Investor Presentation

2023

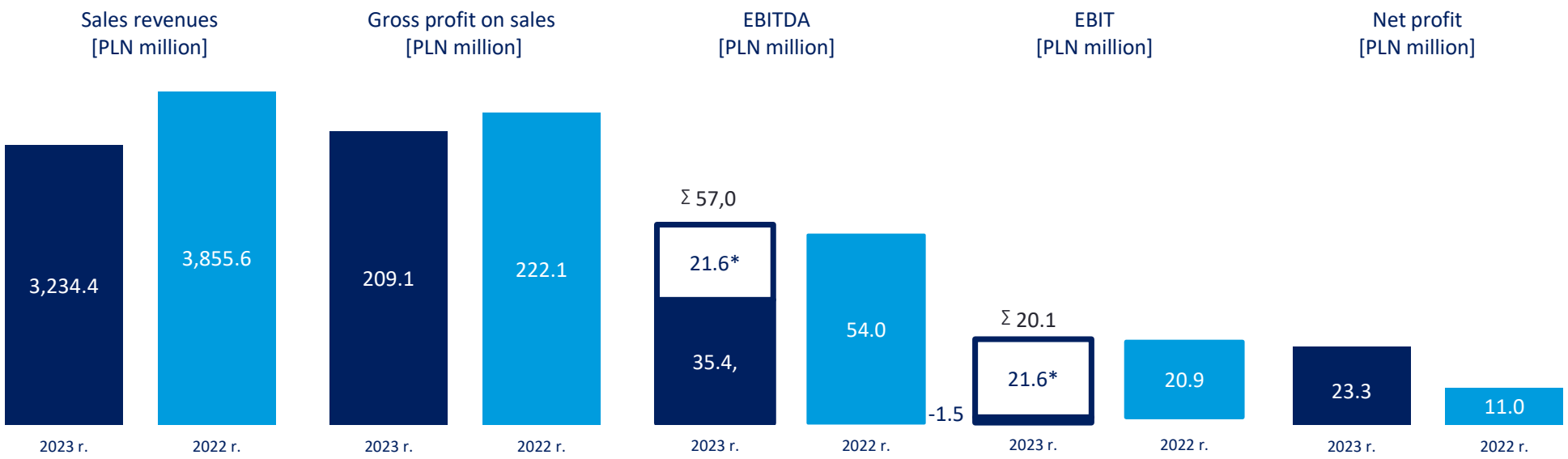




ERBUD Group. Key events

- PLN 3.23 billion revenue in 2023 (PLN 3.86 billion a year earlier),
- Increase in operating profits of the industrial services and RES segments, partially offsetting the negative performance of the residential and modular construction segments,
- Success in dispute with Bank Millennium, receipt of compensation (PLN 82 million positive cash inflow),
- Settlement with Mazowiecki Port Lotniczy Warszawa-Modlin, PLN -16.7 million impact on operating results,
- PLN 57.0 million EBITDA (PLN 54.0 million in 2022), PLN 35.4 million normalised EBITDA after clearing the impact of the compensation from Bank Millennium and the costs of the settlement with MPL Warszawa Modlin,
- PLN 20.1 million EBIT in 2023 (vs. PLN 20.9 million in 2022); PLN -1.5 million normalised EBIT result,
- Order backlog from external customers with a value of PLN 2.40 billion (31.12.2023) with PLN 2.55 billion at the end of 2022,
- Obtaining contracts valued at PLN 0.74 billion since the beginning of 2024.

