

# FPP Review

## 4Q22





*FPP in Warsaw (Central lake in Ostoja-Wilanów in Warsaw). Picture dated June 2017.*

## FPP. The Firm

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- FADESA POLNORD POLSKA (FPP).

FPP is a real estate developer deeply rooted in the Polish local market. FPP has been present in Poland since May 2005, focusing on the construction of medium to high-standard apartments. The company has two shareholders: Spanish Martinsa-Fadesa (51% interest) and Polish Polnord (49% interest). The company operates in Warsaw and Wrocław. As at 31<sup>st</sup> December 2022, FPP had sold 3,299 and delivered 3,299 apartments. In the last thirteen years, the average annual sales revenues totalled 112,6 million zloty. The financing for FPP projects is provided by local banks. Pekao S.A. financed Ostoja-Wilanów in Warsaw and Osiedle-Innova in Wrocław while Getin Noble S.A. financed Osiedle-Moderno, Apartamenty Innova (I, II & III) and Innova Concept, all three projects located in Wrocław.

- Promotions:

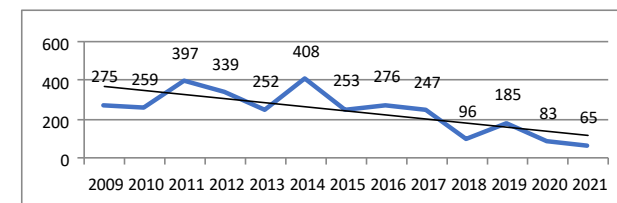
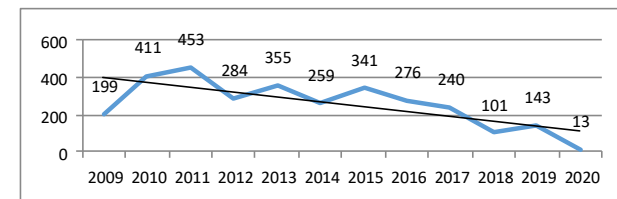
- Ostoja-Wilanów, Warsaw (1,967 units). [www.ostoja-wilanow.com](http://www.ostoja-wilanow.com)
- Osiedle-Innova, Wrocław (535 units). [www.osiedle-innova.com](http://www.osiedle-innova.com)
- Apartamenty Innova (I, II & III), Wrocław (542 units). [www.apartamentyinnova.pl](http://www.apartamentyinnova.pl)
  - Apartamenty Innova I (buildings 6.4 and 6.5: 210 units).
  - Apartamenty Innova II (building 6.3: 120 units).
  - Apartamenty Innova III (buildings 6.1 and 6.2: 212 units).
- Osiedle Moderno, Wrocław (158 units) [www.osiedlemoderno.pl](http://www.osiedlemoderno.pl)
- Innova Concept, Wrocław (148 units). [www.innovaconcept.pl](http://www.innovaconcept.pl)
- Villa Botanica, Powsin-Warsaw (100\* units).

**FPP: comprehensive study of apartment layout, strict cost control, high gross margins.**



## FPP. Key Data

- **3,299 apartments sold** as at 31 December 2022.
- **3,073 apartments sold** from 2009 to 31 December 2022. See chart to the right (presales per year).  
AVERAGE (2009-2020): 256 u/y.
- **1,370 apartments sold in Wrocław** as at 31 December 2022.
- **3,299 apartments delivered** as at 31 December 2022.
- **3,134 units delivered** from 2009 to 31 December 2022. See chart to the right (deliveries per year).  
AVERAGE (2009-2021): 241 u/y.
- **Financing:**
  - Bank Pekao S.A.: *Ostoja-Wilanów* in Warsaw (from 2006 to 2016) and *Osiedle Innova* in Wrocław (from 2011 to 2014).
  - Bank Getin Noble S.A.: *Osiedle-Moderno* in Wrocław (from 2013 to 2015); *Apartamenty Innova I* (buildings 6.4 & 6.5, from 2015 to 2016), *Apartamenty Innova II* (building 6.3, May 2016-December 2017), *Apartamenty Innova III* (buildings 6.1 & 6.2, April 2017-December 2018) and *Innova Concept* (February 2019- September 2020) in Wrocław.



