ERBUD GROUP

Condensed Consolidated Financial Statement

for accounting period closed on 30 September 2024

Drawn up in compliance with the International Accounting Standard (IAS) No. 34

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

		For a 9-month period, ended on 30 Sept. 2024	For a 9-month period, ended on 30 Sept. 2023	For a 3-month period, ended on 30 Sept. 2024	For a 3-month period, ended on 30 Sept. 2023
		Unaudited data	Unaudited data	Unaudited data	Unaudited data
	GOING CONCERN OPERATIONS				
Note 4.2.,4.3.	Revenues from sales of products and services	2,104,588	2,447,229	771,123	865,039
Note 4.2.,4.3.	Cost of products and services sold	1,930,496	2,270,189	698,617	808,479
	Gross sales profit/(loss)	**174,092**	**177,040**	**72,506**	**56,560**
Note 4.3.	Cost of sales	16,163	11,041	5,651	3,860
Note 4.3.	General administrative expenses	142,834	156,405	49,105	62,180
	Proceeds from the sales of interest in a jointly controlled entity	19,088	-	-	-
	incl.: Millennium Bank compensation-related expenses	-	13,067	-	13,067
	Other operating income - Millennium Bank compensation	-	51,384	-	51,384
	Other operating income	11,240	4,093	5,928	1,971
	Other operating expenses	4,586	9,163	827	2,047
	Loss reversal/(impairment) of financial assets and customer contract valuation assets	(7,199)	(3,861)	(934)	(1)
Note 4.2.	**Operating profit /loss**	**33,638**	**52,047**	**21,917**	**41,827**
	Share in net profits/losses of equity-accounted subsidiaries	(2,207)	(1,004)	(1,160)	(245)
	Financial income - Millennium Bank compensation-related interest income	-	60,929	-	60,929
	Financial income	10,276	10,052	1,648	1,046
	Financial expenses	25,184	32,917	12,367	5,759
Note 4.2.	**Gross profit/loss**	**16,523**	**89,107**	**10,038**	**97,798**
Note 4.4.	Corporate income tax	8,866	22,027	2,961	26,058
	Net profit (loss) in accounting year	**7,657**	**67,080**	**7,077**	**71,740**
	Parent Company Shareholders	(533)	57,695	5,049	67,621
	Non-Controlling Stakeholders	8,190	9,385	2,028	4,119

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

	For a 9-month period, ended on 30 Sept. 2024	For a 9-month period, ended on 30 Sept. 2023	For a 3-month period, ended on 30 Sept. 2024	For a 3-month period, ended on 30 Sept. 2023
	Unaudited data	Unaudited data	Unaudited data	Unaudited data
Consolidated profit / (loss), net	**7,657**	**67,080**	**7,077**	**71,740**
Foreign exchange gains/losses resulting from translation of statements of foreign entities	**(3,170)**	(3,989)	(812)	2,465
Comprehensive income (including tax effect) subject to reclassification into result	**(3,170)**	**(3,989)**	**(812)**	**2,465**
Comprehensive income in the accounting period	**4,487**	**63,091**	**6,265**	**74,205**
Appropriated to:				
Parent Company Shareholders	(3,703)	54,191	4,237	70,078
Non-Controlling Stakeholders	8,190	8,900	2,028	4,127

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 Sept. 2024	31 Dec. 2023
		Unaudited data	Audited data
	ASSETS	**1,964,599**	**1,973,833**
	Goodwill	42,530	40,217
	Intangible assets	14,952	13,605
	Tangible fixed assets	251,645	233,900
	Investments accounted for using the equity method	46,781	53,880
	Financial assets	20,518	16,852
Note 4.4.	Deferred tax assets	129,118	109,150
	Receivables under building contracts - bid bonds	2,638	9,296
	Fixed assets	**508,182**	**476,900**
	Inventory	249,445	139,664
	Receivables under building contracts - bid bonds	41,639	30,815
Note 2.2.	Pricing of building contracts - assets	387,974	455,336
Note 5.1.	Trade receivables	491,363	479,533
Note 5.1.	Income tax & VAT receivables	19,431	23,715
Note 5.1.	Other receivables	26,737	42,618
	Financial assets	9,682	9,951
	Cash and cash equivalents	207,440	263,119
	Cash assets in VAT account	12,086	44,186
	Short-term prepayments	10,620	7,996
	Current assets	**1,456,417**	**1,496,933**
	LIABILITIES	**1,964,599**	**1,973,833**
Note 3.1.	Share capital	1,193	1,193
	Supplementary capital	289,658	281,353
	Reserve capital	104,346	104,346
	Foreign exchange gains/losses resulting from conversion of foreign unit	614	3,784
	Retained earnings	117,986	146,867
	Equity of Parent Company shareholders	513,797	537,543
	Equity of non-controlling stakeholders	138,857	137,403
	Equity	**652,654**	**674,946**
Note 3.2.-3.4	Debt	170,866	178,157
	Provisions	25,391	21,921
Note 4.4.	Deferred tax liabilities	21,404	15,804
	Liabilities vis-à-vis subcontractors - bid bonds	18,279	16,986
	Long-term liabilities	**235,940**	**232,868**
Note 3.2.-3.4	Debt	157,009	61,280
	Provisions	41,791	48,623
	Liabilities vis-à-vis subcontractors - bid bonds	133,402	148,004
Note 2.2.	Pricing of building contracts - liabilities	426,073	387,717
Note 5.2.	Trade payables	196,043	280,620
Note 5.2.	Income tax & VAT liabilities	30,854	51,358
Note 5.2.	Other liabilities	90,833	88,417
	Short-term liabilities	**1,076,005**	**1,066,019**

