

# **Presentation to the capital market H1-2023**

## **Accessible**

### **Slide 1 - Header**



**Build the Future**

**H1 - 2023**

### **Slide 2 - Disclaimer**

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### Slide 3

Denya. The Leading Construction & Infrastructure Company in Israel for more than 80 years

- **80** projects simultaneously
- **Tens of thousands** of residential units delivered in the past decade
- **Millions** of sqm of commercial, public and office spaces constructed in the past decade
- **Tens** of kilometers of tunnels cut through
- **Hundreds** of bridges built
- **Hundreds** of kilometers of roads paved
- Concession projects **PPP**
- **Over 2,000** employees
- **Thousands** of apartments under development in the previous years
- Industrial facilities
- Geotechnics and ground basing
- Electro-mechanics & air conditioning systems
- International activity in **3 countries**

### Slide 4 - Financial Fortitude

- NIS **13.8** Billion Orders backlog
- NIS **2.7** Billion Period turnover
- NIS **105** Million Net profit
- **29%** - Increase in profit in comparison to the same period last year
- NIS **80** Million dividends announced during the period
- NIS **786** Million Cash, restricted deposits and marketable securities
- **0** Corporate Debt

### Slide 5 - Business Strategy

- **Outer circle:** The company's business strategy is to act at five segments: Residential Construction, Non-Residential construction, Residential Development and Construction, Infrastructure, Concessions
- **Inner circle:** Fulfilling the strategy using the significant strengths of the company: Human capital, operational efficiency, safety
- **Arrows coming out of the circles:** The company expects that fulfilling its strategy will bring: Revenue mix with high profit margins, stable cash flow over time, efficiency through innovation and technology

## **Slide 6 - Financial Stability**

Balance sheet enabling growth potential even in the rising interest rates environment

Red arrow reflects the **Inflation and interest rates**

Green arrows reflecting the subjects below:

- NIS **455** Million **positive working capital**
- NIS **786** Million **financial assets**
- **0** Corporate Debt
- Contract indexation

## **Slide 7 - Financial Growth (In NIS million)**

The net profit of the company for the reported period amounted to approximately **NIS 105 Million**.

### **BAR graph – Net Profit**

<b>Period</b>	<b>NIS Million</b>
<b>2020</b>	105
<b>2021</b>	132
<b>2022</b>	175
<b>H2-2022</b>	81
<b>H2-2023</b>	105
<b>Q2-2022</b>	41
<b>Q2-2023</b>	55

**Increase of 34% compared to the same period last year**

### **BAR graph - Turnover**

<b>Period</b>	<b>NIS Million</b>
<b>2020</b>	3,559
<b>2021</b>	4,060
<b>2022</b>	4,486
<b>H2-2022</b>	2,102
<b>H2-2023</b>	2,707
<b>Q2-2022</b>	1,069
<b>Q2-2023</b>	1,372

**Increase of 28% compared to the same period last year**

### **BAR graph – Orders Backlog**

<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>2020</b>	3,926	2,086	2,610	81	<b>8,703</b>
<b>2021</b>	5,323	2,043	2,430	425	<b>10,221</b>
<b>2022</b>	5,901	3,203	2,384	94	<b>11,581</b>
<b>30/06/22</b>	5,175	2,598	2,571	227	<b>10,571</b>
<b>30/06/23</b>	6,814	4,268	2,599	135	<b>13,816</b>

### **BAR graph - EBITDA**

<b>Period</b>	<b>NIS Million</b>
<b>2020</b>	143
<b>2021</b>	218
<b>2022</b>	288
<b>H2-2022</b>	137
<b>H2-2023</b>	162
<b>Q2-2022</b>	71
<b>Q2-2023</b>	83

**Increase of 17% compared to the same period last year**

### **Slide 8 - Balance Sheet Liabilities and Capital – 30.6.2023**

**(NIS Thousands)**

	<b>30.6.2023</b>	<b>31.12.2022</b>
Total Balance Sheet	2,555,624	2,297,570
Total Current Assets	2,196,679	1,904,307
Investments and Loans in investee Companies & related Parties	76,908	115,325
Inventory of lands	75,749	70,664
Fixed Assets and Other Non-Current Assets	206,288	207,274
Total Non-Current Assets	358,945	393,263
Total Current Liabilities	1,741,899	1,529,074
Total Non-Current Liabilities	64,807	63,597
Equity	748,918	704,899

## **Slide 9 - Consolidated Orders backlog – By Operating segments (Million NIS)**

	<b>Backlog 30.6.2023</b>	<b>Backlog 2022</b>	<b>Backlog 2021</b>	<b>Backlog 2020</b>
Residential Construction	6,814	5,901	5,323	3,926
Non-Residential Construction	4,268	3,203	2,043	2,086
Infrastructure	2,599	2,384	2,430	2,610
Residential Development and Construction	135	94	425	81
<b>Total Backlog as per Financial Statements</b>	<b>13,816</b>	<b>11,581</b>	<b>10,221</b>	<b>8,703</b>

**Update:** From June 30, 2023 until the date of publishing the financial statements, new projects totaling **NIS 817 Million** were added to the backlog.