# FPP Financial Highlights (PLN)

*Selected financial data FPP Group [in PLN million]*

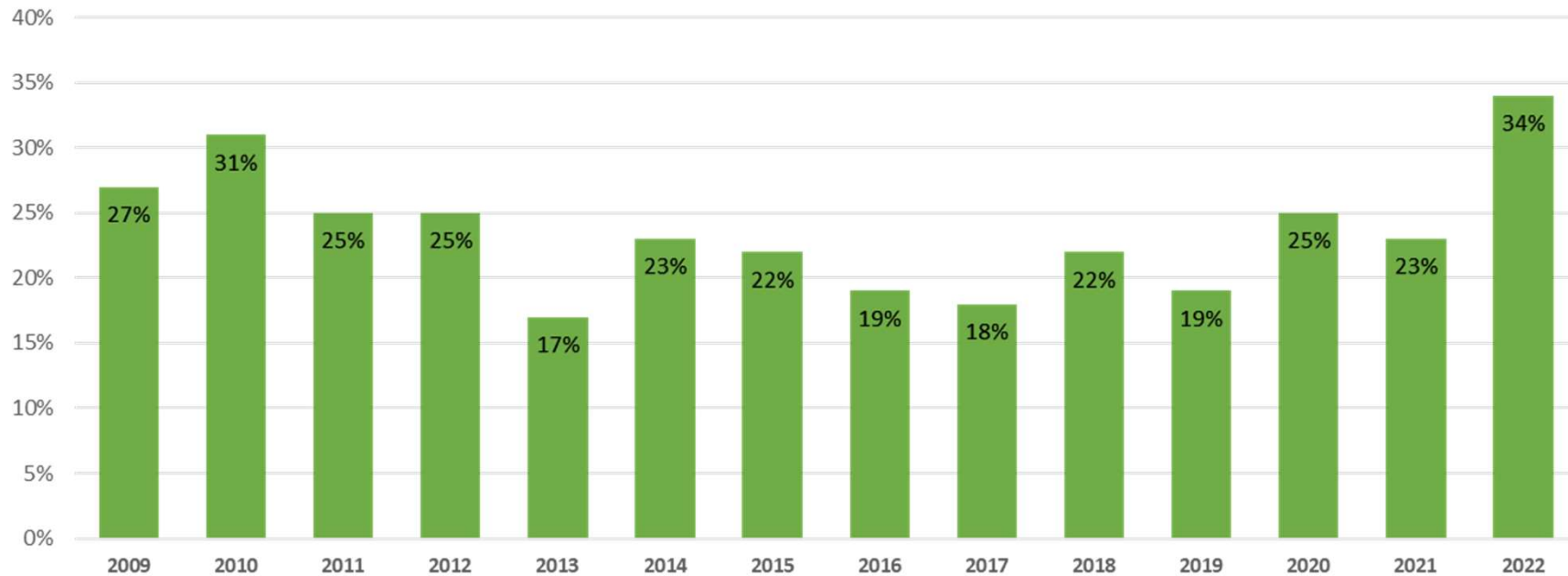
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022*
<b>Revenues</b>	170.2	172.0	208.8	138.9	93.4	173.9	89.9	136.9	112.7	47.9	72.6	38.8	34.6	86.5
<b>Gross sales profit</b>	47.3	53.4	53.2	35.6	16.2	40.4	19.5	25.9	19.9	10.5	13.5	9.6	8.1	29
<b>Gross margin</b>	28%	31%	25%	26%	17%	23%	22%	19%	18%	22%	18.6%	24.8%	23,4%	33,9%
<b>Profit on operating activities</b>	45.9	32.7	28.0	21.0	3.6	33.2	9.2	14.1	8.0	1.3	1.89	4.17	6.6	19.8
<b>Net profit</b>	7.8	18.1	9.7	16.1	3.5	23.2	4.2	10.7	5.5	1.4	1.83	0.93	3,85	13.1
<b>Assets</b>	596.8	505.4	403.7	385.3	369.3	270.3	305.6	216.7	175.7	166.9	133.1	132.9	75.04	43.3
<b>Equity</b>	31.9	51.6	63.6	78.0	81.5	105.7	109.9	120.6	126.1	105.9	99.7	94.5	70.4	35.2
<b>Credit liabilities</b>	321.3	214.8	91.1	83.5	43.3	6.0	12.5	5.7	3.4	0	0	0	0	0

