



Q1 2023 result presentation

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This is Frigaard Property Group – Q1 2023



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	2019	2020	2021	2022	Q1 2023
Revenues	1 043	1 267	1 583	1 501	390
EBITDA	52	92 ²⁾	21 ¹⁾	62 ³⁾	15
Net profit	17	58	-5	28	8
EBITDA-margin	5.0%	7.3%	1.3%	4.1%	3.8%
Order backlog	846	1,020	1 520	1 529	1 149
Equity ratio	27.8%	28.7%	22.3%	19.1%	18.6%

Note: 1 After one off costs related to a project within the Construction segment of MNOK 41. 2) Including share sale gain of MNOK 47. 3) Include costs related to a strategic review of Alento of 6,4 MNOK, excluding this the EBITDA is 68.5 MNOK,

The presentation should be read together with the full Q1 text report from Frigaard Property Group.

Highlights Q1 2023 (Q1 2022)

- Revenue increased by 3.3% to MNOK 390.1 (377.6) in the quarter.
- EBITDA for the quarter on same level as last year MNOK 15.0 (14.9).
- EBITDA margins of 3.8% (3.9%) in the quarter.
- Net profit increased to 8.4 MNOK (7.8) in the quarter.
- Continued strong results in the subsidiary Alento, 7 % EBITDA margin in the quarter, Metacon restructured and profitable in Q1 (3.4% EBITDA margin).
- Increased number sold of residential properties from Q4 22, with 8 sold units.
- Solid and healthy order backlog of MNOK 1 149 (1 628.5), including MNOK 220.7 (404.8) related to own development projects in Frigaard Bolig.
 - intensive sales work towards the public and private sector, continued inflow of commercial projects, but slow housing market
 - Solid pipeline of new housing projects in the Construction Segment, awaiting sufficient sales rate before start up.
- Strong financial position at the end of the quarter, cash balances ended at MNOK 159

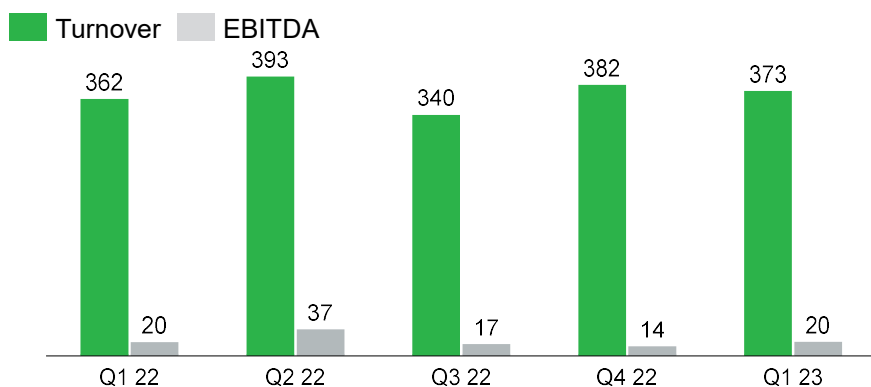
Key figures (NOK million)	1Q 23	1Q 22
Revenues Property development	16.6	15.4
Revenues Construction	373.2	361.9
Revenues Other	0.3	0.2
Elimination of internal income	-	-
Total revenues and other income	390.1	377.6
EBITDA Property development	-1.0	-1.2
EBITDA Construction	19.9	19.6
EBITDA Other	-4.0	-3.6
Total EBITDA	15.0	14.9
Earnings before financial items and tax (EBIT)	12.9	12.9
Earnings before tax (EBT)	10.7	9.9
EBITDA margin	3.8%	3.9 %
Operating profit margin	3.3%	3.4 %
Profit margin	2.7%	2.6 %

