



FRIGAARD

Property Group

Q4 2021 result presentation

Simon Nyquist Martinsen

CEO

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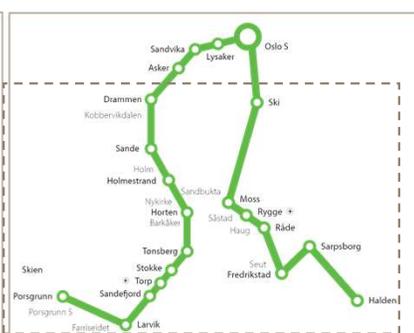
This is Frigaard Property Group



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 ¹⁾	2019	2020	2021
Revenues	654	1 043	1 267	1 583
EBITDA	84	52	92 ³⁾	21 ²⁾
Net profit	47	17	58	-5
EBITDA-margin	12.8%	5.0%	7.3%	1.3%
Order backlog	969	846	1,020	1 520
Equity ratio	29.1%	27.8%	28.7%	22.3%

- 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. 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 Q4 text report from Frigaard Property Group. The two-brand strategy of Metacon AS into "Metacon" and "Frigaard Entreprenør" was launched Mid-February 2022.

Highlights Q4 2021

- Revenue increased by 79.2% to MNOK 638.5 (356.3) in the quarter.
- EBITDA decreased to MNOK-5.9 (17.9) in the quarter. EBITDA hampered by unforeseen and “one-off” costs of MNOK 41, related to one specific project within the Construction segment
- EBITDA excluding the “one-off” cost in the quarter were MNOK 34.6 (5.4%)
- Great results in the subsidiary Alento, above 9% EBITDA margin in the quarter.
- Revenue year to date increased by 25% to MNOK 1583.3 (MNOK 1 266.7), while EBITDA decreased to MNOK 21.2 (MNOK 92.1). The YTD figure in 2020 was impacted by a gain from sale of shares with MNOK 46.6.
- Very strong order intake, backlog increased to MNOK 1 520 per end of December 2021, up from MNOK 1 020 last year. Additional orders of around 500 MNOK signed per date of this report (in Q1 2022).
- Strong financial position at the end of the quarter, cash balances ended at MNOK 209.2.

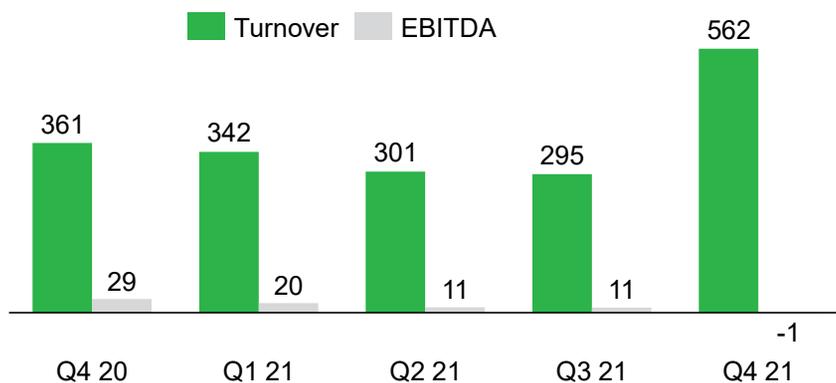


Construction segment: strong development but unforeseen project costs hamper Q4 results

