ERBUD GROUP

Interim Condensed Consolidated Financial Statement

for a 6-month period closed on 30 June 2025

Drawn up in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting"



INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

		For a 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024	For a 3-month period, ended on 30 Jun. 2025	For a 3-month period, ended on 30 Jun. 2024
		Unaudited data	Unaudited data	Data not covered by audit	Data not covered by audit
	CONTINUING OPERATIONS				
Note 4.2.	Revenues from sales of products and services	1,533,128	1,333,466	800,010	689,200
Note 4.2.-4.3.	Cost of products and services sold	1,420,386	1,231,878	724,125	630,281
	Gross sales profit/(loss)	**112,742**	**101,588**	**75,885**	**58,919**
Note 4.3.	Cost of sales	13,167	10,511	7,232	5,676
Note 4.3.	General and administrative (G&A) costs	106,877	93,729	60,890	49,854
	Proceeds from the sales of interest in a jointly controlled entity	7,310	19,088	7,310	-
	Other operating income	8,464	5,311	111	167
	Other operating expenses	3,776	3,760	887	1,035
	Impairment of financial assets and contract valuation assets	(1,315)	(6,264)	(1,793)	(6,169)
Note 4.2.	**Operating profit**	**3,381**	**11,723**	**12,504**	**(3,648)**
	Share in net profits/losses of equity-accounted entities	(3,477)	(1,047)	(2,926)	(788)
	Financial income	11,526	10,723	8,200	5,243
	Financial expenses	17,064	14,913	7,119	6,013
Note 4.2.	**Gross profit**	**(5,634)**	**6,486**	**10,659**	**(5,206)**
Note 4.4.	Corporate income tax	4,118	5,905	4,818	3,861
	Net profit /(loss) for the accounting period	**(9,752)**	**581**	**5,841**	**(9,067)**
	Shareholders of Parent Company	(11,577)	(5,582)	1,575	(8,338)
	Non-Controlling Stakeholders	1,825	6,163	4,266	(729)

	For a 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024	For a 3-month period, ended on 30 Jun. 2025	For a 3-month period, ended on 30 Jun. 2024
	Unaudited data	Unaudited data	Data not covered by audit	Data not covered by audit
Consolidated profit / (loss), net	**(9,752)**	**581**	**5,841**	**(9,067)**
Foreign exchange gains/losses resulting from translation of statements of foreign entities	**(695)**	(2,357)	869	(2,207)
Comprehensive income (including tax effect) subject to reclassification into result	**(695)**	**(2,357)**	**869**	**(2,207)**
Comprehensive income in the accounting period	**(10,447)**	**(1,776)**	**6,710**	**(11,274)**
Appropriated to:				
Shareholders of Parent Company	(12,272)	(7,939)	2,444	(10,545)
Non-Controlling Stakeholders	1,825	6,163	4,266	(729)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 Jun. 2025	31 Dec. 2024
		Unaudited data	Audited data
	ASSETS	**2,197,955**	**2,027,937**
Note 6.2.	Goodwill	42,602	42,760
Note 6.1.	Intangible assets	15,665	14,532
Note 6.1.	Tangible fixed assets	365,850	347,956
Note 6.12.	Investments accounted for using the equity method	32,023	45,711
Note 5.1.	Financial assets	23,791	24,036
	Deferred tax assets	131,992	126,308
Note 2.1.	Receivables under building contracts - bid bonds	3,837	3,001
	Fixed assets	**615,760**	**604,304**
Note 6.4.	Inventory	182,475	172,339
Note 2.1.	Receivables under building contracts - bid bonds	33,437	41,446
Note 4.2.	Pricing of building contracts - assets	450,558	351,536
Note 6.5.	Trade receivables	PLN 640,391	458,438
Note 6.5.	Income tax & VAT receivables	17,563	22,928
Note 6.5.	Other receivables	22,919	27,008
Note 5.1.	Financial assets	6,583	10,520
Note 3.7.	Cash and cash equivalents	181,447	300,269
Note 3.7.	Cash assets in VAT account	29,746	29,505
Note 6.6.	Short-term prepayments	17,076	9,644
	Current assets	**1,582,195**	**1,423,633**
	LIABILITIES	**2,197,955**	**2,027,937**
Note 3.1.	Share capital	1,193	1,193
	Supplementary capital	286,854	289,658
	Reserve capital	104,346	104,346
	Foreign exchange gains/losses resulting from conversion of foreign unit	(136)	559
	Retained earnings	61,326	90,798
	Equity of shareholders of the Parent Company	453,583	486,554
	Equity of non-controlling stakeholders	138,157	142,456
	Shareholders' equity	**591,740**	**629,010**
Notes 3.2.-3.4	Debt	252,505	178,276
Note 6.7.	Provisions	26,520	25,717
	Deferred tax liabilities	22,159	21,774
Note 2.1.	Liabilities vis-à-vis subcontractors - bid bonds	16,844	17,816
	Long-term liabilities	**318,028**	**243,583**
Notes 3.2.-3.4	Debt	157,733	134,865
Note 6.7.	Provisions	48,202	34,895
Note 2.1.	Liabilities vis-à-vis subcontractors - bid bonds	136,836	131,672
Note 4.2.	Pricing of building contracts - liabilities	465,981	431,941
Note 6.9.	Trade payables	372,804	312,199
Note 6.9.	Income tax & VAT liabilities	24,588	26,014
Note 6.9.	Other liabilities	82,043	83,758
	Short-term liabilities	**1,288,187**	**1,155,344**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital	Reserve capital	Foreign exchange gains/losses resulting from conversion of foreign unit	Retained earnings	Total	Equity of non-controlling stakeholders	Shareholders' equity
As of 1 Jan. 2024	**1,193**	**281,353**	**104,346**	**3,784**	**146,867**	**537,543**	**137,403**	**674,946**
Net result in the accounting period	-	-	-	-	(5,582)	**(5,582)**	6,163	**581**
Comprehensive income in the accounting period	-	-	-	(2,357)	-	**(2,357)**	-	**(2,357)**
Other comprehensive income	**-**	**-**	**-**	**(2,357)**	**(5,582)**	**(7,939)**	**6,163**	**(1,776)**
Dividend paid by a subsidiary	-	-	-	-	-	-	(6,736)	**(6,736)**
Dividend	-	-	-	-	(20,043)	**(20,043)**	-	**(20,043)**
Transfer of the net income from previous year to retained earnings	-	PLN 8,305	-	-	(8,305)	**-**	-	**-**
As of 30 June 2024	**1,193**	**289,658**	**104,346**	**1,427**	**112,937**	**509,561**	**136,830**	**646,391**
As of 1 Jan. 2025	**1,193**	**289,658**	**104,346**	**559**	**90,798**	**486,554**	**142,456**	**629,010**
Net result in the accounting period	-	-	-	-	(11,577)	**(11,577)**	1,825	**(9,752)**
Comprehensive income in the accounting period	-	-	-	(695)	-	**(695)**	-	**(695)**
Other comprehensive income	**-**	**-**	**-**	**(695)**	**(11,577)**	**(12,272)**	**1,825**	**(10,447)**
Dividend	-	(2,804)	-	-	(17,239)	**(20,043)**	(6,780)	**(26,823)**
Other	-	-	-	-	(656)	**(656)**	656	**-**
As of 30 Jun. 2025	**1,193**	**286,854**	**104,346**	**(136)**	**61,326**	**453,583**	**138,157**	**591,740**

