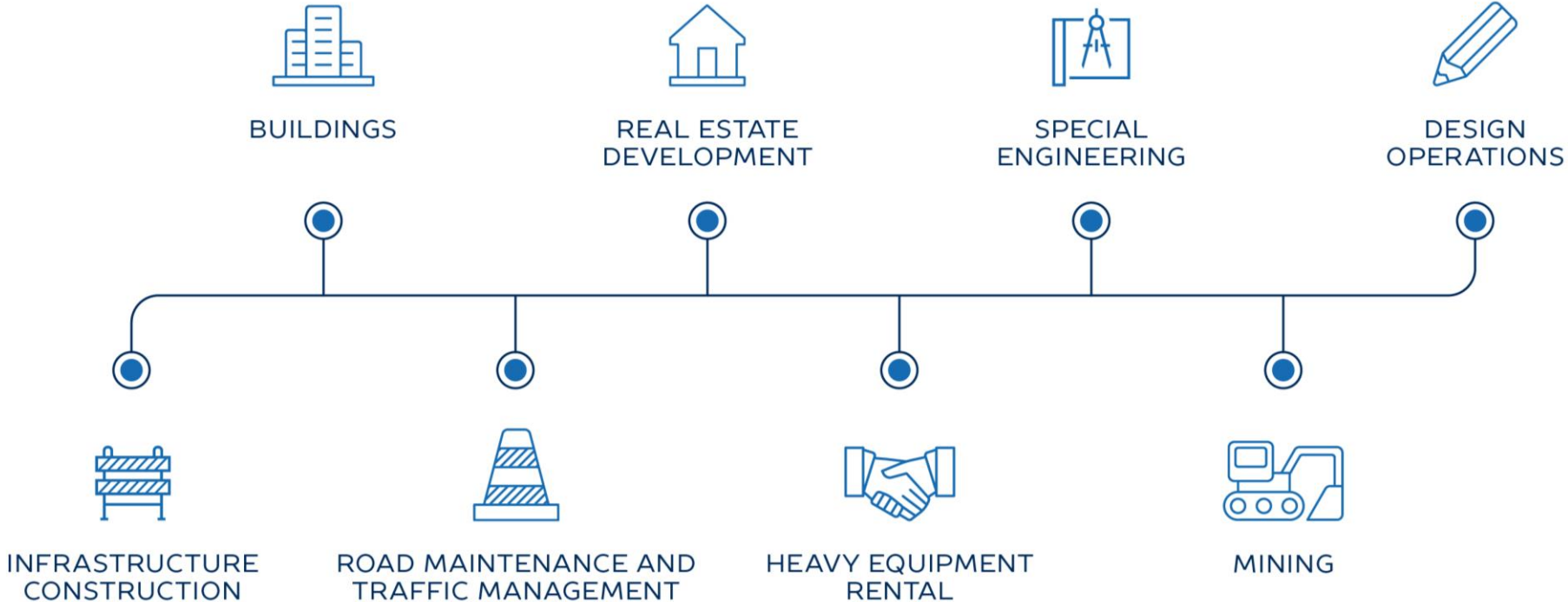


The logo features a blue sphere with a white curved line on the left, followed by the word "NORDECON" in a bold, dark blue, sans-serif font. To the right of "NORDECON" is the number "35" in a large, elegant, dark blue serif font.

**NORDECON 35**

Investor presentation  
Q3 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 nine months of 2024 was €178,722 thousand, approximately 37% higher than in the same period last year, when revenue from continuing operations amounted to €130,799 thousand.

Revenue generated **outside Estonia** remained stable compared to the same period last year, accounting for around 2% of the group's total revenue for the 9 months of 2024.

The main foreign market was Ukraine, where despite the war Nordecon's construction volumes have increased.

The group ended the nine months of 2024 with an **operating profit** of €6,972 thousand (9M 2023: an operating loss of €497 thousand).

**EBITDA** for the period was €9,154 thousand (9M 2023: €1,799 thousand).

Nordecon delivered a **gross profit** of €12,767 thousand in the first nine months of 2024 (9M 2023: €4,311 thousand).

The group's gross margin improved significantly year on year, rising to 7.1% for the nine months (9M 2023: 3.3%) and 8.7% for the third quarter (Q3 2023: 3.5%).

Both main operating segments earned a profit in the nine months and the third quarter, showing a year-on-year margin improvement.

The group's **order book** stood at €195,628 thousand at 30 September 2024. Compared to the same period last year, the order book has grown by around 11%.

In the nine months of 2024, we signed new contracts for €131,801 thousand (9M 2023: €191,326 thousand), of which €67,771 thousand in the third quarter (Q3 2023: €90,694 thousand).

The group's **administrative expenses** for the first nine months of 2024 were €5,011 thousand.

Administrative expenses increased by around 16% compared to the same period last year (9M: €4,337 thousand) due to growth in staff costs.

The ratio of administrative expenses to revenue (12 months rolling) decreased year on year to 3.1% (9M 2023: 3.3%).

**Operating** activities produced a **net cash inflow** of €3,726 thousand in the nine months of 2024 (9M 2023: an inflow of €11,037 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

