



Gdańsk | Murapol Osiedle Ambro

About the Company

December 2022

Murapol Group is one of the biggest and most experienced residential developers in Poland. In over 22 years of its business activity, it has carried out 78 multi-stage investments, within which 380 buildings with nearly 25 thousand apartments have been constructed. Murapol Group has been consequently utilizing a proven strategy and business model – **it's been constructing compact, modern apartments for the widest, competitively priced segment of the market, while maintaining its nationwide business.**

The geographically diversified investment map, as well as the **unique, vertically integrated business model**, have allowed the company to sustainably develop and generate reasonable operating results.

Murapol Group's business strategy allows a stable development within two areas – the sales of residential apartments to retail customers and for the PRS sector. Murapol Group has been cooperating with its leading, global investor – the Ares Fund, in the complementary PRS sector, in accordance with the design&build formula.



22+

years on the residential market

380

buildings completed until 31.12.2022

18

cities with Murapol's projects¹⁾

25k

units sold since the start of operations until 31.12.2022

74k

residents of completed investments²⁾

19,3k

units in active land bank²⁾

1) i completed, under construction and in preparation (as at 31.12.2022)

2) as at 31.12.2022

Murapol has been active on the residential real estate market for over 22 years, which makes it one of the most experienced developers in Poland.

In its sales results and handovers of apartments, year after year it ranks **among the country's largest residential developers**.

In 2022 Murapol **sold 2,783 apartments to the retail customers, which accounted for nearly 100% of its year-to-year result**. The group has also been continuing the cooperation with its leading investor, the global Ares Fund in the complimentary PRS sector, for the purpose of which it **sold 664 units in design&build formula**.

Altogether, the Murapol Group's sales in 2022 totaled to 3,447 apartments.

In the period from January to December 2022, Murapol Capital Group **handed over the keys to 3,441 apartments - including 2,653 ones sold to retail customers and 688 to PRS**.

DEVELOPER'S SALES

	2022	2021	change (%)
To retail customers			
Dom Development*	3 093	4 066	-23,9
Murapol	2 783	2 809	-0,9
Robyg	2 144	4 308	-50,2
Atal	2 091	4 126	-50,9
Develia	1 634	1 921	-14,9
Grupa Echo ((including Archicom)	1 515	2 955	-48,7
Victoria Dom*	n/d	1 607	n/d
Spravia	966	1 524	-36,6
Unidevelopment	352	921	-61,8
To retail customers and PRS			
Dom Development*	3 490	4 066	-14,2
Murapol	3 447	4 532	-23,9
Robyg	2 144	4 308	-50,2
Atal	2 091	4 258	-49,3
Develia	1 634	1 921	-14,9
Grupa Echo ((including Archicom)	1 515	2 955	-48,7
Victoria Dom* **	1 208	1 607	-24,8
Spravia	966	4 022	-76,0
Unidevelopment	635	921	-31,1

*Sales understood as paid reservations as well as preliminary and development contracts signed without the conclusion of reservation contracts, otherwise the sales account for preliminary and development contracts - concluded on the spot or as conversion of reservation contracts. **The proportions of retail sales to PRS estimated for Victoria Dom based on the tendencies - the scope of PRS transactions in the 3rd quarter of 2022 is subject to a confidentiality clause. Source: from GG Parkiet, own calculations, companies' announcements

A demanding market

Murapol Group has been running its business on the Polish residential market, which may be characterized by both a **high residential deficit** and growth in recent years. 2022 and the beginning of 2023 have brought a bit of a cooldown in the dynamics of the residential market in Poland, due to macroeconomic conditions.

In recent years the situation in the real estate market in Poland was fairly stable, and the sector would develop sustainably. The demand for apartments remained high, the Poles would eagerly make use of attractive loaning offers, the good condition of Polish economy and the basic economic indicators, while making their decisions to purchase an apartment of their own.

2022 greatly changed the economic conditions for the entire development industry. The inflation rocketed and the war in the East along with the problems in energy, raw material and fuel industries only added to its dynamics. The monetary and fiscal policy of the state affected the purchasing decisions made in the residential real estate market - the ever-growing interest rates and banks' strict loaning policies strongly restricted the apartment-purchasing capability of many.



Łódź | Murapol Argentum



3D projection of an apartment with a terrace

On the other hand, however, **a new group of investment customers emerged, looking for a 'safe haven' in the residential real estate market, to fend their long-collected savings from inflation**. One should also bear in mind that the residential real estate business is both a long-term and high-cost investment spread over several years, though the aforementioned residential property deficit and the demand will not disappear and will reemerge when the macroeconomic situation has normalized.