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		For a 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024	For a 3-month period, ended on 30 Jun. 2025	For a 3-month period, ended on 30 Jun. 2024
		Unaudited data	Unaudited data	Data not covered by audit	Data not covered by audit
	OPERATIONAL CASH FLOWS				
	Gross profit/loss	(5 634)	6,486	10,659	(5,206)
Note 4.3.	Amortization and depreciation	25,435	20,624	13,021	11,064
	Foreign exchange gains/losses	1,175	(1,849)	4,140	69
	Interest and share in profits (dividend)	8,483	8,181	4,020	3,962
	Other non-cash adjustments	2,334	(3,853)	847	731
	Share in net profits/losses of equity-accounted subsidiaries	3,477	1,047	2,926	788
	Net proceeds from the disposal of a jointly controlled company	(7,310)	(19,088)	(7,310)	-
Note 4.4.	Income tax paid	(18,024)	(23,975)	(2,561)	(6,399)
Note 6.10.	Change in balance of working capital	(147,934)	(12,504)	(46,212)	9,989
	Operational cash flows, net	**(137,998)**	**(24,931)**	**(20,470)**	**14,998**
	INVESTMENT ACTIVITY CASH FLOWS				
	Proceeds from the sales of interest in a jointly controlled entity	10,163	25,422	10,163	-
	Inflows from credits/loans extended	22,469	16,232	20,029	-
	Other inflows	5,359	2,702	2,997	948
Note 6.1.	Expenditures on the acquisition of tangible fixed assets	(12,055)	(14,817)	(5,061)	(10,571)
	Loans extended expense	(11,941)	(8,661)	(4,876)	(4,670)
	Expenditures on the acquisition of shares in companies	(650)	(54,915)	(650)	(39,776)
	Other expenses	-	(348)	-	(130)
	Investment activity cash flows, net	**13,345**	**(34,385)**	**22,602**	**(54,199)**
	FINANCIAL ACTIVITY CASH FLOWS				
	Income from credits and loans taken	78,092	38,410	24,555	34,279
Note 3.3.	Proceeds from the issue of debt securities	75,000	-	75,000	-
	Other inflows	129	1,124	129	1,124
	Debt (principal) repayment expense - principal	(24,843)	(19,279)	(6,704)	(16,411)
	Lease debt repayment expense - principal	(9,402)	(9,353)	(4,608)	(4,786)
	Debt (interest) repayment expense	(10,880)	(8,971)	(5,333)	(2,806)
	Dividend payment	(26,652)	(26,700)	(26,652)	(26,700)
Note 3.3.	Redemption of debt securities	(75,000)	-	(75,000)	-
	Other expenses	(613)	-	(341)	-
	Financial activity cash flows, net	**5,831**	**(24,769)**	**(18,954)**	**(15,300)**
	NET CASH FLOWS	**(118,822)**	**(84,085)**	**(16,822)**	**(54,501)**
	Opening cash balance	**300,269**	**263,119**	**198,269**	**233,535**
	Closing cash balance	**181,447**	**179,034**	**181,447**	**179,034**

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1. BACKGROUND INFORMATION

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 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 30 June 2025 and as of the date of the Interim Condensed Consolidated Financial Statements the Parent Company's Management Board consisted of:

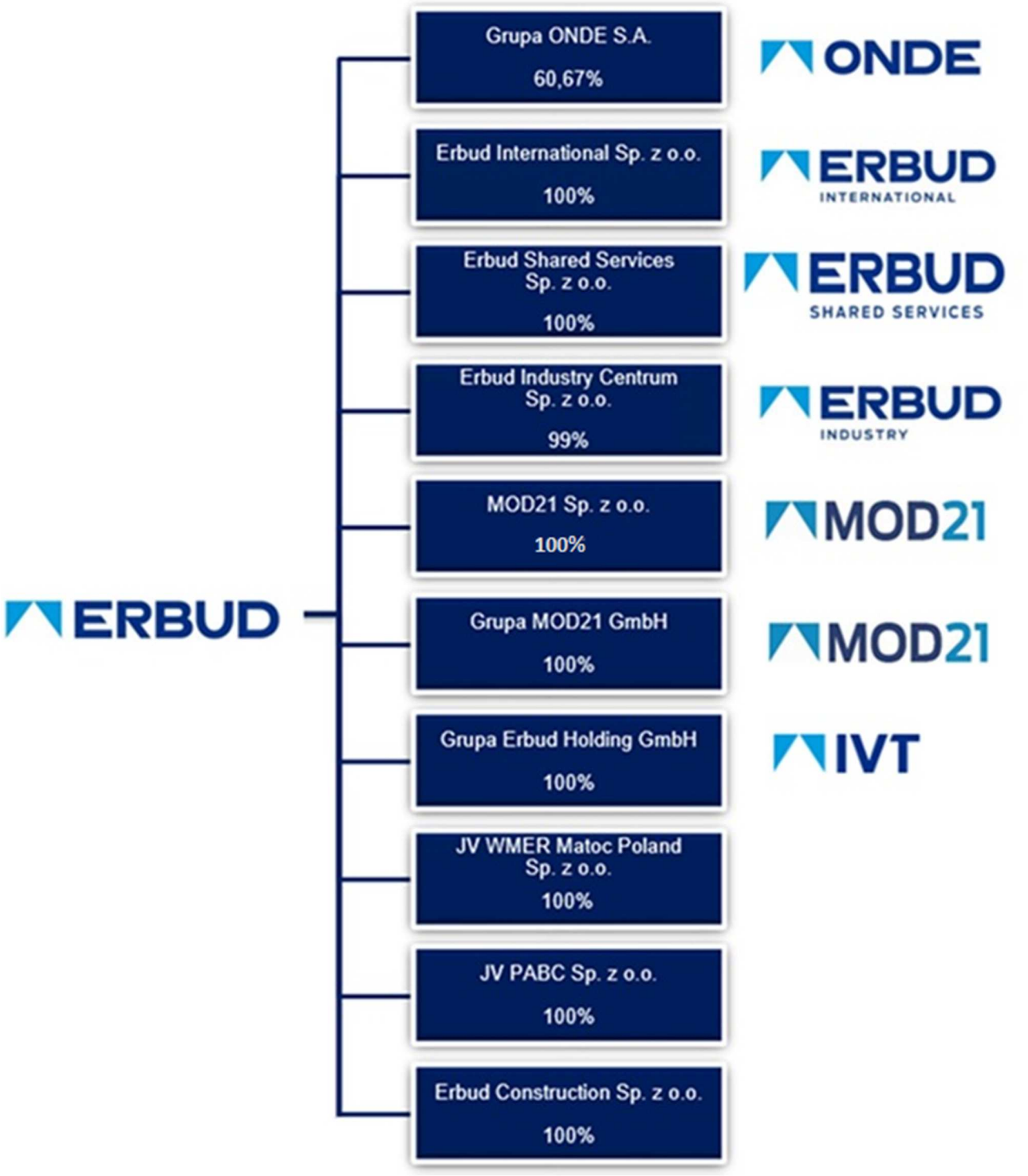
Dariusz Grzeszczak	– President of the Management Board
Agnieszka Głowacka	– Vice-President of the Management Board
Jacek Leczkowski	– Vice-President of the Management Board
Tomasz Wojak	– a Management Board Member

As of 30 June 2025 and as of the date of the Interim 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 Interim, 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 6.11. The above figure shows the share of Erbud S.A. in individual member companies of Erbud S.A. Capital Group as of 30 June 2025.

1. BACKGROUND INFORMATION

1.2. GROUNDS FOR DRAWING UP THE FINANCIAL STATEMENT

IAS Compliance Statement

The Interim Condensed Consolidated Financial Statements were drawn up as of 30 June 2025 in compliance with the International Financial Reporting Standard (IFRS) No. 34, endorsed by the European Union.

