

MIRBUD CAPITAL GROUP



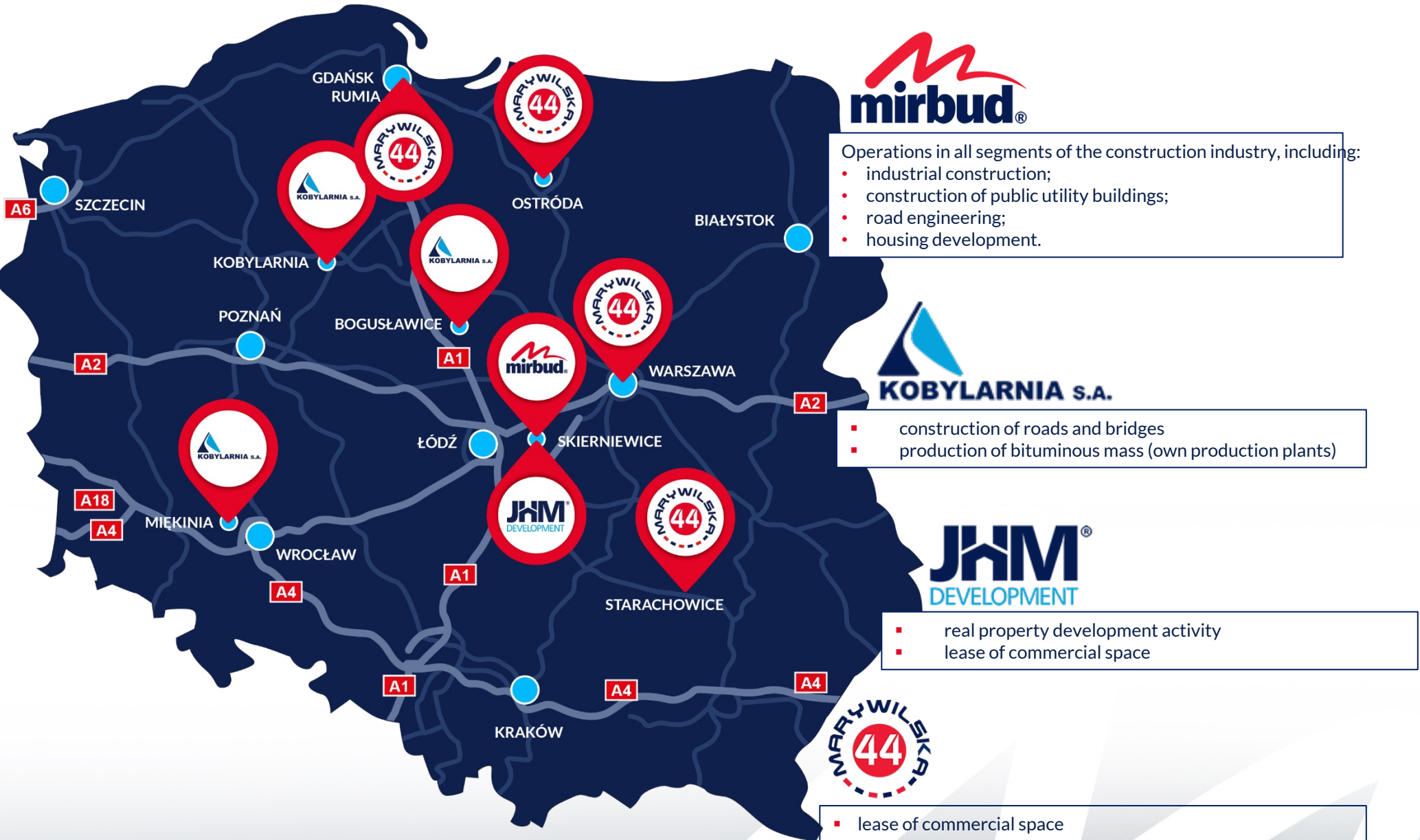
PRESENTATION OF 2022 RESULTS

26 APRIL 2023

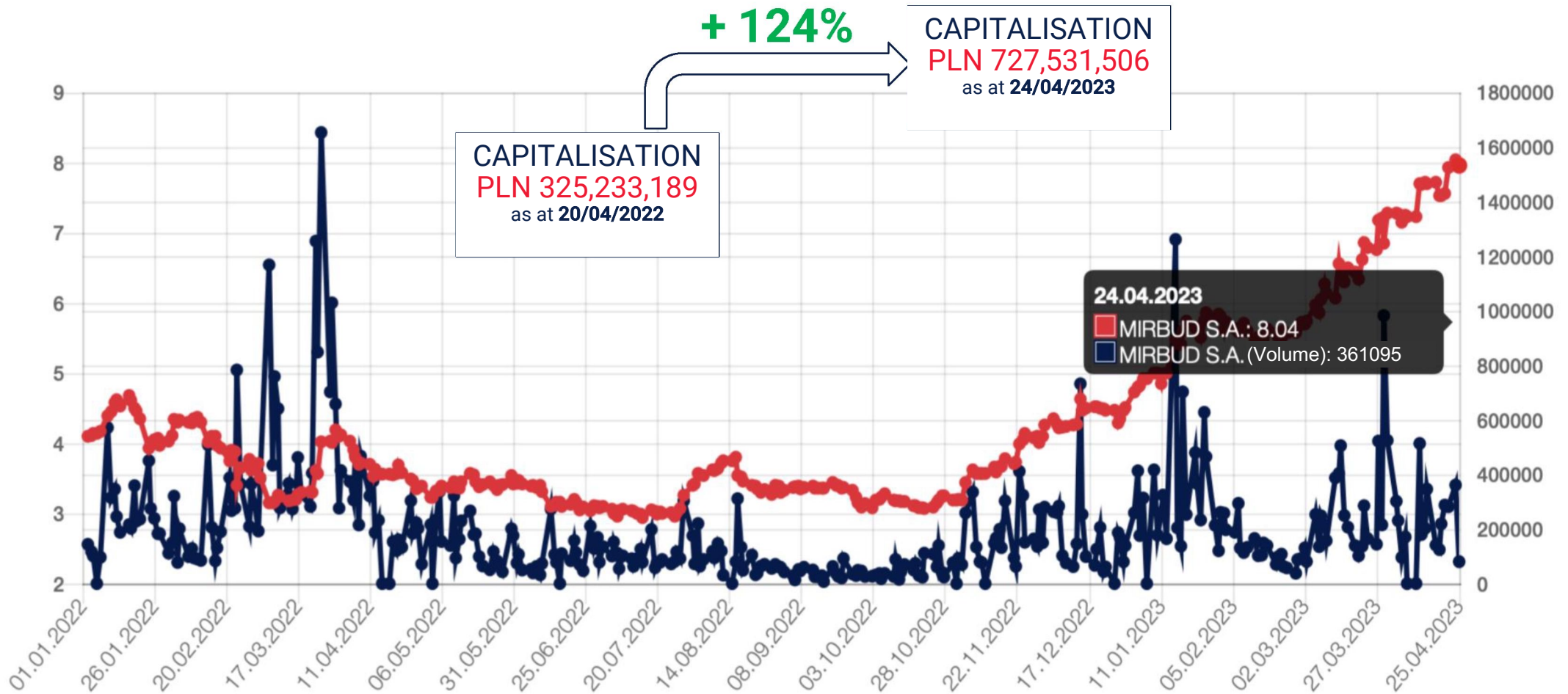


# MIRBUD CAPITAL GROUP

## GEOGRAPHICAL STRUCTURE OF THE GROUP

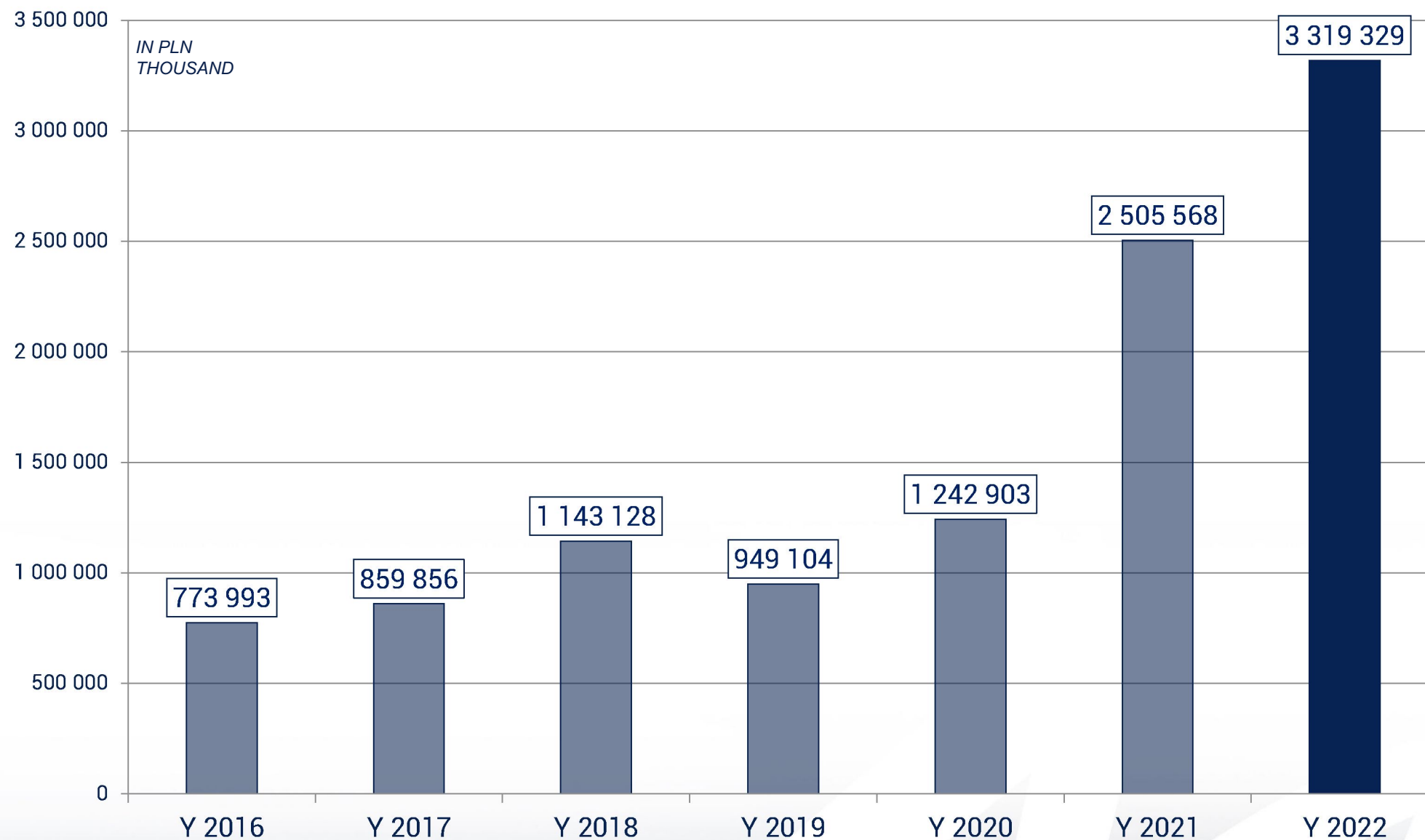


MIRBUD S.A. share prices in the period from 01/01/2022 to 24/04/2023

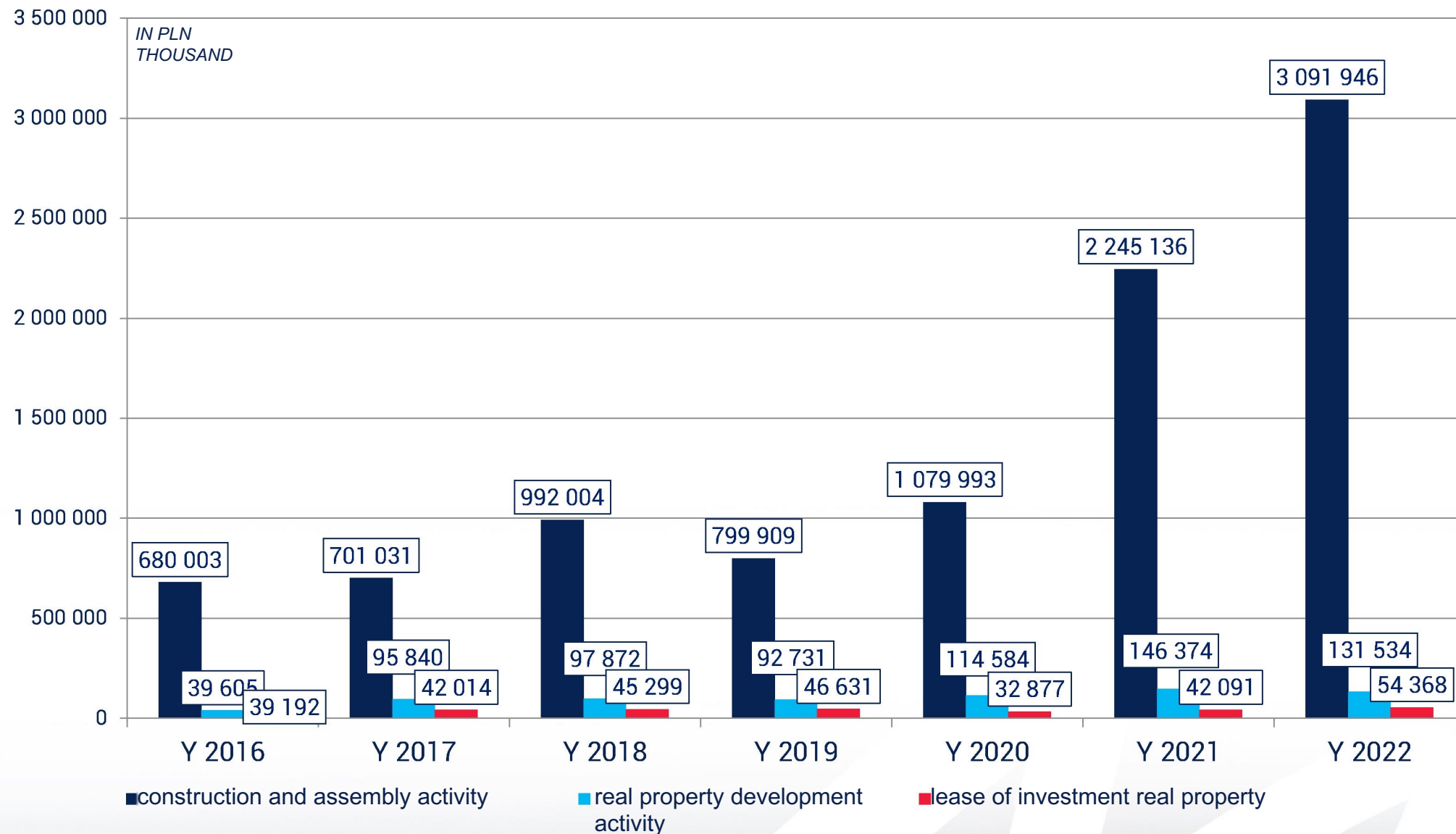


- share price
- sales volume

# SALES REVENUE OF THE CAPITAL GROUP



# SALES REVENUE BY BUSINESS SEGMENT



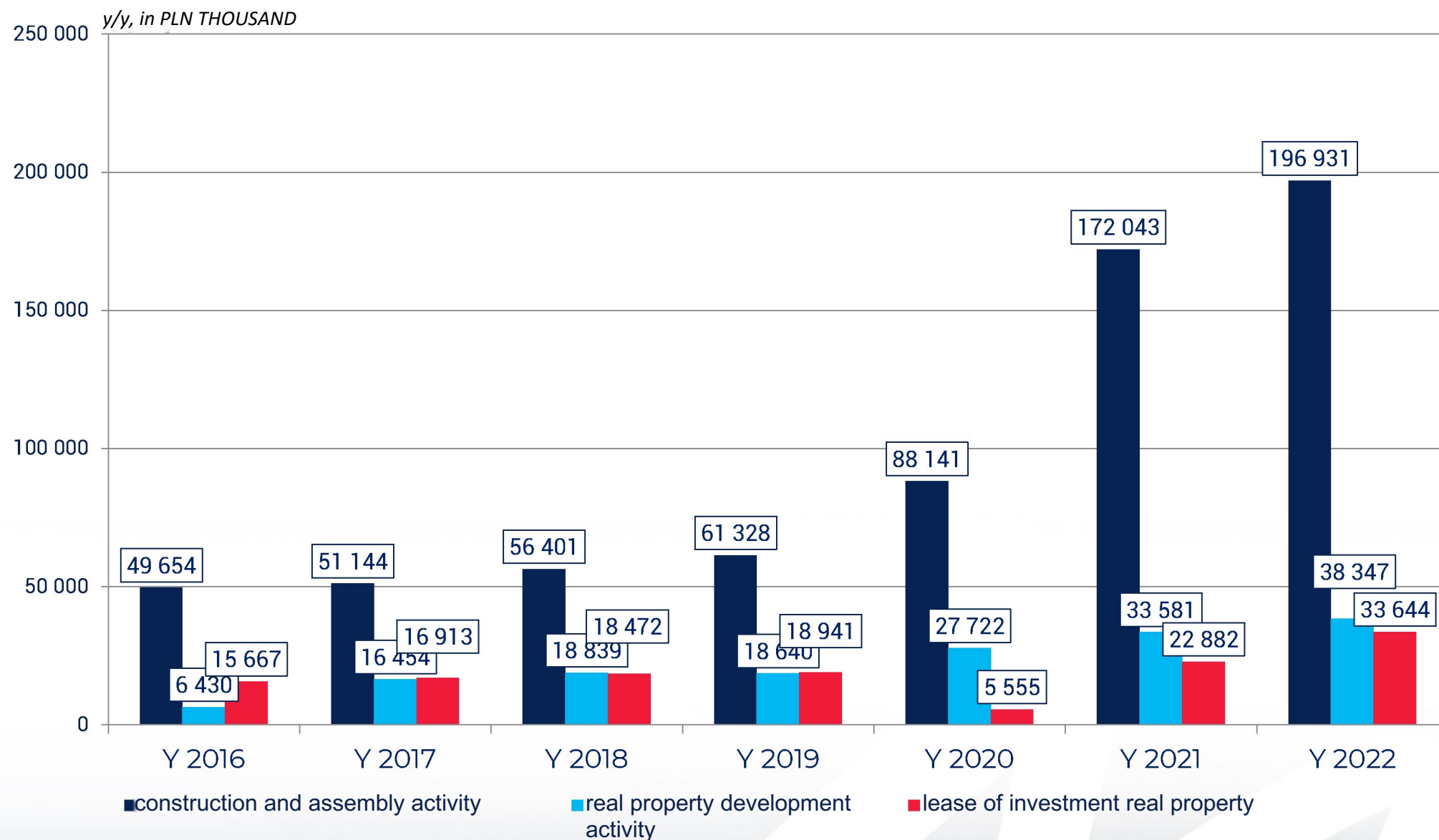
# SALES REVENUE BY BUSINESS SEGMENT



IN PLN THOUSAND

DETAILS	2022 sales revenue	Structure of revenue in %	2021 sales revenue	Structure of revenue in %
