

ERBUD GROUP

Consolidated Financial Statement

for accounting

period closed on 31 December 2023

Drawn up in compliance with the International Financial Reporting Standards (IFRS) endorsed for application by the European Union

CONSOLIDATED STATEMENT OF PROFIT/LOSS

		For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
	CONTINUING OPERATIONS		
Note 4.2.-4.3	Revenues from sales of products and services	3,234,363	3,855,649
Note 4.2.,4.4.	Cost of products and services sold	3,025,252	3,633,500
	Gross sales profit/(loss)	**209,111**	**222,149**
Note 4.4.	Cost of sales	15,490	13,259
Note 4.4.	General administrative expenses	195,287	180,780
	incl.: Millennium Bank compensation-related expenses	13,067	-
Note 4.6.	Other operating income - Millennium Bank compensation	*51,384*	-
Note 4.6.	Other operating income	17,522	11,508
Note 4.6.	Other operating expenses - Modlin Airport compensation	16,698	-
Note 4.6.	Other operating expenses	8,255	7,652
	Loss reversal/(impairment) of financial assets and customer contract valuation assets	(22,200)	11,108)
Note 4.2.	**Operating profit**	**20,087**	**20,858**
	Share in net profits/ (losses) measured by equity-accounted method	1,110	(1,451)
	Financial income - Millennium Bank compensation-related interest income	60,929	-
Note 4.7.	Financial revenues	16,743	14,832
Note 4.7.	Financial costs	48,395	35,855
Note 4.2.	**Gross profit/loss**	**50,474**	**(1,616)**
Note 4.8.	Corporate income tax	27,179	(12,610)
	Net profit for the accounting period	**23,295**	**10,994**
	Parent Company Shareholders	10,003	8,291
	Non-Controlling Stakeholders	13,292	2,703

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
Consolidated profit / (loss), net	**23,295**	**10,994**
Foreign exchange gains/losses resulting from translation of statements of foreign entities	**(3,347)**	1,174
Comprehensive income (including tax effect) subject to reclassification into result	**(3,347)**	**1,174**
Comprehensive income in the accounting period	**19,948**	**12,168**
Appropriated to:		
Parent Company Shareholders	7,142	9,456
Non-Controlling Stakeholders	12,806	2,712

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		12/31/2023	12/31/2022
	ASSETS	**1,973,833**	**2,016,268**
Note 6.2.	Goodwill	40,217	41,588
Note 6.1.	Intangible assets	13,605	13,546
Note 6.1.	Tangible fixed assets	233,900	229,776
Note 6.11.	Investments accounted for using the equity method	53,998	52,888
Note 5.1.	Financial assets	16,734	13,823
Note 4.8.	Deferred tax assets	109,150	82,358
Note 2.2.	Receivables under building contracts - bid bonds	9,296	8,576
	Fixed assets	**476,900**	**442,555**
Note 6.4.	Inventory	139,664	160,239
Note 2.2.	Receivables under building contracts - bid bonds	30,815	23,455
Note 2.3.	Pricing of building contracts - assets	455,336	431,013
Note 6.5.	Trade receivables	479,533	651,583
Note 6.5.	Income tax & VAT receivables	23,715	68,378
Note 6.5.	Other receivables	42,618	23,158
Note 5.1.	Financial assets	9,951	9,428
Note 3.7.	Cash and cash equivalents	263,119	163,961
Note 3.7.	Cash assets in VAT account	44,186	35,338
Note 6.6.	Short-term prepayments	7,996	7,160
	Current assets	**1,496,933**	**1,573,713**
	LIABILITIES	**1,973,833**	**2,016,268**
Note 3.1.	Share capital	1,193	1,210
	Supplementary capital	281,353	262,074
Note 3.1.	Own shares	-	(20,000)
	Reserve capital	104,346	124,319
	Foreign exchange gains/losses resulting from conversion of foreign unit	3,784	6,645
	Retained earnings	146,867	166,633
	Equity of Parent Company shareholders	537,543	540,881
	Equity of non-controlling stakeholders	137,403	124,597
	Equity	**674,946**	**665,478**
Note 3.2.-3.5	Debt	178,157	189,407
Note 6.7.	Provisions	21,921	22,062
Note 4.8.	Deferred tax liabilities	15,804	15,274
Note 2.2.	Liabilities vis-à-vis subcontractors - bid bonds	16,986	16,866
	Long-term liabilities	**232,868**	**243,609**
Note 3.2.-3.5	Debt	61,280	123,168
Note 6.7.	Provisions	48,623	34,340
Note 2.2.	Liabilities vis-à-vis subcontractors - bid bonds	148,004	154,169
Note 2.3.	Pricing of building contracts - liabilities	387,717	245,957
Note 6.9.	Trade payables	280,620	443,402
Note 6.9.	Income tax & VAT liabilities	51,358	29,798
Note 6.9.	Other liabilities	88,417	76,347
	Short-term liabilities	**1,066,019**	**1,107,181**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For a 12-month-period ended on 31 Dec. 2022 and for a 12-month-period ended on 31 Dec. 2023

	Share capital	Own shares	Supplementary capital	Reserve capital	Foreign exchange gains/losses resulting from conversion of foreign units	Retained earnings	Total	Equity of non-controlling stakeholders	Shareholders' equity
As of 1 Jan. 2022	**1,240**	**(70,000)**	**207,074**	**71,552**	**5,480**	**337,521**	**552,867**	**131,866**	**684,733**
Net profit/loss in the accounting period	-	-	-	-	-	8,291	**8,291**	2,703	**10,994**
Comprehensive income in the accounting period	-	-	-	-	1,165	-	**1,165**	9	**1,174**
Other comprehensive income	**-**	**-**	**-**	**-**	**1,165**	**8,291**	**9,456**	**2,712**	**12,168**
Dividend	-	-	-	-	-	(447)	**(447)**	-	**(447)**
Transfer of the net income from previous year to retained earnings	-	-	100,000	77,737	-	(177,737)	**-**	-	**-**
Settlement of a buyout of own equity by a subsidiary in the Group	-	-	-	-	-	28,610	**28,610**	(9,981)	**18,629**
Decrease of share capital	(30)	70,000	(45,000)	(24,970)	-	-	**-**	-	**-**
Acquisition and redemption of a stake in a subsidiary	-	-	-	-	-	395	**395**	-	**395**
Acquisition of own shares	-	(20,000)	-	-	-	-	**(20,000)**	-	**(20,000)**
Acquisition of own equity by a subsidiary in the Group	-	-	-	-	-	(30,000)	**(30,000)**	-	**(30,000)**
As of 31 December 2022	**1,210**	**(20,000)**	**262,074**	**124,319**	**6,645**	**166,633**	**540,881**	**124,597**	**665,478**
As of 1 Jan. 2023	**1,210**	**(20,000)**	**262,074**	**124,319**	**6,645**	**166,633**	**540,881**	**124,597**	**665,478**
Net profit/loss in the accounting period	-	-	-	-	-	10,003	**10,003**	13,292	**23,295**
Comprehensive income in the accounting period	-	-	-	-	(2,861)	-	**(2,861)**	(486)	**(3,347)**
Other comprehensive income	**-**	**-**	**-**	**-**	**(2,861)**	**10,003**	**7,142**	**12,806**	**19,948**
Dividend	-	-	-	-	-	(10,490)	**(10,490)**	-	**(10,490)**
Net retained earnings carried forward	-	-	19,279	-	-	(19,279)	**-**	-	**-**
Registration of redemption of own shares	(17)	20,000	-	(19,983)	-	-	**-**	-	**-**

Other	-	-	-	10	-	-	**10**	-	**10**
As of 31 Dec. 2023	**1,193**	**-**	**281,353**	**104,346**	**3,784**	**146,867**	**537,543**	**137,403**	**674,946**

CONSOLIDATED CASH FLOW STATEMENT

		For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
	OPERATIONAL CASH FLOWS		
	Gross profit/loss	50,474	(1,616)
Note 4.2.	Amortization and depreciation	36,934	33,128
Note 4.7.	Foreign exchange losses	(10,563)	(4,333)
Note 4.7.	Interest and share in profits (dividend)	(33,334)	16,982
Note 6.10	Other non-cash adjustments	9,590	(7,011)
	Interest income from Millenium Bank contribution received	60,929	-
Note 4.8.	Income tax paid	(42,209)	(29,758)
Note 6.10	Change of working capital balance	185,291	(143,017)
	Operational cash flows, net	**257,112**	**(135,625)**
	INVESTMENT ACTIVITY CASH FLOWS		
Note 5.1.2	Inflows from credits/loans extended	7,578	2,708
Note 6.10.	Other inflows	5,835	30,890
Note 6.1.	Expenditures on the acquisition of tangible fixed assets	(22,747)	(54,202)
Note 5.1.2	Loans extended expense	(9,977)	(972)
	Expenditures on the acquisition of shares in companies	(13,864)	(30,586)
	Other expenses	(37)	(39)
	Investment activity cash flows, net	**(33,212)**	**(52,201)**
	FINANCIAL ACTIVITY CASH FLOWS		
Note 3.2.	Income from credits and loans taken	24,375	149,231
	Other inflows	-	209
Note 3.2.	Debt (principal) repayment expense - principal	(94,436)	(86,555)
Note 3.2.	Lease debt repayment expense - principal	(15,861)	(24,174)
Note 3.2.	Debt (interest) repayment expense	(28,330)	(18,593)
	Dividend payment	(10,490)	(500)
Note 3.1.	Acquisitions of own shares	-	(30,977)
	Other expenses	-	(64)
	Financial activity cash flows, net	**(124,742)**	**(11,423)**
	NET CASH FLOWS	**99,158**	**(199,249)**
	Opening cash balance	**163,961**	**363,210**
	Closing cash balance	**263,119**	**163,961**

1. BACKGROUND INFORMATION

1.1. INTRODUCTION

The Parent Company of Erbud S.A Capital Group ("Group") is Erbud S.A. ("Parent Company"), with its registered office in the City of Warsaw, at ul. Franciszka Klimczaka No. 1.

The Parent Company was entered into the National Court Register on 29 November 2006 under entry No. KRS 0000268667 (District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register). The Parent Company has been listed on the Warsaw Stock Exchange since 2007 and has been incorporated into the construction companies index "WIG Construction".

The scope of the Group's activities comprises broadly understood construction and erection services performed on general contractor basis in Poland and in foreign countries as well as development services for RES projects and maintenance services for industry. In addition, Erbud S.A. plays the role of a management, advisory and financial centre within the Group. The Group operates in the Polish market and in the markets of other European Union countries.

The duration of the Parent Company and the Group member companies is indefinite.

As of 31 December 2023 and as of the date of the Consolidated Financial Statements the Parent Company's Management Board consisted of:

Dariusz Grzeszczak – President of the Management Board

Agnieszka Głowacka – Vice-President of the Management Board

Jacek Leczkowski – Vice-President of the Management Board

As of 31 December 2023 and as of the date of the Consolidated Financial Statements the Parent Company's Supervisory Board consisted of:

Gabriel Główka

Albert Dürr

Michał Otto

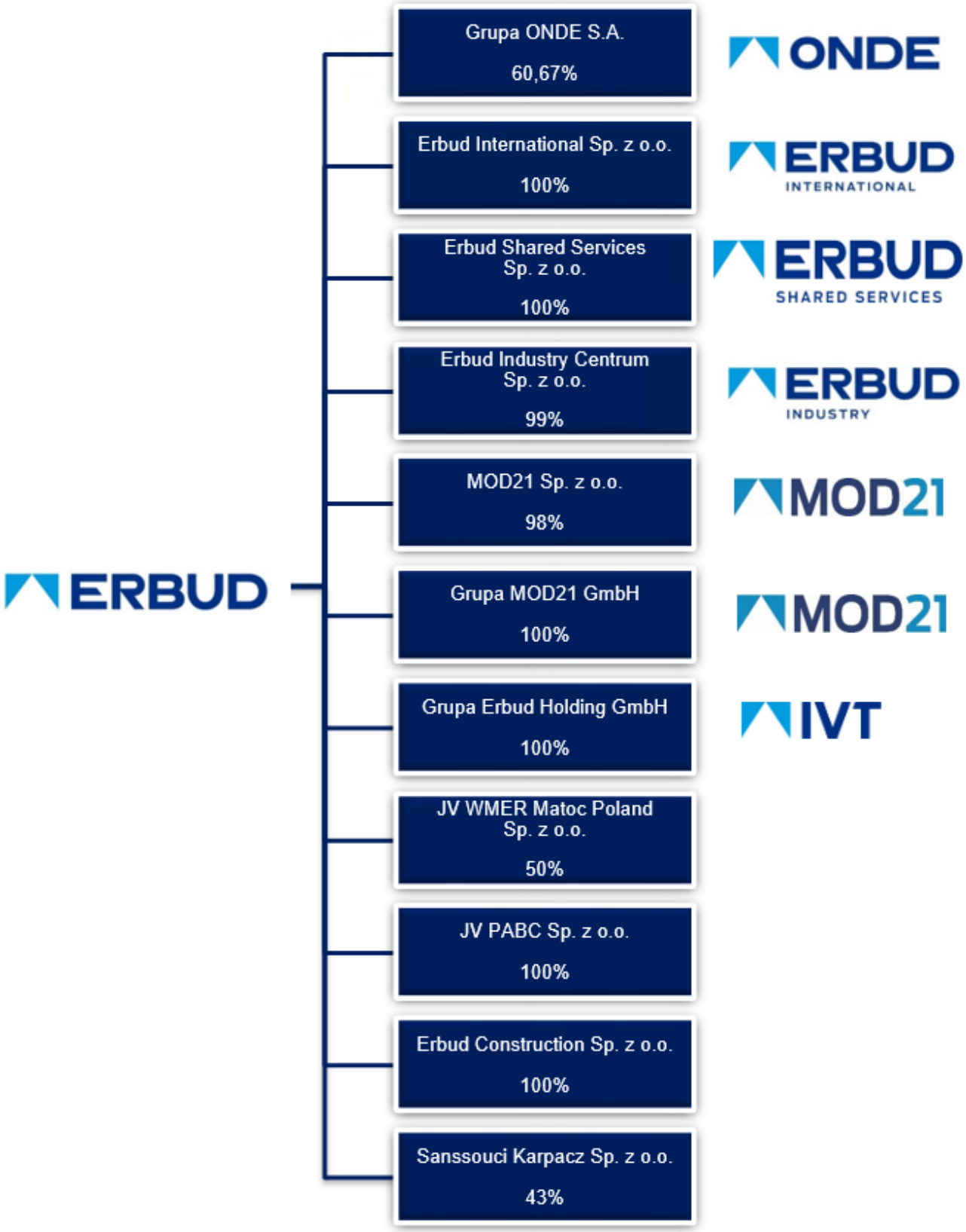
Janusz Reiter

Michał Wosik

Roland Bosch

Beata Jarosz

The Consolidated Financial Statements of the Erbud S.A. Group are published on the Warsaw Stock Exchange (WSE) website under ESPI/EBI Company Reports.



Detailed organisational structure of the Group is presented in the Note 6.11. The above figure shows the share of Erbud S.A. in individual member companies of Erbud S.A. Capital Group as of 31 December 2023

1.2. GROUNDS FOR DRAWING UP THE FINANCIAL STATEMENT

IAS Compliance Statement

The Consolidated Financial Statements were drawn up as of 31 December 2023 in compliance with the International Financial Reporting Standards (hereinafter referred to as MSSF), endorsed by the European Union.

The Consolidated Financial Statements are presented in Polish currency (Polish zloty, "PLN"), and all values are specified in thousands of Polish zlotys.

The Consolidated Financial Statements have been prepared on the historical cost basis and investments in jointly controlled and associated entities are measured using the equity method.

These Consolidated Financial Statements were approved for publication by the Management Board on 26 March 2024.

Going concern

These Consolidated Financial Statements have been drawn up following going concern principle applicable to all Group member companies in the foreseeable future. As of the date of approval of these Consolidated Financial Statements, no signs prevailed indicating a risk to the continuation of Group operations following a going concern principle.

Impact of armed conflict in Ukraine

Following the Russia's invasion of Ukraine, both the world and Poland faced a fuel crisis and the weakening stock markets and currencies of neighbouring countries. Raw material prices and their availability have become a much bigger issue in the construction business than COVID 19 hazards.

The Management Board monitors on an on-going basis the impact of the political and economic developments in Ukraine, Russia and Belarus on the Group's operations. Since the war outbreak we have been dealing with price hikes of building materials and labour in the Polish market. The Group takes the risk of rising material and labour prices into account in the calculations it makes on an ongoing basis. The Management is taking measures to reduce the impact of the price shock caused by the conflict in Ukraine, such as diversifying the business geographically as well as by segment, while negotiating contract terms with principals.

Pricing at fair value

The measure of fair value of an asset or liability the Group takes into consideration the properties of a certain asset or liability, if the market participants take into consideration these characteristics when measuring the assets or liabilities at the measurement date. The Group classifies fair value measurement principles using the fair value hierarchy, reflecting the weight of source data used for measurement, pursuant to IFRS No. 13. As of the individual balance sheet dates, the Group has no items measured at fair value but discloses fair value for items measured at amortized cost.

Conversion of items into foreign currencies

The items specified in the Financial Statements are measured in the currency of the core business environment where the entity carries out its operations ("functional currency"). The functional currency of Polish companies within the Group is PLN, whereas the functional currency of German companies is EUR, and the presentation currency of the financial statements is Polish zloty (PLN)

Transactions in foreign currencies are recorded in the books at the time of initial recognition in the value converted into PLN at the average NBP rate prevailing at the transaction date.

At the balancing date cash assets and liabilities denominated in currencies other than Polish zloty are converted into Polish zlotys using the appropriate average exchange rate, effective at the end of the accounting period, determined for a certain currency by the National Bank of Poland. The foreign exchange gains/losses are posted respectively into the line "Financial gains (losses)" or in cases defined by accounting principles (policy), are capitalised in the assets value.

The non-cash assets and liabilities recognised at historic cost expressed in foreign currency are posted at historical exchange rate prevailing at the transaction date. Non-cash assets and liabilities are carried at fair value expressed in foreign currency are converted using the exchange rate prevailing at the date of fair value measurement.

1.3. THE APPLICATION OF NEW AND AMENDED STANDARDS, AND THEIR INTERPRETATIONS:

The application of new and amended standards, and their interpretations

In these Consolidated Financial Statements, the following new and amended standards that entered into force in 2023 were applied for the first time:

a) IFRS 17 "Insurance Contracts" and amendments to IFRS 17

IFRS 17 "Insurance Contracts" was issued by the International Accounting Standards Board on 18 May 2017, while amendments to IFRS 17 were published on 25 June 2020.