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

The Interim 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 Interim Condensed Consolidated Financial Statement was approved for publication by the Management Board on 9 September 2025.

Going concern

These Interim 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 these Interim, Condensed Consolidated Financial Statements, no circumstances existed that indicated any 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. Geopolitical and economic situations are constantly changing. Management monitors these changes and takes steps to minimise their negative impact. For example, the business is diversified both geographically and by segment. At the same time, management negotiates 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 players 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

In this Interim, Condensed Consolidated Financial Statement, the following new and amended standards that entered into force in 2025 were applied for the first time:

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.

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

In these Interim 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.

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 contain clarifications and describe more precisely the guidelines for standards on recognition and measurement.

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

1. BACKGROUND INFORMATION

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.

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

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 expected to replace IAS 1 - Presentation of Financial Statements and will be effective from 1 January 2027.

The changes to the replaced standard mainly concern three areas: the profit and loss statement, the disclosure of performance measures and issues relating to the aggregation and disaggregation of information in financial statements.

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

At the date of drawing up these Interim 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. As a result, the qualifying subsidiary applies the requirements of other IFRS accounting standards with the exception of 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 Interim Condensed Consolidated Financial Statements, the amendments in question had not yet been endorsed by the European Union.

f) Amendments to IFRS 19 "Subsidiaries without public accountability: disclosures".

In August 2025, the IASB issued amendments to IFRS 19 to support qualifying subsidiaries by reducing disclosure requirements for standards and amendments to standards issued between February 2021 and May 2024. The amendments apply to the following standards: IFRS 18: Presentation and Disclosures in Financial Statements; Amendments to IAS 7 and IFRS 7 - Supplier Financing Arrangements; Amendments to IAS 12 - International Tax Reform; Amendments to IAS 21 - Non-convertibility of Currencies; Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments.

Thanks to these amendments, IFRS 19 incorporates all updates to IFRS standards that will be effective from 1 January 2027, the effective date of IFRS 19.

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

g) 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.

h) 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 interim consolidated financial statements, the endorsement of this amendment is deferred by the European Union.

2. BUILDING CONTRACTS

The Group signs fixed-price contracts for the execution of building 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.

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 once it has received expert advice from third parties confirming that an additional amount of compensation is appropriate 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 building 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 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 in the line "Trade payables" (Note 6.9) The Company withholds a portion of payments vis-à-vis subcontractors in relation to the performance bond, and recognizes it 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 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 4.4.

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 made an assessment 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 recognizes as revenues only the amount of remuneration due for the execution of its scope of work for the customer in adherence to 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 the 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. BUILDING CONTRACTS

2.1. 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.

	30 Jun. 2025			31 Dec. 2024		
	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	33,928	5,910	**39,838**	41,634	5,532	**47,166**
Revaluation write-off for impairment	(441)	(1,302)	**(1,743)**	(125)	(1,629)	**(1,754)**
Discounted bid bonds	(50)	(771)	**(821)**	(63)	(902)	(965)
Receivables under building contracts - bid bonds	**33,437**	**3,837**	**37,274**	**41,446**	**3,001**	**44,447**
Liabilities vis-à-vis subcontractors - discounted bid bonds	**136,836**	**16,844**	**153,680**	**131,672**	**17,816**	**149,488**

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.

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 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.

Share capital

As of 30 June 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 of 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 30 June 2024, and as of the date of publication of these Interim Consolidated Financial Statements, 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 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024
Net profit/loss attributable to the shareholders of the Parent Company	(11,577)	(5,582)
Average weighted number of ordinary shares (in pcs.)	11,929,836	11,929,836
Basic and diluted earnings per share (in PLN)	**-0.97**	**-0.47**

3.2. 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.

	30 Jun. 2025	31 Dec. 2024
Long-term		
Bank loans	69,364	102,373
Loans	4,434	-
	PLN 73,798	**102,373**
Short-term		
Overdraft facilities	62,128	12,748
Bank loans	62,706	18,310
Loans	2,490	1,170
	127,324	**32,228**
Total credit and loan liabilities	**201,122**	**134,601**

3. CAPITAL AND DEBT MANAGEMENT

	30 Jun. 2025	30 Jun. 2025	31 Dec. 2024	31 Dec. 2024
	In the functional currency	In foreign currency EUR	In the functional currency	In foreign currency EUR
Loans and borrowings				
Long-term	47,761	26,037	86,706	15,667
Short-term	88,685	38,639	20,504	11,724
Total	**136,446**	**64,676**	**107,210**	**27,391**

Interest rates on reported long-term and short-term borrowings and loans are as follows: 3M WIBOR + 1.35%-3.5%, 3M EURIBOR + 1.35%-2.2%, 6M WIBOR +3%, and fixed rates of 8.11% and 8.76% 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 30 June 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	
						30 Jun. 2025	31 Dec. 2024
23 Sept. 2021	D-series bearer shares, dematerialized, unsecured	functional	WIBOR 6M + 2.6%	23 Sept. 2025	financing of an increased working capital requirement	-	**PLN 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	77,247	-
			Total bond liability as of 30 Jun. 2025, of which:			**77,247**	**76,720**
			long-term			75,000	
			short-term			2,247	76,720

In the first quarter of 2025, Erbud S.A. issued E-series bonds worth PLN 75 million, the proceeds of which were used to refinance D-series bonds. This new issue enabled the Group to redeem the D-series bonds early, while extending the maturity of its liabilities.

Covenants

3. CAPITAL AND DEBT MANAGEMENT

"Consolidated Net Financial Debt Ratio" means the quotient of Consolidated Net Financial Debt and Consolidated Equity.	As of	
	30 Jun. 2025	31 Dec. 2024
	0.37	**-0.03**
Consolidated long-term and short-term debt	410,238	313,141
Cash assets	211,193	329,774
Adjusted equity by goodwill and intangible assets	533,473	571,718

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.

3.4. LEASE LIABILITIES

Period		30 Jun. 2025	31 Dec. 2024
		Nominal value of minimum payments	Nominal value of minimum payments
Below 1 year	Short-term	34,828	31,012
Above 1 year	Long-term	133,296	93,911
Nominal value of minimum payments		**168,124**	**124,923**
Future lease costs		36,255	23,103
Present value of minimum payments		**131,869**	**101,820**
Below 1 year	Short-term	28,162	25,917
Above 1 year	Long-term	103,707	75,903

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

3. CAPITAL AND DEBT MANAGEMENT

3.5. ASSETS USED AS COLLATERALS FOR DEBT-RELATED LIABILITIES

As of 30 June 2025 and 31 December 2024, collateral for debt liabilities on tangible fixed assets are presented below:

	30 Jun. 2025	31 Dec. 2024
Tangible fixed assets	238,326	192,014
Inventory	93,962	66,644
Total	**332,288**	**258,658**

3.6. CONTINGENT ASSETS AND LIABILITIES

	Contingent assets		Contingent liabilities	
	30 Jun. 2025	31 Dec. 2024	30 Jun. 2025	31 Dec. 2024
Other items				
Guarantees and sureties	188,693	161,656	1,226,640	1,119,306
Litigations	39,678	39,678	266	18,688
Total	**228,371**	**201,334**	**1,226,906**	**1,137,994**

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 building contracts, mainly performance bonds and bid bonds.

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.

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)

3. CAPITAL AND DEBT MANAGEMENT

	30 Jun. 2025	31 Dec. 2024
Cash in hand	161	73
Cash at bank	181,286	300,196
Total cash and cash equivalents	**181,447**	**300,269**

The amount of the impairment loss on cash is marginal.