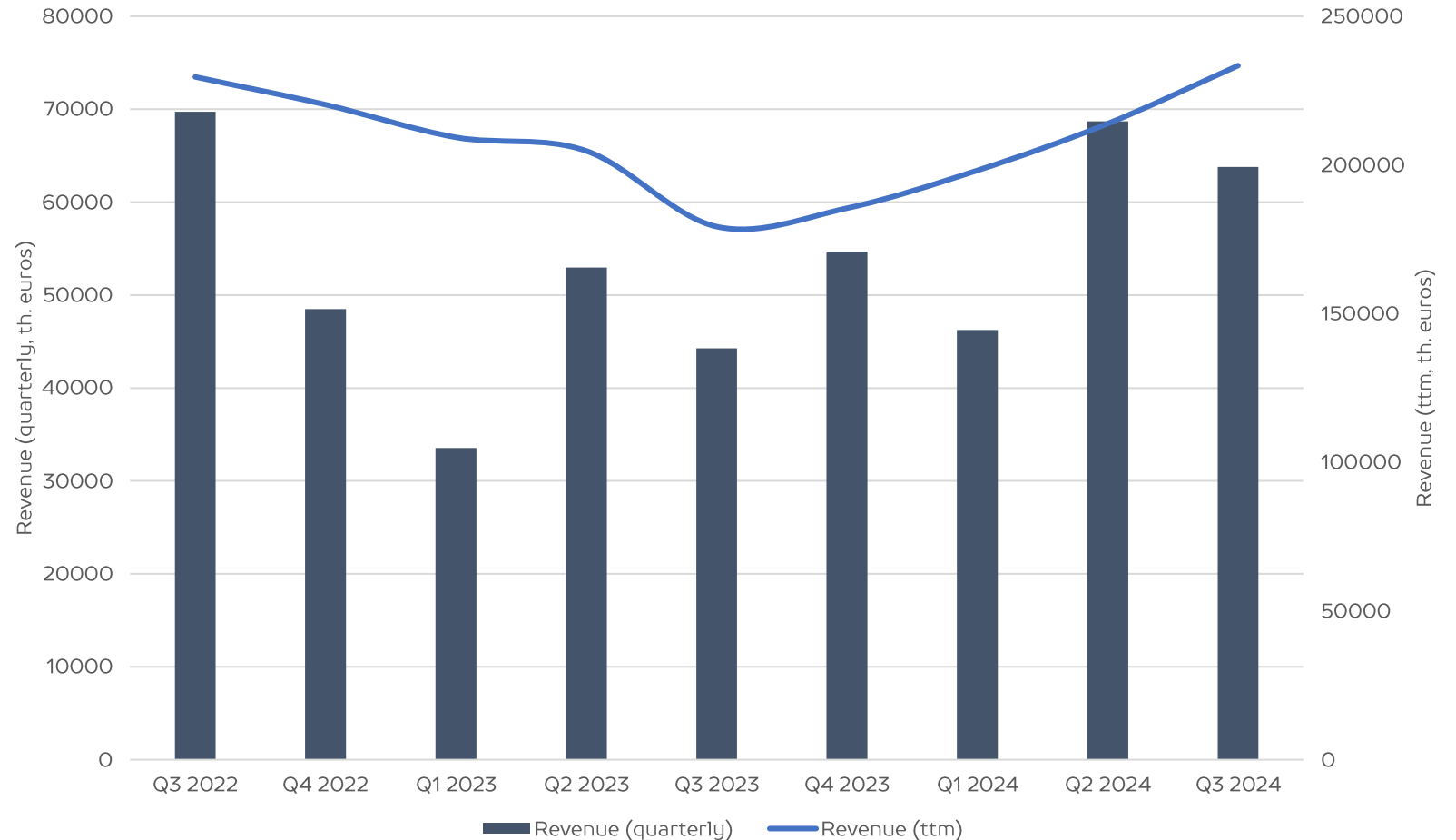
## REVENUE\*

The **Buildings** segment generated revenue of €149,615 thousand and the **Infrastructure** segment revenue of €29,068 thousand.

The corresponding figures for the first nine months of 2023 were €95,423 thousand and €35,295 thousand.

Revenue generated by the Buildings segment increased by 57%, while revenue generated by the Infrastructure segment decreased by 18%.

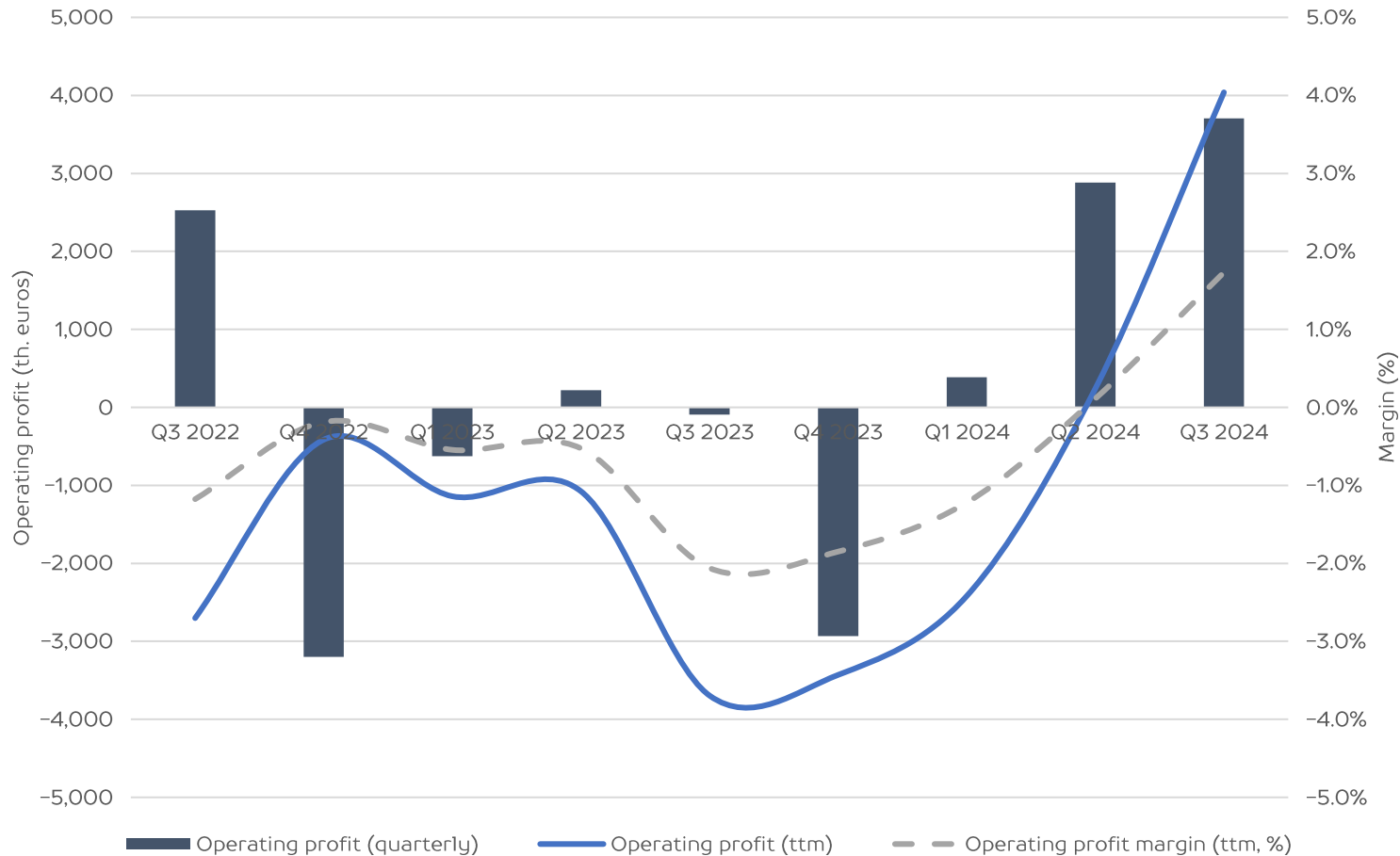
The revenue growth and changes in the performance of the reportable segments were expected and in line with the group's order book.



