

# **Presentation to the capital market Q4-2021**

## **Accessible**

### **Slide 1 - Header**



### **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** of 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
- **2,000** apartments under development
- **12** subsidiaries
- **3** factories
- **80** cranes and pumps owned
- **1,820** employees
- **4** countries

### **Slide 4 - Proven Financial Fortitude**

- NIS **4.1** Billion annual turnover
- NIS **213** Million net profit in 2021
- NIS **132** Million profit from ongoing operations in 2021
- **26%** - Increase in annual profit
- NIS **120** Million During 2021, 90 Million NIS distributed, and additional NIS 30 Million announced subsequent to the reporting date
- **4.5%** Return per stock as at 1.3.22
- NIS **11.1** Billion Orders backlog
- NIS **809** Million Cash, restricted deposits and marketable securities
- **0** Debt

## **Slide 5 - Financial Growth (In NIS million)**

The net profit of the company for the report period totaled approximately **NIS 213 Million**.

### **BAR graph - Profit from Ongoing Operations**

<b>Period</b>	<b>NIS Million</b>
<b>2018</b>	63
<b>2019</b>	63
<b>2020</b>	105
<b>2021</b>	132

**Increase of 26% from 2020**

### **BAR graph - EBITDA**

<b>Period</b>	<b>NIS Million</b>
<b>2018</b>	69
<b>2019</b>	84
<b>2020</b>	143
<b>2021</b>	218

**Increase of 53% from 2020**

### **BAR graph - Turnover**

<b>Period</b>	<b>NIS Million</b>
<b>2018</b>	3,586
<b>2019</b>	3,365
<b>2020</b>	3,559
<b>2021</b>	4,060

**Increase of 14% from 2020**

### **BAR graph - Backlog by Operating Segments**

<b>Period</b>	<b>Residential Construction</b>	<b>Non Residential Construction</b>	<b>Infrastructure</b>	<b>Residential Development &amp; Construction</b>	<b>Total</b>
<b>2018</b>	2,694	2,247	1,150	310	6,400
<b>2019</b>	3,427	2,357	1,267	141	7,192
<b>2020</b>	3,926	2,992	2,610	81	9,609
<b>2021</b>	5,323	2,880	2,430	425	11,058

**Increase of 15% from 2020**

## **Slide 6 - Synergic Revenue Structure Enabling the Distribution of Risks and Growth**

### **Pie graph - Turnover by Operating Segments**

<b>Operating Segment</b>	<b>Revenue distribution</b>
Residential Construction	44%
Non Residential Construction	27%
Infrastructure	23%
Residential Development & Construction	6%

**Turnover in 2021 - approx. NIS 4.1 Billion**

### **Pie graph - Backlog by Operating Segments**

<b>Operating Segment</b>	<b>Backlog distribution</b>
Residential Construction	48%
Non Residential Construction	26%
Infrastructure	22%
Residential Development & Construction	4%

**NIS 11.1 Billion Backlog**

## **Slide 7 - Residential Construction**

### **Backlog, Turnover & Profits (In NIS million)**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Turnover	1,797	1,816	1,765
Gross Profit	101	111	80
Backlog	5,323	3,926	3,427
Revenue rate out of the total turnover of the company	44%	51%	52%

### **Prominent Projects**

<b>Name of the Project</b>	<b>Estimated Financial Scope (NIS Million)</b>	<b>Completion Rate as at Dec. 31, 2021</b>	<b>Expected Completion Date</b>
Bat-Yam Moment (Ha'Shvatim)	697	2%	Q2, 2025
Upper House - Yad Eliyahu	569	15%	Q3, 2024

<b>Name of the Project</b>	<b>Estimated Financial Scope (NIS Million)</b>	<b>Completion Rate as at Dec. 31, 2021</b>	<b>Expected Completion Date</b>
Aura Ramat Chen	555	0%	Q3, 2026
TLV Towers Tel Aviv – Tower 3	459	66%	Q1, 2023
TLV Towers Tel Aviv – Tower 4	458	16%	Q1, 2025
Aura Ramat Ha'Sharon – Stage B	446	0%	Q1, 2026
Nofey Ben Shemen	400	2%	Q3, 2024

