

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

**NORDECON 35**

Investor presentation  
Q4 2023

# BUSINESS MODEL

Industrial buildings

Public buildings

Residential buildings

Commercial buildings



BUILDINGS



INFRASTRUCTURE

Other infrastructure  
Environmental engineering  
Utility networks

Specialist engineering  
Bridges, viaducts  
Port construction  
Rail construction

Road construction and maintenance  
Road construction  
Road maintenance

## 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

# AJAMAJA OFFICE BUILDING AT ROTERMANNI 6

LOCATION  
Tallinn

CUSTOMER  
Rotermann City OÜ

ARCHITECT  
KOKO architects

CONSTRUCTION PERIOD  
April 2019 – April 2021

CONTRACTOR  
Nordecon AS

PROJECT MANAGER  
Oleg Kaas



## PERIOD IN BRIEF

The group's **revenue** for 2023 was €278,382 thousand, roughly 14% lower than in 2022, when the figure was €322,860 thousand.

The Buildings segment generated revenue of €211,082 thousand and the Infrastructure segment revenue of €67,233 thousand.

Revenue declined by 19% in the Buildings segment, but increased by 8% in the Infrastructure segment.

The group earned an **operating profit** of €556 thousand in 2023 (2022: €2,305 thousand).

**EBITDA** for the period was €3,938 thousand and EBITDA margin was 1.4% (2022: €5,766 thousand and 1.8%).

The operating profit and EBITDA for the comparative period were influenced by other income of €1,560 thousand, recognised after the approval of the restructuring plan of Swencn AB.

Nordecon ended 2023 with a **gross profit** of €10,326 thousand (2022: €8,495 thousand) and a gross margin of 3.7% (2022: 2.6%).

Profitability improved for both operating segments, although the fourth quarter performance of the Buildings segment was weaker than a year earlier.

The restructuring of the group's Infrastructure segment, which started in 2022 and was completed in the first half of 2023, has had a significant positive impact

The group's **order book** stood at €216,732 thousand at 31 December 2023, reflecting 45% growth compared to the end of 2022.

In the fourth quarter, the group signed new contracts of €85,575 thousand (Q4 2022: €25,381 thousand).

The group's **administrative expenses** for 2023 were €8,915 thousand.

Compared with 2022, administrative expenses grew by 22% (2022: €7,287 thousand) due to growth in staff costs and an overall rise in the prices of goods and services.

The ratio of administrative expenses to revenue (12 months rolling) was 3.2% (2022: 2.3%).

**Operating** activities produced a **net cash** inflow of €12,877 thousand in 2023 (2022: an inflow of €3,466 thousand).

Operating cash flow is increasingly affected by the need to make prepayments to materials suppliers, as well as increased contractual retentions, which extend from 5 to 10% of the contract price.