Group Financial Performance for 2023

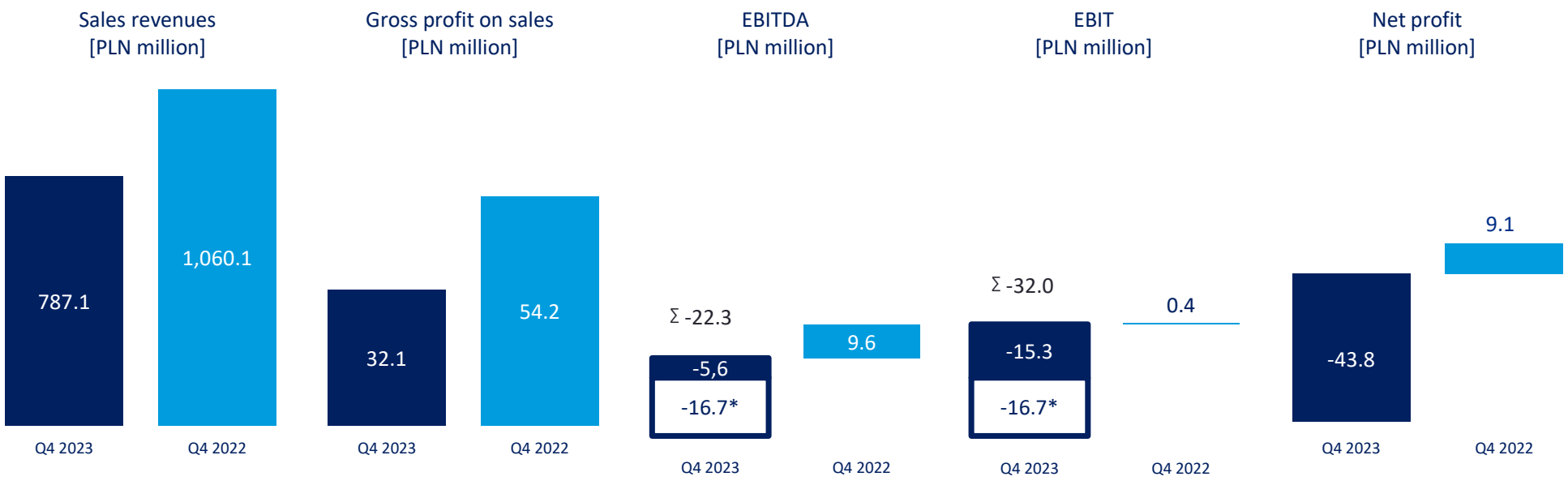


NOTES

- Group revenue in 2023 reduced by 16% y/y,
- 6.5% gross margin on sales in 2023, compared to 5.8% a year ago, achieved, among other things, through increased profitability of the RES and industrial services segments,
- Lower normalised EBIT and EBITDA results as a consequence of the negative performance of the residential construction and modular construction segments.

* Impact of successful litigation with Bank Millennium (PLN +38.3 million on EBIT/EBITDA levels in 2023) and settlement with Mazowiecki Port Lotniczy Warszawa Modlin (PLN -16.7 million)

Group Financial Performance for Q4 2023



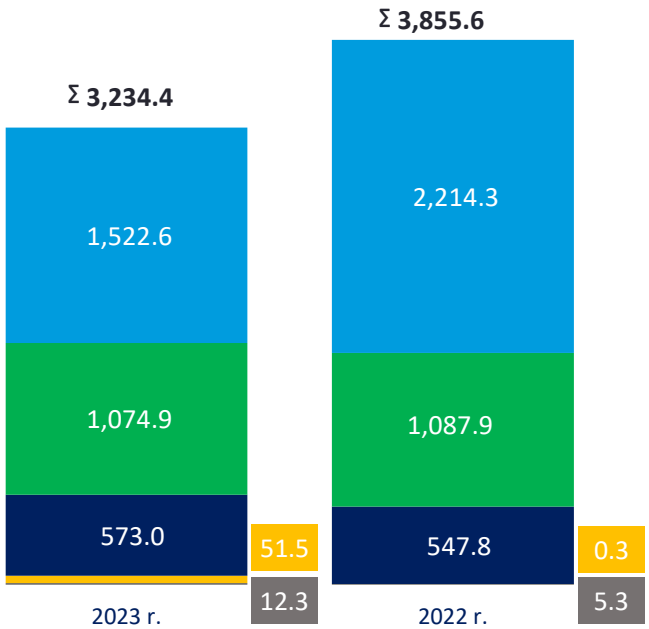
NOTES

- A 26% year-on-year decrease in revenue in Q4 this year, caused, among other things, by 37% less revenue from the residential construction segment,
- Negative performance in residential construction and modular construction, partially offset by growth in RES business and services to industry,
- Negative impact of the settlement with Mazowiecki Port Lotniczy Warszawa - Modlin on quarterly results.

* Influence of the settlement with the company Mazowiecki Port Lotniczy Warszawa Modlin (PLN -16.7 million)

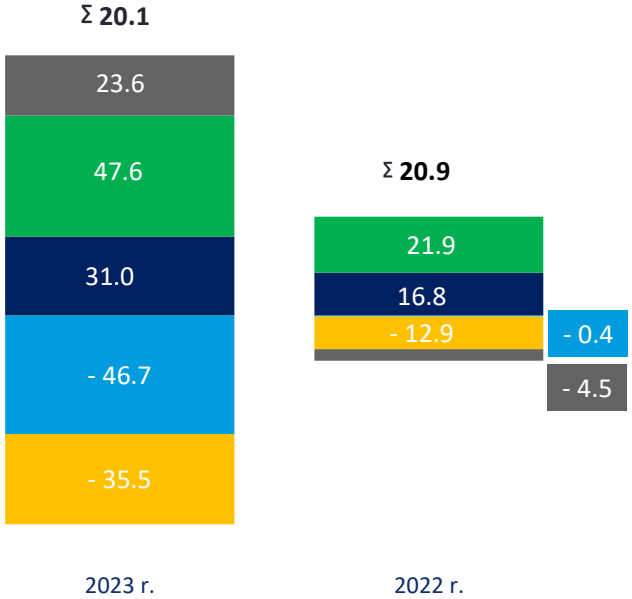
Performance by Segment 2023

Sales revenues
[PLN million]





Operational result
[PLN million]