Construction segment: high activity level

Highlights

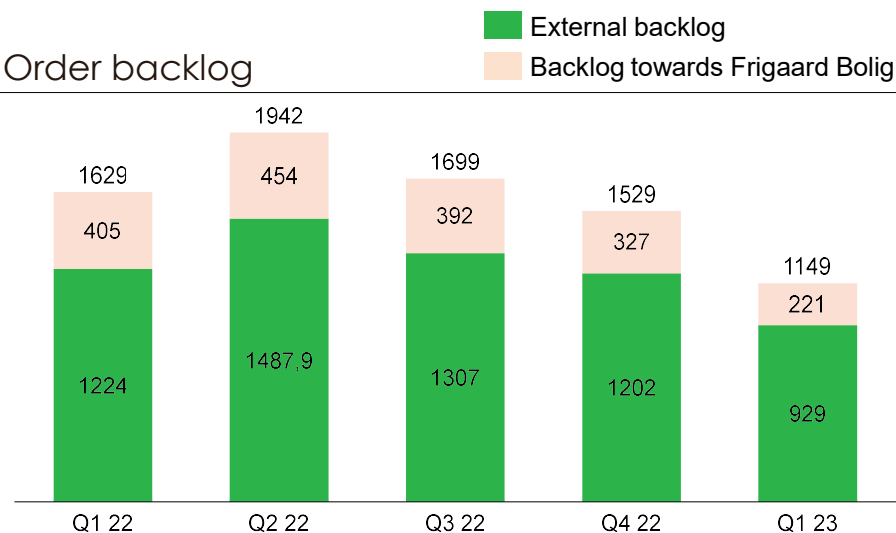
- MNOK 373.2 revenue and MNOK 19.9 EBITDA, generated in the quarter. Both Alento and Metacon contributes positively. The activity level in both Metacon and Alento has been high.
- Inflow on new orders in the quarter of MNOK 132, where a significant part is related to public sector.
- Solid order backlog of MNOK 1 149.3 of which MNOK 906 attributable to 2023, MNOK 243 relates to 2024.
- Continued good pipeline of Commercial projects, and significant pipeline of residential projects, however start up for these are delayed due to the slow housing market.

Revenues and EBITDA

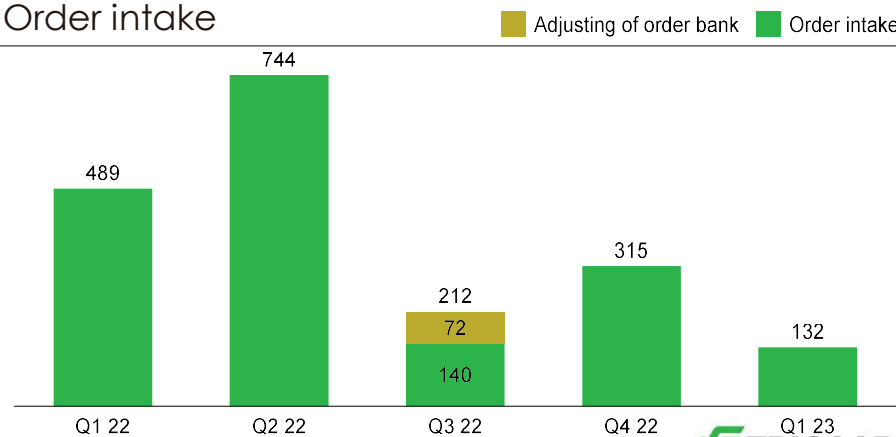


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Order backlog



Order intake



Property development segment: All time high numbers of units under construction

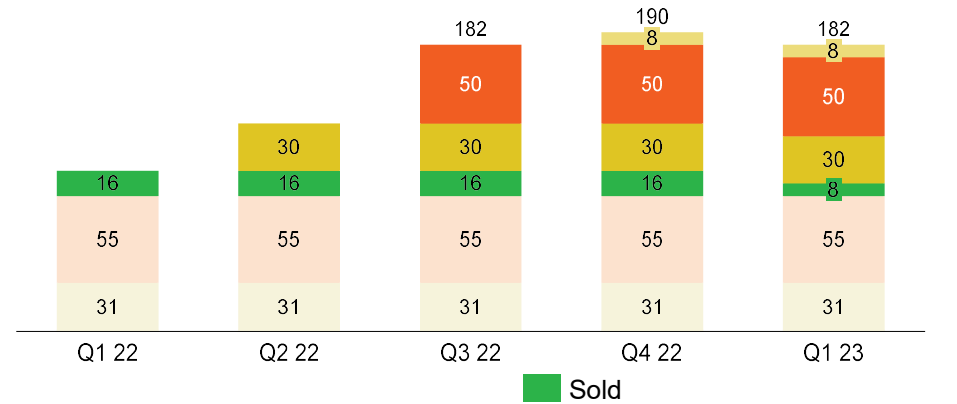
Highlights

- Income this quarter is mainly from the handover of the first phase of Dronningen in Sarpsborg, the second and final phase is handed over in Q2 2023.
- 8 units (apartments) sold during first quarter and 182 units currently under construction. The sales activity in the residential market for new apartments is still low, even if the sale rates have picked up from last quarter.
- Uncertainty in the market remains, which give an effect where the customers want to sell and buy in the same market. Our expectation is that the sales activity in our projects under construction will pick up closer to completion.
- Revenue and profit will be seen in the P&L at the time of hand over of the units. Next hand over is planned Q2 2023 for Dronningen, Q3 for Fagerlia 1 and Q2 for Tribunen 2 (2023).