# KOHTLA-JÄRVE SPORTS AND HEALTH CENTRE

## LOCATION

Kohtla-Järve, Ida-Viru County

## CUSTOMER

Kohtla-Järve City Government

## ARCHITECT

OÜ Zoroaster

## CONSTRUCTION PERIOD

April 2019 – March 2021

## CONTRACTOR

Nordecon AS

## PROJECT MANAGER

Oleg Kaas

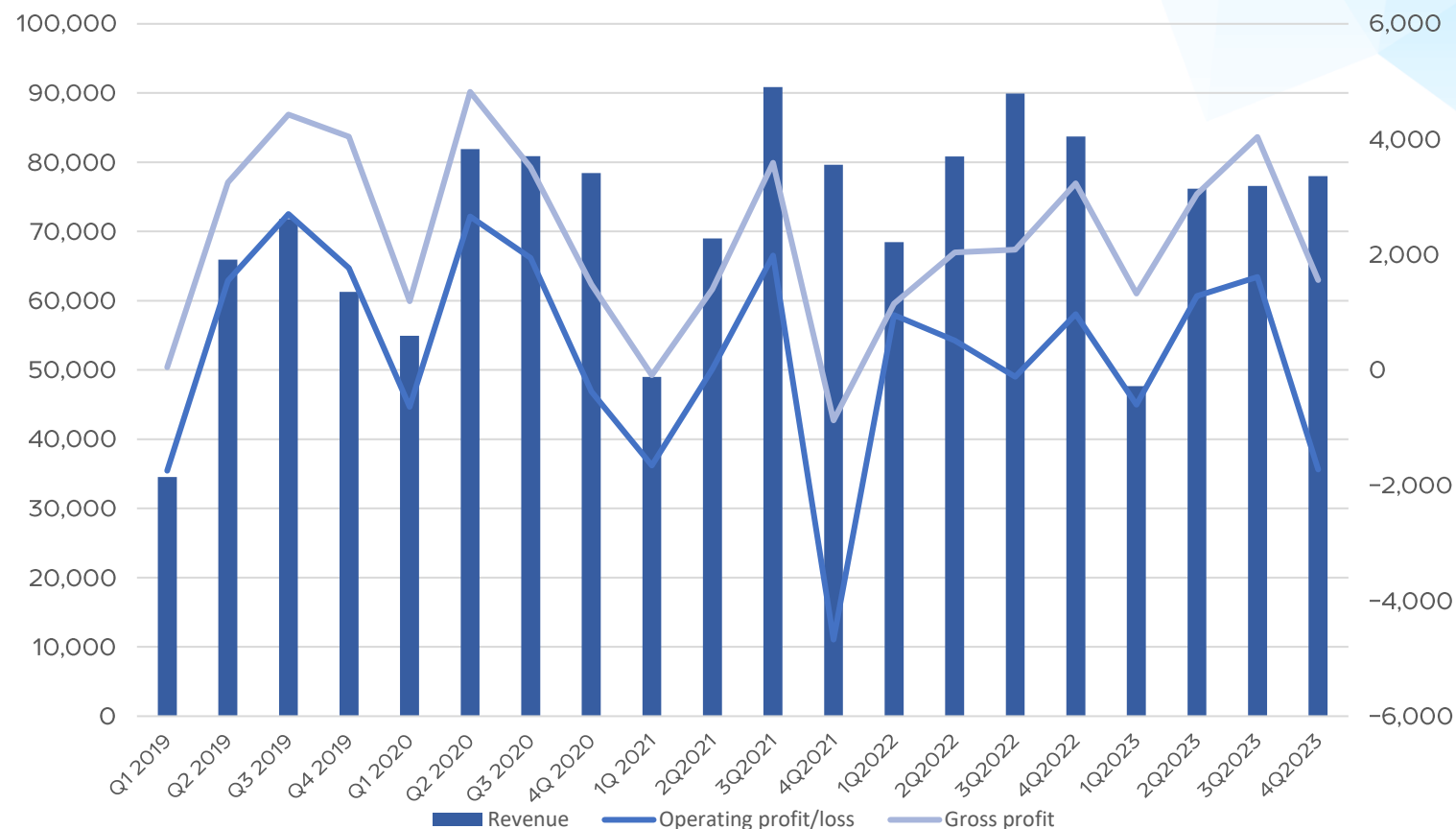


## REVENUE AND OPERATING PROFIT

The gross margins of the **Buildings** segment were 4.4% for the full year and 3.2% for the fourth quarter of 2023 (2022: 4.1%, Q4: 6.7%).

The gross margins of the **Infrastructure** segment were 3.1% for the full year and (2.8)% for the fourth quarter (2022: (2.4)%, Q4: (12.1)%).

Figure / Ratio	12M 2021	12M 2022	12M 2023
Revenue (EUR '000)	288 534	322 860	278 382
Revenue change	-2,5%	11,9%	-13,8%
Net profit/loss (EUR '000)	-5 506	-1 441	2 056
Gross margin	1,4%	2,6%	3,7%
EBITDA margin	-0,3%	1,8%	1,4%
Net margin	-1,9%	-0,4%	0,7%
Administrative expenses to revenue (12 month rolling)	2,1%	2,3%	3,2%





