




FRIGAARD

Property Group

Q2 2022 result presentation



Simon Nyquist Martinsen

CEO

August 26, 2022



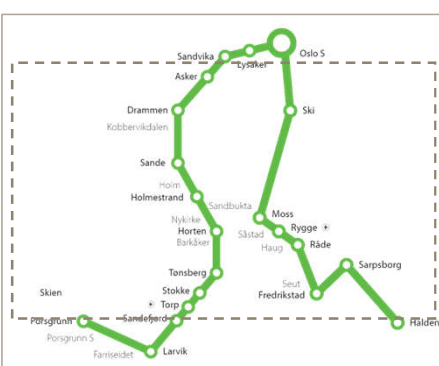
This is Frigaard Property Group



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	H1 2022
Revenues	654	1 043	1 267	1 583	775
EBITDA	84	52	92 ³⁾	21 ²⁾	41 ⁴⁾
Net profit	47	17	58	-5	30
EBITDA-margin	12.8%	5.0%	7.3%	1.3%	5.3%
Order backlog	969	846	1,020	1 520	1 942
Equity ratio	29.1%	27.8%	28.7%	22.3%	22.1%

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. 4) Include costs related to a strategic review of Alento of 5,4 MNOK, excluding this the EBITDA is 46 MNOK,

The presentation should be read together with the full Q2 text report from Frigaard Property Group. The two-brand strategy of Metacon AS into “Metacon” and “Frigaard Entreprenør” was launched Mid-February 2022.

Highlights Q2 2022 (Q2 2021)

- Revenue increased by 29.7% to MNOK 397.7 (306.6) in the quarter.
- Strong EBITDA for the quarter compared to last year MNOK 25.9 (5.6). Adjusted for costs related to a strategic review of the subsidiary Alento of MNOK 5.4 the **EBITDA is MNOK 31.3**.
- EBITDA margins of 6.5% (1.8%) in the quarter.
- Net profit increased to 15.8 MNOK (-0.9) in the quarter.

- H1 revenue increased by 19.4% to MNOK 775.3 (MNOK 649), EBITDA of MNOK 40.7 (MNOK 21.6). **Adjusted EBITDA, reference above equals MNOK 46.1**.
- Continued strong results in the subsidiary Alento, 13.4% EBITDA margin in the quarter.
- Solid and growing order backlog of MNOK 1 941.5 (831.3), including MNOK 453.6 (52) related to own development projects in Frigaard Bolig.
- Challenging raw material market still, and more uncertainty in the market in general.
- Started a strategic review with regards to the subsidiary Alento, costs related to the project of MNOK 5.4 in Q2 and YTD figures.