NOTES

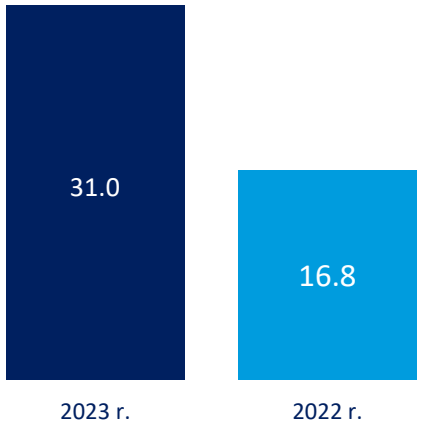
- Dynamic growth in EBIT of the RES and civil engineering segments (+117% y/y) and of services to industry (+85% y/y),
- Negative profitability of the residential construction segment due to settlement of "pre-inflationary" contracts in Poland (PLN -24.9 million) and termination of operations abroad (PLN -21.5 million),
- Limited scale of operations determined the loss of modular construction.

Industrial Services Segment

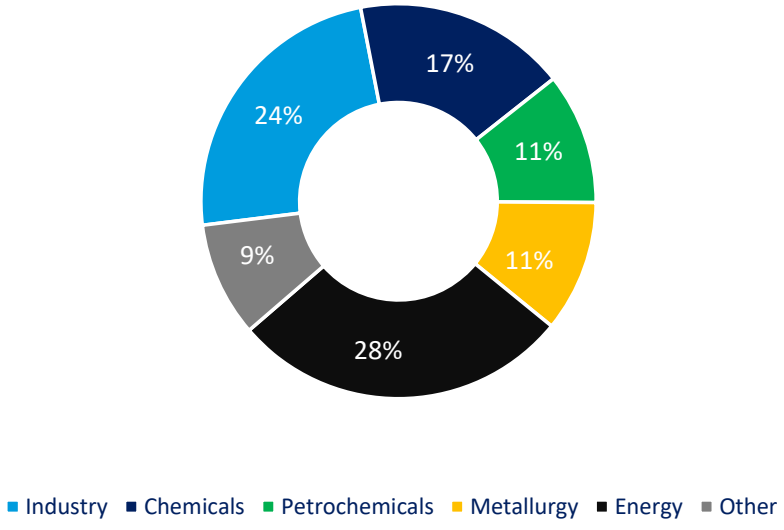
Sales revenues
[PLN million]



EBIT
[PLN million]



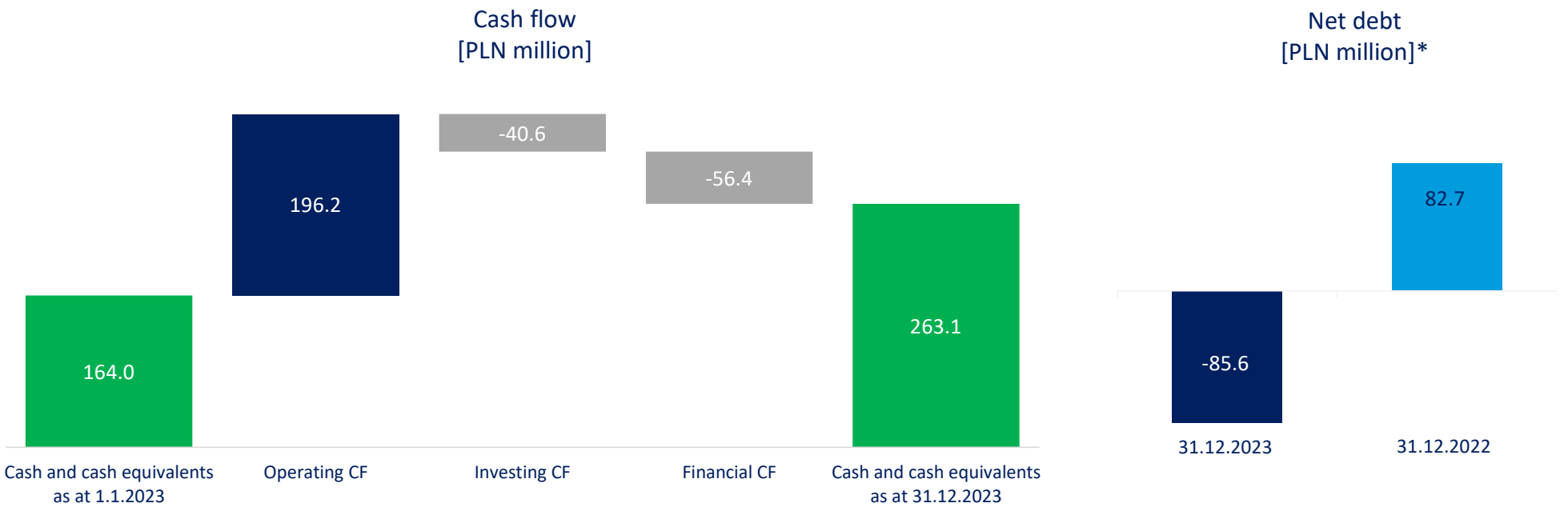
Sales structure
[2023]



NOTES

- 5% increase in segment revenue,
- 85% increase in operating profit; increase in segment operating profitability by half, from 3.0 to 5.4%.