## **Slide 8 – Non Residential Construction**

### **Backlog, Turnover & Profits (In NIS million)**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Turnover	1,084	919	761
Gross Profit	33	9	(21.7)
Backlog	2,880	2,991	2,356
Revenue rate out of the total turnover of the company	27%	26%	23%

### **Prominent Projects**

<b>Name of the Project</b>	<b>Estimated Financial Scope (NIS Million)</b>	<b>Completion Rate as at Dec. 31, 2021</b>	<b>Expected Completion Date</b>
Ministry of Justice	493	84%	Q4, 2022
District Government Campus, Jerusalem	447	27%	Q2, 2024
Computerization Project *	947	5%	Q3, 2024

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

## **Slide 9 - Infrastructure**

### **Backlog, Turnover & Profits (In NIS million)**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
Turnover	932	768	667
Gross Profit	21	17	11
Backlog	2,430	2,610	1,267
Revenue rate out of the total turnover of the company	23%	22%	20%

### **Prominent Projects**

<b>Name of the Project</b>	<b>Estimated Financial Scope (NIS Million)</b>	<b>Completion Rate as at Dec. 31, 2021</b>	<b>Expected Completion Date</b>
The Red Line – Eastern Section *	834	97%	Q1, 2022
Eastern Track – Section B	675	59%	Q1, 2023

\* Share of the Company

## **Slide 10 - Residential Development & Construction**

### **Developing Projects**

- Projects under construction**

<b>Name of the Project</b>	<b>Location</b>	<b>Share of the Company</b>	<b>No. of Residential Units (Total)</b>	<b>No. of Free Market Residential Units</b>	<b>Financial Scope (Company Share)</b>	<b>Total unrecognized gross profit (Company's share in NIS Millions)</b>	<b>Expected Completion Date</b>
Narkisim	Rishon Lezion	50%	554	160	437	19	2022-2023
Savyonei Ir Hayayin	Ashkelon	100%	423	127	447	32	2023
Unique Urban	Be'er Ya'acov	50%	98	20	87	10	2023
Timisoara	Romania	100%	233	233	69	16	2022-2023

- Finished projects**

<b>Name of the Project</b>	<b>Location</b>	<b>Share of the Company</b>	<b>No. of Units in stock</b>	<b>Estimated Incomes from units in stock (Company's share in NIS Millions)</b>	<b>Total unrecognized gross profit (Company's share in NIS Millions)</b>
Unique Top	Rishon Lezion	50%	31	56	17

- **Inventory of lands**

Projects in Romania	Land's original price as at 31.12.21	Share of the Company	Constructing franchise - Current planning status	Constructing franchise - Requested planning status
Praga	28,159	100%	At master plan's procedure	About 1,000 residential units
Timisora	3,098	100%	Building authorization received	116 residential units
Corebeanca	14,211	100%	At master plan's procedure	About 350 fields / ground floors residential units
Voluntari	17,645	100%	At building authorization procedure	75 ground floors residential units
Brasov	7,488	100%		-
Saftica	3,221	100%		

The information above, is within future projection, which based, among other things, on information held by the company to this date and past experience of the company, and includes estimations and plans of the company which might not occur, or occur differently, essentially, as expected by the company, from various reasons, among them, in case will occur one or more of the followings: (1) Adverse changes in the state of the economy and / or in the state of the real estate market in general and in the area where the project is located in particular will be adverse; (2) Changes will occur in the construction costs and / or in the prices of the raw materials (and / or their availability) and / or in the prices of the construction inputs and / or in the availability of a person there; (3) External factors not depend on the company, such as the authorities of design; And / or (4) One or more of the risk factors that the company is also exposed to, will occur.