\* Continuing operations



## OPERATING PROFIT\*



Nordecon delivered a **gross profit** of €12,767 thousand in the first nine months of 2024 (9M 2023: €4,311 thousand).

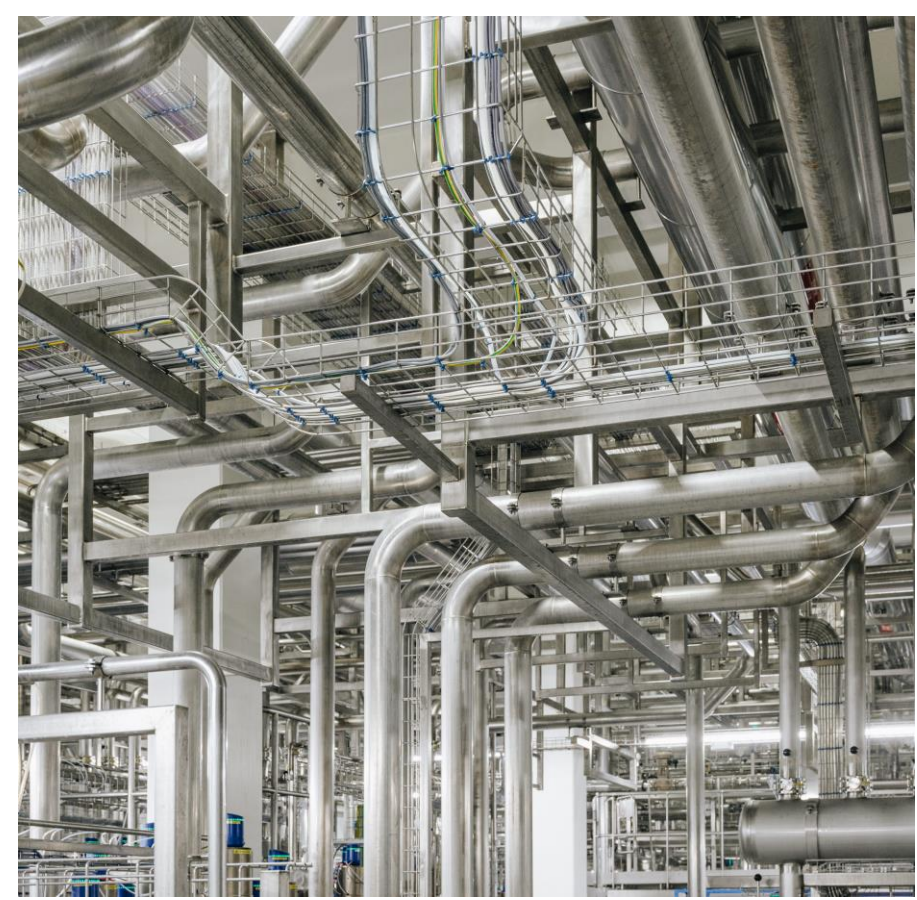
The gross margin of the Buildings segment was 8.5% for the nine months and 10.2% for the third quarter (9M 2023: 4.5% and Q3 2023: 3.7%).

The Infrastructure segment's gross margin was lower, reaching 5.1% for the nine months and 9.2% for the third quarter (9M 2023: 2.0% and Q3 2023: 4.5%).

The group ended the nine months of 2024 with an **operating profit** of €6,972 thousand (9M 2023: an operating loss of €497 thousand).

