Investor presentation

H1 2023



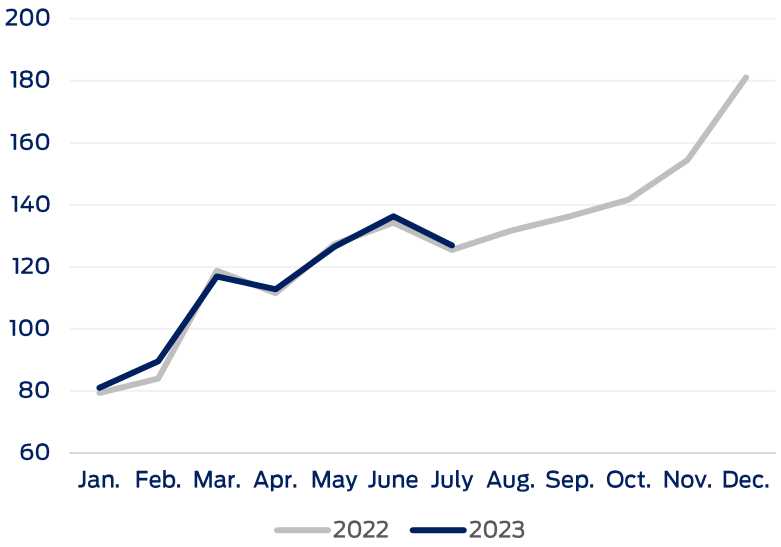


ERBUD Group. Highlights of H1 2023

- PLN 1.58 billion revenue in H1 2023 (PLN 1.79 billion a year earlier),
- PLN 10.2 million EBIT in H1 2023 (PLN 12.4 million in H1 2022),
- PLN 28.2 million EBITDA, -2.3% y/y,
- Stabilisation of operating profitability, achieved thanks to the improved performance of the RES and industrial services segments,
- Sale of the RES segment's first development project, the Cyranka PV farm,
- Backlog of external customers' orders of PLN 2.43 billion (as at 30.06.2023), with PLN 2.55 billion at the end of 2022.
- Winning a dispute with Bank Millenium (PLN 112 million) relating to foreign exchange option losses from 2008 (outside the balance sheet period).

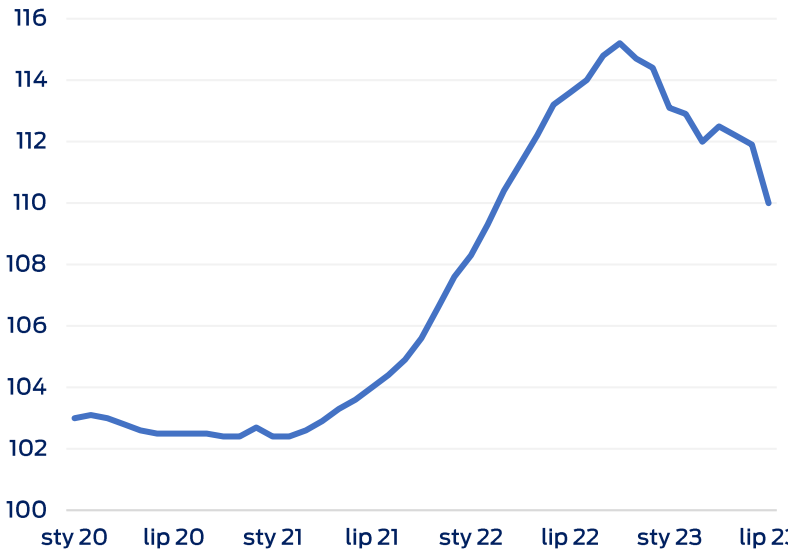
Construction market in Poland

Construction and assembly production dynamics (constant prices)



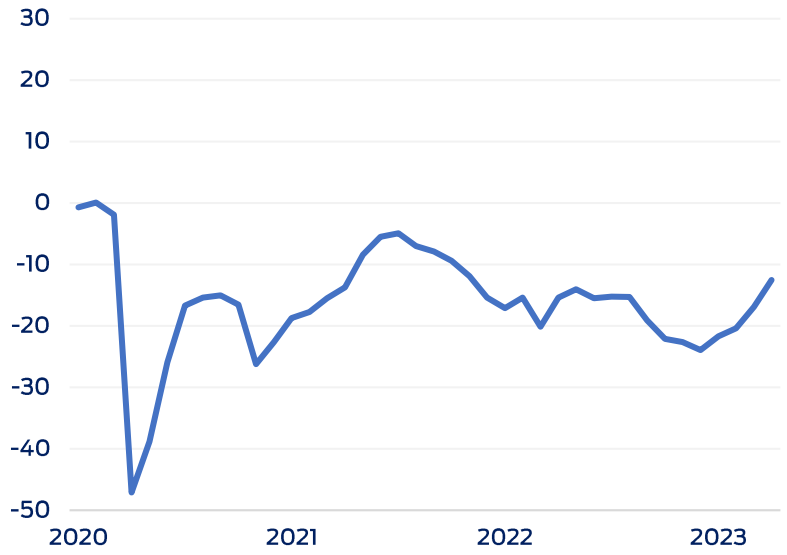
Monthly average 2015=100

Construction and assembly production price indices



Changes in prices of construction and assembly production in relation to the same period of the previous year