\* unaudited data



## Relevant information

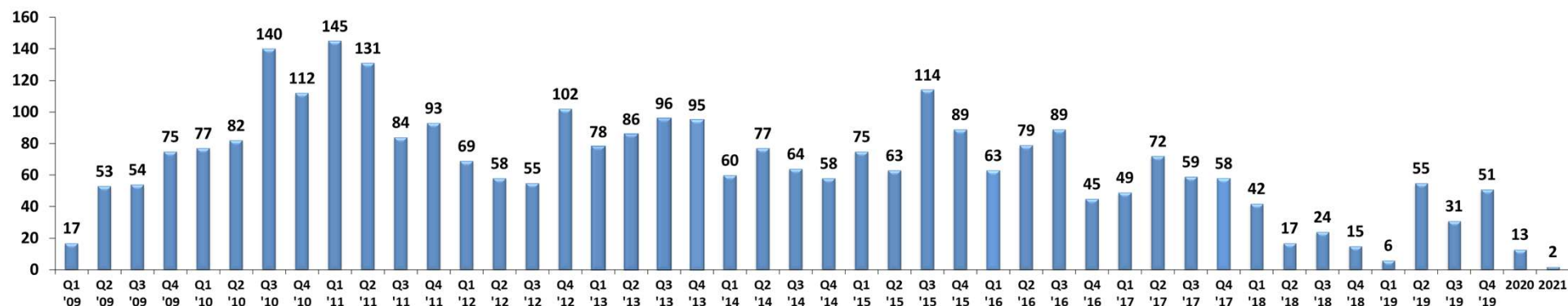
- **Gross Margin (since 2009).**



## FPP Quarterly Presales & Deliveries (since 2009)<sup>Yearly data for 2020&2021</sup>

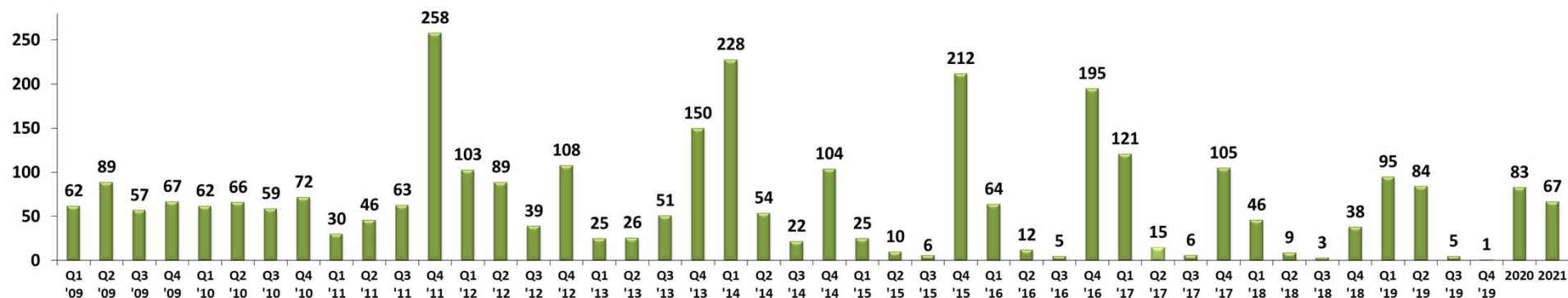
### Presales since 2009

	2009				2010				2011				2012				2013				2014				2015				2016				2017				2018				2019				2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4										
Units	17	53	54	75	77	82	140	112	145	131	84	93	69	58	55	102	78	86	96	95	60	77	64	58	75	63	114	89	63	79	89	45	49	72	59	58	42	18	24	17	6	55	31	51	13	2



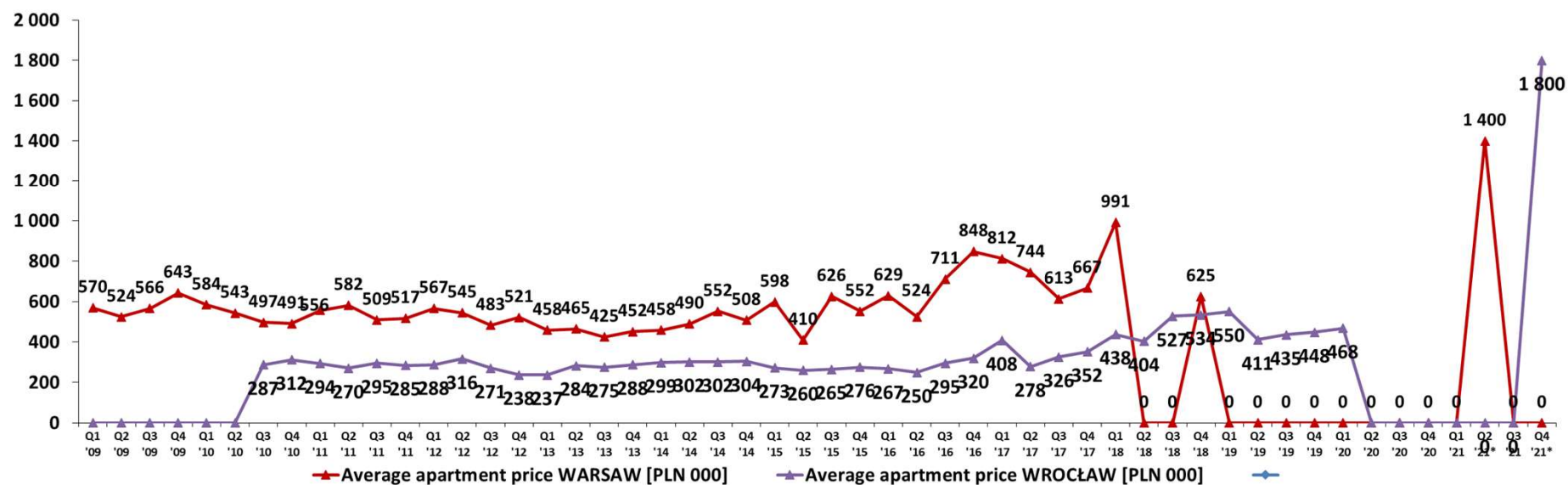
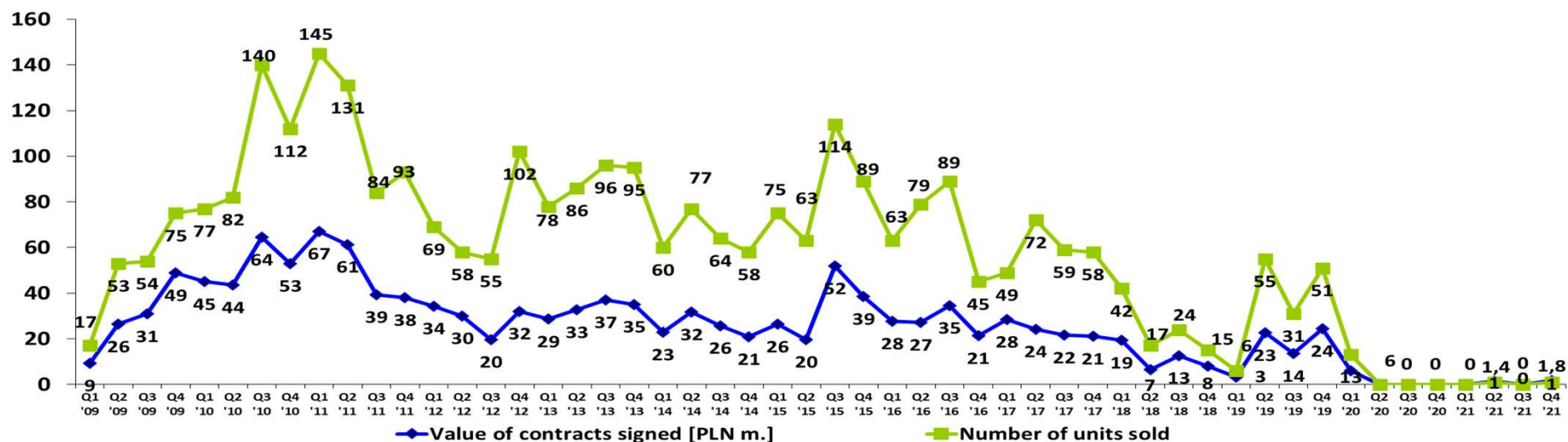
### Deliveries since 2009