As of 30 June 2025 cash on VAT bank accounts totalled PLN 29,746 thousand (as of 31 December 2024 it totalled PLN 29,505 thousand).

4. EXPLANATORY NOTES TO THE STATEMENT OFPROFIT/LOSS

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.

	30 Jun. 2025	30 Jun. 2024
Net profit /(loss) in the accounting period	**(9,752)**	**581**
Corporate income tax	4,118	5,905
Gross profit	**(5,634)**	**6,486**
Share in net profits/losses of equity-accounted subsidiaries	(3,477)	(1,047)
Financial expenses	17,064	14,913
Financial income	11,526	10,723
EBIT	**3,381**	**11,723**
Amortization and depreciation	25,435	20,624
EBITDA	**28,816**	**32,347**
Revenues from sales of products and services	1,533,128	1,333,466
EBIT margin	**0%**	**1%**
EBITDA / Revenues from sales of products and services	**1.88%**	**2.43%**

4. EXPLANATORY NOTES TO THE STATEMENT OFPROFIT/LOSS

4.2. ACCOUNTING SEGMENTS

Due to the change in the Group's management accounting structure and organization, the presentation of accounting segments has changed since the onset of 2025.

Eight accounting segments were presented by the end of 2024: domestic building construction, foreign building construction, road and engineering construction, domestic industry segment, foreign industry segment, renewable energy segment, timber modular construction and other segments.

Based on the management accounting presented to the main operational decision-maker (i.e. the Management Board of the Parent Company), the Group has recently 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 drawing up of the Group's Separate Financial Statements.

Key segment information in the following accounting periods: January 2025 - June 2025 and January 2024 - June 2024.

	For a 6-month period, ended on 30 Jun. 2025			For a 6-month period, ended on 30 Jun. 2024		
	Domestic market (Poland)	Foreign markets	Total	Domestic market (Poland)	Foreign markets	Total
Sales to third party customers, of which:	1,231,500	301,628	**1,533,128**	1,096,963	236,503	**1,333,466**
Accrued and deferred income	1,131,143	86,601	**1,217,744**	977,579	75,059	**1,052,638**
Income recognized at a certain point in time	100,357	215,027	**315,384**	119,384	161,444	**280,828**
Fixed assets other than financial instruments and deferred tax assets	285,122	162,461	**447,583**	355,564	132,993	**488,557**

4. EXPLANATORY NOTES TO THE STATEMENT OFPROFIT/LOSS

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

							For a 6-month period, ended on 30 Jun. 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	779,991	103,180	198,827	366,791	82,694	1,645	**1,533,128**
Total sales revenues	**779,991**	**103,180**	**198,827**	**366,791**	**82,694**	**1,645**	**1,533,128**
Segments' performance and reconciliation with gross profit of the Group							
Cost of goods sold (COGS)	720,531	97,013	185,542	324,296	89,967	3,037	**1,420,386**
Sales margin	**59,460**	**6,167**	**13,285**	**42,495**	**(7,273)**	**(1,392)**	**112,742**
Sales margin %	8%	6%	7%	12%	(9%)	(85%)	**7%**
Other operating profit/loss	(49,997)	(3,739)	(5,065)	(30,107)	(20,394)	(59)	**(109,361)**
Segment performance – EBIT	**9,463**	**2,428**	**8,220**	**12,388**	**(27,667)**	**(1,451)**	**3,381**
EBIT margin	1%	2%	4%	3%	(33%)	(88%)	**0%**
Share in net profits/losses of equity-accounted entities	-	-	-	(3,477)	-	-	**(3,477)**
Profit (loss) on financial activities (financial income less financial expenses)							**(5,538)**
Gross profit/loss							**(5,634)**
Corporate income tax							**4,118**
Net profit/loss							**(9,752)**
Amortization and depreciation	5,012	3,626	3,489	7,058	4,065	2,185	**25,435**
Segment performance – EBITDA	**14,475**	**6,054**	**11,709**	**19,446**	**(23,602)**	**734**	**28,816**
Assets and liabilities							
Pricing of building contracts - assets	**161,779**	**18,672**	**26,898**	**106,630**	**136,579**	**-**	**PLN 450,558**
Other assets							**1,747,397**
Total assets							**2,197,955**
Pricing of building contracts - liabilities	**207,114**	**5,943**	**2,295**	**123,521**	**127,108**	**-**	**PLN 465,981**
Other liabilities							**1,731,974**
Total liabilities							**2,197,955**
Other material items							
Share in performance of associates and joint-ventures measured with equity method	-	-	-	(3,477)	-	-	**(3,477)**
(Loss)/Reversal of the value of financial assets and contract valuation assets	499	68	(4)	(1,878)	-	-	**(1,315)**
Capital expenditures on tangible fixed and intangible assets	1,268	538	2,034	7,275	940	-	**PLN 12,055**
Interest income	6,915	87	221	2,771	23	(134)	**9,883**
Interest expenses	7,596	859	440	4,623	862	-	**PLN 14,380**

4. EXPLANATORY NOTES TO THE STATEMENT OFPROFIT/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 6-month period, ended on 30 Jun. 2024 Total continued activities
Total income							
Sales to third party customers	689,045	95,189	161,049	353,761	34,174	248	**1,333,466**
Total sales revenues	**689,045**	**95,189**	**161,049**	**353,761**	**34,174**	**248**	**1,333,466**
Segments' performance and reconciliation with gross profit of the Group							
Cost of goods sold (COGS)	639,711	87,230	154,264	317,929	33,556	(812)	**1,231,878**
Sales margin	**49,334**	**7,959**	**6,785**	**35,832**	**618**	**1,060**	**101,588**
Sales margin %	7%	8%	4%	10%	2%	427%	**8%**
Other operating profit/loss	(51,081)	(6,653)	(2,578)	(13,162)	(13,115)	(3,275)	**(89,864)**
One-off expenses	-	-			-	-	**-**
Segment performance – EBIT	**(1,747)**	**1,306**	**4,207**	**22,670**	**(12,498)**	**(2,215)**	**11,723**
EBIT margin	0%	1%	3%	6%	(37%)	(893%)	1%
Share in net profits/losses of equity-accounted entities	-			(1,047)			**(1,047)**
Profit (loss) on financial activities (financial income less financial expenses)							**(4,190)**
Gross profit/loss							**6,486**
Corporate income tax							**5,905**
Net profit/loss							**581**
Amortization and depreciation	4,481	3,586	2,749	4,524	3,084	2,200	**20,624**
Segment performance – EBITDA	**2,734**	**4,892**	**6,956**	**27,194**	**(9,414)**	**(15)**	**32,347**
Assets and liabilities							
Pricing of building contracts - assets	**159,370**	**14,001**	**40,551**	**141,528**	**39,248**	**-**	**PLN 394,698**
Other assets							**1,578,795**
Total assets							**1,973,493**
Pricing of building contracts - liabilities	**221,921**	**10,283**	**4,241**	**100,106**	**38,030**	**-**	**PLN 374,581**
Other liabilities							**1,598,912**
Total liabilities							**1,973,493**
Other material items							
Share in performance of associates and joint-ventures measured with equity method	-	-	-	(1,047)	-	-	**(1,047)**
(Loss)/Reversal of the value of financial assets and contract valuation assets	(3,881)	-	(93)	(790)	-	(1,500)	**(6,264)**
Capital expenditures on tangible fixed and intangible assets	845	1,577	3,745	535	9,629	58	**16,389**
Interest income	3,592	58	101	2,146	-	-	**PLN 5,897**
Interest expenses	6,547	885	245	1,457	1,353	77	**10,564**