General business climate index for the construction industry



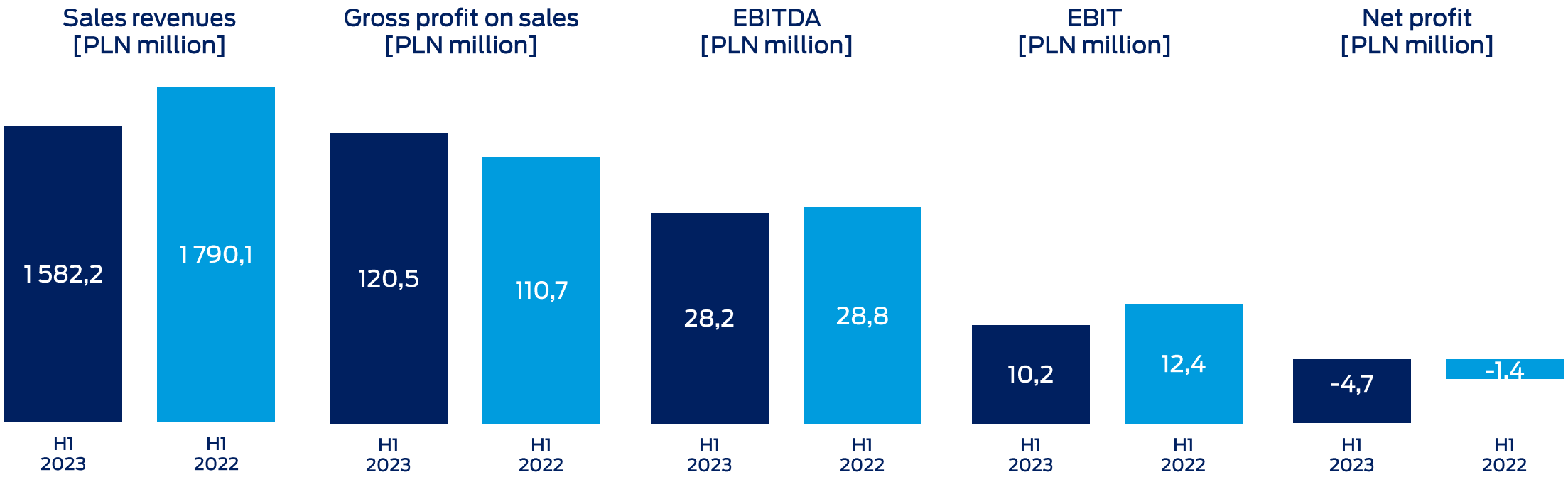
COMMENT

- Slower growth in project costs; prices up 10% y/y. (July this year)
- Construction remains one of the most pessimistic sectors of the economy

Operational and financial results



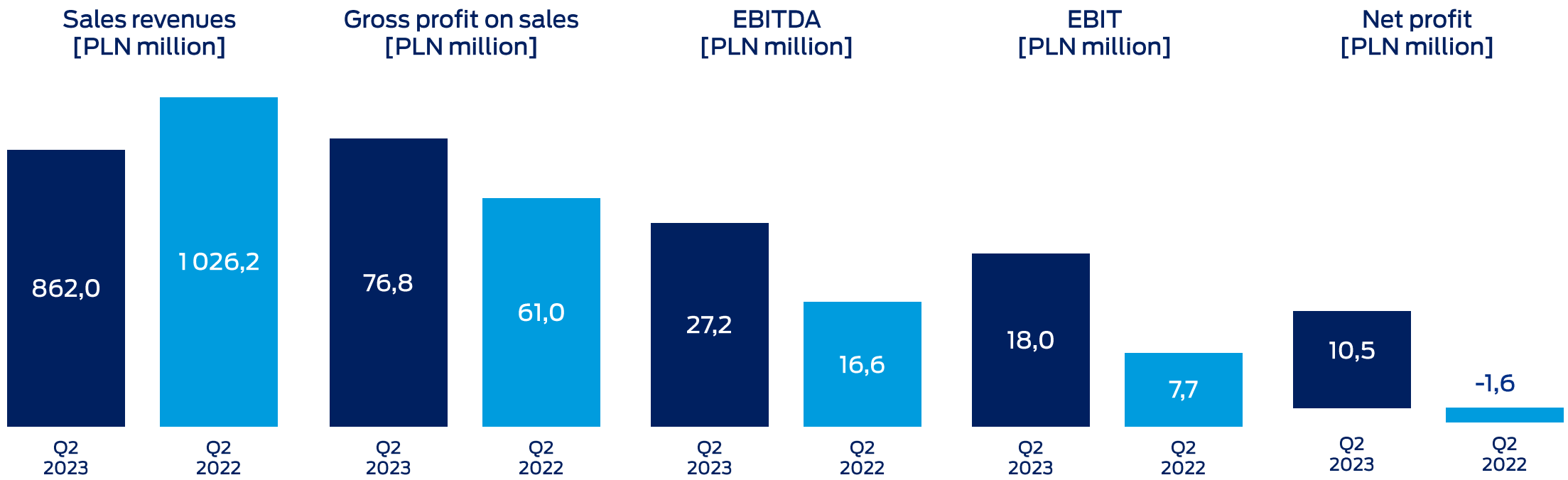
Group’s financial results for H1 2023



COMMENT

- The Group’s revenue for H1 2023 down by nearly 12% y/y,
- 7.6% gross margin on sales in H1 2023, compared to 6.2% a year ago, achieved e.g. due to the recovery in the RES segment and the sale of the Cyranka project,
- Negative net result e.g. due to significantly higher financial costs.