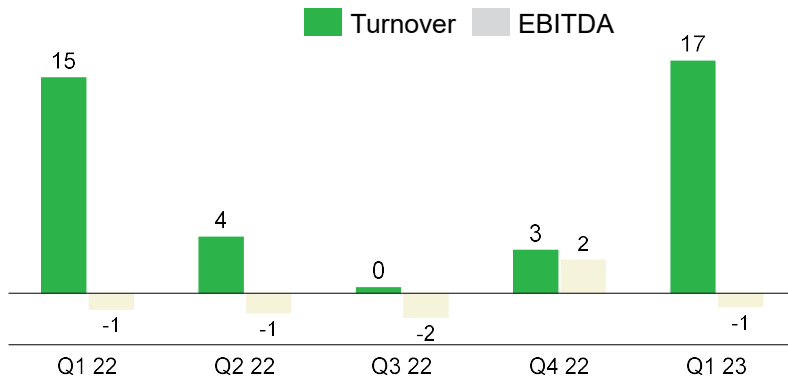
■ Fagerlia 2
 ■ Tribunen 3
 ■ Høglia
 ■ Dronningen
 ■ Tribunen 2
 ■ Fagerlia 1

■ Tribunen 1

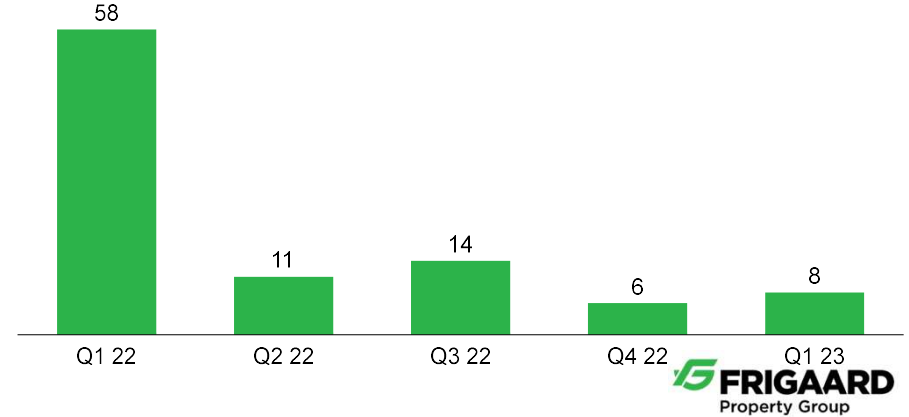
 Units under construction



Revenues and EBITDA



Number of units sold



Property development segment: Five ongoing residential projects

Project overview Q4 2022

<p>Tribunen II & III Moss</p> <p>Ongoing and in sales stage</p>	<p>Fagerlia Fredrikstad</p> <p>Ongoing</p>	<p>Høgli Mysen</p> <p>Ongoing</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 52/55 units sold 50 apartment in phase 3 45/50 units sold All phases est. completed Q4 23 Total of 12 752 BRAS</p>	<p>61 apartments & 8 townhouses 31 apartments in phase 1 21/31 units sold 8 townhouses in phase 2 6/8 town house sold 30 apartments in phase 3 5/30 units sold Total of 7 163 BRAS</p>	<p>30 apartments & 9 land plots 19/30 units sold and 5 land plots Sale start for plots Q2 2022 All phases est. completed Q4 23 Total of 7 424 BRAS</p>	<p>16 apartments 12/16 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 23 Est. completed Q4 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 the sale figures is adjusted to the following; Fagerlia 3, 1 apartment



Property development projects the next 3 years

Projects with expected completion over the next three years



7 Financing has been secured for the concrete works of Fagerlia 3. Production start and estimated hand over is dependent upon further sales of apartments and establishing construction loans.