## **Slide 10 - Four main activities segments**

- Infrastructure
- Non-Residential Construction
- Residential Construction
- Residential Development and Construction

## **Slide 11 - Synergetic Revenue Structure Enabling a Distribution of Risks and Growth**

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

<b>Operating Segment</b>	<b>Revenue distribution</b>
Residential Construction	42%
Non Residential Construction	33%
Infrastructure	23%
Residential Development & Construction	2%

**Turnover in H1-2023 - approx. NIS 2.7 Billion**

### Pie graph - Backlog by Operating Segments

<b>Operating Segment</b>	<b>Backlog distribution</b>
Residential Construction	49%
Non Residential Construction	31%
Infrastructure	19%
Residential Development & Construction	1%

**Backlog at 30.6.23 - NIS 13.8 Billion**

### Slide 12 - Infrastructure - Backlog, Turnover & Profitability (Million NIS)

#### Turnover – Bar Graph

<b>Period</b>	<b>Turnover</b>
<b>2021</b>	932
<b>2022</b>	1,159
<b>H2-2022</b>	541
<b>H2-2023</b>	634
<b>Q2-2022</b>	292
<b>Q2-2023</b>	337

#### Gross Profit – Bar Graph

<b>Period</b>	<b>Gross Profit</b>
<b>2021</b>	21
<b>2022</b>	78
<b>H2-2022</b>	39
<b>H2-2023</b>	46
<b>Q2-2022</b>	24
<b>Q2-2023</b>	23

#### Backlog – Bar Graph

<b>Period</b>	<b>Backlog</b>
<b>2021</b>	2,430
<b>2022</b>	2,384
<b>30.6.22</b>	2,571
<b>30.6.23</b>	2,599

### **Slide 13 - Infrastructure – Significant Projects**

<b>Name of the Project</b>	<b>Estimated Financial Volume (NIS Million)</b>	<b>Completion Rate</b>	<b>Estimated Completion</b>
Fourth rail - Ayalon section	490	0%	Q2, 2029
Fast Lanes – Shefayim parking lot and 541 Road	886	33%	Q4, 2025

### **Slide 14 - Non-Residential - Backlog, Turnover & Profitability (Million NIS)**

#### **Turnover – Bar Graph**

<b>Period</b>	<b>Turnover</b>
<b>2021</b>	1,084
<b>2022</b>	1,350
<b>H2-2022</b>	609
<b>H2-2023</b>	884
<b>Q2-2022</b>	323
<b>Q2-2023</b>	450

#### **Gross Profit – Bar Graph**

<b>Period</b>	<b>Gross Profit</b>
<b>2021</b>	33
<b>2022</b>	77
<b>H2-2022</b>	31
<b>H2-2023</b>	45
<b>Q2-2022</b>	18
<b>Q2-2023</b>	23

#### **Backlog – Bar Graph**

<b>Period</b>	<b>Backlog</b>
<b>2021</b>	2,043
<b>2022</b>	3,203
<b>30.6.22</b>	2,598
<b>30.6.23</b>	4,268

## **Slide 15 - Non-Residential – Significant Projects**

<b>Name of the Project</b>	<b>Estimated Financial Volume (NIS Million)</b>	<b>Completion Rate</b>	<b>Estimated Completion</b>
Regional Government Headquarters	567	57%	Q3, 2024
Ministry of Justice	548	98%	Q4, 2023
TOHA 2	532	14%	Q3, 2026
Complex 1000, Rishon Lezion	475	0%	Q3, 2026

## **Slide 16 – Residential - Backlog, Turnover & Profitability** **(Million NIS)**

### **Turnover – Cumulative Bar Graph**

<b>Period</b>	<b>Turnover</b>
<b>2021</b>	1,797
<b>2022</b>	1,635
<b>H2-2022</b>	747
<b>H2-2023</b>	1,140
<b>Q2-2022</b>	377
<b>Q2-2023</b>	560

### **Gross Profit – Bar Graph**

<b>Period</b>	<b>Gross Profit</b>
<b>2021</b>	101
<b>2022</b>	74
<b>H2-2022</b>	35
<b>H2-2023</b>	49
<b>Q2-2022</b>	16
<b>Q2-2023</b>	24

### **Backlog – Bar Graph**

<b>Period</b>	<b>Backlog</b>
<b>2021</b>	5,323
<b>2022</b>	5,901
<b>30.6.22</b>	5,175
<b>30.6.23</b>	6,814



## **Slide 17 – Residential Construction – Significant Projects**

<b>Name of the Project</b>	<b>Estimated Financial Volume (NIS Million)</b>	<b>Completion Rate</b>	<b>Estimated Completion</b>
Carmay Hanadiv Phase A+B	494	14%	Q4, 2025
Aura Ramat Chen	602	5%	Q3, 2026
Upper House - Yad Eliyahu	636	53%	Q2, 2025
DUO Semel south *	461	9%	Q2, 2027
Bat-Yam Moment (Ha'Shvatim)	753	21%	Q1, 2025
Carasso Jerusalem - Demolition and reconstruction	438	0%	Q4, 2027

\* Denya's Share

## **Slide 18 – Residential Construction – Significant Projects**

(Cont.)

