

Presentation to the capital market 06-2021

accessible

Slide 1 - Header



Q2 – 2021

Slide 2 - Disclaimer

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Slide 3

The Leading Construction and Infrastructure Company in Israel for more than 80 years

- **80** simultaneous projects
- **20** Km of tunnels
- **Hundreds** of bridges built
- **Hundreds** Km of Roads paved
- **22,000** residential units delivered in the past decade
- **4** Million square meters of commercial, public, and office spaces built in the past decade

Slide 4

- **2,000** apartments under development
- **12** subsidiaries
- **3** factories
- **80** cranes and pumps owned
- **1,893** employees
- **4** countries

Slide 5 - Proven Financial Fortitude

- NIS **137** Million net profit for H1/2021
- NIS **56** Million profit from ongoing operations in H1/2021
- **18%** - Growth in profit from ongoing operations compared to the same period last year
- NIS **30** Million Dividend distributed subsequent to H1/2021 FS
- NIS **3.6** Billion annual turnover (past 12 months)
- NIS **10.7** Billion Orders backlog
- **0** Debt
- NIS **+679** Million Cash

Slide 6 - Significant Events During the Report Period

- The Company's IPO on the stock exchange market at a value of **NIS 1.8 billion** and in exchange for the IPO (including the sale of Africa Residential) of a total amount of **NIS 426 million**.
- A move to **separate from Africa Residential**, as part of the IPO, by way of a dividend and sale. The Company's data as at June 30, 2021 are presented without Africa Residential and the Company's data for the period ending June 30, 2021 includes the results of the Company's operations without Africa Residences as part of the Company's profit from ongoing operations. The results of the sale of Africa Residential are presented as part of discontinued operations.
- **Rishon Lezion affair** – Subsequent to H1/2021 financial statement, the office of the state attorney announced of dropping the charges referring to the company, the CEO, and one of the managers.
- **Dividend distribution** – Subsequent to H1/2021 financial statements, the board of directors approved dividend distribution, based on 30.6.2021 financial statements, at the amount of NIS 30 million.
- Significant projects won during the report's period and subsequent to it :
 - Aura Ramat Chen, at a total amount of **NIS 555 Million**.
 - Office building and commercial floor area project together with a partner and of a total amount of approximately **NIS 520 Million** (the company's share is approximately NIS 260 million)
 - Elite Tower Ramat Gan project, office tower of a total amount of **NIS 250 Million**.
 - Aura Nofey Ben Shemen project – Constructing 8 residential buildings of 500 residential units and at a total amount of **NIS 400 Million**, with an option to construct 102 residential units at phase B.
 - Aura Ramat HaSharon project, constructing phase B of the project (phase A is under construction) of a total amount of **NIS 446 Million** and 448 residential units.

Slide 7 - Financial Growth (In NIS million)

The net profit of the company for the report period totaled approximately **NIS 137 Million**.

BAR graph - Profit from Ongoing Operations

Period	NIS Million
2018	63
2019	63
2020	105
H1-2020	44
H1-2021	56
Q2-2020	24
Q2-2021	28

BAR graph - EBITDA

Period	NIS Million
2018	68
2019	68
2020	143
H1-2020	64
H1-2021	95
Q2-2020	29
Q2-2021	47

BAR graph - Turnover

Period	NIS Million
2018	3,586
2019	3,365
2020	3,559
H1-2020	1,720
H1-2021	1,926
Q2-2020	858
Q2-2021	916

BAR graph - Backlog by Operating Segments

Period	Residential Construction	Non Residential Construction	Infrastructure	Residential Development & Construction	Total
2018	2,694	2,247	1,150	310	6,400
2019	3,427	2,357	1,267	141	7,192
2020	3,926	2,992	2,610	81	9,609
H1-2020	4,332	2,734	1,659	102	8,827
H1-2021	4,687	3,245	2,248	551	10,731

Slide 8 - Synergic Revenue Structure Enabling the Distribution of Risks and Growth**Pie graph - Turnover by Operating Segments**