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Own shares	Supplementary capital	Reserve capital	Foreign exchange gains/losses resulting from conversion of foreign units	Retained earnings	Total	Equity of non-controlling stakeholders	Shareholders' equity
As of 1 Jan. 2023	**1,210**	**(20,000)**	**262,074**	**124,319**	**6,645**	**166,633**	**540,881**	**124,597**	**665,478**
Net profit/loss in the accounting period	-	-	-	-	-	57,695	**57,695**	9,385	**67,080**
Comprehensive income in the accounting period	-	-	-	-	(3,504)	-	**(3,504)**	(485)	**(3,989)**
Other comprehensive income	**-**	**-**	**-**	**-**	**(3,504)**	**57,695**	**54,191**	**8,900**	**63,091**
Dividend	-	-	-	-	-	(10,490)	**(10,490)**	-	**(10,490)**
Transfer of the net income from previous year to retained earnings	-	-	19,279	-	-	(19,279)	**-**	-	**-**
Registration of redemption of own shares	(17)	20,000	30,000	(49,973)	-	-	**10**	-	**10**
Other	-	-	-	-	-	(2,753)	**(2,753)**	-	**(2,753)**
As of 30 Sept. 2023	**1,193**	**-**	**311,353**	**74,346**	**3,141**	**191,806**	**581,839**	**133,497**	**715,336**
As of 1 Jan. 2024	**1,193**	**-**	**281,353**	**104,346**	**3,784**	**146,867**	**537,543**	**137,403**	**674,946**
Net profit/loss in the accounting period	-	-	-	-	-	(533)	**(533)**	8,190	**7,657**
Comprehensive income in the accounting period	-	-	-	-	(3,170)	-	**(3,170)**	-	**(3,170)**
Other comprehensive income	**-**	**-**	**-**	**-**	**(3,170)**	**(533)**	**(3,703)**	**8,190**	**4,487**
Dividend paid by a subsidiary	-	-	-	-	-	-	-	**(6,736)**	**(6,736)**
Dividend	-	-	-	-	-	(20,043)	**(20,043)**	-	**(20,043)**
Net retained earnings carried forward	-	-	8,305	-	-	(8,305)	**-**	-	**-**
As of 30 Sept. 2024	**1,193**	**-**	**289,658**	**104,346**	**614**	**117,986**	**513,797**	**138,857**	**652,654**

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		For a 9-month period, ended on 30 Sept. 2024	For a 9-month period, ended on 30 Sept. 2023	For a 3-month period, ended on 30 Sept. 2024	For a 3-month period, ended on 30 Sept. 2023
		Unaudited data	Unaudited data	Unaudited data	Unaudited data
	OPERATIONAL CASH FLOWS				
	Gross profit/loss	16,523	89,107	10,038	97,798
Note 4.2.	Amortization and depreciation	31,467	27,295	10,840	9,346
	Foreign exchange losses	(3,874)	(3,598)	(2,023)	3,026
	Interest and share in profits (dividend)	12,770	(38,549)	4,589	(53,255)
	Other non-cash adjustments	(2,122)	3,549	685	4,601
	Net proceeds from the disposal of a jointly controlled company	(19,088)	-	-	-
Note 4.4.	Income tax paid	(29,493)	(39,395)	(5,519)	(14,937)
Note 5.3.	Change of working capital balance	(48,729)	(56,526)	(36,226)	(67,027)
	Operational cash flows, net	**(42,546)**	**(18,117)**	**(17,616)**	**(20,448)**
	INVESTMENT ACTIVITY CASH FLOWS				
	Proceeds from the sales of interest in a jointly controlled entity	25,422	18,631	-	18,631
	Inflows from credits/loans extended	43,472	-	27,240	-
	Other inflows	33,533	4,302	30,831	1,680
	Expenditures on the acquisition of tangible fixed assets	(20,365)	(10,719)	(5,549)	(729)
	Loans extended expense	(34,623)	(20,219)	(25,962)	(19,106)
	Expenditures on the acquisition of shares in companies	(84,880)	(21,031)	(29,965)	(20,554)
	Other expenses	(349)	(9)	-	-
	Investment activity cash flows, net	**(37,790)**	**(29,045)**	**(3,405)**	**(20,078)**
	FINANCIAL ACTIVITY CASH FLOWS				
	Income from credits and loans taken	128,622	143,014	90,214	35,956
	Other inflows	1,124	61,245	-	60,929
	Debt (principal) repayment expense - principal	(48,353)	(92,392)	(29,075)	(40,946)
	Lease debt repayment expense - principal	(14,764)	(9,673)	(5,410)	(1,491)
	Debt (interest) repayment expense	(15,208)	(24,843)	(6,237)	(9,937)
	Dividend payment	(26,704)	(12,042)	(5)	(1,552)
	Other expenses	(60)	(27)	(60)	(27)
	Financial activity cash flows, net	**24,657**	**65,282**	**49,427**	**42,932**
	NET CASH FLOWS	**(55,679)**	**18,120**	**28,406**	**2,406**
	Opening cash balance	**263,119**	**163,961**	**179,034**	**179,675**
	Closing cash balance	**207,440**	**182,081**	**207,440**	**182,081**

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 No. 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 September 2024 and as of the date of the 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