Group's financial results for Q2 2023

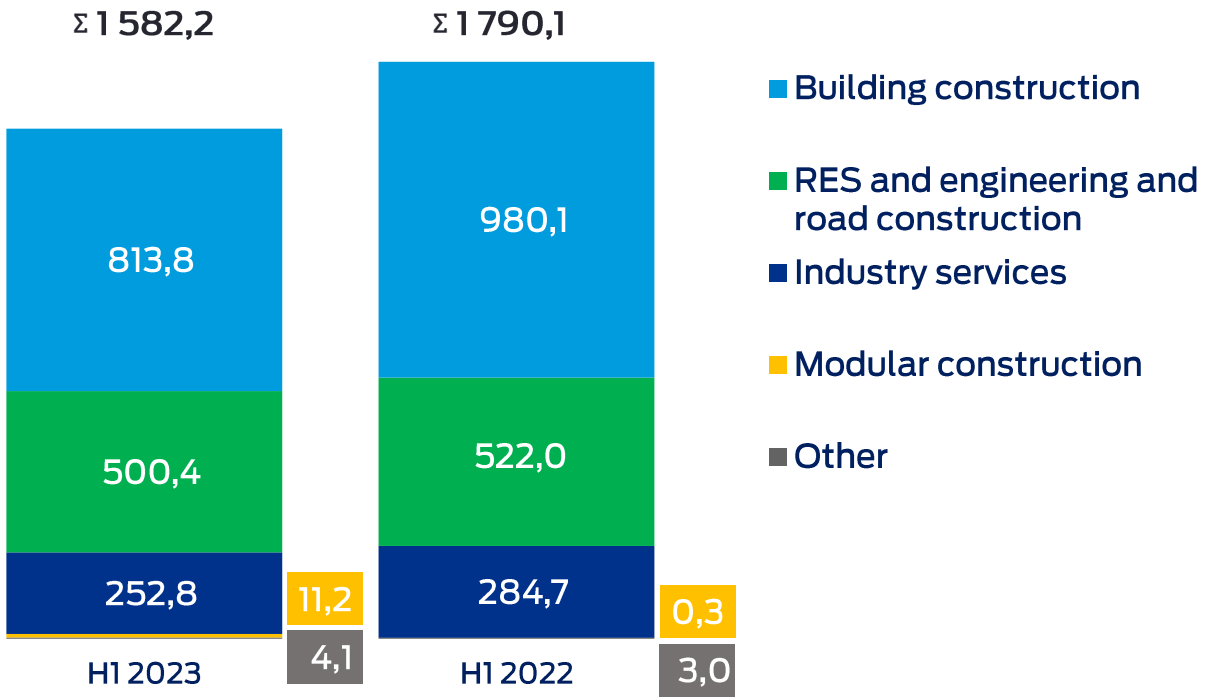


COMMENT

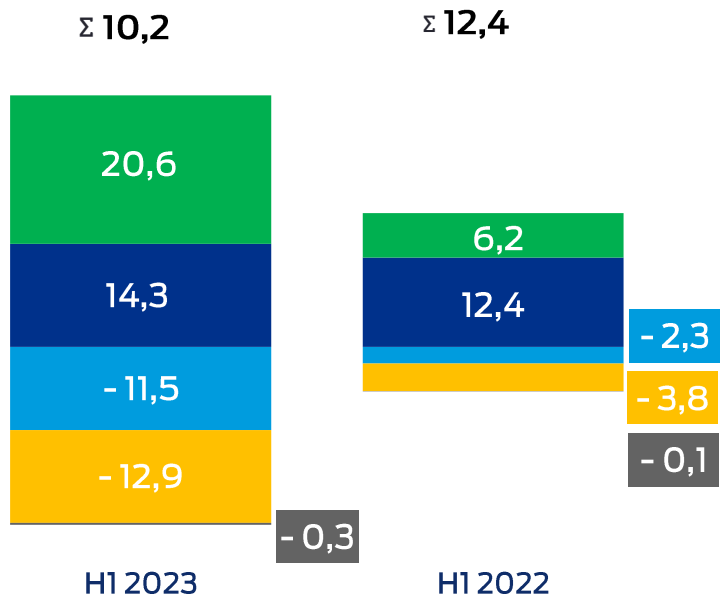
- Revenue down 16% y/y in Q2 2023,
- 8.9% gross margin on sales in Q2 2023, up from 5.9% a year ago,
- 135% increase in operating profit; EBIT growth in RES and the industrial segment offset losses in building and modular construction,
- An increase in net profit of PLN 12.1 million y/y, achieved despite a PLN 6.7 million higher negative balance of financial income and expenses.

Results by segment - H1 2023

Sales revenues [PLN million]



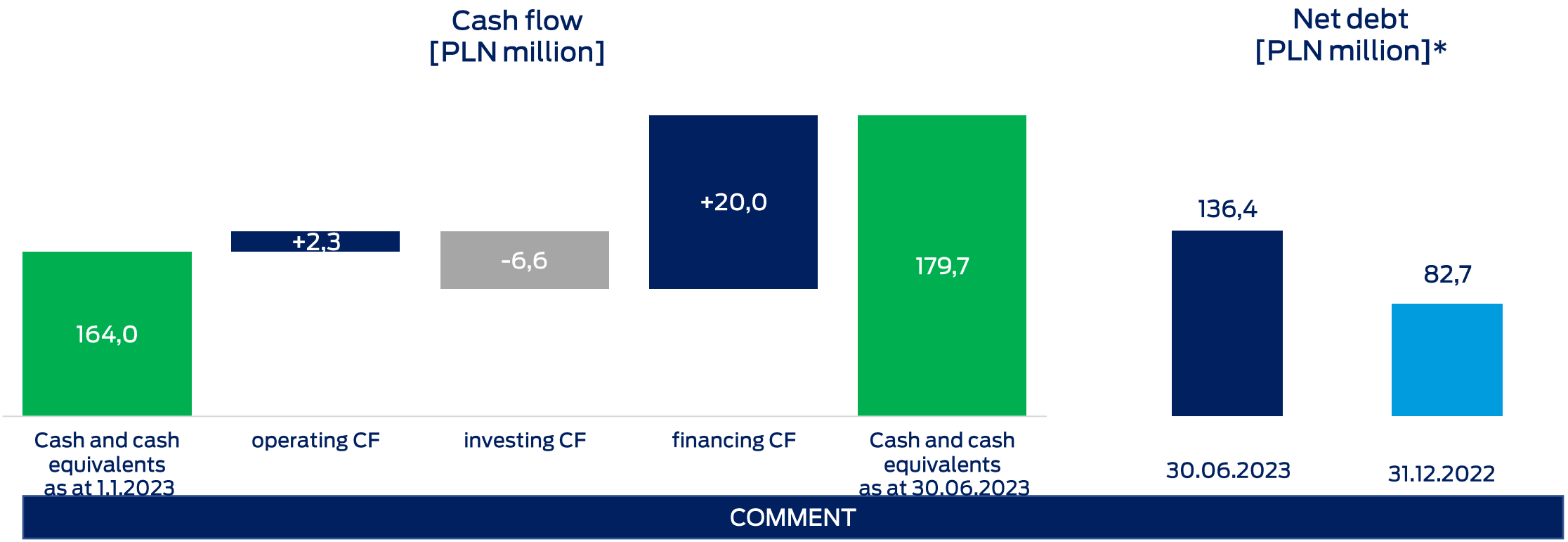
Operating result [PLN million]



