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ERBUD considerably boosts the profitability of its three main business areas

Three of the four main divisions of the Erbud Group achieved a combined operating profit of PLN 68.7 million on revenues of PLN 2.3 billion in the first 9 months of 2025. This is 42 per cent and 14 per cent increase, respectively, compared to the same period last year. Ongoing investments in the modules segment significantly impacted consolidated EBIT.

The ERBUD Group generated PLN 2.44 billion in revenue in the first 9 months of this year, compared to PLN 2.1 billion a year earlier (+16 per cent y/y). Simultaneously, the Company generated a gross sales margin of PLN 174.6 million, compared to PLN 174.1 million for the same period in 2024. The Group's EBITDA amounted to PLN 54 million, which was PLN 11.1 million (17 per cent) lower than in the first three quarters of 2024. The Group's operating result in the reporting period decreased from PLN 33.6 million to PLN 15.5 million compared to the corresponding period of 2024. The net result amounted to PLN -13 million, versus a profit of PLN 7.7 million in the respective period of 2024.

- Despite the challenging market, three of our four divisions are performing exceptionally well. This is the second consecutive year of declining construction and assembly output, a situation unfavourable for business development. Therefore, I am all the more impressed with the results of our three "core" segments. The fourth remains at the investment stage and requires time to begin contributing to the Group's results. – **emphasises Dariusz Grzeszczak, President of ERBUD.**

The best performance in the ERBUD Group in the first 9 months of 2025 was achieved by the RES segment represented by ONDE. This industry-leading Polish RES contractor and developer produced PLN 629.6 million in revenue, compared to PLN 581.4 million (+8.28 per cent) a year earlier. Concurrently, ONDE improved its gross sales profitability, generating PLN 75.6 million, which is 31.5 per cent more than in the first 9 months of 2024. The segment's operating profit (PLN 31.8 million) was lower by 6.8% y/y, however, it should be noted that last year's result was significantly improved by development transactions, which brought the ERBUD Group PLN 19 million, compared to approximately PLN 7.3 million this year.

- ONDE has improved its sales profitability for the consecutive quarter, which is encouraging, especially given that wind projects, which naturally feature higher margins, are as scarce as hen's teeth. The supply of PV projects remains on a satisfactory level, and the Company is able to capitalise on its opportunities, exemplified by the acquisition of four large orders in October for the construction of photovoltaic farms for a total of nearly PLN 310 million. Unfortunately, the adverse legislation and tedious development process in Poland limit the

potential of our market. For this reason, the Company is also exploring opportunities for growth overseas. – **comments Jacek Leczkowski, Vice-President of the ERBUD Group.**

Residential construction, which accounts for the largest share of the Group's revenue, not only recorded a 17 per cent increase in sales, but also a sharp improvement in operating profit. Whereas a year ago this segment was slightly in the red, this year it generated a profit of nearly PLN 18 million.

- The residential market in Poland is still experiencing stagnation, and therefore we are all the more pleased with the results achieved by the Group. This is mainly due to increased cost discipline and executive supervision, as well as more conservative work valuations. **– highlights Dariusz Grzeszczak, President of ERBUD.** *– A considerable backlog of orders, amounting to nearly PLN 1.4 billion, has been accumulated, of which approximately PLN 440 million is to be processed in the fourth quarter of this year.* – **dodaje Dariusz Grzeszczak.**

The reporting period was also particularly successful for the industrial services segment. Collectively, this activity – both domestically and internationally – generated PLN 470 million in revenue (+14 per cent y/y), while increasing operating profit by 23 per cent compared to the first three quarters of 2024, to PLN 19 million.

- The performance of the services segment is increasingly influencing the Group's results. We are growing rapidly, especially abroad. The profitability of this business is also outstanding – typical for this type of activity. There is considerable potential for growth here, as competition is fragmented and the market itself is extensive. – **explains Tomasz Wojak, member of the ERBUD Management Board, responsible for the industry services segment.**

The only unprofitable division in the ERBUD Group remains MOD21, a company producing timber modules. After 9 months of the year, it increased its revenues by 84 per cent compared to the same period in 2024, to PLN 127 million. However, it simultaneously recorded a negative EBIT result of PLN 51.2 million. This figure was mainly influenced by the further settlement of a one-off event on the Munich project (approx. PLN 17 million), the costs of rebuilding the team (approx. PLN 8 million), the verification of the profitability of historical contracts and the deliberate reduction of production until the completion of the business reorganisation process.

- Every innovative activity requires a longer "start-up" period. The construction of the facility, purchase of machinery and launch of production is the easier stage. This is followed by market verification, which in our case was positive, as is evident from the number of orders. Currently, we are in the most challenging phase – optimising processes, making continuous adjustments, and searching for better solutions. This is the cost of development, which should pay off once we reach full production capacity, as modules are the most promising area of the construction market in Europe. – **states Dariusz Grzeszczak.**

In accordance with a report by the Polish Investment and Trade Agency, by 2030 the modular construction market in Poland is expected to reach a value of PLN 7 billion

annually, predominantly in segments such as military, social and educational construction, as well as construction accompanying large infrastructure projects, for example at the Central Communication Port (CPK) or nuclear power plants.

At the end of October 2025, the aggregate value of the ERBUD Group's external backlog exceeded PLN 2.5 billion.

– While the Group signed contracts for almost PLN 550 million after the balance sheet date, and as much as PLN 2.4 billion in the whole of 2025, it is obvious that we will still need to wait for more significant investments. Disbursement of the Polish National Recovery and Resilience Plan funds should gain momentum in the first half of 2026. At that point, we also expect a visible rebound of the market. – ***remarks*** **Dariusz Grzeszczak.**

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The ERBUD Capital Group is the largest construction group in Poland, outside of international holdings. ERBUD has over 34 years of experience on the Polish market and in Western European countries. The Company is specialised in building construction, green energy, industrial services and modular construction. ERBUD S.A. has been listed on the Warsaw Stock Exchange since 2007. Since 2021, ERBUD has been included in the prestigious EMAS register, the highest EU distinction in the field of ecology, and in 2022 it was ranked on the prestigious "World's Best Employers" list by the American magazine Forbes. For more information, please visit www.erbud.pl.

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