

ERBUD GROUP

THE ERBUD GROUP

# Condensed, Consolidated Financial Statement

For the accounting period ended on 31 March 2025

Drawn up in compliance with the International Accounting Standard (IAS) No. 34, as endorsed for use in the European Union

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT/LOSS

| | | For a 3-month period, ended on 31 Mar. 2025 | For a 3-month period, ended on 31 Mar. 2024 |
|---|---|---|---|
| | **GOING CONCERN OPERATIONS** | | |
| Note 4.2. | Revenues from sales of products and services | 733,118 | 644,267 |
| Note 4.2-4.3 | Cost of products and services sold | 696,261 | 601,595 |
| | **Gross sales profit/(loss)** | **36,857** | **42,672** |
| Note 4.3. | Cost of sales | 5,935 | 4,835 |
| Note 4.3. | General and administrative (G&A) costs | 45,987 | 44,177 |
| | Other operating income | 8,353 | 24,533 |
| | Other operating expenses | 2,889 | 2,725 |
| | Impairment of financial assets and contract valuation assets | 478 | (95) |
| Note 4.2. | **Operating profit** | **(9,123)** | **15,373** |
| | Share in net profits/losses of equity-accounted subsidiaries | (551) | (259) |
| | Financial income | 3,326 | 5,480 |
| | Financial expenses | 9,945 | 8,900 |
| Note 4.2. | **Gross profit** | **(16,293)** | **11,694** |
| Note 4.4. | Income tax | (700) | 2,044 |
| | **Net profit /(loss) for the accounting period** | **(15,593)** | **9,650** |
| | Shareholders of Parent Company | (13,152) | 2,758 |
| | Non-Controlling Stakeholders | (2,441) | 6,892 |

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

| | For a 3-month period, ended on 31 Mar. 2025 | For a 3-month period, ended on 31 Mar. 2024 |
|---|---|---|
| **Consolidated profit / (loss), net** | **(15,593)** | **9,650** |
| Foreign exchange gains/losses resulting from translation of statements of foreign entities | **(1,564)** | (150) |
| **Comprehensive income (including tax effect) subject to reclassification into result** | **(1,564)** | **(150)** |
| **Comprehensive income in the accounting period** | **(17,157)** | **9,500** |
| Appropriated to: | | |
| Shareholders of Parent Company | (14,716) | 2,608 |
| Non-Controlling Stakeholders | (2,441) | 6,892 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | 32 Mar. 2025 | 31 Dec. 2024 |
|---|---|---|---|
| | **ASSETS** | **2,053,690** | **2,027,937** |
| | Goodwill | 42,399 | 42,760 |
| | Intangible assets | 27,397 | 14,532 |
| | Tangible fixed assets | 333,547 | 347,956 |
| | Investments accounted for using the equity method | 45,160 | 45,711 |
| | Financial assets | 39,659 | 24,036 |
| | Deferred tax assets | 127,846 | 126,308 |
| | Receivables under building contracts - bid bonds | 3,627 | 3,001 |
| | **Fixed assets** | **619,635** | **604,304** |
| | Inventory | 180,632 | 172,339 |
| | Receivables under building contracts - bid bonds | 34,525 | 41,446 |
| Note 2.2. | Pricing of building contracts - assets | 438,454 | 351,536 |
| Note 5.1. | Trade receivables | 486,809 | 458,438 |
| Note 5.1. | Income tax & VAT receivables | 33,039 | 22,928 |
| Note 5.1. | Other receivables | 23,138 | 27,008 |
| | Financial assets | 10,657 | 10,520 |
| | Cash and cash equivalents | 198,269 | 300,269 |
| | Cash assets in VAT account | 8,203 | 29,505 |
| | Short-term prepayments | 20,329 | 9,644 |
| | **Current assets** | **1,434,055** | **1,423,633** |
| | **LIABILITIES** | **2,053,690** | **2,027,937** |
| Note 3.1. | Share capital | 1,193 | 1,193 |
| | Supplementary capital | 289,658 | 289,658 |
| | Reserve capital | 104,346 | 104,346 |
| | Foreign exchange gains/losses resulting from conversion of foreign unit | (1,005) | 559 |
| | Retained earnings | 77,646 | 90,798 |
| | Equity of Parent Company shareholders | 471,838 | 486,554 |
| | Equity of non-controlling stakeholders | 140,015 | 142,456 |
| | **Equity** | **611,853** | **629,010** |
| Note 3.2.-3.4 | Debt | 252,580 | 178,276 |
| | Provisions | 25,024 | 25,717 |
| | Deferred tax liabilities | 22,229 | 21,774 |
| | Liabilities vis-à-vis subcontractors - bid bonds | 15,296 | 17,816 |
| | **Long-term liabilities** | **315,129** | **243,583** |
| Note 3.2.-3.4 | Debt | 99,374 | 134,865 |
| | Provisions | 49,117 | 34,895 |
| | Liabilities vis-à-vis subcontractors - bid bonds | 132,075 | 131,672 |
| Note 2.2. | Pricing of building contracts - liabilities | 448,981 | 431,941 |
| Note 5.2. | Trade payables | 299,558 | 312,199 |
| Note 5.2. | Income tax & VAT liabilities | 10,129 | 26,014 |
| Note 5.2. | Other liabilities | 87,474 | 83,758 |
| | **Short-term liabilities** | **1,126,708** | **1,155,344** |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**For a 3-month-period ended on 31 March 2025 and for a 3-month-period ended on 31 March 2024**