	2009				2010				2011				2012				2013				2014				2015				2016				2017				2018				2019				2020	2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4										
Units	62	89	57	67	62	66	59	72	30	46	63	258	103	89	39	108	25	26	51	150	228	54	22	104	25	10	6	212	64	12	5	195	121	15	6	105	46	9	3	38	95	84	5	1	83	67



## Relevant information

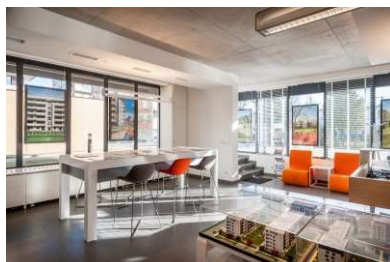
### Quarterly Presales (since 2009)





*FPP in Wrocław (bird's eye view of FPP projects in the city). At the bottom, Innova Concept. Picture dated January 2021.*

# FPP, Projects in Poland



## FPP, Projects in Poland

### Ostoja-Wilanów, Warsaw.

(1,929 residential units + 38 commercial units)

OSTOJA  
WILANÓW



ETAP 1 180 A1 180+7	ETAP 2 221 A2 127 B3 66 A1.1 28+4	ETAP 3 231 A3 167 C1 64	ETAP 4 228 B1 133 C6 59 C5 36	ETAP 5 178 B5 178+13
ETAP 6 262 C3 262+9	ETAP 6a 232 B4 136+1 C2 126	ETAP 7 324 C4 324	ETAP 8 43 B2 43+3	

FPP

### Osiedle-Innova, Osiedle-Moderno, Apartamenty Innova & Innova Concept, Wrocław (1,370 residential units + 13 commercial units)



	LICZBA MIESZKAŃ	LICZBA LOKALI USŁUGOWYCH	LICZBA MIEJSC POSTOJOWYCH W GARAZU
INNOVA CONCEPT	144	4	156
APARTAMENTY INNOVA	206	4	244
APARTAMENTY INNOVA II	120	-	145
APARTAMENTY INNOVA III	211	1	256
OSIEDLE MODERNO	158	-	189
OSIEDLE INNOVA	531	4	504

# FPP, Projects in Poland

**Villa Botanica, Powsin-Warsaw (96 detached and semidetached houses plus 4 commercial premises).**

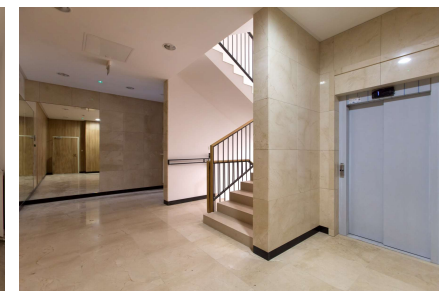
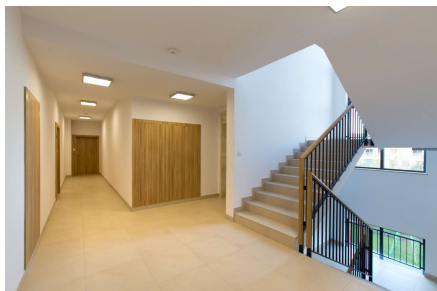


ETAP 1	AW1, AW2, AW3	3	193,95m <sup>2</sup>
	CW1, CW2, CW3	3	216,04m <sup>2</sup>
	CP1, CP2, CP3, CP4, CP5, CP6	6	222,12m <sup>2</sup>
	DP1, DW1	2	259,72m <sup>2</sup>
	DP2, DP3, DP4, DP5, DP6, DP7, DP8, DP9	8	266,98m <sup>2</sup>
		22	