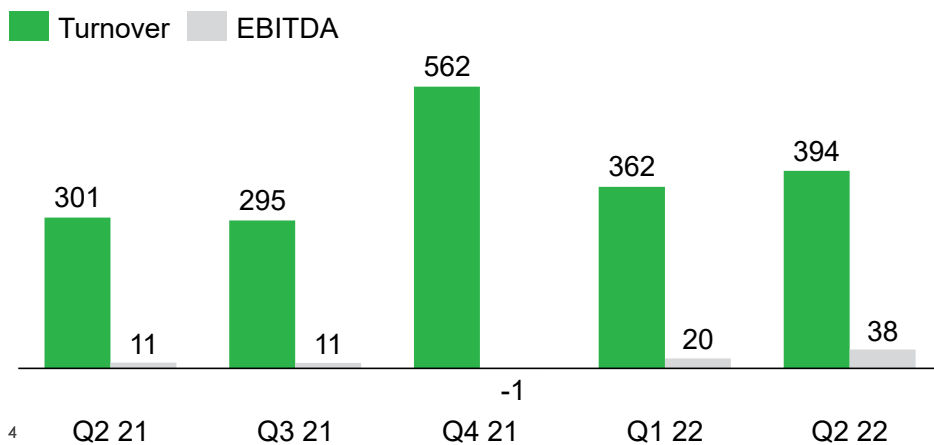
Neselva Hageby -Asker - Alento

Construction segment: strong quarter, despite turbulent raw material market

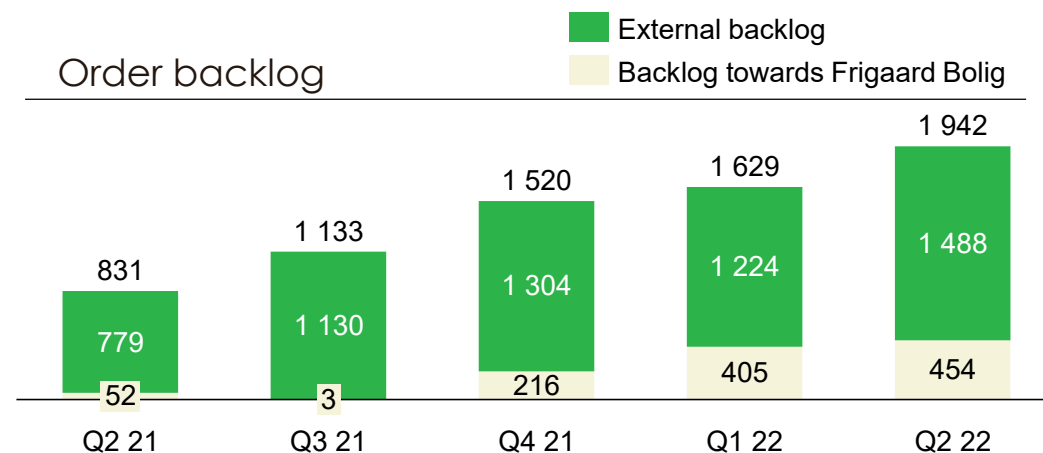
Highlights

- MNOK 393.4 revenue and MNOK 37.5 EBITDA, generated in the quarter. The good result is to a large extent driven by successful delivery of several larger projects in the subsidiary Alento.
- Solid inflow on new orders in the quarter of 744 MNOK.
- All time high order backlog of MNOK 1 942 of which MNOK 827 attributable to 2022, and MNOK 1 105 relates to 2023. Several orders in the pipeline with potential to be signed the coming quarters.
- Despite the above, the more general raw material price situation is challenging, as are the current inflation and market situation.

