Investor presentation

Q1 2023



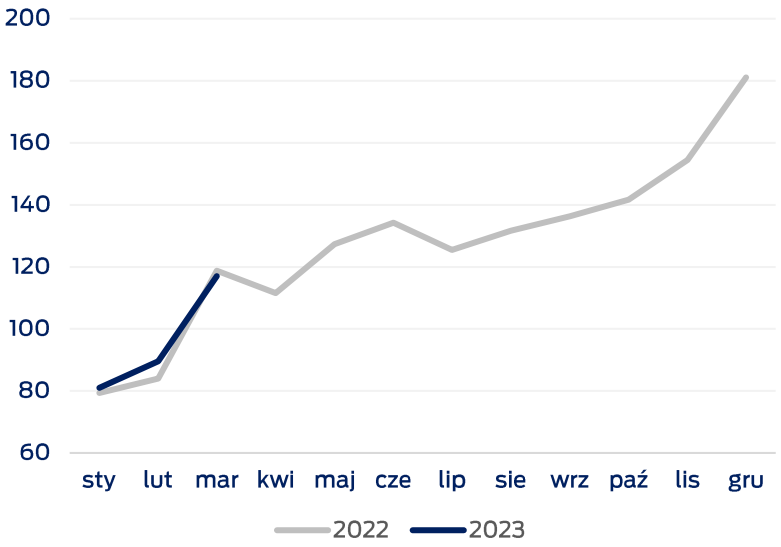
ERBUD Group. The most important events of Q1 2023.

- PLN 720.6 million revenue in Q1 2023, -6% y/y,
- PLN 0.2 million normalised* EBIT in Q1 2023 (PLN 7.5 million in Q1 2022),
- PLN 8.9 million normalised* EBITDA, -40% y/y,
- Declining profitability linked, among other things, to inflationary cost pressures, finalisation of contracts budgeted in diametrically opposed macroeconomic conditions,
- Orders portfolio from external customers worth PLN 2.56 billion (as at 31.03.2023), with PLN 2.55 billion at the end of 2022,
- Successful start of the modular construction segment (MOD21) - acquisition in Q1 2023, orders worth PLN 135 million.

* Result cleared of the modular segment result (PLN -8.0 million in Q1 2023, PLN -2.7 million in Q1 2022).

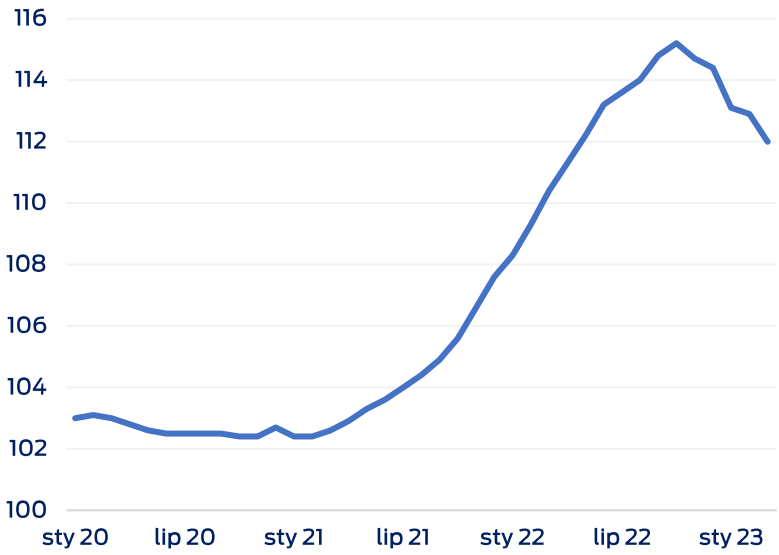
Construction market in Poland

Dynamics of construction and assembly production (constant prices)