## FPP in Usable Floor Area (Polish PUM in square meters).

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- **Completed projects** (as at 31 December 2022). PAGES 14-18.
  - **21 stages:** 9 in Ostoja-Wilanów in Warsaw, and 12 in Wrocław (7 in Osiedle-Innova; 1 in Osiedle-Moderno; 3 in Apartamenty Innova and 1 in Innova Concept).
  - **3,299 apartments completed:** 1,929 units in Warsaw and 1,370 units in Wrocław.
  - **234,450 sq. m completed:** 159,631 sq. m in Warsaw and 74,819 sq. m in Wrocław.
- **Projects under development** (as at 31 October 2022). PAGE 19.
  - **1 project under development** (3 stages in Villa Botanica, Powsin-Warsaw).
  - **96\* detached and semidetached houses plus 4 commercial units under Development** in Villa Botanica, Powsin-Warsaw.
  - **21,245 sq. m under development.**
  - **The plot linked to this project was sold to a third company on November 2022.**



## FPP. Completed Projects

Promotion: **Ostoja-Wilanów (Warsaw) 2005-2017: 9 stages completed: 1,929 apartments and 38 commercial units.**



Ostoja-Wilanów (stage 1).  
Date of delivery: 2007.  
No. of units: 180 apartments (14,466 sq. m).  
7 commercial units (832 sq. m).



Ostoja-Wilanów (stage 2).  
Date of delivery: 2009.  
No. of units: 221 apartments (19,944 sq. m).  
4 commercial units (600 sq. m).



Ostoja-Wilanów (stage 3).  
Date of delivery: 2009.  
No. of units: 231 apartments (19,605 sq. m).



Ostoja-Wilanów (stage 4).  
Date of delivery: 2009.  
No. of units: 228 apartments (22,336 sq. m).



Ostoja-Wilanów (stage 5).  
Date of delivery: 2010.  
No. of units: 178 apartments (16,525 sq. m).  
13 commercial units (1,212 sq. m).



Ostoja-Wilanów (stage 6, building C3).  
Date of delivery: October 2011.  
No. of units: 262 apartments (16,278 sq. m).  
10 commercial units (kindergarden).

## FPP. Completed Projects

Promotion: **Ostoja-Wilanów (Warsaw) 2005-2017: 9 stages completed, 1,929 apartments and 38 commercial units.**



Ostoja-Wilanów (stage 7, building C4).

Date of delivery: December 2013.

No. of units: 324 apartments (19,688 sq. m).



Ostoja-Wilanów (stage 6.A, building B4).

Date of delivery: December 2015.

No. of units: 136 apartments  
and 1 commercial unit (9,217 sq. m).



Ostoja-Wilanów (stage 6.A, building C2).

Date of delivery: November 2016.

No. of units: 120 apartments (12,531 sq. m).



Ostoja-Wilanów (stage 8, building B2).

Date of delivery: October 2017.

No. of units: 43 apartments plus 3 commercial units  
(4,981 sq. m).



Kindergarden in Ostoja-Wilanów.

Location: stage 6, building C3.

Capacity: 110 children.

Opened in September 2012.

Indoor area: 596 sq. m (including the garden:  
1,375 sq. m).



Park in Ostoja-Wilanów.

Location: north-east of Ostoja-Wilanów  
(between building B1 and C6).

Total area: 2 hectares.

## FPP. Completed Projects

Promotion: **Osiedle Innova (Wrocław) 2010-2014: 7 stages completed: 531 apartments and 4 commercial units.**



Osiedle-Innova (stage I).

Date of delivery: March 2012.

No. of units: 70 apartments (3,763 sq. m).



Osiedle-Innova (stage II).

Date of delivery: June 2012.

No. of units: 71 apartments (3,757 sq. m).



Osiedle-Innova (stage III).

Date of delivery: September 2012

No. of units: 94 apartments

4 commercial units (4,833 sq. m).



Osiedle-Innova (stage IV).

Date of delivery: September 2013.

No. of units: 92 apartments (4,468 sq. m).



Osiedle-Innova (stage V).

Date of delivery: September 2013.

No. of units: 92 apartments (4,468 sq. m).



Osiedle-Innova (stages VI and VII).

Date of delivery: October 2014.

No. of units: 112 apartments (6,453 sq. m).

## FPP. Completed Projects

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Promoción: **Osiedle Moderno (Wroclaw) 2014-2015. Completed (158 apartments).**



Osiedle-Moderno

Date of delivery: November 2015.

No. of units: 158 apartments (7,243 sq. m).

Promotion: **Apartamenty Innova I, II & III (Wroclaw) 2016-2019. Completed (537 apartments plus 5 comercial units).**



Apartamenty Innova (etapa I).

Fecha de entrega: Diciembre de 2016.

Nº de unidades: 206 viviendas y 4 locales comerciales (10,274 m²).



Apartamenty Innova II.

Date of delivery: December 2017.

No. of units: 120 apartments (8,295 sq. m).



Apartamenty Innova III (buildings 6.2 & 6.1).

Dates of delivery: December 2018 (building 6.2) and May 2019 (building 6.1).

No. of units: 128 apartments (7,629 sq. m) in building 6.2 and 83 apartments plus 1 commercial premise (4,833 sq. m) in building 6.1.