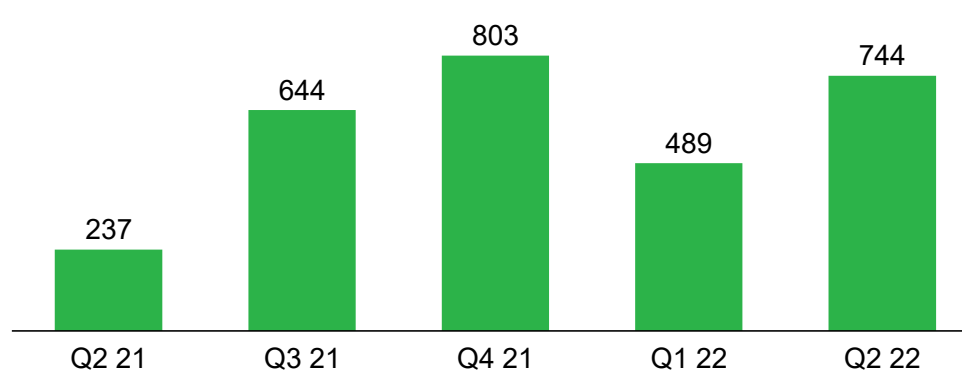
Revenues and EBITDA



Order backlog



Order intake

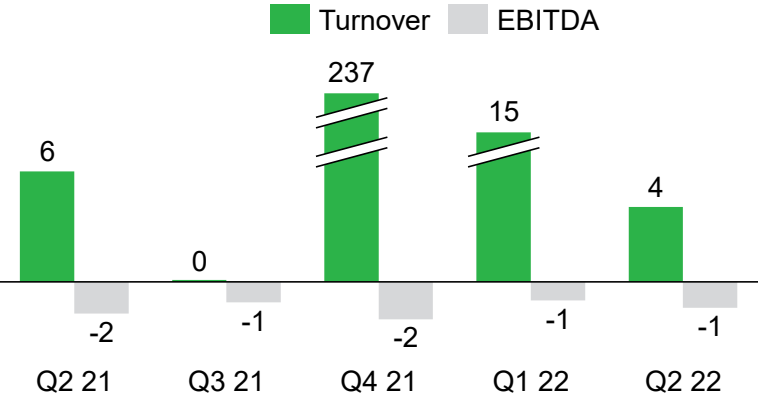


Property development segment: projects on track

Highlights

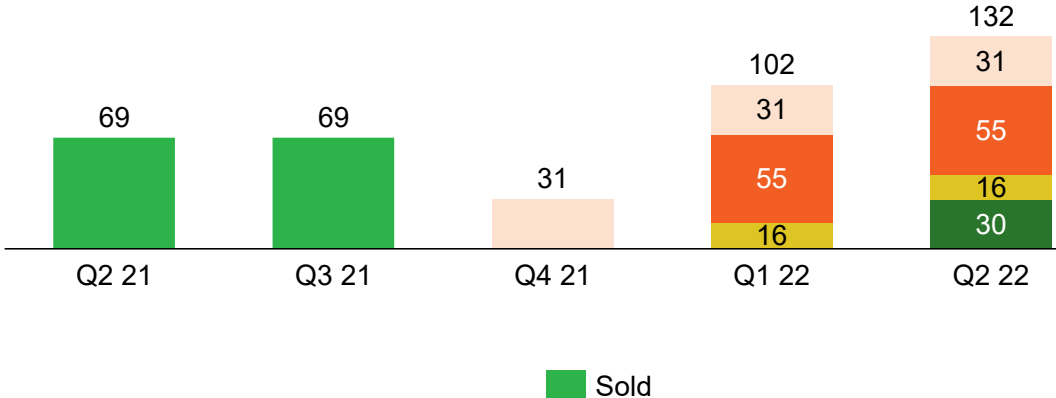
- Revenue of MNOK 4 and MNOK – 1.4 EBITDA generated in the quarter.
- 11 units (apartments) sold during second quarter and 132 units currently under construction.
- The construction of the Høglia project commenced in May, the last stage of the Tribunen project will start in Q3 and the second stage of the Fagerlia project will start Q3/Q4
- The 20k+ logistic center in Tranäs, Sweden was handed over in March, where the settlement was paid in April 2022.
- An estimated development area of 10 000 BRAs was secured in the center of Ski in April.
- Revenue and profit will be seen in the P&L at the time of hand over of the units. Next hand over is planned in Q1 for Dronningen, Q2 for Fagerlia and Q2/Q3 for Tribunen 2 (2023).

Revenues and EBITDA

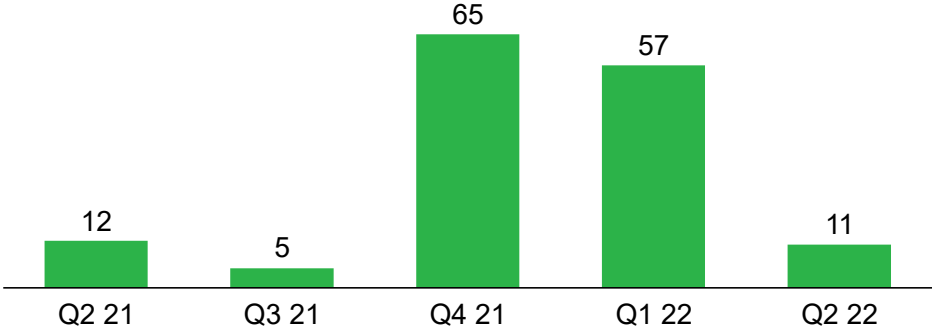


Tribunen 1 Fagerlia 1 Tribunen 2 Dronningen Høglia

Units under construction



Number of units sold



Property development segment: Five ongoing residential projects

Project overview Q2 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 44/55 units sold 50 apartment in phase 3 39/50 units sold All phases est. completed Q4 23 Total of 12 752 BRAS</p>	<p>61 apartments & 8 townhouses 31 apartments in phase 1 18/31 units sold 8 townhouses in phase 2 3/8 town house sold 30 apartments in phase 3 1/30 units sold Total of 7 163 BRAS</p>	<p>30 apartments & 9 land plots 16/30 units sold and 4 land plots Sale start for plots Q2 2022 All phases est. completed Q4 23 Total of 7 424 BRAS</p>	<p>16 apartments 13/16 units sold 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 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 the sale figures is adjusted to the following; Tribunen 3 - 42 apartments, Tribunen 2 - 46 apartments, Fagerlia 1 - 19 apartments, Fagerlia 2 - 6 town houses, Fagerlia 3 - 2 apartments



