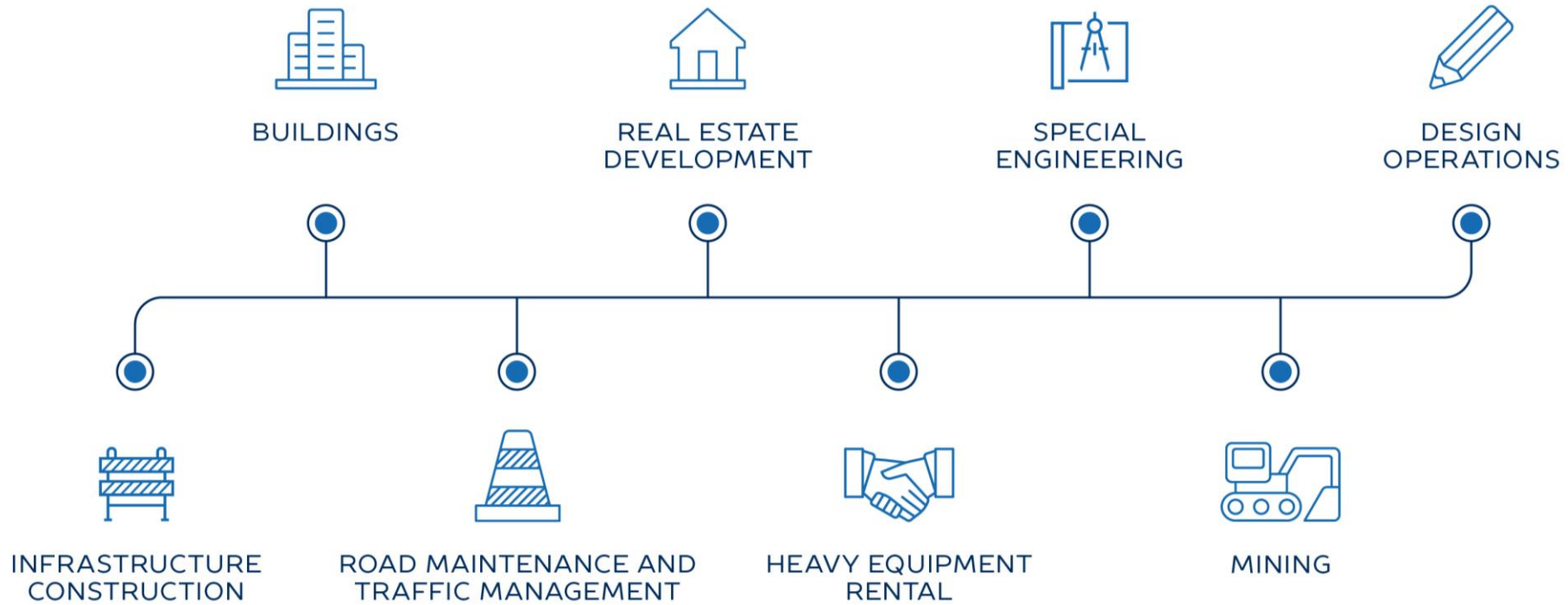


The logo for NORDECON 35 features a blue sphere with a white curved line on the left, followed by the word "NORDECON" in a bold, dark blue, sans-serif font, and the number "35" in a large, elegant, dark blue serif font.

**NORDECON 35**

Investor presentation  
Q1 2024

# BUSINESS MODEL



## STRATEGIC AGENDA FOR 2023–2027

The group will grow, mostly organically, with a focus on efficient use of resources.

In Estonia, we will operate in the building and infrastructure construction as well as housing development segments.

In foreign markets (Ukraine, Sweden), we will compete as a general contractor and a provider of concrete works.

### BUSINESS LINES AND MARKETS

We will provide our people with a modern and inspiring work environment and a motivation system that fosters collaboration and initiative.

We will improve our profitability by planning and managing our design and construction operations more precisely.

We will streamline our work and decision-making processes by implementing modern digital solutions.

We will maintain the order books of our different operating segments in balance.

We will set our sustainable development goals and adopt an action plan to achieve them.

### ACTIVITIES

Revenue will grow by at least 5% per year.

Operating margin for the year will be consistently above 3%.

Operating profit per employee will increase to at least €10 thousand per year.

We will deliver a strong dividend yield for Nordecon's shareholders.

### FINANCIAL TARGETS



Public  
buildings

## TARTU UNIVERSITY HOSPITAL (M-block, C-block)

- Location: Tartu, Estonia
- Completed: 2023
- Architects: Sweco Projekt AS & AW2 Architects OY Eesti filiaal
- Contractor: Nordecon AS, Embach Ehitus OÜ
- Client: Tartu University Hospital

## PERIOD IN BRIEF

The group's **revenue** for the first quarter of 2024 was €46,245 thousand, around 38% larger than a year earlier, when revenue from continuing operations amounted to €33,549 thousand.

Revenue generated outside Estonia in the first quarter of 2024 decreased compared to the same period in 2023 and accounted for 1% of the group's total revenue for the period.

By selling Nordecon Betoon OÜ at the beginning of December 2023, the group also withdrew from the Finnish market.

The group ended the first quarter of 2024 with an **operating profit** of €386 thousand (Q1 2023: an operating loss of €625 thousand).

**EBITDA** for the period was €1,094 thousand (Q1 2023: €155 thousand).

Nordecon delivered a **gross profit** of €2,138 thousand and a gross margin of 4.6% in the first quarter of 2024 (Q1 2023: €985 thousand and 2.9%).