| | Share capital | Supplementary capital | Reserve capital | Foreign exchange gains/losses resulting from conversion of foreign unit | Retained earnings | Total | Equity of non-controlling stakeholders | Equity |
|---|---|---|---|---|---|---|---|---|
| **As of 1 Jan. 2024** | **1,193** | **281,353** | **104,346** | **3,784** | **146,867** | **537,543** | **137,403** | **674,946** |
| Net profit/loss in the accounting period | - | - | - | - | 2,758 | **2,758** | 6,892 | **9,650** |
| Comprehensive income in the accounting period | - | - | - | (150) | - | **(150)** | - | **(150)** |
| **Other comprehensive income** | **-** | **-** | **-** | **(150)** | **2,758** | **2,608** | **6,892** | **9,500** |
| **As of 31 Mar. 2024** | **1,193** | **281,353** | **104,346** | **3,634** | **149,625** | **540,151** | **144,295** | **684,446** |
| | | | | | | | | |
| **As of 1 Jan. 2025** | **1,193** | **289,658** | **104,346** | **559** | **90,798** | **486,554** | **142,456** | **629,010** |
| Net profit/loss in the accounting period | - | - | - | - | (13,152) | **(13,152)** | (2,441) | **(15,593)** |
| Comprehensive income in the accounting period | - | - | - | (1,564) | - | **(1,564)** | - | **(1,564)** |
| **Other comprehensive income** | **-** | **-** | **-** | **(1,564)** | **(13,152)** | **(14,716)** | **(2,441)** | **(17,157)** |
| **As of 1 Jan. 2025** | **1,193** | **289,658** | **104,346** | **(1,005)** | **77,646** | **471,838** | **140,015** | **611,853** |

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| | | For a 3-month period, ended on 31 Mar. 2025 | For a 3-month period, ended on 31 Mar. 2024 |
|---|---|---|---|
| | **OPERATIONAL CASH FLOWS** | | |
| | Gross profit/loss | (16,293) | 11,694 |
| Note 4.3. | Amortization and depreciation | 12,414 | 9,560 |
| | Foreign exchange losses | (2,965) | (1,920) |
| | Interest and share in profits (dividend) | 4,463 | 4,219 |
| | Other non-cash adjustments | 363 | (23,413) |
| | Income tax paid | (15,463) | (17,575) |
| Note 5.3. | Change of working capital balance | (100,047) | (41,649) |
| | **Operational cash flows, net** | **(117,528)** | **(59,084)** |
| | **INVESTMENT ACTIVITY CASH FLOWS** | | |
| | Proceeds from the sales of interest in a jointly controlled entity | - | 44,578 |
| | Inflows from credits/loans extended | 2,440 | 26,248 |
| | Other inflows | 2,362 | 1,754 |
| | Expenditures on the acquisition of tangible fixed assets | (6,994) | (4,246) |
| | Loans extended expense | (7,065) | (3,991) |
| | Expenditures on the acquisition of shares in companies | - | (15,140) |
| | Other expenses | - | (204) |
| | **Investment activity cash flows, net** | **(9,257)** | **48,999** |
| | **FINANCIAL ACTIVITY CASH FLOWS** | | |
| | Income from credits and loans taken | 53,537 | 50,666 |
| | Debt repayment expense - principal | (18,139) | (2,869) |
| | Lease debt repayment expense - principal | (4,794) | (4,686) |
| | Debt (interest) repayment expense | (5,547) | (6,164) |
| | Other expenses | (272) | (132) |
| | **Financial activity cash flows, net** | **24,785** | **36,815** |
| | **NET CASH FLOWS** | **(102,000)** | **26,730** |
| | **Opening cash balance** | **300,269** | **263,119** |
| | **Closing cash balance** | **198,269** | **289,849** |

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# 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 March 2025 and as of the date of the Condensed 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

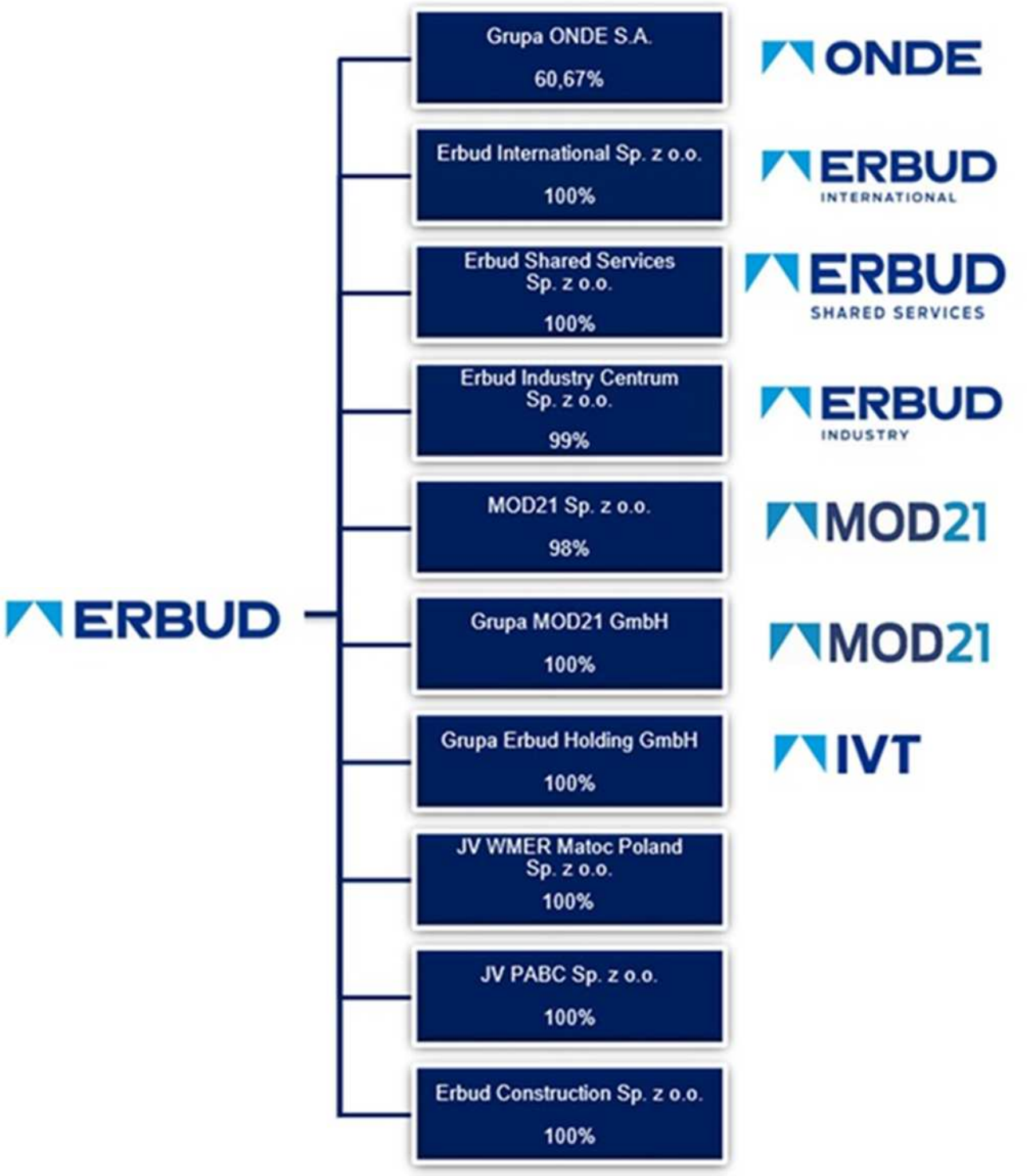
Tomasz Wojak – a Management Board Member.