<b>Sales of construction and assembly services:</b>	<b>3,091,946</b>	<b>93.1%</b>	<b>2,245,136</b>	<b>89.6%</b>
▪ residential buildings				
▪ public utility buildings	390,977	12.6%	381,185	17.0%
▪ production and service buildings	918,682	29.7%	522,103	23.3%
▪ road and engineering works	1,782,287	57.6%	1,341,848	59.8%
<b>Property development activity</b>	<b>131,534</b>	<b>4.0%</b>	<b>146,374</b>	<b>5.8%</b>
<b>Lease of investment real properties</b>	<b>54,368</b>	<b>1.6%</b>	<b>42,091</b>	<b>1.7%</b>
<b>Other</b>	<b>41,481</b>	<b>1.2%</b>	<b>71,967</b>	<b>2.9%</b>
<b>TOTAL</b>	<b>3,319,329</b>	<b>100%</b>	<b>2,505,568</b>	<b>100%</b>

# PROFIT ON SALES BY BUSINESS SEGMENT



# PROFITABILITY FROM SALES BY BUSINESS SEGMENT

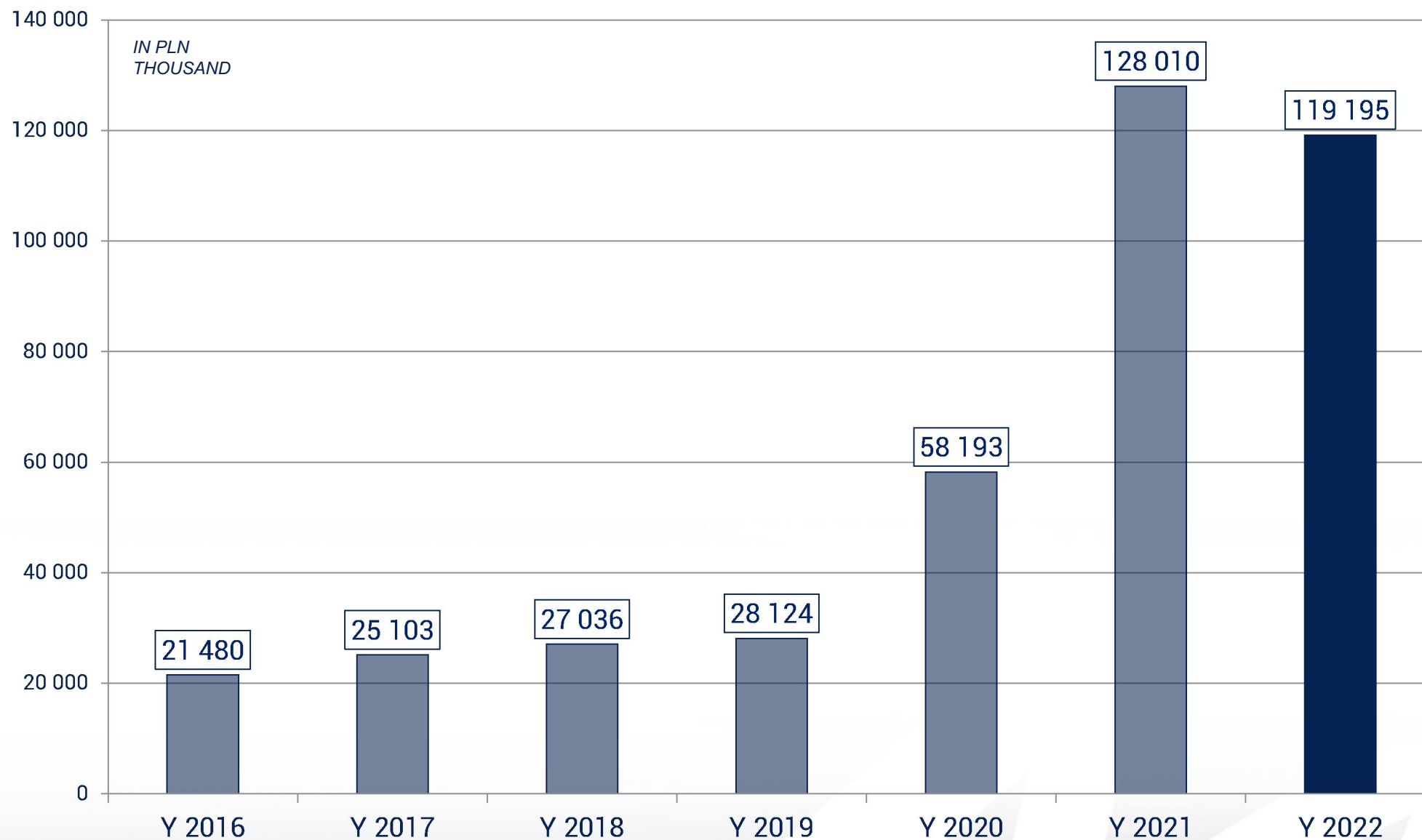


IN PLN THOUSAND

DETAILS	Profit/loss on sales 2022	Return on sales	Profit/loss on sales 2021	Return on sales
<b>Sales of construction and assembly services:</b>	<b>196,931</b>	<b>6.4%</b>	<b>172,043</b>	<b>7.7%</b>
▪ residential buildings				
▪ public utility buildings	9,563	2.4%	37,377	9.8%
▪ production and service buildings	76,686	8.3%	15,015	2.9%
▪ road and engineering works	110,682	6.2%	119,651	8.9%
<b>Property development activity</b>	<b>38,347</b>	<b>29.2%</b>	<b>33,581</b>	<b>22.9%</b>
<b>Lease of investment real properties</b>	<b>33,644</b>	<b>61.9%</b>	<b>22,882</b>	<b>54.4%</b>
<b>Other</b>	<b>1,561</b>	<b>4%</b>	<b>3,094</b>	<b>4%</b>
<b>TOTAL</b>	<b>270,483</b>	<b>8.15%</b>	<b>231,600</b>	<b>9.2%</b>



