PRESS RELEASE

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ERBUD Group - 28 million PLN net profit after three quarters of 2019

- **Revenues: 1.8 billion PLN**
- **EBIT: 44 mln PLN**
- **Net profit: 28 mln PLN**
- **Good cash position: 123 million PLN in cash**
- **Secure and diversified order portfolio: 2.3 billion PLN**

After three quarters of 2019, the ERBUD Group had 43.9 million PLN EBIT and 28.3 million PLN net profit compared to 27 million PLN and 25 million PLN, respectively, a year ago. The EBIT margin was 2.5% and the net margin was 1.6%. The Group's revenues stabilized at 1.79 billion PLN. At the end of September, ERBUD had a portfolio of orders worth 2.3 billion PLN.

In the third quarter alone, the EBIT of the ERBUD Group amounted to 18.5 million PLN (which resulted in a profitability of 3.14%), and the net profit of 12.2 million PLN (2% profitability). In the corresponding period of 2018, the Group generated 13.3 million PLN (2% profitability) and 5.1 million PLN (0.8% profitability), respectively.

- *We are pleased with the increasingly better profitability in the building construction segment, both in the country and abroad. Other segments of our activity also achieved good results. Our goal is to maintain the EBIT margin at the level of 2-2.5% at the end of the year* - says Dariusz Grzeszczak, President of the Management Board of ERBUD S.A.

The total revenues of the ERBUD Group from the building construction in the country at the end of September amounted to 1.191 million PLN and were 12% higher than a year ago. In turn, the building construction abroad generated 97.8 million PLN revenues, which means a decrease by 34% y/y.

Total revenues of the energy and service segment (in the country and abroad) amounted to 241.2 million PLN

and increased by 5% y/y. The engineering and road segment generated revenues of 259 million PLN, an increase of 43% y/y.

- The increase in revenues in the road and engineering segment is primarily the result of a revival in the renewable energy segment, both in wind and solar farms. *Our company PBDI has been present on the market related to renewable energy for several years. Its vast experience and competences have allowed it to win several contracts after the last year's auction. Contract margins are satisfying for us* - comments Dariusz Grzeszczak.

At the end of September, the ERBUD Group had a secure and diversified portfolio of orders in the amount of 2.299 million PLN, 622 million PLN of which in 2019, and 1.678 million PLN in subsequent years (2020-2022). The share of public procurement in the portfolio accumulated in the period

January-September was 49%. Among the largest public contracts implemented by the ERBUD Group are: the PBDI S.A. agreement for the construction of the S3 express road section (value: PLN 358 million), general contractor for the Non-Invasive Medicine Centre in Gdańsk (value: PLN 153 million), signed in September this year contract for the implementation of the clinical-scientific centre in Zabrze (value: PLN 108 million), as well as concluded in July this year contract for the construction of the Maritime Science Centre in Szczecin (value: 74 mln PLN).

In addition, already in November, ERBUD S.A. concluded a contract with the University of Medical Sciences in Łódź for rebuilding the student dormitory at 57 million PLN.

- At the end of September, our order portfolio amounted to 2.3 billion PLN. It allows the ERBUD Group to selectively approach new inquiries. *We consistently focus on accumulating a profitable, diversified portfolio of orders* - says Dariusz Grzeszczak.

The ERBUD Group maintained a safe cash position at the end of September. Cash amounted to 122 million PLN and was 35% higher than at the end of the third quarter of last year. At the same time, the Group reduced its net debt to 38 million PLN.

At the end of the third quarter of 2019, 2,465 people were employed in the ERBUD Group.

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The ERBUD capital group is one of the largest Polish construction groups. The Company has existed since 1990. It provides its services in Poland and abroad, has many years of experience gained on the Polish market and in Western European countries. ERBUD specializes in building, road and industrial as well as energy construction. The ERBUD Group competes with international entities in the industry. Since 2007, ERBUD S.A. has been listed on the Warsaw Stock Exchange.

The most prestigious investments recently implemented by companies from the ERBUD Group include: Młociny Gallery, Koszyki Hall, Eurocentrum Office Complex and Royal Wilanów office buildings and the Southern Hospital in Warsaw; Invasive Medicine Centre of the Medical University of Gdańsk; Magnolia Gallery and Przylądek Nadziei Clinic in Wrocław; Municipal Waste Incineration Plant in Konin; heating plant at EC Miechowice, as well as the Dobrcz/Mierki Photovoltaic Power Plant Complex.

More information on www.erbud.pl.

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