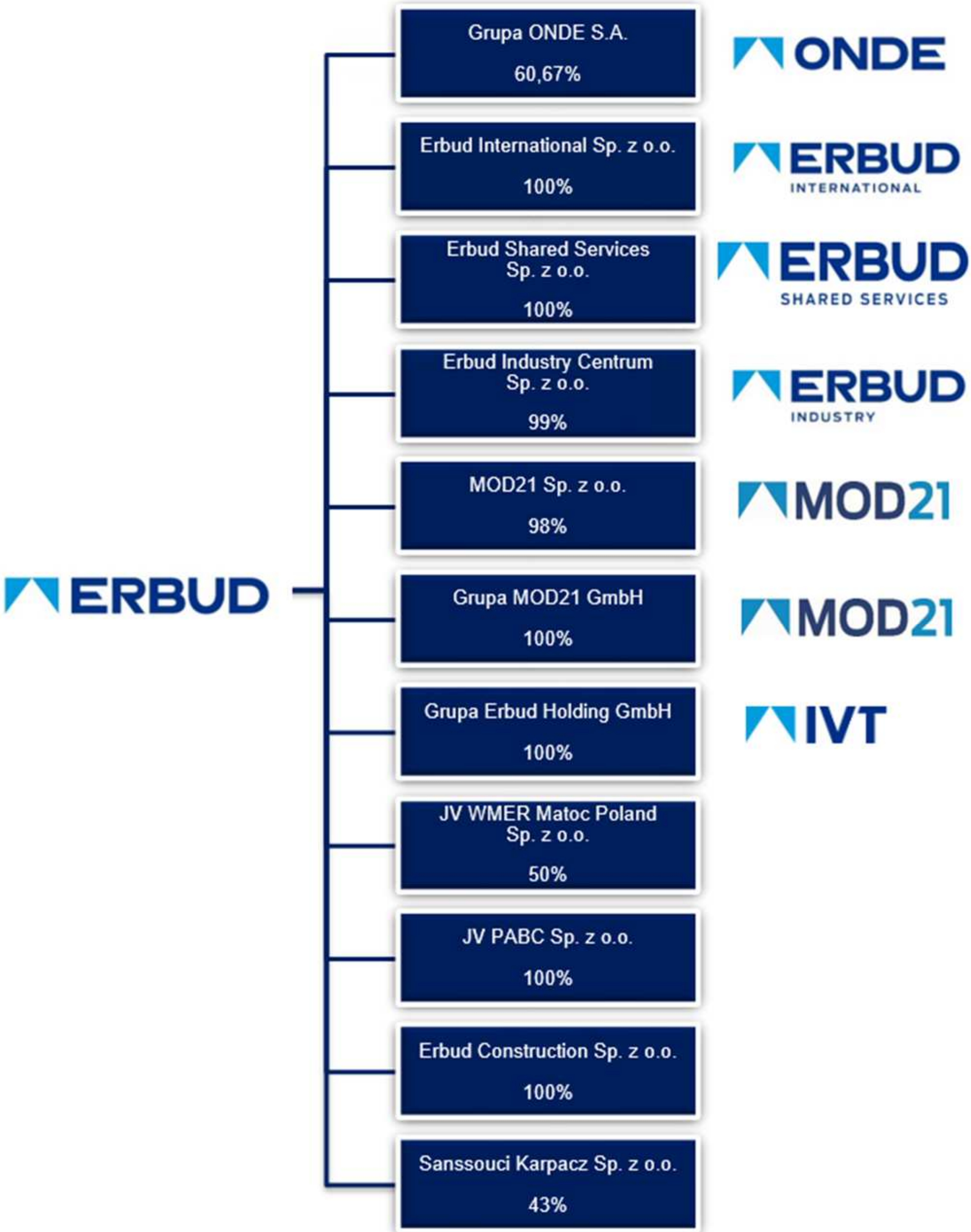
Jacek Leczkowski – Vice-President of the Management Board

As of 30 September 2024 and as of the date of the Condensed Consolidated Financial Statements the Parent Company's Supervisory Board consisted of:

- Albert Dürr
- Michał Otto
- Janusz Reiter
- Michał Wosik
- Roland Bosch
- Beata Jarosz
- Sylwia Hałas – Dej – a Supervisory Board member since 16 May 2024
- Seweryn Kubicki – a Supervisory Board member since 7 June 2024

The 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 5.4. The above figure shows the share of Erbud S.A. in individual member companies of Erbud S.A. Capital Group as of 30 September 2024

1.2. GROUNDS FOR DRAWING UP THE FINANCIAL STATEMENT

IAS Compliance Statement

The Condensed Consolidated Financial Statements were drawn up as of 30 September 2024 in compliance with the International Financial Reporting Standard (IFRS) No. 34, endorsed by the European Union.

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

The 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 Condensed Consolidated Financial Statement was approved for publication by the Management Board on 6 November 2024.

Going concern

This 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 this Condensed Consolidated Financial Statement, no signs prevailed indicating a risk to the continuation of Group operations following a going concern principle.

Impact of armed conflict in Ukraine

In 2024, the impact of the war in Ukraine on economic processes is smaller than in previous years. The situation is fairly stable, but still forces the Group to operate in ever changing environment. Among the negative impacts of the war, the most significant for the company 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 Company takes into account the risks of rising material and labour prices as well as foreign exchange volatility in the calculations it makes on an ongoing basis. The Management is taking measures to reduce the impact of the price shock caused by the conflict in Ukraine, such as diversifying the business geographically as well as by segment, while negotiating 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 participants 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 balancing 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. 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 Condensed Consolidated Financial Statement, the following new and amended standards that entered into force in 2024 were applied for the first time:

a) Amendments to IFRS 16 "Lease"

The amendment of IFRS 16 'Leases' supplements the requirements for subsequent measurement of the lease liability for sale and leaseback transactions, where the criteria of IFRS 15 are met and the transaction should be accounted for as a sale.
The amendment requires the seller-lessee to subsequently measure the lease liabilities arising from a sale-leaseback in such a manner that no gain or loss on retained right-of-use is recognised. The new requirement is particularly relevant where sale-leasebacks include variable lease payments that do not depend on an index or rate, as these payments are excluded from 'lease payments' under IFRS 16.

b) Amendments to IAS 1 "Presentation of Financial Statements"

The amendments to IAS 1 clarify the presentation of liabilities as long- and short-term and also address the classification of liabilities when an entity is required to meet certain contractual requirements known as covenants. Consequently the amended IAS 1 standard states that liabilities are classified as either short- or long-term depending on the rights that exist at the end of the reporting period. Neither the entity's expectations nor post-reporting day events (for instance, covenants of loan agreements to the extent that the entity does not have to comply with until after the balance sheet date) affect the classification.

c) Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures". - Disclosure of financial arrangements with suppliers ("supplier finance arrangement")

Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' introduce disclosure requirements for supplier finance arrangements (so-called reverse factoring). The amendments require specific disclosures concerning the entity's financial arrangements of that kind with suppliers to enable users of financial statements to assess the impact of these arrangements on the entity's liabilities and cash flows and the entity's exposure to liquidity risk. These amendments are intended to enhance the transparency of disclosures on debt financing arrangements, but do not impact the recognition and measurement principles.

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

In these Condensed Consolidated Financial Statements the Group has not decided to apply earlier the following published standards, interpretations or amendments to the existing standards before their effective date.

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.

The published amendments shall apply to financial statements for the periods beginning on or after 1 January 2025.

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

b) 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 add further guidance on assessing 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. At the date of drawing up these Condensed Consolidated Financial Statements, the amendments in question had not yet been endorsed by the European Union.

c) 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 provide clarifications and further refine the standards' guidance on recognition and measurement.

