

An aerial photograph of a modern residential development. The image is split vertically. The left side shows a semi-transparent architectural rendering of the same development, overlaid on a background of traditional suburban houses. The right side shows a clear, vibrant aerial view of the actual development, featuring multi-story buildings with colorful facades (yellow, green, grey, and white) and integrated green roofs. The buildings are arranged around a central courtyard with green lawns and walkways. The surrounding area includes trees and a road with a few cars.

# FRIGAARD

Property Group

Q1 2021 result presentation

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# 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 <sup>1)</sup>	2019	2020	Q1 2021
Revenues	654	1,043	1267	342
EBITDA	84	52	92	16
Net profit	47	17	58	4.6
EBITDA-margin	12.8%	5.0%	7.3%	4.7%
Order backlog	969	846	1,020	950
Equity ratio	29.1%	27.8%	28.7%	27.3%

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.

# Highlights Q1 2021 – solid financial performance

- Revenue increased by 46,5% to MNOK 342.4 (233.8) in the quarter.
- EBITDA increased to MNOK 16.0 (12.2) in the quarter.
- EBITDA margins of 4.7% (5.2%) in the quarter.
- Net profit increased to 4.6 MNOK (3.5) in the quarter.
- Continued high order backlog of MNOK 950.2, including MNOK 50.5 related to own development projects in Frigaard Bolig.
- Strong financial position at the end of the quarter, cash balances ended at MNOK 234.6 and leverage ratio excluding construction loans ended at 1.0.
- Covid-19: Limited effect on the progress of ongoing construction projects and housing sales, measures have been taken to reduce risk of delays in projects.
- Successfully refinanced 300 MNOK bond in Q1 2021.
- The effect of travel restrictions due to the Covid-19 situation are monitored closely and adequate measures are taken. Potential price increases on raw materials and building materials indirectly related to the pandemic may have impact on demand and timing of customers start-up of projects.