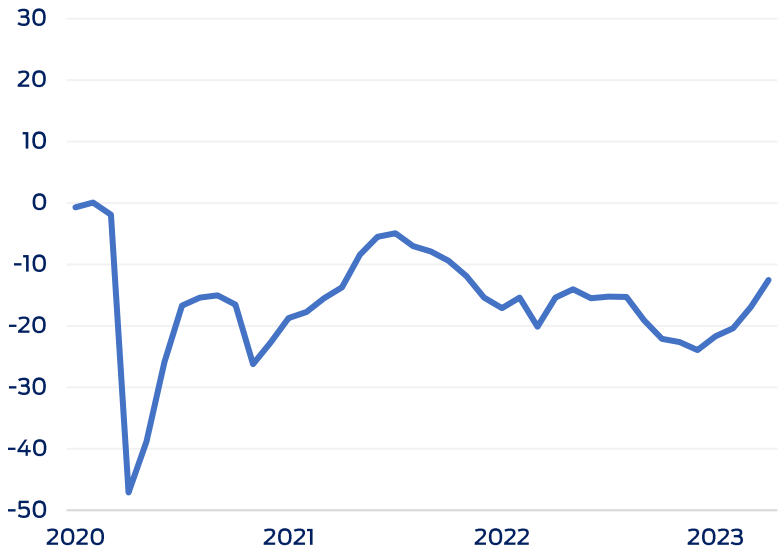
Monthly average 2015=100

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



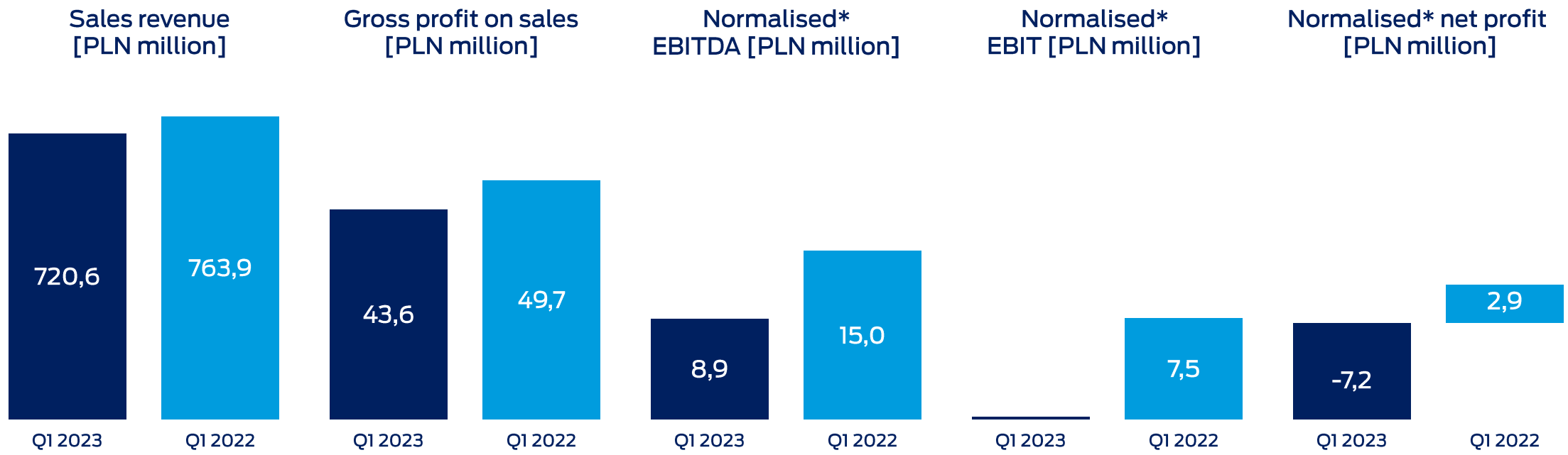
COMMENT

- Lower growth in implementation costs, however, continuing at a double-digit rate,
- Improvement of industrial sentiment. Employment and material costs remain the most important barriers for construction companies.

Operating and financial results



Group financial results for Q1 2023.