The new IFRS 17 "Insurance Contracts" replaced the previous IFRS 4, which permitted a variety of practices in the settlement of insurance contracts. The new standard modifies fundamentally the accounting for all entities that deal with insurance contracts and investment contracts; however, the scope of the standard is not limited to insurance companies only, and contracts entered into by entities other than insurance companies may also contain an element that complies with the definition of an insurance contract (as defined in IFRS 17).

b) Amendment to IFRS 17 "Insurance Contracts"

This amendment relates to the transitional requirements in connection with the first-time application of IFRS 17 'Insurance Contracts' and IFRS 9 'Financial Instruments'. The purpose of the amendment is to ensure the usefulness of financial information for investors in the period of initial application of the new standard by introducing certain simplifications with regard to the presentation of comparative information.

The amendment applies only to the application of new standard IFRS 17 and does not affect any other requirements set forth in IFRS 17.

c) Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Board Guidance on accounting policy disclosures in practice

The amendment to IAS 1 requires disclosure of material information about accounting policies, which are defined in the Standard. The amendment clarifies that information about accounting policies is material if, in its absence, users of the financial statements would not be able to understand other relevant information in the financial statements. In addition, the Board's guidance on the application of the concept of materiality in practice has also been revised to provide guidance on the application of the concept of materiality to accounting policy disclosures.

d) Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

In February 2021 the Board published an amendment to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" regarding the definition of estimates. The amendment to IAS 8 clarifies, how entities should distinguish between changes in accounting policies and changes in accounting estimates.

e) Amendments to IAS 12 "Income Taxes"

The amendments to IAS 12 clarify how to account for deferred tax on transactions such as leases and decommissioning liabilities. Prior to the amendment to the standard, there was ambiguity as to whether the recognition of equal amounts of an asset and a liability for accounting purposes (e.g., initial recognition of a lease) that has no effect on current tax settlements triggers the recognition of deferred tax balances, or whether the "initial recognition exemption" applies, which states that deferred tax balances are not recognized, if the recognition of an asset or liability has no impact on the accounting or tax result at the time of such recognition. The amended IAS 12 addresses this issue by requiring deferred tax to be recognised in the above situation by additionally stating that the exemption from initial recognition does not apply if an entity simultaneously recognises an asset and an equivalent liability and each creates temporary differences.

f) Amendments to IAS 12 Income Taxes: global minimum income tax (Pillar Two)

In May 2023, the Board published amendments to IAS 12 Income Taxes in response to the global minimum income tax (Pillar II) regulations issued by the Organisation for Economic Co-operation and Development (OECD) in connection with international tax reform. The amendment to IAS 12 provides a temporary exemption from the

requirement to recognize deferred taxes resulting from enacted tax laws that implement the Pillar II model rules. The companies can apply the guidance of the amended IAS 12 standard immediately, while certain disclosures are required for annual periods beginning on or after 1 January 2023. At the date of preparation of these consolidated financial statements, the amendment in question had not yet been endorsed by the European Union.

In the opinion of the Management Board, the implemented standards do not have a significant impact on the Group.

Published standards and interpretations, which are not yet effective and have not been applied by the Company before:

In these Condensed Consolidated Financial Statements the Group has not decided to apply earlier the following published standards, interpretations or amendments to the existing standards before their effective date:

a) Amendments to IFRS 16 "Lease"

In September 2022, the Board amended IFRS 16 'Leases' by supplementing the requirements for subsequent measurement of the lease liability for sale and leaseback transactions, where the criteria of IFRS 15 are met and the transaction should be accounted for as a sale.

The amendment requires the seller-lessee to subsequently measure the lease liabilities arising from a sale-leaseback in such a manner that no gain or loss on retained right-of-use is recognised. The new requirement is particularly relevant where sale-leasebacks include variable lease payments that do not depend on an index or rate, as these payments are excluded from 'lease payments' under IFRS 16. The amended standard includes a new example that illustrates the application of the new requirement to this extent. The amendment comes into force on 1 January 2024.

At the date of preparation of these consolidated financial statements, the amendment in question had not yet been endorsed by the European Union.

b) Amendments to IAS 1 "Presentation of Financial Statements"

In 2020, the Board published amendments to IAS 1 that clarify the presentation of liabilities as long- and short-term In October 2022 the Board issued further amendments to IAS 1, which address the classification of liabilities as long-term and short-term , for which an entity is required to comply with certain contractual requirements known as covenants. The amended IAS 1 standard states that liabilities are classified as either short-term or long-term depending on the rights that exist at the end of the reporting period. Neither the entity's expectations, nor events after the reporting date (for instance, a waiver or breach of a covenant) affect the classification.

The published amendments shall apply to financial statements for periods beginning on or after 1 January 2024.

At the date of preparation of these consolidated financial statements, the amendments in question had not yet been endorsed by the European Union.

c) Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures". - Disclosure of financial arrangements with suppliers ("supplier finance arrangement")

In May 2023, the Board issued amendments to IAS 7, Statement of Cash Flows, and IFRS 7, Financial Instruments: Disclosures. The amendments to the standards introduce disclosure requirements for supplier finance arrangements. The amendments require specific disclosures regarding the entity's financial arrangements with suppliers to enable users of financial statements to assess the impact of these arrangements on the entity's liabilities and cash flows and the entity's exposure to liquidity risk. These amendments are intended to enhance the transparency of disclosures concerning arrangements made with the suppliers. The amendments do not affect recognition and measurement principles, only disclosure requirements. The new disclosure requirements will be effective for annual reporting periods beginning on or after 1 January 2024.

At the date of preparation of these consolidated financial statements, the amendments in question had not yet been endorsed by the European Union.

d) Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"

In August 2023, the IASB published amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'. The amendments made are intended to make it easier for entities to determine whether a currency is convertible into another currency and to estimate the immediate exchange rate when a currency is not convertible. Additionally, the amendments to the standard introduce additional disclosures when currencies are not convertible on how the alternative exchange rate is determined.

The published amendments shall apply to financial statements for the periods beginning on or after 1 January 2025.

At the date of drawing up these Separate Financial Statements, the amendments in question had not yet been endorsed by the European Union.

e) IFRS 14 "Regulatory Deferral Accounts"

This standard allows entities that drawn up financial statements for the first time (on or after 1 January 2016) pursuant to IFRS to recognize amounts resulting from operations with regulated prices, in compliance with the previously applied accounting principles. To enhance comparability with entities that already apply IFRS and do not post such amounts, under published IFRS 14, amounts resulting from operations with regulated prices should be presented separately in both the statement of financial position, in the profit and loss account and the statement of other comprehensive income.

IFRS 14 will not be endorsed by virtue of the European Union's decision.

f) Amendments to IFRS 10 and IAS 28 regarding the sale or contribution of assets between the investor and its associates or joint ventures

The amendments solve the problem of the current inconsistency between IFRS 10 and IAS 28. Accounting recognition depends on whether non-monetary assets sold or contributed to an associate or joint venture are businesses or not.

Where a non-monetary asset is a 'business', the investor will show a full gain or loss from the transaction. If the assets do not meet the business definition criteria, the investor recognises a gain or loss excluding the portion that represents the interest of other investors.

The amendments were published on 11 September 2014. As of the date of drawing up these Condensed Consolidated Financial Statements, the endorsement of this amendment is deferred by the European Union. In the opinion of the Management Board, the amendments made do not have a significant impact on the Group.

2. BUILDING CONTRACTS

The Group signs fixed-price contracts for the execution of construction contracts, mainly in the areas of apartment construction (including entire housing estates), hotels, SPA facilities, shopping malls and distribution centres, wind and photovoltaic farms, power plants, production rooms, roads and motorways as well as buildings made using modular timber technology.

Income and expenses generated by the building contracts underway are recognized by the Company in pace with the progress of works being made. Some Group member companies measure contract performance progress rate using the performance-based method, i.e. it determines the value of revenues and expenses under the performance of construction contracts in the period from the Contract Date to the balancing date proportionally to the progress rate of of a certain contract performance by way of evaluation of the achieved results and milestones. Some of the companies apply the expenditure-based method i.e. they determine the value of revenue on execution of building contracts in the period from the contract date to the balance sheet date proportionally to the progress rate of execution of a certain contract by calculating the progress rate of works based on the ratio of costs recognized for the contract to the total cost budget prepared for the contract. From thus determined figures the Group deducts revenues and expenses, which affected the financial result in previous years, generating revenues and costs under building contracts executed in the current period. A change of the estimated progress rate of contract execution is treated as a change in estimate and affects the amount of revenues recognized in the period in which the change in estimate was made. If it is not possible to determine progress rate of non-finished service (including construction service) or expected total cost of service delivery in a reliable manner, then the revenues are determined at the level of costs born in a certain accounting period, however, not higher than costs, which are expected to be covered by the employer in the future.

On the other site the results of pricing (i.e., the determination of revenues and expenses using the progress rate method) are recorded as "Pricing of building contracts - assets (or liabilities)." The balances of assets under building contracts resulting from the excess of revenue recognized using the performance-based method over the invoiced revenues are subject to an impairment charge calculated similarly to the non-past due trade receivables. All building contract assets at the Level 2 of the impairment model and a simplified matrix approach (similar to trade receivables) are used to calculate the impairment loss on these assets. Due to the manner in which balances on construction contract assets are recognized, they are not subject to aging and are treated entirely as current, not past due. The works performed under building contracts are invoiced in adherence to the schedule set forth in the contract. The Group recognizes invoiced revenues in the line "Trade and other receivables" (Note 6.5) The Contractors under building contracts signed with the Group withhold a part of the payments as a performance bond for the contracts. These amounts are recognised as "Building contract receivables - deposits" (Note 2.2.) and are usually refundable upon completion of the project or at the end of the guarantee period.

The Company engages subcontractors to carry out work related to the implementation of building contracts. The company acts in the capacity of a general contractor. The invoiced costs related to subcontractors' employment are recognized as "Trade payables" (Note 6.9). The Company retains a portion of payments to subcontractors in relation to contract performance bond, and recognizes it in the line "Building contract liabilities - bid bonds" (Note 2.2) The breakdown of revenues into revenues recognized in time and items recognized at point of time is presented in Note 4.2.

In connection with the execution of building contracts and the difference in time of revenues and expenses recognition for accounting and tax purposes, the deferred income tax assets and liabilities are recognized in the statement of financial position - see Note 4.8.

The Group sets up provisions for contracts with negative margins when it has found out grounds to claim that a given building contract in progress will end with a loss. Provisions are charged into the costs of a given period at the full value of the expected loss on a given contract and are disclosed in the balance sheet under "Provisions".

The Group provides only basic guarantees to its customers, which do not represent a separate duty to perform obligation. The warranty period varies depending on the contract under implementation and the components covered.

For certain building contracts executed under joint contractual arrangements in which the Group is the consortium or assignment leader, the Group has assessed that it acts as an intermediary with respect to the work performed by the other partner and which the Group as leader invoices the Employer. The Group defines its role as that of an intermediary under a certain order where it identifies specific goods and services to be delivered and the Group has no control over them before they have been transferred to the customer. When the Group acts as an intermediary, it recognizes revenue upon the fulfillment of its obligation in the contractual amount of the fee or commission to which it will be entitled, in exchange for being commissioned by another party to provide specific services or goods. Due to the nature of the concluded consortia and orders, in which the Group acts as a leader, there are no fees and commissions as described above, hence no revenues are generated in the Group from commissions for invoicing to a customer work performed by another consortium member. The Group only recognises as revenue the amounts of remuneration due for the performance of its scope of work to the customer in accordance with the policy described above.

Payment terms for building contracts provided by the Group, range from 30 to 180 days from the invoice date and for other sales transactions are typically 30 days from the invoice date. Accordingly, the signed contracts do not contain a significant financing component except for the amounts invoiced for building contracts, which are repaid at a later date as they represent deposits retained by the customer. The amounts retained under individual invoices represent a maximum of 10% of the remuneration for the contract execution and are subject to release for a period of up to 5 years once the contract has been completed. Revenues under the building contracts for the portion that is retained as a bid bond is recognized at a discounted amount.

The application of the performance-based or expenditure-based method to recognize revenues and expenses under the building contracts requires an estimated work progress rate under a certain contract, i.e., the measurement of completed work at the balance sheet date (performance-based method) or an estimate of the total cost budget under a certain contract (expenditure-based method)

Performance-based method:

The physical quantity survey, used to determine the progress in contract performance, is taken by the construction site personnel. The quantity survey is carried out separately for each scope of works, i.e. elements or stages of the contract underway, according to the measures assigned to them (mainly m^2, kg and pcs.).

The Company has adequate control processes in place to ensure that the calculation of actual project outcome is based on current and reliable estimates of the quantity survey, subject to verification and approval by designated persons. The quantity survey made by construction site personnel is subject to verification by the branch manager responsible for the construction site, and then additionally by the Group's internal audit department.

Expenditure-based method:

Cost budgets for certain contracts are prepared by the Group Management in the bidding phase and updated during the financial year or when the grounds for revision of the cost or revenue budget have been identified. If between official budget revisions there are events that have material impact on contract performance, the value of total revenues or contract costs is updated on an ongoing basis, i.e. changes in the scope of the contract are reflected in the Group's internal system immediately after they are negotiated by the Group with the customer.

The Group keeps track of projects being implemented - construction contracts in the internal system used for project management. Information concerning certain contract, its progress rate, is entered into the system by the Contract/Site Manager and then approved by the Branch Manager responsible for the construction site. The budgets of individual contracts are formally updated (revised) during the year based on current information and then they are approved by the Management Board. If between official budget revisions there are events that have material impact on contract performance, the value of total revenues or contract costs is updated on an ongoing basis, i.e. changes in the scope of the contract are reflected in the Group's internal system immediately after they are negotiated by the Group with the customer.

2.1. INCOME AND EXPENSES UNDER BUILDING CONTRACTS

The income and expenses figures under building contracts for the accounting period and on YTD basis are presented in the table below:

	For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
	Contracts in the period	Contracts in the period
Figures recognised in the period		
Income under building contracts, YTD	2,635,877	3,341,874
Costs under building contracts,	2,498,028	3,194,523
Net income before recognition and settlement of provisions for the contracts generating liabilities	**137,849**	**147,351**
Setting up provisions for the contracts generating liabilities	3,143	3,466
Gross profit/loss	**134,706**	**143,885**
Gross profit margin		
excluding provisions for the contracts generating liabilities	5%	4%
including provisions for the contracts generating liabilities	5%	4%

Gross profit margin is defined as gross profit on sales divided by sales revenues.

2.2. RECEIVABLES AND LIABILITIES UNDER BUILDING CONTRACTS - BID BONDS

Receivables under building contracts - bid bonds are held to collect contractual cash flows that comprise solely payment of principal and interest ('SPPI' - Solely payment of principal and interest) and are measured at amortized cost subject to impairment allowance, if any.

At initial recognition, these financial assets are recognised at nominal value, i.e. at amounts initially invoiced less the value of discounts. The discount value calculation methods is presented in Note 6.5. The value of bid bonds receivable is updated by the Group with impairment losses recognised in accordance with the Accounting Policy referred to in Note 6.5. and presented under "Impairment losses on financial assets" in the Statement of profit or loss.

Bid bonds liabilities are measured at initial recognition at fair value (i.e., the amount of payments discounted using the current market interest rate for such liabilities) and the cost of subcontractor services is recognized at that level. In later periods, bid bond liabilities are measured at amortized cost, whereas interest expense is recognized in financial expenses.

	2023			2022		
	Refund below 12 months	Refund above 12 months	Total	Refund below 12 months	Refund above 12 months	Total
Receivables under building contracts - bid bonds prior to discounting	31,592	12,871	**44,463**	23,888	11,044	**34,932**
Revaluation write-off for impairment	(777)	(3,575)	**(4,352)**	(433)	(2,468)	**(2,901)**
Receivables under building contracts - bid bonds	**30,815**	**9,296**	**40,111**	**23,455**	**8,576**	**32,031**
Liabilities vis-a-vis subcontractors - discounted bid bonds	**148,004**	**16,986**	**164,990**	**154,169**	**16,866**	**171,035**

For all customer deposit receivables, an impairment write-off was estimated based on a portfolio analysis using an write-off matrix based on historical data adjusted for the impact of future factors. All receivables from deposits are in the range of non-matured receivables for which default rates were applied similarly to the ones used for calculating expected credit

losses in relation to assets under contract. The amount of the write-off for expected credit losses and its changes in the presented periods are insignificant and therefore the Company does not present movements on this allowance. No bid bond receivables have been identified for which additional specific allowances would be necessary.

2.3. DETERMINATION OF OUTSTANDING AMOUNT RELATED TO NON-COMPLETED BUILDING CONTRACTS

	2023	2022
Revenues under non-completed building contracts YTD	4,632,376	5,463,874
Invoiced receivables from customers, YTD (excl. advances)	4,453,830	5,261,616
Balance of payments under non-completed building contracts	**178,546**	**202,258**
of which:		
(1) Assets for completed, non-invoiced construction works, gross	337,264	307,488
Asset impairment write-off under building contracts	(3,692)	(2,843)
(1a) Assets for completed, non-invoiced construction works, net	333,572	304,645
(2) Payables for non-completed invoiced construction works - liabilities under building contracts	155,026	102,387
Costs related to building contracts, YTD	2,563,568	3,450,360
Subcontractor expense and own expenses on a YTD basis.	2,595,679	3,500,604
Balance of payments under building contracts	**32,111**	**50,244**
of which:		
(3) Assets for non-completed, invoiced construction works of the subcontractors	121,764	126,368
(4) Liabilities for due and payable non-completed, invoiced construction works of the subcontractors	89,653	76,124
Balance of payments under building contracts	**210,657**	**252,502**
of which:		
Pricing of building contracts - assets - TOTAL	**455,336**	**431,013**
Pricing of building contracts - balance settlement (2)+(4)	244,679	178,511
Building contract liabilities - advanced paid	143,038	67,446
Pricing of building contracts - liabilities - TOTAL	**387,717**	**245,957**

At all dates that are initial dates of the periods indicated in the table above, the total opening balances were recognized as revenues in the period.

Changes in the value of assets and liabilities from the pricing of contracts result from the specific nature of settlement of building contracts and invoicing schedules for individual contracts.

3. CAPITAL AND DEBT MANAGEMENT

3.1. CAPITAL MANAGEMENT

Share capital comprises common stock and is carried at the nominal value (in adherence to the Statutes of the Parent Company and an entry made into the National Courte Register).

Share premium is the amount equal to the surplus of price for acquisition of shares in Parent Company above their par value. It is recognised in the line "Share premium reserve capital".

Other supplementary capitals are set up mainly from retained earnings including amounts obligatorily appropriated to the reserve capital in accordance with the requirements of the Commercial Companies Code.

Reserve capitals are created from retained earnings for the purposes indicated in the Articles of Association.

Equity allocated to the non-controlling interests represents a part of equities of subsidiaries covered with full consolidation that belongs to other stakeholders than the entities that are Group members.