Cash Flow in 2023 and Net Debt



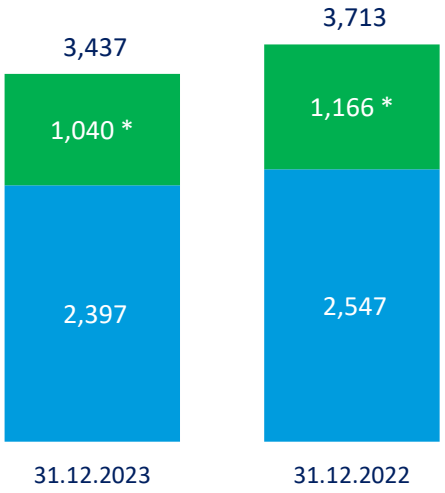
NOTES

- High positive operating income
- Positive impact of successful dispute with Millenium Bank on Group cash flow,
- PLN 103.3 million surplus of cash over financial liabilities.

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

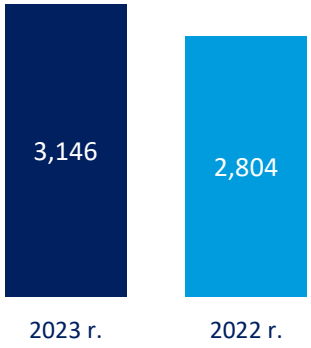
Order Backlog

Total order backlog [PLN million]

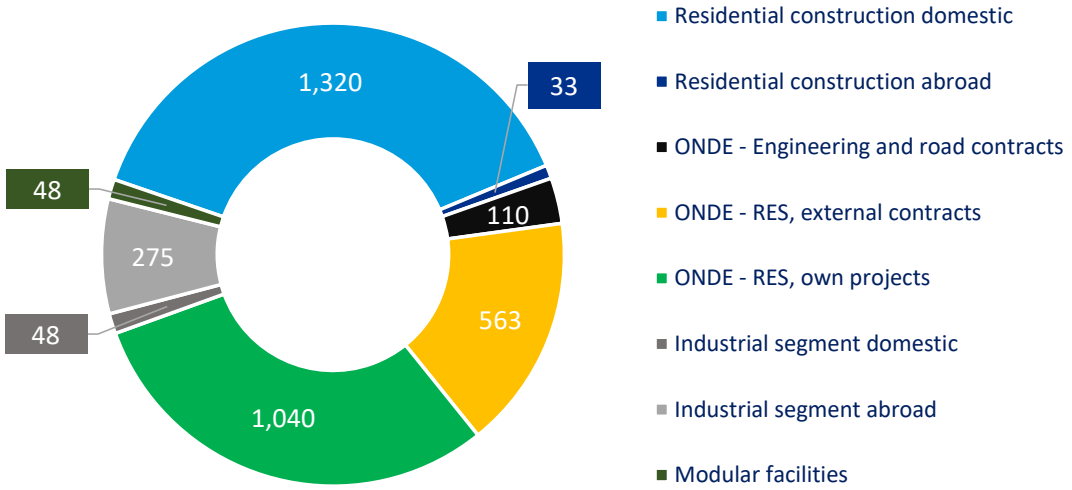


*RES own project backlog

Value of orders acquired [PLN million]



