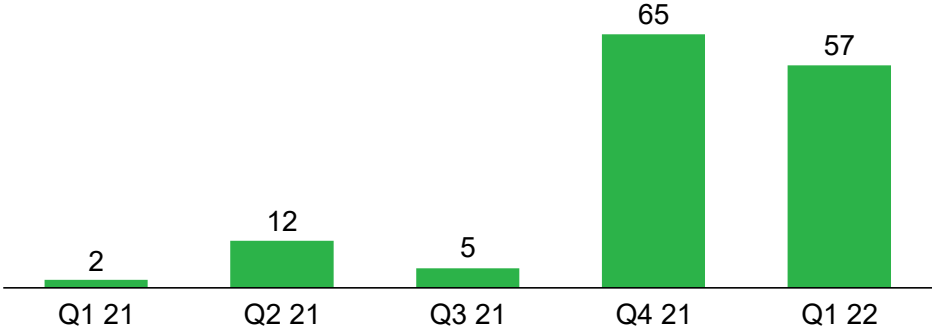
Revenues and EBITDA



Units under construction



Number of units sold



Property development segment: Five ongoing residential projects

Project overview Q1 2022

<p>Tribunen II & III Moss</p> <p>In sales stage</p>	<p>Fagerlia Fredrikstad</p> <p>Ongoing</p>	<p>Høgli Mysen</p> <p>In sales stage</p>	<p>Dronningen Sarpsborg</p> <p>Ongoing</p>	<p>Solbyen Sarpsborg</p> <p>Zoning</p>
<p>Construction phase 2/3 Total of ~174 apartments 55 apartments in phase 2 42/55 units sold 50 apartment in phase 3 32/50 units sold All phases est. completed Q4 23 Total of 12 752 BRAS</p>	<p>61 apartments & 8 townhouses 31 apartments in phase 1 17/31 units sold and 3 townhouse in phase 2 All phases est. completed Q4 23 Total of 7 163 BRAS</p>	<p>30 apartments & 9 land plots 15/30 units sold and 4 land plots Sale start for plots Q2 2022 All phases est. completed Q4 23 Total of 9 862 BRAS</p>	<p>16 apartments 13/16 units sold Sales start Q1 2022 All phases est. completed Q2 23 Total of 1 111 BRAS</p>	<p>50 apartments Expected sales start Q4 22 Est. completed Q1 25 Total of 2 900 BRAS</p>
<p>Aspelundtunet Askim</p> <p>Completed ✓</p>	<p>Moenskogen I Sarpsborg</p> <p>Completed ✓</p>	<p>Moenskogen II Sarpsborg</p> <p>Completed ✓</p>	<p>R2 Panorama Mysen</p> <p>Completed ✓</p>	<p>Tribunen I Moss</p> <p>Completed ✓</p>

As of the date of this report Tribunen 3 has sold 38 apartments



Property development projects the next 3 years

Projects with expected sale and completion over the next three years



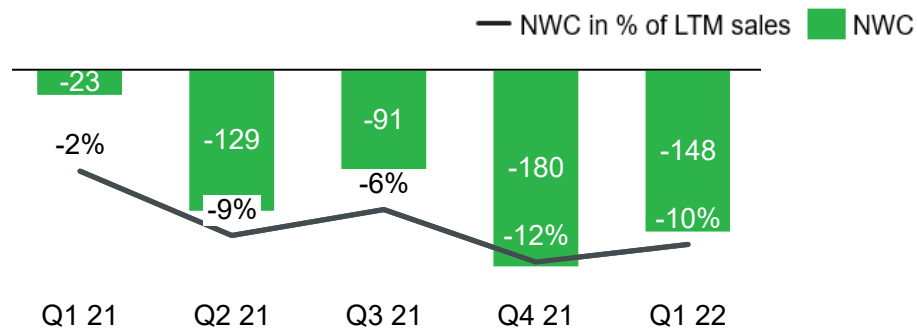
Income statement

All amounts in MNOK	1Q 2022	1Q 2021	31.12.2021
Order backlog	1 628.5	950.2	1 019.7
Order intake	488.7	286.1	1 417.8
Revenue from contracts with customers	377.4	342.1	1 582.3
Other operating revenue	0.2	0.3	1.0
Total operating revenue	377.6	342.4	1 583.3
Materials, subcontractors and consumables	319.1	285.3	1 400.5
Salaries and personnel expense	36.2	33.0	133.6
Other operating expense	7.4	8.1	27.9
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	14.9	16.0	21.2
Depreciation and amortisation expense	2.0	2.2	8.0
Operating profit (EBIT)	12.9	13.8	13.2
Net financial costs	2.9	7.8	18.6
Profit before income tax	9.9	5.9	-5.3
Income taxes	2.2	1.3	-0.2
Net profit for the period	7.8	4.6	-5.1