COMMENT

- Increase in profitability of services to industry and the RES segment,
- Decrease in sales and negative result of the building construction business, related to the market situation and settlement of contracts particularly burdened by cost inflation,
- Negative result of the modular construction segment; problems of the "infancy" of the business (e.g. organisation of production) postpone the achievement of break even by the segment.

Financial flows in H1 2023 and net debt



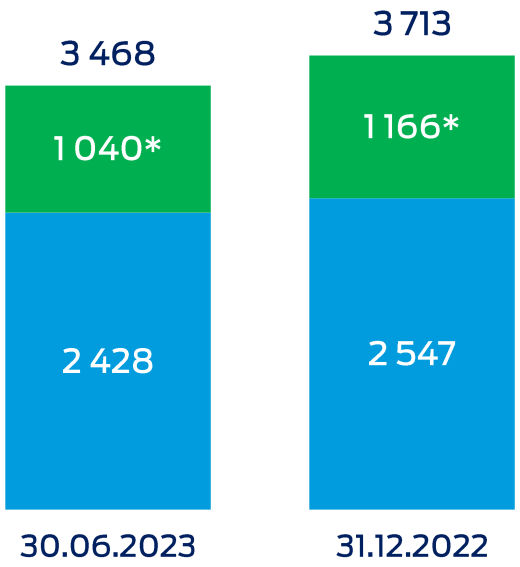
COMMENT

- Increased utilisation of available credit lines to finance Group operations
- Positive cash flows from operating activities

*Net debt= Interest-bearing liabilities (adjusted for IFRS16 liabilities) less cash (including restricted cash and cash held in a VAT account)

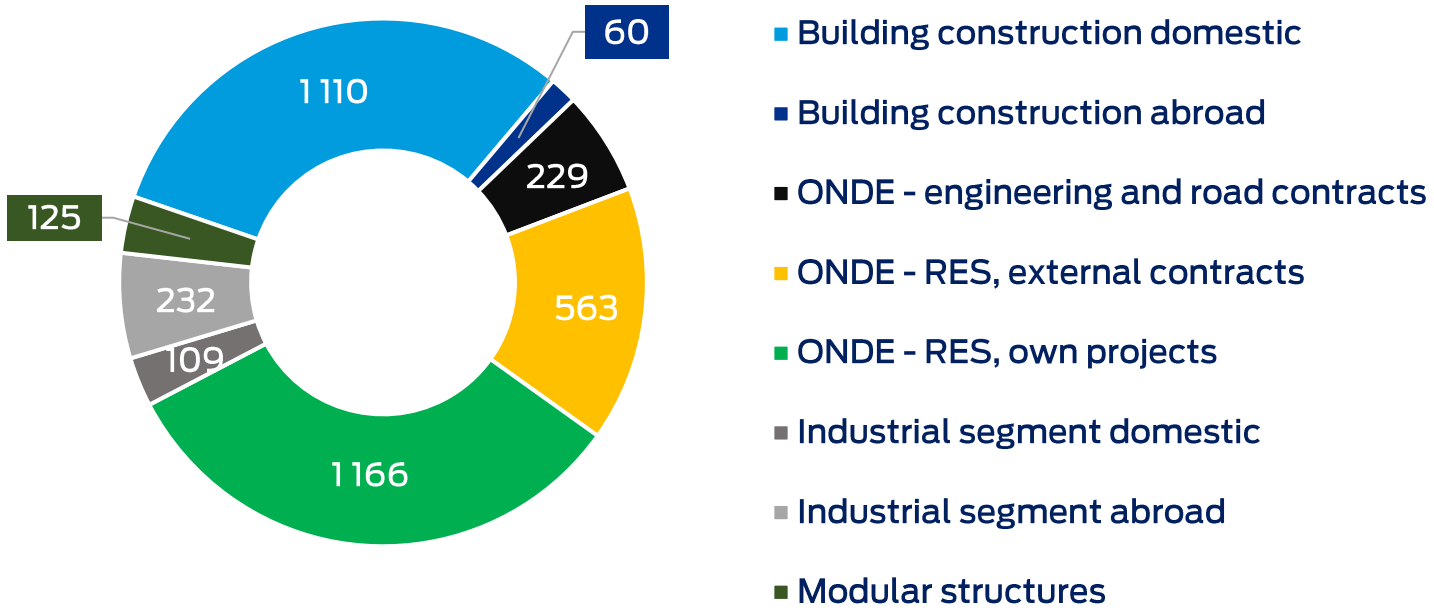
Order portfolio

Total orders
[PLN million]