## FPP. Completed Projects

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Promoción: **Innova Concept (Wroclaw) 2019-2020. Completed (144 apartments plus 4 comercial units).**



Innova Concept

Date of delivery: November 2020.

No. of units: 144 apartments plus 4 comercial units (8,803.7 sq. m).



## FPP. Projects under Development: plot sold in November 2022

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**96\* detached and semi-detached houses plus 4 commercial premises** under development in Powsin-Warsaw (100 units; 21,245 sq. m).



Villa Botánica, Powsin (Warsaw).

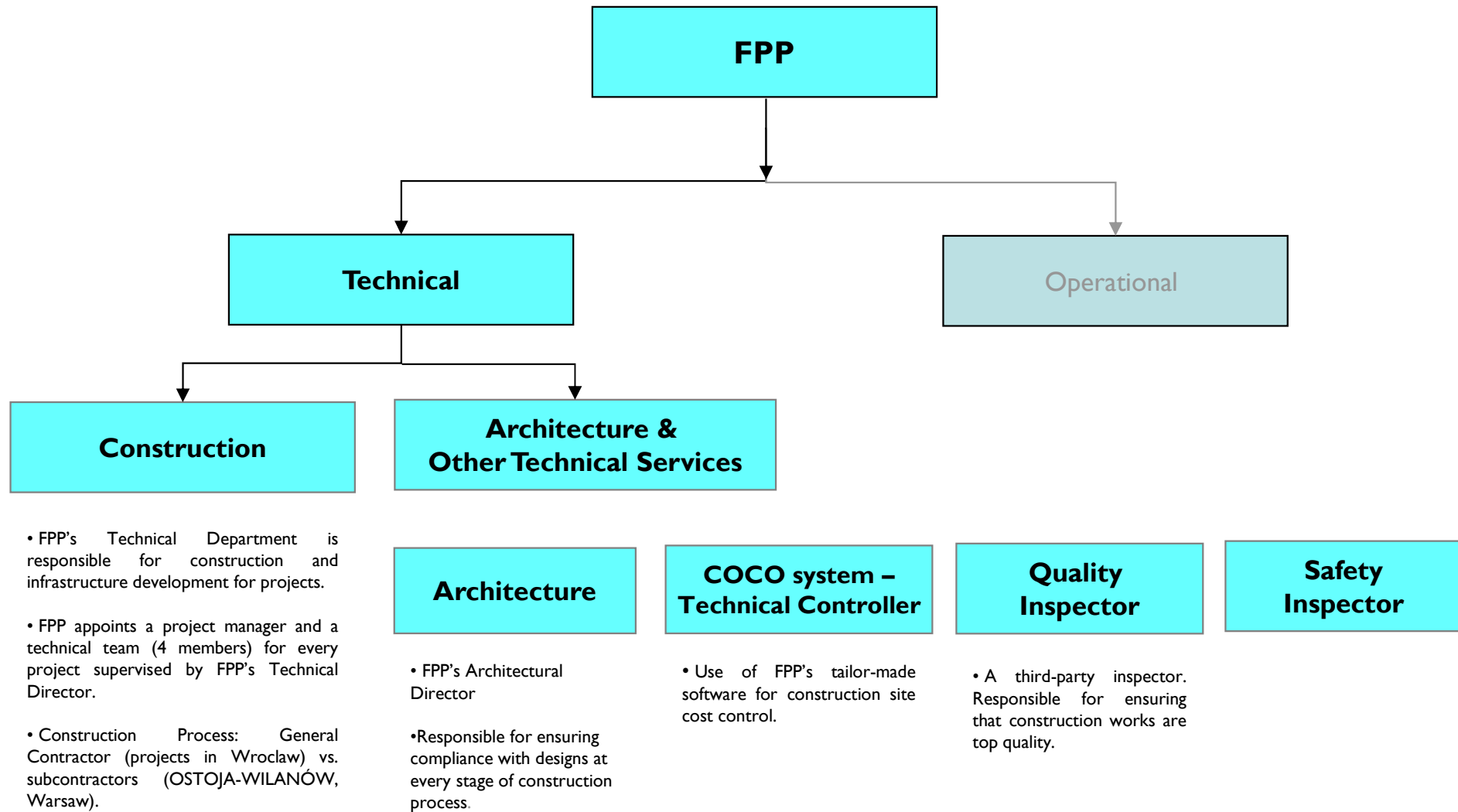
No. of units: 96\* detached and semi-detached houses  
plus 4 commercial premises in 3 stages.