Order backlog by segment [PLN million] - as at 31.12.2023

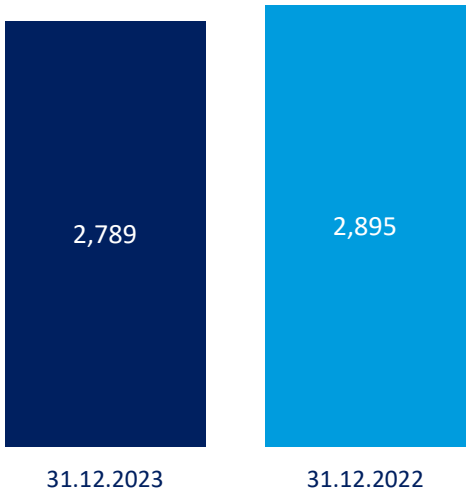


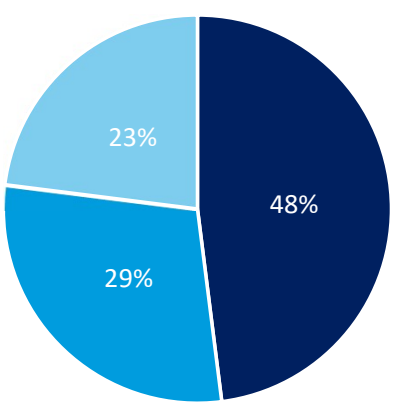
NOTES

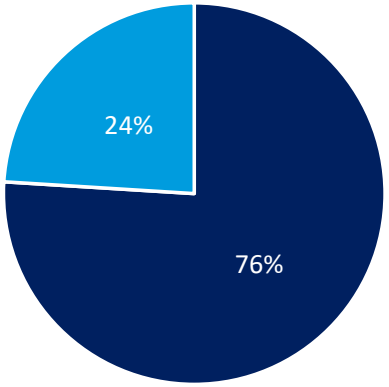
- Increase in value of acquired contracts, from PLN 2.8 billion in 2022 to PLN 3.1 billion in 2023
- Slight reduction in the Group's external order backlog at year-end,
- The total value of the orders, considering the ONDE's own RES projects, is PLN 3,437 million,
- Acquisition in 2024, by mid-March, of contracts with a value of PLN 742 million.

Employment

Number of Group employees







As at 31.12.2023

NOTES

- In 2023, employment in the ERBUD Group decreased by 4%.

ESG REPORT

ONDE

CREATING THE ENERGY OF TOMORROW

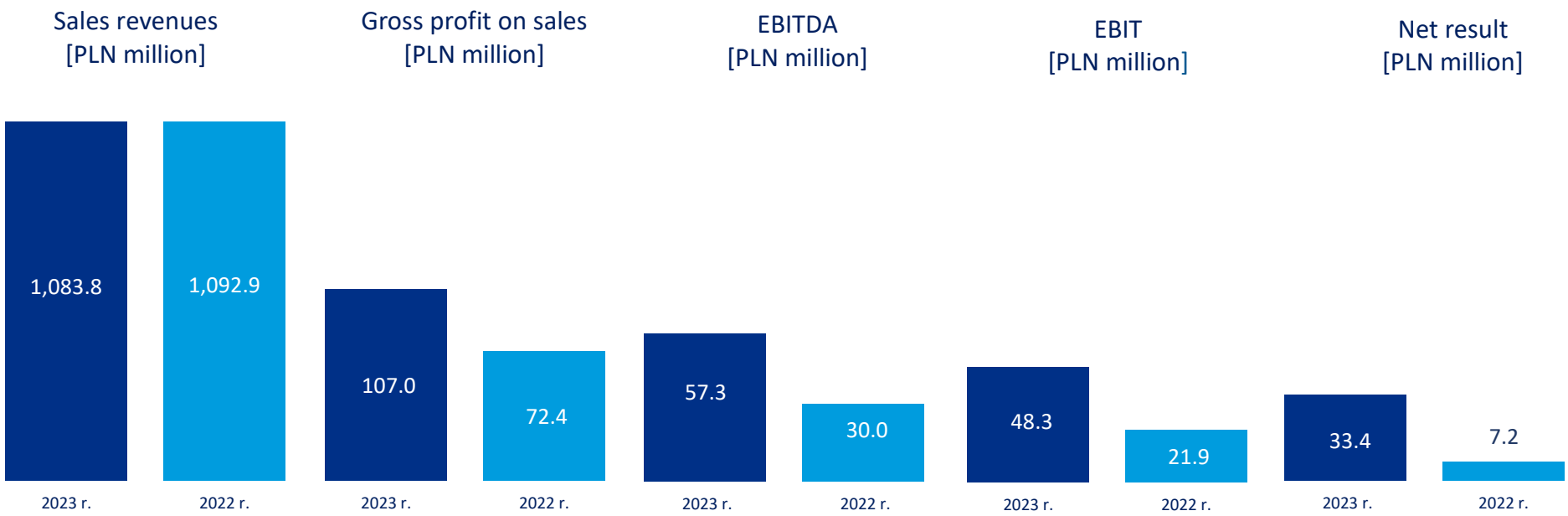


OPERATING AND FINANCIAL RESULTS FOR 2023
ONDE GROUP

Key Events 2023

- PLN 1084 million revenue with PLN 1093 million in 2022,
- PLN 48.3 million operating profit - almost 2.5-fold increase y/y,
- PLN 33.4 million net profit 2023, almost 5-fold increase y/y,
- PLN 57.3 million EBITDA in 2023, +91% y/y,
- The construction of the largest renewable energy contract in the company's history has begun - with a total capacity of 138.6 MW; its total net value is approximately PLN 357 million,
- A total of PLN 426 million - the value of contracts that entered the implementation phase in Q4 2024,
- Purchase of three PV projects with a total potential of 23 MWp,
- Sale of own projects (2023/early 2024) - total 78 MW of installed capacity.