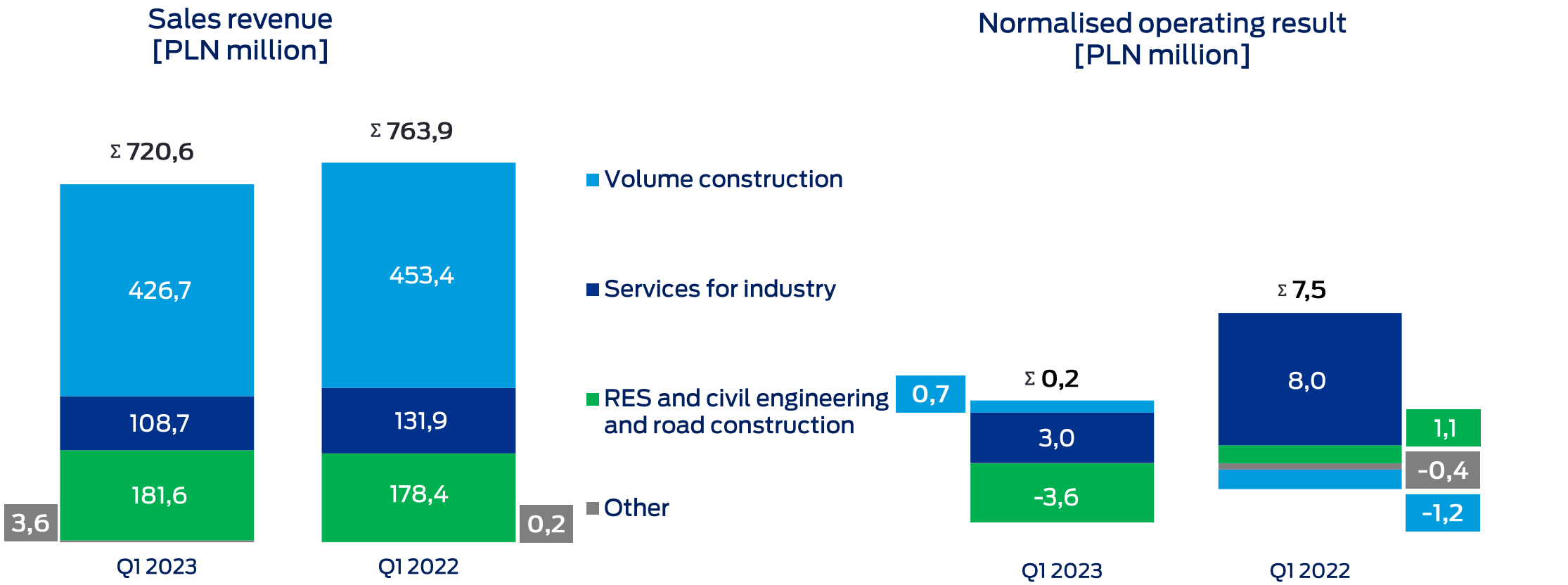


COMMENT

- 6% year-on-year decrease in Group revenue in Q1 2023,
- 6.1% gross margin on sales in Q1 2023, up from 6.5% a year ago,
- Negative net result due to, among other things, significantly higher financial costs.

* Result cleared of the modular segment result (PLN -8.0 million in Q1 2023, PLN -2.7million in Q1 2022).

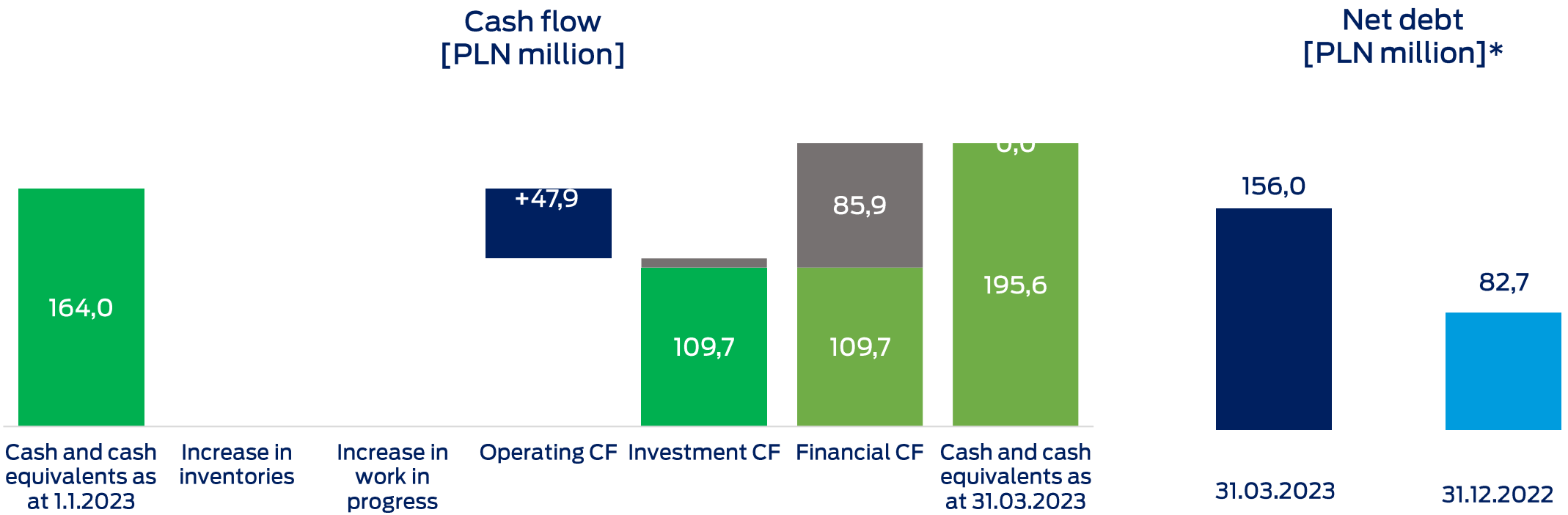
Results by segment - Q1 2023.



COMMENT

- With a similar revenue structure, lower profitability due to the macroeconomic situation
- Increase in profitability of volume construction and engineering and road construction, decrease in margins in other business areas.