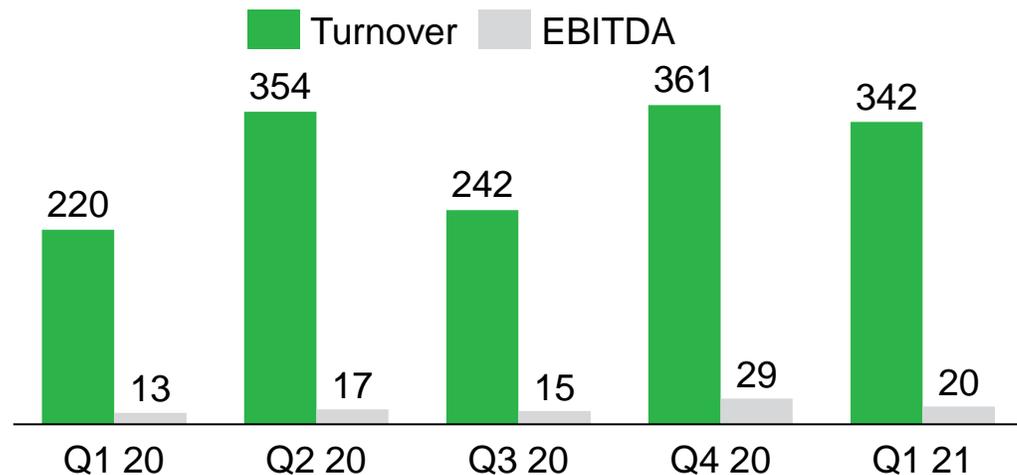


# Construction segment: Strong quarter

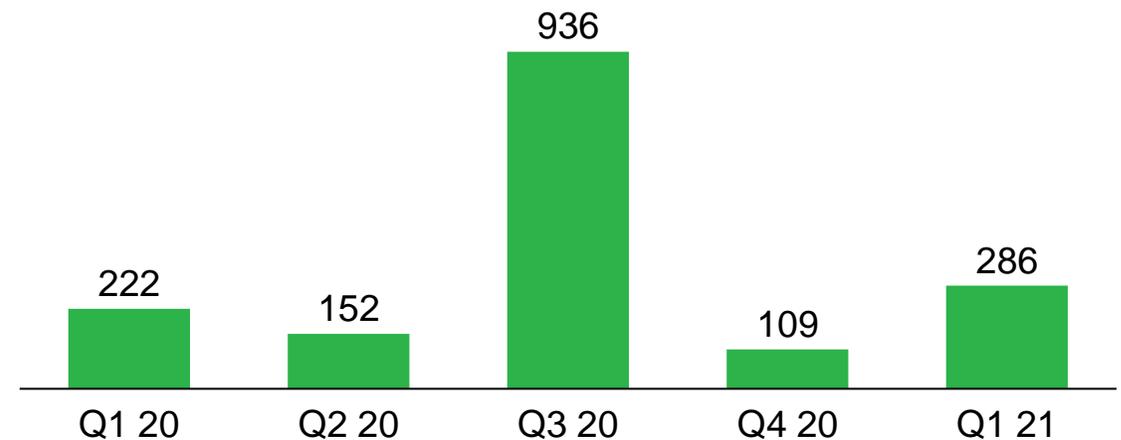
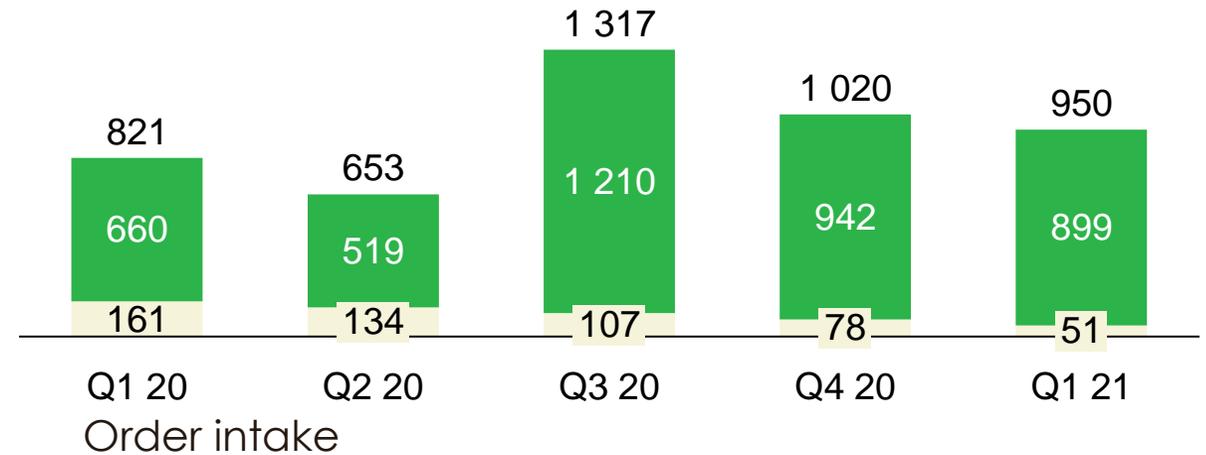
## Highlights

- MNOK 341.9 revenue and MNOK 20 EBITDA generated in the quarter, which is an increase of 55% from Q1 2020.
- High order backlog of MNOK 950.2 of which MNOK 751.0 attributable to 2021, and MNOK 199.2 relates to 2022.
- Solid order intake in Q1, and several orders in the pipeline with potential to be signed the coming quarters.