# RAATUSE HEALTH CENTRE

## LOCATION

Tartu city

## CUSTOMER

Tartu Kesklinna Perearstikeskus  
OÜ

## DESIGNER

U-Disain OÜ

## CONSTRUCTION PERIOD

February 2020– August 2021

## CONTRACTOR

Nordecon Betoon OÜ/ Embach  
Ehitus OÜ

## PROJECT MANAGER

Ahti Kala

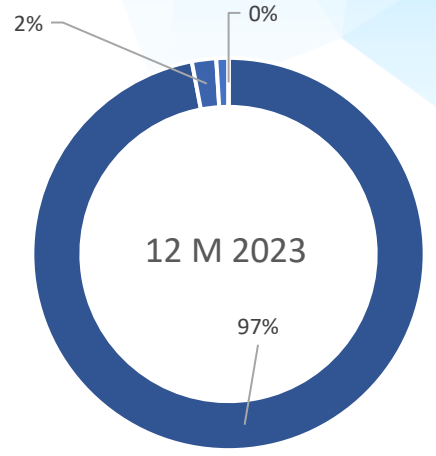
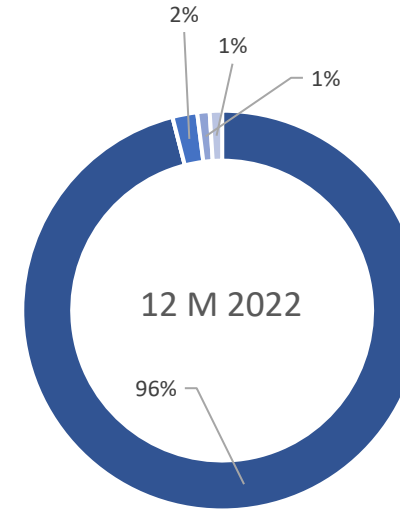
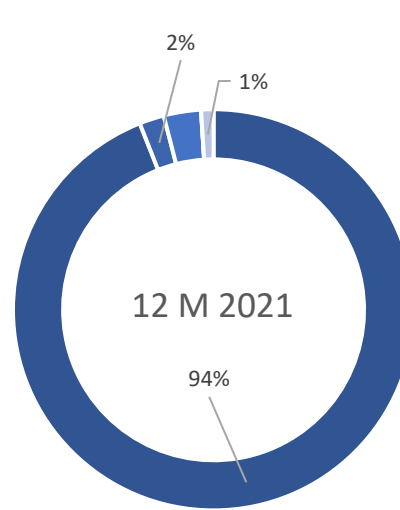




# REVENUE BY GEOGRAPHICAL REGIONS

- Estonia
- Ukraine
- Finland
- Lithuania
- Latvia

	12 M 2021	12 M 2022	12 M 2023
Estonia	94%	96%	97%
Finland	3%	2%	1%
Ukraine	2%	0%	2%
Lithuania	0%	1%	0%
Latvia	1%	1%	0%



Revenue generated **outside Estonia**, mostly in Ukraine and Finland, accounted for approximately 3% of the group's total revenue in 2023.

Despite the ongoing war, Nordecon's construction volumes in **Ukraine** have increased.

**Finnish** revenues, which mainly include subcontracting revenue from the provision of concrete works, have decreased.

Nordecon did not generate any revenue and had no ongoing construction contracts in the **Swedish** market. The group operates on a small-scale project basis in **Latvia** and **Lithuania**.