The Company's supplementary capital is set up in accordance with the provisions of the Polish Commercial Companies Code and the decisions of the shareholders. Pursuant to the Commercial Companies Code, a supplementary capital should be set up to cover losses, that should account for at least 8% of the profit for a certain accounting year, until the supplementary capital reaches at least one third of the share capital. the supplementary capital set up in this manner is not subject to distribution. The General Meeting of Shareholders decides on the use of the supplementary and reserve capital, however, a part of the supplementary capital may be used only to cover the loss reported in the financial statements and is not subject to distribution into other purposes.

The Group manages its capital structure and as a result of changes in economic conditions, it modifies its capital structure. In order to maintain or adjust the capital structure, the Group may manage appropriately the dividend payment to shareholders or issue to new shares.

The main objective of the Group's capital management is to maintain a good credit rating and safe equity ratios in order to support the Group's operations and enhance shareholders' value.

Return of Equity - ROE

	2023	2022
(1) Net profit attributable to shareholders of the Parent Company	10,003	8,291
(2) Equity	674,946	665,478
ROE [(1)/(2) * 100%]	**1.48%**	**1.25%**

Total debt ratio

	2023	2022
B. Liabilities and provisions for liabilities	1,298,887	1,350,790
(2) Total assets	1,973,833	2,016,268
Total debt ratio [(1)/(2) * 100%]	**65.81%**	**66.99%**

Debt-to-equity ratio	2023	2022
(1) Liabilities and provisions for liabilities	1,298,887	1,350,790
(2) Equity	674,946	665,478
Debt-to-equity ratio [(1)/(2)]	**192.44%**	**202.98%**

"Liabilities and provisions for liabilities" represents total non-current liabilities and current liabilities reported in the statement of financial position.

The amount of the achieved debt-to-equity ratio for all periods presented fall into the range set by the Management Board as the target level for this ratio.

The key driver of above ratios and their values is the Group's net profit.

Share capital

As of 31 September 2023, the share capital consisted of 11,929, 836 shares in the Parent Company with a total value of PLN 1,192 ,983,60, and the structure of shareholders holding over 5% of the share capital and members of the Management Board and entities controlled by them was as follows:

Shareholder	No. of shares	% shareholding in share capital
Wolff & Müller Baubeteiligungen GmbH & Co. KG	3,592,950	30.12%
Wolff & Müller Holding GmbH & Co. KG	261,887	2.20%
Durr Holding GmbH	12,712	0.11%
DGI Closed-End Investment Fund of Non-public Assets controlled by Dariusz Grzeszczak	721,553	6.05%
NATIONALE - NEDERLANDEN Powszechne Towarzystwo Emerytalne S.A (Nationale-Nederlanden Universal Pension Society) (former ING PTE)	1,200,000	10.06%
Allianz OFE, Allianz DFE, Second Allianz OFE	764,935	6.41%
Dariusz Grzeszczak	1,831,907	15.36%
PKO BP Bank Open-Ended Pension Fund	715,279	6.00%
Jacek Leczkowski	5,112	0.04%
Agnieszka Głowacka	3,938	0.03%
Albert Dürr	13,642	0.11%
Roland Bosch	10,000	0.08%
Other shareholders	2,795,921	23.43%
Total	**11,929,836**	**100%**

The Company's Articles of Association do not grant the shareholders, referred to hereinabove, any personal rights vis-à-vis Erbud S.A., and in particular do not grant the right to appoint members neither Company's Management nor Supervisory Boards.

The number of shares making up the approved capital equals to the number of shares issued. The par value per share for all share series is PLN 0.10. No shares were reserved for the purposes of the issue related to the exercise of put options. All issued shares are ordinary non-preference shares. There are no limitations on rights to shares or limitations on share transferability.

As of 31 December 2022, Erbud S.A. held 166,666 own shares, accounting for 1.38% of all shares in the above-mentioned Company, acquired for cancellation. Pursuant to Resolution No. 20/2023 of the Annual General Meeting of Erbud S.A. dated 22 May 2023, 166,666 of the Company's own shares with a par value of PLN 0.10 (ten Polish groszys) each, i.e. with a total nominal par value of PLN 16,666.60 (sixteen thousand six hundred and sixty-six Polish zlotys and 60/100) were redeemed.

As a result of the redemption of own shares, by virtue of Resolution No. 21/2023 of 22 May 2023, adopted by the Annual General Meeting of Shareholders of Erbud S.A., the share capital was reduced by an amount corresponding to the total par value of the redeemed shares, i.e. by PLN 16,666.60, i.e. from the level of PLN 1,209,650.20 to PLN 1,192,983.60.

As of 31 December 2023, and as of the date of publication of this Financial Statement, therefore the share capital totalling PLN 1 192 983,60 divides into 11, 929, 836 A-series ordinary bearer shares with a par value of PLN 0.10 each.

Basic earnings per share are calculated by dividing net profit /(loss) for the period, allocated to ordinary shareholders of the Company, by the weighted average number of the issued ordinary shares over the accounting period. Own shares bought back by the Company for redemption are excluded from the calculation of the weighted average number of shares for the periods presented.

For the purposes of calculating diluted earnings per share, net profit /(loss) for the accounting period attributable to ordinary shareholders and the weighted average number of ordinary shares for the accounting period are adjusted for the effect of all diluting potential ordinary shares. Diluted earnings per share is equal to basic earnings per share as the Group does not hold any dilutive instruments.

Stock split effected both during and after the accounting period adjust the weighted average number of ordinary shares for purposes of computing basic and diluted earnings per share for all periods presented.

	For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
Net profit/loss attributable to the shareholders of the Parent Company	10,003	8,291
Average weighted number of ordinary shares (in pcs.)	11,929,836	12,007,918
Basic and diluted earnings per share (in PLN)	**0.84**	**0.69**

3.2. NET DEBT

		2023	2022
Note 3.8.	**Cash and cash equivalents, and restricted cash (A)**	**263,119**	**163,961**
Note 3.3.	Credit and loan liabilities	35,726	46,343
Note 3.4.	Debt related to issued bonds	75,000	75,586
Note 3.5.	Lease liabilities	67,431	67,478
	Long-term debt	**178,157**	**189,407**
Note 3.3.	Credit and loan liabilities	38,170	100,834
Note 3.4.	Debt related to issued bonds	1,678	-
Note 3.5.	Lease liabilities	21,432	22,334
	Short-term debt	**61,280**	**123,168**
	Total debt (B)	**239,437**	**312,575**
	(Net debt)/Cash and cash equivalents and restricted cash ((A)-(B))	**23,682**	**(148,614)**

The Group defines net debt as the balance of loans, borrowings and leases less cash and cash equivalents (including restricted cash posted into short-term assets). In case of of cash and cash equivalents over debt, the net amount is referred to by the Group as 'net cash and cash equivalents'.

Changes in debt balance during the accounting periods presented were as follows:

Debt in relation to:	Loans and borrowings	Bonds issued	Lease contracts	Total debt
Debt balance as of 1 Jan. 2022	90,019	75,586	48,290	**213,895**
Debt-related income - financing granted	149,231	-	-	**149,231**
Lease contracts	-	-	54,553	**54,553**
Accrued interest on debt	12,229	3,851	2,700	**18,780**
Debt (principal) repayment expense	86,555	-	24,174	**110,729**
Debt (interest) repayment expense	12,201	3,851	2,541	**18,593**
FX gains/losses related to debt in foreign currency	997	-	20	**1,017**
Other non-cash changes	(6,543)	-	10,964	**4,421**
Change in debt balance during the period	**57,158**	**-**	**41,522**	**98,680**
Debt balance as of 31 December 2022	**147,177**	**75,586**	**89,812**	**312,575**
Increase due to acquisition	5,231	-	3,079	**8,310**
Debt-related income - financing granted	24,375	-	-	**24,375**
Lease contracts	-	-	26,107	**26,107**
Accrued interest on debt	16,576	8,400	5,288	**30,264**
Debt (principal) repayment expense	94,436	-	15,861	**103,146**
Debt (interest) repayment expense	16,347	7,308	4,675	**28,330**
FX gains/losses related to debt in foreign currency	(5,090)	-	(184)	**(5,274)**
Other non-cash changes	(3,590)	-	(14,703)	**(25,444)**
Change in debt balance during the period	**(73,281)**	**1,092**	**(949)**	**(73,138)**
Debt balance as of 31 December 2023	**73,896**	**76,678**	**88,863**	**239,437**

3.3. CREDIT AND LOAN LIABILITIES

Credit and loan liabilities are initially recognized at fair value less transaction costs. At each balancing date, credits and loans are priced at amortized cost using effective interest rate.

	2023	2022
Long-term		
Bank loans	34,629	44,035
Loans	1,097	2,308
	35,726	**46,343**
Short-term		
Overdraft facilities	22,418	26,582
Bank loans	13,419	72,460
Loans	2,333	1,792
	38,170	**100,834**
Total credit and loan liabilities	**73,896**	**147,177**

3. CAPITAL AND DEBT MANAGEMENT

	12/31/2023	12/31/2023	12/31/2022	12/31/2022
	In the functional currency	In foreign currency EUR	In the functional currency	In foreign currency EUR
Loans and borrowings				
Long-term	16,396	19,330	46,343	-
Short-term	26,235	11,935	100,834	-
Total	**42,631**	**31,265**	**147,177**	**-**

Loans and borrowings shown as long- and short-term bear interest at WIBOR 3M + 1.35% - 3.5%, 3M Euribor + 1.9 - 2.2%. 6M WIBOR +3% and 10% per annum.

On 16 February 2023, the BNP Paribas loan denominated in PLN was converted into EUR, at the exchange rate of 4,748, agreed between Erbud S.A. and the Bank. The amount of PLN 26 208 thousand was converted into EUR 5,520 thousand. .

As of the specified balance sheet dates, the fair value of loans and advances was not materially different from the amortized cost measurement. The fair value of credits and loans is estimated using DCF models based on cash flows reflecting the repayment schedule of loans granted. The discount rate was assumed to be WIBOR 1M per day plus a fixed percentage expressing the risk premium. Long-term credits and loans measured at amortized cost are classified at Level 2 of the fair value hierarchy.

As of the balance sheet date of 31 December 2023, the ERBUD Group has access to bank and multi-purpose insurance lines with the total value of PLN 1,996,743 thousand, which may be used mainly for bank loans or guarantees or for insurance guarantees.. As of the balance sheet date of 31 December 2023, the ERBUD S.A. utilized PLN 70,466 thousand to take out loans and PLN 1,021,668 thousand for bank and insurance guarantees.

As of the balance sheet date of 31 December 2022, the ERBUD Group had access to bank and multi-purpose insurance lines with the total value of PLN 1,930,565 thousand, which may be used mainly for bank loans or guarantees or for insurance guarantees. As of the balance sheet date of 31 December 2022, the ERBUD S.A. utilized PLN 143,077 thousand to take out loans and PLN 988,136 thousand for bank and insurance guarantees.

Covenants

After the balance sheet date, annexes to the loan agreements were signed with the financing banks, which modified the calculation of the financial ratios (covenants). The profitability ratio is calculated as EBITDA (formerly EBIT) divided by Sales Revenue. The ratio limit remained unchanged - a minimum of 1%.

The profitability ratio presented above was 1.76% in 2023 and 1.40% in 2022.

The ratio calculations are in the Note 4.1.

During the year, as of 31 December 2023 and by the approval date of the financial statements, all covenants have been met, similarly to the previous year.

3.4. DEBT RELATED TO BONDS

Liabilities related to issued bonds are initially recognized at fair value less transaction costs. At each balance sheet date, the issued bond liabilities are priced at amortized cost using effective interest rate.

As of balance sheet date, the Group had the following outstanding debt in relation to issued bonds posted into short- and long-term liabilities:

Issue date	Type of issued bonds	Currency	Interest rate	Maturity date	Purpose of financing	Debt related to issued bonds	
						31 Dec. 2023	31 Dec. 2022
23 Sept. 2021	D-series bearer shares, dematerialized, unsecured	functional	WIBOR 6M + 2.6%	23 Sept. 2025	financing of an increased working capital requirement	76,678	**75,586**
			Total bond liability as of 30 Sept. 2023, of which:			**76,678**	**75,586**
			long-term			75,000	75,000
			short-term			1,678	586

Covenants

"Consolidated Net Financial Debt Ratio" means the quotient of Consolidated Net Financial Debt and Consolidated Equity in value terms.	As of	
	12/31/2023	12/31/2022
	-0.11	**0.19**
Consolidated long-term and short-term debt	239,437	312,575
Cash assets	307,305	199,299
Adjusted equity by goodwill and intangible assets	621,124	610,344

The expected value of the ratio should not be higher than 1.1.

The item Consolidated long-term and short-term debt represents the sum of debt due to loans, borrowings, leases and bonds issued.

The item "Cash" represents the sum of cash and cash equivalents, cash held in a VAT account and restricted cash.

The item "Equity adjusted with goodwill and intangible assets" represents the value of equity less goodwill and intangible assets.

3.5. LEASE LIABILITIES

Period		2023 Nominal value of minimum payments	2022 Nominal value of minimum payments
Below 1 year	Short-term	25,222	24,574
Above 1 year	Long-term	77,130	74,914
Nominal value of minimum payments		**102,352**	**99,488**
Future lease costs		13,489	9,676
Present value of minimum payments		**88,863**	**89,812**
Below 1 year	Short-term	21,432	21,748
Above 1 year	Long-term	67,431	68,064

3.6. ASSETS USED AS COLLATERALS FOR DEBT-RELATED LIABILITIES

As of 31 December 2023 and 31 December 2022, collateral for debt liabilities on tangible fixed assets are presented below.

	2023	2022
Tangible fixed assets	86,624	85,183
Inventory	18,609	1,280
Total	**105,233**	**86,463**

	Contingent assets		Contingent liabilities	
	2023	2022	2023	2022
Other items				
Guarantees and sureties	153,947	181,775	1,096,957	979,650
Bills of exchange	-	153	-	14,820
Litigations	38,924	12,117	48,717	48,681
Including dispute against Warsaw Modlin Airport (MPL)	-	-	-	*34,381*
Total	**192,871**	**194,045**	**1,145,673**	**1,043,151**

Contingent assets include guarantees and sureties received by the Group from subcontractors under performance bonds and implied warranties.

Contingent liabilities of the Group relate primarily to orders to extend guarantees by the Group and banks to the Group's contractors to secure their claims under construction contracts, mainly performance bonds and bid bonds.

On 30 October 2023, a mediation settlement was concluded between Erbud S.A. and Warsaw-Modlin Airport operated by Warszawa-Modlin Sp. z o.o. .

The settlement concerned the mutual claims of Erbud SA and MPL covered by MPL's lawsuit against Erbud SA for payment of PLN 34,381,374.64 and Erbud SA's counterclaim against MPL for payment of PLN 19,892,366.30 related to the performance of the contract for the construction of the aviation section of the Warsaw-Modlin airport.

On the basis of the Settlement Agreement, Erbud SA undertook to pay MPL the amount of PLN 21,697,809.43 By the date of the financial statements, the amount had been paid in full. The amount of the settlement was reduced by the amount of PLN 5,000,000.00, which was paid by the insurance company.

Pursuant to the Settlement Agreement, Erbud S.A. and MPL also waived mutually any claims arising or which may arise under or in connection with the Contract.

The conclusion of a Settlement Agreement by Erbud SA with MPL has definitively ended all settlements and claims related to the construction

of the Warsaw-Modlin Airport.

A list of court cases is described in note 6.8.

3.7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and cash in hand as well as short-term deposits with maximum maturity of three months.

The Group has at its disposal cash with restricted availability. This group primarily includes funds pledged as security for bank guarantees issued in connection with building contracts executed by the Group.

The Group posts restricted cash in a separate line in the statement of financial position as it does not meet the definition of cash and cash equivalents due to its inability to be used in the short term for the Group's requirements.

Cash held in VAT bank accounts does not meet the criteria for presentation as cash and cash equivalents and is presented in a separate line in the balance sheet.

The classification adopted for presentation in the statement of financial position is consistent with the classification of these funds in the Cash Flow Statement.

Cash and cash equivalents and cash in VAT and bank accounts meet the SPPI test and the "held for collection" business model test, and are therefore measured at amortized cost with an impairment charge determined in accordance with the expected loss model (in compliance with the policy referred to in Note 6.5)

	2023	2022
Cash in hand	65	60
Cash at bank	263,054	163,901
Total cash and cash equivalents	**263,119**	**163,961**

The amount of the impairment loss on cash is marginal.

As of 31 December 2023 cash on VAT bank accounts totalled PLN 13,972 thousand (as of 31 December 2022 it totalled PLN 35,338 thousand).

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.1. ALTERNATIVE PERFORMANCE MEASURES

The Management Board analyses segment performance using Key Performance Indicators such as EBIT, adjusted EBIT, EBIT margin, adjusted EBIT margin and EBITDA and adjusted EBITDA. The Management Board of the Group considers the aforementioned measures as important additional performance measures and therefore presents them in the report next to the measures defined by IFRS. It should be borne in mind that EBIT, as well as EBIT and EBITDA margins these are not KPIs defined in IFRS and they do not represent standardized measures, therefore their calculation methods may differ from one entity to another in the market. Accordingly, these KPIs should not be analyzed in isolation or as substitutes for measures defined by IFRS.

EBITDA and EBIT are measures showing the results achieved by the Group after eliminating the impact of income tax, financing costs and income and in the case of EBITDA, depreciation and amortization.

EBITDA is defined as profit after tax (net income), plus income tax expense, finance costs and depreciation and amortization, less financial income. The adjusted EBITDA is defined as EBITDA after taking out one-off events.

The Group defines EBIT as profit after tax (net income), plus income tax burdens, finance costs less finance income. The adjusted EBIT is defined as EBIT after taking out one-off events.

The EBIT margin is a measure that shows the Company's profitability ignoring the impact of income taxes and finance costs and revenues. The Group defines EBIT margin as EBIT divided by sales revenues of goods and services.

	2023	2022
Net profit /(loss) for the accounting period	**23,295**	**10,994**
Income tax	27,179	(12,610)
Gross profit	**50,474**	**(1,616)**
Share in net profits/losses of equity-accounted subsidiaries	1,110	(1,451)
Financial costs	48,395	35,855
Financial revenues	16,743	14,832
Financial income - compensation-related interest income	60,929	-
EBIT	**20,087**	**20,858**
One-off compensation-related gain	21,619	-
Gross profit, adjusted	**28,855**	**(1,616)**
EBIT, adjusted	**(1,532)**	**20,858**
Amortization and depreciation	36,934	33,128
EBITDA	**57,021**	**53,986**
Adjusted EBITDA	**35,402**	**53,986**
Revenues from sales of products and services	3,234,363	3,855,649
EBIT margin	**1%**	**1%**
EBIT margin, adjusted	**0%**	**1%**
Revenues from sales of products and services	**1.76%**	**1.40%**

For the purposes of analyzing performance, the management uses the measure of adjusted EBIT as defined above. In the 12-month data for 2023, such events were the compensation received from Millennium Bank and the compensation paid to the Modlin Regional Airport (MPL).