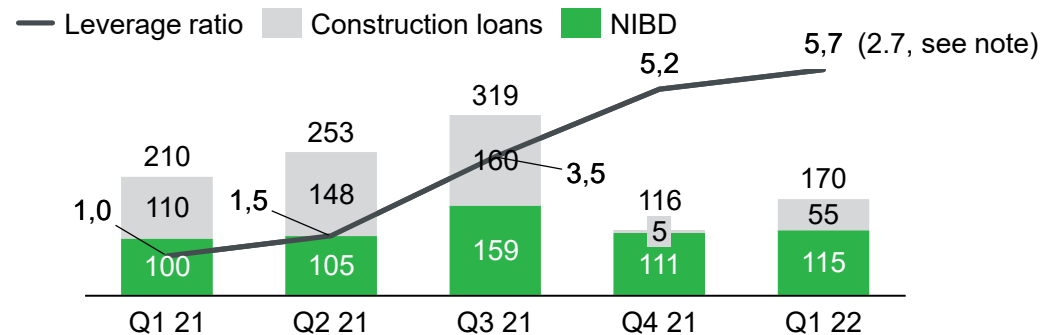
- Solid order intake as MNOK 489 in new orders are signed in Q1 2022, whereof orders towards Frigaard Bolig was 221 MNOK
- Income this quarter is mainly from the Construction segment, MNOK 15 is from property development related to hand over of apartments related to Tribunen 1.
- The next residential property to be recognized in income is the project Dronningen, expected handover is in Q1 2023. Sale of 9 plots of land related to Høglia is expected to be handed over during Q4 2022.
- EBITDA on same level as last year despite challenging market as an effect of the war in Ukraine.
- Very strong contribution from the subsidiary Alento with above 9% EBITDA margin in Q4 and close to 8% EBITDA margin for Q1 2022.

Solid cash position, leverage ratio negatively impacted by non recurring costs from Construction Segment in Q4 2021

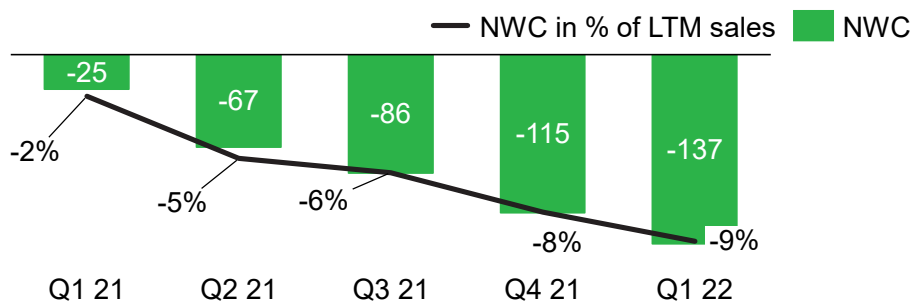
Net working capital (construction)



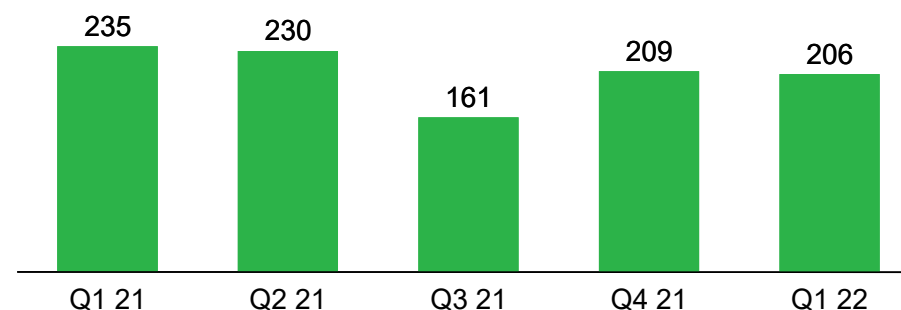
Net interest-bearing debt and leverage ratio (Group)



Average working capital LTM (construction)



Cash position (Group)



Note: Leverage ratio as defined in bond terms, construction loans are excluded in NIBD in bond terms. 60 MNOK was received for logistics building in Tranås Sweden April 1st. Including the MNOK 60 in Q1 2022 would have resulted in an leverage ratio of 2,7.