Property development projects the next 3 years

Projects with expected sale and completion over the next three years



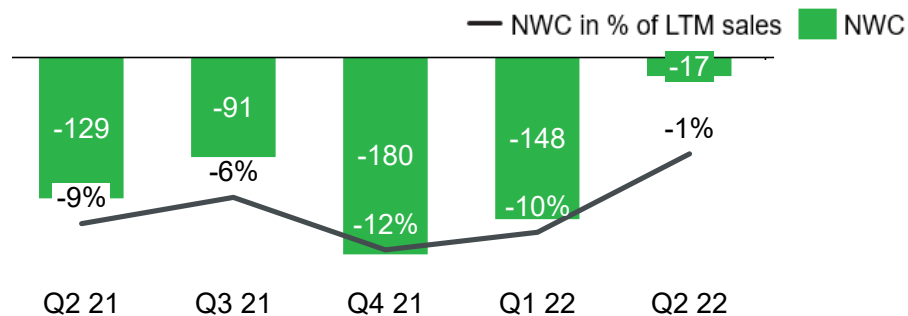
Income statement

All amounts in MNOK	2Q 2022	2Q 2021	30/06/2022	30/06/2021	31/12/2021
Order backlog	1,941.5	831.3	1,941.5	831.3	1,519.6
Order intake	744.3	237.0	1,233.0	523.1	1,970.6
Revenue from contracts with customers	396.3	306.3	773.6	648.4	1,582.3
Other operating revenue	1.4	0.3	1.6	0.6	1.0
Total operating revenue	397.7	306.6	775.3	649.0	1,583.3
Materials, subcontractors and consumables	315.8	258.1	635.0	543.4	1,400.5
Salaries and personnel expense	40.3	35.8	76.5	68.8	133.6
Other operating expense	15.7	7.1	23.1	15.2	27.9
Operating profit (loss) before depreciation, amortisation and impairment losses (EBITDA)	25.9	5.6	40.7	21.6	21.2
Depreciation and amortisation expense	2.2	2.0	4.2	4.2	8.0
Operating profit (EBIT)	23.7	3.6	36.6	17.4	13.2
Net financial costs	3.4	4.7	6.4	12.5	18.6
Profit before income tax	20.3	-1.1	30.2	4.9	-5.3
Income taxes	4.5	-0.2	6.6	1.1	-0.2
Net profit for the period	15.8	-0.9	23.6	3.8	-5.1

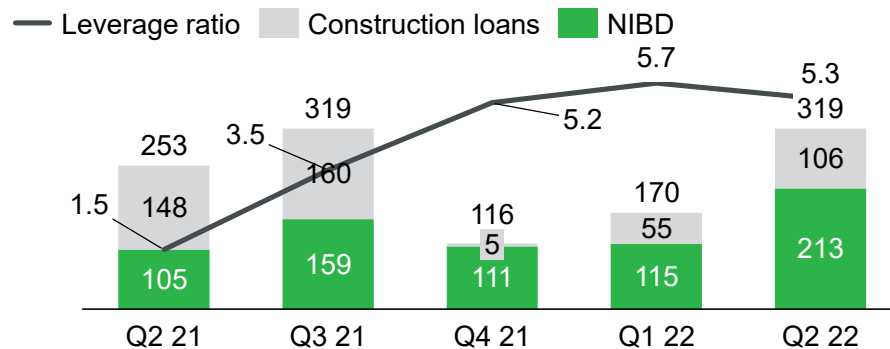
- Adjusted for costs related to a strategic review of the subsidiary Alento of MNOK 5,4 the Q2 **EBITDA is 31,3 MNOK** and the YTD EBITDA is 46,1 MNOK.
- Solid order intake as MNOK 744.3 in new orders are signed in Q2 2022, where as MNOK 86.8 is towards Frigaard Bolig.
- Income this quarter is mainly from the Construction segment, MNOK 4 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
 - EBITDA from Construction segment MNOK 37.5
 - EBITDA from property development and other segment MNOK -11.6
 - Very strong contribution from the subsidiary Alento with above 13% EBITDA margin in Q2 2022.

Solid cash position but reduced due to large projects in hand over phase, leverage ratio negatively impacted by non-recurring costs from Construction Segment in Q4 2021

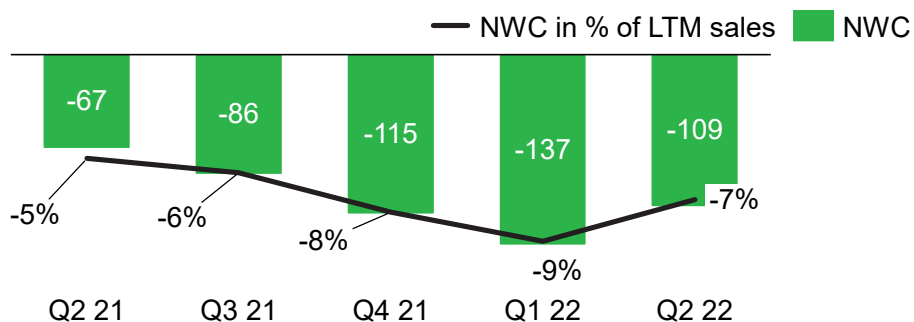
Net working capital (construction)