# NET PROFIT OF THE CAPITAL GROUP



MIRBUD CAPITAL GROUP  
 CONSOLIDATED FINANCIAL RESULTS: PROFIT AND LOSS ACCOUNT



IN PLN THOUSAND

<b>PROFIT AND LOSS ACCOUNT</b>	<b>Y 2022</b>	<b>Y 2021</b>	<b>change</b>
Sales revenue	3,319,329	2,505,568	33%
Gross profit from sales	270,483	231,600	17%
<i>Gross margin:</i>	8.15%	9.24%	-1.09 p.p.
Operating profit (EBIT)	178,372	174,474	2%
<i>EBIT margin</i>	5.4%	7%	-1.6 p.p.
Gross profit	151,161	156,057	-3%
<b>Net profit</b>	<b>119,195</b>	<b>128,010</b>	<b>-7%</b>

IN PLN THOUSAND

BALANCE SHEET ITEMS	As at 31/12/2022	As of 31/12/2021	change
Total assets	2,248,046	2,040,605	10%
Liabilities and provisions for liabilities	1,566,057	1,458,324	7%
Long-term liabilities	648,600	668,358	-3%
Short-term liabilities	917,457	789,965	16%
Equity	681,989	582,281	17%
Share capital	9,174	9,174	
Number of shares (in pieces)	91,744,200	91,744,200	



*IN PLN THOUSAND*

<b>CASH FLOWS</b>	<b>Y 2022</b>	<b>Y 2021</b>
Net cash flows from operating activities	133,303	205,374
Net cash flows from investing activity	-4,049	-54,489
Net cash flows from financial activities	-89,467	27,893
Total net cash flows	39,786	178,779

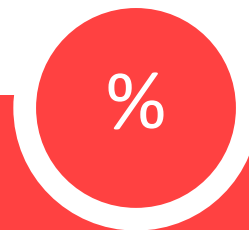
CONSOLIDATED SALES  
REVENUE



**PLN 3 319 329**  
thousand

**+32% y/y**

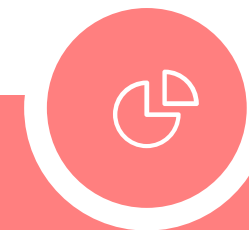
GROSS MARGIN ON  
CONSOLIDATED SALES



**8.15%**

**-1.09 p.p.**

CONSOLIDATED NET  
PROFIT



**PLN 119,195**  
thousand

**-7% y/y**

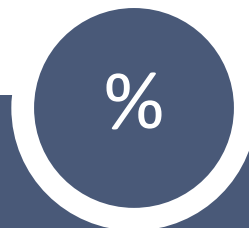
UNIT SALES REVENUE



PLN 2,325,180  
thousand

+33% y/y

GROSS MARGIN ON  
UNIT SALES



6.91%

-0.76 p.p.

NET PROFIT PER UNIT



PLN 120,221  
thousand

+50% y/y



Increase in prices of construction materials and subcontractor services

Prospects for implementation of government infrastructure development programmes



Weak economic situation

Prospects for upturn of economic situation in the property development market



Disruptions in supply chains

Prospect for stabilisation or even a reduction of prices of some construction materials



## **DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS IN THE REPORTING PERIOD:**

- a further increase in the scale of activities compared to previous years;
- achieving a satisfactory financial result from operations in the construction and assembly segment despite rising prices for raw materials and construction materials;
- filling and maintaining the value of the MIRBUD Capital Group order portfolio at over PLN 5.5 billion for the years 2023 - 2026;
- development of construction operations in the military infrastructure market;
- acquisition and execution of numerous warehouse construction contracts;
- reaching an agreement with the General Directorate for National Roads and Motorways (GDDKiA) on the indexation of road contracts up to 10% of the contract value, signing annexes to existing contracts in this respect;
- reaching an agreement on the indexation of contracts for the construction of public utility buildings, including the Ambulance Station in Szczecin and the Urania Sports and Entertainment Hall in Olsztyn.

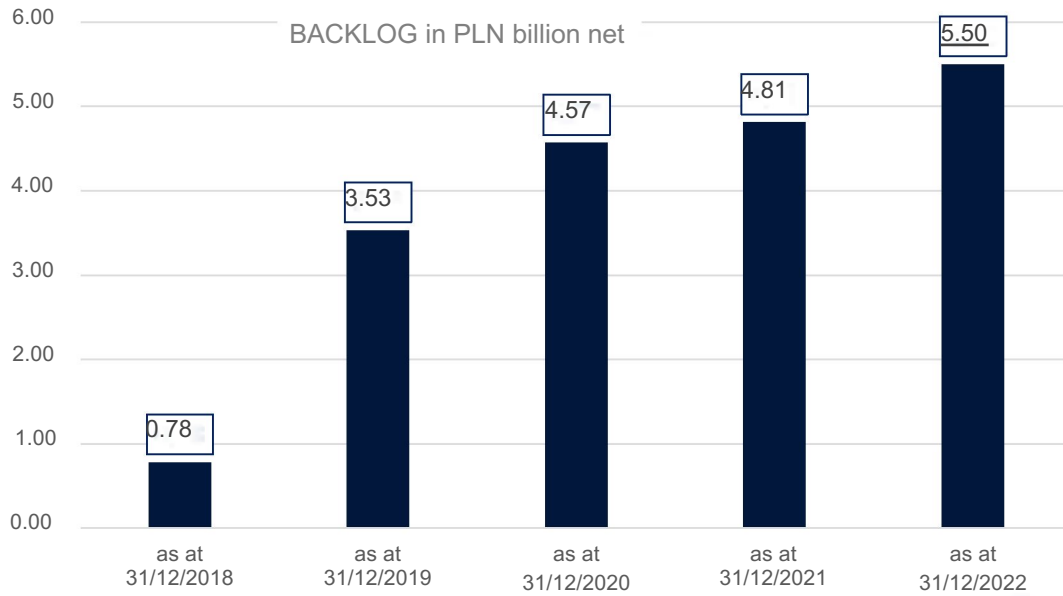


The Group's biggest achievements in 2022 include signing contracts for the following projects:

- design and execution of construction works for the S74 Przełom/Mniów - Kielce expressway section (S7 Kielce Zachód interchange) with a net value of **PLN 437.14 million**;
- construction of repair hall W-10 in Krosno Odrzańskie with accompanying infrastructure for maintenance and repair of armour and armoured equipment as well as demolition of existing buildings with a net value of **PLN 39.47 million**;
- construction of five residential buildings (buildings: A, B, C, D and E) together with the necessary infrastructure at ul. Armii Krajowej in Skierniewice with a net value of **PLN 80.14 million**;
- reconstruction/refurbishment of the Skierniewice City Stadium with a net value of **PLN 32.69 million**;
- construction of the Southern Service Road in Legnica – stage III with a net value of **PLN 70 million**;
- design and construction of the S10 expressway, Bydgoszcz - Toruń, section 3 from the Solec interchange to the Toruń Zachód interchange, with a net value of **PLN 346.2 million**;
- reconstruction of national road No. 91 on the Terespol - Stolno section (without the bridge over the Vistula River) with a net value of **PLN 54.8 million**;
- signing of indexation annexes to contracts with the General Directorate for National Roads and Motorways;
- signing of the Group's first ever public-private partnership agreement;
- construction of the Radiotherapy Building as part of the second stage of the Clinical and Didactic Centre of the Medical University of Łódź with the Academic Oncology Centre – building shell; contract value: **PLN 32.1 million net**;
- construction of the S6 expressway, Koszalin – Słupsk, Section 1, End of the Koszalin and Sianów bypass /without the "Sianów Wschód" interchange/ - beginning of the Sławno bypass /with the "Bobrowice" interchange/" with a net value of **PLN 534.9 million**;
- construction of the Makro Cash and Carry office building in Warsaw at al. Jerozolimskie 184 with a net value of **PLN 45.8 million**;
- extension of voivodship road No. 203 on the Darłowo - border of West Pomeranian Voivodeship section with a net value of **PLN 94.5 million**;
- construction of a school building within the Chrzanów housing estate, Bemowo District of the Capital City of Warsaw with a net value of **PLN 68.9 million**;
- expansion of a military equipment production plant consisting of the construction of a complex of production and assembly buildings with an office and rest and refreshment facilities for PIT-RADWAR, a company from the Polish Armaments Group; contract value: **PLN 96.6 million net**;
- construction of the "Kraków Music Centre" utility building at ul. Piastowska in Kraków with a net value of **PLN 94.6 million**.