## Revenues and EBITDA



## Order backlog

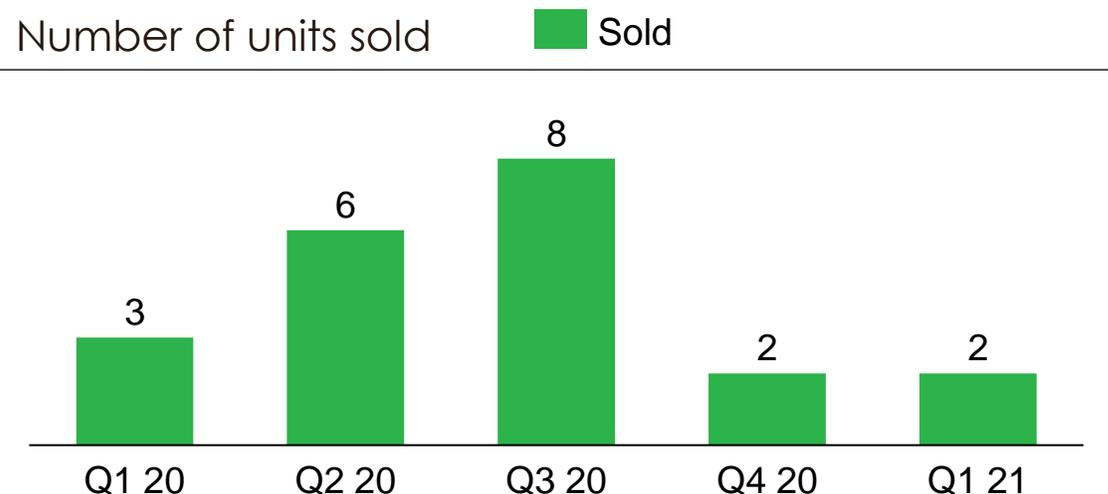
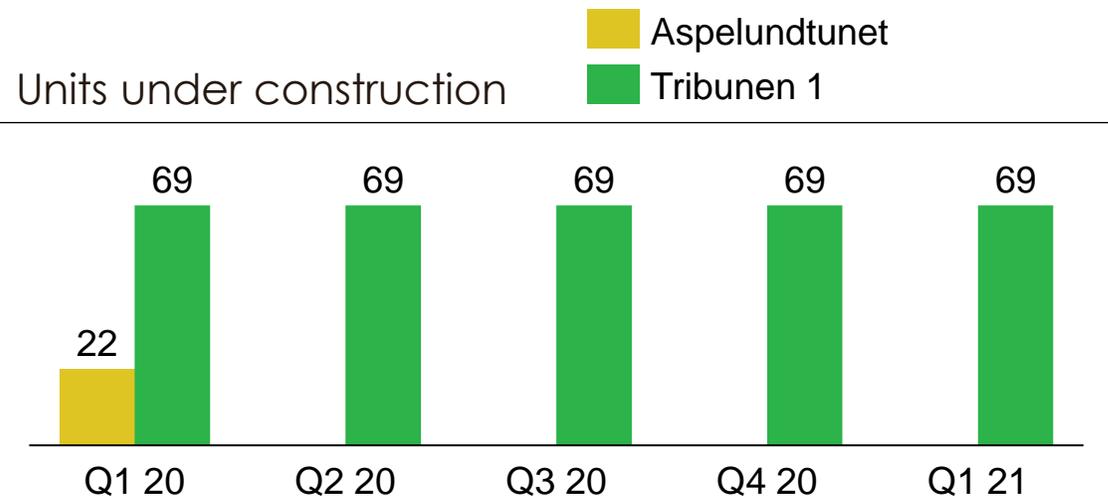
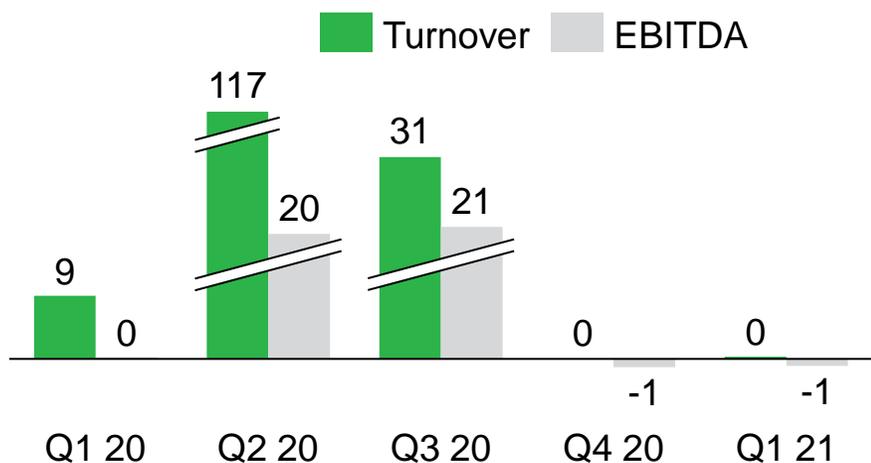