\* Continuing operations





Industrial  
buildings and  
warehouses

## E-PIIM DIARY FACTORY

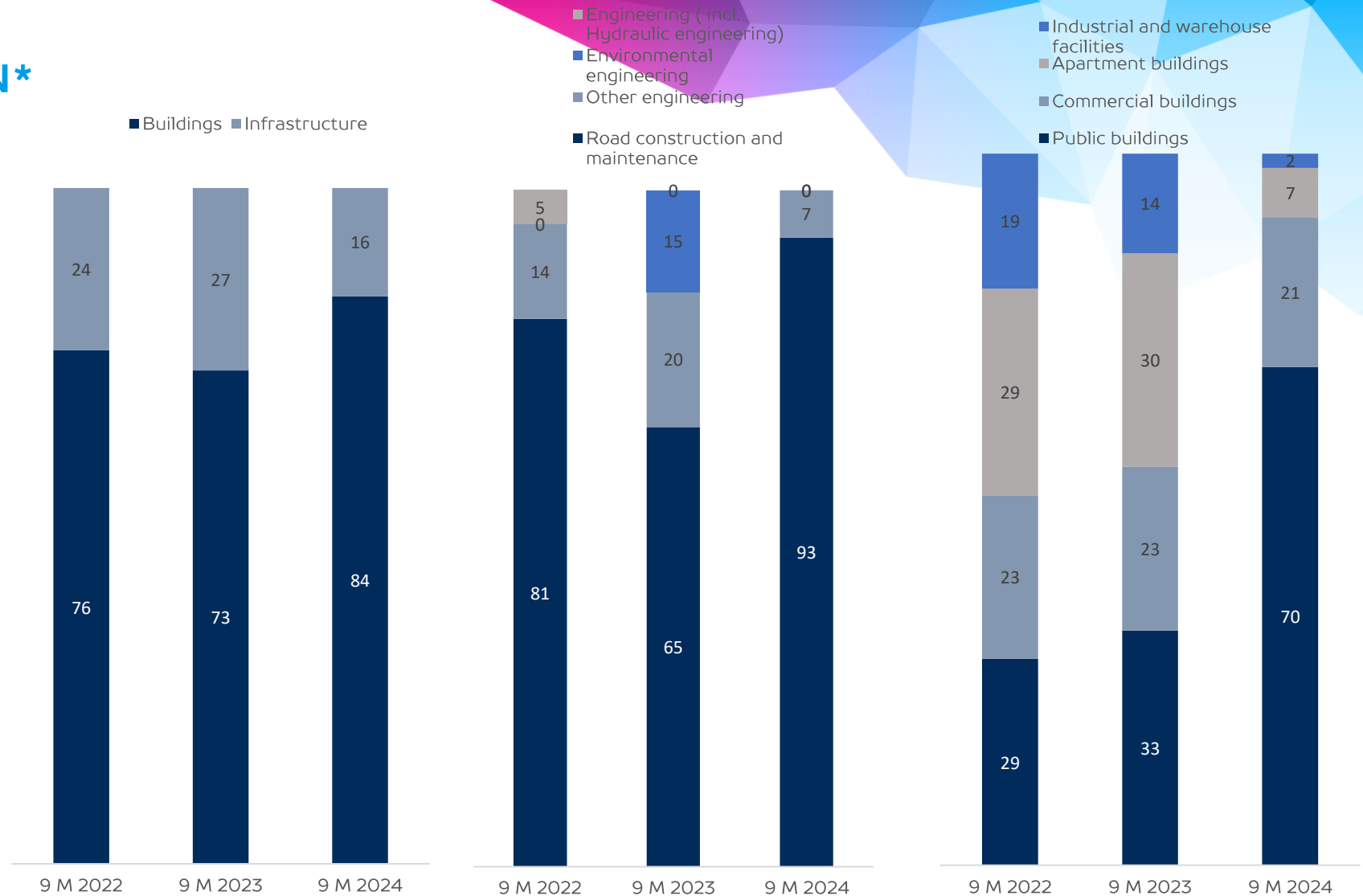
- Location: Paide, Estonia
- Completed: 2023
- Contractor: Nordecon AS
- Client: AS E-Piim Tootmine

# REVENUE DISTRIBUTION\*

In the Buildings segment, revenue from the **public buildings** subsegment more than doubled and revenue from the **commercial buildings** subsegment increased by 40% compared to the same period last year.

The revenue of the **apartment buildings** subsegment fell by 46%, mainly due to lower revenue from the provision of construction service, reflecting the current market situation in this subsegment.

The largest revenue contributor in the Infrastructure segment is the **road construction and maintenance** subsegment whose revenue for the period decreased by around 2% year on year.



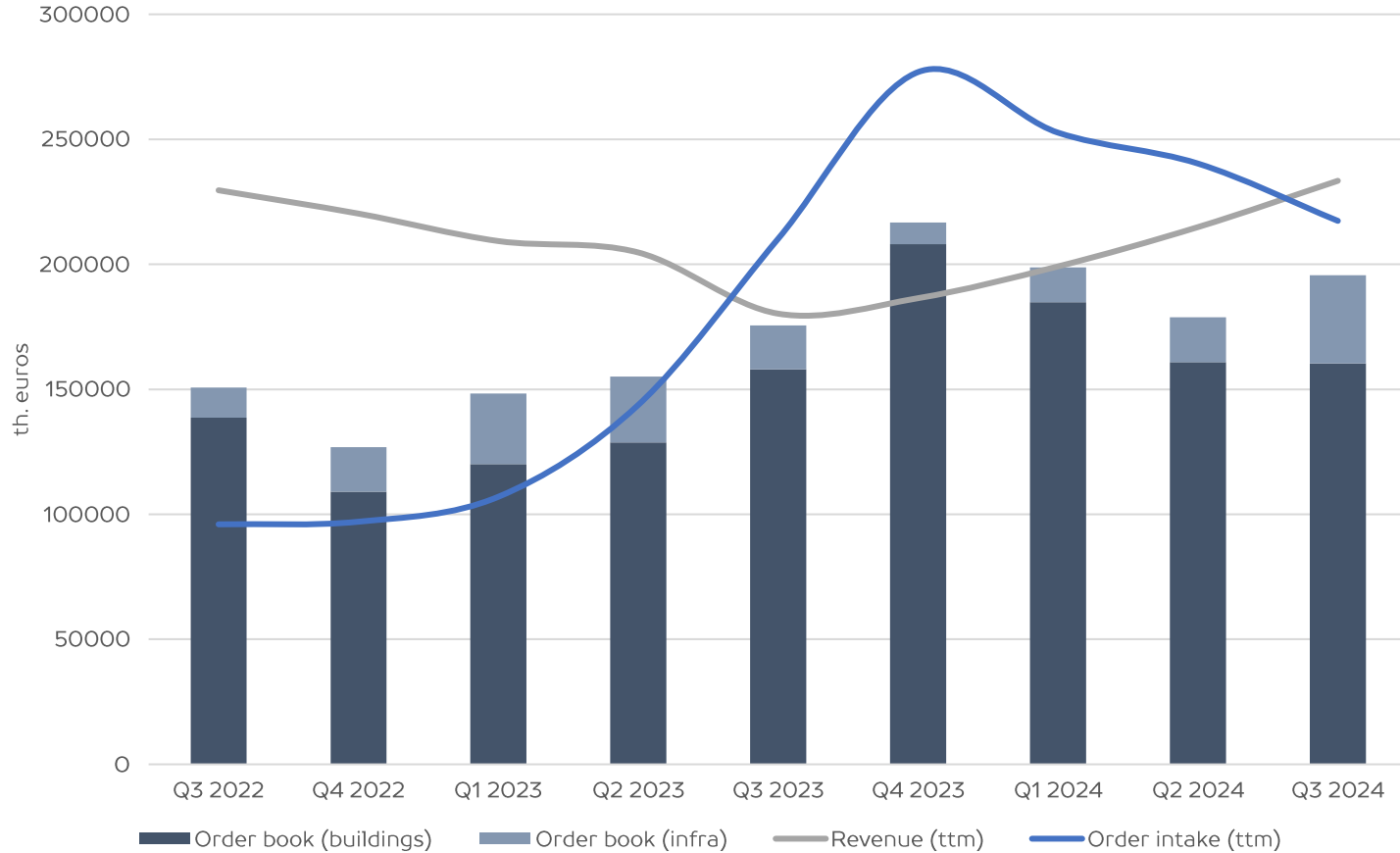
\* Continuing operations

BY SEGMENTS

INFRASTRUCTURE

BUILDINGS

# ORDER BOOK\*



The group’s **order book** stood at €195,628 thousand at 30 September 2024. Compared to the same period last year, the order book has grown by around 11%.