* own RES project portfolio

Order portfolio by segment[PLN million]
– as of 30.06.2023

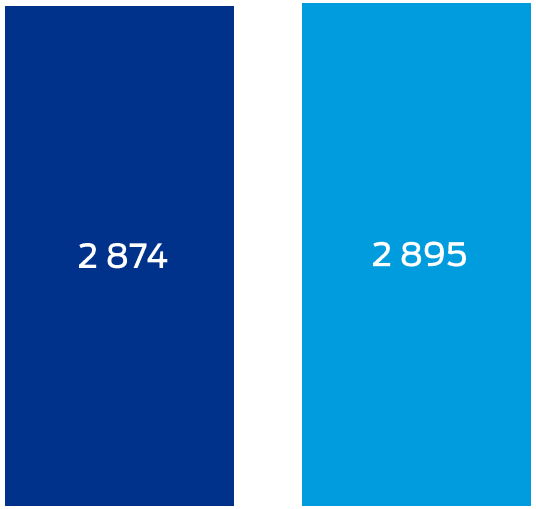


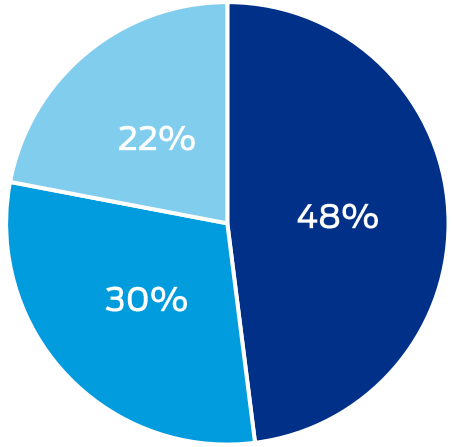
COMMENT

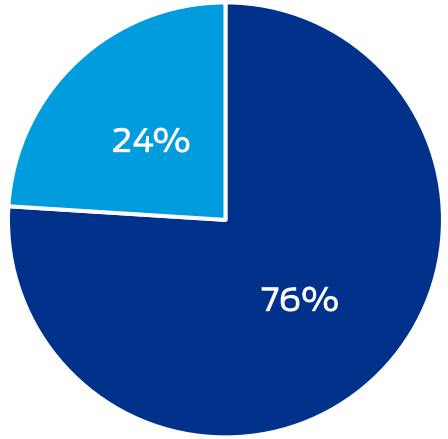
- Reduction in the Group's external order portfolio in the first half of this year, as a result of the slowdown in the building construction segment
- The total value of orders, including ONDE's own RES projects, is PLN 3,468 million.

Employment

Number of employees in the Group







as of 30.06.2023

COMMENT

- In H1 2023, employment in the Erbud Group decreased slightly.



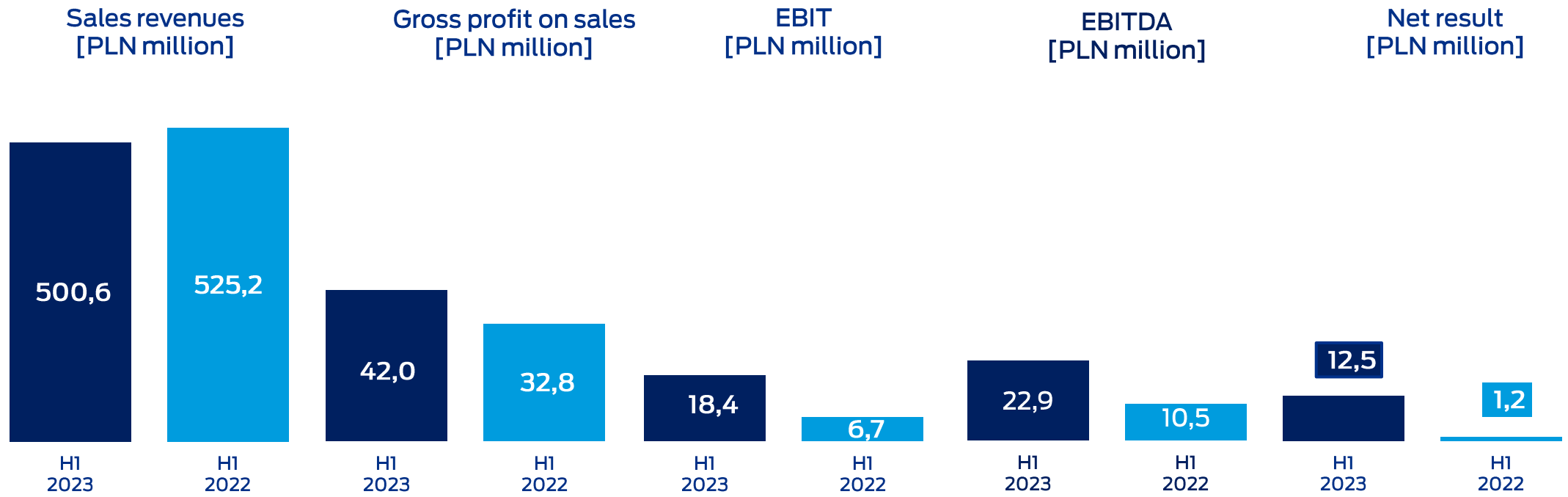
ONDE

OPERATING AND FINANCIAL RESULTS FOR THE FIRST HALF OF 2023 ONDE GROUP

Highlights of H1 2023

- PLN 500.6 million revenue in 2023, -5% y/y,
- PLN 18.4 million EBIT in H1 2023. - 28% y/y increase,
- PLN 22.9 million EBITDA in H1 2023, up 119% y/y,
- Backlog to external customer as at 30 June 2023 was approximately PLN 792 million,
- Sale of first project from own portfolio - "Cyranka" PV farm,
- Purchase of two advanced PV projects with a total potential of 23 MW (after the balance sheet date).
- Extension of the board of ONDE - Marek Marzec as a vicepresident