# Property development segment: Projects on track

## Highlights

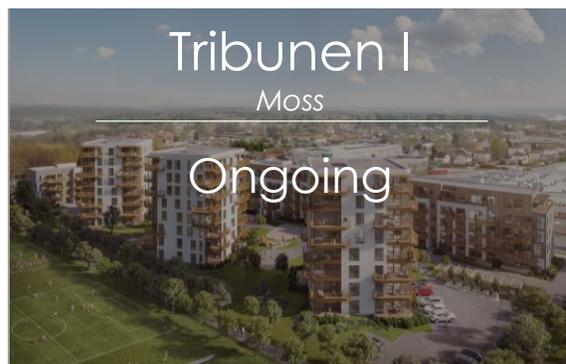
- There has been no handover of homes in Q4 20, the next handover is planned to Q4 2021 (thus no revenue in the segment in Q1)
- 2 units (apartments) sold during the quarter and 69 units currently under construction
- Sale start for the project Fagerlia in Fredrikstad is planned in May, and sale start for Tribunen 2 in Moss is planned for Q2/Q3
- Tribunen 1, a project in Moss of 69 properties, is scheduled to be finalized in Q4 2021.

## Revenues and EBITDA



# Property development segment: Four residential projects ongoing

## Project overview



Construction phase 1/3  
Total of ~174 apartments  
69 apartments in phase 1  
51/69 units sold  
All phases est. completed Q3 23  
Total of 12 300 BRAS



61 apartments & 8 townhouses  
Expected sales start Q1 21  
3 phases  
All phases completed Q3 23  
Total of 6 200 BRAS



30 apartments & 9 land plots  
Expected sales start Q3 21  
All phases est. completed Q3 23  
Total of 3 200 BRAS