4.2. ACCOUNTING SEGMENTS

Based on the management accounting presented to the main operational decision-maker (i.e. the Management Board of the Parent Company), the Company identified eight basic accounting segments:

- residential/commercial buildings in domestic market,
- residential/commercial buildings in foreign countries,
- road engineering construction services
- industrial construction segment at home
- industrial construction segment in foreign countries
- renewable energy segment (including: sale of energy generation subsidiaries)
- modular timber construction,
- other segments.

The operations were broken down into individual segments by classifying the significance of operations into the segment. Such a breakdown corresponds to the distribution of the main risks and returns on expenses incurred.

The financial data prepared for the purposes of management reporting, which is the basis for data on reportable segments, follows the same accounting principles as those applied to the preparation of the Group's Separate Financial Statements.

Key segment information in the following accounting periods: January 2023 - September 2023 and January 2022 - September 2022.

	For a 12-month period, ended on 31 Dec. 2023			For the period of 12 months, ended on 31 Dec. 2022		
	Domestic market (Poland)	Foreign markets	Total	Domestic market (Poland)	Foreign markets	Total
Sales to third party customers, of which:	2,634,751	599,612	**3,234,363**	3,360,333	495,316	**3,855,649**
Accrued and deferred income	2,399,439	236,438	**2,635,877**	3,193,701	148,173	**3,341,874**
Income recognized at a certain point in time	235,312	363,174	**598,486**	166,632	347,143	**513,775**
Fixed assets other than financial instruments and deferred tax assets	381,815	53,900	**435,715**	366,436	51,781	**418,217**

In connection with the Group's re-engineering and the merger of Erbud SA and Erbud Industry Sp. z o.o., the business segments are now presented differently. As a result, a part of the industrial segment in Poland was transferred to the building construction segment in Poland.

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

Data concerning revenues and results as well as assets and liabilities in individual accounting segments are presented in the table below:

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									For a 12-month period, ended on 31 Dec. 2023
	Building construction in domestic market	Building construction in foreign countries	Road engineering construction	Industrial construction segment at home	Industrial construction segment in foreign countries	Renewable energy sources segment	Modular timber construction	Other segments	Total continued activities
Sales to third party customers	1,423,753	98,844	285,186	209,806	363,187	789,731	51,525	12,331	**3,234,363**
Total sales revenues	**1,423,753**	**98,844**	**285,186**	**209,806**	**363,187**	**789,731**	**51,525**	**12,331**	**3,234,363**
Segments' performance and reconciliation with gross profit of the Group									
Cost of goods sold (COGS)	1,371,496	105,751	267,143	187,288	326,234	698,029	62,253	7,058	**3,025,252**
Sales margin	**52,257**	**(6,907)**	**18,043**	**22,518**	**36,953**	**91,702**	**(10,728)**	**5,273**	**209,111**
Sales margin %	4%	-7%	6%	11%	10%	12%	-21%	43%	**6%**
Other operating profit/loss	(77,198)	(14,810)	(14,439)	(14,983)	(13,487)	(46,428)	(24,769)	(4,529)	**(210,643)**
One-off compensation-related gain	-	-	-	-		-	-	21,619	**21,619**
Segment performance – EBIT	**(24,941)**	**(21,717)**	**3,604**	**7,535**	**23,466**	**45,274**	**(35,497)**	**22,363**	**20,087**
Segment performance - adjusted EBIT	**(24,941)**	**(21,717)**	**3,604**	**7,535**	**23,466**	**45,274**	**(35,497)**	**744**	**(1,532)**
EBIT margin	(2%)	-22%	1%	4%	6%	6%	-69%	181%	**1%**
Share in net profits/losses of equity-accounted subsidiaries	2,235	-	-	-	-	(1,125)	-	-	**1,110**
Profit (loss) on financial activities (financial income less financial expenses)									**29,277**
Gross profit/loss									**50,474**
Income tax									**27,179**
Net profit/loss									**23,295**
Amortization and depreciation	7,872	901	3,895	5,241	5,432	5,175	3,999	4,419	**36,934**
Segment performance – EBITDA	**(17,069)**	**(20,816)**	**7,499**	**12,776**	**28,898**	**50,449**	**(31,498)**	**26,782**	**57,021**
Segment performance - EBITDA adjusted	**(17,069)**	**(20,816)**	**7,499**	**12,776**	**28,898**	**50,449**	**(31,498)**	**5,163**	**35,402**

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

Assets and liabilities.									
Pricing of building contracts - assets	**175,176**	**6,627**	**64,520**	**3,310**	**32,556**	**126,844**	**46,303**	**-**	**455,336**
Other assets									**1,518,497**
Total assets									**1,973,833**
Pricing of building contracts - liabilities	**216,618**	**51,425**	**17,899**	**13,049**	**1,907**	**86,819**	**-**	**-**	**387,717**
Other liabilities									**1,586,116**
Total liabilities									**1,973,833**
Other material items									
Share in performance of associates and joint-ventures measured with equity method	2,235	-	-	-	-	(1,125)	-	-	**1,110**
Loss reversal/(impairment) of financial assets and contract valuation assets	(16,367)	(34)	2,028	270	(1,521)	(3,365)	-	(3,211)	**(22,200)**
Capital expenditures on tangible fixed and intangible assets	2,747	70	4,252	2,110	7,727	370	5,325	147	**22,748**
Interest income	66,550	-	1,597	377	88	-	-	1	**68,613**
Interest expenses	20,547	831	6,998	1,960	1,204	86	1,278	181	**33,085**

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

	Building construction in domestic market	Building construction in foreign countries	Road engineering construction	Industrial construction segment at home	Industrial construction segment in foreign countries	Renewable energy sources segment	Modular timber construction	Other segments	For the period of 12 months, ended on 31 Dec. 2022 Total continued activities
Total income									
Cross segment sales	-	-	-	-	-	-	-	-	**-**
Sales to third party customers	2,087,038	127,302	212,820	179,818	368,014	875,066	262	5,329	**3,855,649**
Total sales revenues	**2,087,038**	**127,302**	**212,820**	**179,818**	**368,014**	**875,066**	**262**	**5,329**	**3,855,649**
Segments' performance and reconciliation with gross profit of the Group									
Cost of goods sold (COGS)	1,999,337	125,891	201,138	161,599	325,432	815,674	37	4,392	**3,633,500**
Sales margin	**87,701**	**1,411**	**11,682**	**18,219**	**42,582**	**59,392**	**225**	**937**	**222,149**
Sales margin %	4%	1%	5%	10%	12%	7%	-	17%	**6%**
Payment with shares	-	-	-	-	-	-	-	-	**-**
Other operating profit/loss	(68,958)	(20,600)	(6,386)	(11,738)	(32,269)	(42,741)	(13,155)	(5,444)	**(201,291)**
One-off expenses	-	-	-	-			-		**-**
Share in net profits/ (losses) measured by equity-accounted method	-	-	-	-	-		-	-	**-**
Segment performance – EBIT	**18,743**	**(19,189)**	**5,296**	**6,481**	**10,313**	**16,651**	**(12,930)**	**(4,507)**	**20,858**
Segment performance - adjusted EBIT	**18,743**	**(19,189)**	**5,296**	**6,481**	**10,313**	**16,651**	**(12,930)**	**(4,507)**	**20,858**
EBIT margin	4%	-15%	2%	4%	3%	2%	-4935%	-85%	**1%**
Share in net profits/losses of equity-accounted subsidiaries	(680)					(771)			**(1,451)**
Profit (loss) on financial activities (financial income less financial expenses)									**(21,023)**
Gross profit/loss									**(1,616)**
Income tax									**(12,610)**
Net profit/loss									**10,994**

Amortization and depreciation	7,063	1,839	1,457	4,526	5,611	3,415	1,665	7,552	**33,128**
Segment performance – EBITDA	**25,806**	**(17,350)**	**6,753**	**11,007**	**15,924**	**20,066**	**(11,265)**	**3,045**	**53,986**
Assets and liabilities.									
Pricing of building contracts - assets	**199,414**	**6,023**	**44,987**	**5,794**	**23,958**	**150,837**	**-**	**-**	**431,013**
Other assets									**1,585,255**
Total assets									**2,016,268**
Pricing of building contracts - liabilities	**187,565**	**16,490**	**20,308**	**7,841**	**807**	**12,946**	**-**	**-**	**245,957**
Other liabilities									**1,770,311**
Total liabilities									**2,016,268**
Other material items									
Share in performance of associates and joint-ventures measured with equity method	(680)	-	-	-	-	(771)	-	-	**(1,451)**
Loss reversal/(impairment) of financial assets and contract valuation assets	(3,604)	(9,261)	2,523	(5)	(88)	(673)	-	-	**(11,108)**
Capital expenditures on tangible fixed and intangible assets	7,811	766	2,405	3,099	5,538	64	35,423	851	**55,957**
Interest income	5,397	(1)	4,692	307	148	-	-	-	**10,543**
Interest expenses	11,525	276	5,607	2,023	762	13	772	434	**21,412**

4.3. SALES REVENUES

The Group generates approximately 90% of its revenues from building contracts. Details of the recognition of this category of revenues are provided in Note 2.1.

The main revenue estimates relate to the recognition of revenues generated by the building contracts. These are described in Note 2.1.

The table belopw presents information on the aggregate amount of transaction prices allocated to performance obligations not performed or not fully performed at the balance sheet date for building contracts:

	31 Dec. 2023	31 Dec. 2022
Total value of open contracts	6,450,202	7,483,011
- the fixed part of the remuneration	*6,421,626*	*7,477,511*
- the variable part of the remuneration	*28,576*	*5,500*
Aggregate revenues in value terms from open contracts recognised up to the accounting date	4,632,376	5,463,874
Aggregate revenues in value terms from open contracts to be recognised in future periods	1,817,826	2,019,137
Non-current (income to be generated within one to three years from the balance sheet date)	617,448	455,696
Short-term (income to be generated in less than one year from the balance sheet date)	1,200,378	1,563,441

Total remuneration for the contracts will be settled in cash.

Due to the nature of the long-term contracts in progress, it is not possible to accurately estimate the timeframes over which revenue will be recognised from contracts commenced at a given balance sheet date over a horizon of more than one year.

Revenues generated by the Group come from construction activities in Poland and the European Union and Other sales to local customers.

Revenue figures are presented in Note 4.2 Accounting segments.

4.4. COST OF GOODS SOLD (COGS)

	For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
Third party services	1,882,921	2,229,880
including third party services from subcontractors	1,580,854	1,874,017
Material and energy consumption	770,727	1,088,826
Employee benefit expenses	492,836	480,003
Amortization and depreciation	36,934	33,128
Taxes and charges	15,498	15,123
Other cost categories	26,734	23,496
Value of goods and materials sold	3,722	3,255
Total Costs by type	**3,229,372**	**3,873,711**
Change in the balance of products, work in progress and accrued expenses under building contracts	6,657	(46,172)
Cost of sale (negative value)	(15,490)	(13,259)
General management and administration costs (negative value)	(195,287)	(180,780)
Manufacturing costs of products sold	**3,025,252**	**3,633,500**

4.5. Employee benefit expenses

	For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
Wages and salaries	399,057	388,318
Costs of post-employment defined benefit plans	531	852
Social insurance and other employee benefits	93,248	90,833
Total	**492,836**	**480,003**

4.6. Other operating income and expenses

	For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
Other operating income		
Proceeds from the sales of non-financial fixed assets	1,866	3,089
Penalties, fines and damages	3,102	792
Subsidy income	22	24
Written-off liabilities	7,636	1,319
Refund of taxes and charges	2,368	2,385
Dissolution of provisions	71	1,140
Millennium Bank compensation income	51,384	-
Other	2,457	2,759
	68,906	**11,508**

		For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
	Other operating expenses		
Note 6.7.	Set-up / dissolved provisions	715	12
Note 6.8.	Litigation costs	146	276
	Donations	1,050	1,667
	Penalties, fines and damages	2,874	2,203
	Modlin airport-related compensation expense	16,698	-
	Other	3,470	3,494
		24,953	**7,652**

4.7. FINANCIAL INCOME AND EXPENSES

		For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
	Financial income		
Note 5.1.2	Interest income	**68,613**	**10,543**
	Income from loans granted	1,516	1,816
	Millennium Bank's one-off late payment income	60,929	-
	Settlement income	2,034	6,322
	Other	4,134	2,405
	FX gains	5,890	2,496
	Other	3,169	1,793
		77,672	**14,832**

		For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
	Financial expenses		
Note 5.1.2	Interest expenses	**33,085**	**21,412**
Note 3.4.	On bonds issued	8,400	3,851
Note 3.3.	On loans and borrowings	16,838	12,201
Note 3.5.	On lease liabilities	5,288	2,541
	Other	2,559	2,819
	Bank service charge concerning overdraft facility	2,804	2,874
	FX losses	9,679	8,728
	Other	2,827	2,841
		48,395	**35,855**

4.8. TAXATION

The mandatory burdening of the financial result consists of two elements: current income tax and deferred tax.

Due to temporary differences between the value of assets and liabilities shown in the accounting books and their tax value and the tax loss deductible in the future, the Group companies, using the balance sheet method, set up: deferred income tax liabilities in respect of positive temporary differences and determine deferred tax assets in respect of foreign exchange losses and tax losses, which can be deducted following the prudential principle.

Deferred income tax assets and liabilities are not recognized in the case of temporary differences arising upon initial recognition of an asset or liability in a transaction that is not a business combination and in case of transactions that have no impact on either the accounting or tax result.

Deferred tax assets and liabilities are offset if there is a legal right to set-off tax liabilities and current tax liabilities, and if the deferred tax concerns a tax imposed by the same tax authority on the same taxpayer. It implies that deferred income tax assets and liabilities are compensated in Group financial statements.

The Group only recognises a tax asset when projections of future financial performance indicate that a taxable profit will be gained to allow the asset to be realised in a specified future.

The balance sheet value of an deferred tax asset is verified at each balancing date and is reduced accordingly by as much as it probability dropped to reach taxable income sufficient for partial or total realisation of the deferred tax asset. An element of judgement in the recoverability of deferred tax assets is the Group's projected future financial performance and its impact on the recoverability of the assets.

The determination of the effective income tax rate is presented in the table below:

	For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
Gross profit before taxation	**50,474**	**(1,616)**
Tax according to the statutory tax rate applicable in Poland - 19%	**9,590**	**(307)**
Additional tax burden being a result of a rate exceeding 19% in Germany	8,276	8,427
(Excess of non-tax revenues over non-deductible expenses) / Excess of non-deductible expenses over non-tax revenues	17,700	(7,469)
Net proceeds from the disposal of a subsidiary	-	3,539
Special Economic Zone's support	(8,387)	(16,800)
Tax recognized in the financial net profit/loss	**27,179**	**(12,610)**
Current tax	54,815	22,723
Deferred tax	(27,636)	(35,333)
Effective tax rate	**53.85%**	**780.32%**

This high amount of deferred tax is mainly due to the recognition of a deferred tax asset due to the receipt of a zone support decision by MOD 21 Sp. z o.o. The asset in value terms posted on this account at the end of 2022 was PLN 16,800 thousand, while at the end of 2023 its value was PLN 25,187 thousand.

The table below presents changes in deferred tax assets and liabilities in the accounting year:

		Impact as of			Impact as of		
	1 Jan. 2022	Net profit/loss	Other comprehensive income	31/12/2022	Net profit/loss	Other comprehensive income	31 Dec. 2023
Deferred tax assets							
Pricing of building contracts - liabilities and taxable work in progress	70,730	42,591	-	113,321	1,690	-	115,011
Provisions	11,684	1,192	-	12,876	682	-	13,558
Tax loss	3,139	5,876	-	9,015	5,772	2,346	17,133
Special Economic Zone's support	-	16,800	-	16,800	7,508	-	24,308
Accrued wages and salaries, and charges	2,599	(1,627)	-	972	(866)	-	106
Receivables revaluation write-downs	5,979	5,804	-	11,783	(2,371)	-	9,412
Other financial liabilities	3,563	(1,553)	-	2,010	7,092	-	9,102
Deferred expenses	693	345	-	1,038	(553)	-	485
Other	2,234	3,836	87	6,157	1,220	710	8,087
Total	**100,621**	**73,264**	**87**	**173,972**	**20,174**	**3,056**	**197,202**
Deferred tax liabilities							
Pricing of building contracts - assets	46,151	32,296	-	78,447	(2,599)	-	75,848
Conversion of assets into fair value	11,127	(214)	7,146	18,059	(507)	775	18,327
Balance sheet pricing and liabilities discount	988	930	-	1,918	(611)	-	1,307
Accrued interest on debt	754	807	-	1,561	1,814	-	3,375
Accrued revenues	487	(370)	-	117	49	-	166
Other	2,215	4,482	89	6,786	(5,608)	3,655	4,833
Total	**61,722**	**37,931**	**7,235**	**106,888**	**(7,462)**	**4,430**	**103,856**
Assets and liabilities set off	51,125			91,614			88,052
Post-set-off balance	**60,093**			**97,632**			**124,954**
Assets	49,496			82,358			109,150
Liabilities	10,597			15,274			15,804
Net impact of changes in the period		**35,333**	**(7,148)**		**27,636**	**(1,374)**	

In the year ended on 31 December 2023 and 31 December 2022 there were no negative temporary differences on which no deferred tax assets were recognised.

The table below shows the periods of realisation of deferred income tax assets and liabilities.

	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Short-term	85,631	78,167	115,081	80,518
Long-term	111,571	25,689	58,891	26,370
Total	**197,202**	**103,856**	**173,972**	**106,888**

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.1. FINANCIAL ASSETS AND LIABILITIES

Pursuant to IFRS 9 the Group classifies financial instruments, into the following categories:

- Assets priced at amortized cost;
- Financial assets priced at fair value through financial profit or loss;
- Financial liabilities priced at amortized cost;
- Derivative instruments determined as hedging instruments in hedge accounting.

In the above categories, the Group has only items measured at amortized cost

Financial assets priced at amortized cost include primarily:

Note 5.1.2.	Financial Assets - Loans Extended
Note 2.2.	Receivables under building contracts - bid bonds
Note 6.5.	Trade receivables
Note 6.5.	Other receivables
Note 2.3.	Assets under building contracts
Note 3.7.	Cash and cash equivalents
Note 3.7.	Cash assets on the VAT account
Note 3.7.	Cash with restricted availability.
Note 5.1.	Other financial assets (including extended loans)

Financial liabilities priced at amortized cost comprise mainly:

Note 2.2.	Liabilities vis-a-vis subcontractors - bid bonds
Note 2.3.	Liabilities under building contracts
Note 6.9.	Trade payables
Note 6.9.	Other liabilities
Notes 3.2. – 3.5.	Debt

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The table below shows the carrying value of significant groups of financial assets and financial liabilities by category. The balance sheet value of the Group's financial assets and financial liabilities shown in the tables below did not differ significantly from their fair value in all periods presented.