Operating Segment	Revenue distribution
Residential Construction	49%
Non Residential Construction	27%
Infrastructure	21%
Residential Development & Construction	3%

H1/21 Turnover approx. NIS 1.9 Billion

Pie graph - Backlog by Operating Segments

Operating Segment	Backlog distribution
Residential Construction	44%
Non Residential Construction	30%
Infrastructure	21%
Residential Development & Construction	5%

NIS 10.7 Billion Backlog

Slide 9 - Residential Construction

Growth in Turnover, in Profits and in Backlog (In NIS million)

	H1-2021	H1-2020	2020
Turnover	936	894	1,816
Gross Profit	52	53	111
Backlog	4,687	4,332	3,926
Rate out of the Total Company Operations	49%	52%	51%

Prominent Projects

Name of the Project	Estimated Financial Scope (NIS Million)	Completion Rate as at June 30, 2021	Expected Completion Date
Bat-Yam Moment (Ha'Shvatim)	690	0%	Q2, 2025
Aura Ramat Chen	555	0%	Q3, 2026
Gindi Yad Eliyahu - Upper House	555	7%	Q4, 2025
Ha'Tzeirim Towers Tel Aviv	506	95%	Q3, 2021
Gindi Tel Aviv Towers – Tower 4	458	7%	Q1, 2025
Gindi Tel Aviv Towers – Tower 3	452	48%	Q1, 2023
Aura Ramat Ha'Sharon *	446	0%	Q4, 2025
Nofey Ben Shemen *	400	0%	Q3, 2024

* The project is not included in the company's backlog as at 30.6.21 and expected to be in it in the next quarter.

Slide 10 - Residential Construction (Cont.)

Bat-Yam Moment (Ha'Shvatim)

Subject	Details
Description	The project includes the execution of retaining walls and excavation work, building four towers, two employment structures, commercial areas, public areas, including public buildings, underground 4 joint parking levels and development areas
Customer	Azorim
Location	Bay-Yam
Scope of the Project	714 Residential Units
Financial Scope	NIS 690 M
Expected Completion Date	Q2/2025

Slide 11 - Residential Construction (Cont.)

Aura – Ramat Chen

Subject	Details
Description	Three 30 story buildings each, 5 joint parking levels and commercial areas
Customer	Aura Investments
Location	Ramat Gan
Scope of the Project	522 Residential Units
Financial Scope	NIS 555 M
Expected Completion Date	Q3/2026

Slide 12 - Residential Construction (Cont.)

UPPER HOUSE - Gindi Yad Eliyahu

Subject	Details
Description	The project includes the execution of retaining walls and excavation work, the construction of two 30 story residential towers and a shared underground parking lot.
Customer	Gindi Upper House Holdings Ltd
Location	Tel Aviv

Subject	Details
Scope of the Project	704 Residential Units
Financial Scope	NIS 555 M
Expected Completion Date	Q4/2025

Slide 13 - Residential Construction (Cont.)

Ha'Tzeirim Towers – Tel Aviv

Subject	Details
Description	A residential project executed for a purchasing group. The project includes a parking lot, a commercial floor and two residential towers
Customer	Young Towers Representation – Private Apartments
Location	Tel Aviv
Scope of the Project	486 Residential Units
Financial Scope	NIS 506 M
Expected Completion Date	Q3/2021

Slide 14 - Residential Construction (Cont.)

Gindi Tel Aviv Tower 3

Subject	Details
Description	The project includes the execution of retaining walls and excavation work, and the construction of a 50 story residential tower
Customer	Gindi Tel Aviv Towers Ltd.
Location	Tel Aviv
Scope of the Project	385 Residential Units
Financial Scope	NIS 452 M
Expected Completion Date	Q1/2023

Gindi Tel Aviv Tower 4

Subject	Details
Description	The project includes the execution of retaining walls and excavation work, and the construction of a 50 story residential tower
Customer	Gindi Tel Aviv Towers Ltd.
Location	Tel Aviv
Scope of the Project	385 Residential Units
Financial Scope	NIS 458 M
Expected Completion Date	Q1/2025

Slide 15 - Residential Construction (Cont.)