<b>Name of the Project</b>	<b>Estimated Financial Volume (NIS Million)</b>	<b>Completion Rate</b>	<b>Estimated Completion Date</b>
Aura Ramat Ha'Sharon Phase B	446	0%	Q2, 2027
Gindi Towers Tel Aviv – Tower 3	480	98%	Q4, 2023
Gindi Towers Tel Aviv – Tower 4	515	48%	Q4, 2025
Nofey Ben Shemen	427	51%	Q3, 2024
Gindi Ramat Efal	600	0%	Q4, 2026

## **Slide 19 - Residential Development & Construction**

### **Residential Development Projects**

<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 Residential Units sold</b>	<b>Estimated Completion Date</b>
Savyonei Ir Hayayin	Ashkelon	100%	423	423	2023
Unique Urban	Be'er Ya'acov	50%	98	96	2023
Timisoara – bloc I	Romania	100%	116	77	2023
Timisoara – bloc H	Romania	100%	116	17	2024
Unique Top	Rishon Lezion	50%	377	367	Completed
Swomin – Stage A	Poland	100%	20	2	2024

## **Slide 20 - Residential Development & Construction**

### **Significant Projects**

<b>Name of the Project</b>	<b>Description</b>	<b>Details</b>
SWOMIN - Denya Spring View	A plot of land located in Swomin village, south of Warsaw, for construction of 148 residential units, 20 units in Stage A	<ul style="list-style-type: none"> <li>• Location: Warsaw</li> <li>• Project Scope: 148 Residential Units</li> <li>• Land cost: NIS 11 Million</li> <li>• Building permit received</li> </ul>
PRAGA	Multi-floor residential construction next to the American School in Pipera neighborhood. Four phases project with a total value of EUR 100 Millions	<ul style="list-style-type: none"> <li>• Location: Bucharest</li> <li>• Project Scope: 900 Residential Units</li> <li>• Land cost: NIS 25 Million</li> <li>• Zoning approval is about to be received soon</li> </ul>
DENYA LAKE	A plot of land in the Pipera neighborhood for construction of approx. 77 townhouses	<ul style="list-style-type: none"> <li>• Location: Bucharest</li> <li>• Project Scope: 77 Units</li> <li>• Land cost: NIS 18 Million</li> <li>• Subsequent to the reporting date, building permit has received</li> </ul>
DENYA FOREST - BLOC I	Second building out of 3. 12 floors and 116 residential units - sole development of Denya Romania. Construction commenced in 2021, scheduled for completion in Q3.2023	<ul style="list-style-type: none"> <li>• Location: Timisoara</li> <li>• Project Scope: 116 Residential Units</li> <li>• Land cost: NIS 3 Million</li> <li>• Under Construction</li> </ul>
DENYA FOREST - BLOC H	Third building out of 3, 12 floors and 116 residential units - sole development of Denya Romania. Construction commenced in 2022 , scheduled for completion in Q4.2024	<ul style="list-style-type: none"> <li>• Location: Timisoara</li> <li>• Project Scope: 116 Residential Units</li> <li>• Land cost: NIS 3 Million</li> <li>• Under Construction</li> </ul>
DENYA CORBEANCA	A plot of land located in the Corbeanca neighborhood with a total area of 223 thousand sqm., for construction of approx. 350 townhouses	<ul style="list-style-type: none"> <li>• Location: Bucharest</li> <li>• Project Scope: 350 Units</li> <li>• Land cost: NIS 14 Million</li> <li>• Zoning approval received</li> </ul>

### **Developer's Strengths**

- Unleveraged land purchase
- Net of project debt
- Zero exposure to rising interest rates

## **Slide 21 – Concessions**

### **Construction/Operation phase:**

- **Roads**

#### **HaYovel lines**

Effective share in the Concessionaire -	15%
Share in the O&M -	100%
Concession period -	Until 2031

#### **Fast Lanes**

Share in the Concessionaire -	25%
Share in the EPC -	50%
Construction commencement -	11/2022

### **A tender offer has been submitted:**

- **Light Rail**

#### **Light Rail Jerusalem (Blue Line)**

Share in the Bidder -	47.5%
Bid submission -	08/2022

#### **Light Rail Nazareth – Haifa (Nofit)**

Share in the Bidder -	45%
Bid submission -	05/2023