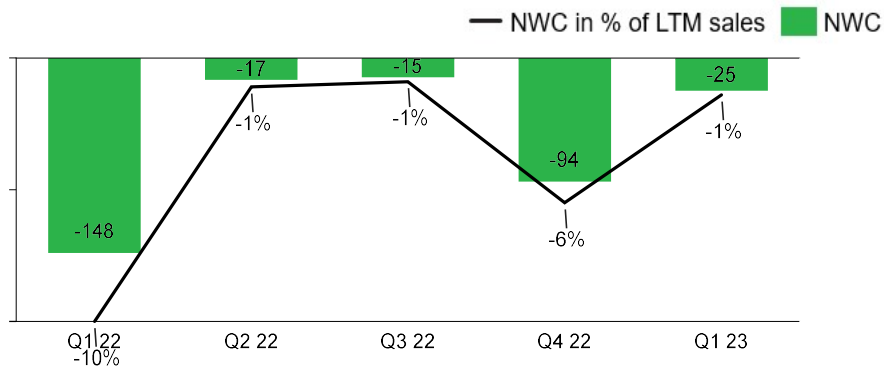
Income statement

All amounts in MNOK	1Q 2023	1Q 2022	31.12.2022
Order backlog	1 149,3	1 628,5	1 528,6
Order intake	132,2	488,7	1 688,1
Revenue from contracts with customers	389,8	377,4	1 495,8
Other operating revenue	0,3	0,2	4,9
Total operating revenue	390,1	377,6	1 500,7
Materials, subcontractors and consumables	321,8	319,1	1 239,0
Salaries and personnel expense	41,5	36,2	155,4
Other operating expense	11,8	7,4	44,2
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	15,0	14,9	62,1
Depreciation and amortisation expense	2,1	2,0	8,5
Operating profit (EBIT)	12,9	12,9	53,7
Net financial costs	2,2	2,9	16,5
Profit before income tax	10,7	9,9	37,2
Income taxes	2,3	2,2	9,0
Net profit for the period	8,4	7,8	28,2

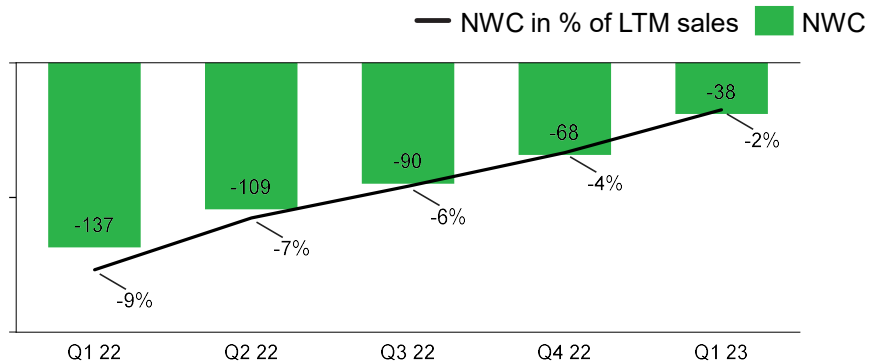
- Solid order backlog and residential units in production at the end of the quarter
- MNOK 906 of the order backlog is estimated to be delivered in 2023
- Revenue stems from the Construction segment. Revenue will come in the Property Development segment in 2023 when residential units are handed over.
- EBITDA in line with last year
- Majority of net finance costs related to a listed bond of MNOK 300. Calculated interest on equity investments into the Property Development projects are being accounted for in the balance sheet and costed as projects are handed over.

Working capital, net interest-bearing debt and Cash

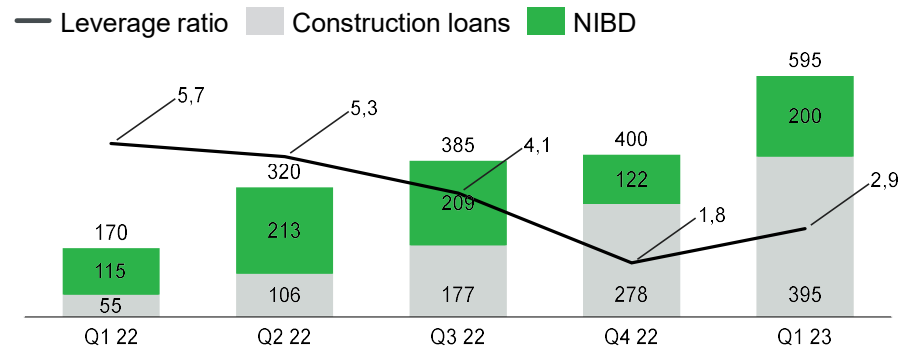
Net working capital (construction)