# ORDER BOOK AND REVENUES

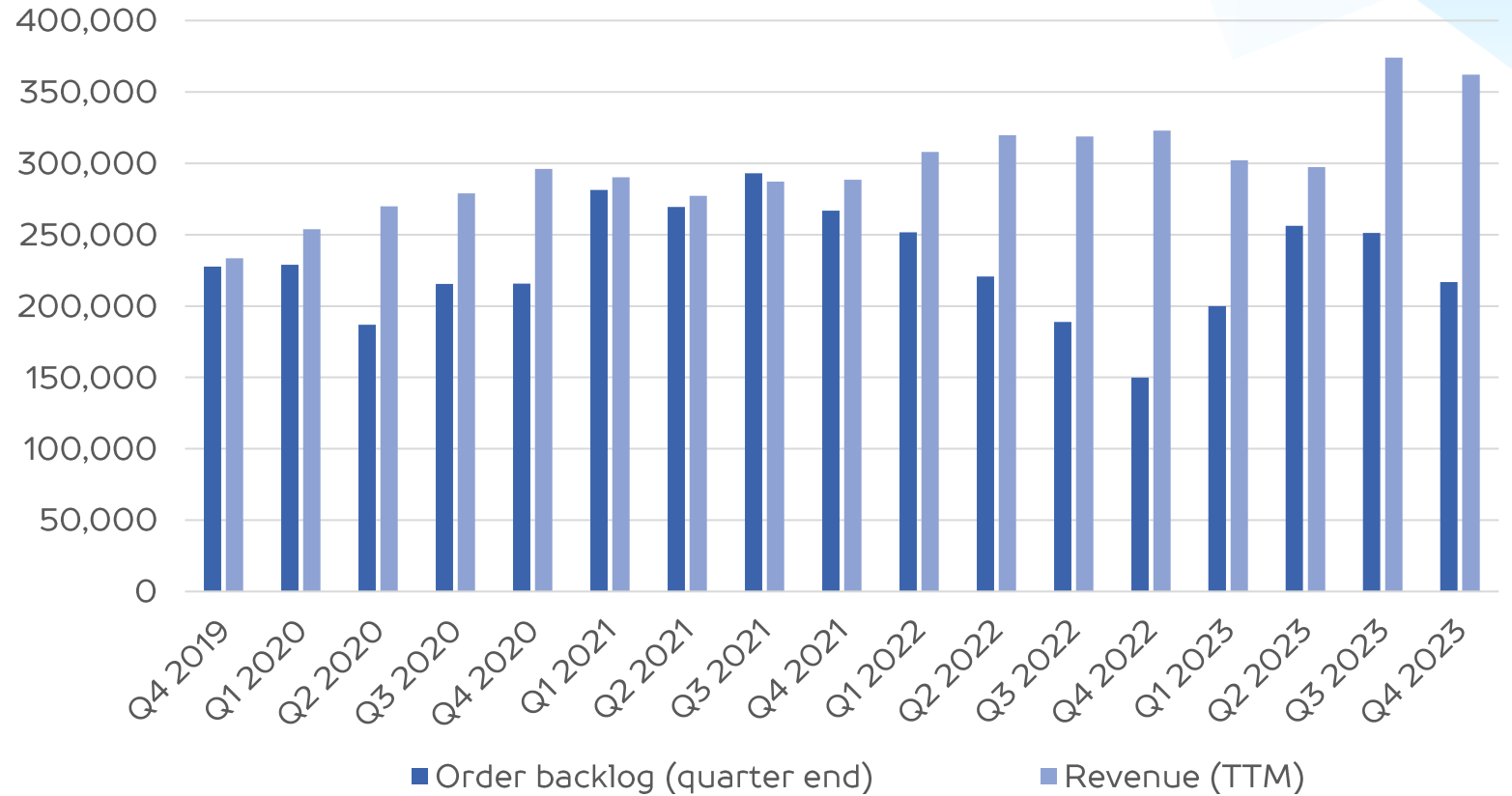
The group's order book stood at €216,732 thousand at 31 December 2023, reflecting 45% growth compared to the end of 2022.

The Buildings segment accounts for 96% of the group's order book, while the Infrastructure segment accounts for 4% (31 December 2022: 88% and 12%, respectively).

The order book of the Buildings segment has increased by 58% and that of the Infrastructure segment has decreased by 47% compared with 31 December 2022.

Although the order book has increased, management expects that in 2024 the group's business volumes will decline compared to 2023, mainly due to the sale of Nordecon Beton OÜ.