The improvement in profitability was driven by the Buildings segment, which increased its gross margin to 7.8% (Q1 2023: 6.3%).

Due to the seasonal nature of the construction business, first-quarter results are affected by a large share of uncovered fixed costs, particularly in the Infrastructure segment.

The group's **order book** stood at €198,737 thousand at 31 March 2024, reflecting an increase of approximately 34% year on year.

In the first quarter of 2024, we signed new contracts for €17,617 thousand (Q1 2023: €41,860 thousand).

The group's **administrative expenses** for the first quarter of 2024 amounted to €1,564 thousand.

Administrative expenses from continuing operations remained at the same level as in the first quarter of 2023, when the figure was €1,587 thousand.

The ratio of administrative expenses to revenue (trailing 12 months) increased year on year, rising to 3.3% (Q1 2023: 2.9%).

**Operating** activities produced a net **cash** inflow of €5,422 thousand in the first quarter of 2024 (Q1 2023: an inflow of €705 thousand).

Operating cash flow is affected by contracts lacking advance payments, requiring the group to prepay subcontractors and suppliers, while 5-10% contractual retentions are only released at the end of construction.



Public  
buildings

## OVRUTCH KINDERGARTEN

- Location: Ovrutch, Ukraine
- Completed: 2023
- Contractor: Nordecon AS, Eurocon Ukraine TOV
- Client: Estonian Centre for International Development

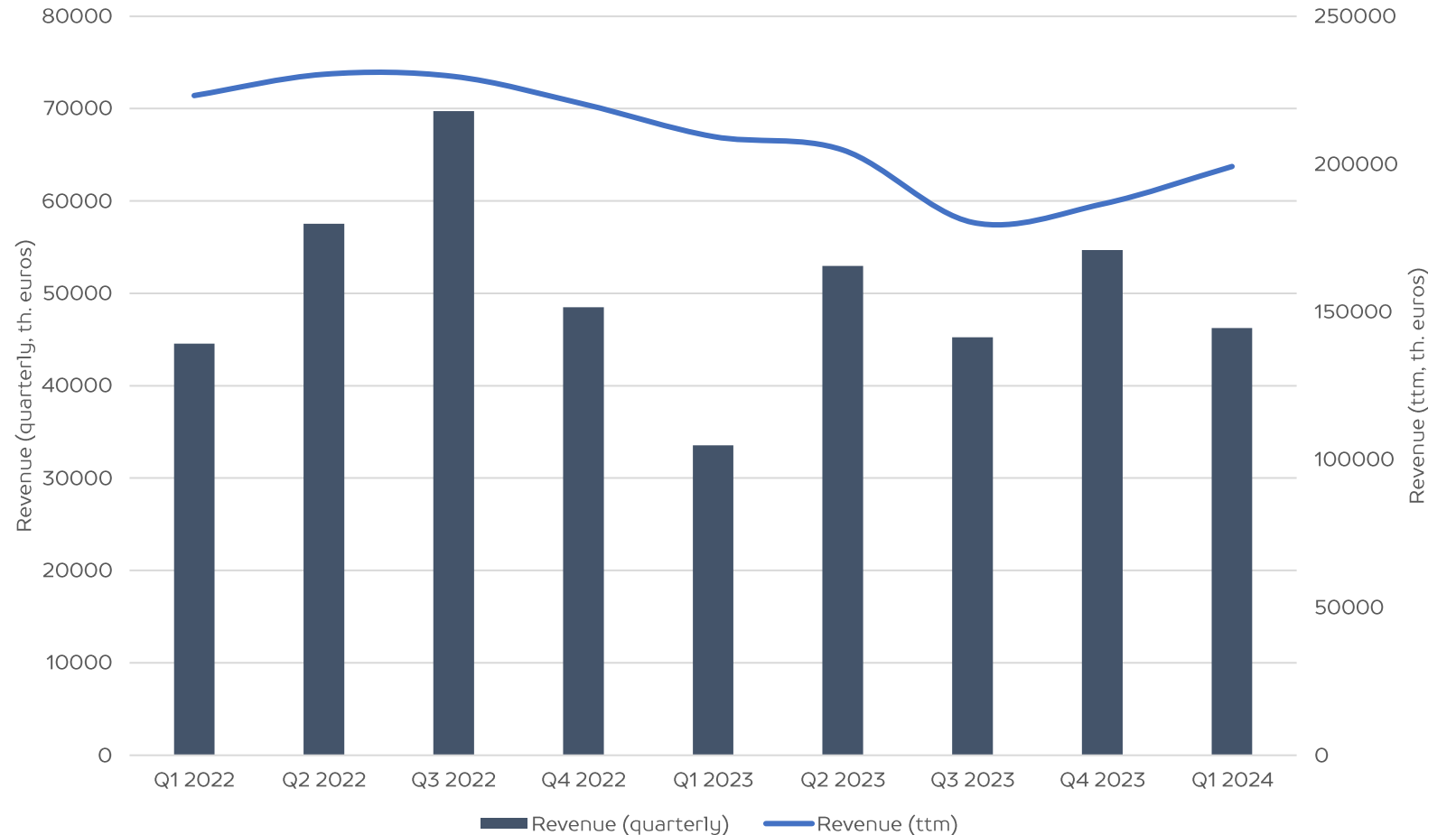
## REVENUE\*

The **Buildings segment** generated revenue of €43,408 thousand and the **Infrastructure segment** revenue of €2,808 thousand.

The corresponding figures for the first quarter of 2023 were €30,673 thousand and €2,849 thousand.