4. EXPLANATORY NOTES TO THE STATEMENT OFPROFIT/LOSS

							For a 3-month-period ended on 30 June 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
Total income							
Sales to third party customers	385,633	57,075	97,157	214,663	44,714	768	**800,010**
Total sales revenues	**385,633**	**57,075**	**97,157**	**214,663**	**44,714**	**768**	**800,010**
Segments' performance and reconciliation with gross profit of the Group							
Cost of goods sold (COGS)	340,768	53,925	93,546	184,308	50,340	1,238	**724,125**
Sales margin	**44,865**	**3,150**	**3,611**	**30,355**	**(5,626)**	**(470)**	**75,885**
Sales margin %	12%	6%	4%	14%	(13%)	(61%)	**9%**
Other operating profit/loss	(38,748)	(200)	263	(14,064)	(10,145)	(487)	**(63,381)**
Segment performance – EBIT	**6,117**	**2,950**	**3,874**	**16,291**	**(15,771)**	**(957)**	**12,504**
EBIT margin	2%	5%	4%	8%	(35%)	(125%)	**2%**
Share in net profits/losses of equity-accounted entities				(2,926)			**(2,926)**
Profit (loss) on financial activities (financial income less financial expenses)							1,081
Gross profit/loss							**10,659**
Corporate income tax							4,818
Net profit/loss							**5,841**
Amortization and depreciation	2,520	1,788	1,841	3,849	1,934	1,089	**13,021**
Segment performance – EBITDA	**8,637**	**4,738**	**5,715**	**20,140**	**(13,837)**	**132**	**25,525**

4. EXPLANATORY NOTES TO THE STATEMENT OFPROFIT/LOSS

							For a 3-month period ended on 30 June 2024
	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**
Total income							
Sales to third party customers	343,074	60,160	81,571	183,267	19,778	1,350	**689,200**
Total sales revenues	**343,074**	**60,160**	**81,571**	**183,267**	**19,778**	**1,350**	**689,200**
Segments' performance and reconciliation with gross profit of the Group							
Cost of goods sold (COGS)	317,649	52,936	76,356	165,314	18,140	(114)	**630,281**
Sales margin	**25,425**	**7,224**	**5,215**	**17,953**	**1,638**	**1,464**	**58,919**
Sales margin %	7%	12%	6%	10%	8%	108%	**9%**
Payment with shares	-	-	-	-	-	-	
Other operating profit/loss	(26,337)	(3,243)	(1,909)	(19,847)	(7,987)	(3,244)	**(62,567)**
Segment performance – EBIT	**(912)**	**3,981**	**3,306**	**(1,894)**	**(6,349)**	**(1,780)**	**(3,648)**
EBIT margin	0%	7%	4%	(1%)	(32%)	(132%)	**(1%)**
Share in net profits/losses of equity-accounted entities	-			(788)			**(788)**
Profit (loss) on financial activities (financial income less financial expenses)							(770)
Gross profit/loss							**(5,206)**
Corporate income tax							3,861
Net profit/loss							**(9,067)**
Amortization and depreciation	2,473	1,843	1,529	2,268	1,843	1,108	**11,064**
Segment performance – EBITDA	**1,561**	**5,824**	**4,835**	**374**	**(4,506)**	**(672)**	**7,416**

4. EXPLANATORY NOTES TO THE STATEMENT OFPROFIT/LOSS

4.3. COST OF GOODS SOLD (COGS)

	For a 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024	For a 3-month period, ended on 30 Jun. 2025	For a 3-month period, ended on 30 Jun. 2024
Third party services	916,753	669,446	474,011	293,075
including third party services from subcontractors	*661,618*	*550,281*	*365,896*	*239,903*
Material and energy consumption	374,619	296,577	190,870	213,868
Employee benefit expenses	270,518	256,201	141,670	132,947
Amortization and depreciation	25,435	20,624	13,021	11,064
Taxes and charges	10,088	9,530	4,876	4,440
Other cost categories	21,572	23,177	10,394	4,564
Value of goods and materials sold	759	730	609	407
Total costs by type	**1,619,744**	**1,276,285**	**835,451**	**660,365**
Change in the balance of products, work in progress and accrued expenses under building contracts	(79,314)	59,833	(43,204)	25,446
Cost of sale (negative value)	(13,167)	(10,511)	(7,232)	(5,676)
General management and administration costs (negative value)	(106,877)	(93,729)	(60,890)	(49,854)
Manufacturing costs of products sold	**1,420,386**	**1,231,878**	**724,125**	**630,281**

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 result.

Deferred tax assets and liabilities can be offset if there is a legal right to do so and if the deferred tax relates to a tax imposed by the same tax authority on the same taxpayer. It implies that deferred income tax assets and liabilities are compensated in the 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.

4. EXPLANATORY NOTES TO THE STATEMENT OFPROFIT/LOSS

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

	For a 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024
Gross profit before taxation	**(5,634)**	**6,486**
Tax according to the statutory tax rate applicable in Poland - 19%	**(1,071)**	**1,232**
Additional tax burden being a result of a rate exceeding 19% in Germany	3,473	1,730
Surplus of non-deductible expenses over non-taxable income	1,716	2,943
Tax recognized in the financial net profit/loss	**4,118**	**5,905**
Current tax	9,478	16,138
Deferred tax	(5,360)	(10,233)
Effective tax rate	**(73.09%)**	**91.04%**

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:

Notes 5.1.2	Financial Assets - Loans Extended
Note 2.1.	Receivables under building contracts - bid bonds
Note 6.5.	Trade receivables
Note 6.5.	Other receivables
	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.
Notes 5.1.1	Other financial assets (including extended loans)

Financial liabilities priced at amortized cost comprise mainly:

Note 2.1.	Liabilities vis-à-vis subcontractors - bid bonds
	Liabilities under building contracts
Note 6.9.	Trade payables
Note 6.9.	Other liabilities
Notes 3.2.– 3.4.	Debt

5.1.1. FINANCIAL ASSETS

As of 30 June 2025 and as of 31 December 2024 the Group was in the possession of the following items disclosed in the Statement of Financial Position in the financial assets line:

		30 Jun. 2025	31 Dec. 2024
Note 5.1.2.	Loans extended	21,340	29,784
	Other	9,034	4,772
	Total	**30,374**	**34,556**
	Long-term	23,791	24,036
	Short-term	6,583	10,520

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.1.2. FINANCIAL ASSETS - LOANS EXTENDED

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

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.

5.2.2. MARKET RISK – INTEREST RATE RISK

The interest rate risk occurs mainly in connection with debt financing, i.e. bank credits and loans (Note 3.2), 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 ERBUD 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 6.5.

5.2.3. 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.

						30 Jun. 2025
	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	67,547	68,017	42,087	52,609	**230,260**	**201,122**
Debt related to issued bonds	-	PLN 2,247	75,000	-	**PLN 77,247**	**77,247**
Lease liabilities	8,797	25,698	96,780	36,103	**167,378**	**131,869**
Liabilities vis-à-vis subcontractors - bid bonds	31,762	108,183	19,793	989	**160,727**	**153,680**
Trade payables	372,804	-	-	-	**PLN 372,804**	**372,804**
Total	**480,910**	**204,145**	**233,660**	**89,701**	1,008,416	**936,722**

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

						31 Dec. 2024
	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	17,743	17,508	104,067	-	**PLN 139,318**	**134,601**
Debt related to issued bonds	-	PLN 76,720	-	-	**PLN 76,720**	**76,720**
Debt related to financial lease	7,203	22,315	83,473	4,351	**117,342**	**101,820**
Liabilities vis-à-vis subcontractors - bid bonds	40,882	94,430	19,546	1,559	**156,417**	**149,488**
Trade payables	312,199	-	-	-	**PLN 312,199**	**312,199**
Total	**378,027**	**210,973**	**207,086**	**5,910**	**801,996**	**774,828**

5.2.4. 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.