Financial flows in Q1 2023 and net debt



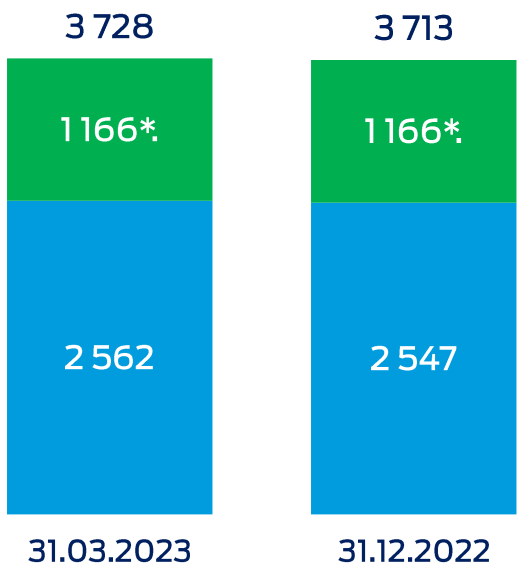
COMMENT

- Increase in cash related, inter alia, to the refinancing of the costs of the Cyranka photovoltaic farm project

*Net debt= interest-bearing liabilities (adjusted for IFRS16 liabilities) less cash (including restricted cash and accumulated VAT)

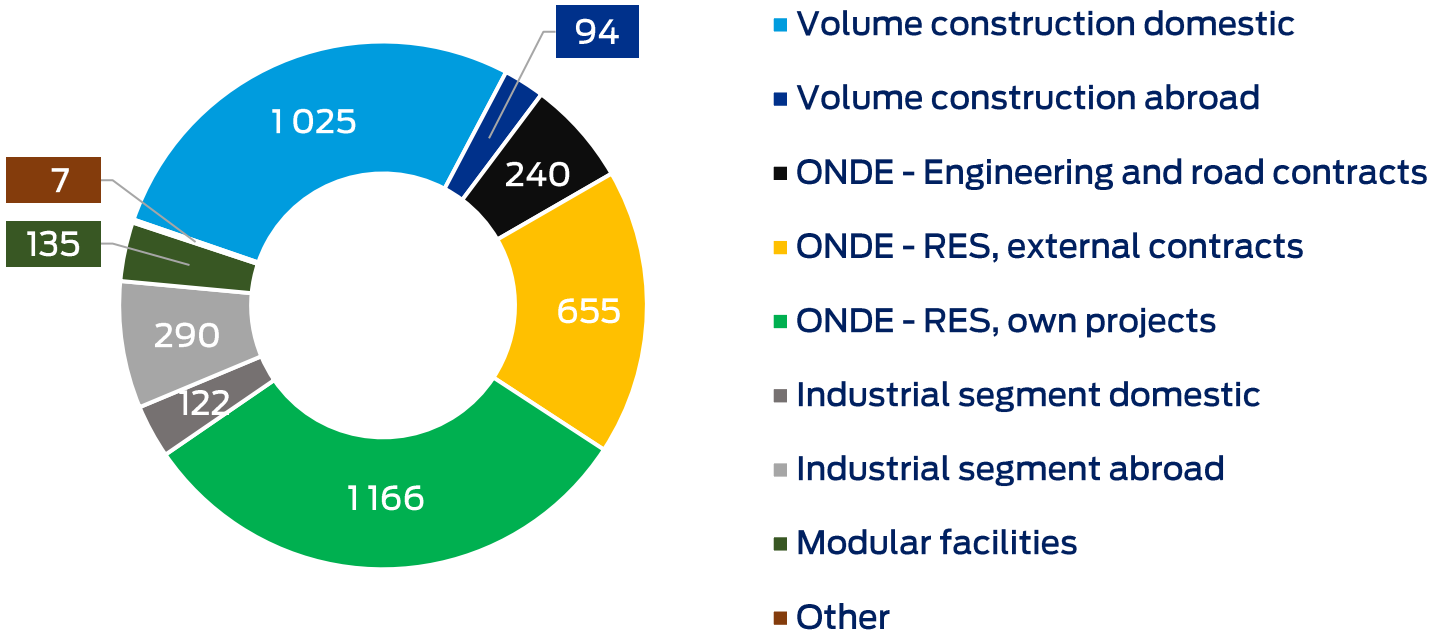
Orders portfolio

Total orders portfolio [PLN million]