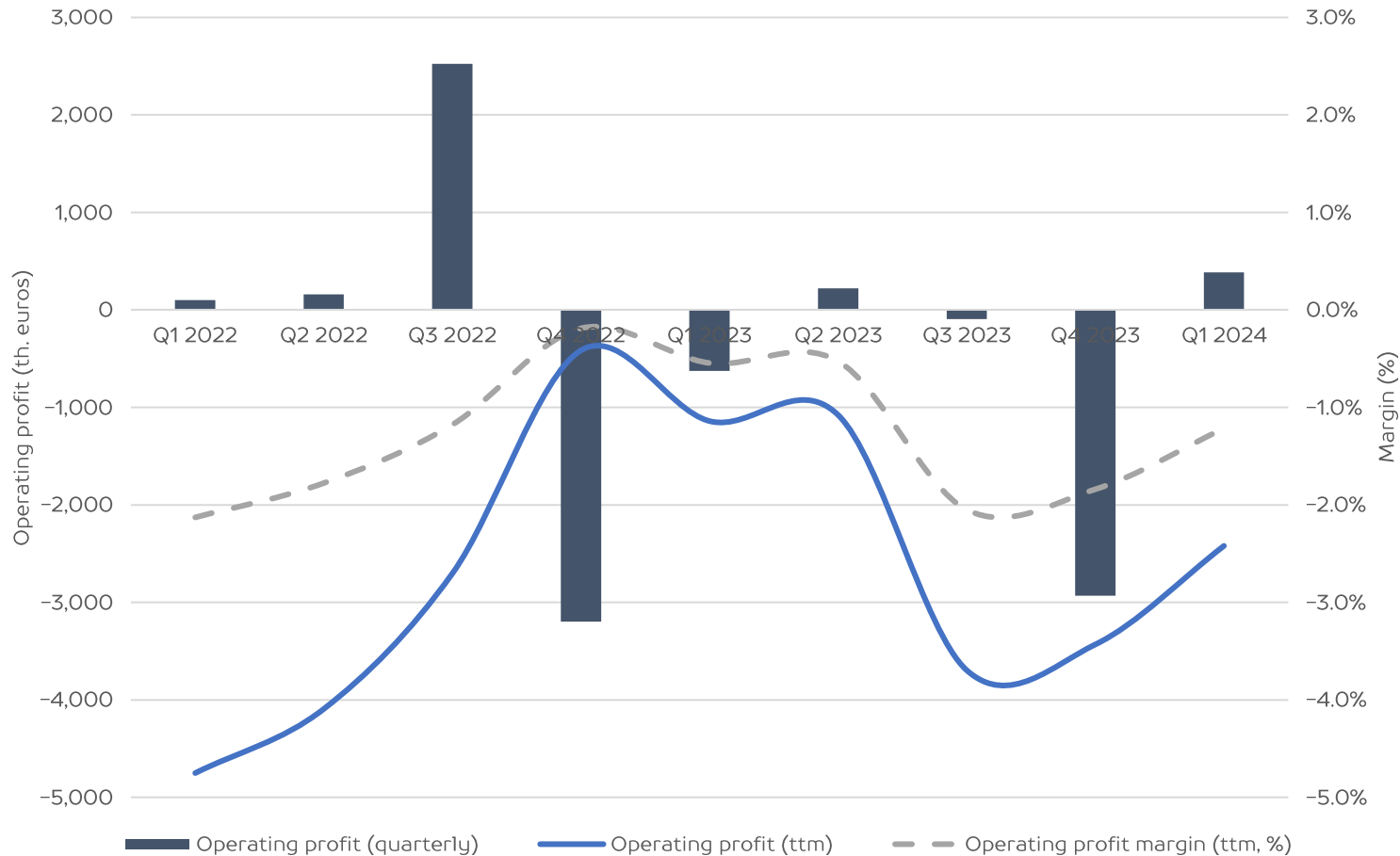
Revenue generated by the Buildings segment increased by 42%, while revenue generated by the Infrastructure segment remained more or less stable compared to the same period last year.

The revenue growth and changes in performance of the reportable segments were expected and in line with the group's order book.



\* Continuing operations

## OPERATING PROFIT\*



Nordecon delivered a **gross profit** of €2,138 thousand and a gross margin of 4.6% in the first quarter of 2024 (Q1 2023: €985 thousand and 2.9%).