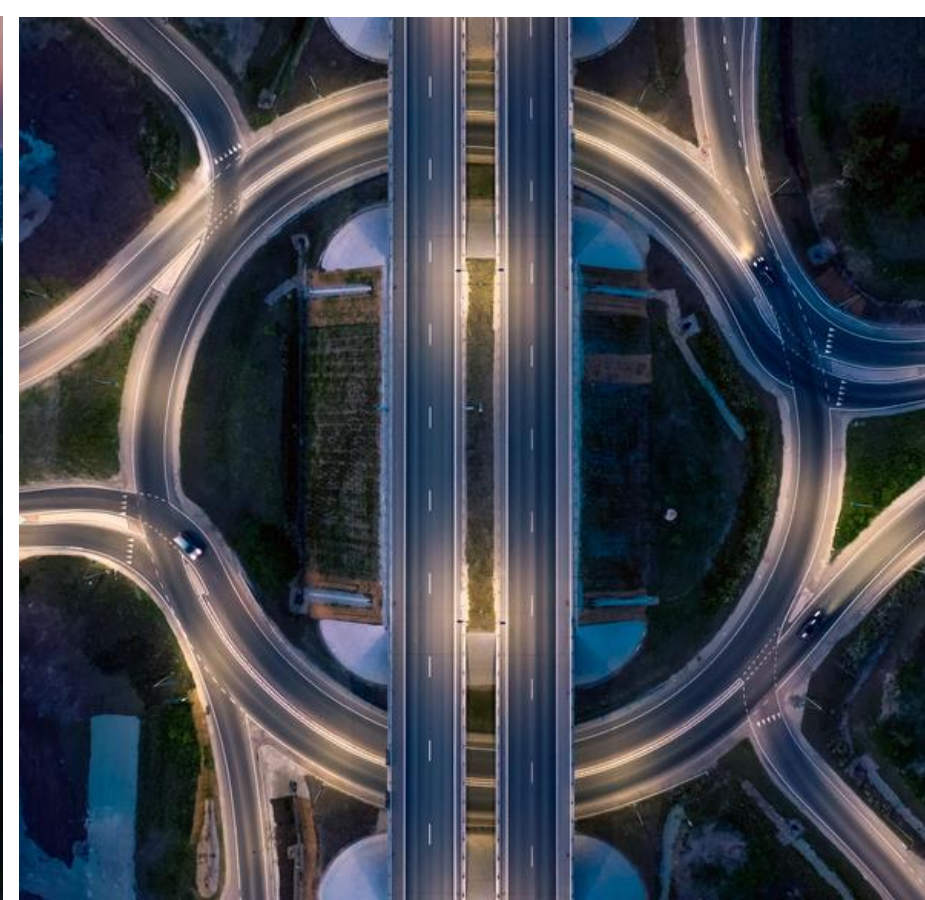
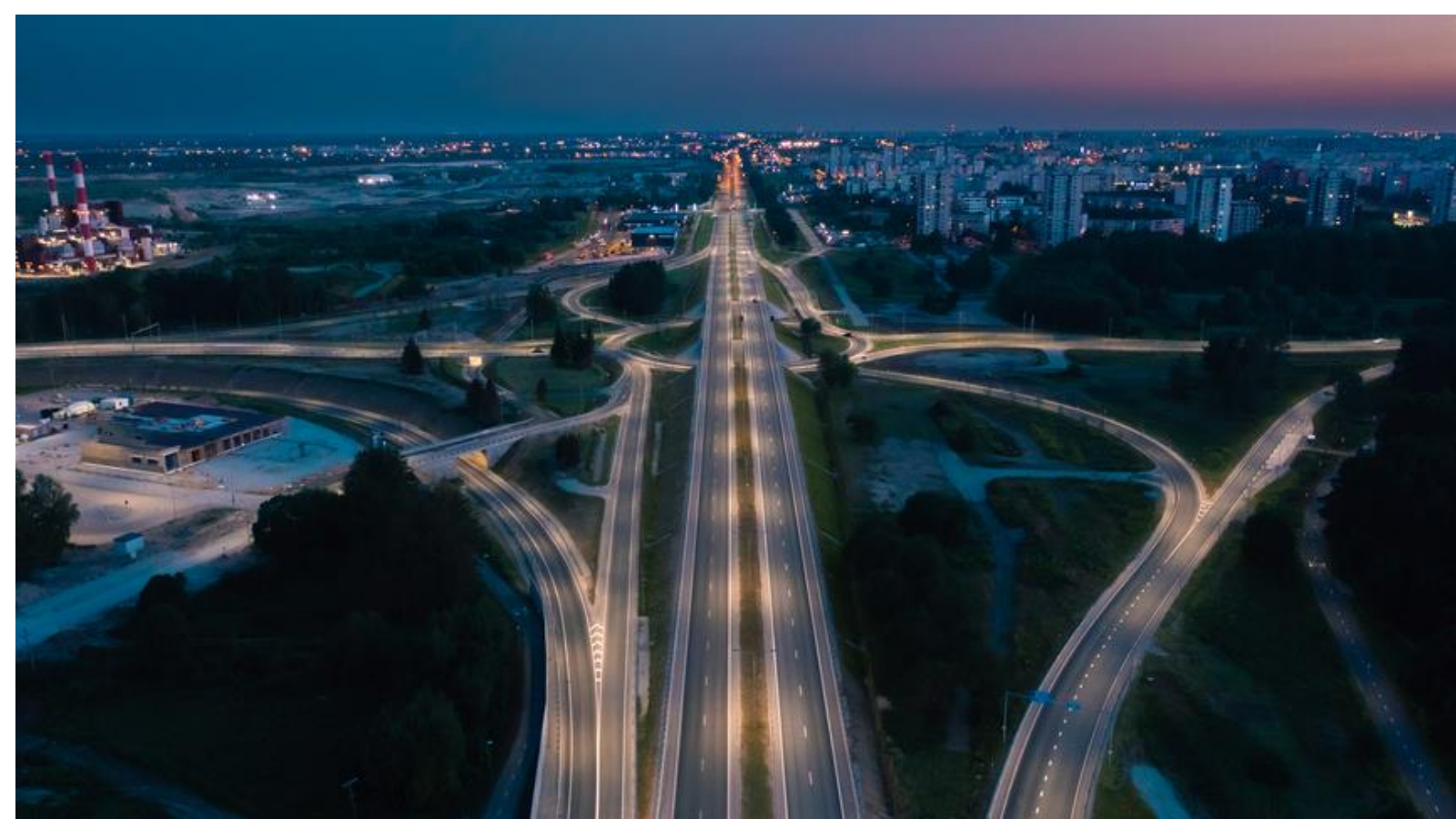
In the nine months of 2024, we signed new contracts for €131,801 thousand (9M 2023: €191,326 thousand), of which €67,771 thousand in the third quarter (Q3 2023: €90,694 thousand).