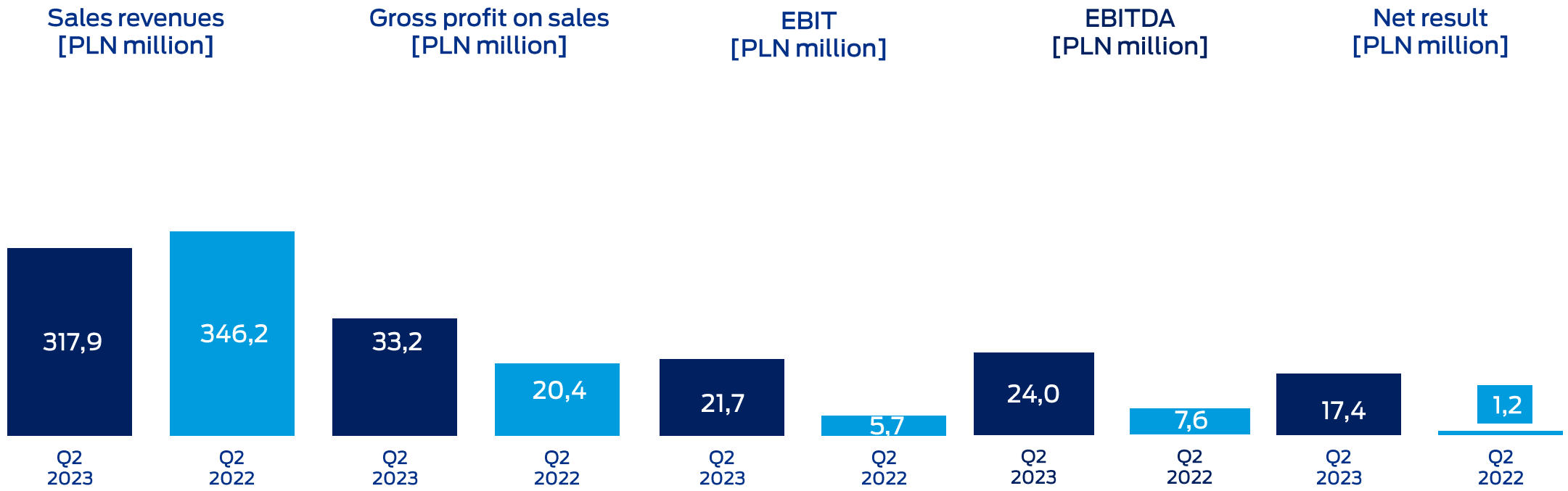
ONDE's financial results in H1 2023



COMMENT

- Significant improvement in performance at all account levels - both year-on-year and in relation to the first quarter of 2023 - effect of the improvement in the contracting market and the sale of the PV farm - "Cyranka",
- Gross margin on sales - 8.4%; 3.7% EBIT margin; 2.5% net margin.

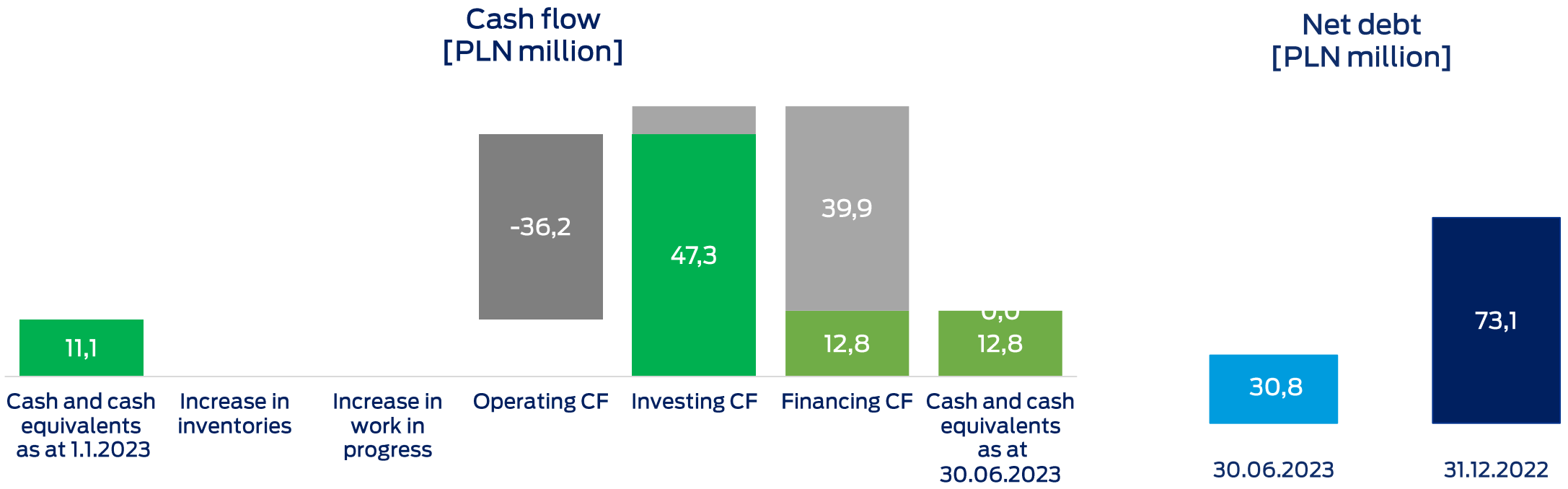
ONDE's financial performance in Q2 2023



COMMENT

- The Q2 results included the result from the sale of the Cyranka PV farm, which significantly supported margins,
- Increase in return on sales to 10.5% compared to 5.9% in Q2 2022.