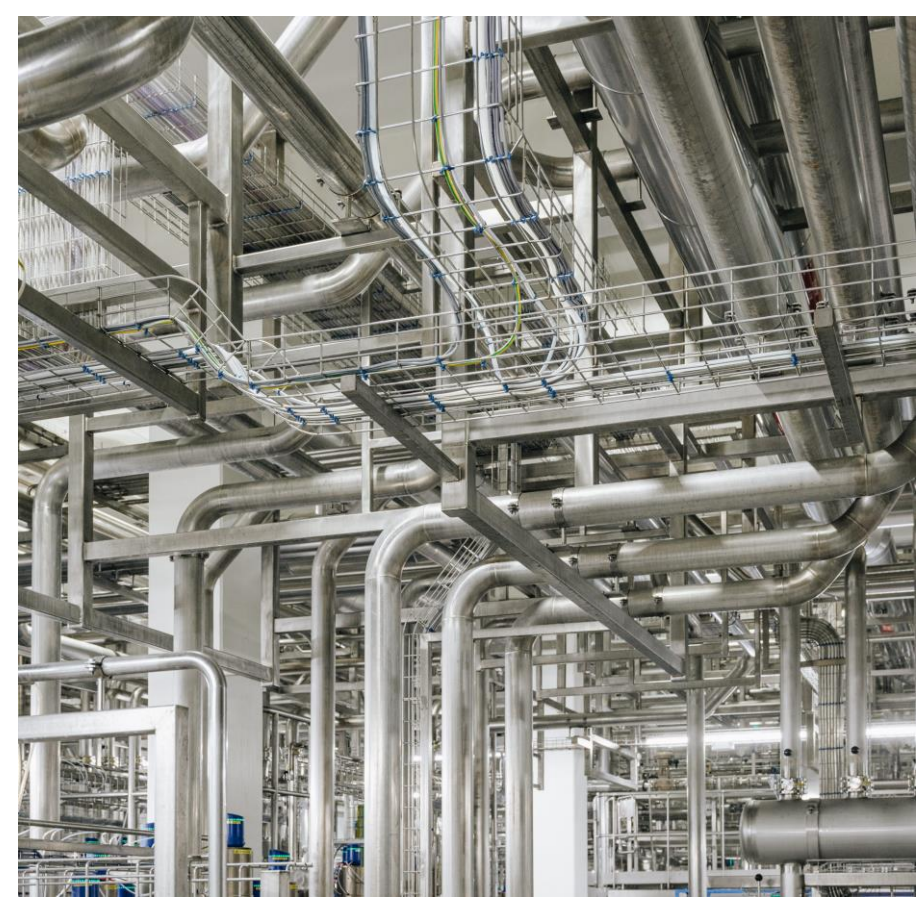
The improvement in profitability was driven by the Buildings segment, which increased its gross margin to 7.8% (Q1 2023: 6.3%).

The gross margin of the Infrastructure segment was negative at 30.9% (Q1 2023: negative at 26.3%), affected by a large share of uncovered fixed costs as typical for a first quarter.

The group ended the first quarter of 2024 with an **operating profit** of €386 thousand (Q1 2023: an operating loss of €625 thousand).

\* Continuing operations





Industrial  
buildings and  
warehouses

## E-PIIM DIARY FACTORY

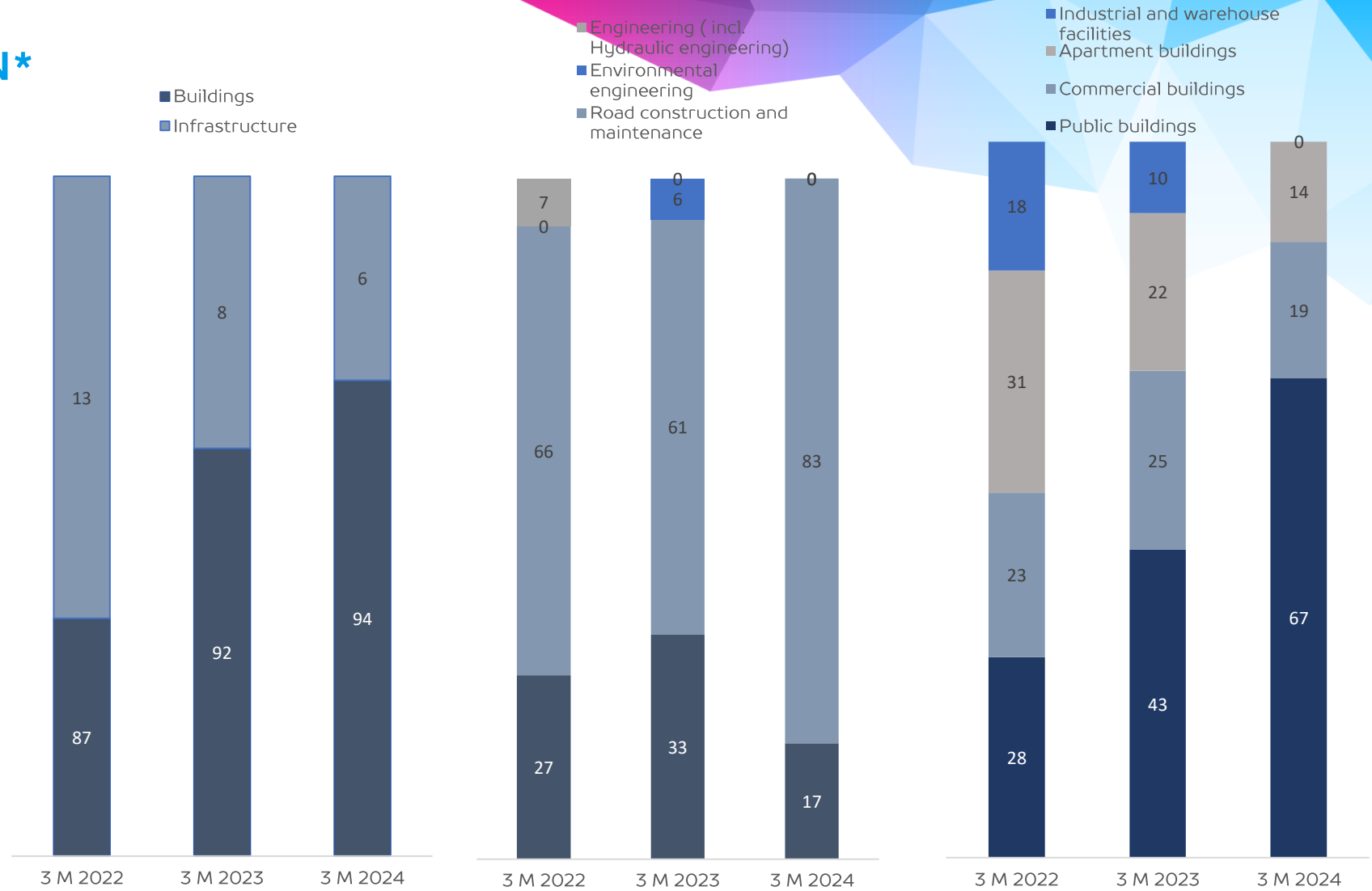
- Location: Paide, Estonia
- Completed: 2023
- Contractor: Nordecon AS
- Client: AS E-Piim Tootmine

# REVENUE DISTRIBUTION\*

In the Buildings segment, the main revenue contributor was the **public buildings subsegment**, which delivered approximately 83% growth compared to the same period last year.