*Portfolio of own RES projects

Orders portfolio by segment [million PLN] - as at 31.03.2023

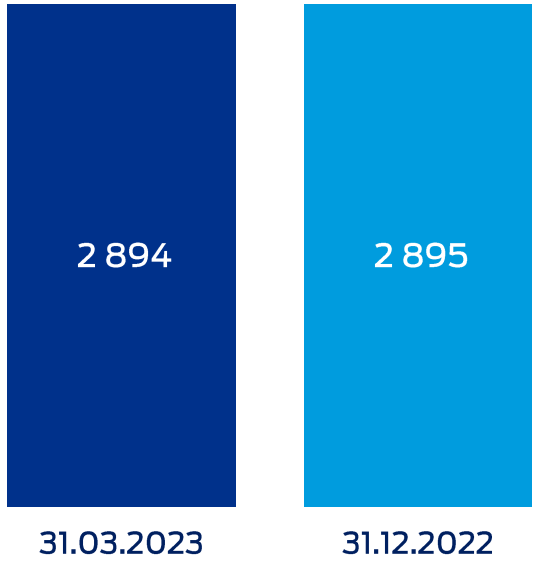


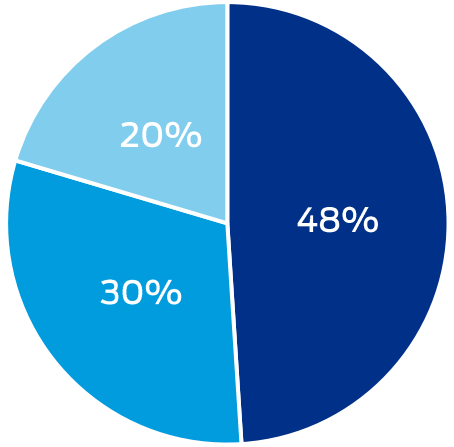
COMMENT

- Growth in the value of the Group's external orders portfolio in Q1 2023,
- The total value of the orders, taking into account ONDE's own RES projects, is PLN 3,728 million,
- Obtaining contracts for the construction of modular buildings worth PLN 135 million.
- From the end of March to the date of publication, the total value of contracts acquired amounted to PLN 227.3 million.

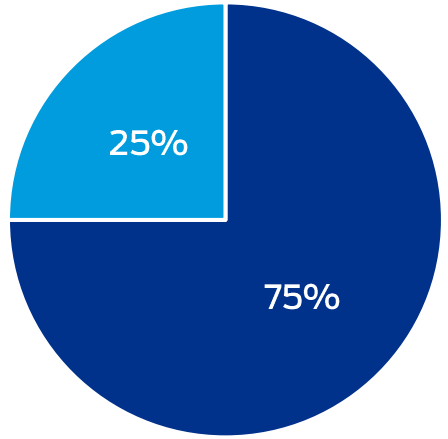
Employment

Number of Group employees





- Production workers
- Technical staff
- Administration



- employment in Poland
- employment abroad

as at 31.03.2023

COMMENT

- Employment in the Erbud Group did not change significantly in Q1 2023.



ONDE

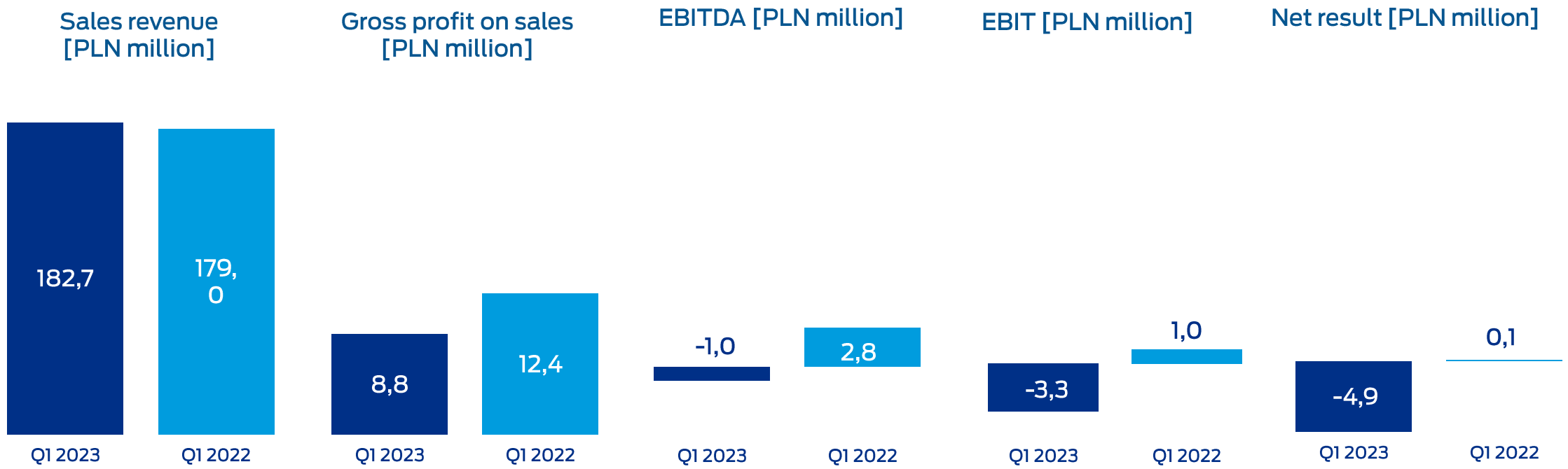
OPERATIONAL AND FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2023

ONDE GROUP

The most important events of the first quarter of 2023.