### **Slide 11 - Balance Sheet Liabilities and Capital – 31.12.2021** (NIS Thousands)

	31.12.2021	31.12.2020 Proforma
Total Balance Sheet	2,255,343	1,987,825
Total Current Assets	1,882,933	1,581,101
Investments and Loans to investee Companies and related Parties	126,137	152,199
Inventory of lands	66,391	125,204
Fixed Assets and Other Non Current Assets	179,882	129,321
Total Non Current Assets	372,410	406,724
Total Current Liabilities	1,558,012	1,421,176
Non Current Loans	-	55,918
Other Non Current Liabilities	67,880	52,293
Total Non Current Liabilities	67,880	108,211
Equity	629,450	458,438

## Slide 12 - Profit & Loss (NIS M)

	Q4/2021	Q4/2020 Proforma	2021	2020 Proforma	2019 Proforma
Turnover	1,129	901	4,060	3,559	3,365
Gross Profit	57	41	198	138	82
<b>Profit from Ongoing Operations</b>	<b>46</b>	<b>31</b>	<b>132</b>	<b>105</b>	<b>63</b>
Net Profit	46	31	213	105	63

## Slide 13 - Development of Revenues and Backlogs (NIS M)

### Line Graph - Revenue Turnover

Period	Revenue Turnover
2017	3,495
2018	3,586
2019	3,365
2020	3,559
2021	4,060

### Line Graph - Backlog

Period	Backlog
2017	5,720
2018	6,399
2019	7,191
2020	9,608
2021	11,058

## Slide 14 - Quarterly profit for 2021

	Q1	Q2	Q3	Q4	Total 2021
Turnover	1,009.7	916.4	1,005.5	1,128.8	<b>4,060.4</b>
Gross (Loss) Profit	43.0	47.6	50.7	56.8	<b>198.1</b>
Profit from Ongoing Operations	27.6	28.3	30.2	46.1	<b>132.2</b>

BAR graph from the profit data in the table above



## **Slide 15 - Consolidated Order backlog – By Operating segments (NIS M)**

	<b>Backlog Balance 2021</b>	<b>Backlog Balance 2020</b>	<b>Backlog Balance 2019</b>	<b>Backlog Balance 2018</b>
Residential Construction	5,323	3,926	3,427	2,694
Non Residential Construction	2,043	2,086	1,562	1,452
Residential Development and Construction	425	81	141	310
Infrastructure	2,430	2,610	1,267	1,150
<b>Total Backlog in the Financial Statements</b>	<b>10,221</b>	<b>8,703</b>	<b>6,397</b>	<b>5,605</b>
Associated companies*	837	906	795	795
<b>Total</b>	<b>11,058</b>	<b>9,608</b>	<b>7,192</b>	<b>6,400</b>

\* 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).

**As of December 31, 2021, and to the financial statements date, projects at a total amount of NIS 1,225 Millions entered to the backlog, NIS 290 Millions out of them, as an option of the client.**

## **Slide 16 - Building ahead**

### **▪ Constructing**

Continuation the construction momentum with an emphasis on large-scale projects in the residential and non-residential sectors.

The volume of housing transactions in Israel is on the rise, when the annual rate in 2021 standing at about 151,000 transactions, an increase of 41% compared to 2020. Execution momentum in the field of infrastructure due to the increase in the state's budget in that sector.

In the state's budget, the budget for infrastructure in 2022 sums up to NIS 43.7 Billions, as to NIS 33 Billions in 2021.

### **▪ Developing**

Thousands of apartments are in the planning and constructing phase.

In the company's intentions to increase the backlog in the developing sector in Israel and abroad.

- **Franchising PFI/BOT**

**Fast Lanes** – An approval as been received from the state for replacing Lapidoth with Nativ La'ir company, which is the SPC of the fast lanes project. An approval of Danya Cebus and Lapidoth's organs is required for entering Danya as part of the franchise.

Additional **PPP projects tenders**, especially in the train sector, including the blue line in Jerusalem.

- **Development of the traditional activities and the systems division**

**Construction industry** - The industrial activity in Cebus, Denya Systems and Alum Denya are synergistic with the constructing activity.

Turnover of approximately NIS 300 million (of which approximately NIS 215 million to external parties).

**Air conditioning** - The company has started a new activity in the air conditioning sector in a partnership with Newpan.