Total value of contracts signed: **PLN 3.336 billion net**

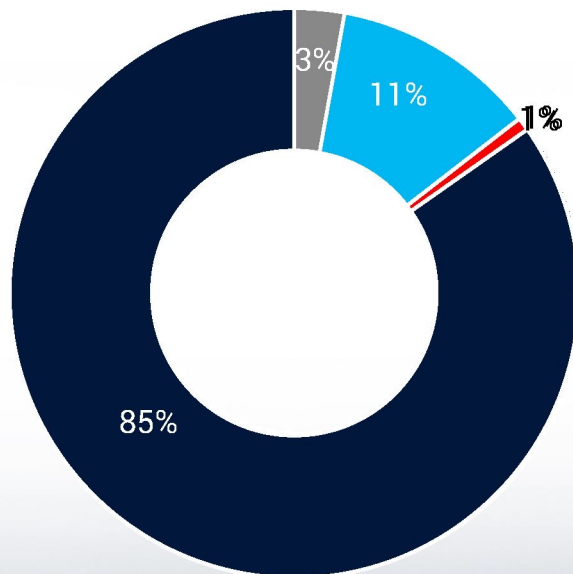
# MIRBUD CAPITAL GROUP CONTRACT PORTFOLIO



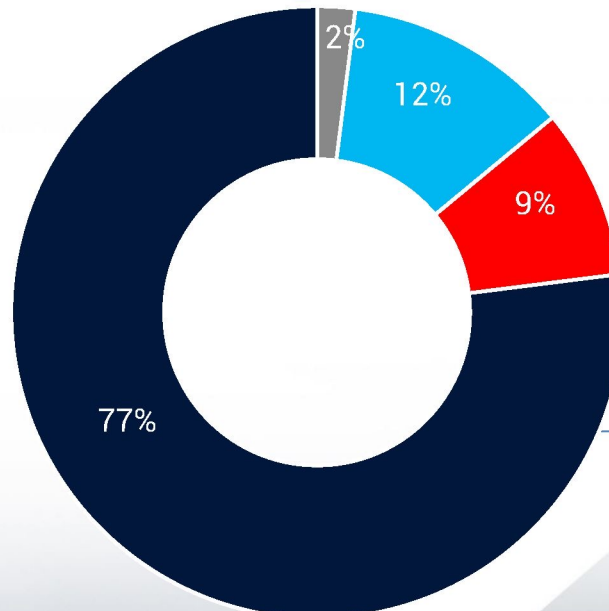
Systematic increase in the scale of operations of the MIRBUD Capital Group in recent years

- residential buildings
- public utility and commercial buildings
- production and warehouse buildings
- road engineering facilities

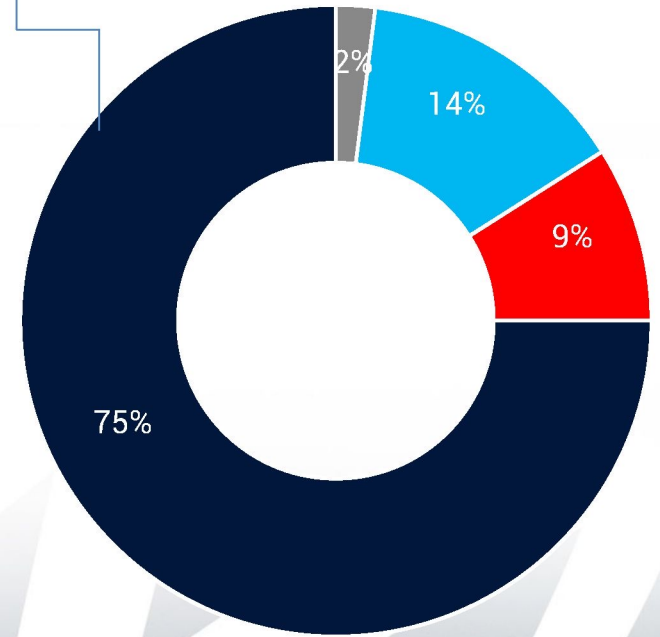
Strong portfolio exposure to road infrastructure contracts



31.12.2020



31.12.2021



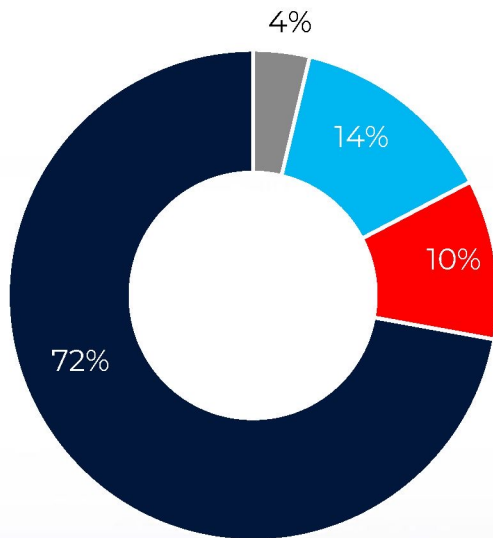
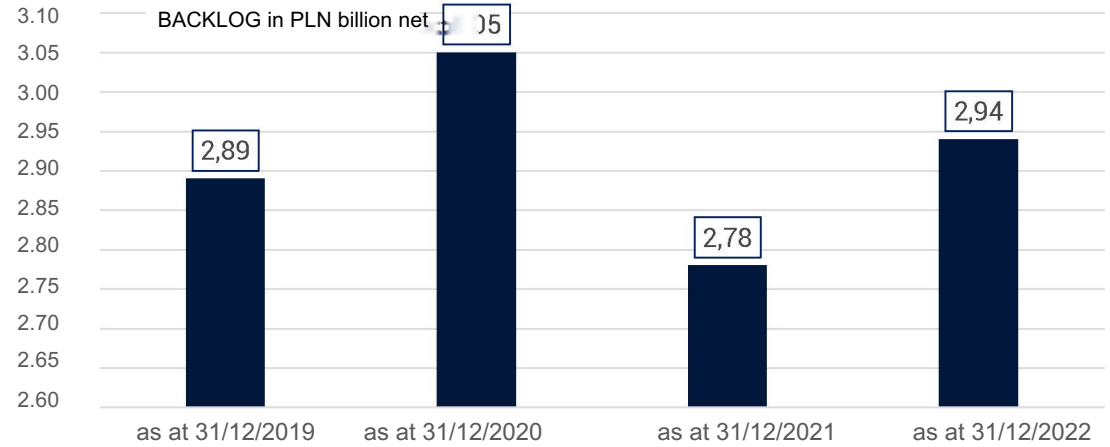
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Change in the size and structure of the MIRBUD S.A. order portfolio

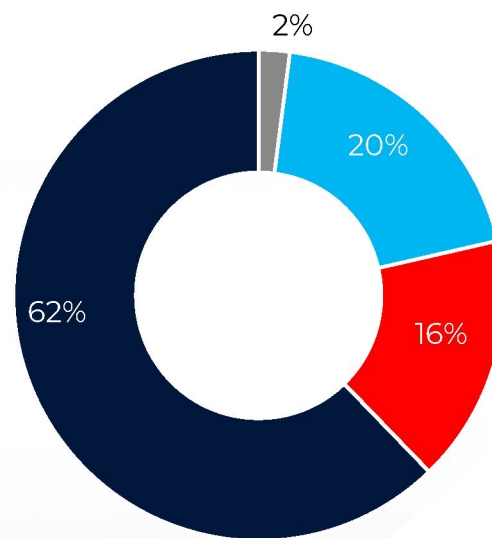
Increase in share of short-term industrial and warehouse construction contracts

High share of prestigious building (public utility) and road construction contracts