## ORDER BOOK



# KINDLUSE SCHOOL

## LOCATION

Rae, Harju County

## CUSTOMER

Rae Rural Municipality  
Government

## DESIGNER

Sweco Projekt AS

## CONSTRUCTION PERIOD

November 2019 – May 2021

## CONTRACTOR

Nordecon AS

## PROJECT MANAGER

Silver Sein



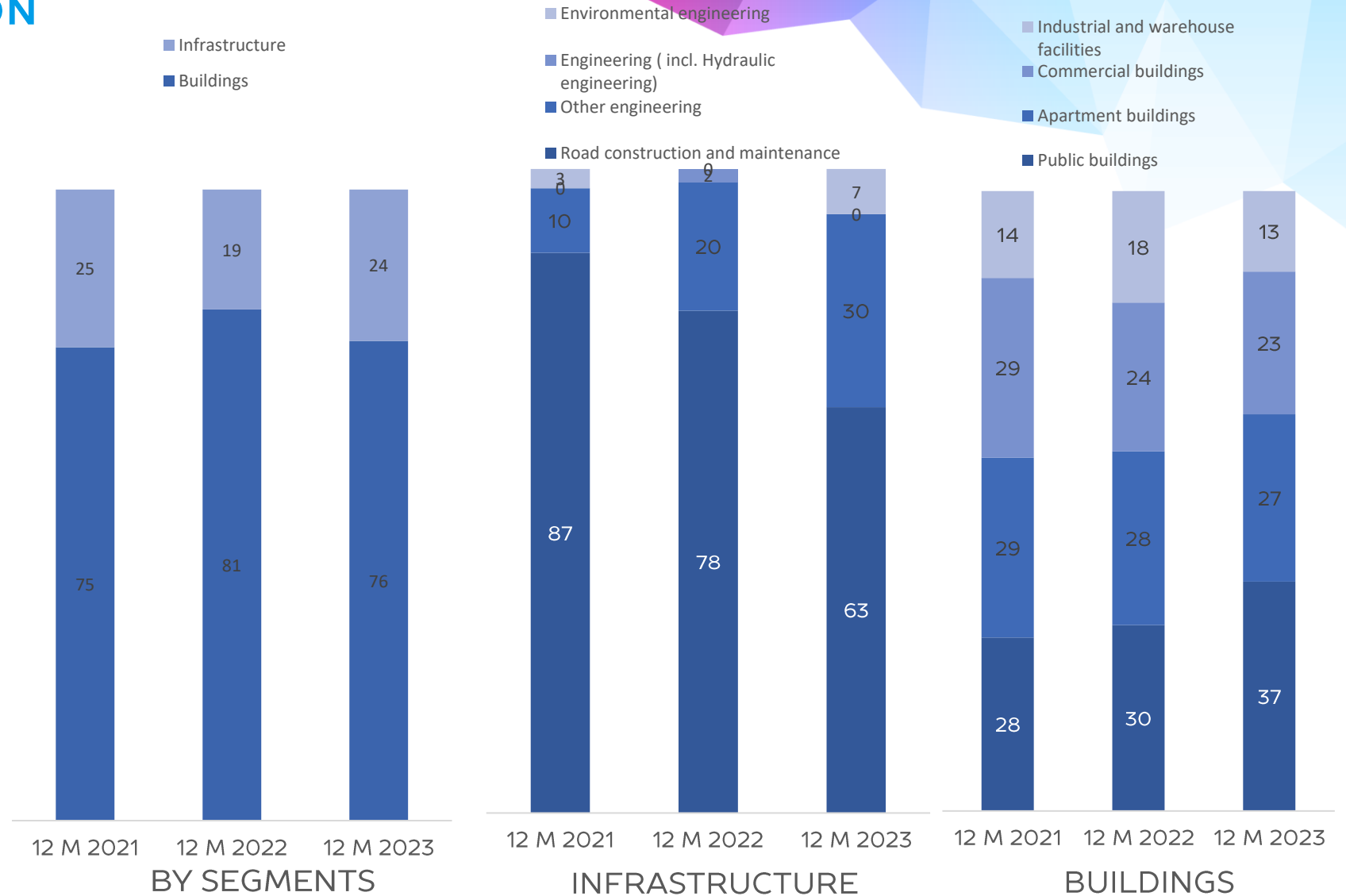


# REVENUE DISTRIBUTION

The Buildings segment generated revenue of €211,082 thousand and the Infrastructure segment revenue of €67,233 thousand. The corresponding figures for 2022 were €260,585 thousand and €62,048 thousand.