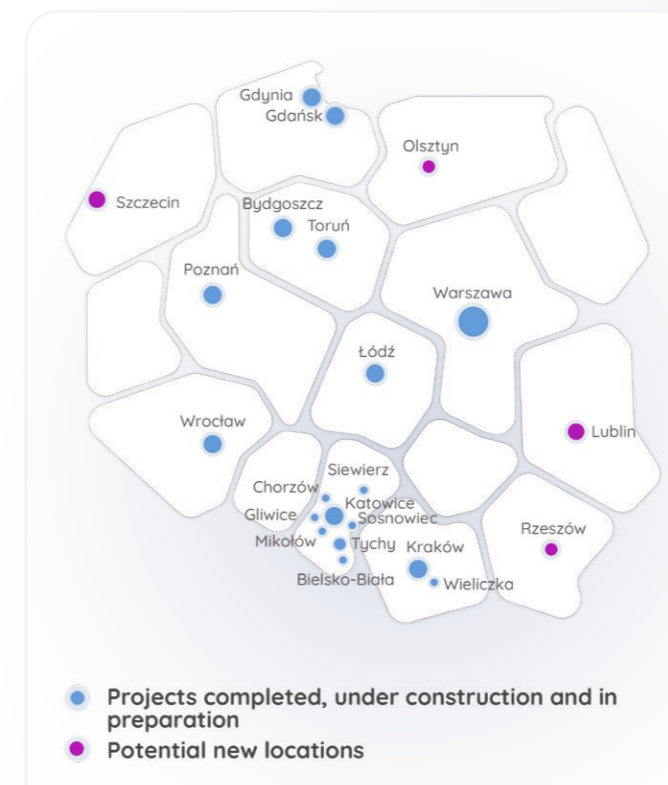
An absorptive segment, geographical diversification...

The Murapol Group's offering is focused on the most **absorptive segments of the residential property market, i.e. the affordable and affordable premium**, which in the view of the management board are relatively resilient to macroeconomic fluctuations.

The Group's offering is available throughout nearly the entire country. Murapol currently has development projects under construction and in preparation in 17 cities - in both the **largest urban areas in Poland**, such as Warsaw, Kraków, Wrocław, the Tricity, the Silesian agglomeration, Poznań and Łódź, **and in smaller regional cities** like Bydgoszcz and Toruń (as at 31 December 2022).

Thanks to its **geographical diversification**, Murapol reaches a broad group of customers and can take advantage of the observed growth not only on the biggest residential markets, but also on local markets.

MAP OF MURAPOL GROUP PROJECTS



...and one of the largest land banks

Another competitive advantage of the Murapol Group is its **large, regularly renewed and extended land bank**. As at the end of December 2022, it included plots (owned or held by the Group in perpetual usufruct, or covered by conditional preliminary purchase agreements) **sufficient for the construction of nearly 19,300 units with a total usable floor area of approximately 834,000 m²**.

A distinguishing feature of Murapol is its **unique two-stage model of land acquisition**. It is based on payment of a portion of the price for the property upon conclusion of a conditional preliminary purchase agreement, and then conducting legal and permitting processes. The remaining portion of the payment is made upon conclusion of the contract transferring ownership of the property and after fulfilment of certain conditions, such as obtaining a building permit. This tested model for building up and renewing the landbank, developed over the years, **reduces investment risk and enables lower equity requirements in the development process**.

MURAPOL GROUP'S LAND BANK

Land bank (as at 31.12.2022 r.)	Potential numbers of units	Planned usable floor area (UFA, m ²)
by stage of the projects		
Projects under construction	4 939	229 458
Projects under preparation	14 357	604 422
TOTAL	19 296	833 880
by ownership right		
Ownership /right of perpetual usufruct	7 977	370 835
Preliminary agreements	11 319	463 045
TOTAL	19 296	833 880



Poznań | Murapol Osiedle Verde

Efficient, vertically integrated business model

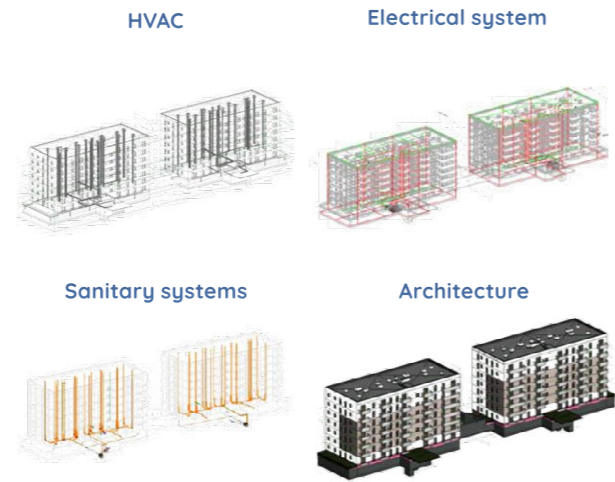
The Murapol Group stands out among its peers for its unique, vertically integrated business model. This model focuses within the Group all competencies required to complete development projects, starting from acquisition of land, through architectural and engineering design, determining budgets for projects, procuring building materials, general contracting, marketing and sales.