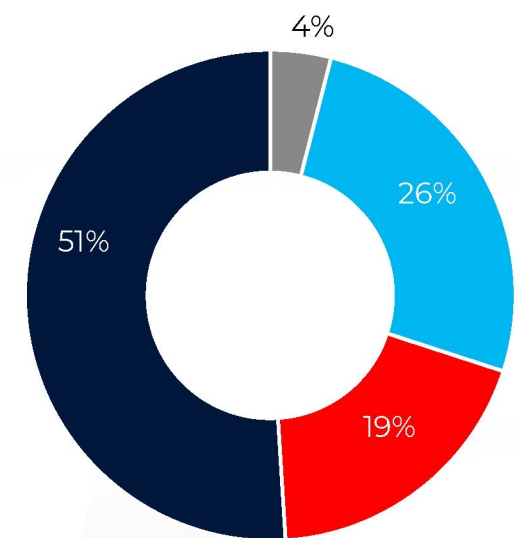
- residential buildings
- public utility and commercial buildings
- production and warehouse buildings
- road engineering facilities



31.12.2020



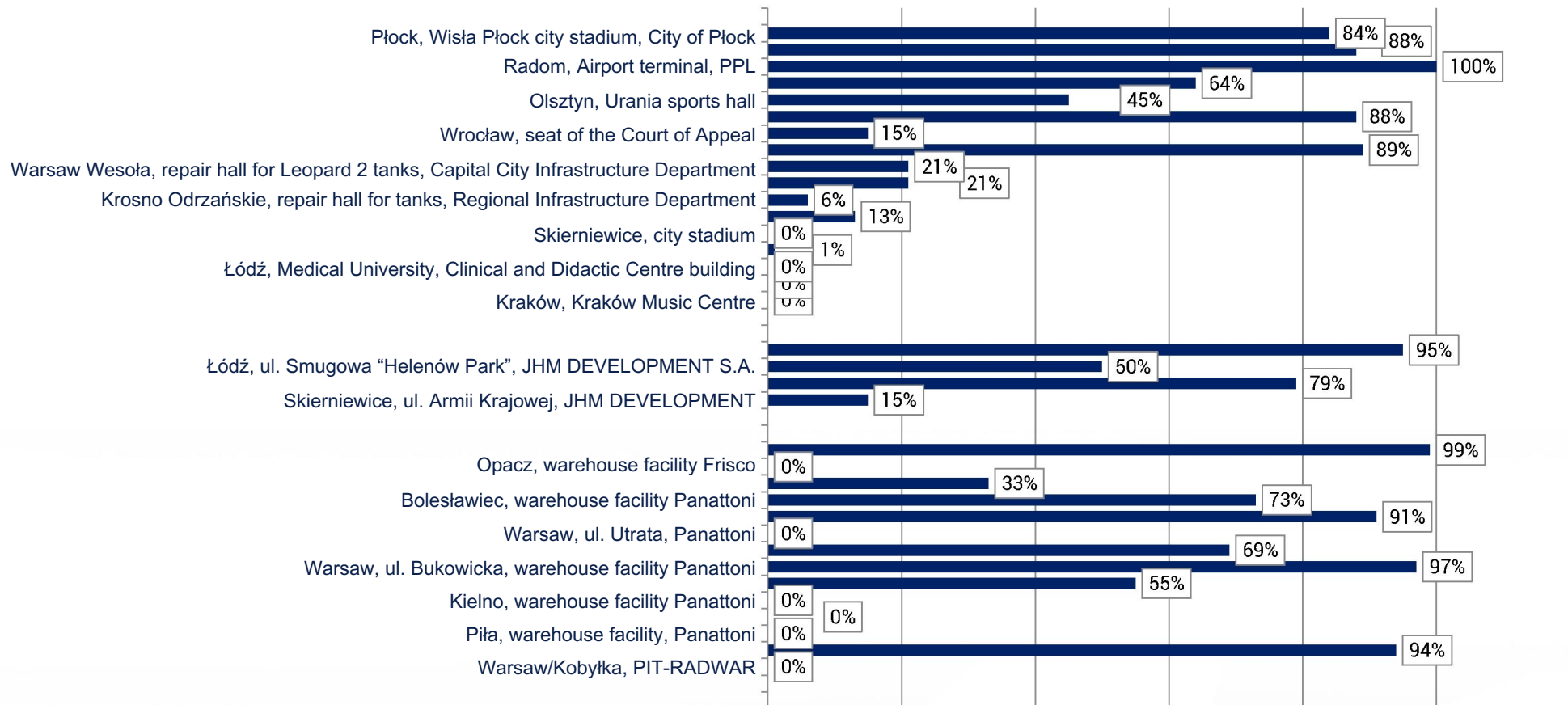
31.12.2021



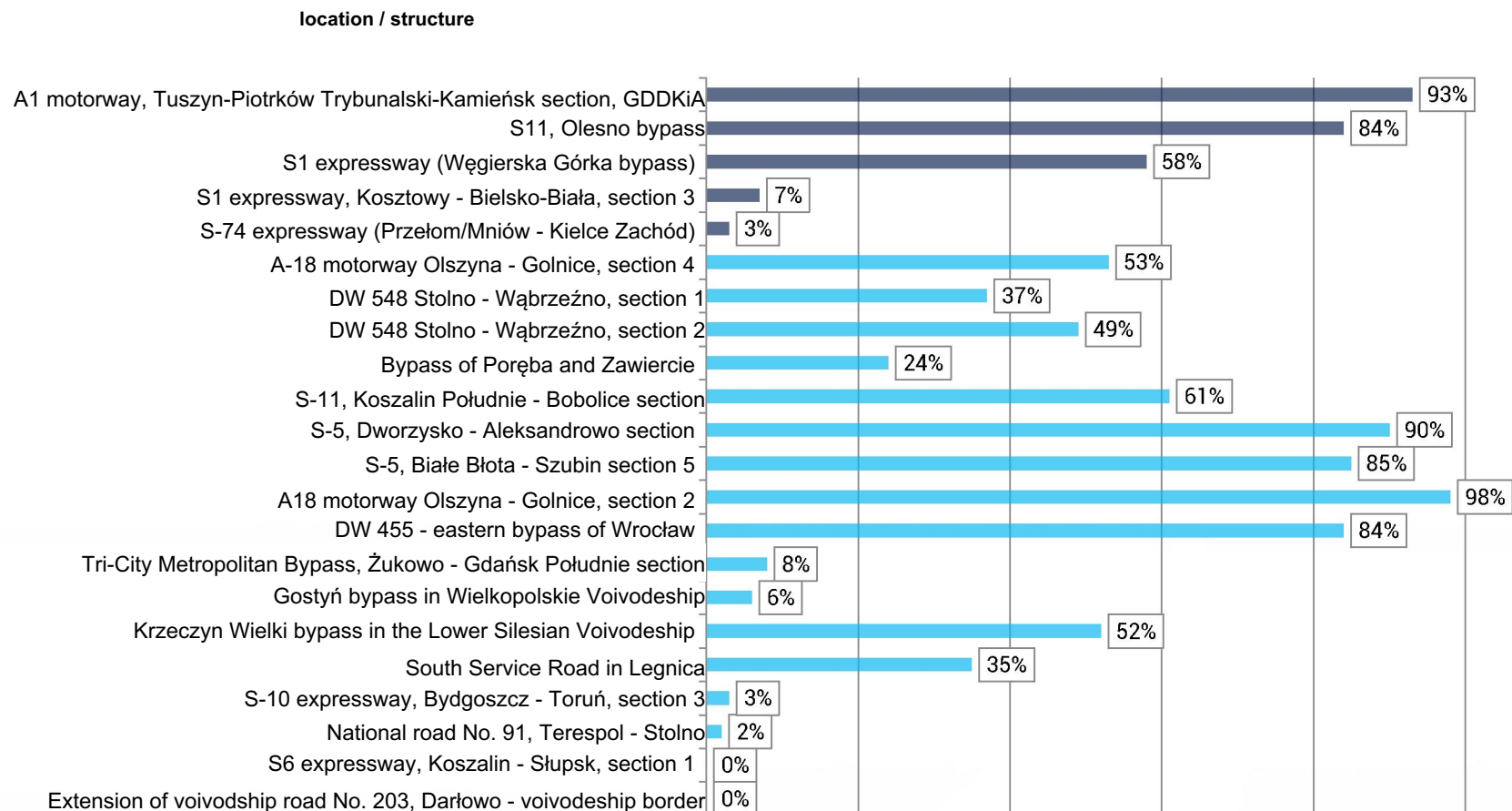
31.12.2022

### Progress of works on major building construction contracts as at 31/12/2022

LOCATION / PROJECT / OWNER



Progress of works on major road contracts as at 31/12/2022



As at 31/12/2022, the Group was executing a total of 35 volume building construction contracts and 21 road construction contracts.