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

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 intended to replace IAS 1 - Presentation of Financial Statements and will be effective from 1 January 2027. The changes to the superseded standard mainly relate to three issues: the statement of profit or loss, required disclosures about performance measures and issues related to the aggregation and disaggregation of information contained in financial statements.

The published standard shall apply to financial statements for periods beginning on or after 1 January 2027. At the date of drawing up these 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 Condensed Consolidated Financial Statements, the amendments in question had not yet been endorsed by the European Union.

f) 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.

g) 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 Condensed 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 variable pay component adjusts the transaction price and the amount of revenue recognized i.e. the Group recognizes 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 recognized when the uncertainty related to volatility has been resolved. The Group only recognises revenues from claims when it has third party expert opinions confirming the appropriateness of recognising an additional amount of remuneration based on contractual provisions. To estimate variable pay, the Group uses the expected value method to estimate variable pay.

Due to the specific nature of building contracts and services provided by the Group, in all building contracts the Group identifies only one performance obligation 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 thus determined figures the Group deducts revenues and expenses, which affected the financial result in previous years, generating revenues and costs under building contracts executed in the current period. 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 it is not possible to determine progress rate of non-finished service (including construction service) or expected total cost of service delivery in a reliable manner, then the revenues are determined at the level of costs born in a certain accounting period, however, not higher than costs, which are expected to be covered by the employer in the future.

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 construction 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 5.1) The Contractors under building contracts signed with the Group withhold 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 as "Trade payables" (Note 5.2). 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.

2. CAPITAL AND DEBT MANAGEMENT

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 only recognises as revenue the amounts of remuneration due for the performance of its scope of work to the customer in accordance with 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. elements or stages of the contract underway, according to the measures assigned to them (mainly m^2, 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 revenue 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 ongoing 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 ongoing 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.

('000 PLN, unless specified otherwise)

2. CAPITAL AND DEBT MANAGEMENT

2.1. INCOME AND EXPENSES UNDER BUILDING CONTRACTS

The income and expenses figures under building contracts for the accounting period and on YTD basis are presented in the table below

	For a 9-month period, ended on 30 Sept. 2024	For a 9-month period, ended on 30 Sept. 2023
	Contracts in the period	Contracts in the period
Figures recognised in the period		
Income under building contracts, YTD	1,681,611	2,010,294
Costs under building contracts,	1,561,383	1,905,006
Net income before recognition and settlement of provisions for the contracts generating liabilities	**120,228**	**105,288**
Setting up provisions for the contracts generating liabilities	1,795	2,775
Release /utilization of provisions set up in previous periods	846	-
Gross profit/loss	**119,279**	**102,513**
Gross profit margin		
excluding provisions for the contracts generating liabilities	7%	5%
including provisions for the contracts generating liabilities	7%	5%

Gross profit margin is defined as gross profit on sales divided by sales revenues.

2.2. DETERMINATION OF OUTSTANDING AMOUNT RELATED TO NON-COMPLETED BUILDING CONTRACTS

	30 Sept. 2024	31 Dec. 2023
Revenues generated under non-completed building contracts YTD	4,794,763	4,632,376
Invoiced receivables from customers, YTD (excl. advances)	4,659,172	4,453,830
Balance of payments under non-completed building contracts	**135,591**	**178,546**
of which:		
(1) Assets for completed, non-invoiced construction works, gross	311,603	337,264
Asset impairment write-off under building contracts	(4,182)	(3,692)
(1a) Assets for completed, non-invoiced construction works, net	307,421	333,572
(2) Payables for non-completed invoiced construction works - liabilities under building contracts	171,830	155,026
Costs related to building contracts, YTD	2,111,339	2,563,568
Subcontractor expense and own expenses on a YTD basis.	2,083,108	2,595,679
Balance of payments under building contracts	**(28,231)**	**32,111**
of which:		
(3) Assets for non-completed, invoiced construction works of the subcontractors	80,553	121,764
(4) Liabilities for due and payable non-completed, invoiced construction works of the subcontractors	108,784	89,653
Balance of payments under building contracts	**107,360**	**210,657**
of which:		
Pricing of building contracts - assets - TOTAL	**387,974**	**455,336**
Pricing of building contracts - balance settlement (2)+(4)	280,614	244,679
Building contract liabilities - advanced paid	145,459	143,038
Pricing of building contracts - liabilities - TOTAL	**426,073**	**387,717**

Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

3. CAPITAL AND DEBT MANAGEMENT

3.1. CAPITAL MANAGEMENT

Share capital comprises common stock and is carried at the nominal value (in adherence to the Statutes of the Parent Company and an entry made into the National Courte 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 September 2024, the share capital consisted of 11,929,836 shares in the Parent Company 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 Open-End Pension Fund	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%**

Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

3. CAPITAL AND DEBT MANAGEMENT

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 neither Company's Management nor Supervisory Boards.

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 September 2024, and as of the date of publication of this Financial Statement, 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 9-month period, ended on 30 Sept. 2024	For a 9-month period, ended on 30 Sept. 2023
Net profit/loss attributable to the shareholders of the Parent Company	(533)	57,695
Average weighted number of ordinary shares (in pcs.)	11,929,836	11,929,836
Basic and diluted earnings per share (in PLN)	**-0.04**	**4.84**

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 Sept. 2024	31 Dec. 2023
Long-term		
Bank loans	96,691	34,629
Loans	-	1,097
	96,691	**35,726**
Short-term		
Overdraft facilities	29,123	22,418
Bank loans	24,721	13,419
Loans	1,744	2,333
	55,588	**38,170**
Total credit and loan liabilities	**152,279**	**73,896**

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

Long-and short-term loans bear interest at WIBOR 3M + 1.35%-3.5%, 3M Euribor +1.35%- 2.2%, 6M WIBOR +3% and fixed rate of 10% 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

The profitability ratio is calculated as EBITDA (formerly EBIT) divided by Sales Revenue. The ratio limit remained unchanged - a minimum of 1%.