As of 31 March 2025 and as of the date of the Condensed Consolidated Financial Statements the Parent Company's Supervisory Board consisted of:

| | |
|---|---|
| Roland Bosch | – the Supervisory Board Chairman |
| Michał Otto | – a Deputy Chairman of Supervisory Board |
| Albert Dürr | – a Supervisory Board Member |
| Janusz Reiter | – a Supervisory Board Member |
| Beata Jarosz | – a Supervisory Board Member |
| Michał Wosik | – a Supervisory Board Member |
| Sylwia Hałas – Dej | – a Supervisory Board Member |
| Seweryn Kubicki | – a Supervisory Board Member |

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

## 1. BACKGROUND INFORMATION




Detailed organisational structure of the Group is presented in the Note 5.4. The above figure shows the share of Erbud S.A. in individual member companies of Erbud S.A. Capital Group as of 31 March 2025.

## 1.2. GROUNDS FOR DRAWING UP THE FINANCIAL STATEMENT

### IAS Compliance Statement

The Condensed Consolidated Financial Statements were drawn up as of 31 March 2025 in compliance with the International Financial Reporting Standard (IFRS) No. 34, endorsed by the European Union.

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

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

This Condensed Consolidated Financial Statement was endorsed for publication by the Management Board on 12 May 2025.

### Going concern

This Condensed 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 this Condensed Consolidated Financial Statement, no signs prevailed indicating a risk to the continuation of Group operations following a going concern principle.

### Impact of armed conflict in Ukraine

In 2025, the impact of the war in Ukraine on economic processes is smaller than in the previous years. The situation is fairly stable, but still forces the Group to operate in an evolving environment. Among the negative impacts of the war, the most significant for the Group are the price hikes of materials and wage costs. The Polish currency has been strengthening, its value returning to the level predominant prior to the outbreak of hostilities in Ukraine.

The Group takes various risks into account in its on-going calculations. These include price hikes of materials and labour costs. They also include currency fluctuations. Management monitors the changing geo-political and economic situation and takes steps to minimise the negative impact of these changes, such as diversifying the business both geographically and by segment, while at the same time negotiating the terms of contracts 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 balance-sheet 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 (NBP). 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

The following new and amended standards, which came into force in 2025, were applied to this Condensed Consolidated Financial Statement:

**a) 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 the requirement of 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.

**Published standards and interpretations, which are not yet effective and have not been applied by the Group before.**

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

**a) Amendments to the classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS 7.**

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 with the aim to:

a) define more precisely the recognition and derecognition dates for certain financial assets and liabilities, with an exemption for certain financial liabilities settled through an electronic funds transfer system;
b) clarify and provide additional guidance on how to assess whether a financial asset complies with the SPPI criteria.
c) add new disclosures for certain instruments whose contractual terms may alter cash flows; and
d) update disclosures for equity instruments measured at fair value through other comprehensive income (FVOCI).

The published amendments shall apply to the financial statements for periods beginning on or after 1 January 2026.

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

**b) Annual Improvements to IFRS Accounting Standards**

"Annual Improvements to IFRSs" introduce amendments to following standards: IFRS 1 "First-Time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IAS 7 "Statement of Cash Flows".

The amendments provide clarifications and further refine the standards' guidance on recognition and measurement.

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

**c) Natural factor-dependent electricity contracts: Amendments to IFRS 9 and IFRS 7**

The amendments are intended to help companies better recognise the financial effects of contracts for electricity that are dependent on nature. These contracts often take the form of power purchase agreements (PPAs). The

current guidance may not fully capture the impact of these contracts on the Company's performance. To enable entities to better reflect these contracts in their financial statements, the IASB has amended IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures". The amendments comprise:

a) clarification of the application of the 'own use' criterion;

b) allowing hedge accounting where these contracts are used as hedging instruments;

c) adding new disclosures to enable stakeholders to understand the impact of these contracts on financial performance and cash flows.