Revenue generated by the commercial and apartment buildings subsegments also increased, while the revenue contribution of the industrial and warehouse facilities subsegment decreased sharply.

The largest revenue contributor in the Infrastructure segment is **road construction and maintenance** although in the first quarter of 2024 its revenue decreased by around 6% compared with a year earlier.



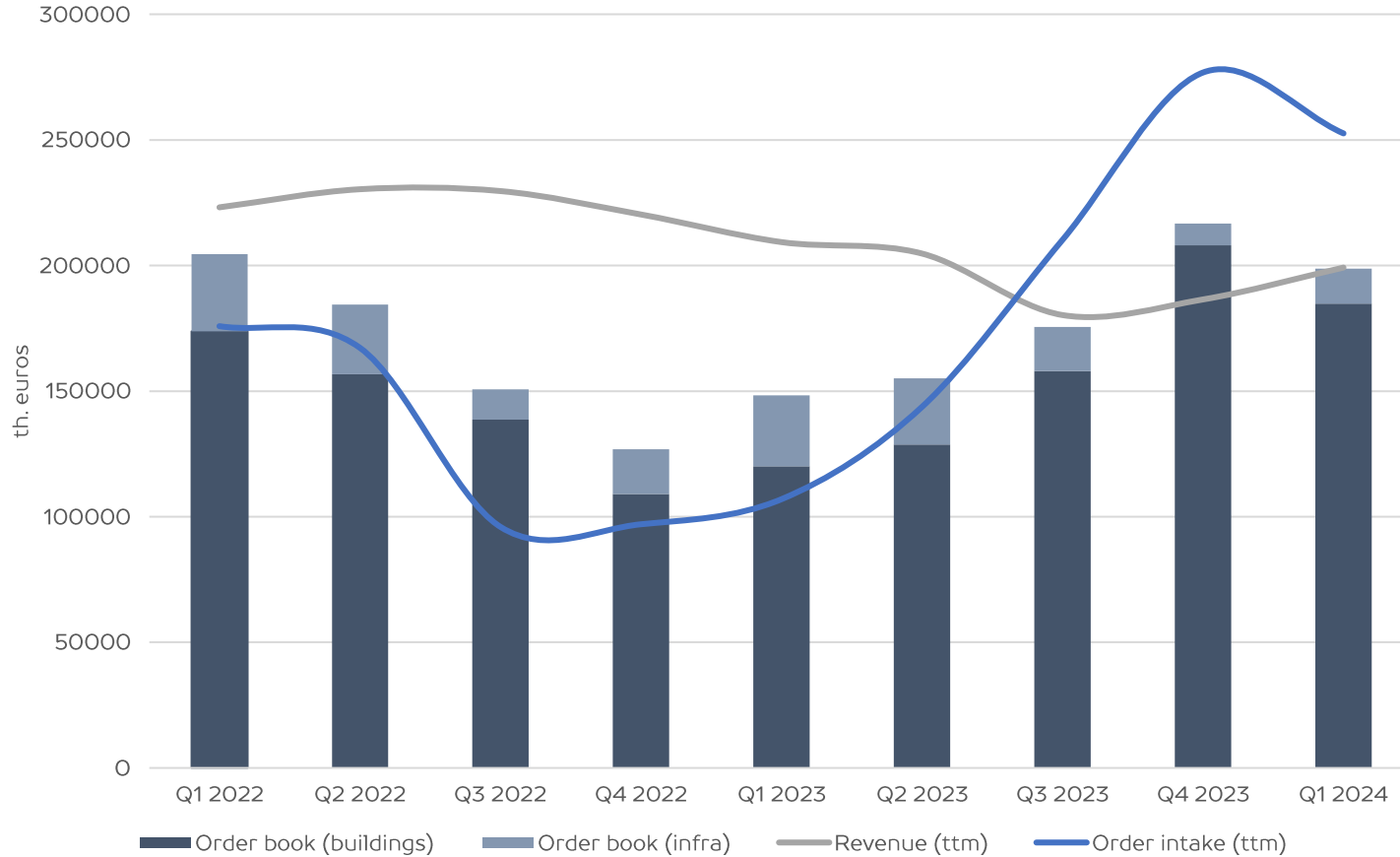
\* Continuing operations

BY SEGMENTS

INFRASTRUCTURE

BUILDINGS

# ORDER BOOK\*



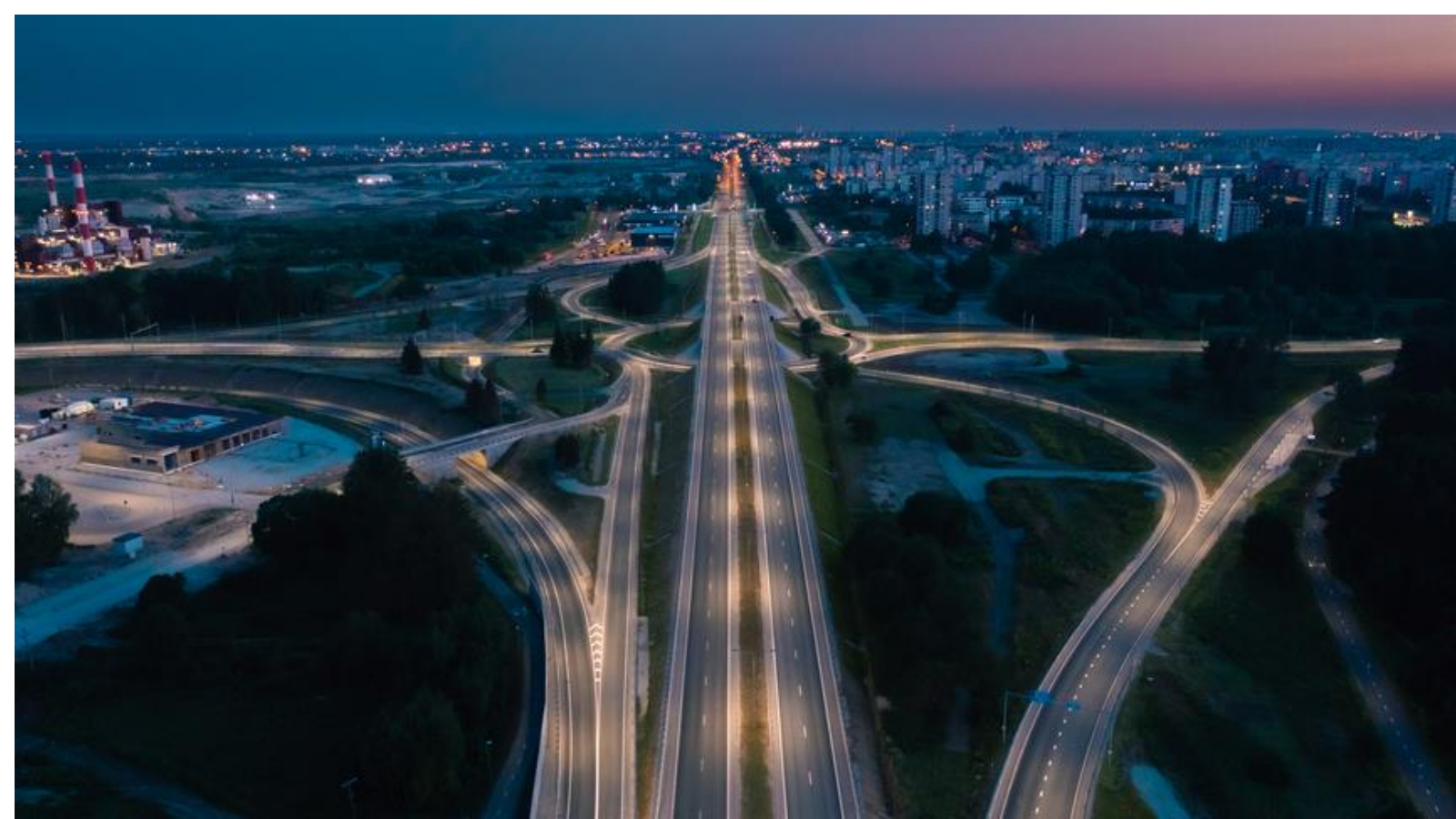
The group’s **order book** stood at €198,737 thousand at 31 March 2024, reflecting an increase of approximately 34% year on year.

The share of the Buildings segment in the group’s order book has increased: at 31 March 2024, the Buildings segment accounted for 93% and the Infrastructure segment for 7% of the group’s total order book (31 March 2023: 81% and 19%, respectively).

In the first quarter of 2024, we signed new contracts (ie. order Intake) for €17,617 thousand (Q1 2023: €41,860 thousand).

Management expects the group’s revenue to increase slightly in 2024 compared to the revenue generated by continuing operations in 2023.