Aura – Ramat Ha'Sharon

Subject	Details
Description	Executing stage B at urban renewal project, including demolish, retaining walls and excavation work, constructing 4 residential buildings with total 448 residential units, basements and commercial areas (stage A is under construction)
Customer	Aura Investments
Location	Ramat Ha'Sharon
Scope of the Project	448 Residential Units
Financial Scope	NIS 446 M
Expected Completion Date	Q4/2025

Slide 16 - Residential Construction (Cont.)

Nofey Ben Shemen

Subject	Details
Description	<p>The project includes constructing 8 residential towers which includes 500 residential units, underground parking lots and 1,800 square meter commercial areas.</p> <p>The company has an option to construct stage B which includes 102 residential units</p>
Customer	Aura Investments
Location	Lod
Scope of the Project	500 Residential Units

Subject	Details
Financial Scope	NIS 400 M
Expected Completion Date	Q3/2024

Slide 17 – Non Residential Construction

Growth in Turnover, in Profits and in Backlog (In NIS million)

	H1-2021	H1-2020	2020
Turnover	518	395	919
Gross Profit	20	2	9
Backlog	3,245	2,734	2,991
Rate out of the Total Company Operations	27%	23%	26%

Prominent Projects

Name of the Project	Estimated Financial Scope (NIS Million)	Completion Rate as at June 30, 2021	Expected Completion Date
Ministry of Justice	484	77%	Q2, 22
District Government Campus, Jerusalem	416	23%	Q4, 23
Computerization Project *	947	5%	Q3, 24

* Execution of the project in partnership with Solel Boneh, which is presented according to the equity method

Slide 18 – Non Residential Construction (Cont.)

Ministry of Justice - Jerusalem

Subject	Details
Description	70,000 square meters constructed, which includes underground construction of about 30,000 square meters. An office building that includes five floors, and a 17 story building that includes about 40,000 square meters (above ground).
Customer	AFI Properties Jerusalem Concessions 2013 Ltd
Location	Jerusalem
Scope of the Project	A Total of Approx. 70,000 Sq. M.
Financial Scope	NIS 484 M
Expected Completion Date	Q2/2022

Slide 19 – Non Residential Construction (Cont.)

District Government Campus - Jerusalem

Subject	Details
Description	BOT project - planning, construction, operation and maintenance of the District Campus in Jerusalem.
Customer	AFI Properties Ltd.
Location	Jerusalem
Scope of the Project	Approx. 80,000 Sq. M.
Financial Scope	NIS 416 M
Expected Completion Date	Q4/2023

Slide 20 - Infrastructure

Growth in Turnover, in Profits and in Backlog (In NIS Million)

	H1-2021	H1-2020	2020
Turnover	409	391	768
Gross Profit	11	8	17
Backlog	2,248	1,659	2,610
Rate out of the Total Company Operations	21%	23%	22%

Prominent Projects

Name of the Project	Estimated Financial Scope (NIS Million)	Completion Rate as at June 30, 2021	Expected Completion Date
The Red Line – Eastern Section *	831	95%	Q4, 2021
Eastern Track – Section B	658	29%	Q1, 2023

* Share of the Company

Slide 21 – Infrastructure (Cont.)

Red Line – Eastern Section

Subject	Details
Description	A pair of underground tunnels of a total length of 3.5 km. 3 underground stations and three chambers.
Customer	NTA – Municipal Transport Lines
Location	Petach Tikva, Bnei Brak
Financial Scope	NIS 1.7 Billion
Expected Completion Date	Q4/2021

Slide 22 – Infrastructure (Cont.)

Eastern Track

Subject	Details
Description	20 km of railway tracks including bridging, earthworks, retaining walls, etc.
Customer	Netivei Israel
Location	From Nitzanei Oz to Elishema
Financial Scope	NIS 658 M
Expected Completion Date	Q1/2023

Slide 23 - Residential Development & Construction

Current Development Projects

Name of the Project	Location	Share of the Company	No. of Residential Units (Total)	No. of Free Market Residential Units	Financial Scope (Company Share) (NIS M)	Expected Completion Date
Savyonei Shoham	Shoham	50%	216	43	178	2021
Narkisim	Rishon Lezion	50%	554	160	425	2023
Savyonei Ir Hayayin	Ashkelon	100%	423	127	429	2023
Unique Be'er Ya'acov	Be'er Ya'acov	50%	98	20	87	2023

Slide 24 - Residential Development & Construction (Cont.)