During the year, as of 30 September 2024 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 balance sheet 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	
						9/30/2024	31 Dec. 2023
23 Sept. 2021	D-series bearer shares, dematerialized, unsecured	functional	WIBOR 6M + 2.6%	23 Sept. 2025	financing of an increased working capital requirement	76,721	**76,678**
			Total bond liability as of 30 Sept. 2024, of which:			**76,721**	**76,678**
			long-term			-	75,000
			short-term			76,721	1,678

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

3. CAPITAL AND DEBT MANAGEMENT

Covenants

	As of	
	30 Sept. 2024	31 Dec. 2023
"Consolidated Net Financial Debt Ratio" means the quotient of Consolidated Net Financial Debt and Consolidated Equity in value terms.	**0.18**	**-0.11**
Consolidated long-term and short-term debt	327,875	239,437
Cash assets	219,526	307,305
Adjusted equity by goodwill and intangible assets	595,870	621,124

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

		30 Sept. 2024	31 Dec. 2023
Period		Nominal value of minimum payments	Nominal value of minimum payments
Below 1 year	Short-term	28,774	25,222
Above 1 year	Long-term	84,417	77,130
Nominal value of minimum payments		**113,191**	**102,352**
Future lease costs		14,316	13,489
Present value of minimum payments		**98,875**	**88,863**
Below 1 year	Short-term	24,700	21,432
Above 1 year	Long-term	74,175	67,431

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

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 and 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 Sept. 2024	30 Sept. 2023
Net profit for the accounting period	**7,657**	**67,080**
Corporate income tax	8,866	22,027
Gross profit/loss	**16,523**	**89,107**
Share in net profits/losses of equity-accounted subsidiaries	(2,207)	(1,004)
Financial expenses	25,184	32,917
Financial income	10,276	10,052
Financial income - compensation-related interest income	-	60,929
EBIT	**33,638**	**52,047**
One-off compensation-related gain	-	38,317
EBIT, adjusted	**33,638**	**13,730**
Amortization and depreciation	31,467	27,295
EBITDA	**65,105**	**79,342**
Revenues from sales of products and services	2,104,588	2,447,229
EBIT margin	**2%**	**2%**
Revenues from sales of products and services	**3.09%**	**3.24%**

Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.2. ACCOUNTING SEGMENTS

Based on the management accounting presented to the main operational decision-maker (i.e. the Management Board of the Parent Company), the Company identified eight basic accounting segments:

- residential/commercial buildings in domestic market,
- residential/commercial buildings in foreign countries,
- road engineering construction services
- industrial construction segment at home
- industrial construction segment in foreign countries
- renewable energy segment (including: sale of energy generation subsidiaries)
- modular timber construction,
- other segments.

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 preparation of the Group's Separate Financial Statements.

Key segment information in the following accounting periods: January 2024 - September 2024 and January 2023 - September 2023.

	For a 9-month period, ended on 30 Sept. 2024			For a 9-month period, ended on 30 Sept. 2023		
	Domestic market (Poland)	Foreign markets	Total	Domestic market (Poland)	Foreign markets	Total
Sales to third party customers, of which:	1,748,744	355,844	**2,104,588**	2,009,364	437,865	**2,447,229**
Accrued and deferred income	1,569,297	112,314	**1,681,611**	1,844,307	165,987	**2,010,294**
Income recognized at a certain point in time	179,447	243,530	**422,977**	165,057	271,878	**436,935**
Fixed assets other than financial instruments and deferred tax assets	465,746	53,755	**519,501**	358,397	52,081	**410,478**

Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

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

									For a 9-month period, ended on 30 Sept. 2024
	Building construction in domestic market	Building construction in foreign countries	Road engineering construction	Industrial construction segment at home	Industrial construction segment in foreign countries	Renewable energy sources segment	Modular timber construction	Other segments	Total going concern activities
Sales to third party customers	1,002,391	41,717	113,971	169,910	242,326	462,215	69,122	2,936	**2,104,588**
Total sales revenues	**1,002,391**	**41,717**	**113,971**	**169,910**	**242,326**	**462,215**	**69,122**	**2,936**	**2,104,588**
Segments' performance and reconciliation with gross profit of the Group									
Cost of goods sold (COGS)	926,340	43,461	120,263	153,554	226,131	401,424	60,125	(802)	**1,930,496**
Sales margin	**76,051**	**(1,744)**	**(6,292)**	**16,356**	**16,195**	**60,791**	**8,997**	**3,738**	**174,092**
Sales margin %	8%	(4%)	(6%)	10%	7%	13%	13%	127%	**8%**
Other operating profit/loss	(69,123)	(6,206)	(7,870)	(10,026)	(7,006)	(13,777)	(21,920)	(4,526)	**(140,454)**
Segment performance – EBIT	**6,928**	**(7,950)**	**(14,162)**	**6,330**	**9,189**	**47,014**	**(12,923)**	**(788)**	**33,638**
EBIT margin	1%	(19%)	(12%)	4%	4%	10%	(19%)	-27%	**2%**
Share in net profits/losses of equity-accounted subsidiaries	-	-	-	-	-	(2,207)	-	-	**(2,207)**
Profit (loss) on financial activities (financial income less financial expenses)									**(14,908)**
Gross profit/loss									**16,523**
Corporate income tax									**8,866**
Net profit/loss									**7,657**
Amortization and depreciation	6,421	315	4,349	5,381	4,136	2,750	4,808	3,307	**31,467**
Segment performance – EBITDA	**13,349**	**(7,635)**	**(9,813)**	**11,711**	**13,325**	**49,764**	**(8,115)**	**2,519**	**65,105**