6. OTHER NOTES

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. There were no changes in the remaining estimated useful lives, depreciation methods or residual values of fixed assets as a result of the reviews carried out on 30 June 2025 and on 31 December 2024.

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.

6. OTHER NOTES

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 30 June 2025 the Group held the following categories of tangible fixed assets including right to use assets:

	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 January 2024	**27,060**	**101,214**	**45,795**	**46,378**	**7,829**	**5,624**	**13,605**	**247,505**
Increases:								
Purchase of which: fixed assets developed internally	-	PLN 557	2,185	5,128	2,725	82,428	1,252	**94,275**
Lease	9,089	5,355	5,563	21,370	27	-	-	**PLN 41,404**
Acceptance of fixed assets	730	1,398	14,826	2,385	424	(9,605)	2,389	**12,547**
Other, including reclassified inventories	-	-	-	-	-	PLN 12,946	-	**PLN 12,946**
Decreases:								
Amortization and depreciation	404	12,513	9,165	15,634	2,738	-	PLN 2,652	**43,106**
Disposal and liquidation	-	-	PLN 439	1,937	66	-	-	**PLN 2,442**
FX gains and losses from translation	(16)	(256)	(19)	(175)	(109)	(4)	(62)	**(641)**
Net value as of 31 December 2024	**36,459**	**95,755**	**58,746**	**57,515**	**8,092**	**91,389**	**14,532**	**362,488**
Net value as of 1 January 2025	**36,459**	**95,755**	**58,746**	**57,515**	**8,092**	**91,389**	**14,532**	**362,488**
Increases:								
Purchase of which: fixed assets developed internally	-	PLN 154	806	815	1,613	7,082	1,664	**12,134**
Lease	-	PLN 26,171	599	10,025	-	-	-	**PLN 36,795**
Acceptance of fixed assets	-	PLN 6,107	77,787	-	PLN 128	(84,776)	1,073	**319**
Decreases:								
Amortization and depreciation	450	7,108	5,982	9,022	1,380	-	PLN 1,493	**25,435**
Disposal and liquidation	-	PLN 1,468	125	1,793	72	-	-	**PLN 3,458**
Other	-	-	-	PLN 33	-	1,060	6	**1,099**
FX gains and losses from translation	(7)	(56)	(7)	(87)	(44)	(2)	(26)	**(229)**
Net value as of 30 June 2025	**36,002**	**119,555**	**131,824**	**57,420**	**8,337**	**12,633**	**15,744**	**381,515**

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.

6. OTHER NOTES

	Lands including right of perpetual usufruct to land	Buildings and structures	Technical appliances and machinery	Means of transport	Other fixed assets	Total
Net value as of 1 Jan. 2024	**3,510**	**28,186**	**27,813**	**33,804**	**151**	**93,464**
Increase due to acquisition	-	-	-	PLN 397	-	**PLN 397**
Increase due to opened lease contracts	9,089	3,340	5,586	21,370	27	**39,412**
Increase due to expenditures for tangible fixed assets under construction and advances for tangible fixed assets	-	PLN 2,016	-	-	-	**PLN 2,016**
Decrease due to reclassification - from right-to-use leased assets to tangible fixed assets	-	-	(1,432)	(10,093)	-	**(11,525)**
Amortization and depreciation	(378)	(6,347)	(3,936)	(9,426)	(40)	**(20,127)**
Decrease of the depreciation to date due to reclassification - from right-to-use leased assets to tangible fixed assets	-	-	PLN 596	6,111	-	**PLN 6,707**
Other	-	-	-	(1,776)	-	**(1,776)**
FX gains and losses from translation	-	(66)	-	-	-	**(66)**
Net value as of 31 Dec. 2024	**12,221**	**27,129**	**28,627**	**40,387**	**138**	**108,502**
Net value as of 1 Jan. 2025	**12,221**	**27,129**	**28,627**	**40,387**	**138**	**108,502**
Increase due to opened lease contracts	8,336	5,995	600	10,025	-	**PLN 24,956**
Increase due to expenditures for tangible fixed assets under construction and advances for tangible fixed assets	-	PLN 20,175	1	191	-	**PLN 20,367**
Decrease due to reclassification - from right-to-use leased assets to tangible fixed assets	-	-	(170)	(5,449)	-	**(5,619)**
Amortization and depreciation	(437)	(4,428)	(1,892)	(5,929)	(21)	**(12,707)**
Decrease of the depreciation to date due to reclassification - from right-to-use leased assets to tangible fixed assets	-	-	PLN 101	2,392	-	**2,493**
Other	-	(1,468)	(1)	(223)	-	**(1,692)**
FX gains and losses from translation	-	PLN 5,987	-	-	-	**5,987**
Net value as of 30 Jun. 2025	**20,120**	**53,390**	**27,266**	**41,394**	**117**	**142,287**

The main item of fixed assets under lease is office space leased for ONDE's new registered office in Toruń, presented in accordance with IFRS 16. As of 1 August the ONDE registered office is located at a new address: Trasa Prezydenta Raczkiewicza 1 in the City of Toruń. The Company move to a new office due to its rapid development and further growth prospects. Another major item is leased transportation assets.

6. OTHER NOTES

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 6-month period, ended on 30 Jun. 2025	For a 12-month period, ended on 31 Dec. 2024
Opening balance of goodwill	**42,760**	**40,217**
Additions	-	PLN 2,909
Decreases	(39)	(78)
FX gains and losses from translation	(119)	(288)
Closing balance of goodwill	**42,602**	**42,760**
Including acquisitions:		
ONDE S.A.	18,274	18,274
Erbud Holding GmbH	16,390	16,390
Other	7,938	8,096

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 profit centres. In the event of a disposal of an operation within a profit 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.

Impairment tests will be performed as of 31 December 2025, and as of 30 June 2025, the Management Board does not identify indications of impairment.

6.4. INVENTORY

The following items are mainly recognized in individual 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 the purchase price, and their expenditure is accounted for using the FIFO ("first in-first out") method. Work in progress and finished goods are valued at the direct cost of materials and labour, together with an appropriate mark-up of indirect production costs determined assuming regular capacity utilization, excluding borrowing costs. At the balancing

6. OTHER NOTES

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.

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.

	30 Jun. 2025	31 Dec. 2024
Materials	47,449	49,557
Work in progress	2,954	5,885
Finished goods	548	4,231
Merchandise	4,572	2,858
RES projects	128,508	111,364
Gross value of inventory	**184,031**	**173,895**
Impairment write-offs for inventory	1,556	1,556
Net value of inventory	**182,475**	**172,339**

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 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 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 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 building 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.