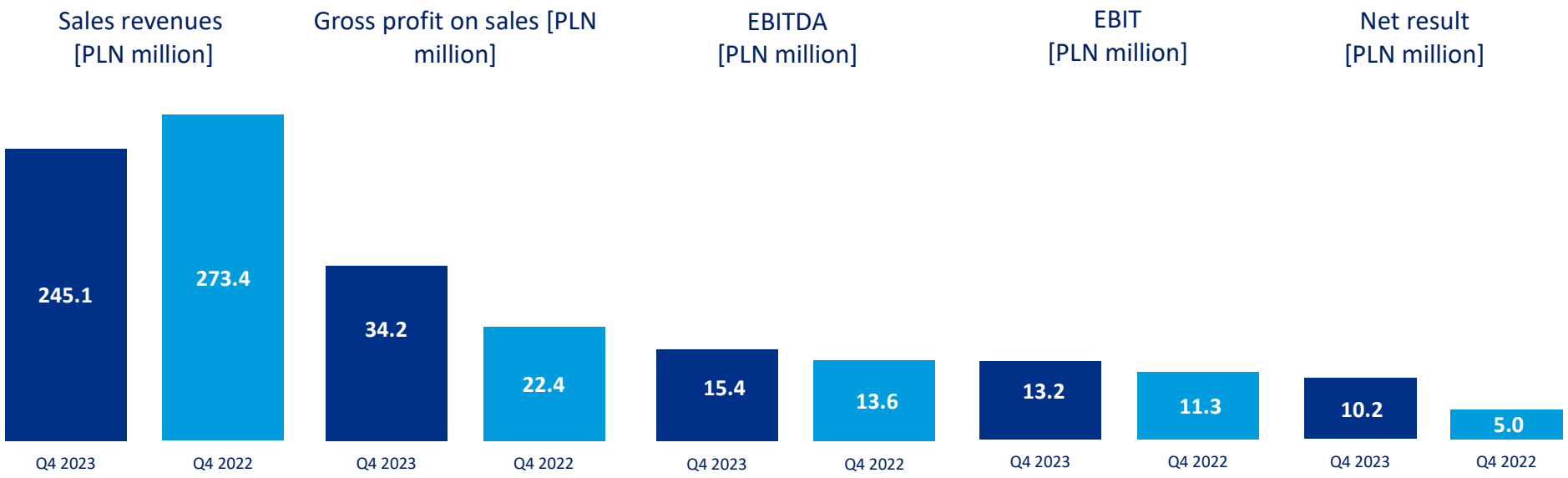
ONDE Financial Performance for 2023



NOTES

- Noticeable improvement in performance at all account levels mainly due to stabilisation in the market, as well as first profits from development activities (sale of the 18 MW "Cyranka" farm),
- In 2023, percentage gross margin on sales increased to 9.9% vs. 6.6% in 2022; operating margin increased from 2% to 4.5%; net margin from 0.7% to 3.1%.