\* Continuing operations



Infrastructure

## VÄO TRAFFIC JUNCTION

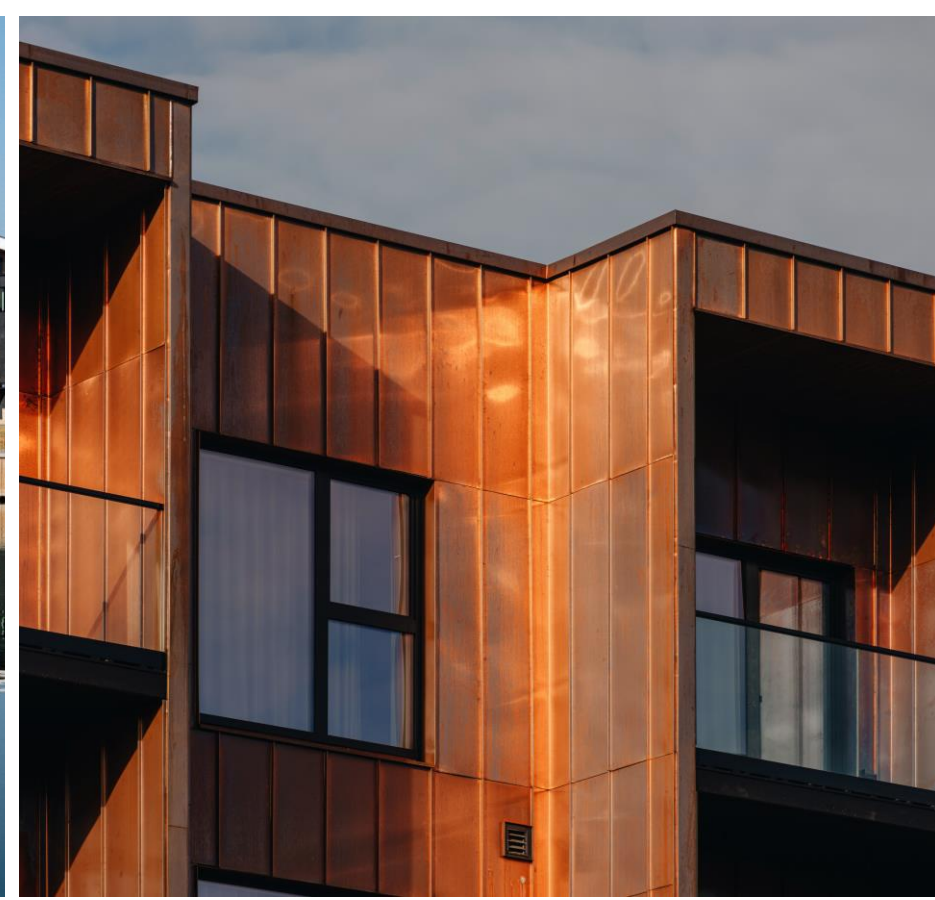
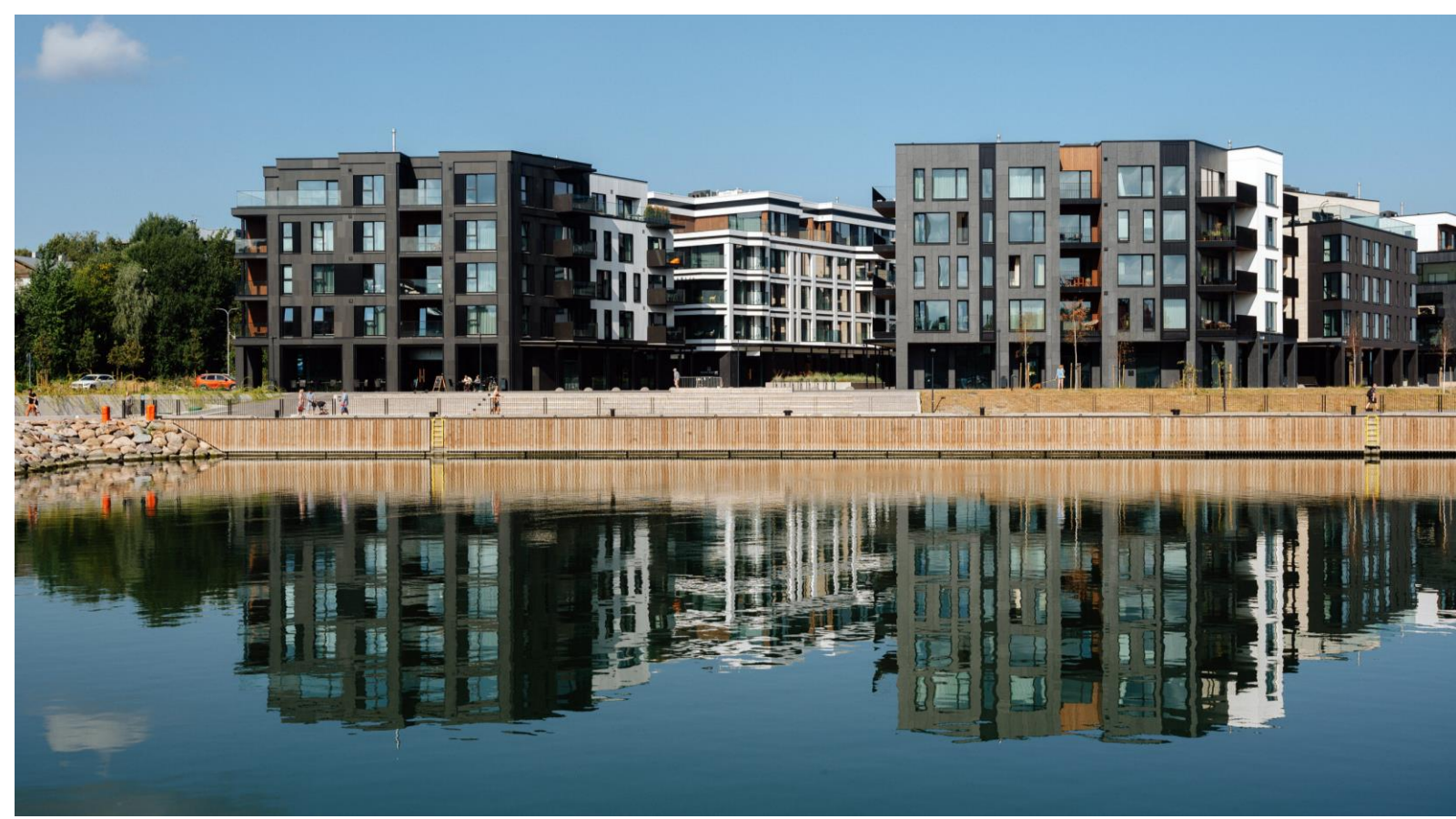
- Location: Tallinn, Estonia
- Completed: 2022
- Contractor: Nordecon AS
- Client: Estonian Transport Administration

# CAPITAL STRUCTURE

The **equity ratio** has remained relatively stable over the observed quarters, maintaining levels between 15% and 20%. It saw a gradual decline but remained consistent, reflecting a steady financial structure.