6. OTHER NOTES

	30 Jun. 2025			31 Dec. 2024		
	Gross value	Write-down	Net value	Gross value	Write-down	Net value
Trade receivables	PLN 691,290	50,899	640,391	510,560	52,122	458,438
Receivables from corporate income tax	5,444	-	PLN 5,444	3,958	-	PLN 3,958
VAT tax receivables	12,119	-	PLN 12,119	18,970	-	PLN 18,970
Other budget receivables	302	-	PLN 302	1,616	-	PLN 1,616
Other receivables	22,699	82	22,617	25,474	82	25,392
Total	**731,854**	**50,981**	**680,873**	**560,578**	**52,204**	**508,374**

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

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

	For a 6-month period, ended on 30 Jun. 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	(200)	5,396
Setting up /(reversal) of write-offs according to write-off matrix	(943)	3,994
Use of individual write-offs	-	(17,909)
Other	(6)	724
FX gains and losses from translation	(74)	(355)
Closing write-offs, of which:	**50,981**	**52,204**
Matrix-based calculated write-off	23,413	22,415
Individual write-off	27,568	29,789

	30 Jun. 2025	31 Dec. 2024
Non-past due receivables:	**500,173**	**278,382**
Past due receivables:	**140,218**	**180,056**
below 1 month	20,750	78,631
1-3 months	28,218	38,635
3-6 months	17,381	2,502
6 months - 1 year	13,245	16,590
Above 1 year	60,624	43,698
Total trade receivables, net	**640,391**	**458,438**

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. OTHER NOTES

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.

	30 Jun. 2025	31 Dec. 2024
Insurance	6,772	5,285
Licenses	3,892	376
Other	6,412	3,983
Total	**17,076**	**9,644**

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 30 June 2025 were based on the records of warranty repairs between 2020 and 2025 and as of 31 December 2024 - between 2019 and 2024 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.

6. OTHER NOTES

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. 2024	**36,084**	**12,019**	**932**	**21,509**	**70,544**
Increase	16,501	6,409	-	PLN 3,954	26,864
Dissolution	13	6,277	-	PLN 15,782	22,072
Increase due to acquisition	21	211	-	-	PLN 232
Utilisation	10,916	221	-	PLN 3,436	14,573
FX gains and losses from translation	(30)	(158)	-	(195)	(383)
As of 31 Dec. 2024	**41,647**	**11,983**	**932**	**6,050**	**60,612**
short-term	28,365	104	896	5,530	34,895
long-term	13,282	11,879	36	520	25,717
As of 1 Jan. 2025	**41,647**	**11,983**	**932**	**6,050**	**60,612**
Increase	7,018	5,227	-	PLN 17,338	29,583
Dissolution	20	3,353	-	PLN 6,519	9,892
Utilisation	5,273	88	-	PLN 155	5,516
FX gains and losses from translation	(13)	(61)	-	9	(65)
As of 30 Jun. 2025	**43,359**	**13,708**	**932**	**16,723**	**74,722**
short-term	31,100	-	PLN 896	16,206	48,202
long-term	12,259	13,708	36	517	26,520

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: BEST Deweloper Sp. z o.o. Court: District Court in Szczecin Date of filing a lawsuit: 6 February 2023 Value of the dispute: 6.050.337,37	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. The District Court ordered the exchange of pleadings. Upon the amicable request of the Parties, the Court, by virtue of order of 15 July 2024, referred the Parties to mediation. During the mediation process, the parties reached a partial settlement under which Best Developer paid PLN 739,152 plus interest of PLN 219,943.30. No date for the first hearing. The Management Board expects a positive outcome. The receivable (PLN 4.892.278,61) has been written off in accordance with the write-off matrix.
Defendant: Independent Public Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin Court: District Court in Szczecin, 8th Commercial Division	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 the A2 building and its connector", as well as land development, as part of the conversion and extension of A building at the Independent Public Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin, with an increase in the contractor's fee of PLN 14,435,306.59 (including VAT) and adjudication of this amount. The Defendant filed a response to the lawsuit. The first hearing was scheduled for 24 October 2024. However, the case was adjourned without a new date being set, and the court suspended the proceedings following the joint

6. OTHER NOTES

Party to the Dispute	Description of the Subject of the Dispute
Date of filing a lawsuit: 7 November 2022 Value of the dispute: 14.435.306,59	request of the parties involved. A meeting with the parties has been scheduled for 14 March 2025 to discuss the terms of the settlement. The parties had not reached a consensus, so ERBUD S.A. asked for the suspended proceedings to be resumed. Estimated date for dispute settlement before the Court of First Instance: 2027 The Management Board expects a positive outcome.
	The value of other litigations where ERBUD S.A. is the Plaintiff totals PLN 24.055.539,99.

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

Party to the Dispute	Description of the Subject of the Dispute
Plaintiff: Silesia Property sp. z o.o. Date of filing a lawsuit: 23 December 2024 Value of the dispute: PLN 52.686.247,51	By virtue of Statement of Claim, dated 23 December 2024, Silesia Property Sp. z o.o. claims payment of PLN 52,686,247.51 from Erbud S.A. for reimbursement of the costs of roof replacement (under warranty repair) performed by Erbud S.A. in connection with the performance of the contract dated 25 August 2010 for the design and construction of the Silesia City Center shopping mall at ul. Chorzowska 107, Katowice. On 25 February 2025 Erbud S.A. filed a response to the lawsuit requesting that the lawsuit be dismissed in its entirety. In the opinion of Erbud S.A., the Arbitration Court should not admit Silesia Property Sp. z o.o.'s claims in full due to the absence of an effective arbitration clause, the nature of the claims (legal grounds) and the facts of the case, or finally, the limitation plea. The Arbitration Court was constituted, and a schedule for the proceedings was agreed upon. Estimated date for settlement of the dispute in front of the Arbitration Court: 2027 The Management Board believes that the Company's position is justified. No provision has been made for the litigation.
Plaintiff: The Wielkopolskie Province Date of filing a lawsuit: 15 October 2024 Value of the dispute: PLN 7.700.000	The Wielkopolskie Province, with the seat of the Marshal's Office of the Wielkopolskie Province in Poznań, by lawsuit filed on 15 October 2024, claims that ERBUD S.A. should pay in its favour the sum of PLN 7,700,000, along with statutory default interest calculated on the amount of PLN 5,790,000 for the period from 5 December 2023 to the date of payment and on the amount of PLN 1,980,000 for the period from the day following the delivery of the Statement of Claim to the date of payment) for a contractual penalty for delay in the removal of ceiling defects discovered during the warranty period under the contract for the construction of an office building for the Marshal of the Wielkopolskie Province in the City of Poznań, at 34 Niepodległości Avenue. On 4 December 2024 Erbud S.A. filed a response to the lawsuit requesting that the lawsuit be dismissed in its entirety. In the opinion of Erbud S.A., the nature of the claims asserted (legal grounds) and the factual circumstances of the case do not provide grounds for accepting the claims of the Wielkopolskie Province in their entirety. The hearing of witnesses is underway. Estimated date for dispute settlement before the Court of First Instance: 2027 The Management Board believes that the Company's position is justified. No provision has been made for litigation.
Plaintiff: The Wielkopolskie Province Date of filing a lawsuit: 11 December 2024 Value of the dispute: PLN 12.670.000	The Wielkopolskie Province with the registered office of the Office of the Marshal of the Wielkopolskie Province in Poznań requests that the Court authorise Erbud S.A. to carry out, at the expense of Erbud S.A., a repair project and replacement of the defective façade in the building which is the registered office of the Office in Poznań, located at 34 Niepodległości Avenue in Poznań, on the K-0 storey, i.e. in the main lobby, as part of maintenance bond.. In the opinion of Erbud S.A., the nature of the claims asserted (legal grounds) and the factual circumstances of the case do not provide grounds for accepting the claims of the Wielkopolskie Province in their entirety. Proceedings for the taking of evidence are underway - expert opinion is being prepared.