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

**d) IFRS 18 "Presentation and disclosures in financial statements"**

In April 2024, the International Accounting Standards Board (IASB) published the new standard IFRS 18 'Presentation and Disclosures in Financial Statements". The new standard is intended to replace IAS 1 - Presentation of Financial Statements and will be effective from 1 January 2027. The changes to the superseded standard mainly relate to three issues: the statement of profit or loss, required disclosures about performance measures and issues related to the aggregation and disaggregation of information contained in financial statements.

The published standard shall apply to financial statements for periods beginning on or after 1 January 2027.

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

**e) IFRS 19 "Subsidiaries without public accountability: disclosures".**

In May 2024, the Board issued a new accounting standard, IFRS 19, which can be adopted by certain subsidiaries applying IFRS accounting standards to improve the effectiveness of disclosures in their financial statements. The new standard introduces simplified and limited disclosure requirements. Consequently, the qualifying subsidiary applies the requirements of other IFRS accounting standards, excluding the disclosure requirements, and instead applies the limited disclosure requirements of IFRS 19.

Eligible subsidiaries are entities that are not subject to "public accountability" as defined in the new standard. In addition, IFRS 19 requires the ultimate or intermediate parent of the entity to draw up publicly available consolidated financial statements in compliance with IFRS Accounting Standards.

Eligible entities may choose to apply the guidance of the new IFRS 19 standard for financial statements drawn up for periods beginning on or after 1 January 2027.

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

**f) 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.

**g) 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 separate financial statements, the endorsement of this amendment is deferred by the European Union.

## 2. BUILDING CONTRACTS

The Group enters into fixed-price contracts for the execution of building contracts, predominantly in the domains of residential construction (including entire housing estates), hotels, SPA facilities, shopping malls and distribution hubs, wind and photovoltaic farms, power stations, manufacturing facilities, roads and motorways as well as structures made using modular timber technology.

The amount of revenue recognised and the transaction price are both adjusted by the variable pay component. The Group recognises a portion or total amount of variable pay in the transaction price, only to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue recognised when the uncertainty related to volatility has been resolved. The Group only recognises income from claims when it has received expert advice from third parties confirming that it is appropriate to recognise an additional amount of compensation based on the terms of the contract. To estimate variable pay, the Group uses the expected value method to estimate variable pay.

Due to the specific nature of the Group's building contracts and services, the Group identifies only one performance obligation for all building contracts, to which the entire value of the compensation is allocated.

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 building contracts in the period from the Contract Date to the balancing date proportionally to the progress rate 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 the figures thus obtained, the Group deducts the income and expenses that affected the financial profit/loss in previous years, resulting in the current period's income and expenses under building contracts. 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 the progress rate of non-completed service
(including construction) or the expected total cost of its completion cannot be reliably determined as at the balance sheet date, revenue is determined at the amount of costs incurred in the reporting period, but not higher than the costs expected to be covered in the future by the employer.

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 5.1) The Contractors under building contracts entered into with the Group retain a part of the payments as a performance bond for the contracts. These figures are recognized as "Building contract receivables - bid bonds" and are refundable most often after project completion or after 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 5.2). The Company retains a portion of payments to the subcontractors in relation to performance bond, and recognizes it in the line "Building contract liabilities - bid bonds". 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 different timing of income and expenses recognition for accounting and tax purposes, the deferred income tax assets and liabilities are recognized in the statement of financial position.

## 2. BUILDING CONTRACTS

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 fulfilment 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. components or phases of the contract underway, according to the units of measure assigned to them (mainly square meters, 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 income 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 on-going 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 - building 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 on-going 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:

## 2. BUILDING CONTRACTS

| | For a 3-month period, ended on 31 Mar. 2025 | For a 3-month period, ended on 31 Mar. 2024 |
|---|---|---|
| **Figures recognised in the period** | | |
| Income under building contracts | 588,720 | 527,919 |
| Costs under building contracts, | 554,096 | 494,307 |
| **Net income before recognition and settlement of provisions for the contracts generating net liabilities** | **34,624** | **33,612** |
| Setting up provisions for the contracts generating net liabilities | 478 | 2,072 |
| **Gross profit/loss** | **34,146** | 31,540 |
| | | |
| **Gross profit margin** | | |
| excluding provisions for the contracts generating liabilities | 6% | 6% |
| including provisions for the contracts generating liabilities | 6% | 6% |

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

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

| | | 31 Dec. 2024 |
|---|---|---|
| Revenues generated under non-completed building contracts YTD | 4,598,827 | 4,637,706 |
| Invoiced receivables from customers, YTD (excl. advances) | 4,377,195 | 4,501,492 |
| **Balance of payments under non-completed building contracts** | **221,632** | **136,214** |
| of which: | | |
| (1) Assets for completed, non-invoiced construction works, gross | 371,462 | 282,401 |
| Asset impairment write-off under building contracts | (4,025) | (12,054) |
| (1a) Assets for completed, non-invoiced construction works, net | 367,437 | 270,347 |
| (2) Payables for non-completed invoiced construction works - liabilities under building contracts | 145,805 | 134,133 |
| Costs related to building contracts, YTD | 2,093,238 | 2,056,358 |
| Losses posted on YTD basis | - | 100 |
| Subcontractor expense and own expenses on a YTD basis. | 2,013,189 | 1,987,212 |
| **Balance of payments under building contracts** | **(80,049)** | **(69,146)** |
| of which: | | |
| (3) Assets for non-completed, invoiced construction works of the subcontractors | 71,017 | 81,189 |
| (4) Liabilities for due and payable non-completed, invoiced construction works of the subcontractors | 138,397 | 150,335 |
| **Balance of payments under building contracts** | **141,583** | **67,068** |
| of which: | | |
| **Pricing of building contracts - assets - TOTAL** | **438,454** | **351,536** |
| Pricing of building contracts - balance settlement (2)+(4) | 284,202 | 284,468 |
| Building contract liabilities - advanced paid | 164,779 | 147,473 |
| **Pricing of building contracts - liabilities - TOTAL** | **448,981** | **431,941** |

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 par value (in adherence to the Articles of Association of the Parent Company and an entry made into the National Court 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 set up 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.