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

For a 9-month period, ended on 30 Sept. 2023

	Building construction in domestic market	Building construction in foreign countries	Road engineering construction	Industrial construction segment at home	Industrial construction segment in foreign countries	Renewable energy sources segment	Modular timber construction	Other segments	Total going concern activities
Total income									
Sales to third party customers	1,057,098	85,879	202,959	155,824	269,617	632,323	37,682	5,847	**2,447,229**
Total sales revenues	**1,057,098**	**85,879**	**202,959**	**155,824**	**269,617**	**632,323**	**37,682**	**5,847**	**2,447,229**
Segments' performance and reconciliation with gross profit of the Group									
Cost of goods sold (COGS)	1,011,179	87,641	194,445	141,344	229,338	563,922	39,573	2,747	**2,270,189**
Sales margin	**45,919**	**(1,762)**	**8,514**	**14,480**	**40,279**	**68,401**	**(1,891)**	**3,100**	**177,040**
Sales margin %	4%	(2%)	4%	9%	15%	11%	(6%)	53%	**7%**
Other operating profit/loss	(60,617)	(10,756)	(8,216)	(8,066)	(21,002)	(32,090)	(19,591)	(2,972)	**(163,310)**
One-off expenses	-	-	-	-			-	38,317	**38,317**
Segment performance – EBIT	**(14,696)**	**(12,518)**	**298**	**6,414**	**19,277**	**36,310**	**(21,482)**	**38,444**	**52,047**
EBIT margin	(1%)	(15%)	0%	4%	7%	6%	(57%)	657%	**2%**
Share in net profits/losses of equity-accounted subsidiaries	(316)					(688)			**(1,004)**
Profit (loss) on financial activities (financial income less financial expenses)									**38,064**
Gross profit/loss									**89,107**
Corporate income tax									**22,027**
Net profit/loss									**67,080**
Amortization and depreciation	5,836	736	2,138	3,925	3,881	2,157	2,815	5,807	**27,295**
Segment performance – EBITDA	**(8,860)**	**(11,782)**	**2,436**	**10,339**	**23,158**	**38,467**	**(18,667)**	**44,251**	**79,342**
Segment performance – EBITDA, adjusted	(8,860)	(11,782)	2,436	10,339	23,158	38,467	(18,667)	5,934	**41,025**

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

									For a period of 3 months ended on 30 Sept. 2023
	Building construction in domestic market	Building construction in foreign countries	Road engineering construction	Industrial construction segment at home	Industrial construction segment in foreign countries	Renewable energy sources segment	Modular timber construction	Other segments	Total going concern activities
Total income									
Sales to third party customers	349,471	4,034	42,539	75,116	80,882	182,495	34,948	1,638	**771,123**
Total sales revenues	**349,471**	**4,034**	**42,539**	**75,116**	**80,882**	**182,495**	**34,948**	**1,638**	**771,123**
Segments' performance and reconciliation with gross profit of the Group									
Cost of goods sold (COGS)	325,613	2,916	46,574	66,651	71,540	158,604	26,569	150	**698,617**
Sales margin	**23,858**	**1,118**	**(4,035)**	**8,465**	**9,342**	**23,891**	**8,379**	**1,488**	**72,506**
Sales margin %	7%	28%	(9%)	11%	12%	13%	24%	91%	**9%**
Other operating profit/loss	(22,209)	(2,038)	(1,916)	(3,410)	(4,390)	(7,103)	(8,806)	(717)	**(50,589)**
Segment performance – EBIT	**1,649**	**(920)**	**(5,951)**	**5,055**	**4,952**	**16,788**	**(427)**	**771**	**21,917**
EBIT margin	0%	(23%)	(14%)	7%	6%	9%	(1%)	47%	**3%**
Share in net profits/losses of equity-accounted subsidiaries						(1,160)			**(1,160)**
Profit (loss) on financial activities (financial income less financial expenses)									**(10,719)**
Gross profit/loss									**10,038**
Corporate income tax									**2,961**
Net profit/loss									**7,077**
Amortization and depreciation	2,237	15	866	1,795	1,386	1,710	1,723	1,108	**10,840**
Segment performance – EBITDA	**3,886**	**(905)**	**(3,286)**	**6,850**	**6,338**	**16,699**	**1,296**	**1,879**	**32,757**

ERBUD Condensed Consolidated Financial Statement as of 30 September 2024 ('000 PLN, unless specified otherwise)

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

For a period of 3 months ended on 30 Sept. 2023

	Building construction in domestic market	Building construction in foreign countries	Road engineering construction	Industrial construction segment at home	Industrial construction segment in foreign countries	Renewable energy sources segment	Modular timber construction	Other segments	Total going concern activities
Total income									
Sales to third party customers	301,753	29,034	73,859	68,903	103,778	261,044	26,492	176	**865,039**
Total sales revenues	**301,753**	**29,034**	**73,859**	**68,903**	**103,778**	**261,044**	**26,492**	**176**	**865,039**
Segments' performance and reconciliation with gross profit of the Group									
Cost of goods sold (COGS)	294,205	31,476	71,654	61,725	88,179	233,092	29,430	(1,282)	**808,479**
Sales margin	**7,548**	**(2,442)**	**2,205**	**7,178**	**15,599**	**27,952**	**(2,938)**	**1,458**	**56,560**
Sales margin %	3%	(8%)	3%	10%	15%	11%	(11%)	828%	**7%**
Other operating profit/loss	(16,968)	(4,376)	(2,158)	(3,429)	(7,952)	(11,952)	(5,671)	(544)	**(53,050)**
One-off expenses								38,317	**38,317**
Segment performance – EBIT	**(9,420)**	**(6,818)**	**47**	**3,749**	**7,647**	**16,000**	**(8,609)**	**39,231**	**41,827**
Segment performance - adjusted EBIT	**(9,420)**	**(6,818)**	**47**	**3,749**	**7,647**	**16,000**	**(8,609)**	**914**	**3,510**
EBIT margin	(3%)	(23%)	0%	5%	7%	6%	(32%)	22290%	**5%**
Share in net profits/losses of equity-accounted subsidiaries	-	-	-	-	-	(245)	-	-	**(245)**
Profit (loss) on financial activities (financial income less financial expenses)									56,216
Gross profit/loss									**97,798**
Corporate income tax									26,058
Net profit/loss									**71,740**
Amortization and depreciation	2,041	167	872	1,318	1,228	645	1,240	1,835	**9,346**
Segment performance – EBITDA	**(7,379)**	**(6,651)**	**919**	**5,067**	**8,875**	**16,645**	**(7,369)**	**41,066**	**51,173**
Segment performance – EBITDA, adjusted	(7,379)	(6,651)	919	5,067	8,875	16,645	(7,369)	2,749	12,856

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4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.3. COST OF GOODS SOLD (COGS)

	For a 9-month period, ended on 30 Sept. 2024	For a 9-month period, ended on 30 Sept. 2023	For a 3-month period, ended on 30 Sept. 2024	For a 3-month period, ended on 30 Sept. 2023
Third party services	1,100,469	1,395,032	431,023	470,108
incl. third party services from subcontractors	868,378	1,158,584	318,097	386,772
Material and energy consumption	484,363	619,099	187,786	230,006
Employee benefit expenses	387,472	366,857	131,271	125,632
Amortization and depreciation	31,467	27,295	10,840	9,346
Taxes and charges	13,403	11,152	3,873	3,838
Other cost categories	33,189	19,592	10,012	5,864
Value of goods and materials sold	1,222	2,967	492	1,255
Total Costs by type	**2,051,585**	**2,441,994**	**775,297**	**846,049**
Change in the balance of products, work in progress and accrued expenses under building contracts	37,908	(4,359)	(21,924)	28,470
Cost of sale (negative value)	(16,163)	(11,041)	(5,651)	(3,860)
General management and administration costs (negative value)	(142,834)	(156,405)	(49,105)	(62,180)
Manufacturing costs of products sold	**1,930,496**	**2,270,189**	**698,617**	**808,479**

4.4. TAXATION

The burdening of net financial income with income tax is recognized based on Group Management Board's estimate of the weighted average effective annual income tax rate expected for the full accounting year.