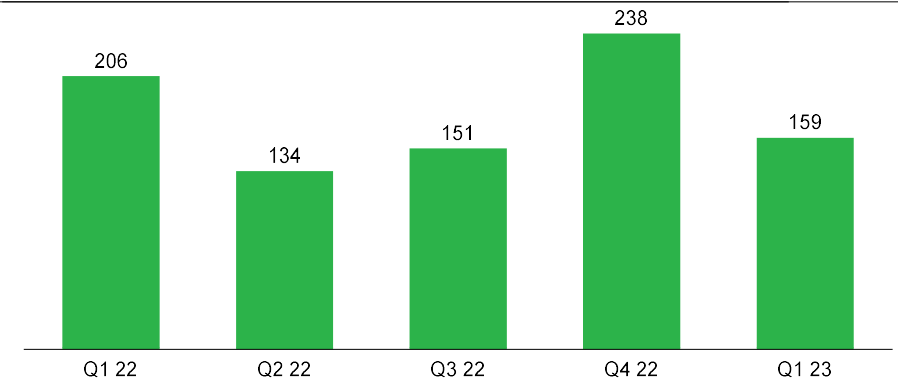
Average working capital LTM (construction)



Net interest-bearing debt and leverage ratio (Group)



Cash position (Group)



Note: Leverage ratio as defined in bond terms, construction loans are excluded in NIBD in bond terms. As per Q3 the ratio is adjusted for exceptional items related to a strategic view of Alento.

Cash flow statement

NOK million	1Q 2023	1Q 2022	31/12/2022
Earnings before income taxes	10.7	9.9	37.2
Depreciation and impairment	2.1	2.0	8.5
Change in net working capital	-188.9	-48.8	-459.6
Other adjustments/taxes paid	-0.2	8.7	129.9
Cash flow from operations	-176.3	-28.3	-284.1
Net investment	-0.3	-0.4	60.1
Cash flow from financial activities	98.0	25.2	252.5
Net decrease (increase) in cash and cash equivalents	-78.6	-3.6	28.6
Net cash and cash equivalents at beginning of period	237.8	209.2	209.2
Total cash and cash equivalents	159.2	205.6	237.8

- Change in net working capital is related to further development of our residential projects and changes in the Construction Segment. In Q1 development of residential projects are fully financed with construction loans.

- Strong cash position

- Financing activities for the quarter relates to inflows from construction loans.

Balance sheet

Amounts in NOK million	31.03.2023	31.03.2022
ASSETS		
Goodwill and other intangible assets	284,2	284,1
Tangible fixed assets	7,7	8,0
Right-of-use assets	8,3	12,8
Investment in joint ventures	3,8	-
Other long term receivables	0,2	-
TOTAL NON-CURRENT ASSETS	304,2	305
Inventories and development properties	799,9	360,2
Trade receivables, contract assets and other short term receivables	257,8	259,9
TOTAL CURRENT ASSETS	1 216,9	825,7
TOTAL ASSETS	1 521,1	1 130,7
EQUITY AND LIABILITIES		
TOTAL EQUITY	283,6	254,8
Deferred tax	33,6	24,5
Bond loan	-	296,7
Liabilities to financial institutions	12,6	38,9
Construction loan	-	55,1
Leasing liabilities	3,2	6,8
Other non-current liabilities	3,8	46,0
TOTAL NON-CURRENT LIABILITIES	53,2	468,0
Short term financial liabilities	38,8	-
Bond loan	298,6	-
Short term construction loan	395,5	-
Lease liabilities	5,5	5,7
Trade account payables, contract liabilities and other short term debt	445,9	402,1
TOTAL CURRENT LIABILITIES	1 184,3	407,8
TOTAL EQUITY AND LIABILITIES	1 521,1	1 130,7

- Goodwill from acquisitions
- IFRS lease assets of MNOK 8.3
- In February 2021, a new secured floating rate bond of NOK 300 million with a 3-year tenor was issued.
- Construction loan is mainly related to Fagerlia 1, located in Fredrikstad and phase 2 of Tribunen, located in Moss. Scheduled hand over is Q2 2023 for Tribunen 2, and Q3 2023 for Fagerlia 1.

Outlook

- The backlog for the Construction Segment is still solid and represents good activity level for 2023. We experience a steady pipeline of new commercial projects in the market, and we have also built up a reference base to be in position to win public projects.
- The housing market though, is slow and several potential projects with high chances to win are awaiting sales to be started up.
- In the Property Development segment full focus is on finalization of fully financed projects, during 2023. As our sales rate are high, profits and cash flow will improve as projects are being handed over. In addition we have a land bank for further development which will be developed gradually, to be ready for a normalized housing market.