- PLN 182.7 million revenue in 2023, +2% y/y,
- PLN -3.3 million EBIT in 2023,
- PLN -1 million EBITDA in 2023,
- Acquisition of executive contracts worth PLN 163 million in Q1,
- Backlog at 31 March 2023 c. PLN 900 million, y/y comparable level,
- First major (net value of approximately PLN 26 million) contract in Lithuania for works on the construction of a wind farm with a total connecting capacity of 80 MW,
- Refinancing the construction of a farm from PV Cyranka's own portfolio, 18MW.

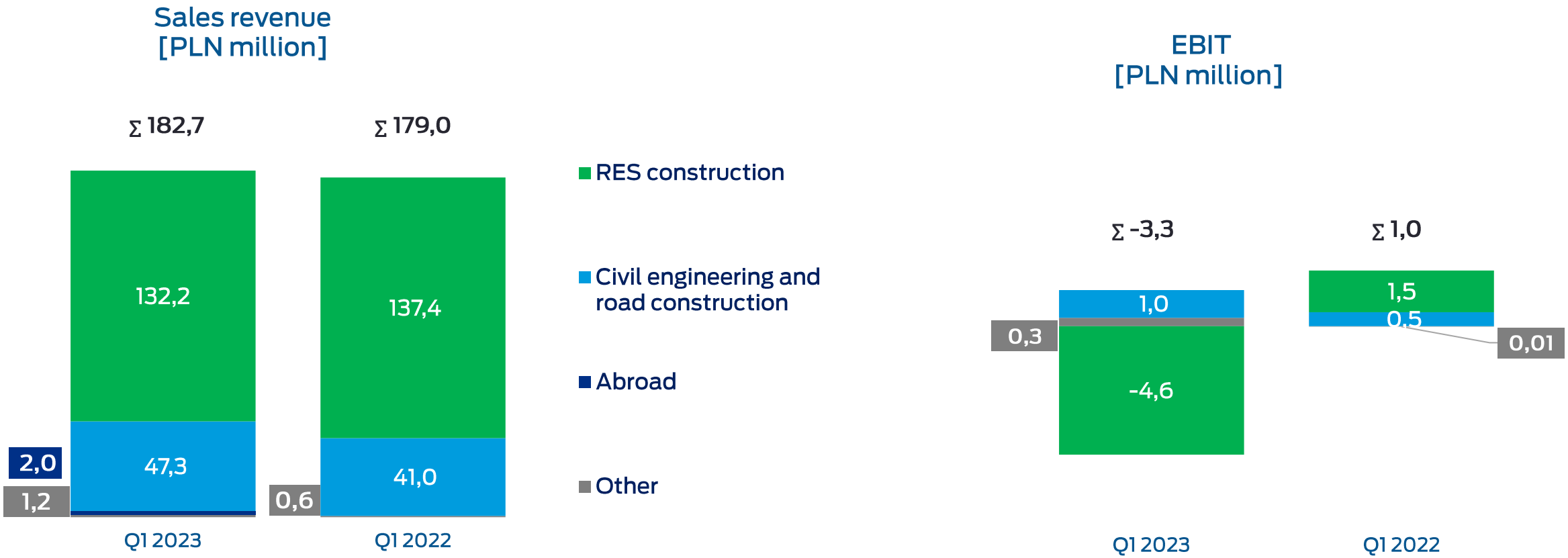
ONDE's financial performance in Q1 2023.



COMMENT

- Sales levels similar to last year - noticeable seasonality,
- In Q1. 2023 gross margin on sales of 4.8% vs. 6.9% in 2022,
- Margins under pressure of contracts under budget before material price spikes,
- Financial costs (up by PLN 1.5 million y/y) further burdened the net result.