Cash flow statement

NOK million	1Q 2022	1Q 2021	31.12.2021
Earnings before income taxes	9.9	5.9	-5.3
Depreciation and impairment	2.0	2.5	8.3
Change in net working capital	-48.8	-74.7	173.9
Other adjustments/taxes paid	8.7	24.0	-58.4
Cash flow from operations	-28.3	-42.3	118.5
Net investment	-0.4	-18.7	-26.1
Cash flow from financial activities	25.2	36.8	-142.0
Net decrease (increase) in cash and cash equivalents	-3.6	-24.2	-49.6
Net cash and cash equivalents at beginning of period	209.2	258.8	258.8
Total cash and cash equivalents	205.6	234.6	209.2

- Strong cash position
- Change in net working capital is related to normal fluctuations in the Construction segment and development of residential projects (our equity contribution).
- Financing activities for the quarter
 - ✓ Positive effect from construction loan related to Fagerlia and Tribunen phase two
 - ✓ Repayment of seller credit related to purchase plot of land related to Tribunen

Balance sheet

Amounts in NOK million	31.03.2022	31.03.2021	31.12.2021
ASSETS			
Goodwill and other intangible assets	284.1	284.1	284.1
Tangible fixed assets	8.0	8.4	8.2
Right-of-use assets	12.8	15.3	12.6
Other investments and other long term receivables	-	27.5	-
TOTAL NON-CURRENT ASSETS	305.0	335.2	305.0
Inventories and development properties	360.2	382.6	334.8
Trade receivables, contract assets and other short term receivables	259.9	245.5	256.6
Cash and cash equivalents	205.6	234.6	209.2
TOTAL CURRENT ASSETS	825.7	862.7	800.6
TOTAL ASSETS	1 130.7	1 197.9	1 105.5
EQUITY AND LIABILITIES			
TOTAL EQUITY	254.8	326.7	247.1
Deferred tax	24.5	23.8	22.3
Bond loan	296.7	295.2	296.3
Liabilities to financial institutions	38.9	25.0	38.9
Construction loan	55.1	-	4.9
Leasing liabilities	6.8	10.2	7.0
Other non-current liabilities	46.0	72.7	46.0
TOTAL NON-CURRENT LIABILITIES	468.0	427.0	415.4
Short term construction loan	-	109.6	-
Lease liabilities	5.7	4.5	5.2
Trade account payables, contract liabilities and other short term debt	402.1	330.3	437.9
TOTAL CURRENT LIABILITIES	407.8	444.3	443.1
TOTAL EQUITY AND LIABILITIES	1 130.7	1 197.9	1 105.5

- Goodwill from acquisitions
- IFRS lease assets of MNOK 12.5
- In February 2021, a new secured floating rate bond of NOK 300 million with a 3-year tenor was issued.
- Construction loan is related to Fagerlia 1, located in Fredrikstad and phase 2 of Tribunen. Scheduled hand over is Q2 2023 for both projects.
- Construction loan Tribunen 1 was fully repaid in Q4 2021.



Outlook

After a weak and challenging fourth quarter for Metacon, the company have strengthened its staff and implemented a various set of improvement actions. The pipeline is strong, and the steel construction department has signed its largest contract (in May) ever for a distribution center in Vestby, Norway in May 2022.

Alento has a very high and healthy backlog as well as pipeline and continue to deliver best in class margins.

Large contracts have been handed over in March and April and have proven our ability to compete with larger national contractors.

Residential projects have been launched in the market, sales have been very strong, and further development area has been secured for the future.

- Within the value chain the property development and construction business finds ways to mitigate the challenging situation in the supplier market following the situation in Ukraine, and new contracts are signed.
- Based on this, we are in a good position to continue to develop the business and generate growth and profits. At the same time, we have a healthy balance sheet and solid cash position enabling us to meet the potential challenges from the macro environment.