Cash flow and debt in H1 2023

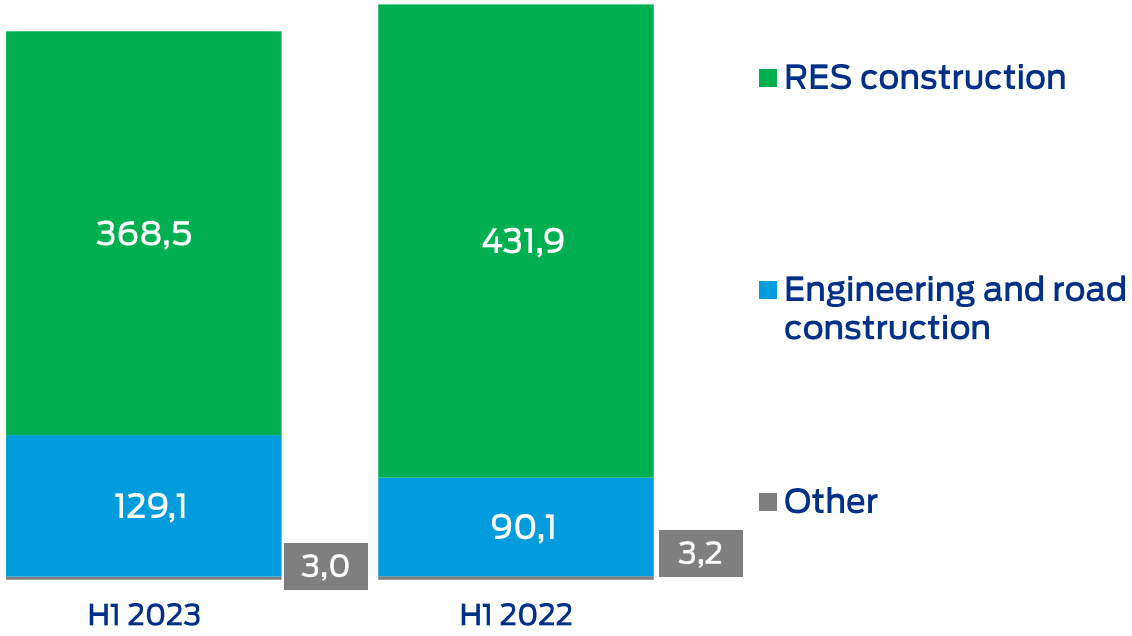


COMMENT

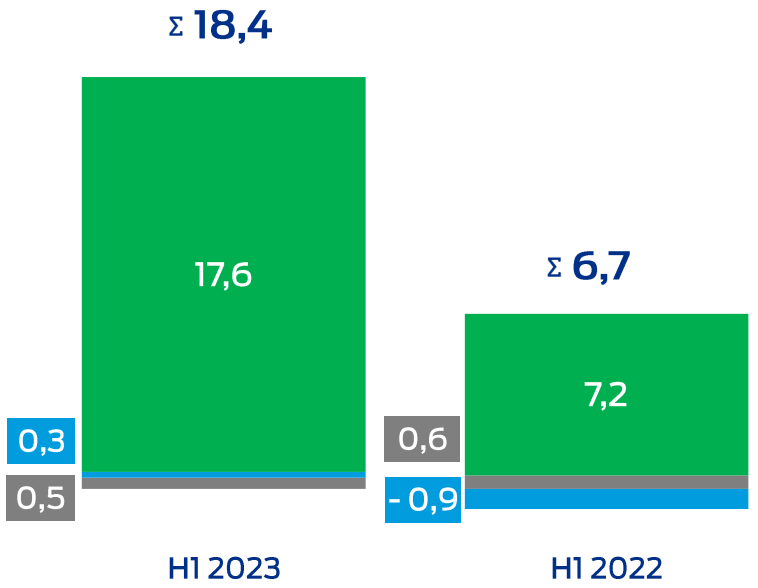
- The high operating CF has allowed a significant reduction in debt,
- The cash position provides a secure liquidity base.

Results by segment in the first half of 2023

Sales revenues
[PLN million]



EBIT
[PLN million]