		Financial instrument classes			
	A line in the Statement of financial position	**Assets priced at amortized cost**	**Financial liabilities priced at amortized cost**	**Lease liabilities**	**Total significant categories**
	2023				
Note 5.1.2	Financial Assets - Loans Extended	22,474	-	-	**22,474**
	Aktywa finansowe - pozostałe	950	-	-	**950**
Note 2.2.	Receivables under building contracts - bid bonds	40,111	-	-	**40,111**
Note 6.5.	Trade receivables	479,533	-	-	**479,533**
Note 6.5.	Other receivables	66,333	-	-	**66,333**
Note 2.3.	Pricing of building contracts - assets	455,336	-	-	**455,336**
Note 3.7.	Cash and cash equivalents	263,119	-	-	**263,119**
Note 3.7.	Cash assets on the VAT account	44,186	-	-	**44,186**
Note 2.2.	Liabilities vis-à-vis subcontractors - bid bonds	-	164,990	-	**164,990**
Note 2.3.	Liabilities vis-a-vis subcontractors - bid bonds	-	387,717	-	**387,717**
Note 6.9.	Trade payables	-	280,620	-	**280,620**
Note 6.9.	Other liabilities	-	139,775	-	**139,775**
Note 3.2.-3.5.	Debt	-	150,574	88,863	**239,437**
	Total	**1,372,042**	**1,123,676**	**88,863**	**2,584,581**

	A line in the Statement of financial position	Assets priced at amortized cost	Financial liabilities priced at amortized cost	Lease liabilities	Total significant categories
	2022				
Note 5.1.2	Financial Assets - Loans Extended	17,530	-	-	**17,530**
	Financial assets - Other	756	-	-	**756**
Note 2.2.	Receivables under building contracts - bid bonds	32,031	-	-	**32,031**
Note 6.5.	Trade receivables	651,583	-	-	**651,583**
Note 6.5.	Other receivables	91,536	-	-	**91,536**
Note 2.3.	Pricing of building contracts - assets	431,013	-	-	**431,013**
Note 3.7.	Cash and cash equivalents	163,961	-	-	**163,961**
Note 3.7.	Cash assets on the VAT account	35,338	-	-	**35,338**
Note 2.2.	Liabilities vis-à-vis subcontractors - bid bonds	-	171,035	-	**171,035**
Note 2.3.	Liabilities vis-a-vis subcontractors - bid bonds	-	245,957	-	**245,957**
Note 6.9.	Trade payables	-	443,402	-	**443,402**
Note 6.9.	Other liabilities	-	106,145	-	**106,145**
Note 3.2.-3.5.	Debt	-	222,763	89,812	**312,575**
	Total	**1,423,748**	**1,189,302**	**89,812**	**2,702,862**

		Financial instrument classes			
		Assets priced at amortized cost	Financial liabilities priced at amortized cost	Lease liabilities	Total significant categories
	2023				
	Impact on the financial result				
Note 4.7.	Financial income/(financial expenses) - interest	68,613	(27,803)	(5,288)	**35,522**
Note 4.7.	Financial income/(financial expenses) - FX gains/losses	5,890	(9,679)	-	**(3,789)**
Note 4.2.	Loss reversal/(impairment) of financial assets and customer contract valuation assets	(22,200)	-	-	**(22,200)**
	Total	**52,303**	**(37,482)**	**(5,288)**	**9,533**

		Financial instrument classes			
		Assets priced at amortized cost	Financial liabilities priced at amortized cost	Lease liabilities	Total significant categories
	2022				
	Impact on the financial result				
Note 4.7.	Financial income/(financial expenses) - interest	10,543	(18,712)	(2,700)	**(10,869)**
Note 4.7.	Financial income/(financial expenses) - FX gains/losses	29	(6,261)	-	**(6,232)**
Note 4.2.	Loss reversal/(impairment) of financial assets and customer contract valuation assets	(11,108)	-	-	**(11,108)**
	Total	**(536)**	**(24,973)**	**(2,700)**	**(28,209)**

5.1.1. FINANCIAL ASSETS

As of 31 December 2023 and as of 31 December 2022 the Group was in the possession of the following items disclosed in the Statement of Financial Position in the financial assets line:

		2023	2022
Note 5.1.2	Loans extended	22,474	17,530
	Other	4,211	5,721
	Total	**26,685**	**23,251**
	Long-term	16,734	13,823
	Short-term	9,951	9,428

5.1.2. FINANCIAL ASSETS – LOANS EXTENDED

Borrower	Loan currency	Interest rate	Maturity date	2023	2022
FARMA WIATROWA SZYBOWICE SP. Z O.O. (*WIND FARM*)	PLN	WIBOR 3M + margin 2.5 p.p.	11/22/2024	3,496	3,358
FARMA WIATROWA SZYBOWICE SP. Z O.O. (*WIND FARM*)	PLN	WIBOR 3M + margin 2.5 p.p.	12/4/2025	1,489	-
PfelgeQuartier Beteiligungs	EUR	4.00%	1/31/2022	-	3,849
KWe	PLN	2.50%	1/1/2032	4,738	3,177
SOLAR SERBY	PLN	WIBOR 3M + margin 3 p.p.	3/4/2024	213	1,534
SOLAR SERBY	PLN	WIBOR 3M + margin 2.5 p.p.	12/19/2027	4,862	-
IVT personnel	EUR	0-0.5%	12/31/2024	49	32
IVT personnel	EUR	0-0.5%	12/31/2025	8	22
Sanssouci Karpacz Sp. z o.o.	PLN	10.00%	12/31/2024	5,861	5,404
JV PABC Sp. z o.o.	PLN	3 M Euribor + 2,2% - 3,5%	12/31/2024	332	154
Solar Kazimierz Biskupi Sp. z o.o.	PLN	WIBOR 3M + margin 2.5 p.p.	12/7/2027	1,112	-
Solar Kazimierz Biskupi Sp. z o.o.	EUR	WIBOR 3M + margin 2.5 p.p.	12/7/2027	314	-
Total, of which:				**22,474**	**17,530**
Long-term				12,523	8,101
Short-term				9,951	9,429

The Management Board has written off the full amount of the loan to PflegeQuartier Beteiligungs, as the Borrower is not repaying the loan taken out.

There is credit risk and currency risk associated with the loans, which are described in Note 5.2, respectively. Loans granted are classified at Level 1 of the impairment model. The loans extended are, according to the Group's opinion, assets with a high credit rating for the purposes of the ECL model.

As of the specified balance sheet dates, the fair value of loans and advances was not materially different from the amortized cost measurement. The fair value of credits and loans is estimated using DCF models based on cash flows reflecting the repayment schedule of loans granted. The discount rate was assumed at WIBOR rate for PLN-denominated loans and at EURIBOR rate for EUR-denominated loans as of a given date plus a fixed percentage reflecting the risk premium. Loans measured at amortized cost are classified at Level 2 of the fair value hierarchy.

Loans are classified at Level 1 of the impairment model at all balance sheet dates presented. All loans granted as of the respective balance sheet dates were considered to be instruments with low credit risk and therefore the allowance for expected credit losses recognized during the period is limited to 12-month expected credit losses. The expected credit loss was calculated based on the probability of default, the repayment profile agreed to in the loan agreement and an assessment of recoveries from the collateral.
As of particular balance sheet dates, the amount of impairment loss and its changes in the presented periods were insignificant in terms of amounts, therefore the Group does not present movements on the impairment loss. The increase in the loan balance as a result of new loans granted did not significantly contribute to the change in the impairment allowance.

Debt instruments held to collect contractual cash flows that comprise solely payment of principal and interest ('SPPI') are priced at amortized cost. Upon initial recognition, these financial assets are recognized at fair value plus transaction costs. Interest income is measured using the effective interest rate method and disclosed under "Interest income" in the financial income. The impairment losses are presented under "Reversal of impairment/(loss) of value of financial assets and assets from valuation of contracts with customers".

The value of financial assets is updated with an impairment loss calculated using the expected credit loss method. The Group uses a three-step impairment model for financial assets:

- Level 1 - balances for which credit risk has not increased significantly since initial recognition or have low credit risk. Expected credit losses are determined based on the probability of default within 12 months (i.e., the total expected credit loss is multiplied by the probability that the loss will occur within the next 12 months);
- Level 2 - includes balances for which there has been a significant increase in credit risk since initial recognition but no objective evidence of impairment; expected credit losses are determined based on the probability of default over the contractual life of the asset.
- Level 3 - includes balances with objective evidence of impairment.

If the loans granted have low credit risk, the allowance for expected credit losses recognized during the period is limited to 12 months of expected credit losses.

To the extent that it is necessary to assess whether there has been a significant increase in credit risk under the above model, the Group considers the following considerations in making this assessment:

- the loan is at least 30 days past due,
- legislative, technological or macroeconomic changes have occurred that have a significant negative impact on the debtor,
- there has been information about a significant adverse event relating to a loan or another loan of the same debtor from another lender, e.g. termination of a loan agreement, breach of its terms or renegotiation of its terms due to financial difficulties, etc.,
- the debtor has lost a significant customer or supplier or experienced other adverse changes in its market.

Financial assets are written off, in whole or in part, when the Group has exhausted virtually all collection efforts and determines that the receivable can no longer be reasonably expected to be recovered. This typically occurs when an asset is at least 360 days past due.

5.2. FINANCIAL RISK MANAGEMENT PRINCIPLES

While running its operations, the Group is exposed to the following significant types of financial risk: market risk (including currency risk, interest rate risk), credit risk and liquidity risk. The ERBUD S.A.'s Management Board is responsible for determining the rules for the management of such risks and for verifying them.

5.2.1. MARKET RISK – CURRENCY RISK

While performing its core operations, the Group does not enter into building contracts that are denominated in EUR.

With regard to receivables and liabilities arising from material purchase contracts concluded under which payments will be made in EUR and with respect to EUR-denominated loans granted, the Group has determined that risk is immaterial.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

		Currency risk exposure (in '000 PLN)	Impact on the Statement of Profit/Loss in '000 PLN	
			Exchange rate change +10%	Exchange rate change -10%
	Assets			
Note 3.8.	Cash and cash equivalents	68,066	6,807	(6,807)
Note 6.5.	Trade receivables	149,286	14,929	(14,929)
Note 2.2.	Receivables under building contracts - bid bonds	16,547	1,655	(1,655)
Note 5.1.2	Financial Assets - Loans Extended	57	6	(6)
	Liabilities			
Note 3.3.-3.5	Debt	76,636	(7,664)	7,664
Note 6.9.	Trade payables	47,600	(4,760)	4,760
Note 2.2.	Building contract liabilities - deposits	523	(52)	52
	Impact of exchange rate changes - total assets and liabilities	**358,715**	**10,921**	**(10,921)**

2022

		Currency risk exposure (in '000 PLN)	Impact on the Statement of Profit/Loss in '000 PLN	
			Exchange rate change +10%	Exchange rate change -10%
	Assets			
Note 3.8.	Cash and cash equivalents	47,412	4,741	(4,741)
Note 6.5.	Trade receivables	124,859	12,486	(12,486)
Note 2.2.	Receivables under building contracts - bid bonds	6,112	611	(611)
Note 5.1.2	Financial Assets - Loans Extended	3,902	390	(390)
	Liabilities			
Note 3.3.-3.5	Debt	48,028	(4,803)	4,803
Note 6.9.	Trade payables	44,249	(4,425)	4,425
Note 2.2.	Building contract liabilities - deposits	497	(50)	50
	Impact of exchange rate changes - total assets and liabilities	**275,059**	**8,950**	**(8,950)**

5.2.2. MARKET RISK – INTEREST RATE RISK

The interest rate risk occurs mainly in connection with debt financing, i.e. bank credits and loans (Note 3.3), and lease products (Note 3.5), used by the Group.

In addition, the Group invests idle cash partly into variable interest rate deposits and extends mainly variable interest rate loans.

Assets and liabilities bearing interest at variable interest rates expose the Group to the risk of cash flow volatility. Meanwhile assets and liabilities bearing fixed rate (extended loans - Note 5.1.2.) expose Group to the risk of fair value volatility, however, owing to the fact that the Group does not measure these items at fair value, this impact is not reflected in the financial statements.

The Group monitors the exposure to interest rate risk and prepares interest rate forecasts.

A sensitivity analysis of variable interest rate items to interest rate volatility is presented in the table below:

	2023			2022		
	Balance sheet value of items bearing variable interest rates	Impact on the Statement of Profit/Loss		Balance sheet value of items bearing variable interest rates	Impact on the Statement of Profit/Loss	
		+100 bp	-100 bp		+250 bp	-250 bp
Cash and cash equivalents	2,228	22	(22)	31,007	775	(775)
Financial Assets - Loans Extended	16,556	166	(166)	154	4	(4)
Credit and loan liabilities	58,929	(589)	589	139,268	(3,482)	3,482
Debt related to issued bonds	76,678	(767)	767	75,586	(1,875)	1,875
Lease liabilities	84,618	(846)	846	89,569	(2,258)	2,258
Total impact		**(2,014)**	**2,014**		**(6,836)**	**6,836**

The table below shows items bearing a fixed interest rate:

	2023	2022
	Balance sheet value of items not subject to market risk	Balance sheet value of items not subject to market risk
Cash and cash equivalents	260,891	132,954
Financial assets - Loans Extended	5,918	17,376
Credit and loan liabilities	14,967	7,909
Lease liabilities	4,245	243
	286,021	**158,482**

5.2.3. CREDIT RISK

The Group's financial assets that are exposed to credit risk are mainly the items listed in the table below:

		2023	2022
Note 3.8.	Cash and cash equivalents	263,119	163,961
	Cash assets on the VAT account	44,186	35,338
Note 5.1.2	Financial Assets - Loans Extended	22,474	17,530
Note 6.5.	Trade receivables	479,533	651,583
Note 2.2.	Receivables under building contracts - bid bonds	40,111	32,031
Note 2.3.	Pricing of building contracts - assets	455,336	431,013
	Total	**1,304,759**	**1,331,456**

Cash and cash equivalents

The Erbud S.A. Group minimises the credit risk associated with cash and cash equivalents by diversifying the banks used to conclude investment transactions. The Group does business with financial institutions with high credibility, as indicated in the table below. There is a significant credit risk concentration at particular reporting dates - information on the amount of cash balances held with one financial institution is shown below.

The breakdown of cash and cash equivalents balances by credit rating is shown in the table below. AA, A-, BBB+, BBB according to Euro Rating agency are investment grades.

By Euro Rating agency	2023	2022
Banks with A- grade	17.0%	11.0%
Banks with BBB+ grade	0.0%	4.0%
Banks with BBB grade	64.0%	68.0%
Banks with BBB- grade	16.0%	6.0%
Banks with BB+ grade	3.0%	0.0%
Banks with BB grade	0.0%	11.0%
	100.0%	**100.0%**

As of 31 December 2023, the value of cash assets and cash equivalents placed with a single financial institution accounted for approximately 64% of the total balance.

As of 31 December 2022, the value of cash assets and cash equivalents placed with a single financial institution accounted for approximately 68% of the total balance.

The total balance of cash and cash equivalents as of the respective balance sheet dates is categorised as Level 1 of the impairment model (i.e. balances for which credit risk has not increased significantly since initial recognition).

Impairment losses on cash and cash equivalents were determined individually for each balance related to individual financial institution. External bank rating grades and publicly available information on default rates for a given grade established by Euro Rating agency were used to assess credit risk. The analysis showed that these assets have a low credit risk at the reporting date. The Group took advantage of the simplification permitted by the standard and the impairment charge was determined on the basis of 12-month credit losses. The write-down calculation showed a marginal amount of impairment.

Trade receivables and building contract assets

To protect against credit risk resulting from receivables under construction contracts (i.e. trade receivables, receivables under construction contracts - bid bonds and valuation of construction contracts), the Group has in place a policy of assessing and verifying credit risk related to all contracts, both in the pre-tendering phase and during contract execution. Before signing a contract, each counterparty is evaluated in terms of its ability to meet its financial obligations. In the event of a negative assessment of the counterparty's payment capability, entering into the contract depends on the establishment of adequate financial or asset collaterals. Moreover, contracts with investors contain clauses providing for

the right to suspend the execution of works, if there is a delay in the transfer of payments for services rendered. If possible contractual clauses are also developed to condition payments to subcontractors on the receipt of funds from the investor.

The Group has no credit risk concentration in relation to trade receivables and receivables under construction contracts - in relation to bid bonds and valuation of construction contracts.

Changes in the write-down of receivables are presented in the Note 6.5.

5.2.4. LIQUIDITY RISK

In order to reduce the risk of liquidity loss, the Group maintains an appropriate amount of cash and transferable securities as well as enters into credit line agreements, which serve as additional liquidity security. To finance investment purchases, the Group uses own funds or long-term financial lease contracts, ensuring adequate sustainability of the financing structure for this type of assets.

The Group pursues a policy limiting credit exposures to individual financial institutions and issuers of debt securities, which are acquired as part of periodic investments of surplus cash.

Liquidity management is supported by the existing liquidity forecast reporting system by the Group.

The table below shows the Group's financial liabilities as of 31 December 2023 by maturity date based on contractual non-discounted payments.

						2023
	Below 3 months	3-12 months	1-5 years	Above 5 years of age	Total non-discounted flows	Balance-sheet values
Credit and loan liabilities	22,509	16,703	37,184	-	**76,396**	**73,896**
Debt related to issued bonds	-	1,678	75,000	-	**76,678**	**76,678**
Lease liabilities	6,073	19,051	71,323	2,580	**99,027**	**88,863**
Liabilities vis-à-vis subcontractors - bid bonds	45,410	99,014	24,029	4,799	**173,252**	**164,990**
Trade payables	280,620	-	-	-	**280,620**	**280,620**
Total	**354,612**	**136,446**	**207,536**	**7,379**	**705,973**	**685,047**

						2022
	Below 3 months	3-12 months	1-5 years	Above 5 years of age	Total non-discounted flows	Balance-sheet values
Credit and loan liabilities	38,431	62,403	50,537	-	**151,371**	**143,830**
Debt related to issued bonds	-	586	75,000	-	**75,586**	**75,000**
Debt related to financial lease	5,064	18,766	70,339	2,465	**96,634**	**89,812**
Liabilities vis-à-vis subcontractors - bid bonds	64,133	95,148	15,385	5,744	**180,410**	**171,035**
Trade payables	443,402	-	-	-	**443,402**	**443,402**
Total	**551,030**	**176,903**	**211,261**	**8,209**	**947,403**	**923,079**

5.2.5. CLIMATE RISK

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Erbud S.A. Group monitors the impact of climate risks on the Group's operations and, at present, does not identify any significant impact of climate factors on its operations. The Erbud Group has consistently pursued its ESG strategy, adhering to the required environmental aspects, investing in the development of Res projects, as well as in timber construction sector.