### Share capital

As of 31 March 2025, the share capital consisted of 11 929 836 shares 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 & Muller Baubeteiligungen GmbH & Co.KG, including Wolff & Muller Holding GmbH & Co. KG | 3,854,837 | 32.31% |
| Dariusz Grzeszczak directly and indirectly (Dariusz Grzeszczak, DGI Family Foundation) including: | 2,553,460 | 21.40% |
| *Dariusz Grzeszczak* | *1,231,907* | *10.33%* |
| *DGI Family Foundation* | *1,321,553* | *11.08%* |
| ING OFE | 1,200,000 | 10.06% |
| Allianz OFE, Allianz DFE, Second Allianz OFE | 764,935 | 6.41% |
| PKO OFE | 715,279 | 6.00% |
| Other shareholders | 2,841,325 | 23.82% |
| **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.

## 3. CAPITAL AND DEBT MANAGEMENT

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 March 2025, 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 3-month period, ended on 31 Mar. 2025 | For a 3-month period, ended on 31 Mar. 2024 |
|---|---|---|
| Net profit/loss attributable to the shareholders of the Parent Company | (13,152) | 2,758 |
| Average weighted number of ordinary shares (in pcs.) | 11,929,836 | 11,929,836 |
| **Basic and diluted earnings per share (in PLN)** | **(1.10)** | **0.23** |

### 3.2. CREDIT AND LOAN LIABILITIES

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

| | 31 Mar. 2025 | 31 Dec. 2024 |
|---|---|---|
| **Long-term** | | |
| Bank loans | 100,283 | 102,373 |
| Loans | 1,326 | - |
| | **101,609** | **102,373** |
| **Short-term** | | |
| Overdraft facilities | 45,548 | 12,748 |
| Bank loans | 23,396 | 18,310 |
| Loans | 1,441 | 1,170 |
| | **70,385** | **32,228** |
| **Total credit and loan liabilities** | **171,994** | **134,601** |

Long-and short-term loans bear interest at WIBOR 3M + 1.35%-3.5%, 3M EURIBOR +1.35%- 2.2%, 6M WIBOR +3% and fixed rate of 10% per annum.

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.

**Covenants**

During the year, as of 31 March 2025 and by the approval date of the financial statements, all covenants have been met, similarly to the previous year.

### 3.3. DEBT RELATED TO ISSUED BONDS

Liabilities related to issued bonds are initially recognized at fair value less transaction costs. At each balancing 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 Mar. 2025 | 31 Dec. 2024 |
| 23 September 2021 | D-series bearer shares, dematerialized, unsecured | functional | WIBOR 6M + 2.6% | 23 Sept. 2025 | financing of an increased working capital requirement | - | **76,720** |
| 27 Feb. 2025 | E-series bearer shares, dematerialized, unsecured | functional | WIBOR 6M + 3.0% | 27 Feb. 2029 | refinancing of the debt arising from the Issuer's D-series bonds | 75,598 | - |
| | | | **Total bond liability as of 31 March 2025, of which:** | | | **75,598** | **76,720** |
| | | | long-term | | | 75,000 | |
| | | | short-term | | | 598 | 76,720 |

**Covenants**

| "Consolidated Net Financial Debt Ratio" means the quotient of Consolidated Net Financial Debt and Consolidated Equity in value terms. | As of | |
|---|---|---|
| | 31 Mar. 2025 | 31 Dec. 2024 |
| | **0.27** | **(0.03)** |
| Consolidated long-term and short-term debt | 351,954 | 313,141 |
| Cash assets | 206,472 | 329,774 |
| Adjusted equity by goodwill and intangible assets | 542,057 | 571,718 |

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

## 3. CAPITAL AND DEBT MANAGEMENT

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.

### 3.4. LEASE LIABILITIES

| Period | | 31 Mar. 2025<br>Nominal value of minimum payments | 31 Dec. 2024<br>Nominal value of minimum payments |
|---|---|---|---|
| Below 1 year | Short-term | 33,490 | 31,012 |
| Above 1 year | Long-term | 94,210 | 93,911 |
| **Nominal value of minimum payments** | | **127,700** | **124,923** |
| Future lease costs | | 23,338 | 23,103 |
| **Present value of minimum payments** | | **104,362** | **101,820** |
| Below 1 year | Short-term | 28,391 | 25,917 |
| Above 1 year | Long-term | 75,971 | 75,903 |

Major items of fixed assets under lease include equipment and machinery as well as means of transport.

# 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 as well as 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 analysed 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.

| | 31 Mar. 2025 | 31 Mar. 2024 |
|---|---|---|
| **Net profit /(loss) for the accounting period** | **(15,593)** | **9,650** |
| Corporate income tax | (700) | 2,044 |
| **Gross profit** | **(16,293)** | **11,694** |
| Share in net profits/losses of equity-accounted subsidiaries | (551) | (259) |
| Financial expenses | 9,945 | 8,900 |
| Financial income | 3,326 | 5,480 |
| **EBIT** | **(9,123)** | **15,373** |
| | | |
| Amortization and depreciation | 12,414 | 9,560 |
| **EBITDA** | **3,291** | **24,933** |
| | | |
| Revenues from sales of products and services | 733,118 | 644,267 |
| **EBIT margin** | **(1%)** | **2%** |
| | | |
| **EBITDA/Revenues from sales of products and services** | **0.45%** | **3.87%** |

## 4.2. ACCOUNTING SEGMENTS

The presentation of accounting segments from the onset of 2025 has changed.