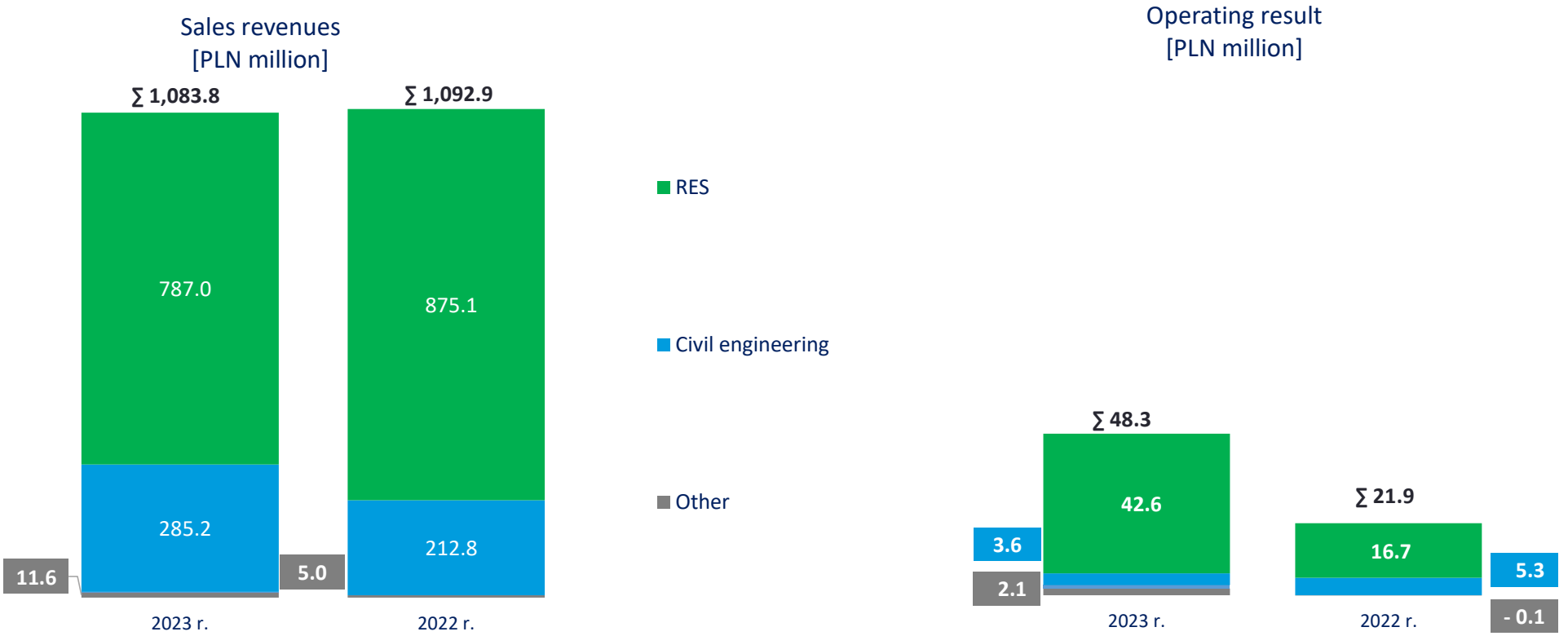
ONDE Financial Performance for Q4 2023



NOTES

- Despite lower revenues by 10.4 per cent, the company generated higher profits,
- Gross margin on sales was 13.9% vs. 8.2% in Q4 a year ago; operating margin increased from 4.1% to 5.4% and net margin from 1.8% to 4.2%,
- PLN 426 million - value of contracts that entered the execution phase in Q4 2024,
- Stabilisation of material and energy prices and declining inflation have a positive impact on the company's profitability.

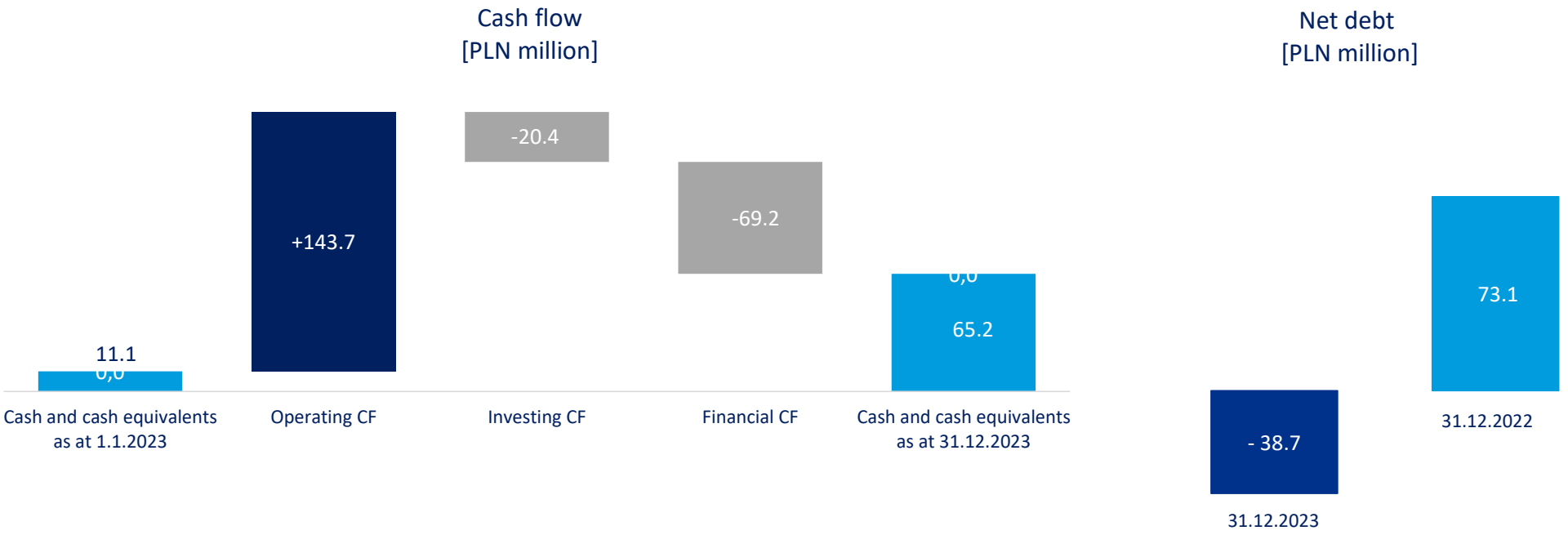
Performance by Segment 2023



NOTES

- Stabilised sales structure - more than 72% of revenues from RES projects,
- Positive profitability in all business areas.