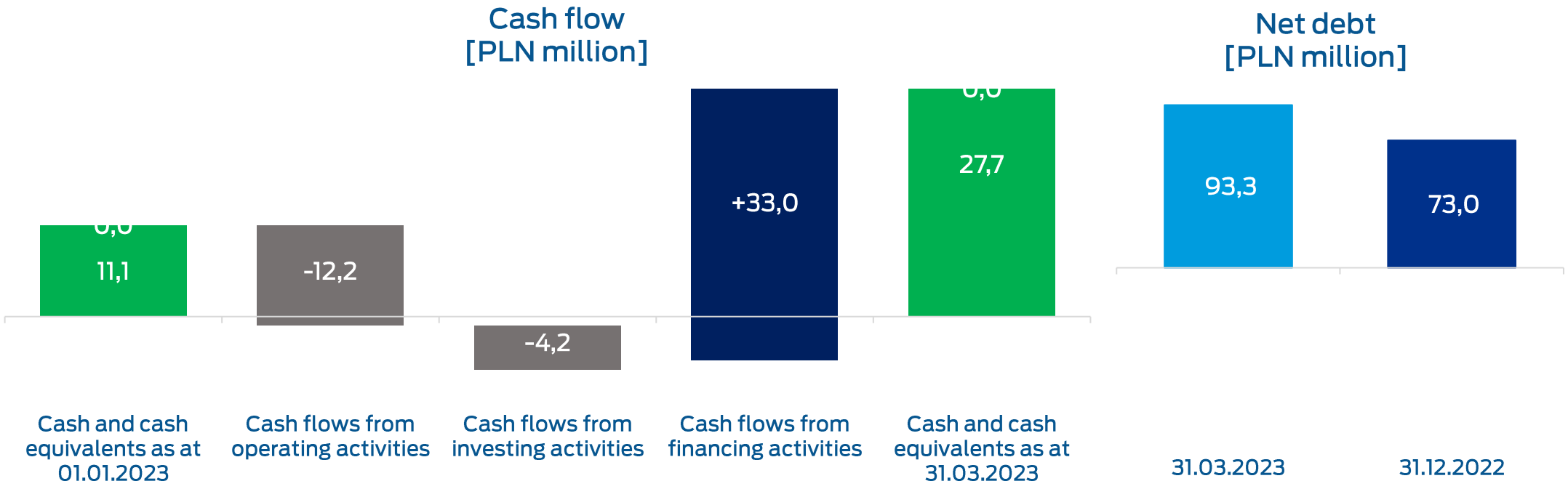
Performance by segment in Q1 2023.



COMMENT

- Slightly higher than usual exposure to the road segment (25 per cent of sales in Q1 2023 vs. 23 per cent in Q1 2022),
- Positive operating result on road segment - effect of partial valorisation of contracts,

Cash flow and debt in Q1 2023.

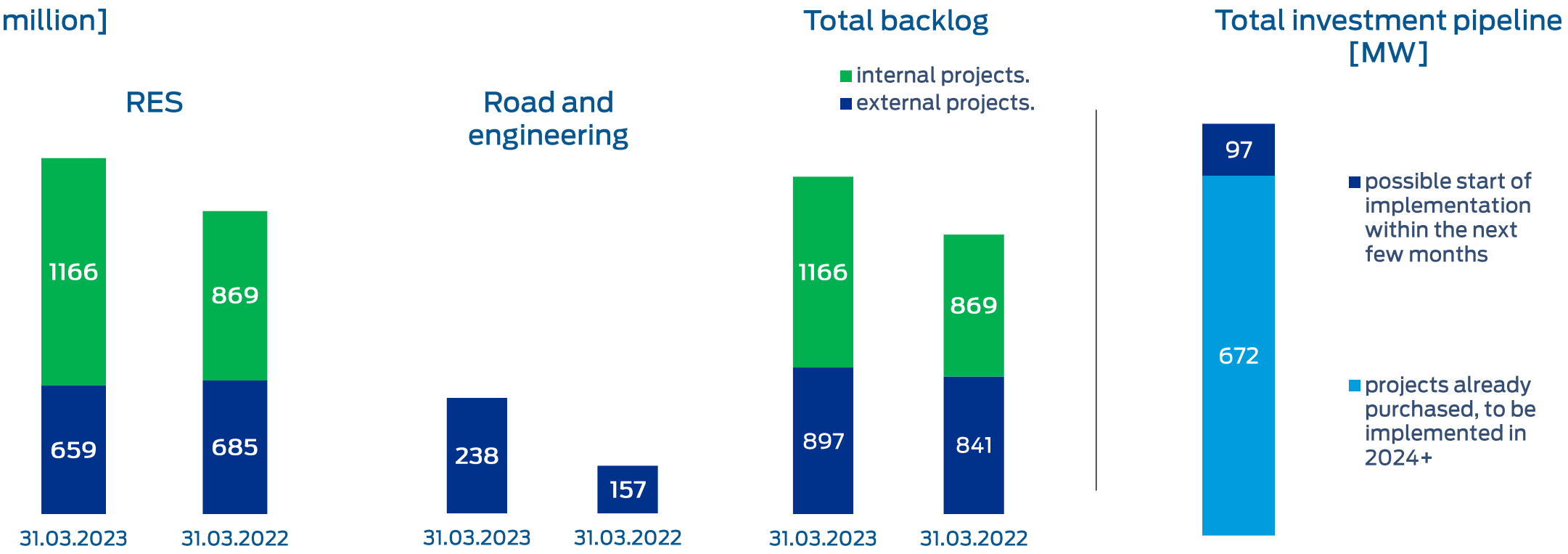


COMMENT

- Cash flow supported by funds from refinancing the construction costs of "Cyranka"

Backlog in execution and investment pipeline

[PLN million]



COMMENT

- Backlog remains at a high level - supplemented after balance sheet date by approximately PLN 100 million of further contracts
- Backlog of external RES projects: wind - PLN 408 million; PV - PLN 250 million.