Narkissim – Rishon Lezion

Subject	Details
Description	13 residential buildings of 9 - 20 stories
Developer	A. M. D. S.
Location	Rishon Lezion
Scope of the Project	554 Residential Units
Financial Scope	NIS 850 M
Expected Completion Date	Q3/2023

Slide 25 - Residential Development & Construction (Cont.)

Be'er Ya'acov

Subject	Details
Description	A unique residential complex with 2 boutique buildings and an 18 story tower, an employment complex of a floor area of about 3,000 square meters spread over 4 floors, a commercial recreation and leisure complex – 600 square meters
Developer	Danya Cebus + E. Luzon
Location	Be'er Ya'acov - Eucalyptus Suburb
Scope of the Project	98 residential units 600sq. m. commercial recreation and leisure floor space 3,000 sq. m. employment complex
Financial Scope	NIS 173 M
Expected Completion Date	Q4/2023

Slide 26 - Residential Development & Construction (Cont.)

“Ir Hayayin” - Ashkelon

Subject	Details
Description	7 residential buildings of 13 - 19 floors each. First project under full development by Denya Cebus.
Developer	Danya Cebus
Location	Ashkelon
Scope of the Project	423 residential units

Subject	Details
	(127 residential units for sale on the open market).
Financial Scope	429 מיליון ש"ח
Expected Completion Date	Q3/2023

Slide 27 - Liabilities and Capital Balance Sheet - 30.6.2021 (NIS Thousands)

	30.6.2021	31.12.2020 Proforma
Total Balance Sheet	2,068,280	1,987,825
Total Current Assets	1,754,266	1,581,101
Investments and Loans to investee Companies and related Parties	145,261	152,199
Inventory of lands	41,061	125,204
Fixed Assets and Other Non Current Assets	127,692	129,321
Total Non Current Assets	314,014	406,724
Total Current Liabilities	1,382,596	1,421,176
Non Current Loans	-	55,918
Other Non Current Liabilities	52,935	52,293
Total Non Current Liabilities	52,935	108,211
Equity	632,749	458,438

Slide 28 - Profit & Loss (NIS M)

	2021 Q2	2020 Q2 Proforma	2021 H1	2020 H1 Proforma	2020 Proforma	2019 Proforma
Turnover	916	858	1,926	1,720	3,559	3,365
Gross Profit	48	29	91	64	138	82
Profit from Ongoing Operations	28	24	56	44	105	63
Net Profit	28	24	137	44	105	63

Slide 29 - Development of Revenues and Backlogs (NIS M)

Line Graph - Revenue Turnover

Period	Revenue Turnover
2015	3,255
2016	4,450
2017	4,227
2018	4,410
2019	4,552
2020	4,768

Line Graph - Backlog

Period	Backlog
2015	6,862
2016	6,679
2017	5,720
2018	6,399
2019	7,191
2020	9,608
Q2-2021	10,731

Slide 30 - Consolidated Order backlog – By Operating segments (NIS M)

	Backlog Balance 30.6.2021	Backlog Balance 2020	Backlog Balance 2019	Backlog Balance 2018
Residential Construction	4,653	3,926	3,427	2,694
Non Residential Construction	2,363	2,086	1,562	1,452
Residential Development and Construction	585	81	141	310
Infrastructure	2,248	2,610	1,267	1,150
Total Backlog in the Financial Statements	9,849	8,703	6,397	5,605
Associated companies*	882	906	795	795
Total	10,731	9,608	7,192	6,400

* The Teleprocessing Project is included in the financial statements of an associated company, and is therefore not added to the accounting backlog. The updated scope of implementation is 1.9 billion NIS (Denya's share - 950 million NIS).