6. OTHER NOTES

6.1. TANGIBLE FIXED ASSETS

The most significant items of property, plant and equipment are land, buildings and structures. Fixed assets under construction are also a significant item. In addition, the Group also owns technical appliances and machinery.

Tangible fixed assets are carried at purchasing price /manufacturing cost less depreciation and all impairment write-offs. When the Group identifies indications that the tangible fixed assets may be impaired, it performs an impairment test based on an estimate of the recoverable amount of the property, plant and equipment. Recoverable amount is determined as the higher of the value that is realizable upon sale of a given non-current asset less costs to sell or the value in use calculated based on the discounted cash flows to be generated by a given non-current asset or group of assets.

The initial value of tangible fixed assets comprises their purchasing price plus all costs connected directly with the purchase and adaptation of the asset to the condition fit for use. The initial value also comprises the cost of spare parts of machinery and equipment when incurred, if the recognition criteria are met, i.e. a member company of Erbud Group expects that spare parts will be used for more than one year and it is possible to assign them to a specific item of tangible fixed assets.

Costs incurred after the date of commissioning of a fixed asset such as maintenance and repair costs, are recognized in the net financial income when incurred.

The Group annually verifies the residual value, useful life and depreciation methods of tangible fixed assets. The revisions performed as of 31 December 2023 and 31 December 2022 did not result in a change to the remaining estimated useful lives, depreciation methods or residual values of property, plant and equipment.

Depreciation rates are by class of fixed assets (including the right to use assets that belong to a particular category):

- Buildings and structures – 2% - 4,5%
- Technical appliances and machinery – 6% - 30%
- Means of transport – 12,5% - 20%
- Other – 10% - 33%
- Lands are not depreciated.

The rights to use the assets are amortized over a period that reflects the effective term for which contracts have been signed.
For leased assets of the Group, depreciation rates coincide with depreciation rates for its own assets belonging to the same category because the lease term corresponds to the economic useful life of the asset (including renewal options) or the contract includes an option to purchase the asset and it is reasonably certain that the Group will exercise the option.

Fixed assets under construction are priced at the level of costs connected directly with their acquisition or manufacturing including costs of financing, less write-downs for impairment. Fixed assets under construction are not depreciated until their construction has been completed.

Lease accounting policy effective from 1 January 2019:

Leases are recognized as right-of-use assets and obligations to pay for those rights at the date the leased assets are available for use by the Group. Right-of-use assets are presented in Note 6.1.

At the lease start date, the lease obligations are measured at an amount equal to the present value of the following lease payments for the right to use the underlying asset during the lease term:

- fixed lease payments (including substantially fixed payments), less any lease incentives payable,
- variable lease payments that depend on an index or rate;
- amounts expected to be paid by the Lessee under the guaranteed residual value,
- the exercised price of a call option, if it can be assumed with reasonable certainty that the lessee will exercise the option,
- financial penalties for lease termination, if the lease terms and conditions provide that the Lessee may exercise the lease termination option

Lease payments are discounted using the lease interest rate, if that rate can be readily determined, or the lessee's incremental debt rate.

Each lease payment is allocated between a liability and a finance expense. After initial recognition, lease liabilities are measured using the effective interest rate. The carrying amounts of the liabilities are updated to reflect the change in estimated lease term, option to redeem, change in lease payments and guaranteed residual value and lease contract modifications.

The lease term is a non-cancellable lease term; periods covered by renewal and early termination options are included in the lease term if there is a reasonable certainty that the lease will be renewed or the lease will not be terminated early.

As of 31 December 2023 the Group held the following groups of tangible fixed assets including right to use assets:

	2023			2022		
Tangible fixed asset category	**Gross value**	**Depreciation and write-offs**	**Net value**	**Gross value**	**Depreciation and write-offs**	**Net value**
Lands (including right of perpetual usufruct to land)	28,840	1,780	27,060	37,038	1,377	35,661
including lease contracts	4,599	1,089	3,510	12,917	885	12,032
Buildings and structures	146,157	44,943	101,214	142,703	48,469	94,234
including lease contracts	42,617	14,431	28,186	32,364	13,125	19,239
Technical appliances and machinery	99,078	53,283	45,795	92,241	48,728	43,513
including lease contracts	37,006	9,193	27,813	34,048	6,718	27,330
Means of transport	95,737	49,359	46,378	87,221	42,192	45,029
including lease contracts	53,730	19,926	33,804	49,618	14,800	34,818
Other fixed assets	24,906	17,077	7,829	24,125	16,496	7,629
including lease contracts	199	48	151	235	49	186
Fixed assets under construction	5,624	-	5,624	3,710	-	3,710
Total	**400,342**	**166,442**	**233,900**	387,038	157,262	229,776

The Group has entered into lease contracts with lease terms ranging from 3 to 5 years. The lease contracts mainly cover means of transport and leases of office space, warehousing facilities and perpetual usufruct rights to land. The lease contracts mostly (with the exception of perpetual usufruct rights) include a renewal clause that allows to renew them after the end of the basic term. Additionally, the concluded lease contracts for means of transport give entitlement to the Group to repurchase the leased asset at the end of the contract.

Debt under lease contracts is referred to in Note 3.5.

6. OTHER NOTES

	Lands including right of perpetual usufruct to land	Buildings and structures	Technical appliances and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Intangible assets	Total
Net value as of 1 Jan. 2022	**27,739**	**51,088**	**14,743**	**32,811**	**18,357**	**23,194**	**9,907**	**177,838**
Increases:								
Acquisition	-	1,964	4,412	3,816	3,398	35,361	5,237	**54,188**
Lease	8,432	15,321	3,478	21,870	150	-	-	**49,251**
Acceptance of fixed assets	-	-	-	-	68	(68)	-	**-**
Other, including reclassification adjustments	-	35,376	27,075	-	(11,480)	(50,952)	-	**19**
Decreases:								
Amortization and depreciation	528	5,820	6,200	12,301	2,980	-	1,683	**29,512**
Disposal and liquidation	-	-	20	1,320	5	-	-	**1,345**
Others	-	3,877	-	-	-	3,844	-	**7,721**
Foreign exchange gains and losses from translation	20	182	25	153	121	18	85	**604**
Net value as of 31 December 2022	**35,663**	**94,234**	**43,513**	**45,029**	**7,629**	**3,709**	**13,546**	**243,322**
Net value as of 1 January 2023	**35,663**	**94,234**	**43,513**	**45,029**	**7,629**	**3,709**	**13,546**	**243,322**
Increases:								
Acquisition	-	132	5,678	5,542	3,394	6,835	1,167	**22,748**
Lease	-	15,435	4,078	11,608	49	-	-	**31,170**
Acceptance of fixed assets	-	296	1,068	2,800	168	-	2,231	**4,852**
Other, including reclassification adjustments	-	2,636	(543)	(3,143)	(185)	(3,036)	(1,038)	**(5,309)**
Decreases:								**-**
Amortization and depreciation	410	10,727	7,571	13,495	2,621	-	2,003	**36,827**
Disposal and liquidation	-	-	15	940	135	-	-	**1,090**
Others	8,119	(6)	317	341	-	1,843	-	8,903
FX gains and losses from translation	(74)	(798)	(96)	(682)	(470)	(41)	(296)	**(2,458)**
Net value as of 31 December 2023	**27,060**	**101,214**	**45,795**	**46,378**	**7,829**	**5,624**	**13,607**	**247,505**

Amortization and depreciation

	For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
General administrative expenses	16,745	12,011
Cost of products and services sold	20,082	17,501
Total	**36,827**	**29,512**

Right to use assets under lease, lease liabilities

The following simplifications allowed by IFRS16 have been adopted:

- no lease contracts for low-value assets (below PLN 15 thousand) are activated,
- contracts that will be terminated during the current year are omitted,

During the periods covered by the financial statements, the Group did not enter into leases with a term of less than 12 months. The signed lease contracts did not comprise a variable fee for the Lessor.

Charges associated with all short-term leases and leases of low-value assets are recognized as an expense in the financial net income on a straight-line basis. At the time of initial application of the standard, for all lease contracts, except for short-term leases and leases of low-value assets, previously classified as operating leases:

Data regarding the first-time adoption of IFRS 16 is presented in the tables below.

	LANDS	BUILDINGS AND STRUCTURES	TECHNICAL APPLIANCES AND MACHINERY	MEANS OF TRANSPORT	OTHER FIXED ASSETS	TOTAL
Net value as of 1 Jan. 2022	**4,086**	**6,516**	**6,384**	**22,899**	**65**	**39,950**
Increase due to opened lease contracts	8,432	15,321	3,478	13,991	150	**41,372**
Settlement of expenditures on tangible fixed assets under construction (acceptance into inventory) and advances an tangible fixed assets	-	-	19,592	(1,072)	-	**18,520**
Amortization and depreciation	(503)	(2,642)	(2,124)	(5,188)	(29)	**(10,486)**
FX gains and losses from translation	17	45	-	(1)	-	**61**
Net value as of 31 Dec. 2022	**12,032**	**19,240**	**27,330**	**34,817**	**186**	**93,605**
Net value as of 1 Jan. 2023	**12,032**	**19,240**	**27,330**	**34,817**	**186**	**93,605**
Increase due to acquisition	-	296	282	3,321	56	**3,955**
Increase due to opened lease contracts	-	15,435	4,078	11,608	49	**31,170**
Decrease due to reclassification - from right-to-use leased assets to tangible fixed assets	-	-	(23)	(3,349)	-	**(3,372)**
Amortization and depreciation	(385)	(4,618)	(3,558)	(10,409)	(38)	**(19,008)**
Decrease of the depreciation to date due to reclassification - from right-to-use leased assets to tangible fixed assets	-	-	-	1,163	-	**1,163**
Others	(8,136)	(1,926)	(296)	(3,347)	(102)	**(13,807)**
FX gains and losses from translation	(1)	(241)	-	-	-	**(242)**
Net value as of 31 Dec. 2023	**3,510**	**28,186**	**27,813**	**33,804**	**151**	**93,464**

	Net value	
	12/31/2023	12/31/2022
Lands (including right of perpetual usufruct to land)	3,510	12,032
Buildings and structures	28,186	19,239
Technical appliances and machinery	27,813	27,330
Means of transport	33,804	34,818
Other fixed assets	151	186
Total impact	**93,464**	**93,605**

6.1.1. AMOUNTS OF CONTRACTUAL OBLIGATIONS TAKEN FOR THE ACQUISITION OF TANGIBLE FIXED ASSETS

As of 31 December 2023 and 31 December 2022, the Group had no contractual obligations related to fixed asset purchase agreements and concluded lease contracts for which the lease term had not yet commenced and were not shown in the lease liabilities to this extent.

6.2. GOODWILL

Goodwill arises as a result of accounting for the acquisition of projects using the acquisition method - details are provided below.

Accounting principles concerning goodwill impairment are described in Note 6.3.

	For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
Opening balance of goodwill	**41,588**	**41,240**
Increases	349	-
Decreases:	(409)	-
Foreign exchange gains and losses from translation	(1,311)	348
Closing balance of goodwill	**40,217**	**41,588**
Including acquisitions:		
ONDE S.A.	18,274	18,274
Erbud Holding GmbH	16,678	17,990
Others	5,265	5,324

6.3. FIXED ASSETS IMPAIRMENT

The Group carries out test for fixed asset impairment, if there are reasons for impairment and additionally it carried out a test for goodwill once a year. Recoverable amount is determined at the lowest possible level, i.e. for an individual asset or for the cash-generating centre to which the asset belongs.

Tangible fixed assets impairment

At each balancing date the it is evaluated if there are any objective reasons indicating a risk of asset or asset category impairment. If there are such reasons, the estimated recoverable value is agreed for the asset and an impairment loss is written off, in the amount equal to the difference between the recoverable value and balance sheet value. The recoverable value corresponds the higher of the following two values: fair value less costs closing sales or value in use. The impairment loss is posted into profit and loss account. As of each balancing date, the Group also assesses whether there are any indications that the impairment loss recognised in previous periods should be reduced or completely reversed.

Goodwill impairment

Goodwill is tested for impairment at least once a year. Potential impairment is recognized immediately as a decrease in goodwill and recognized in the Profit and Loss Account, additionally it is not subject to reversal in subsequent reporting periods.

To carry out possible impairment test, the goodwill is allocated to the cash generating units. In the event of a disposal of an operation within a cash-generating centre to which goodwill has been allocated, the goodwill associated with the disposal shall be included in the carrying amount of the operation when determining the gain or loss on disposal.

Goodwill is allocated to the Group's cash-generating centres. The goodwill arising from the acquisition of shares in ONDE S.A. by Erbud S.A. is assumed to be the cash-generating centre is ONDE S.A.

For ONDE S.A., the recoverable amount of the cash-generating unit is determined based on the valuation of ONDE S.A. shares at the Warsaw Stock Exchange.

Goodwill arising on the acquisition of the Erbud Holding Group by Erbud S.A. is assumed to be the cash-generating centre of the entire industrial segment abroad related to the Erbud Holding Group.

The recoverable amount of a cash-generating unit is determined based on the unit's value in use, estimated using a Discounted Cash Flow (DCF) model. These calculations use cash flow projections over a three-year period. The cash flows going beyond the three-year period were estimated to be at a constant level. The growth rate does not exceed the long-term average growth rate for the construction sector abroad where the cash-generating centre operates. The calculations assume an average gross margin of 13%, while the discount rate used was 11.7%. The Management Board established the budgeted gross margin on the basis of historical performance and its own projections of market development. Weighted average growth rates are in line with the forecasts presented in the industry reports. The discount rate used is a rate that reflects each segment specific risks.

In 2023 and 2022, an analysis was carried out and no grounds were found to set up an impairment write-down for a loss of an asset or group of tangible assets.

The goodwill impairment test, which was carried out as of 31 December 2023, did not indicate any need to make an impairment write-off.

6.4. INVENTORY

The following items are mainly included within the various inventory categories:

- Materials – items kept at storage sites to be used in manufacturing processes, especially for the application in the construction activities;
- Merchandise;
- Work in progress;
- Finished goods;
- RES projects.

Materials are valued at cost, and their withdrawals are valued using the "first-in-first-out" method. Work in progress and finished goods are valued at the direct cost of materials and labor, together with an appropriate mark-up of indirect production costs determined assuming regular capacity utilization, excluding borrowing costs. At the balancing date the inventory is priced taking lower of the two values: purchasing price or the cost of manufacturing and net selling price.

Under materials the Group posts construction site stored inventories for general purposes, low processing degree that could be used in a straightforward manner and without incurring material costs for other contracts or sold (if they turn out to be redundant in case of execution of a certain contract). The inventory items are not items stored on construction sites with a specific use on a certain construction site or processed on the company own or by the subcontractor, generally these are items where it is not certain whether they could be used for other contracts or sold. Such items are charged directly to the cost of the contract and are thus included in the valuation of the contract by completion degree (details are provided for in Note 2.1.).

As renewable energy projects, the Group identifies a separate category of finished products, which are wind farm and photovoltaic projects developed in-house. RES projects are valued at the lower of cost and net achievable price from sales. The net selling price is the estimated selling price evaluated by management based on market data.

	2023	2022
Materials	34,063	30,125
Work in progress	2,192	233
Finished goods	366	111
Merchandise	1,421	1,728
PV projects underway	102,250	128,658
Inventory value, gross	**140,292**	**160,855**
Write-downs for inventory	628	616
Inventory value, net	**139,664**	**160,239**

6.5. TRADE RECEIVABLES AND OTHER RECEIVABLES

In the trade receivables as well as other receivables category the Group recognised mainly trade receivables from non-related entities (mainly due to issued invoices in relation to the construction contracts executed by the Company) and budget receivables, including corporate income tax receivables and tax on goods and services receivables.

Trade receivables , with maturity typically from 30 to 180 days, are recognized at their nominal value, i.e. according to the amounts originally invoiced. Trade receivables are held for collection and meet the SPPI test, therefore, as of the balance sheet date, these items are measured at amortized cost, including a contingent impairment loss calculated using the expected loss model.

Receivables from the State budgetare recognised at the amount due to the Group in accordance with applicable laws and regulations.

IFRS 9 requires the estimation of expected loss for trade receivables, regardless of whether there was any indication of impairment or not. For trade receivables, the Group uses the simplified approach and measures impairment losses at the amount of credit losses expected over the life of the receivable from moment of initial recognition.

For trade receivables that have been assessed as not impaired based on the portfolio analysis performed, the estimation of impairment losses, if any, is based on the use of an write-off matrix where write-offs are calculated for trade receivables classified into different aging categories (past due periods) using a default rate. The default rate is determined based on historical data (calculated on the basis of the last 5 years) adjusted for the impact of future factors.

In the same manner the Group calculates the allowance for expected credit losses for deposit receivables and construction contract assets in an analogous manner; balances that are not past due are included in the "not past due" category in the write-off matrix, and the write-off is calculated taking into account the default rate for not past due receivables.

For trade receivables with indications of impairment (e.g. disputed receivables), specific additional write-offs were set up depending on the assessment of their recoverability.

If the value of money in time is material (applies to the bid bonds receivables) the value of receivables is determined through discounting projected future cash flows to the present value, using a gross discount rate reflecting current market-based appraisals of time value of money. If the discounting method has been applied, the increase of receivables caused by time elapse is posted as financial gains.

	2023			2022		
	Gross value	Write-down	Net value	Gross value	Write-down	Net value
Trade receivables	538,677	59,144	479,533	699,549	47,966	651,583
Corporate income tax receivables	82	-	82	18,568	-	18,568
VAT tax receivables	23,633	-	23,633	49,810	-	49,810
Other receivables	43,828	1,210	42,618	24,368	1,210	23,158
Total	**606,220**	**60,354**	**545,866**	**792,295**	**49,176**	**743,119**

Other receivables mainly include receivables from the sale of fixed assets, paid deposits and bid bonds.

Modifications of the write-off for trade receivables are presented in the table below:

	For a 12-month period, ended on 31 Dec. 2023	For the period of 12 months, ended on 31 Dec. 2022
Opening balance of write-downs	**49,176**	**47,143**
Setting up/(reversal)of individual write-offs	5,733	901
Setting up /(reversal) of write-offs according to write-off matrix	7,316	2,059
Use of individual write-offs	(1,168)	(1,155)
Others	98	48
FX gains and losses from translation	(801)	180
Closing write-offs, of which:	**60,354**	**49,176**
Matrix-based calculated write-off	18,421	11,105
Individual write-off	41,933	38,071

	2023	2022
Non-past due receivables:	**321,801**	**399,182**
Past due receivables:	**157,732**	**252,401**
below 1 month	37,580	93,168
1-3 months	37,362	60,664
3-6 months	32,600	9,399
6 months - 1 year	14,777	12,223
Above 1 year	35,413	76,947
Total trade receivables, net	**479,533**	**651,583**

For the remaining disputable receivables write-offs were set up based on estimated Discounted Cash Flows.