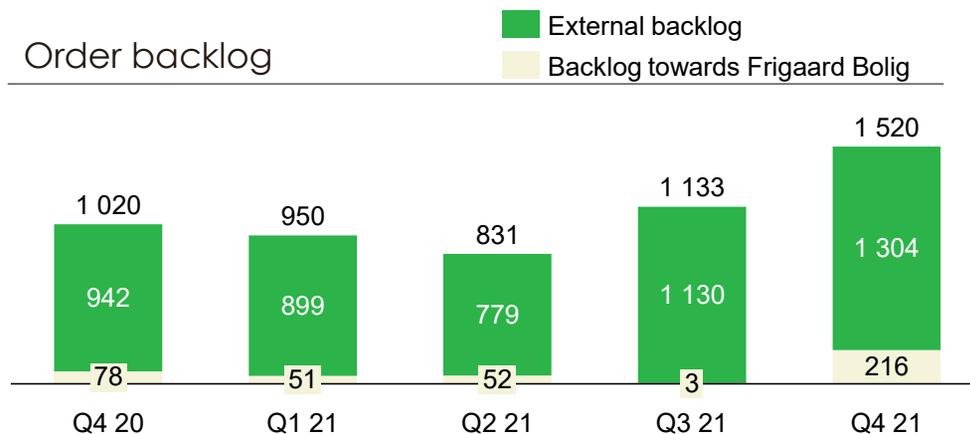
Highlights

- MNOK 561.8 revenue and MNOK -1.1 EBITDA generated in the quarter. Q4 results negatively impacted by unforeseen costs related to one specific project, which is handed over in February 2022. This caused additional costs to be booked with around 41 MNOK in Q4. Excluding this, the segment has 7,2% EBITDA margin in the quarter.
- Very profitable quarter for our subsidiary Alento, continue to deliver best in class margins.
- All time high order backlog of MNOK 1 520 of which MNOK 1 206 attributable to 2022, and MNOK 314 relates to 2023. Order intake continue to be strong in Q1.

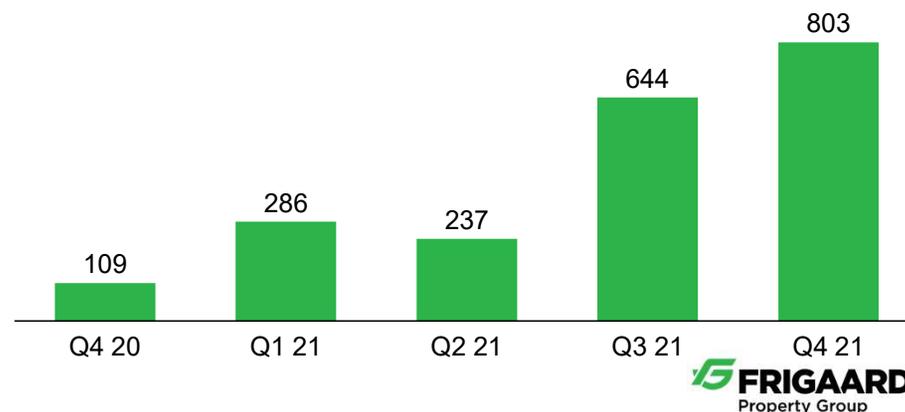
Revenues and EBITDA



Order backlog



Order intake

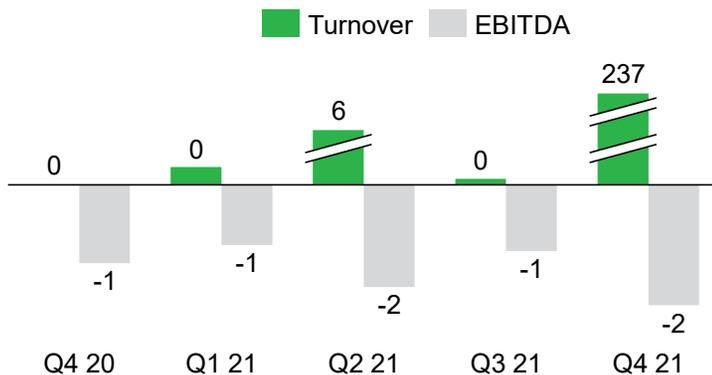


Property development segment: Very strong sales and successful launch in market of new projects