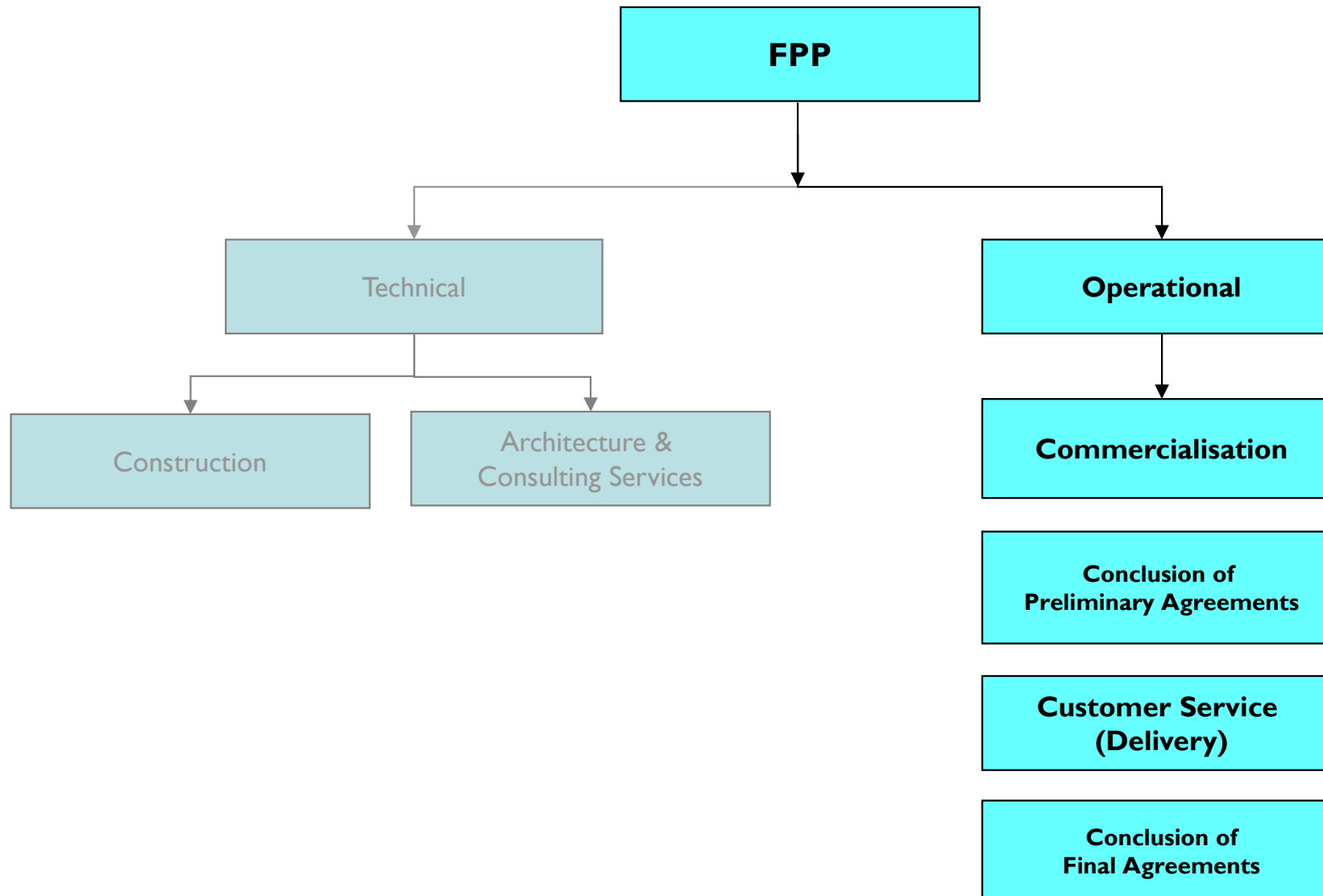
TTL: 21,245 sq. m



*FPP in Wrocław (Bird eye's view of FPP projects in the city). Picture dated November 2019.*

## FPP. Internal Organisation: Technical Department (Construction, Architecture & Consulting)





### Back Office Services

#### **New development:**

- Technical, legal, and commercial review of potential plots/projects.
- Design of the product (on offer).
- Full study of pricing policy.
- Appraisals.

#### **Financial Controller**

Monthly review of project costs and profitability.

#### **Technical Controller**

(COCO system).  
Monthly review of costs of works using tailor-made software.

#### **Marketing**

FPP general and special marketing campaigns.

### Sales Management

#### **FPP commercial team.**

Additional external team (agents).

### Financial & Other Services

#### **Sales Administration management:**

- Preliminary and final agreements.
- Negotiations of agreements with customers.
- Management of payments from customers.
- Project Prospectus.
- All administrative work is in compliance with the new Act on Protection of Consumers (effective since 29 April 2012).

#### **Customer Service management.**

- Day-to-day assistance to customers.
- Direct telephone line.
- Delivery of apartments.
- Follow-up on customer claims, if any, relating to apartments.

#### **Legal Back Office.**

#### **Financial Services.**

- Financing for projects.
- Financial management.

#### **Accounting Services.**

- All accounting work handled at the FPP Head Office in Warsaw.

#### **Interior Design management.**

- Management of conversions in units if requested by customers.

## Case Study: FPP Model

Under FPP's current model, at least, 80% of residential units are sold during the construction period. As soon as the construction is complete, 80% of units are delivered within 60 days of obtaining the (final) occupancy permit. Final sales agreements are signed within 60 days of the delivery of the apartment. As for the process of commercialization, apartments are sold no sooner than once month after the beginning of the construction works.