REAL PROPERTY DEVELOPMENT SEGMENT  
SELECTED SEPARATE FINANCIAL RESULTS



Specification	Period from 01/01/2022 to 31/12/2022	Profitability	Period from 01/01/2021 to 31/12/2021	Profitability	Change in PLN thousand	Change in %
<b>Sales revenue</b>	131,534	-----	146,733	-----	-33,067	<b>-20.1%</b>
<b>Profit from sales</b>	38,347	29.2%	33,852	23.1%	-3,577	<b>-8.5%</b>
<b>Operating profit EBIT</b>	23,213	17.6%	20,936	14.4%	-3,108	<b>-11.8%</b>
<b>Pre-tax profit</b>	16,138	12.3%	20,536	14.0%	-4,447	<b>-21.6%</b>
<b>Net profit</b>	12,823	9.7%	16,769	11.4%	-4,241	<b>-24.9%</b>

Despite very unfavourable market conditions, JHM DEVELOPMENT improved its return on sales.

In the reported period, in addition to external factors relating to the industry as a whole, the following factors influenced the achieved results from the core business of the JHM DEVELOPMENT Capital Group companies:

- Low stock of finished dwellings with which the company entered 2022. As at 01/01/2022 this stock amounted to 113 dwellings compared to the 343 finished dwellings the company had in its portfolio as at 01/01/2021. As a result, 324 residential units were sold and handed over throughout 2022, compared to sales of 393 residential units in the same period of the previous year. Sales revenue related to 171 units in the Aura Towers housing estate in Bydgoszcz, 69 units in the Skandinavia housing estate in Gdańsk, 43 residential units in the Osiedle Diamentowe housing estate in Konin, 21 units in the Nowa Strefa housing estate in Żyrardów and 17 houses in the Osiedle Leśne housing estate in Łódź.
- A slowdown in demand in the local housing markets where the company sells its products due to a sharp increase in the cost of mortgages caused by the rising inflation and the consequent rapid increase in the reference WIBOR rate.

JHM DEVELOPMENT sold **324 units** by way of notarial deeds of transfer of ownership in 2022, compared to the sale of **393 units** in 2021.

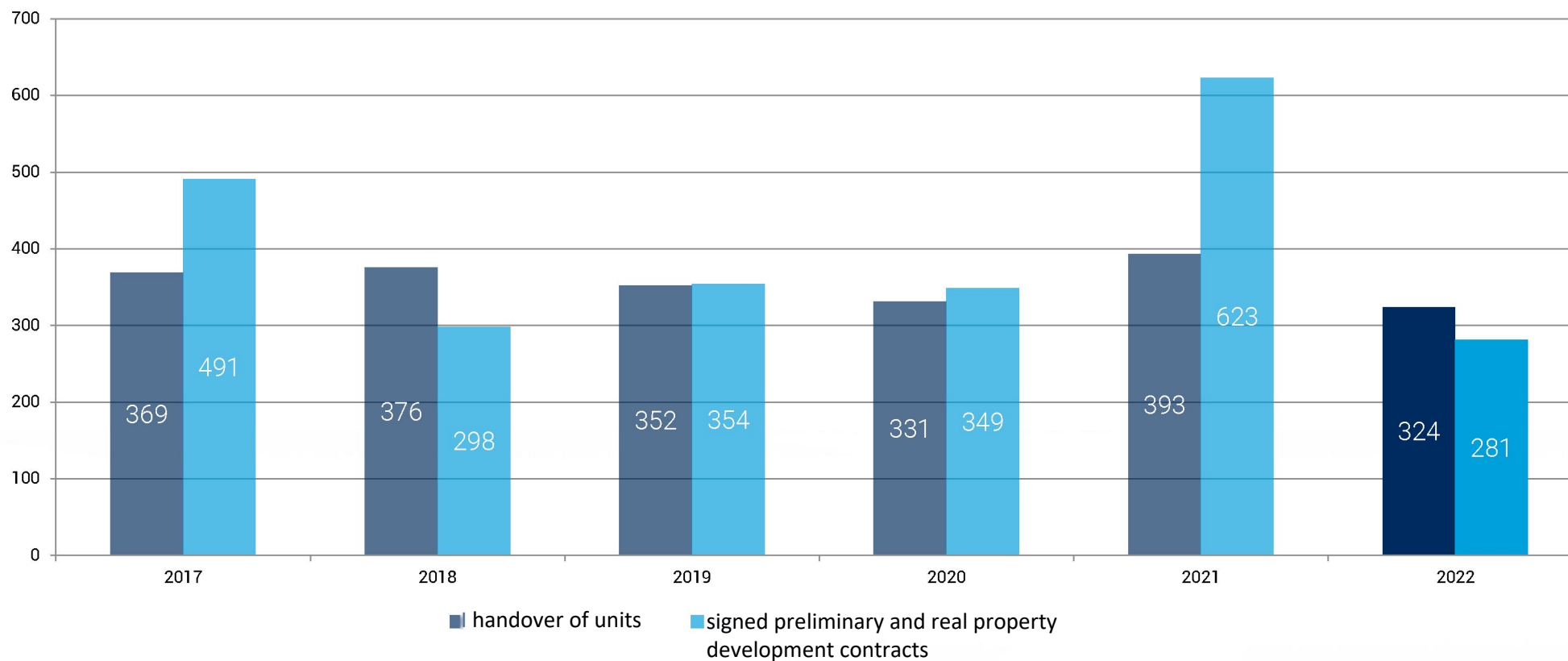
As of 31/12/2022, the company's portfolio included **186 completed residential units** in 11 multi-family buildings in 6 locations, and **928 residential units under construction** in 8 multi-family buildings in 8 locations.