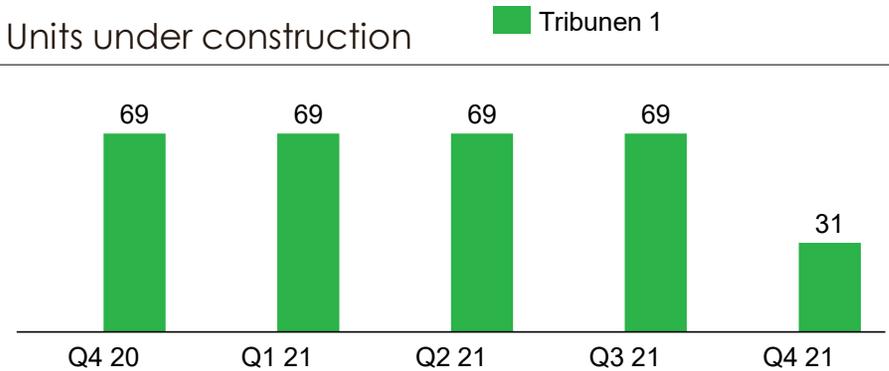
Highlights

- Revenue of MNOK 237 and MNOK – 2 EBITDA generated in the quarter.
- Tribunen phase 1 (69 apartments in Moss) finalized and delivered. Margins in first phase low due less efficient area and cost utilization than the next phases, and calculated interest on equity is used in the project. Target margins on next phases and other ongoing projects are expected to be stronger.
- 61 units (apartments) sold during fourth quarter and 31 units currently under construction.
- Start of construction for the project Fagerlia in Fredrikstad. Sale start for Tribunen 2 in Moss and Høgli in Mysen started in week 44 (Q4). Construction is going as planned for phase 2 Tribunen.

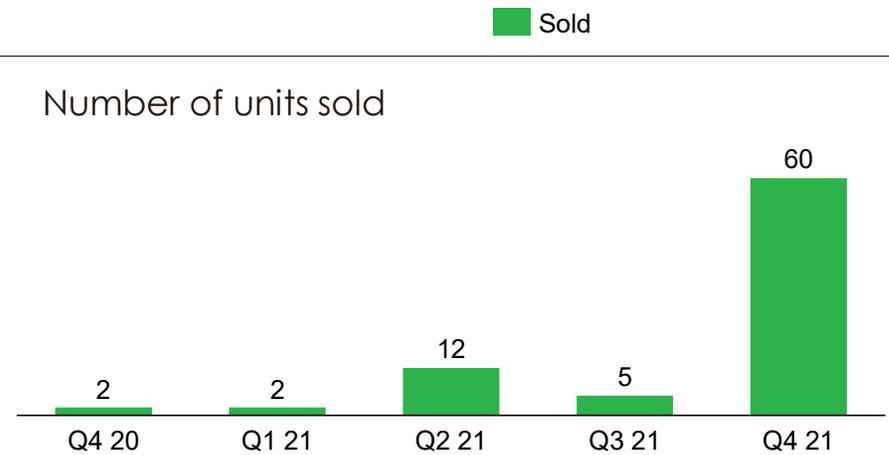
Revenues and EBITDA



Units under construction



Number of units sold



Property development segment: Five ongoing residential projects

Project overview Q4 2021

<p>Tribunen II 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>Zoning</p>	<p>Solbyen Sarpsborg</p> <p>Zoning</p>
<p>Construction phase 2/3 Total of ~174 apartments Sold 68 of 69 in first phase 55 apartments in phase 2 35/55 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 1 town house All phases est. completed Q4 23 Total of 7 163 BRAS</p>	<p>30 apartments & 9 land plots 8/30 units sold Sale start for plots Q2 2022 All phases est. completed Q3 23 Total of 9 862 BRAS</p>	<p>16 apartments Sales start Q1 2022 All phases est. completed Q1 23 Total of 1 111 BRAS</p>	<p>50 apartments Expected sales start Q4 22 Est. completed Q3 24 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 2 has sold 43 apartments, Fagerlia has sold 3 townhouses, Høgli 13 apartments and Dronningen has sold 12 apartments.