In the Buildings segment, the largest contributor is still the public buildings subsegment. In other subsegments, revenues have contracted significantly.

The largest revenue contributor in the Infrastructure segment is still road construction and maintenance although in 2023 its revenue decreased by around 17%.



# COOP/KONSUM SUPERMARKET

## LOCATION

Käina, Hiiu County

## CUSTOMER

Hiiumaa Consumers Cooperative  
Association

## ARCHITECT

DAGOpen Arhitektuuribüroo

## CONSTRUCTION PERIOD

December 2020– June 2021

## CONTRACTOR

Nordecon Betoon OÜ

## PROJECT MANAGER

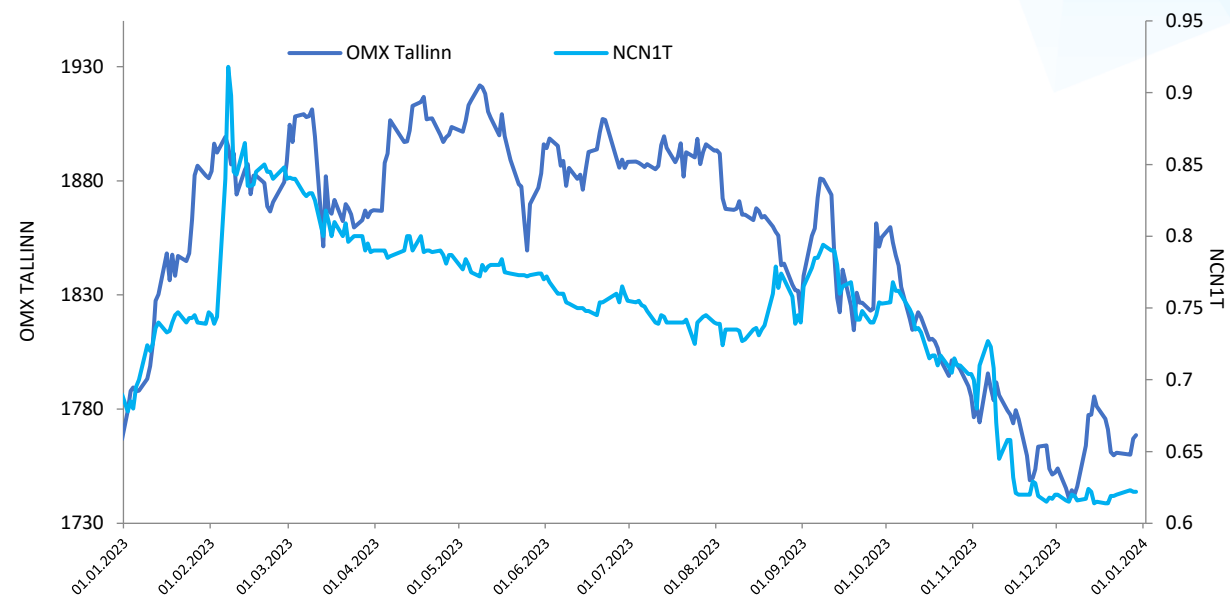
Reino Mälk



# SHARE AND SHAREHOLDERS

## Largest shareholders in Nordecon AS at 31 December 2023

Shareholder	Number of shares	Ownership interest (%)
AS Nordic Contractors	16 563 145	51,16
Luksusjaht AS	4 322 342	13,35
Toomas Luman	763 200	2,36
Olegs Radcenko	574 200	1,77
Lembit Talpsepp	374 500	1,16
Nõmme Erahariduse SA	370 370	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	200 000	0,62



Index/equity	1 January 2023*	31 December 2023	+/-
OMX Tallinn	1 766,73	1 768,56	+0,1
NCN1T	0,69 EUR	0,62 EUR	-9,86

\* Closing price on the Nasdaq Tallinn Stock Exchange at 31 December 2022





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