# REAL PROPERTY DEVELOPMENT SEGMENT

## SALE OF UNITS

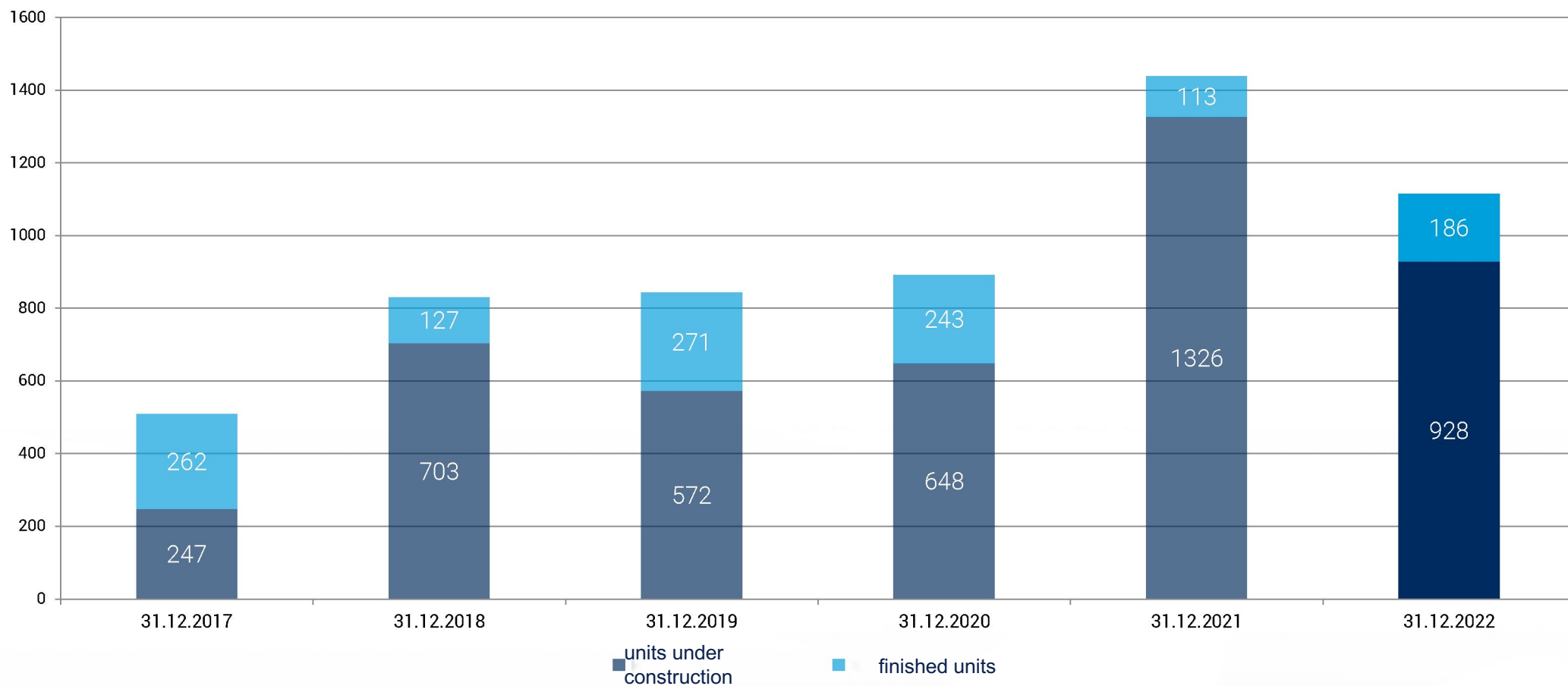


Sale of units





# REAL PROPERTY DEVELOPMENT SEGMENT PORTFOLIO



List of real property development projects under construction as at 31/12/2022

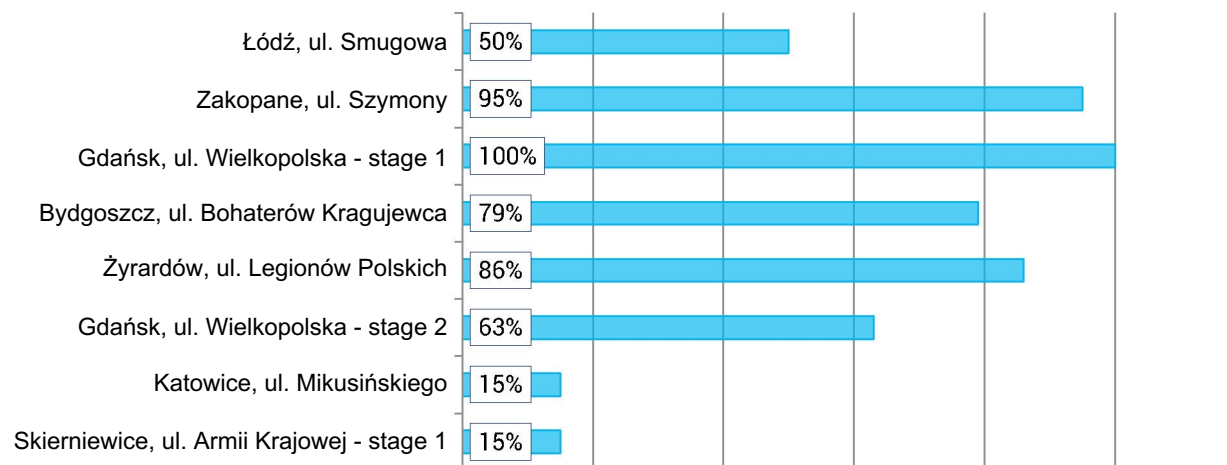
No.	CITY	ADDRESS	TYPE OF HOUSING DEVELOPMENT	NUMBER OF HOUSES	Usable residential area (sq.m.)	STATUS OF CONTRACTS	PROGRESS STAGE
1.	Zakopane	ul. Szymony	housing and services	241	8,705	166	95%
2.	Bydgoszcz	ul. Bohaterów Kragujewca	multi-family	119	6,426	33	79%
3.	Żyrardów	ul. Legionów Polskich	multi-family	179	9,282	54	86%
4.	Łódź	ul. Źródłowa/Smugowa	multi-family	180	9,734	40	50%
5.	Gdańsk	ul. Wielkopolska stage II	multi-family	188	9,642	8	63%
6.	Katowice	ul. Mikusińskiego	multi-family	43	2,466	1	15%
7.	Skierniewice	ul. Armii Krajowej, stage I	multi-family	144	6,733	28	15%
TOTAL				1094	52,988	330	

# REAL PROPERTY DEVELOPMENT SEGMENT

## PROGRESS OF CONSTRUCTION VS. SALES

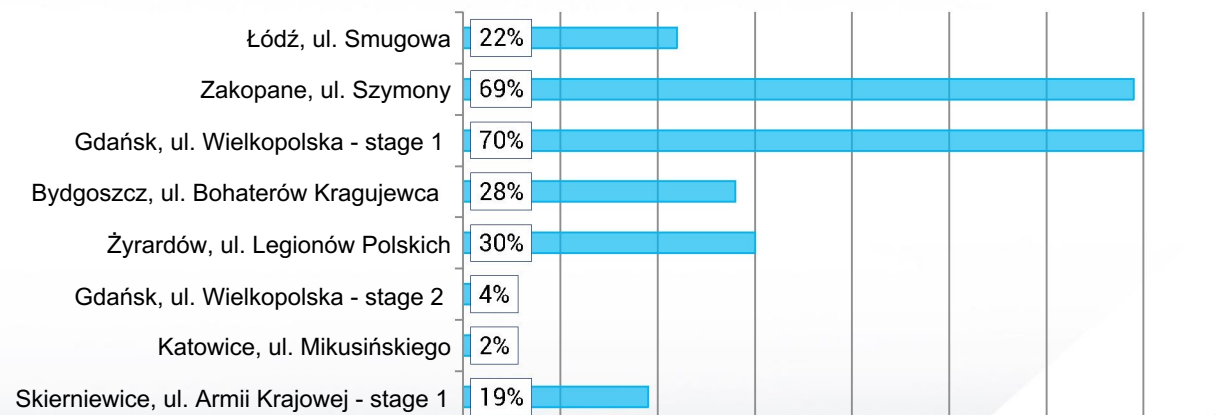


Progress of construction of ongoing projects as at 31/12/2022



These projects are located in line with the Company's strategic assumptions. These assumptions include operations in large cities with populations over 300,000 and continued operations in medium-sized cities with high sales potential.

Level of sales of units (number of preliminary/real property developer contracts concluded) in projects currently under construction



The projects are carried out in stages as the appropriate level of sales is achieved. The construction of further buildings in the ongoing projects starts after a minimum level of 60% of the sales of residential units in the previous stages is achieved.

# REAL PROPERTY DEVELOPMENT SEGMENT

## PROJECTS PLANNED FOR IMPLEMENTATION



List of real property development projects planned for implementation in the years 2023-2025

No.	CITY	ADDRESS	TYPE OF HOUSING DEVELOPMENT	NUMBER OF HOUSES	Usable residential area (m)
1.	JASTRZĘBIA GÓRA	ul. Jantarowa Stage I	apartments	115	4,046
2.	KONIN	ul. Nefrytowa	multi-family	158	7,800
3.	POZNAŃ	ul. Smoluchowskiego Stage I	multi-family	258	14,371
4.	JASTRZĘBIA GÓRA	ul. Jantarowa Stage II	apartments	132	4,568
5.	SKIERNIEWICE	ul. Armii Krajowej Stage II	multi-family	165	7,600
6.	KATOWICE	ul. Piaskowa	multi-family	320	15,000
7.	SKIERNIEWICE	ul. Sobieskiego	multi-family	117	6,971
8.	ŁÓDŹ	ul. Harcerska	multi-family	173	8,300
9.	SKIERNIEWICE	ul. Nowobielańska	multi-family	90	4,500
10.	ŁÓDŹ	Al. Politechniki Stage I	multi-family	250	12,506
11.	POZNAŃ	ul. Smoluchowskiego Stage II	multi-family	121	6,320
<b>TOTAL</b>				<b>1,899</b>	<b>91,982</b>

# COMMERCIAL SPACE LEASE SEGMENT LOCATIONS



Marywilska 44 Sp. z o.o. leases two types of space: commercial and service and warehouse and logistics.



## RUMIA JANOWO GALLERY

## OSTRÓDA WAREHOUSE AND LOGISTICS PARK

- **50,000 sq. m.** of total area of the facility
- **45,000 sq. m.** of lease space
- **19.3 m.** height of facilities
- Located directly next to the S7 expressway

## STARACHOWICE



## CH MARYWILSKA 44

- The largest shopping and commercial centre in Warsaw
- **80,000 sq. m.** of total space
- **1,300** lessors
- **5 million** visitors per year

## COMMERCIALISATION LEVEL

WARSAW: **94%**

OSTRÓDA: **81%**

RUMIA: **100%**

STARACHOWICE: **100%**



## **CONTACT PERSON FOR INVESTORS**

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