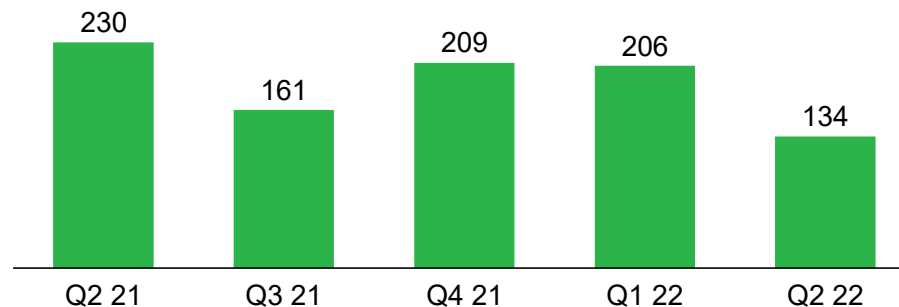
Net interest-bearing debt and leverage ratio (Group)



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.

Cash flow statement

NOK million	2Q 2022	2Q 2021	30/06/2022	30/06/2021	31/12/2021
Earnings before income taxes	20.3	-1.1	30.2	4.9	-5.3
Depreciation and impairment	2.2	2.0	4.2	4.5	8.3
Change in net working capital	-265.4	39.6	-314.2	-35.1	173.9
Other adjustments/taxes paid	63.7	-41.9	72.4	-18.0	-58.4
Cash flow from operations	-179.2	-1.5	-207.4	-43.8	118.5
Net investment	61.8	-0.7	61.3	-19.4	-26.1
Cash flow from financial activities	45.9	-2.8	71.1	34.0	-142.0
Net decrease (increase) in cash and cash equivalents	-71.5	-5.0	-75.0	-29.2	-49.6
Net cash and cash equivalents at beginning of period	205.6	234.6	209.2	258.8	258.8
Total cash and cash equivalents	134.2	229.6	134.2	229.6	209.2

- Cash position reduced due to several outstanding final settlements, which is due and paid in Q3 – have impacted working capital changes negatively in Q2.
- Positive change in investment activities due to final settlement for the sale of a logistic building in Tranås, Sweden
- Financing activities for the quarter relates to inflows from construction loans and payment of a seller credit related to the Høglia project.

Balance sheet

Amounts in NOK million	30.06.2022	30.06.2021	31.12.2021
ASSETS			
Goodwill and other intangible assets	284,1	284,1	284,1
Tangible fixed assets	7,9	8,2	8,2
Right-of-use assets	11,1	15,0	12,6
TOTAL NON-CURRENT ASSETS	303,1	307	305
Inventories and development properties	442,7	454,3	334,8
Trade receivables, contract assets and other short term receivables	343,2	208,4	256,6
Cash and cash equivalents	134,2	229,6	209,2
TOTAL CURRENT ASSETS	920,1	892,3	800,6
TOTAL ASSETS	1 223,2	1 199,5	1 105,5
EQUITY AND LIABILITIES			
TOTAL EQUITY	270,6	285,9	247,1
Deferred tax	29,0	23,6	22,3
Bond loan	297,2	295,1	296,3
Liabilities to financial institutions	24,9	25,0	38,9
Construction loan	105,2	-	4,9
Leasing liabilities	5,7	9,4	7,0
Other non-current liabilities	46,0	72,7	46,0
TOTAL NON-CURRENT LIABILITIES	507,9	425,8	415,4
Short term financial liabilities	14,0	-	-
Short term construction loan	1,2	148,4	-
Lease liabilities	5,7	4,9	5,2
Trade account payables, contract liabilities and other short term debt	423,8	334,5	437,9
TOTAL CURRENT LIABILITIES	444,7	487,8	443,1
TOTAL EQUITY AND LIABILITIES	1 223,2	1 199,5	1 105,5

- Goodwill from acquisitions
- IFRS lease assets of MNOK 11.1
- 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. Scheduled hand over is Q2 2023 for both projects.
- Construction loan Tribunen 1 was fully repaid in Q4 2021.



IKEA - CDC Oslo
Illustrasjon forprosjekt

31.03.2022  ASTRUP OG HELLERN

Outlook

- We are increasingly focusing on selection of projects that fit our competences to optimize the potential for profit realization.
- The challenging situation in the raw material market is monitored closely and more than ever we work to minimize risk and secure margins are in focus.
- The macro environment with rising prices / inflation and interest rates may impact demand.
- Despite the above, our order inflow has been good, the order bank is record high, and the majority of own property projects are financed and under construction. Based on this we have a positive view of the remainder of the year and the start of 2023.
- A strategic review of the subsidiary Alento was started in Q2. The outcome of this is expected to be ready in Q4.



FRIGAARD
Property Group