19/02/2021 Current Report No. 10/2021 (11:07 a.m.)

Topic:
Erbud Group’s Strategy Extension

Legal basis:
Article 17(1) MAR - inside information.

Content of the Report:
The Management Board of Erbud S.A. with its registered office in Warsaw (the “Company”) informs that on 19 February 2021 the Company's Supervisory Board adopted a resolution on the adoption of amendments to the strategy of operations of the Company and the ERBUD S.A. Capital Group (the “Strategy”).
The amended Strategy provides that the scope of the Company's activity will be extended by a new business segment related to production, sales and assembly of modular buildings. The amended Strategy provides that the production of modules will take place in Poland, while the sale and assembly of modular buildings mainly on the European market through the Company's subsidiary - GWI Bauunternehmung GmbH with its registered office in Düsseldorf. Expanding the scope of the Company's activities within the amended Strategy will require investments, in particular purchase of production lines, purchase of a real estate on which production activities will be performed within the new segment and increase in employment. The Company assumes that total expenditures in connection with the launch of the new business segment will amount to approximately PLN 80-100 million over the next 3 years.
Pursuant to the amended Strategy, the Company decided to conduct analyses and preparatory work to assess the possibility of acquiring and determining the conditions of financing of the implementation of the amended Strategy by conducting the initial public offering of shares in Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. (“PBDI”), a subsidiary of the Company, finding an investor for PBDI or a debt financing transaction, provided that the Company retains control over PBDI for the purposes of consolidating PBDI's results within the Company's capital group, and excluding a scenario involving the issue of new shares in the Company. The Company will inform about subsequent stages of the implementation of the Strategy in accordance with applicable provisions of law.