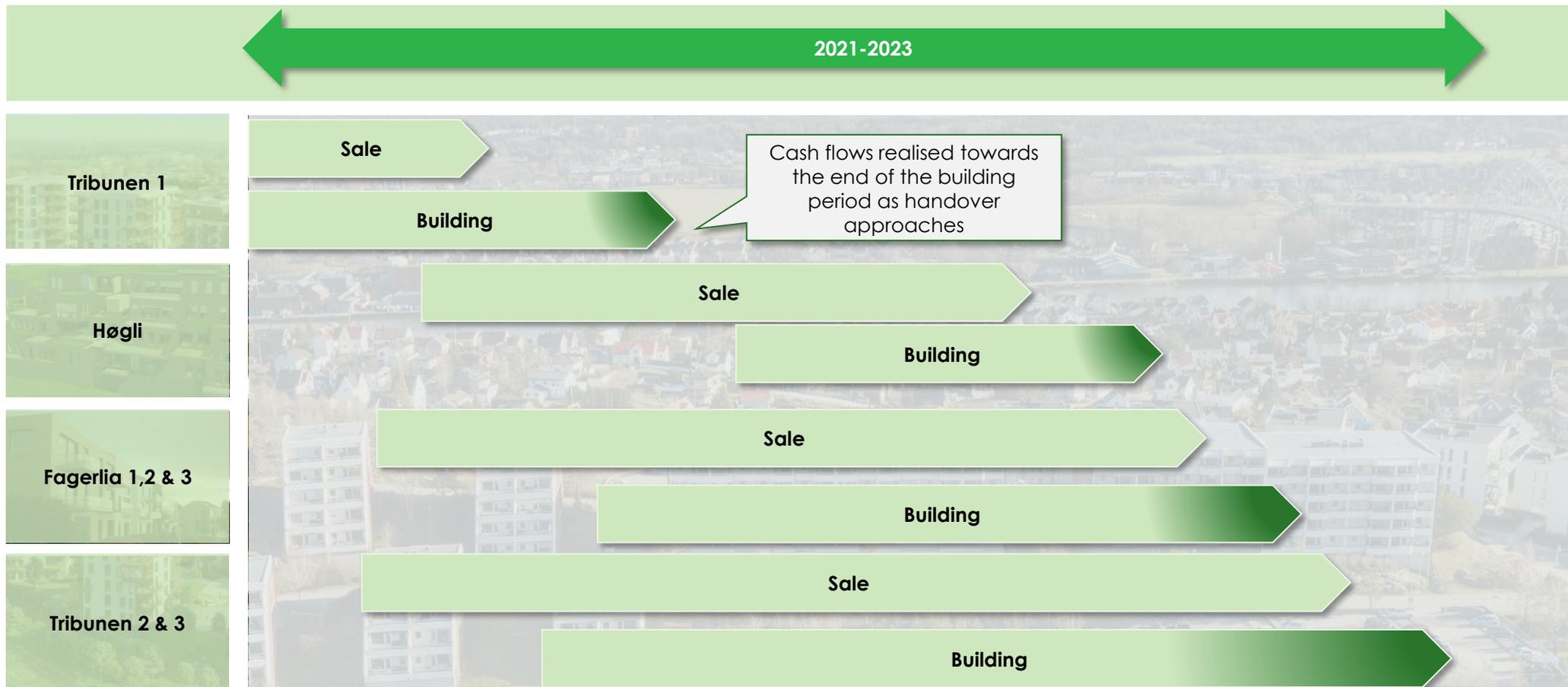
Phasing and strategy TBD





# Property development projects the next 2,5-3 years

## Projects with expected sale and completion over the next three years



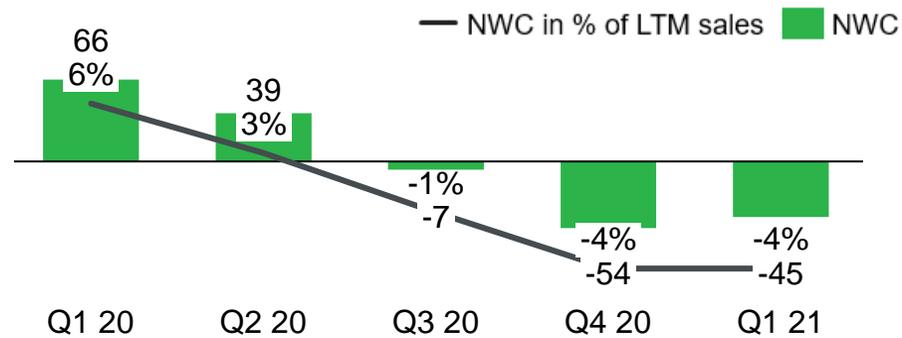
# Income statement

All amounts in MNOK	1Q 2021	1Q 2020	31.12.2020
Order backlog	950.2	821.0	1 019.7
Order intake	286.1	221.6	1 417.8
Revenue from contracts with customers	342.1	232.8	1 219.1
Other operating revenue	0.3	1.0	47.6
<b>Total operating revenue</b>	<b>342.4</b>	<b>233.8</b>	<b>1 266.7</b>
Materials, subcontractors and consumables	285.3	181.7	1 020.3
Salaries and personnel expense	33.0	31.1	129.8
Other operating expense	8.1	8.8	24.5
<b>Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)</b>	<b>16.0</b>	<b>12.2</b>	<b>92.1</b>
Depreciation and amortisation expense	2.2	1.9	7.5
<b>Operating profit (EBIT)</b>	<b>13.8</b>	<b>10.3</b>	<b>84.6</b>
Net financial costs	7.8	5.8	20.0
<b>Profit before income tax</b>	<b>5.9</b>	<b>4.5</b>	<b>64.6</b>
Income taxes	1.3	1.0	6.3
<b>Net profit for the period</b>	<b>4.6</b>	<b>3.5</b>	<b>58.3</b>

- Good order intake, and several large order in the pipeline.
- Income this quarter is in solely from the Construction segment as no residential properties are handed over – next project to be recognized in income is Tribunen 1, expected in Q4.
- Strong quarter for Construction segment, revenues up with 55% compared to same quarter last year and EBITDA up 31,1%.