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

- building construction segment,
- industrial construction segment at home
- industrial construction segment in foreign countries
- renewable energy sources + infrastructure segment
- modular construction segment,
- other segments.

Comparative figures have also been restated for the sake of comparability.

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 2025 - March 2025 and January 2024 - March 2024.**

| | For a 3-month period, ended on 31 Mar. 2025 | | | For a 3-month period, ended on 31 Mar. 2024 | | |
|---|---|---|---|---|---|---|
| | Domestic market (Poland) | Foreign markets | Total | Domestic market (Poland) | Foreign markets | Total |
| Sales to third party customers, of which: | 578,284 | 154,834 | **733,118** | 524,489 | 119,778 | **644,267** |
| Accrued and deferred income | 541,813 | 46,907 | **588,720** | 488,014 | 39,905 | **527,919** |
| Income recognized at a certain point in time | 36,471 | 107,927 | **144,398** | 36,475 | 79,873 | **116,348** |
| Fixed assets other than financial instruments and deferred tax assets | 580,622 | 55,831 | **636,453** | 422,452 | 84,325 | **506,777** |

## 4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

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

| | | | | | | | For a 3-month period, ended on 31 Mar. 2025 |
|---|---|---|---|---|---|---|---|
| | Building construction segment, | Industrial construction segment at home | Industrial construction segment in foreign countries | RES + infrastructure segment | Modular construction segment, | Other segments | Total continued activities |
| Sales to third party customers | 394,358 | 46,105 | 101,670 | 152,128 | 37,980 | 877 | **733,118** |
| **Total sales revenues** | **394,358** | **46,105** | **101,670** | **152,128** | **37,980** | **877** | **733,118** |
| **Segments' performance and reconciliation with Group's gross profit** | | | | | | | |
| Cost of goods sold (COGS) | 379,764 | 43,088 | 91,997 | 139,987 | 39,627 | 1,798 | **696,261** |
| **Sales margin** | **14,594** | **3,017** | **9,673** | **12,141** | **(1,647)** | **(921)** | **36,857** |
| Sales margin % | 4% | 7% | 10% | 8% | (4%) | (105%) | **5%** |
| Other operating profit/loss | (11,249) | (3,539) | (5,328) | (16,043) | (10,249) | 428 | **(45,980)** |
| **Segment performance – EBIT** | **3,345** | **(522)** | **4,345** | **(3,902)** | **(11,896)** | **(493)** | **(9,123)** |
| EBIT margin | 1% | (1%) | 4% | (3%) | (31%) | (56%) | **(1%)** |
| Share in net profits/losses of equity-accounted entities | - | - | - | (551) | - | - | **(551)** |
| Profit (loss) on financial activities (financial income less financial expenses) | | | | | | | **(6,619)** |
| **Gross profit/loss** | | | | | | | **(16,293)** |
| Corporate income tax | | | | | | | **(700)** |
| **Net profit/loss** | | | | | | | **(15,593)** |
| Amortization and depreciation | 2,492 | 1,838 | 1,648 | 3,209 | 2,131 | 1,096 | **12,414** |
| **Segment performance – EBITDA** | **5,837** | **1,316** | **5,993** | **(693)** | **(9,765)** | **603** | **3,291** |

## 4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

| | Building construction segment, | Industrial construction segment at home | Industrial construction segment in foreign countries | RES + infrastructure segment | Modular construction segment, | Other segments | For a 3-month period, ended on 31 Mar. 2024<br>Total continued activities |
|---|---|---|---|---|---|---|---|
| **Total income** | | | | | | | |
| Sales to third party customers | 342,180 | 35,029 | 79,478 | 168,024 | 19,542 | 14 | **644,267** |
| **Total sales revenues** | **342,180** | **35,029** | **79,478** | **168,024** | **19,542** | **14** | **644,267** |
| **Segments' performance and reconciliation with Group's gross profit** | | | | | | | |
| Cost of goods sold (COGS) | 318,492 | 34,294 | 77,908 | 152,615 | 18,286 | - | **601,595** |
| **Sales margin** | **23,688** | **735** | **1,570** | **15,409** | **1,256** | **14** | **42,672** |
| Sales margin % | 7% | 2% | 2% | 9% | 7% | 100% | **7%** |
| Other operating profit/loss | (19,889) | (3,410) | (670) | 6,694 | (8,875) | (1,149) | **(27,299)** |
| One-off expenses | - | - | | | - | - | **-** |
| **Segment performance – EBIT** | **3,799** | **(2,675)** | **900** | **22,103** | **(7,619)** | **(1,135)** | **15,373** |
| EBIT margin | 0% | (8%) | 1% | 13% | (39%) | (8107%) | 2% |
| Share in net profits/losses of equity-accounted entities | - | | | (259) | | | **(259)** |
| Profit (loss) on financial activities (financial income less financial expenses) | | | | | | | **(3,420)** |
| **Gross profit/loss** | | | | | | | **11,694** |
| Corporate income tax | | | | | | | **2,044** |
| **Net profit/loss** | | | | | | | **9,650** |
| Amortization and depreciation | 1,982 | 1,742 | 1,221 | 2,255 | 1,268 | 1,092 | **9,560** |
| **Segment performance – EBITDA** | **5,781** | **(933)** | **2,121** | **24,358** | **(6,351)** | **(43)** | **24,933** |