Advancement of development projects

	SPV	Type	[MW]	% share of ONDE in the project	lease agreement	environmental decision	development conditions	conditions connection	project construction project	building permit	Construction phase
1	PV Hull 2	PV	9	100%							
2	PV Hull 2	PV	8	100%							
3	PV Szczepanów	PV	8	100%							
4	PV Jankowa Żagańska	PV	8	100%							
5	Cyranka	PV	18	100%							completed
6	Ciechanów Solar Park	PV	7	100%							
7	Solar Serby	PV	80	50%							
8	KWE (Kazimierz Biskupi)	FW	34	50%							
9	Szybowice Wind Farm	FW	35	50%							
10	FW Gumienice (Włoszakowice)	PV	10	100%							
11	Lewałd Park	PV	25	100%							
12	Solar Kazimierz Biskupi	PV	150	50%							
13	Power station (Rejovets)	PV	40	100%							
	total MW	=	432		205				209		18
15	18 Greenfield projects	PV	355	100%							

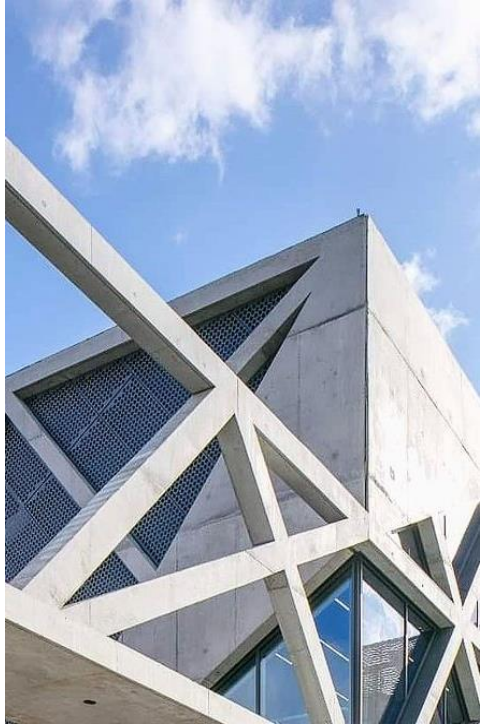
COMMENT

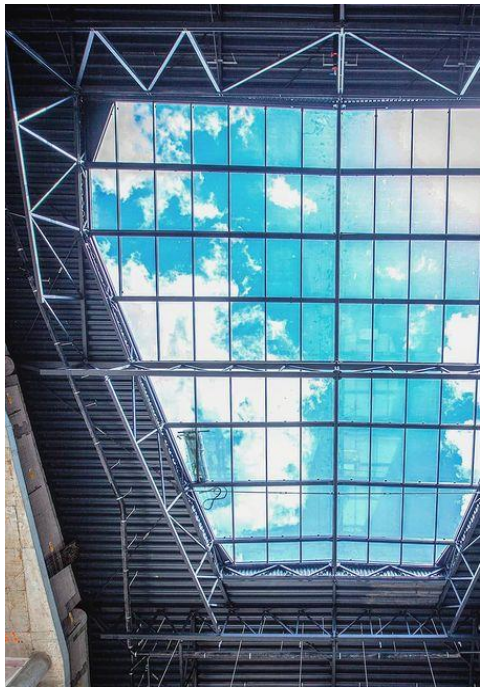
- In 2023, further projects planned to start (reinvestment of funds from sale of 'Cyranka')

Market environment

- Current PPA prices ~€100/1MWh,
- Stabilising prices of construction materials and key components, falling freight prices,
- Liberalisation of the so-called distance law - permitted distance reduced to 700 m, up to 3-4 GW of new projects by 2030; realistic prospect of further liberalisation - distance reduced to 500 m,
- According to the planned PEP2040 update, by 2040 RES is expected to account for 74 % of the capacity in the structure and amount to 88 GW (18 GW offshore, 20 GW onshore, 50 GW PV). At the end of 2022, more than 22 GW was installed in RES, which means 11 GW of onshore wind, 18 GW offshore and 37 GW of PV installations are to be built by 2040,
- 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,
- Almost EUR 300 billion under the REPowerEU plan for RES development in the European Union.







CONTACT FOR INVESTORS (ERBUD)

Agnieszka Głowacka

Vice-President of the Management Board

604 776 410

CONTACT FOR THE MEDIA (ERBUD)

Marcin Kasprzak

marcin.kasprzak@erbud.pl

792 280 805

CONTACT FOR INVESTORS (ONDE)

Paweł Średniawa

President of the Management Board

609 139 401

CONTACT FOR THE MEDIA (ONDE)

Daniel Mackiewicz

daniel.mackiewicz@onde.pl

539 810 835