The Group is exposed to credit risk and foreign currency risk arising from trade receivables. However, there is no concentration of credit risk related to trade receivables since the Group has a large number of domestic customers. All receivables, except for those individually written off, are rated by the Group as having the highest internal credit rating. For all receivables except those written-off individually, the Group estimates a write off for expected credit losses in an amount equal to 12 months expected credit losses.

6.6. OTHER ASSETS

The **Insurance** line comprises prepayments made by the Group under insurance contracts concerning future reporting periods. They are recognized in the income statement proportionally to the time expired.

In the "Prepayments" line the Group recognises amounts paid on account of concluded preliminary agreements for the acquisition of shares in Companies which do not meet the definition of derivatives under IFRS 9.

	2023	2022
Insurance	3,776	3,726
Other	4,220	3,434
Total	**7,996**	**7,160**

6.7. PROVISIONS

The Provisions category mainly comprises provisions for warranty repairs, provisions for employee benefits and post-employment benefits, and provisions for litigations and disputes.

Provisions for warranty repairs

Provisions for warranty repair costs result from the Company's warranty extended for construction services. Provisions are set up in the amount determined with percentage rate, which is a quotient of historically incurred costs for warranty repairs and historically posted revenues generated by the execution of building contracts. The costs of provision for warranty repairs are posted into costs of services sold. In the case of non-construction services, mainly maintenance services, the provision for the costs of warranty repairs is set up on the basis of historical data and a reliable estimate of the amount of the related obligation. The assumptions used to calculate the provision for warranty repairs as of 31 December 2023 were based on the records of warranty repairs between 2019 and 2023 and as of 31 December 2022 - between 2018 and 2022 respectively.

Provision for benefits in the post-employment period

This category comprises provisions for retirement and pension severance pays, to be paid by the Group under the effective law and the remuneration rules and regulations. The amount of the provision is determined at the present value using actuarial techniques requiring the adoption of certain assumptions. Assumptions vital to pricing include the levels of discount rates, projected rates of return on assets (ROA), forecast wage increases. Due to pricing complexity, the assumptions made, its long-term nature, the liabilities related to the above mentioned benefits are very sensitive to assumption changes. All the above assumptions are verified and updated at the end of each reporting period.

Provisions for litigation and disputes

Detailed analysis of potential risks related to litigation, making decisions about a need to reflect the impact of such litigation in the Group's financial statements and the amount of the provision are made by the legal departments and the Management Board.

Categorized provisions are presented in table below:

	Provisions for warranty repairs	Provision for employee benefits in the post-employment period	Provisions for litigations and disputes	Other	Total
As of 1 Jan. 2022	**31,006**	**16,180**	**1,548**	**8,498**	**57,232**
Increase	5,774	332	-	6	6,112
Release	1,063	3,855	116	1,390	6,424
Increase due to acquisition	-	-	-	33	33
Utilisation	-	161	-	759	920
FX gains and losses from translation	48	305	-	16	369
As of 31 December 2022	**35,765**	**12,801**	**1,432**	**6,404**	**56,402**
short-term	26,924	112	1,396	5,908	34,340
long-term	8,841	12,689	36	496	22,062
As of 1 Jan. 2023	**35,765**	**12,801**	**1,432**	**6,404**	**56,402**
Increase	781	4,096	134	19,055	24,066
Dissolution	346	3,702	634	729	5,411
Increase due to merger	23	(15)	-	353	361
Utilisation	-	431	-	2,820	3,251
FX gains and losses from translation	(139)	(730)	-	(754)	(1,623)
As of 31 Dec. 2023	**36,084**	**12,019**	**932**	**21,509**	**70,544**
short-term	27,046	152	896	20,529	48,623
long-term	9,038	11,867	36	980	21,921

6.8. DISPUTES

Both in cases where the Erbud S.A. Group is the plaintiff (cases for receivables) and in cases where the Erbud S.A. Group is the defendant (cases for liabilities), the position of the Erbud S.A. Group and its legal advisers indicates that the cases will be resolved in favour of the Erbud S.A. Group.

Material proceedings to which ERBUD S.A. is the plaintiff

Party to the Dispute	Description of the Subject of the Dispute
Defendant: The Capital City of Warsaw – The Capital City Management Board for City Development Court: District Court in Warsaw, 26th Commercial Division Date of filing a lawsuit: 2 August 2022 Current value of the dispute: PLN 1.295.652,37	Dispute status: : The Plaintiff (ERBUD S.A. jointly with STRABAG Sp. z o.o., STRABAG AG and ED ZUBLIN AG) claims payment from the Defendant in the total amount of PLN 11,955,258.50 along with statutory interest and costs of proceedings. The Plaintiff has based its claims on the Defendant's obligation to pay for the performance of construction works performed on site of the Southern Hospital in Warsaw. The Defendant does not not argue with the legitimacy of the payment of the aforementioned amount, and has applied for depositing it with the court. The Defendant's request for permission to deposit the aforementioned amount with the court were rejected by the Court. The judgments are not legally binding and the Defendant has appealed against them. The Defendant paid the amount of PLN 6,155,612.55 and the amount of PLN 5,799,646.04, which were first credited by the Plaintiff as interest on the specified principal amounts. The Court of First Instance, in its judgment issued on 27 October 2023, granted the Plaintiff's remaining claims in full and awarded ERBUD S.A. the amount of PLN 1,295,652.37 in particular. This judgment is not law-binding yet as of the date of this information. The Defendant has executed the judgment, however, it has nevertheless, filed an appeal. The Management Board expects a positive outcome. The receivables presented in the balance sheet in connection with the case are not subject to a write-down.
Defendant: Independent Public Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin Court: District Court in Szczecin, 8th Commercial Division Date of filing a lawsuit: 7 November 2022 Value of the dispute: PLN 14.435.306,59	ERBUD S.A. demands that the Independent Public Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin should amend the contract of June 2021 for the execution of the project called "Construction of A2 building with a connector and land development as part of redevelopment and extension of A building of the "PUM" Independent Public Clinical Hospital No. 2 in the City Szczecin for the "PUM" Independent Public Clinical Hospital No. 2 in the City of Szczecin" by increasing the Contractor's remuneration by the amount of PLN 14,435,306.59 (gross) and adjudication of this amount. The Defendant filed a response to the lawsuit. The District Court in Szczecin referred the Parties to mediation for a period of 3 months. No consensus has been reached. The Management Board expects a positive outcome. The receivables presented in the balance sheet in connection with the case are not subject to a write-down.
Defendant: BEST Deweloper Sp. z o.o. Court: District Court in Szczecin Date of filing a lawsuit 1: 19 October 2022 Value of the dispute: PLN 5.928.173,34	Dispute status: The Plaintiff claims amounts due for work performed as part of the construction of multi-family apartment buildings in Chrzanowskiego Street in Szczecin. The amounts claimed are covered by VAT invoices, accepted and approved by the Defendant. They relate to works completed and accepted by the Defendant. On 2 November 2022 the Court issued a writ of payment. The court bailiff in Szczecin, by virtue of its Decision dated 6 December 2022, terminated the collateral proceedings, securing the amount covered by the payment order with interest as of 6 December 2022. By virtue of its Decision of 24 January 2023, the Court referred the parties to mediation and the court set a hearing date for 18 May 2023, to which it summoned all witnesses and parties. The parties concluded mediation talks unsuccessfully. On 1 June 2023, the court issued a judgment by which: 1. upheld in its entirety the writ for payment in injunctive proceedings issued by the

Party to the Dispute	Description of the Subject of the Dispute
Date of filing a lawsuit 2: 6 February 2023 Value of the dispute: PLN 6.050.337,37	Regional Court in Szczecin on 2 November 2022 in Case Ref. No. VIII GNc 573/22; 2. ordered the Defendant, viz. Best Deweloper Sp. z o.o. in Szczecin to pay ERBUD S.A. the sum of PLN 74,134.88 (seventy-four thousand one hundred and thirty-four zlotys eighty-eight grosze) as legal costs with statutory interest for delay from the date of this judgment becoming final until the date of payment. On 17 July 2023 BEST Deweloper sp. z o.o. filed an appeal against the judgment. No appeal hearing date was established. A response to the appeal was filed. Dispute status: The Plaintiff claims amounts due for work performed as part of the construction of multi-family apartment buildings in Chrzanowskiego Street in Szczecin. The amounts claimed in the lawsuit are covered by VAT invoices issued on the basis of inventory reports accepted and signed by the Defendant. They relate to works completed and accepted by the Defendant. The demand for a lawsuit includes the issuance of writ of payment and a request to secure claims. No decisions on the case. On 23 May 2023, a complaint was filed against the order dismissing the application for security. The Management Board expects a positive outcome. The receivable has been written off in accordance with the write-off matrix.
	The value of other litigations where ERBUD S.A. is the Plaintiff totals PLN 22.088.304,30.

Material proceedings to which ERBUD S.A. is the Defendant

Party to the Dispute	Description of the Subject of the Dispute
Defendant: Platinum Resort Sp. z o.o. Date of filing a lawsuit: 3 December 2018 Value of the dispute: PLN 16.301.236,97 Counterclaim: Defendant: ERBUD S.A. Date of filing a lawsuit: 27 April 2019	ERBUD filed a request with the District Court in Szczecin to secure a cash claim in the amount of PLN 5,455,851.09 in relation to the contractual penalty for withdrawal from the Construction Works Contract of 26 January 2017 for the execution of the project titled "Construction of a four-star hotel complex consisting of: Three hotel buildings with land development in Żeromskiego Street in the City of Świnoujście" by encumbering the properties belonging to Platinum Resort Sp. z o.o. with a joint compulsory mortgage. By virtue of the decision of 19 November 2018 the Court granted security by entering the compulsory mortgage into the land and mortgage registers of the aforementioned real estate, as well as by the attachment of bank accounts of Platinum Resort Sp. z o.o. On 3 December 2018 ERBUD S.A. filed a lawsuit for payment of PLN 16.301.236,97 together with interest in the writ of payment proceedings for remuneration and other claims related to the execution of the aforementioned investment together with an additional request for securing claims. Platinum Resort Sp. z o.o. filed a complaint against the decision on security. The ERBUD S.A.'s attorneys replied to the complaint. To date, the Szczecin Court of Appeals has not heard the complaint. The Szczecin District Court found that there were no grounds for issuing a payment order and referred the case to be examined in ordinary proceedings. The claim was forwarded for servicing to the defendant. In a decision of 22 February 2019, the Regional Court secured ERBUD S.A.'s claim for a another amount of PLN 3.5 million by establishing a compulsory mortgage on the property. The Court of Appeals dismissed in a legally binding manner the Defendant's complaint regarding the provision of security. On 27 April the Defendant filed a response to the statement of claim together with the counterclaim in which he requests that ERBUD be awarded PLN 13,516,629.86, consisting of PLN 5,455,851.09 as an alleged contractual penalty calculated by the Defendant and PLN 8,060,778.77 as reimbursement of the allegedly overpaid remuneration collected by ERBUD for the performance of the construction contract. ERBUD's attorneys submitted a replica of the response to the statement of claim together

Party to the Dispute	Description of the Subject of the Dispute
	with the response to the counterclaim, upholding the existing position and requesting that the counterclaim be dismissed in its entirety. The court heard the oral evidence provided by the witnesses. The court decided to admit expert evidence. The deadline for filing expert evidence was 31 March 2022. On 2 February 2022, a visual inspection of the disputed property was held for the preparation of an expert opinion. The expert opinion was delivered to ERBUD company in July 2022. The contents of the opinion speak in favour of the Company. Comments on the content of the opinion were submitted on 25 August 2023. At the hearing on 13 September and 25 October 2023 and 8 January 2024, the expert was questioned with regard to provide verbal supplementary opinion. The parties sent information to the court about the Settlement Agreement, along with a request for its approval and discontinuance of the court proceedings. The Management Board expects a positive outcome. There is no provision or contingent liability for potential claims.
	Total value of other proceedings where ERBUD S.A. is the defendant: PLN 13.678.457,47

Material proceedings in which other Group member companies are involved

Party to the Dispute	Description of the dispute
Requesting Party: 1. ONDE S.A., 2. Railway Engineering Works Company "TOR-KRAK" Sp. z o.o. based in Kraków 3. trustee in bankruptcy of " Gotowski - Transport and Industrial Construction" Sp. z o.o. in bankruptcy with its registered office in Bydgoszcz Opponent: The City of Bydgoszcz; Municipal Waterworks and Sewerage in Bydgoszcz Sp. z o.o. Value of the dispute: PLN 6,478,982	On 30 December 2022 The Requesting Party sent a request for a settlement attempt to the Opponent, in which it called upon the Opponent to enter into a court settlement regarding the payment of extra compensation by the Opponent to the Requesting Party for the costs of temporary traffic organisation during the extended period of Contract No. 159/ZDMiKP/18 for civil works concluded on 29 November 2018. The receivable covered by the request relates to the incurred costs of temporary traffic organisation on the part of the Requesting Party covering a total period of 196 days. The Requesting Party lodged a claim in March 2022 and then made a pre-trial demand for payment in November 2022 covering the amount claimed. A meeting date was set for 13 April 2023, which was not held due to settlement discussions between the Parties, which are underway. There is no new hearing date set in the case. From April to the beginning of December 2023 the Parties held intermittent discussions concerning a possible court settlement. The Parties have not reached an out-of-court agreement. A new date was set for a settlement meeting on 8 February 2024, during which no court settlement was reached. In view of the above, a claim for payment of the amount covered by the request for an attempted settlement was filed on 9 February 2024. The Management Board expects that the claim will be upheld in whole or in part. The receivables presented in the balance sheet in connection with the case are not covered by a write-down.
Creditor: ONDE S.A. Debtor: PflegeQuartier Beteiligungs GmbH Guarantor: Andreas Skoberne Value of the dispute: EUR 870,000.00	On 17 January 2018. a loan agreement was concluded with the Debtor for the amount of EUR 750,000.00. Under the Agreement, the total amount due should be paid back by 31 January 2020 at the latest. In December 2021, an attempt was made to bring the dispute to an amicable conclusion and a demand for payment was issued. The debtor has not paid the amount due in any part. The case was referred to a third party law firm in Germany. On 14 February 2022, a final pre-trial demand for payment issued by the attorney was addressed again, with a payment deadline of 25 February 2022. As a result of the failure to make payment, a writ of summons was filed on 1 March 2022 against the guarantor, who filed an objection. As a result, the case was referred to the Landgericht Court in Dortmund. An lawsuit demanding payment against the guarantor was filed with

	the aforementioned court on 23 May 2022. The court initiated written pre-trial proceedings. The Defendant has not taken a position on the case. In July 2022 the Landgericht Court in Dortmund issued a default judgment against the Guarantor, who did not appeal against it. The following enforcement proceedings are pending against the Debtor: attachment of shares in Wohnvoll AG; attachment of shares in PflegeQuartier Düren GmbH, attachment of the Debtor's bank account. The Debtor made a payment of EUR 100,000.00 to the account of the Enforcement Officer handling the enforcement case in December 2022. On 5 December 2022 the Enforcement Officer transferred the amount of EUR 99,961.11 after deducting the costs of the enforcement proceedings to the Creditor. Enforcement proceedings were initiated against the Guarantor on the grounds of an enforceable default judgment. Subsequently, the Debtor made a payment of EUR 75,000.00 to the account of the Enforcement Officer handling the enforcement case in April 2023 in favour of the Creditor. The Enforcement Officer made a payment of EUR 74,994.72 to the Creditor on 14 April 2023 after deducting the costs of the enforcement proceedings. In the course of the enforcement proceedings, the Guarantor's bank accounts were seized and a warrant of arrest was applied for. In August 2023, there was a search by the Enforcement Officer of the dwelling under which the Guarantor was registered, but did not reside. The case resulted in a negative entry in the Schufa register and the debtors' register against Mr Skoberne. Additionally, an application has been made for the seizure of remuneration claims for A. Skoberne working in a position of a member of the Management Board at PQ Grundstücksverwaltungs. In January 2024, a claim for payment was filed against PQ Service GmbH for an amount of EUR 821,850.88. The loan receivable has been fully written down. The Management Board expects a positive outcome.
Requesting Party: 1. ONDE S.A., 2. Railway Engineering Works Company "TOR-KRAK" Sp. z o.o. based in Kraków 3. trustee in bankruptcy of " Gotowski - Transport and Industrial Construction" Sp. z o.o. in bankruptcy with its registered office in Bydgoszcz Opponent: The City of Bydgoszcz; Municipal Waterworks and Sewerage in Bydgoszcz Sp. z o.o. Value of the dispute: PLN 2,570,390	On 21 December 2023 The Requesting Party sent a request for a settlement attempt to the Opponent, in which it called upon the Opponent to conclude a court settlement on the payment by it to the Consortium of: additional fee for the costs incurred in connection with the extension of the deadlines under Contract No. 159/ZDMiKP/18 by 105 days (excluding the costs of temporary traffic organisation), reimbursement of the cost of purchasing trees by the Requesting Parties in connection with the extension of the implementation of Contract No.159/ZDMiKP/18, which forced the Consortium to purchase materials at a later date, under different market circumstances and at a higher price, and additional remuneration to the Requesting Parties for the performance of agrotechnical works during the extended period of Contract No. 159/ZDMiKP/. Before filing a request the Consortium lodged a claim in March 2022 and then in November 2022 made a pre-trial demand for payment covering the amount claimed. From April 2023 until the beginning of December 2023, due to the settlement request filed in the TOR costs case, the Parties held intermittent discussions aimed at possible court settlement. The Parties have not reached an out-of-court agreement. A new date was set for a settlement meeting on 20 February 2024, during which no court settlement was reached. In view of the above, a claim for payment of the amount covered by the request for an attempted settlement was filed on 29 February 2024. The Management Board expects that the claim will be upheld in whole or in part. The receivables presented in the balance sheet in connection with the case are not covered by a write-down.
Requesting Party: Consortium: 1. ONDE S.A. 2. Mosty Łódź S.A. Opponent: State Treasury - General Director of National Roads and Motorways	On 29 December 2023 The Consortium filed a request for a settlement attempt against the Contracting Authority: in the person of the State Treasury - General Directorate for National Roads and Motorways concerning a part of receivables related to the performance of Contracdt No. O.WR.D -3.2410.86.2017 on account of the performance of works with respect to the widening of the WS-47 facility, which widening is a result of hydrological and hydraulic conditions different from those assumed in the Functional and Utility Programme, on account of the performance of works resulting from the requirements of the Orange Polska operator, and these requirements exceeded the scope of the contract, on account of the prolonged performance of the contract as a result of the delay in issuing the decision to issue a permit for the implementation of the road

Value of the dispute: PLN 8,525,955	investment project in the period from 13 July 2020 to 30 August 2020, resulting in an extension of the time to complete the works under contract. There is no hearing date set in the case. The contract valuation comprises the Consortium's claims. The Management Board expects a positive settlement either through settlement or lawsuit. The receivables presented in the balance sheet in connection with the case are not covered by a write-down.
Plaintiff 1 : Mosty Łódź S.A. Plaintiff 2: ONDE S.A. Defendant: State Treasury - General Director of National Roads and Motorways Value of the dispute: PLN 11,916,279	On 17 January 2024, the plaintiffs filed a lawsuit for the payment of PLN 11,916,279 against the defendant State Treasury - General Directorate for National Roads and Motorways. The lawsuit concerns the part of the receivables related to the execution of the Contracdt No. O.WR.D -3.2410.86.2017, i.e. receivables resulting from the change of technical requirements issued by the railway line manager regarding the required gauge of objects above the railway lines - design works, the execution of an enhanced volume of construction works caused by the requirements of the technical conditions of the railway line manager regarding the required vertical gauge of facilities - construction works, and payments for the extended execution of the design works in the period from 20 December 2019 to 18 March 2020 and, as a result, the extended execution of the contract in the period from 22 March 2022 to 31 May 2022. The contract valuation comprises the Consortium's claims. The Management Board expects that the claim will be upheld in whole or in part. The receivables presented in the balance sheet in connection with the case are not covered by a write-down.