The Group generates all of its taxable income in Poland and is therefore subject to taxation under the Corporate Income Tax ("CIT") Act and under laws effective in foreign countries. The standard corporate income tax rate is 19%. In the areas where tax regulations are subject to interpretation, the Management Board reviews occasionally its approach to drawing up tax returns. In justified cases, provisions are set up for expected tax liabilities.

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

	For a 9-month period, ended on 30 Sept. 2024	For a 9-month period, ended on 30 Sept. 2023
Gross profit before taxation	**16,523**	**89,107**
Tax according to the statutory tax rate applicable in Poland - 19%	**3,139**	**16,931**
Additional tax burden being a result of a rate exceeding 19% in Germany	5,173	9,056
(Excess of non-tax revenues over non-deductible expenses) / Excess of non-deductible expenses over non-tax revenues	554	(3,960)
Tax recognized in the financial net profit/loss	**8,866**	**22,027**
Current tax	30,689	29,951
Deferred tax	(21,823)	(7,924)
Effective tax rate	**53.66%**	**24.71%**

4.5. FINANCIAL RISK MANAGEMENT PRINCIPLES

While running its operations, the Group is exposed to the following significant types of financial risk: market risk (including currency risk, interest rate risk), credit risk and liquidity risk. The ERBUD S.A.'s Management Board is responsible for determining the rules for the management of such risks and for verifying them.

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.5.1. 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.

4.5.2. 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 5.1.

4.5.3. 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.

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.

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5. OTHER NOTES

5.1. 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 construction 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, an increase of receivable value over time is posted as financial income.

	30 Sept. 2024			31 Dec. 2023		
	Gross value	Write-down	Net value	Gross value	Write-down	Net value
Trade receivables	542,905	51,542	491,363	538,677	59,144	479,533
Corporate income tax receivables	3,255	-	3,255	82	-	82
VAT tax receivables	16,176	-	16,176	23,633	-	23,633
Other receivables	26,737	-	26,737	43,828	1,210	42,618
Total	**589,073**	**51,542**	**537,531**	**606,220**	**60,354**	**545,866**

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

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

	For a 9-month period, ended on 30 Sept. 2024	For a 12-month period, ended on 31 Dec. 2023
Opening balance of write-downs	**60,354**	**49,176**
Setting up of individual write-offs	2,419	5,733
Setting up /(reversal) of write-offs according to write-off matrix	3,522	7,316
Use of individual write-offs	(14,425)	(1,168)
Other	(187)	98
Foreign exchange gains and losses from translation	(141)	(801)
Closing write-offs, of which:	**51,542**	**60,354**
Matrix-based calculated write-off	21,943	18,421
Individual write-off	29,599	41,933

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.

5.2. 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.

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	30 Sept. 2024	31 Dec. 2023
Trade payables	**196,043**	**280,620**
Liabilities vis-à-vis budget in relation to:	**30,854**	**51,358**
VAT tax	10,769	28,073
corporate income tax	20,085	23,285
Other liabilities	**90,833**	**88,417**
wages and salaries	16,935	14,189
accruals	3,640	1,017
short-term employee benefit liabilities	36,698	35,826
other taxes	21,181	18,861
other	12,379	18,524
Total	**317,730**	**420,395**

5.3. EXPLANATORY NOTES TO THE CASH FLOW STATEMENT

Reconciliation of the change in working capital balance for the period from 1 January 2024 to 30 September 2024 and for the period from 1 January 2023 to 30 September 2023.

	Change in balance of Cash Flow Statement in the period from Jan. 2024 to Sept. 2024	Change in balance of Cash Flow Statement in the period from Jan. 2023 to Sept. 2023
Change in provision balance	**(2,003)**	14,270
Change in inventory balance	**(14,469)**	(65,425)
Change of receivables balance	**(42,517)**	(17,770)
Change in balances of short-term liabilities, excluding credits and loans	**(120,325)**	6,158
Change in balance of prepayments and accruals	**(81,270)**	(48,886)
Change of balance of the remaining assets	**211,855**	55,127
Change of working capital balance	**(48,729)**	**(56,526)**

5.4. GROUP STRUCTURE

Related entities and consolidation rules: The consolidated financial statements comprise data of the Parent Company 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.

Settlement of acquisition of ventures is made using the acquisition method. Under this method the identifiable assets and liabilities acquired are carried at fair value as of the acquisition date**.** 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 income statement 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.

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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 using 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 September 2024, 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 Sept. 2024**	**31 Dec. 2023**
	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, Byelorussia	Construction services	**100.00%**	100.00%
8	JV WMER Matoc Poland Sp. z o.o	Warsaw	Construction services	**50.00%**	50.00%
9	JV PABC Sp. z o.o.	Warsaw	Construction services	**100.00%**	100.00%
10	MOD21 Sp.z o.o.	Ostaszewo	Timber modular construction	**98.00%**	98.00%
11	Sanssouci Karpacz Sp. z o.o.	Warsaw	Construction services	**43.00%**	43.00%
12	Erbud Industry Centrum Sp. z o.o.	Łódź	Maintenance services in the industrial segment	**99.00%**	99.00%
13	Tauron Serwis Sp. z o.o.	Jaworzno	Maintenance services in the industrial segment	**4.00%**	4.00%
	TOTAL				