# 4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

## 4.3. COST OF GOODS SOLD (COGS)

| | For a 3-month period, ended on 31 Mar. 2025 | For a 3-month period, ended on 31 Mar. 2024 |
|---|---|---|
| Third party services | 442,742 | 376,672 |
| *including third party services from subcontractors* | *295,722* | *310,376* |
| Material and energy consumption | 183,749 | 82,709 |
| Employee benefit expenses | 128,848 | 123,254 |
| Amortization and depreciation | 12,414 | 9,560 |
| Taxes and charges | 5,212 | 5,089 |
| Other cost categories | 11,178 | 18,613 |
| Value of goods and materials sold | 150 | 323 |
| **Total costs by category** | **784,293** | **616,220** |
| Change in the balance of products, work in progress and accrued expenses under building contracts | (36,110) | 34,387 |
| Cost of sale (negative value) | (5,935) | (4,835) |
| General management and administration costs (negative value) | (45,987) | (44,177) |
| **Manufacturing costs of products sold** | **696,261** | **601,595** |

## 4.4. 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, sets up: deferred income tax liabilities concerning positive temporary differences and determines deferred tax assets in respect of foreign exchange losses and tax losses, which is deductible 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 profit or loss..

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. The Group's projected future financial performance and its impact on the recoverability of deferred tax assets is an element of judgement in determining the recoverability of deferred tax assets.

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

| | For a 3-month period, ended on 31 Mar. 2025 | For a 3-month period, ended on 31 Mar. 2024 |
|---|---|---|
| **Gross profit before taxation** | **(16,293)** | **11,694** |
| **Tax according to the statutory tax rate applicable in Poland - 19%** | **(3,096)** | **2,222** |
| Additional tax burden being a result of a rate exceeding 19% in Germany | 1,202 | 1,861 |
| Surplus of non-deductible expenses over non-taxable income | 1,194 | (2,039) |
| **Tax recognized in the financial net profit/loss** | **(700)** | **2,044** |
| Current tax | 2,245 | 5,956 |
| Deferred tax | (2,945) | (3,912) |
| **Effective tax rate** | **4.30%** | **17.48%** |

### 4.5. 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.

#### 4.5.1. 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.

#### 4.5.2. MARKET RISK – INTEREST RATE RISK

The interest rate risk occurs mainly in connection with debt financing, i.e. bank credits and loans (Note 3.2), and lease products (Note 3.4), 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 exposes the 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.

**Trade receivables and building contract assets**

To protect against credit risk resulting from receivables under building contracts (i.e. trade receivables, receivables under building contracts - bid bonds and valuation of building 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 building contracts - in relation to bid bonds and valuation of building contracts.

Changes in the write-down of receivables are presented in the Note 5.1.

### 4.5.3. 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.

### 4.5.4. CLIMATE RISK

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.

# 5. OTHER NOTES

## 5.1. 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 building 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 between 30 and 180 days, are carried at their nominal value, which is the amount 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 budget** are recognised at the amount due to the Group pursuant to 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.

| | 31 Mar. 2025 | | | 31 Dec. 2024 | | |
|---|---|---|---|---|---|---|
| | Gross value | Write-down | Net value | Gross value | Write-down | Net value |
| Trade receivables | 538,281 | 51,472 | 486,809 | 510,560 | 52,122 | 458,438 |
| Corporate income tax receivables | 5,393 | - | 5,393 | 3,958 | - | 3,958 |
| VAT tax receivables | 27,646 | - | 27,646 | 18,970 | - | 18,970 |
| Other budget receivables | 1,700 | - | 1,700 | 1,616 | - | 1,616 |
| Other receivables | 21,520 | 82 | 21,438 | 25,474 | 82 | 25,392 |
| **Total** | **594,540** | **51,554** | **542,986** | **560,578** | **52,204** | **508,374** |

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

## 5. OTHER NOTES

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

| | For a 3-month period, ended on 31 Mar. 2025 | For a 12-month period, ended on 31 Dec. 2024 |
|---|---|---|
| **Opening balance of write-downs** | **52,204** | **60,354** |
| Setting up/(reversal) of individual write-offs | - | 5,396 |
| Setting up of write-offs according to write-off matrix | - | 3,994 |
| Use of individual write-offs | - | (17,909) |
| Reversal of individual write-offs | (433) | - |
| Other | - | 724 |
| FX gains and losses from translation | (217) | (355) |
| **Closing write-offs, of which:** | **51,554** | **52,204** |
| Matrix-based calculated write-off | 22,415 | 22,415 |
| Individual write-off | 29,139 | 29,789 |

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.

### 5.2. 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 building contracts and are recognized at the nominal value of the payment received.

**Wage and salary payables** are recognized at the value due for the work performed, calculated 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 balance-sheet date broken down by employees and their daily gross salary plus social contribution surcharges paid by the Employer.

| | 31 Mar. 2025 | 31 Dec. 2024 |
|---|---|---|
| Trade payables | **299,558** | **312,199** |
| Liabilities vis-a-vis budget in relation to: | **10,129** | **26,014** |
| VAT tax | 4,646 | 10,568 |
| corporate income tax | 5,483 | 15,446 |
| Other liabilities | **87,474** | **83,758** |
| wages and salaries | 18,910 | 16,244 |
| accruals | 3,680 | 2,389 |
| short-term employee benefit liabilities | 34,810 | 33,318 |
| other taxes | 16,179 | 21,800 |
| other | 13,895 | 10,007 |
| **Total** | **397,161** | **421,971** |

## 5.3. EXPLANATORY NOTES TO THE CASH FLOW STATEMENT

Reconciliation of the change in working capital balance for the period from 1 January 2025 to 31 March 2025 and for the period from 1 January 2024 to 31 March 2024.

| | Change in balance of Cash Flow Statement in the period from January 2025 to March 2025 | Change in balance of Cash Flow Statement in the period from January 2024 to March 2024 |
|---|---|---|
| Change in provision balance | **13,529** | 937 |
| Change in inventory balance | **(8,293)** | 24,368 |
| Change of receivables balance | **(27,691)** | 37,478 |
| Change in balances of short-term liabilities, excluding credits and loans | **2,971** | (80,616) |
| Change in balance of prepayments and accruals | **(10,685)** | (23,529) |
| Change of the balance of assets and liabilities under building contracts | **(69,878)** | (287) |
| **Change of working capital balance** | **(100,046)** | **(41,649)** |

## 5.4. GROUP STRUCTURE

**Related entities and consolidation rules:** The consolidated financial statements comprise data of the Parent Entity 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 profit or loss.