Property development projects the next 3 years

Projects with expected sale and completion over the next three years



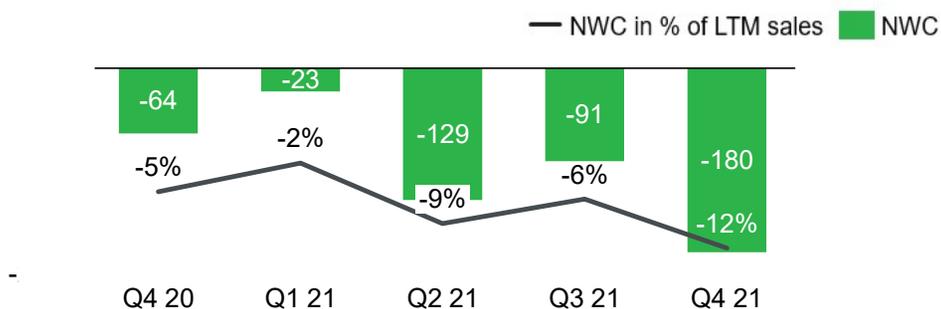
Income statement

All amounts in MNOK	4Q 2021	4Q 2020	31.12.2021	31.12.2020
Order backlog	1519.6	1019.7	1519.6	1019.7
Order intake	803.2	108.5	1970.6	1417.8
Revenue from contracts with customers	638.4	361.1	1582.3	1219.1
Other operating revenue	0.1	-4.8	1.0	47.6
Total operating revenue	638.5	356.3	1583.3	1266.7
Materials, subcontractors and consumables	600.9	292.8	1400.5	1020.3
Salaries and personnel expense	35.9	40.2	133.6	129.8
Other operating expense	7.6	5.4	27.9	24.5
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	-5.9	17.9	21.2	92.1
Depreciation and amortisation expense	1.9	1.9	8.0	7.5
Operating profit (EBIT)	-7.8	16.0	13.2	84.6
Net financial costs	3.7	3.7	18.6	20.0
Profit before income tax	-11.5	12.3	-5.3	64.6
Income taxes	-1.5	5.1	-0.2	6.3
Net profit for the period	-9.9	7.3	-5.1	58.3

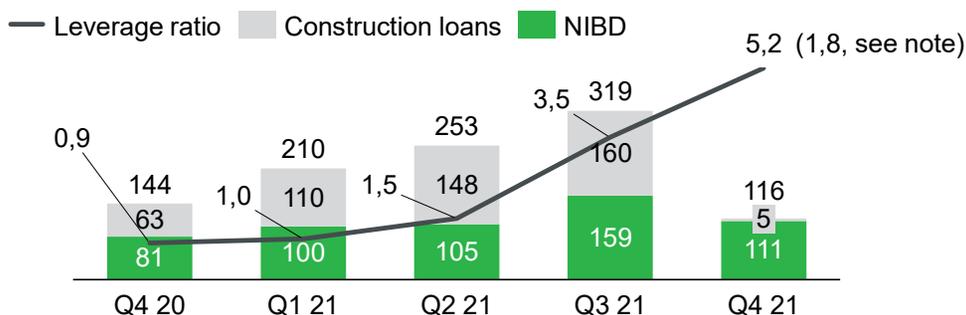
- Solid order intake, and MNOK 500 in new orders are signed in Q1 2022.
- Revenue this quarter is affected by MNOK 236.6 from the hand over of Tribunen 1, property development segment.
- The next residential property to be recognized in income is the project Dronningen, expected handover is in Q1 2023.
- EBITDA influenced by unforeseen costs in a project within the Construction segment with 41 MNOK in Q4.
- Very strong contribution from the subsidiary Alento with above 9% EBITDA margin in Q4 and close to 8% EBITDA margin for the full year.

Solid cash position, leverage ratio negatively impacted by “one off” from Construction Segment

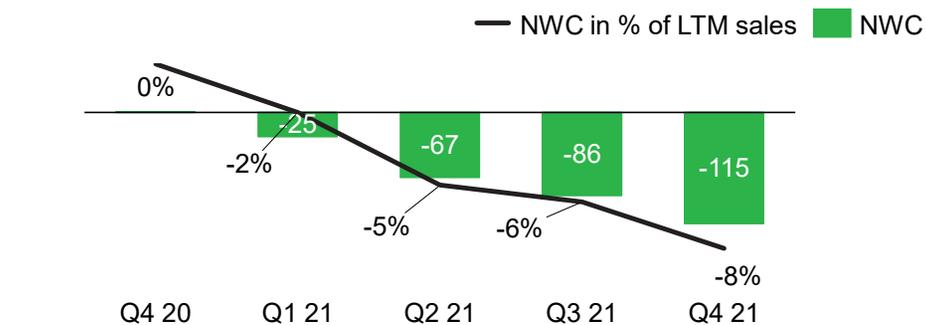
Net working capital (construction)



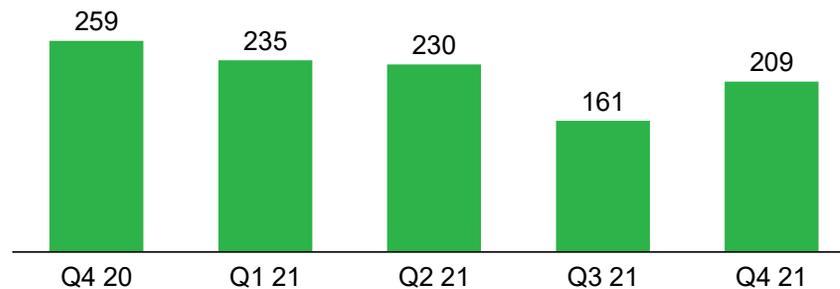
Net interest-bearing debt and leverage ratio (Group)