6.9. TRADE PAYABLES, OTHER LIABILITIES

Trade payables and other liabilities include primarily trade payables to non-related parties, advances received, payroll liabilities and tax liabilities.

Trade payables are initially carried at fair value (corresponding to the nominal value) and as of the balance sheet date they are priced at amortized cost.

The received advance payments refer mainly to payments from contractors for the performance of construction contracts and are recognized at the nominal value of the payment received.

Wage and salary payablesare recognized at the value due for the work performed, accrued in accordance with the concluded contracts.

Tax liabilities (including tax on goods and services, corporate income tax, personal income tax) are recognized at the amount requiring payment by the Group in compliance with the effective and applicable legislation.

Short-term employee benefit liabilities

This category comprises provisions for non-utilized holidays. The basis for calculation of provision for non-utilized leave is the specification of non-utilized leave days at a certain balancing date broken down by employees and their daily gross salary plus social contribution surcharges paid by the Employer.

	2023	2022
Trade payables	**280,620**	**443,402**
Liabilities vis-a-vis budget in relation to:	**70,219**	**47,007**
VAT tax	28,073	10,404
corporate income tax	23,285	19,394
personal income tax	5,135	4,836
Social insurance contribution	12,660	10,752
real estate tax	-	2
State Fund for the Rehabilitation of the Disabled	301	224
Employee Capital Plans (PPK)	175	115
holiday accrual (Belgium tax)	380	413
other	210	867
Other liabilities	**69,556**	**59,138**
wages and salaries	14,189	14,987
accruals	1,017	2,695
short-term employee benefit liabilities	35,826	31,604
other	18,524	9,852
Total	**420,395**	**549,547**

6.10. EXPLANATORY NOTES TO THE CASH FLOW STATEMENT

Reconciliation of the change in working capital balance for the period from 1 January 2023 to 31 December 2023 and for the period from 1 January 2022 to 31 December 2022.

	Change in balance of Cash Flow Statement in the period from January 2023 to December 2023	Change in balance of Cash Flow Statement in the period from January 2022 to December 2022
Change in provisions	**16,850**	(830)
Change in inventory balance	**(61,321)**	(92,793)
Change of receivables balance	**142,489**	(91,436)
Change in balances of short-term liabilities, excluding credits and loans	**(53,191)**	131,697
Change of balance of the remaining assets	**23,027**	37,311
Change of the balance of assets and liabilities under building contracts	**117,437**	(126,966)
Change of working capital balance	**185,291**	**(143,017)**

6.11. GROUP STRUCTURE

Related entities and consolidation rules: The consolidated financial statements comprise data of the Parent Company and its subsidiaries.

Subsidiaries are consolidated using the full method from the date of control acquisition to the date of control loss. The control is exercised when the Parent Company is exposed to variable financial results due to its involvement in the entity in which it made investment, or when it has the right to changing financial results and is capable of influencing the level of these financial results by exercising its control over the entity. The financial statements of subsidiaries are drawn up for the same accounting period as the financial statement of the Parent Company using consistent accounting principles. If control is lost over a subsidiary, the profit or loss on the transaction resulting in the control loss is recognized in the income statement.

Settlements, income, expenses and unrealized gains recognised in the assets, arising out of transactions between Group member companies are taken out.

As of the date of control acquisition, the Group determines whether the controlled entity is a business as defined in IFRS 3 or a group of assets not representing a business.

Settlement of acquisition of ventures is made using the acquisition method. Under this method the identifiable assets and liabilities acquired are carried at fair value as of the acquisition date**.** The payment made under business acquisition transaction is priced using fair value, calculated as collective sum of fair values as the date of acquisition of assets submitted by the Group, liabilities taken by the Group against previous owners of the acquired entity and equity instruments issued by the Group in exchange for taking over control over acquired entity. Acquisition-related costs are recognized in income statement as incurred. The excess of the acquisition price, fair value of previously held interests and non-controlling interests over the fair value of the net assets acquired, subject to the exceptions referred to in IFRS 3, is goodwill.

For asset acquisitions that are not business acquisitions, the purchase price is allocated to the individual assets acquired based on their relative fair values. Transaction costs are included in the initial value of the acquired fixed assets. No goodwill is generated through an asset acquisition transaction.

The investments in associates are accounted for in the consolidated financial statements using the equity method. In compliance with the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost, and then adjusted to reflect the Group's contribution to the financial result and to other comprehensive income of the associate. An investment in an associate is accounted for using the equity method from the date on which the entity becomes an associate.

When evaluating a need to recognise an impairment of the Group's investment in an associated entity, the requirements of IAS 28 apply. If necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36, Impairment of Assets, as a single asset by comparing its recoverable amount with its carrying amount. The impairment recognized represents a portion of the carried value of the investment. The reversal of this impairment is recognised in accordance with IAS 36 to the extent of any subsequent increase in the recoverable amount of the investment.

Group Structure

As of 31 December 2023, the Group comprises the Parent Company Erbud S.A. along with its subsidiaries, consolidated using the full method, and entities not controlled by Erbud S.A., consolidated using the equity method.

				Parent Company's share in equity (equal to the voting rights held)	
Item	**Name of entity**	**Registered office**	**Scope of activities**	**2023**	**2022**
	Shares held directly				
1	ONDE S.A.	Toruń	Road engineering and renewable energy sources	**60.67%**	60.10%
2	Erbud International Sp. z o.o.	Rzeszów	Construction services	**100.00%**	100.00%
3	Erbud Construction Sp. z o.o.	Toruń	Construction services	**100.00%**	100.00%
4	Erbud Industry Sp. z o.o.	Toruń	Engineering services	**0.00%**	100.00%
5	MOD21 GmbH	Düsseldorf, Germany	Construction services	**100.00%**	100.00%
6	Erbud Shared Services Sp. z o.o.	Warsaw	Support services	**100.00%**	100.00%
7	Erbud Holding Deutschland GmbH	Düsseldorf, Germany	Management services	**100.00%**	100.00%
8	Hebud Sp. z o.o. in liquidation	Minsk, Byelorussia	Construction services	**100.00%**	100.00%
9	Toruńska Sportowa in liquidation Sp. z o.o.	Toruń	Sports, entertainment and leisure services	**39.00%**	39.00%
10	JV WMER Matoc Poland Sp.z o.o	Warsaw	Construction services	**50.00%**	50.00%
11	JV PABC Sp. z o.o.	Warsaw	Construction services	**100.00%**	100.00%
12	MOD21 Sp.z o.o.	Ostaszewo	Modular timber construction	**98.00%**	100.00%
13	Sanssouci Karpacz Sp. z o.o.	Warsaw	Construction services	**43.00%**	43.00%
14	Erbud Industry Centrum Sp. z o.o.	The City of Łódź	Maintenance services in the industrial segment	**99.00%**	0.00%
15	Tauron Serwis Sp. z o.o.	Jaworzno	Maintenance services in the industrial segment	**4.00%**	0.00%
	TOTAL				

				Shares of Parent Company held indirectly (corresponding to the voting rights held)	
Item	**Name of entity**	**Registered office**	**Scope of activities**	**2023**	**2022**
	Shares held indirectly				
1	Erbud Industry Centrum Sp. z o.o.	The City of Łódź	Maintenance services in the industrial segment	**0.00%**	99.01%
2	ERBUD Industry Południe Sp. z o.o.	The City of Będzin	Maintenance services in the industrial segment	**0.00%**	99.29%
3	PDI Dusseldorf Malmedyerstrasse Ost GmbH	Düsseldorf, Germany	Construction services	**0.00%**	43.35%
4	PDI Dusseldorf Malmedyerstrasse West GmbH	Düsseldorf, Germany	Construction services	**0.00%**	43.35%
0	Efektywność Energetyczna dla Polski Sp.z o.o.	The City of Szczecin	Consulting services	**100.00%**	100.00%
5	IVT Beteiligungs GmbH	Düsseldorf, Germany	SPV	**100.00%**	100.00%
6	IVT Weiner + Reimann GmbH	Oberhausen, Germany	Maintenance services in the industrial segment	**100.00%**	100.00%
7	IVT Menzenbach GmbH	Oberhausen, Germany	Maintenance services in the industrial segment	**100.00%**	100.00%
8	PflegeQuatier Düren GmbH	Düsseldorf, Germany	Construction services	**43.35%**	43.35%
9	WTL20 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
10	WTL40 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
11	WTL80 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
12	WTL100 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
13	WTL120 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
14	WTL130 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
15	WTL140 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
16	WTL150 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
17	WTL160 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
18	WTL170 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
19	IDE Projekt Sp. z o.o.	Toruń	Design services	**100.00%**	100.00%
20	Satchwell Polska Toruń Sp. z o.o.	Toruń	Maintenance services in the industrial segment	**100.00%**	100.00%
21	Solar Serby Sp. z o.o.	Warsaw	Renewable energy sources	**50.00%**	50.00%
22	Cyranka Sp. z o.o.	Toruń	Renewable energy sources	**0.00%**	100.00%
23	DEPVPL sp. z o.o. Power Plant	Toruń	Renewable energy sources	**100.00%**	100.00%
24	KWE Spółka z o.o.	Warsaw	Renewable energy sources	**50.00%**	50.00%
25	IKR GmbH	Bitterfeld - Wolfen	Maintenance services in the industrial segment	**100.00%**	100.00%
26	WTL50 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
27	WTL210 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
28	WTL270 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
29	Park Słoneczny Ciechanów Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
30	Park Lewałd Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
31	FW Gumienice Sp. z o.o. wind farm	Toruń	Renewable energy sources	**100.00%**	100.00%
32	Farma Wiatrowa Szybowice Sp. z o.o. (*Wind Farm*)	Warsaw	Renewable energy sources	**50.00%**	50.00%
33	DEVOZE Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
34	Solar Kazimierz Biskupi Sp. z o.o.	Warsaw	Renewable energy sources	**50.00%**	50.00%
35	PV KADŁUBIA 2 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
36	PV SZCZEPANÓW Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
37	ONDE GmbH	Germany, Dusseldorf	Development of contracting activities in the RES business segment	**100.00%**	100.00%
38	Invest PV Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	0.00%
39	SPV Czerwona Woda Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	0.00%

Interests of jointly controlled companies consolidated using the equity method and classified as long-term financial assets:

Long-term financial assets	**12/31/2023**	**12/31/2022**
Azuryt 6 Investments Sp. z o.o.	14,687	14,687
KWE Sp. z o.o.	11,232	11,232
Farma Wiatrowa Szybowice Sp. z o.o. (*Wind Farm*)	5,287	5,287
Tauron Serwis Sp. z o.o.	488	488
Sanssouci Karpacz Sp. z o.o.	2	2
Neo Solar Kazimierz Biskupi Sp. z o.o.	22,681	22,681
ONDE GmbH	118	118
Share in net profits/losses of equity-accounted subsidiaries	(497)	(1,607)
Total	**53,998**	**52,888**

For major investment projects consolidated using the equity method, the key financial figures for the period ended on 31 December 2023 are presented below:

	Solar Serby Sp. z o.o.	**KWE SP. Z O.O. (*WIND FARM*)**	**FARMA WIATROWA SZYBOWICE SP. Z O.O. (*WIND FARM*)**	**Solar Kazimierz Biskupi Sp. z o.o.**	**Sanssouci Karpacz Sp. z o.o.**
Balance Sheet highlights:					
ASSETS, of which:	**5,883**	**4,746**	**6,425**	**9,435**	**76,480**
Fixed assets	3,828	3,901	3,921	6,458	-
Current assets	2,055	845	2,504	2,977	76,480
Cash assets	27	17	-	45	1,050
LIABILITIES, of which:	**5,883**	**4,746**	**6,425**	**9,435**	**76,480**
Long-term liabilities of which:	4,862	5,500	6,062	6,569	-
Financial liabilities	4,862	5,500	6,062	6,569	-
Short-term liabilities of which:	1,448	201	20	504	18,024
Financial liabilities	1,045	-	-	-	1,471
Condensed Profit and Loss Account:					
Net profit for the accounting period	(704)	(824)	(389)	(334)	5,198
Other P&L items:					
Financial expenses	111	200	378	400	248

The accounting period of subsidiaries is the same as that of the parent company. These companies have no restrictions on the cash allocation to potential dividend payments and loan repayments.

The remaining companies reported a financial result with marginal importance.

In the financial statements, the Group has presented acquisitions of entities comprising a group of assets that do not represent a business, acquisitions of interests in jointly controlled entities and acquisitions of entities that represent a business.

Acquisition of entities comprising a group of assets not representing a business

On 7 July 2023, ONDE S.A. entered into agreements to acquire 100% shareholding from non-related parties in two companies, SPV Czerwona Woda Sp. z o.o. and PV Invest Sp. z o.o., which are the owners of projects of two photovoltaic power plants located in the Lower Silesia region (the Dolnośląskie Province). One project is at a very advanced stage of development

development and has a building permit issued. The second project has also been granted the building permit, but is in the phase of obtaining power grid connection conditions. The purchase price of the projects was set following an arm's length principle, totalled PLN 13.6 million and was settled in cash. Transaction costs related to this transaction were immaterial. The total identified net assets of the two companies amounted to PLN 5,748 thousand, and the companies did not represent a business within the meaning of IFRS 3, and the surplus of the purchase price over the net asset value was accounted for in the fixed assets of the acquired entities.

Acquisition of entities that represent a business

In the current year no entities that represent a business were acquired.

Disposal of stakes in subsidiaries

On 30 June 2023, 100% shareholding in Cyranka Sp. z o.o. was sold by ONDE S.A. to a non-related entity. The deal price totaled to PLN 74,700K, adjusted for the value of third party financing, and the result on the sale of the PV project was included in the disjointed array in the gross profit on sale line.

6.12. Transactions with related entities

Transactions with related entities

The following tables show the totals of transactions made by the Erbud S.A. Group with its member companies in the period ended on 31 December 2023 and in the period ended on 31 December 2022.

	2023	2022
	Subsidiaries not consolidated by full method	Subsidiaries not consolidated by full method
Trade receivables	6,464	13,449
Loans extended	22,417	13,628
Sales revenues	20,373	30,188
Interest income on loans extended	1,231	1,187
Purchase of goods and services	-	45

Transactions with key executives

The remuneration accrued for the financial year for the members of the Parent Company's Management Board and members of the Supervisory Board received from the Group is presented in the table below:

	2023	2022
Management Board		
Krótkoterminowe świadczenia pracownicze (wynagrodzenia)	10,591	13,689
Supervisory Board		
Krótkoterminowe świadczenia pracownicze (wynagrodzenia)	819	554

Total	**11,410**	**14,243**

At individual balance sheet dates the managing persons (members of the Management and Supervisory Boards) held the following number of shares (all shares are ordinary shares):

	2023		2022	
Shareholder	**No. of shares /votes**	**% of shareholding in the share capital counted in votes at the General Meeting of Shareholders**	**No. of shares /votes**	**% of shareholding in the share capital counted in votes at the General Meeting of Shareholders**
Dariusz Grzeszczak (and DGI Fund controlled by Dariusz Grzeszczak)	2,553,460	21.40%	2,553,460	21.11%
Jacek Leczkowski	5,112	0.04%	5,112	0.04%
Agnieszka Głowacka	3,938	0.03%	3,938	0.03%
Albert Dürr	26,354	0.22%	13,642	0.11%
Roland Bosch	10,000	0.08%	10,000	0.08%
Total	**2,598,864**	**21.77%**	**2,576,152**	**21.37%**

As of the date of submission of these financial statements, the Management Board members and proxies do not hold any share-based benefits.

6.13. POST-ACCOUNTING PERIOD EVENTS

On 20 December 2023, an agreement was concluded by the subsidiary Erbud Industry Centrum Sp. z o.o. to acquire 100% shareholding in CKTiS SA, based in Stara Biała. The Company acquired 145,850 A-Series registered shares accounting for 100% of the share capital. The total price paid for the shares was PLN 14,990,463.00, i.e. the amount per share was PLN 102.78. The ownership title to the shares was transferred to the Buyer on 1 January 2024. At the date of the financial statement, the settlement of venture acquisition is underway.

CKTiS SA provides comprehensive mechanical and construction services for the energy, chemical, refining and petrochemical sectors involving overhauls, modernisations, investments and ongoing maintenance.

On 8 March 2024, ONDE S.A. and Goalscreen Holdings Limited (a company operating under the laws of Cyprus, with its registered office in Larnaca) concluded with a company belonging to the Orlen Group - i.e. Energa Green Development sp. z o.o. with its registered office in Gdańsk - a promised agreement for the sale of 100% of shares (50% of shares each) in Szybowice sp. z o.o. Wind Farm with its registered office in Warsaw. The sale price attributable to ONDE SA is approximately PLN 31.4 million. Szybowice sp. z o.o. Wind Farm owns a wind farm project called Szybowice, with an installed capacity of 37.4 MW, located in the municipality of Prudnik.

On 15 March 2024, the Company entered into an agreement with PV Barlinek Sp. z o.o. to sell 100% of its shares for approximately PLN 29.4 million in its subsidiaries, i.e. SPV Czerwona Woda sp. z o.o. and PV Invest sp. z o.o., which own three photovoltaic farm projects with a total installed capacity of 23.1 MW. Two of them, with a total installed capacity of 18.72 MW, are currently under construction and one project with a total installed capacity of 4.42 MW is in the development phase.

Signatures of all Management Board members:

Dariusz Grzeszczak /President of the Management Board/	Jacek Leczkowski /Vice-President of the Management Board/
Agnieszka Głowacka /Vice-President of the Management Board/	

Warsaw, 26 March 2024