6. OTHER NOTES

Party to the Dispute	Description of the Subject of the Dispute
	Estimated date for dispute settlement before the Court of First Instance: 2027 The Management Board believes that the Company's position is justified. No provision has been made for litigation.
Plaintiff: The Wielkopolskie Province Date of filing a lawsuit: 29 March 2025 Value of the dispute: PLN 8.653.811,55	The Wielkopolskie Province, whose Marshal's Office is based in Poznań, is demanding that Erbud S.A. be ordered to pay a portion of the contractual penalty charged for the alleged delay in rectifying the cracks and flooding in the underground car park facility under the driveway descend, which were caused by a lack of waterproofing at the driveway descent. In the opinion of Erbud S.A., the nature of the claims asserted (legal grounds) and the factual circumstances of the case do not provide grounds for accepting the claims of the Wielkopolskie Province in their entirety. A response to the appeal was filed. Estimated date for dispute settlement before the Court of First Instance: 2027 The Management Board believes that the Company's position is justified. No provision has been made for litigation.
Plaintiff – Puławy S.A. Nitrogen Fertilizer Plant Date of filing a lawsuit: 9 October 2024 Value of the dispute: PLN 18.132.376,00	Status of the case: the court refused to issue an order for payment and referred the case for trial. The claim covers the Plaintiff's contractual penalty for failing to complete the milestone of signing the boiler handover certificate on time. The Plaintiffs, acting in the capacity of Contractors, were obliged to complete all supplies, civil works and services necessary for the design, construction, commissioning and handover of the K2 steam boiler on a turnkey basis. The Defendants filed a response to the lawsuit. The Management Board's position on the case: The Management Board is confident that a satisfactory resolution to the matter can be reached. Estimated date for dispute settlement before the Court of First Instance: 2027 The Management Board believes that the Company's position is justified. No provision has been made for litigation.
	Total value of other proceedings where ERBUD S.A. is the defendant: PLN 13.054.859,16

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 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 balancing date broken down by employees and their daily gross salary plus social contribution surcharges paid by the Employer.

6. OTHER NOTES

	30 Jun. 2025	31 Dec. 2024
Trade payables	**372,804**	**312,199**
Liabilities vis-à-vis budget in relation to:	**24,588**	**26,014**
VAT tax	16,366	10,568
corporate income tax	8,222	15,446
Other liabilities	**82,043**	**83,758**
wages and salaries	17,801	16,244
accruals	1,933	2,389
short-term employee benefit liabilities	27,192	33,318
other taxes	26,858	21,800
other	8,259	10,007
Total	**479,435**	**421,971**

6.10. EXPLANATORY NOTES TO THE CASH FLOW STATEMENT

Reconciliation of the change in working capital balance for the period from 1 January 2025 to 30 June 2025 and for the period from 1 January 2024 to 30 June 2024.

	Change in balance of Cash Flow Statement in the period from January 2025 to June 2025	Change in balance of Cash Flow Statement in the period from January 2024 to June 2024
Change in provision balance	**14,110**	(1,304)
Change in inventory balance	**(10,136)**	(46,973)
Change of receivables balance	**(149,566)**	(73,217)
Change in balances of short-term liabilities, excluding credits and loans	**70,072**	15,546
Change in balance of prepayments and accruals	**(7,432)**	45,942
Change in settlement of assets and liabilities under building contracts	**(64,982)**	47,502
Change in balance of working capital	**(147,934)**	**(12,504)**

6.11. 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 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.

6. OTHER NOTES

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 30 June 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)	
Item	**Name of entity**	**Registered office**	**Scope of activities**	**30 Jun. 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	**100.00%**	98.00%
11	Erbud Industry Centrum Sp. z o.o.	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	**4.00%**	4.00%

6. OTHER NOTES

Shares held indirectly by the Parent Company (corresponding to the voting rights held)

Item	Name of entity	Registered office	Scope of activities	30 Jun. 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	**0.00%**	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	WTL50 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
21	WTL210 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 Sp. z. o.o Photovoltaic Farm	Toruń	Renewable energy sources	**100.00%**	100.00%
40	WINDIFY Sp. z o.o.	Warsaw	Renewable energy sources	**100.00%**	0.00%
41	CKTiS Sp. z o.o.	Biała	Maintenance services in the industrial segment	**100.00%**	100.00%

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

6. OTHER NOTES

Long-term financial assets	30 Jun. 2025	31 Dec. 2024
Azuryt 6 Investments Sp. z o.o.	-	PLN 13,004
KWE Sp. z o.o.	9,866	10,133
Tauron Serwis Sp. z o.o.	490	490
Neo Solar Kazimierz Biskupi Sp. z o.o.	21,667	22,084
Total	**32,023**	**45,711**

For major investment projects consolidated using the equity method, the key financial figures for the period ended on 30 June 2025 are presented below:

	KWE SP. Z O.O.	Solar Kazimierz Biskupi Sp. z o.o.
Balance Sheet highlights:	30 Jun. 2025	30 Jun. 2025
ASSETS, of which:	**5,569**	**15,622**
Fixed assets	4,966	9,884
Current assets, of which:	603	5,738
Cash assets	488	76
LIABILITIES, of which:	**5,569**	**15,622**
Shareholders' equity	(2,439)	838
Long-term liabilities of which:	7,732	14,153
Financial liabilities	7,732	14,153
Short-term liabilities of which:	276	631
Financial liabilities	-	-

Condensed Profit and Loss Account:		
Net profit for the accounting period	(513)	(853)
Other P&L items:		
Financial expenses	130	857

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.

6. OTHER NOTES

Sale of shares in a jointly-controlled entity

On 16 May 2025, 50% shareholding in Solar Serby Sp. z o.o. was sold to a non-related entity. The deal price totalled approximately to PLN 48 million and was adjusted with the value of the net working capital and net debt of the Solar Serby Sp. z o.o. as of the date of the Share Sales Agreement. The net proceeds from the disposal of shares is presented in the profit and loss account and other comprehensive income in the line 'Profit/loss on the sale of shares in subsidiaries and jointly-controlled entities'.

Acquisition of shares in a controlled entity

On 2 June 2025, ONDE S.A. entered into an agreement to acquire a 100% shareholding in Windify Sp. z o.o., a company owned by a special purpose vehicle (SPV) , from a third party. The SPV owns a wind power project with a planned installed capacity of 200 MW, located in the Lublin Province. The wind project is in an early phase of development.

The acquisition price of the shares was determined following an arm's length principle, totalled PLN 5 million and was settled in cash. Transaction costs were negligible. The Company's assets include land lease contracts defining the wind farm construction site and cash.

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 30 June 2025 and in the period ended on 31 December 2024.

	30 Jun. 2025	31 Dec. 2024
	Subsidiaries not consolidated by full method	Subsidiaries not consolidated by full method
Trade receivables	PLN 236	279
Loans extended	14,771	29,753
Trade payables	82	24
Sales revenues	132	11,385
Interest income on loans extended	573	1,900
Purchase of goods and services	190	-

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):

	30 Jun. 2025		31 Dec. 2024	
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 (holds directly and indirectly)	2,553,460	21.40%	2,553,460	21.40%
Jacek Leczkowski	5,112	0.04%	5,112	0.04%
Agnieszka Głowacka	3,938	0.03%	3,938	0.03%
Albert Dürr	32,172	0.27%	26,354	0.22%
Roland Bosch	10,000	0.08%	10,000	0.08%
Total	**2,604,682**	**21.82%**	**2,598,864**	**21.77%**

6. OTHER NOTES

6.13. POST-ACCOUNTING PERIOD EVENTS

There were no significant events, not recognised in the financial statements, affecting the Group's financial position after the end of the accounting period until the date of signing of these interim condensed financial statements.

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/	Tomasz Wojak /A Management Board member/

Warsaw, 9 September 2025