The Buildings segment accounts for 82% and the Infrastructure segment for 18% of the group’s order book (30 September 2023: 90% and 10%, respectively).

Compared with 30 September 2023, the order book of the Buildings segment has remained at the same level while the order book of the Infrastructure segment has doubled.

\* Continuing operations





Infrastructure

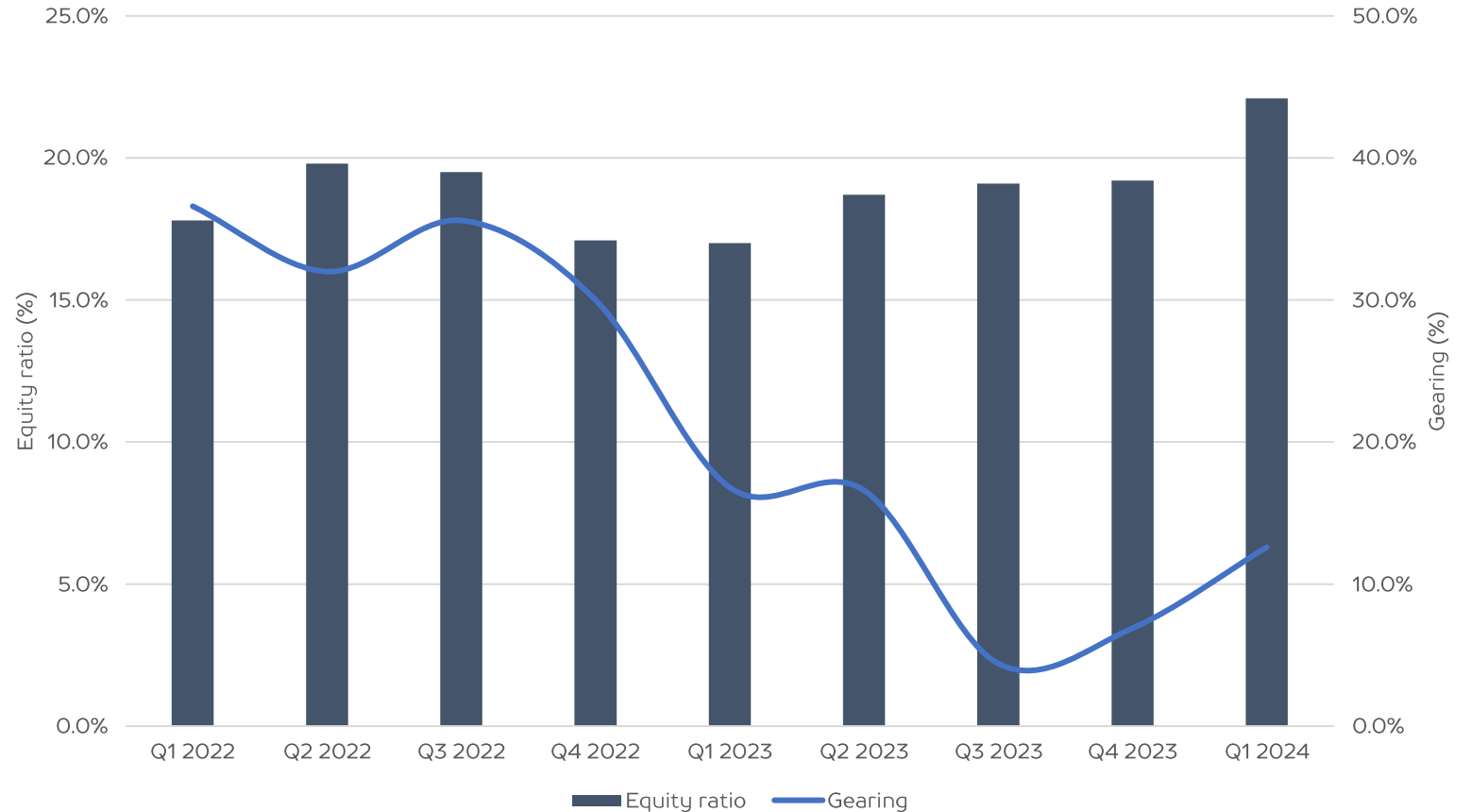