Cash Flow and Debt in 2023

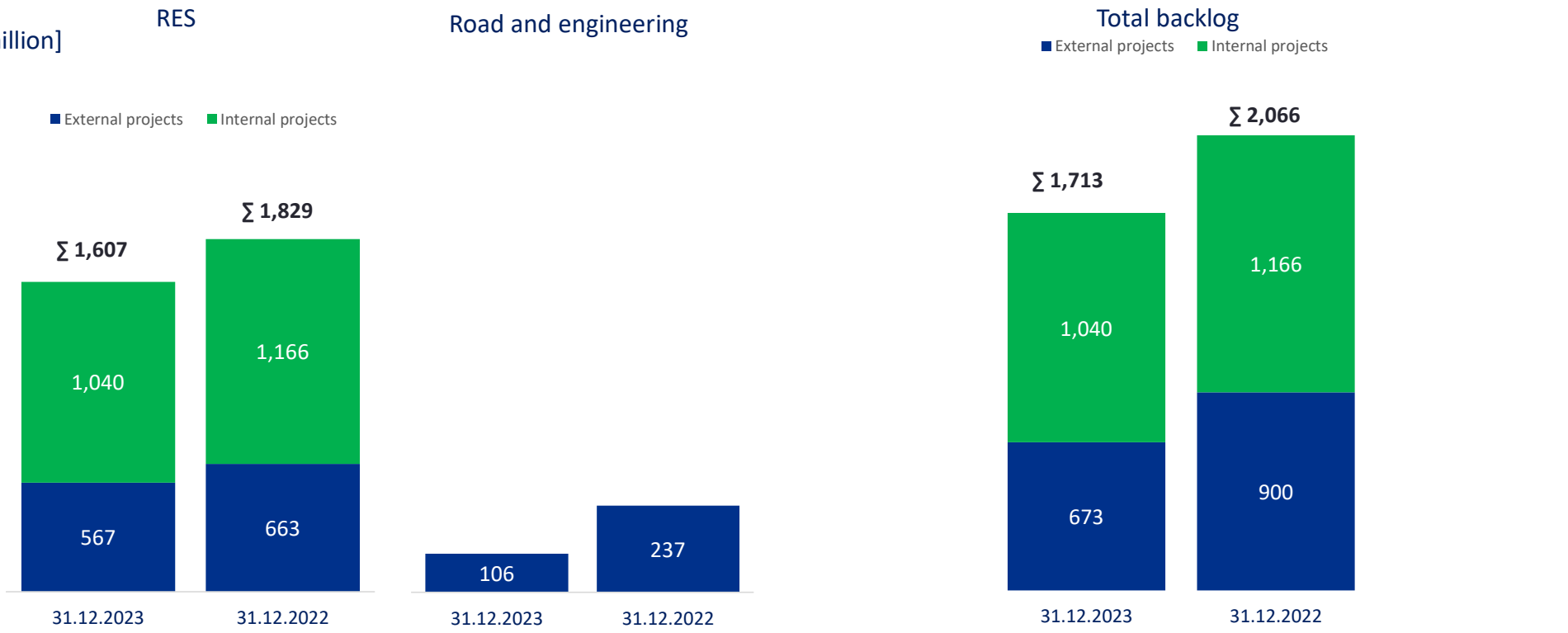


NOTES

- High cash flow from operations allowed almost complete reduction of debt and generation of cash for further development investments.

Backlog in Execution at the End of 2023

[PLN million]



NOTES

- 15% lower backlog for external customer in RES compared to end 2022,
- The commissioning of the S3 has reduced the backlog of the road segment,
- External RES project backlog: wind - PLN 421 million; PV - PLN 145 million.

Progress of Development Projects

	SPV	Type	[MW]	% of ONDE shares in the project	lease agreement	environmental decision	development conditions	connection conditions	construction project	construction 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	Ciechanów Solar Park	PV	7	100%							
6	Solar Serby	PV	80	50%							
7	KWE (Kazimierz Biskupi)	FW	34	50%							
8	FW Gumienice (Włoszakowice)	PV	10	100%							
9	Lewałd Park	PV	25	100%							
10	Solar Kazimierz Biskupi	PV	150	50%							
11	Power plant (Rejowiec)	PV	40	100%							
	total MW	=	379				165		264.7		
12	19 greenfield projects	PV	435	100%				2 projects were awarded CC for 14 MW and 3.6 MW			

as at 19.03.2024

NOTES

- Sale of 5 own projects (2023/early 2024) - total 78 MW of installed capacity (Cyranka, Jawor, Jelenia Góra I/II, Szybowice);
- Negotiations are well advanced for the purchase of further projects for the development backlog.

Commercial Environment

- A minimum of PLN 400 billion for Poland's energy transition by 2030 , of which around PLN 50 billion covers ONDE's area of competence,
- From the first payment of the National Recovery Plan, more than EUR 5 billion will be allocated to RES still in 2024,
- By 2030, new onshore wind farms of more than 8.3 GW will have arrived in Poland. This represents as much as 38% of the increase in the whole of Europe,
- A modification of the minimum distance for wind farms (from 700 m to 500 m) is announced for the H1 2024. The area available for wind farms would increase from 2 to 4 per cent,
- Accelerated RES development areas in the EU RED Directive, where administrative procedures are to be shortened to 12 months. The deadline for the creation of such areas is early 2026,
- Programme for the construction of 100 bypasses for 2020-2030. The government will allocate PLN 28 billion for implementation.

Source: European Wind Energy Association – WindEurope, gov.pl, https://www.europarl.europa.eu/







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