Current report no. 75/2021
Date: 2021-08-25
ERBUD S.A.

Subject:
Revision of the consolidated extended financial report for the period from 1 January 2021 to 31 March 2021, published on 13 May 2021

Legal basis:
Art. 56 (1) (2) of the Public Offering Act - current and periodic information

Report content:
The Management Board of ERBUD S.A. hereby announces the correction of the consolidated extended report for the period from 1 January 2021 to 31 March 2021, published on 13 May 2021.
The adjustment results from a change in the valuation of the series D employee share scheme offered by the Issuer's subsidiary ONDE SA and the recognition of the cost of share-based payments at the fair value estimated at the date of transfer of shares to employees.
Originally, the Management Board of ERBUD S.A. considered that the lack of certainty as to the valuation of ONDE S.A. in the IPO process underway as on the date of publication means that the valuation of shares included in the consolidated financial statements of the ERBUD Group for IQ 2021 should be based on the book value of ONDE S.A., i.e., in the amount of PLN 1.617 million.
During the process of reviewing the interim report prepared for the period 1 January 2021 to 30 June 2021, the auditor - PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. - considered this inappropriate, arguing that the amount differed materially from the fair value at which it should be recognised. Therefore, as a result of the auditor's recommendation, the Management Board of ERBUD S.A. decided to make an adjustment to the consolidated statements by recognising the valuation of series employee shares in the amount of PLN 28.343 million, i.e., PLN 26.00 per share. The adjustment will change the following items in the consolidated financial statements of the ERBUD Group for IQ 2021:

No.; Item; Financial statements; Financial statements
IQ 2021 before adjustment IQ 2021 adjusted
Consolidated statement of income - page 1
1. General administrative expenses 32 463 59 189
1.1. incl. share-based remuneration 1 617 28 343
2. Operating profit 25 830 -896
3. Gross profit 24 664 -2 062
4. Net profit for the financial period 20 909 -5 817
5. net (loss)/profit for the financial period 20 909 -5 817
6. profit for the financial period attributable to:
shareholders of the parent company 19 295 -7 431
non-controlling shareholders 1 613 1 613
7 Net result on continued operations per share (in PLN)
1.64 -0.46
8. Diluted net result on continued operations per share (in PLN)
1.64 -0.46
9. Diluted net earnings per share (in PLN) 1.64 -0.46

Consolidated statement of income - page 2
10. Consolidated net profit 20 909 -5 817
11. Total comprehensive income for the financial period 21 448 -5 278

Attributable to:
shareholders of the parent company 19 826 -6 900
non-controlling shareholders 1 622 1 622

Consolidated statement of changes in equity - page 4
13. Net profit for the period 20 909 -5 817
14. Total comprehensive income 21 448 -5 278
15. Shares issued to employees of a subsidiary
1 617 28 434

Consolidated statement of cash flows - page 5
16. Gross profit/loss 24 664 -2 062

Notes to the statements of comprehensive income - alternative outcome measures - page 19
17. Net profit for the financial period 20 909 -5 817
18. Gross profit 24 664 -2 062
19. EBIT 25 830 -896
20. EBITDA 31 090 4 364
21. EBIT margin 5%

Notes to the statements of comprehensive income - page 21
22. Selling margin no line 57 722
23. Selling margin % no line 11%
24. Share-based payment no line 28 343
25. Result on other operations -31,892 -30,275
26. EBIT segment result 25,830 -896
27. Gross result 24,664 -2,062
28. Net result 20 909 -5 817
29. EBITDA segment result 31 090 43 64

Notes to the statements of comprehensive income 4.3 Cost of sales - page 23
30. Share-based remuneration no line 28 343
31. Total costs by nature 498 822 525 548
32. General administrative expenses (negative value) -32 463 -59 189
including share-based remuneration no line 28 343

Notes to the statements of comprehensive income - page 24
33. Profit before tax 24 664 -2 062

Simultaneously, the Management Board of ERBUD S.A. informs that the adjustment does not affect other items of the consolidated report of the ERBUD Group, in particular, it did not affect the consolidated financial statements of Q1 2020. The adjustment also has no impact on the separate financial statements of ERBUD S.A. for Q1 2021 and Q1 2020.

Detailed legal basis: Art. 15 (4) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information.