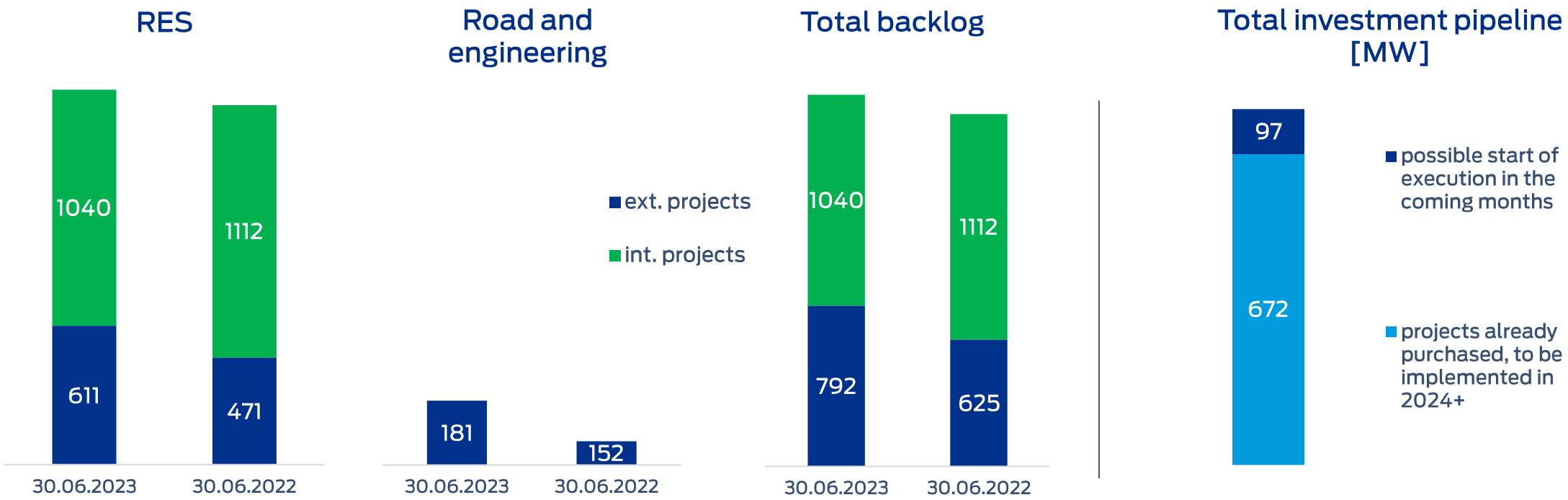


COMMENT

- Nearly 44% higher sales in the road segment vs. H1 2022,
- Significant increase in EBIT in RES due to the sale of the "Cyranka" project,
- Positive operating result in all segments.

Backlog in execution and investment pipeline

[PLN million]



COMMENT

- Backlog noticeably higher than last year in the same period, in RES by almost 30% y/y,
- Backlog of external RES projects: wind - PLN 296 million; PV - PLN 315 million; road - PLN 181 million.

Progress of development projects

	SPV	Type	[MW]	% share of ONDE in the project	lease agreement	environmental decision	building conditions	connection conditions	building permit design	building permit	construction phase
1	PV Kadłubia 2	PV	9	100%							
2	PV Kadłubia 2	PV	8	100%							
3	PV Szczepanów	PV	8	100%							
4	PV Jankowa Żagańska	PV	8	100%							
5	Park Słoneczny Ciechanów	PV	7	100%							
6	Solar Serby	PV	80	50%							
7	KWE (Kazimierz Biskupi)	FW	34	50%							
8	Wind Park Szybowice	FW	35	50%							
9	FW Gumienice (Włoszakowice)	PV	10	100%							
10	Park Lewałd	PV	25	100%							
11	Solar Kazimierz Biskupi	PV	150	50%							
12	Power Plant (Rejowiec)	PV	40	100%							
13	Jawor	PV	9,8	100%							
14	Jelenia Góra 1	PV	5,9	100%							
	Total MW	=	429,7				165		264,7		
15	19 Greenfield* projects	PV	435	100%				2 projects were approved for grid connection for 14 MW oraz 3,6 MW			
16	Jelenia Góra 2	PV	4,085	100 %							

* New Greenfield projects: Lewałd Wielki stage 2 - PV – 80 MW (lease agreement+environmental decision)

as of 24.08.2023

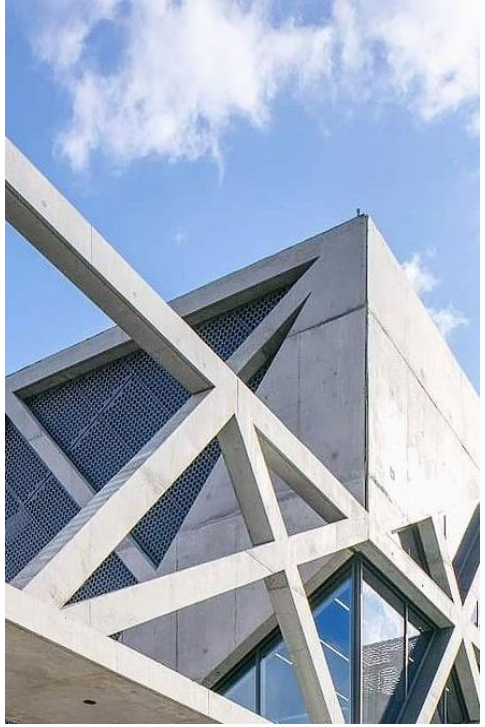
COMMENT

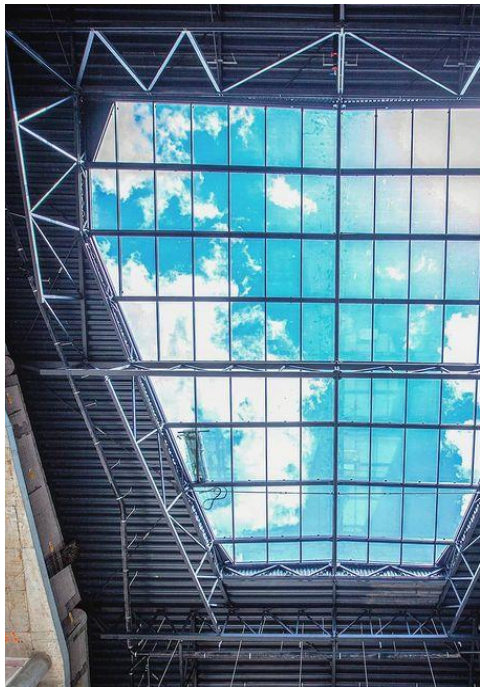
- Further projects are planned to start later in 2023

Market environment

- Current PPA prices ~110 euro/1MWh,
- Stabilising prices of construction materials and key components, falling freight prices,
- The amendment to the RES Act passed by the Sejm included provisions for cable pooling. According to government estimates, this will allow an additional 5 GW of RES potential to be generated without investors having to wait for connection decisions,
- PEP2040 update postponed. The finalisation of the document is scheduled for late 2023/early 2024,
- Lithuania plans to have 9 GW of installed renewable energy capacity (vs. 2.5 GW at the end of 2022) by 2030. This is 90 per cent of the country's electricity needs,
- Strengthening of the company's management board - Marek Marzec as vice-chairman.







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