## VÄO TRAFFIC JUNCTION

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

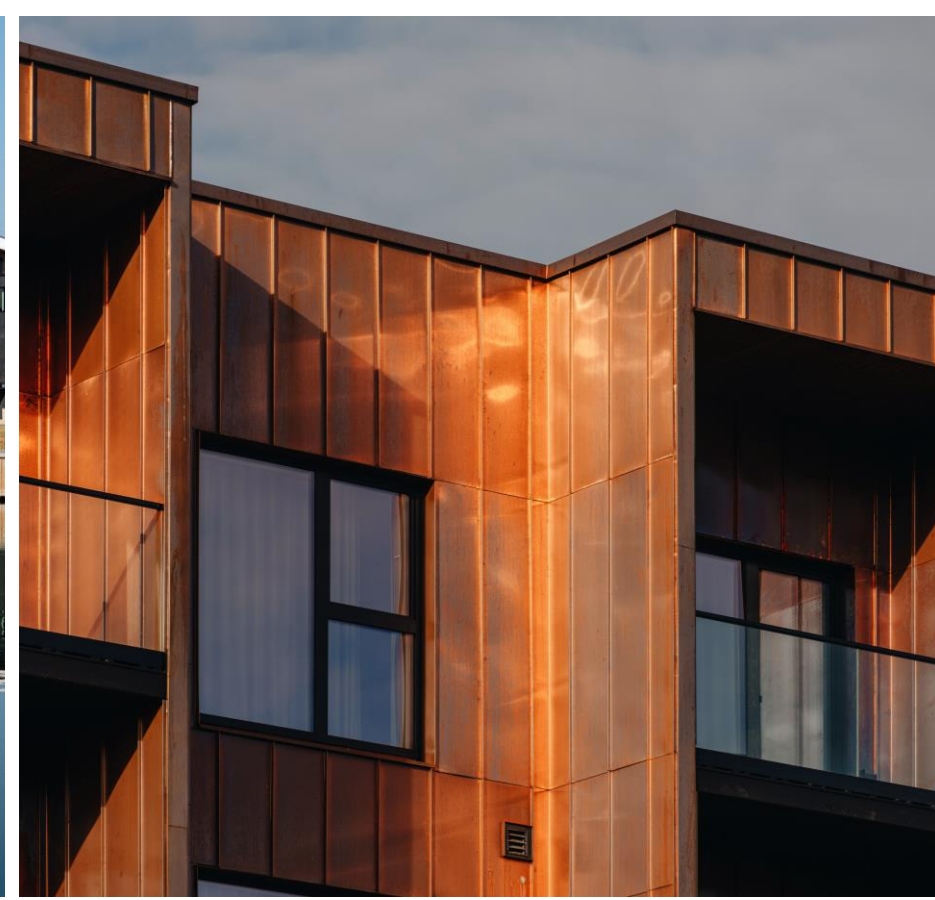
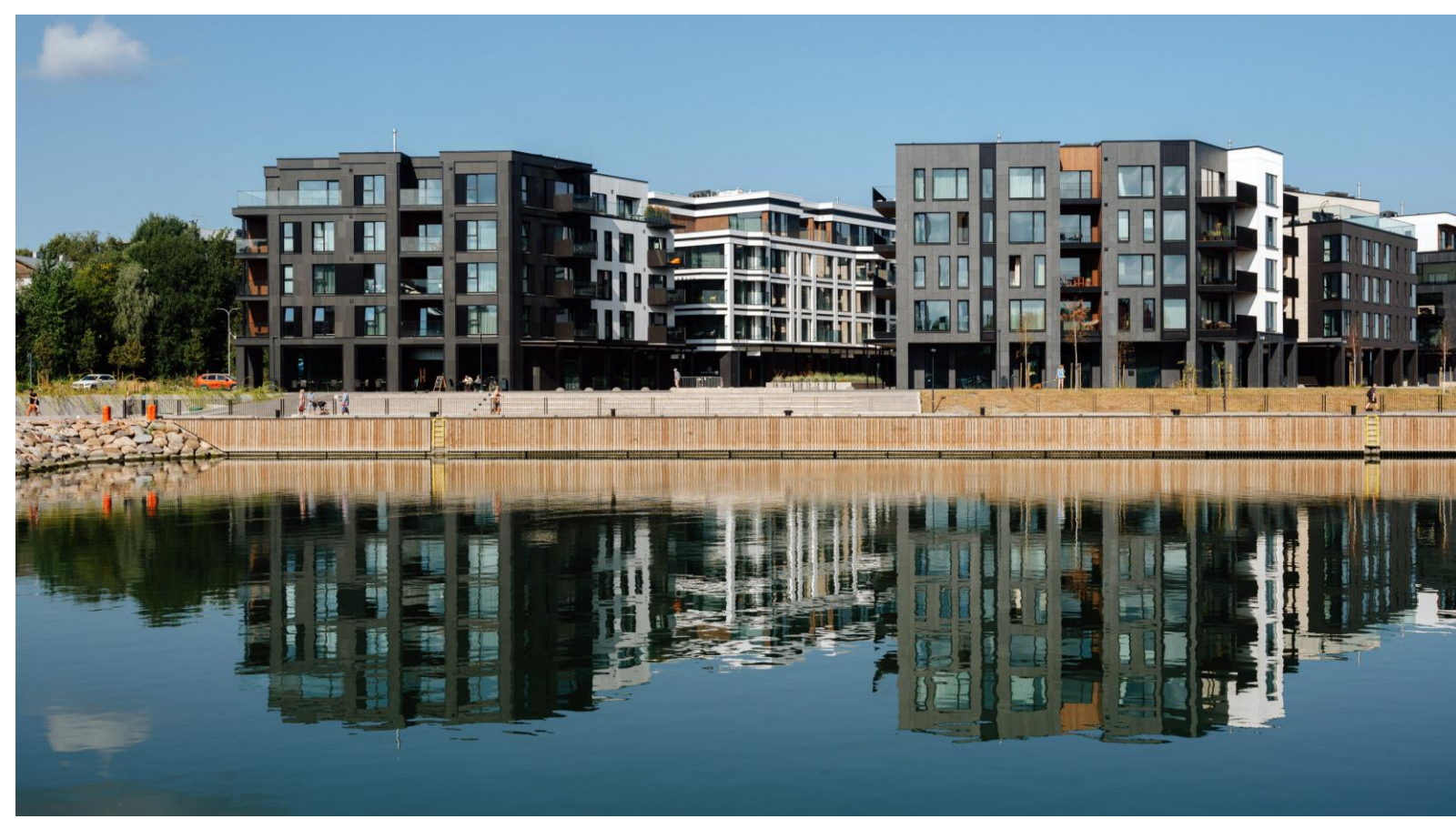
# CAPITAL STRUCTURE

The **equity ratio** has remained relatively stable over the observed quarters, maintaining levels around 20%. It exhibits a gradual increase but remained consistent, reflecting a steady financial structure.