**FPP has successfully applied the model to all the projects since 2009, that is for the total of 18 projects (2,107 apartments):** 5 in Warsaw, Ostoja-Wilanów, building C3 (262 residential units, 2009-2011), building C4 (324 apartments, standard part - 170 units, 2011-2013), building B4 (136 residential units, 2014-2015), building C2 (126 residential units, 2015-2016) and building B2 (43 residential units, 2016-2017); 13 in Wrocław, Osiedle-Innova, stage I (71 residential units, 2010-2012), stage II (70 units, 2011-2012), stage III (96 units, 2011-2012), stage IV (92 units, 2012-2013), stage V (92 units, 2012-2013), stages VI and VII (112 units, 2013-2014); Osiedle-Moderno (158 residential units, 2014-2015), Apartamenty Innova I (206 residential units, 2014-2016), Apartamenty Innova II (120 residential units, 2016-17), Apartamenty Innova III (building 6.2: 128 residential units, 2017-2018 & building 6.1: 83 residential units, 2017-2019) and Innova Concept (144 residential units, 2019-2020).

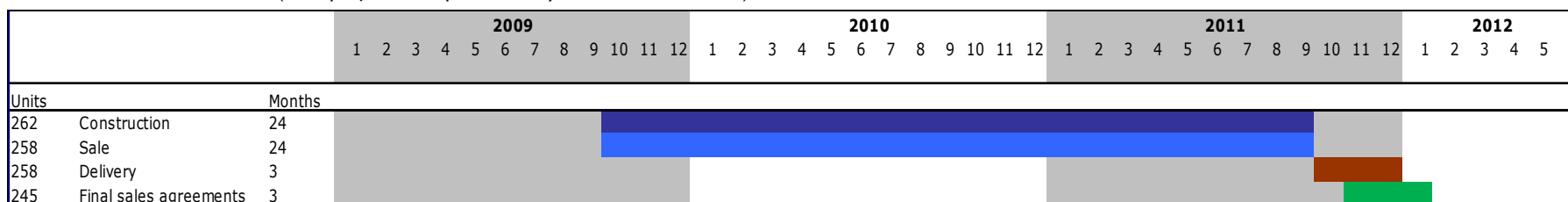
The gross margin (business plan) of at least **20%**.

Case study: building C3 (262 units, October 2009 - December 2011), Ostoja-Wilanów (Warsaw).

The data below shows FPP's 2011 performance. In total: 453 presales, 397 deliveries, and 411 final sales agreements. As indicated above, the model was repeated 9 times afterwards. In order to meet the above targets for building C3 (262 units) in Ostoja-Wilanów (Warsaw), FPP sold 9.8 units monthly during the construction period, delivered 7.15 units daily, and signed 5 final sales agreements (as notarial deeds) daily during Q4 2011. The promotion for building C3 in Ostoja-Wilanów involves a 262-apartment residential building located in Warsaw (Wilanów District). Ground was broken in October 2009, following the 2008 financial crunch. The building is located in an area (Miasteczko Wilanów) where several of FPP's competitors also operate.

Similar performance figures have been achieved as recently in November 2020 with the completion of the building INNOVA CONCEPT (144 apartments) in Wrocław (100% of the apartments presold by the end of the construction).

**CONCLUSION: WITHIN A MAXIMUM PERIOD OF 42 MONTHS** *Osiedle-Moderno case study (2014-2015)*, **we achieve a return on our investment** (from project concept to delivery of units to customers).



## FPP Contact Details

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### 1. Company's Head Office:

Address: Aleje Jerozolimskie 94, 11<sup>th</sup> floor, *Equator* building,

00-807 Warsaw (Śródmieście district).

Tel.: + 48 22 24 28 888

Email: [biuro@fadesapolnord.pl](mailto:biuro@fadesapolnord.pl)

Website: [www.fadesapolnord.pl](http://www.fadesapolnord.pl)

### 2. Customer Service Office in Warsaw:

Address: ul. Ks. Prymasa Augusta Hłonda 2, Staircase 3 (ground floor),  
02-972 Warsaw (District of Miasteczko Wilanów).

Email *Ostoja Wilanów*: [reklamacje@fadesapolnord.pl](mailto:reklamacje@fadesapolnord.pl)

Website (*Ostoja Wilanów*): [www.ostoja-wilanow.com](http://www.ostoja-wilanow.com)

### 3. Customer Service in Wrocław:

Email *Osiedle Innova*: [osiedleinnova@fadesapolnord.pl](mailto:osiedleinnova@fadesapolnord.pl)

Email *Osiedle Moderno*: [osiedlemoderno@fadesapolnord.pl](mailto:osiedlemoderno@fadesapolnord.pl)

Email *Apartamenty Innova*: [apartamentyinnova@fadesapolnord.pl](mailto:apartamentyinnova@fadesapolnord.pl)

Email *Innova Concept*: [innovaconcept@fadesapolnord.pl](mailto:innovaconcept@fadesapolnord.pl)

Website (*Osiedle-Innova*): [www.osiedle-innova.com](http://www.osiedle-innova.com)

Website (*Apartamenty Innova*): [www.apartamentyinnova.pl](http://www.apartamentyinnova.pl)

Website (*Innova Concept*): [www.innovaconcept.pl](http://www.innovaconcept.pl)





*FPP in Wrocław (Entrance to FPP projects) Picture dated February 2021.*

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