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 acquired and liabilities assumed are measured at their fair values at the date of acquisition. 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 profit or loss 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 based on 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 March 2025, 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., but consolidated using the equity method.

| | | | | Parent Company's share in equity (equal to the voting rights held) | |
|---|---|---|---|---|---|
| # | Name of entity | Registered office | Scope of activities | 31 Mar. 2025 | 31 Dec. 2024 |
| | **Shares held directly** | | | | |
| 1 | ONDE S.A. | Toruń | Road engineering and renewable energy sources | **60.67%** | 60.67% |
| 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 | MOD21 GmbH | Düsseldorf, Germany | Construction services | **100.00%** | 100.00% |
| 5 | Erbud Shared Services Sp. z o.o. | Warsaw | Support services | **100.00%** | 100.00% |
| 6 | Erbud Holding Deutschland GmbH | Düsseldorf, Germany | Management services | **100.00%** | 100.00% |
| 7 | Hebud Sp. z o.o. in liquidation | Minsk, Belorussia | Construction services | **100.00%** | 100.00% |
| 8 | JV WMER Matoc Poland Sp. z o.o | Warsaw | Construction services | **100.00%** | 100.00% |
| 9 | JV PABC Sp. z o.o. | Warsaw | Construction services | **100.00%** | 100.00% |
| 10 | MOD21 Sp. z o.o. | Ostaszewo | Modular timber construction | **98.00%** | 98.00% |
| 11 | Erbud Industry Centrum Sp. z o.o. | The City of Łódź | Maintenance services in the industrial segment | **99.00%** | 99.00% |
| 12 | Tauron Serwis Sp. z o.o. | Jaworzno | Maintenance services in the industrial segment | **4.13%** | 4.00% |
| | TOTAL | | | | |

| | | | | Shares held indirectly by the Parent Company (corresponding to the voting rights held) | |
|---|---|---|---|---|---|
| # | Name of entity | Registered office | Scope of activities | 31 Mar. 2025 | 31 Dec. 2024 |
| | **Shares held indirectly** | | | | |
| 1 | IVT Beteiligungs GmbH | Düsseldorf, Germany | SPV | **100.00%** | 100.00% |
| 2 | IVT Weiner + Reimann GmbH | Oberhausen, Germany | Maintenance services in the industrial segment | **100.00%** | 100.00% |
| 3 | IVT Menzenbach GmbH | Oberhausen, Germany | Maintenance services in the industrial segment | **100.00%** | 100.00% |
| 4 | WTL20 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 5 | WTL40 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 6 | WTL80 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 7 | WTL100 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 8 | WTL120 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 9 | WTL130 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 10 | WTL140 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 11 | WTL150 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 12 | WTL160 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 13 | WTL170 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 14 | IDE Projekt Sp. z o.o. | Toruń | Design services | **100.00%** | 100.00% |
| 15 | Satchwell Polska Toruń Sp. z o.o. | Toruń | Maintenance services in the industrial segment | **100.00%** | 100.00% |
| 16 | Solar Serby Sp. z o.o. | Warsaw | Renewable energy sources | **50.00%** | 50.00% |
| 17 | DEPVPL sp. z o.o. Power Plant | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 18 | KWE Spółka z o.o. | Warsaw | Renewable energy sources | **50.00%** | 50.00% |
| 19 | IKR GmbH | Bitterfeld - Wolfen | Maintenance services in the industrial segment | **100.00%** | 100.00% |
| 20 | WTL40 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 21 | WTL270 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 22 | WTL270 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 23 | Park Słoneczny Ciechanów Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 24 | Park Lewałd Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 25 | FW Gumienice Sp. z o.o. (*wind farm*) | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 26 | DEVOZE Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 27 | Solar Kazimierz Biskupi Sp. z o.o. | Warsaw | Renewable energy sources | **50.00%** | 50.00% |
| 28 | PV KADŁUBIA 2 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 29 | PV SZCZEPANÓW Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 30 | ONDE GmbH | Germany, Dusseldorf | Development of contracting activities in the RES business segment | **100.00%** | 100.00% |
| 31 | ONDE DEV 1 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 32 | ONDE DEV 2 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 33 | ONDE DEV 3 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 34 | ONDE DEV 4 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 35 | ONDE DEV 5 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 36 | ONDE DEV 6 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 37 | ONDE ENERGY Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 38 | ONDE DEV 8 Sp. z o.o. | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 39 | Żabów Photovoltaic Farm Sp. z o.o | Toruń | Renewable energy sources | **100.00%** | 100.00% |
| 40 | CKTiS Sp. z o.o. | Biała | Maintenance services in the industrial segment | **100.00%** | 100.00% |

### 5.5. POST-ACCOUNTING PERIOD EVENTS

After the balance sheet date and up to the date of these condensed Consolidated Financial Statements, there were no material events, not recognised in the financial statements, affecting the Group's assets and financial position at the balance sheet date.

**Signatures of all Management Board members:**

| | |
|---|---|
| Dariusz Grzeszczak<br>/President of the Management Board/ | Jacek Leczkowski<br>/Vice-President of the Management Board/ |
| Agnieszka Głowacka<br>/Vice-President of the Management Board/ | Tomasz Wojak<br>/A Management Board member/ |

Warsaw, 12 May 2025