The continuous decrease in **gearing** across the quarters reflects the company's strategic effort to improve its financial leverage.





Apartment  
buildings

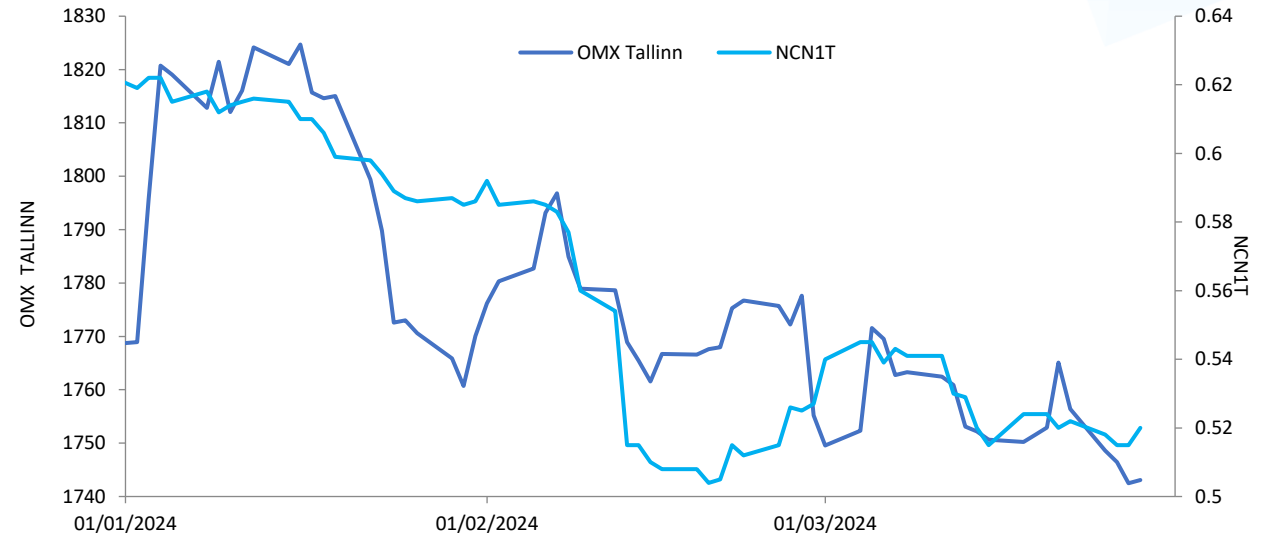
## KALARANNA QUARTER (8 apartment buildings)

- Location: Tallinn, Estonia
- Completed: 2022
- Architect: Kadarik Tüür Arhitektid OÜ
- Contractor: Nordecon AS
- Client: OÜ Kalaranna Kvartal

# SHARE AND SHAREHOLDERS

## Largest shareholders in Nordecon AS at 31 March 2024

Shareholder	Number of shares	Ownership interest (%)
AS Nordic Contractors	16 563 145	51,16
Luksusjaht AS	4 332 342	13,38
Toomas Luman	770 500	2,38
Olegs Radcenko	574 200	1,77
Nõmme Erahariduse SA	370 370	1,14
Lembit Talpsepp	370 100	1,14
SEB Pank AS clients	300 000	0,93
OÜ Alar Invest	255 000	0,79
Genadi Bulatov	250 600	0,77
Endel Palla	200 600	0,62



Index/equity	1 January 2024*	31 March 2024	+/-
OMX Tallinn	1 768,56	1 743,11	-1,44%
NCN1T	0,62EUR	0,52 EUR	-16,4%

\* Closing price on the Nasdaq Tallinn Stock Exchange at 31 December 2023

## KEY FINANCIAL FIGURES AND RATIOS

Figure/ratio	I Q 2024	I Q 2023	I Q 2022	2023
Revenue (€'000)	46 245	33 549	44 539	186 464
Revenue change	37,80%	-24,70%	22,10%	-15,40%
Net profit (loss) (€'000)	-182	-1 674	-1 166	-6 418
Net profit (loss) attributable to owners of the parent (€'000)	-593	-1 874	-919	-942
Earnings per share (€)	-0,02	-0,06	-0,03	-0,03
Administrative expenses to revenue	3,40%	4,70%	2,80%	3,50%
EBITDA (€'000)	1 094	155	912	-412
EBITDA margin	2,40%	0,50%	2,00%	-0,20%
Gross margin	4,60%	2,90%	-0,20%	2,00%
Operating margin	0,80%	-1,90%	0,20%	-1,80%
Operating margin excluding gain on non-current asset sales	0,80%	-2,20%	0,00%	-2,00%
Net margin	-0,40%	-5,00%	-2,60%	-3,40%
Return on invested capital	0,10%	-2,40%	-0,20%	8,00%
Return on equity	-0,80%	-6,40%	-1,10%	8,30%
Equity ratio	19,10%	19,50%	20,40%	18,70%
Return on assets	-0,20%	-1,30%	-0,20%	-1,60%
Gearing	4,40%	35,60%	36,10%	16,60%
Current ratio (note 5)	0,85	0,85	0,91	0,95
<b>At 30 April</b>	<b>I Q 2024</b>	<b>I Q 2023</b>	<b>I Q 2022</b>	<b>2023</b>
Order book (€'000)	198 737	148 302	204 495	216 732



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