The business model developed by the Group ensures high efficiency and cost control, allowing it to maintain high margins.



Gdańsk | Murapol Osiedle Novelo

In the design process, Murapol uses the Building Information Modelling (BIM) technology, enabling precise cost estimates and creation of optimal project budgets.



MAD – biuro projektowe Grupy Murapol

A promising new operating segment

In 2021 Murapol took a strategic decision to enter the rapidly growing private rented sector (PRS), which will enable further growth in the sales of units. Murapol has entered into cooperation with the Ares Group, which includes the Company's majority investor and which has a wealth of experience and knowledge in PRS.

Under the framework agreement with Ares, it is intended that, by mid-2026, the Murapol Group will contract on 10,000 units for a PRS platform managed by Ares. This will be made up of units completed and handed over by this point, as well as units either under construction or in the form of secured rights to land.



Warszawa | Murapol Osiedle Natura



Wrocław | Murapol Słoneczne Jagodno



Gdańsk | Murapol Osiedle Zdrowo



Tychy | Murapol Osiedle Fit



Sosnowiec | Murapol Apartamenty na Wzgórzach

VERTICALLY INTEGRATED BUSINESS MODEL OF THE MURAPOL GROUP¹⁾

Land acquisition > Design & planning > Construction > Marketing & Sales

Internal team

- Over 30 professionals²⁾
- Securing ownership of land at relatively low prices
- Payment of a significant part of the price deferred to when building permit is obtained

Internal team

- Own architectural and design studio of c. 100 professionals
- Standardized buildings allow for lowering the costs while retaining optimal quality

Mostly internal

- General contractor in-house with over 160 strong team²⁾
- Standardized process split into 94 procurement packages
- In-house budgeting team of over 30 people
- Own materials supplier (Cross Bud)

Głównie własny zespół

- Sales network comprising 18 offices and a strong sales & marketing team of over 100 people
- C. 58% of sales via proprietary distribution channels

93%

of land bank acquired using PSPAs

>70%

utilization of gross usable floor area³⁾

>90%

of costs controlled via BIM (excl. infrastructure)

78%

of units sold before occupancy permit

1) data as at 31.12.2022 2) employment contracts and B2B 3) data as at 31.12.2022

Strategy aimed at sustainable growth

The objective of the Murapol Group is sustainable growth and maintaining a strong position in the real estate development industry in Poland. The management board anticipates that the scale of the Group's operations will grow in the coming years, among other things thanks to its attractive land bank, strong brand, experience, and integrated processes enabling the Group to effectively complete successive projects on the real estate market and scale its business. This may be evidenced by the financial results of Murapol Capital Group compared to the other major players in the residential real estate industry.

Alongside the growing sales to retail customers, the Murapol Group plans to benefit from the growth opportunities in the rapidly developing PRS market.

Murapol intends to continue the strategy of geographical diversification of its operations in Poland. To this end, it is constantly supplementing and enlarging its land bank, and also plans to acquire new development sites in locations beyond those where it currently operates. It is considering other regional markets, such as Lublin, Szczecin, Olsztyn and Rzeszów.

Concern for the environment and the community

While implementing its strategy of sustainable growth, Murapol includes in its operations initiatives related to issues of environmental, social and corporate governance (ESG).

In its concern for **the environment**, the Group:

- optimizes the consumption of resources and reduces production of waste,
- minimizes negative impact of projects on the environment and protects neighbouring flora and fauna,
- reduces carbon footprint by using new technologies and energy-saving solutions such as LED lighting, photovoltaic systems, electric vehicle charging stations,
- implements Home Management System (HMS) enabling 30% energy savings annually,
- offers anti-smog package as the standard in its apartments,
- manages stormwater runoff by creating 'rain gardens',
- applies its know-how in recultivating post-industrial areas,
- provides continuous training of engineers in ESG related fields.