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







Apartment  
buildings

## KALARANNA QUARTER (8 apartment buildings)

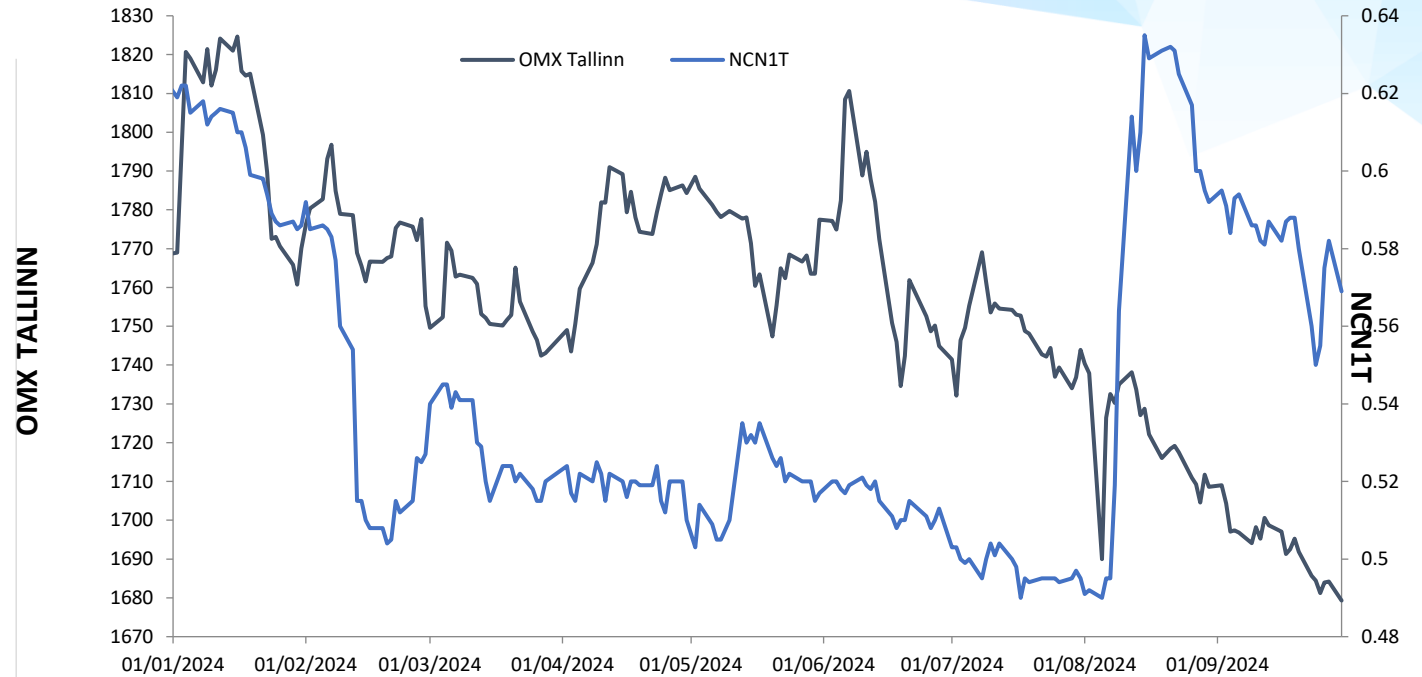
- Location: Tallinn, Estonia
- Completed: 2022
- Architect: Kadarik Tüür Arhitektid OÜ
- Contractor: Nordecon AS
- Client: OÜ Kalaranna Kvartal



# SHARE AND SHAREHOLDERS

## Largest shareholders in Nordecon AS at 30 September 2024

Shareholder	Number of shares	Ownership interest (%)
AS Nordic Contractors	16 563 145	51,16
Luksusjaht AS	4 332 342	13,38
Toomas Luman	801 150	2,47
Olegs Radcenko	574 200	1,77
Nõmme Erahariduse SA	370 370	1,14
Lembit Talpsepp	369 900	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 2024*	30 September 2024	+/-
OMX Tallinn	1 768,56	1 679,31	-5,05%
NCN1T	0,62EUR	0,57 EUR	-8,52%

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

## KEY FINANCIAL FIGURES AND RATIOS

Figure/ratio	9M 2024	9M 2023	9M 2022	2023
Revenue (€'000)	178 722	130 799	165 462	186 464
Revenue change	36,60%	-20,90%	5,40%	-15,40%
Net profit (loss) (€'000)	4 547	-2 772	-2 552	-6 418
Net profit (loss) attributable to owners of the parent (€'000)	3 376	-2 452	-2 651	-942
Earnings per share (€)	0,11	-0,08	-0,08	-0,03
Administrative expenses to revenue	2,80%	3,30%	2,40%	3,50%
EBITDA (€'000)	9 154	1 799	2 232	-412
EBITDA margin	5,10%	1,40%	1,30%	-0,20%
Gross margin	7,10%	3,30%	1,40%	2,00%
Operating margin	3,90%	-0,40%	-0,10%	-1,80%
Operating margin excluding gain on non-current asset sales	3,80%	-0,60%	-0,20%	-2,00%
Net margin	2,50%	-2,10%	-1,50%	-3,40%
Return on invested capital	13%	1,90%	-1,10%	8,00%
Return on equity	18,40%	-1,40%	-5,10%	8,30%
Equity ratio	22,10%	17%	17,80%	18,70%
Return on assets	3,80%	0,30%	-1,00%	1,60%
Gearing	12,60%	16,80%	36,60%	16,60%
Current ratio	1,00	0,91	0,90	0,95
	<b>30 Sept 2024</b>	<b>30 Sept 2023</b>	<b>30 Sept 2022</b>	<b>31 Dec 2023</b>
Order book (€'000)	195 628	175 539	150 694	216 732

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