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. Excluding one off and unforeseen costs related to the Construction segment the leverage ratio would have been 1,8

Cash flow statement

NOK million	4Q 2021	4Q 2020	31.12.2021	31.12.2020
Earnings before income taxes	-11.5	12.3	-5.3	64.6
Depreciation and impairment	1.9	2.0	8.3	7.6
Change in net working capital	324.1	-14.2	173.9	-20.1
Other adjustments/taxes paid	-79.0	33.5	-58.4	15.1
Cash flow from operations	235.5	33.6	118.5	67.2
Net investment	-0.6	-2.5	-26.1	20.0
Cash flow from financial activities	-186.7	56.6	-142.0	-4.8
Net decrease (increase) in cash and cash equivalents	48.1	87.7	-49.6	82.3
Net cash and cash equivalents at beginning of period	161.0	171.0	258.8	176.4
Total cash and cash equivalents	209.2	258.8	209.2	258.8

- Strong cash position
- Change in net working capital is to a large extent related handover of development project Tribunen 1. Where 63 units of 68 sold where handed over in Q4 2021. Tribunen 1 was financed with a mix of construction loans and equity.
- Net investment for the year 2021 impacted
 - by purchase of plot in Sarpsborg (Dronningen) of equity value of MNOK 5
 - financing of the building of a combined logistic and office building in Tranås, Sweden MNOK 18.2
- Financing activities for the quarter negative effect from
 - ✓ payment of dividend of MNOK 30 (redemption of shares of approximately 40 MNOK occurred in Q2 2021)
 - ✓ repayment of construction loan Tribunen phase 1 of MNOK 161
- Cash effect of 3 MNOK from early termination/refinancing of bond and 5,5 MNOK of direct costs related to the refinancing in Q1.

Balance sheet

Amounts in NOK million	31.12.2021	31.12.2020
ASSETS		
Goodwill and other intangible assets	284.1	284.4
Tangible fixed assets	8.2	8.4
Right-of-use assets	12.6	16.7
Other investments and other long term receivables	-	9.3
TOTAL NON-CURRENT ASSETS	305.0	318.8
Inventories and development properties	334.8	327.7
Trade receivables, contract assets and other short term receivables	256.6	217.0
Cash and cash equivalents	209.2	258.8
TOTAL CURRENT ASSETS	800.6	803.5
TOTAL ASSETS	1 105.5	1 122.2
EQUITY AND LIABILITIES		
TOTAL EQUITY	247.1	322.0
Deferred tax	22.3	22.5
Bond loan	296.3	-
Liabilities to financial institutions	38.9	25.1
Construction loan	4.9	62.9
Leasing liabilities	7.0	11.5
Other non-current liabilities	46.0	72.7
TOTAL NON-CURRENT LIABILITIES	415.4	194.6
Bond loan current	-	298.6
Lease liabilities	5.2	4.9
Trade account payables, contract liabilities and other short term debt	437.9	302.2
TOTAL CURRENT LIABILITIES	443.1	605.6
TOTAL EQUITY AND LIABILITIES	1 105.5	1 122.2

- Goodwill from acquisitions
- IFRS lease assets of MNOK 12.6
- In February 2021, a new secured floating rate bond of NOK 300 million with a 3-year tenor was issued.
- Construction loan at year end is related to Fagerlia 1, located in Fredrikstad. Scheduled hand over is Q2 2023.
- Construction loan Tribunen 1 full repaid in Q4 2021.

Outlook

- Our backlog in the construction segment is increasing, and the ability of our subsidiary Alento to deliver strong margins are proven, further the necessary turn around in Metacon are progressing well and steps are taken to support improvements during 2022.
- Further, sales of residential projects have been strong, and the underlying market are still viewed as good. Profitability in residential projects is gradually improving as our relatively new team in the segment are moving into new phases of the projects.
- Our balance sheet is healthy, and our cash position underpins the ability to secure progress in projects and develop the business further.