Murapol also strives to **support its community responsibly**, it:

- builds roads and pavements, creates green spaces that serve local communities,
- engages in various forms of charitable activities, including initiated by the employees,
- supports initiatives promoting both professional sport and physical fitness among children and young people (e.g. junior football tournaments, building of mountain bike Enduro Trails in the Beskidy mountains, expeditions of sky mountaineer Andrzej Bargiel, the Group's Ambassador and the first person to ski down from the peak of K2),
- engages in continued dialogue with employees aimed at increased satisfaction and motivation,
- ensures employee benefits.

In the area of **corporate governance**, Murapol:

- has a transparent organizational structure, clearly defined career paths and internal promotion possibilities,
- strives to increase the share of women in management positions, valuing competencies and experience regardless of gender (at end of December 2022 44% of senior managers and 52% of middle managers were women).



Murapol – official sponsor of Widzew Łódź football club



Andrzej Bargiel's expedition EVEREST SKI CHALLENGE



Enduro Trails in the Beskidy mountains



Murapol – principal sponsor of RC Orkan Sochaczew



Murapol a partner of KTH Krynica



Murapol Football Team

Experienced management team, and support from the investor

A key factor for the success of the Murapol Group is the **competencies and experience of the management team, as well as the knowledge and commitment of the employees.**

Murapol has succeeded in building a team of over 500 top-notch professionals with knowledge, skills and experience in carrying out all stages of development projects.

Since the 1st quarter of 2020, the majority investor of Murapol has been AREF V PL Investment S.à r.l., a company owned by funds managed by Ares Management Corporation, a leading global alternative investment manager specializing in debt financing, private equity and real estate, advised by Griffin Capital Partners, one of the largest and fastest-growing private equity investors in Central & Eastern Europe.

MANAGEMENT BOARD OF MURAPOL S.A.



Nikodem Iskra, President of the Management Board, CEO

He has been associated with the Murapol Group since 2007. In the first years of his work, he was the head of the legal department, and then as a legal counsel he was its independent proxy. From 2013 to 2017, he held the position of Vice-President of the Management Board. In January 2018, he took the position of the President of the Management Board, responsible for strategic management of the Murapol Group and overseeing its development. Nikodem Iskra actively participates in land acquisition processes, obtaining building permits, designing, building and selling the Group's residential investments. He has extensive and comprehensive experience in the field of legal advice, running the company's affairs and representing it. Nikodem Iskra graduated from the Faculty of Law and Administration at the University of Silesia in Katowice, obtaining a master's degree in law (1997-2002). In the years 2005-2009 he completed legal adviser training at the District Chamber of Legal Advisers in Katowice, obtaining in 2009 the title of legal adviser.



Przemysław Kromer, Management Board member

He started cooperation with Murapol Group in April 2020 as a Member of the Management Board and Financial Director. He supervises the company's economics and finance, being responsible, among others, for financial management, financial liquidity and obtaining financing for the Murapol Group. Przemysław Kromer has extensive and comprehensive experience in the field of planning and management, organizing budget processes, preparing financial documentation and cooperation with private equity funds. Przemysław Kromer obtained a master's degree from the Warsaw School of Economics, where he studied Finance and Banking and Management and Marketing (1998-2003). In 2007, he obtained full membership in ACCA (The Association of Chartered Certified Accountants). In 2017, he completed a postgraduate program for members of international supervisory boards organized by INSEAD Executive Education.



Iwona Sroka, Management Board member

She started her cooperation with the Murapol Group in 2017. In January 2018, she took the position of Member of the Management Board responsible for the area of marketing and PR&IR communication and ESG strategy. She has extensive and comprehensive business experience in management, marketing communications, capital and financial markets, and academics. Iwona Sroka graduated from the Warsaw School of Economics, where in 1999 she obtained a PhD in economics. In 2000-2017, she was associated with the Polish capital market - as a director at the Warsaw Stock Exchange, and in 2009-2017, the president of the National Depository for Securities. Since 2009, she has also been an assistant professor at the Faculty of Management at the University of Warsaw.

SELECTED AWARDS AND ACCOLADES AWARDED TO MURAPOL GROUP

Industry awards:

- 1st place in the **Nationwide Ranking of the Best Developers in 2022**
- The Golden Emblem in the national **Client's Laurel competition of 2022** in the category of **Ecological business/industry strategies**
- Ranked in the top three of the most popular residential investments in local markets, in the quarterly rankings published at rynekpierwotny.pl
- The title of a **'Professional Developer'** awarded by tabelaofert.pl
- The title of a **'Friendly Workplace '21'** awarded by markapracodawcy.pl
- Listed among **Ecological companies and their most interesting initiatives** of Gazeta Finansowa
- Listed among the **Most Interesting CSR Initiatives od 2022** published by Gazeta Finansowa
- Listed in the **'Innovative Company of 2022'** ranking published by Gazeta Finansowa