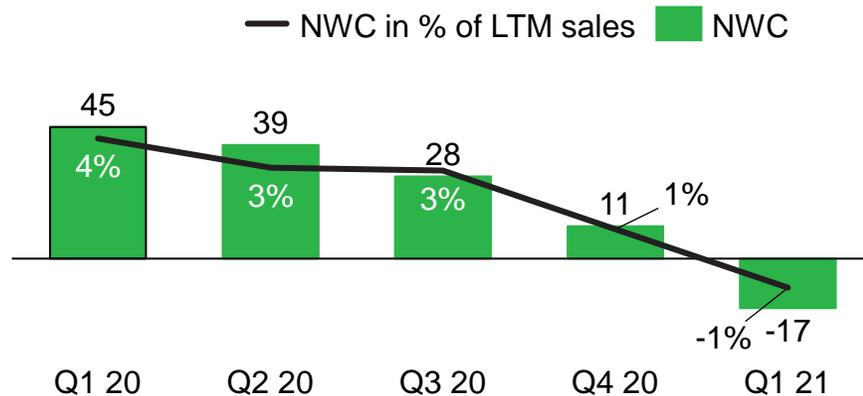
# Solid cash position and comfortable leverage level

## Net working capital (construction)



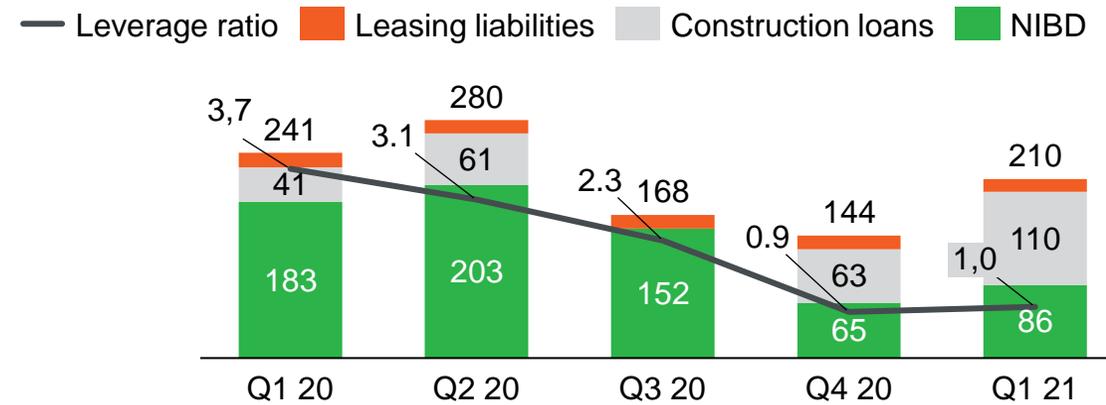
Note: Q4 adjusted for group contribution and internal dividend

## Average working capital LTM (construction)

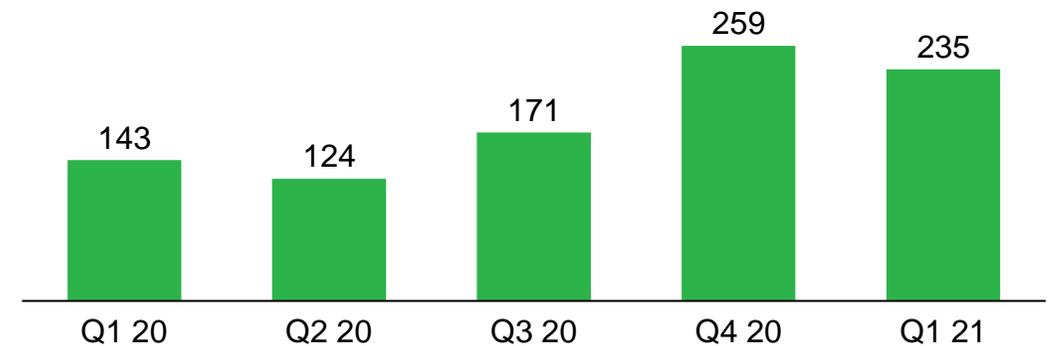


Note: Leverage ratio as defined in the bond terms

## Net interest-bearing debt and leverage ratio (Group)



## Cash position (Group)



# Cash flow statement

NOK thousand	1Q 2021	1Q 2020	31.12.2020
Earnings before income taxes	5 949	4 526	64 623
Depreciation and impairment	2 543	1 925	7 507
Change in net working capital	-74 717	-73 955	-20 145
Other adjustments/taxes paid	23 954	47 876	15 057
<b>Cash flow from operations</b>	<b>-42 271</b>	<b>-19 628</b>	<b>67 042</b>
Net investment	-18 721	-488	19 988
Cash flow from financial activities	36 806	-13 016	-4 794
<b>Net decrease (increase) in cash and cash equivalents</b>	<b>-24 186</b>	<b>-33 132</b>	<b>82 236</b>
Net cash and cash equivalents at beginning of period	258 756	176 410	176 410
<b>Total cash and cash equivalents</b>	<b>234 570</b>	<b>143 278</b>	<b>258 646</b>

- Net working capital increased due to further development of residential properties; the increase is financed by construction loans.
- Net investment is related to financing of the building of a combined logistic and office building in Tranås, Sweden. The building was sold on a forward contract through a share sale of the subsidiary Höganloft Fastigheter AB, in Q2 2020. Further building costs will be finance by a construction loan.
- Strong cash position, increase of 64 % (MNOK 91.3) compared to same quarter last year.
- Financing activities mainly positive effect from construction loan. Cash effect of 3 MNOK from early termination/refinancing of bond and 4,9 MNOK of direct costs related to the refinancing.

# Balance sheet

Amounts in NOK million

	31.03.2021	31.03.2020	31.12.2020
<b>ASSETS</b>			
Goodwill and other intangible assets	284.1	284.6	284.4
Tangible fixed assets	8.4	8.6	8.4
Right-of-use assets	15.3	17.8	16.7
Other investments and other long term receivables	27.5	0.1	9.3
<b>TOTAL NON-CURRENT ASSETS</b>	<b>335.2</b>	<b>311.1</b>	<b>318.8</b>
Inventories and development properties	382.6	295.6	327.7
Trade receivables, contract assets and other short term receivables	245.5	171.0	217.0
Cash and cash equivalents	234.6	143.3	258.8
<b>TOTAL CURRENT ASSETS</b>	<b>862.7</b>	<b>609.9</b>	<b>803.5</b>
<b>TOTAL ASSETS</b>	<b>1 197.9</b>	<b>921.0</b>	<b>1 122.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>TOTAL EQUITY</b>	<b>326.7</b>	<b>267.3</b>	<b>322.0</b>
Deferred tax	23.8	17.2	22.5
Bond loan	295.2	296.4	-
Liabilities to financial institutions	25.0	24.9	25.1
Construction loan	-	-	62.9
Leasing liabilities	10.2	13.3	11.5
Other non-current liabilities	72.7	77.7	72.7
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>427.0</b>	<b>429.5</b>	<b>194.6</b>
Short term financial liabilities	-	5.2	-
Short term construction loan	109.6	40.7	-
Bond loan current	-	-	298.6
Lease liabilities	4.5	4.0	4.9
Trade account payables, contract liabilities and other short term debt	330.3	174.3	302.2
<b>TOTAL CURRENT LIABILITIES</b>	<b>444.3</b>	<b>224.2</b>	<b>605.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 197.9</b>	<b>921.0</b>	<b>1 122.2</b>

- Goodwill from acquisitions
- IFRS lease assets of MNOK 15.3
- Trade receivables include remaining amount related to the sale of shares in Höganloft in 2020.
- 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 Tribunen 1, located in Moss. Scheduled hand over is Q4 2021.

# Outlook

- Strong backlog above BNOK 0.9 – large portion of 2021 revenue secured
- Strong financial position, cash balances at MNOK 235 and leverage ratio at 1.0 (excluding construction loans)
- Residential development projects on track – next significant project to be delivered Q4 2021
- Refinancing of MNOK 300 bond finalized in Q1 2021