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5. OTHER NOTES

				Shares of Parent Company held indirectly (corresponding to the voting rights held)	
Item	**Name of entity**	**Registered office**	**Scope of activities**	**30 Sept. 2024**	**31 Dec. 2023**
	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	**50.00%**	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	Gumienice Sp. z o.o. wind farm	Toruń	Renewable energy sources	**100.00%**	100.00%
26	Szybowice Sp. z o.o. wind farm	Warsaw	Renewable energy sources	**0.00%**	50.00%
27	DEVOZE Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
28	Solar Kazimierz Biskupi Sp. z o.o.	Warsaw	Renewable energy sources	**50.00%**	50.00%
29	PV KADŁUBIA 2 Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
30	PV SZCZEPANÓW Sp. z o.o.	Toruń	Renewable energy sources	**100.00%**	100.00%
31	ONDE GmbH	Germany, Dusseldorf	Development of contracting activities in the RES business segment	**100.00%**	100.00%
32	Invest PV Sp. z o.o.	Toruń	Renewable energy sources	**0.00%**	100.00%
33	SPV Czerwona Woda Sp. z o.o.	Toruń	Renewable energy sources	**0.00%**	100.00%
34	ONDE DEV 1 Sp.z.o.o	Toruń	Renewable energy sources	**100.00%**	0.00%
35	ONDE DEV 2 Sp.z.o.o	Toruń	Renewable energy sources	**100.00%**	0.00%
36	ONDE DEV 3 Sp.z.o.o	Toruń	Renewable energy sources	**100.00%**	0.00%
37	ONDE DEV 4 Sp.z.o.o	Toruń	Renewable energy sources	**100.00%**	0.00%
38	ONDE DEV 5 Sp.z.o.o	Toruń	Renewable energy sources	**100.00%**	0.00%
39	ONDE DEV 6 Sp.z.o.o	Toruń	Renewable energy sources	**100.00%**	0.00%
40	ONDE DEV 7 Sp.z.o.o	Toruń	Renewable energy sources	**100.00%**	0.00%
41	ONDE DEV 8 Sp.z.o.o	Toruń	Renewable energy sources	**100.00%**	0.00%
42	Żabów Photovoltaic Farm Sp.z.o.o	Toruń	Renewable energy sources	**100.00%**	0.00%
43	CKTiS SA	Biała	Maintenance services in the industrial segment	**100.00%**	0.00%

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.

Disposal of stakes in subsidiaries

On 15 March 2024, 100% of the shares in PV Invest Sp. z o.o. and SPV Czerwona Woda Sp. z o.o., which are the owners of photovoltaic farms with a total capacity of 23.1 MW, were sold to an non-related entity. The deal price totalled approximately PLN 19 million. The net profit/loss on the deal is presented in the Statement of Profit/Loss and Other Comprehensive Income in a disjointed manner, in the lines "revenue from the sale of goods and services" and "cost of goods and services sold".

Sale of shares in a jointly-controlled entity

On 8 March 2024, 50% shareholding in Szybowice Sp. z o.o. Wind Farm was sold to a non-related entity. The deal price totalled approximately to PLN 30 million and was adjusted with the value of the net working capital and net debt of the Szybowice Wind Farm as at the date of the Share Sales Agreement. The result on the sale of shares is presented in the statement of profit or loss and other comprehensive income in the line 'Profit/loss on the sale of shares in subsidiaries and jointly-controlled entities'.

Acquisition of entities comprising a group of assets not representing a business

On 21 May 2024, ONDE S.A. entered into an agreement to acquire 100% of the shares from unrelated parties in a special purpose vehicle that owns a photovoltaic power plant project with an installed capacity of 63 MW, located in the West Pomeranian province. The photovoltaic project is in an advanced development phase and has been issued with conditions for connection to the power grid.

The acquisition price of the shares was determined following an arm's length principle, totalled PLN 38.2 million and was settled in cash. Transaction costs were negligible. The company's assets include a land lease contract specifying the construction site of a photovoltaic farm, environmental decisions, development conditions, connection conditions and cash. According to the Management Board, the deal involves an acquisition of assets and not a business, hence the value of the excess of the cash paid over the book value of the net assets was allocated to the company's assets - i.e. stock - of the RES projects.

Acquisition of a business constituting a venture

On 1 January 2024, Erbud Industry Centrum Sp. z o.o. acquired 145,850 A-series registered shares accounting for 100% of the share capital of CKTiS SA, headquartered in Stara Biała, from an non-related party. The total price paid for the shares was PLN 14,990,463.00, i.e. the amount per share was PLN 102.78. CKTiS SA provides comprehensive mechanical and construction services for the energy, chemical, refining and petrochemical sectors involving overhauls, modernisations, investments and ongoing maintenance. Transaction costs related to this equity investment were immaterial. The acquisition of CKTIS SA has boosted the Erbud Group capacity to offer an even wider range of maintenance services.

Since 1 January 2024 CKTiS SA has been consolidated like the other companies in the industry segment and has also been presented in the domestic industry segment. The transaction represents an acquisition of a business within the meaning of IFRS3. Until 30 Sept. 2024 the Group had not completed the settlement of the acquisition of the company. The settlement presented below is preliminary. The company is in the process of identifying and pricing the assets acquired.

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	1 Jan. 2024	Pricing at fair value	1 Jan. 2024
Tangible fixed assets	7,161	537	7,698
Intangible assets	4	2,300	2,304
Shares and interests	-		
Investment properties	-		
Cash and cash equivalents	1,148	-	1,148
Inventory	536	-	536
Receivables	7,222	-	7,222
Accruals	112	-	112
Deferred tax assets	268	-	268
Assets (A)	**16,451**	**2,837**	**19,288**
Liabilities and accruals	3,565	-	3,565
Provisions	830	2,539	3,369
Liabilities (B)	**4,395**	**2,539**	**6,934**
Fair value of net assets (A-B)	**12,056**	**298**	**12,354**
Interest of non-controlling shareholders valued at proportionate share of net assets held (C)	-		
Acquisition price (paid with money transfer) (D)			14,990
Total acquisition price			**14,990**
Profit on acquisition			
GOODWILL			**2,636**

5.5. POST-ACCOUNTING PERIOD EVENTS

On 3 October 2024, the legal status of CKTiS SA was transformed into CKTiS Sp. z o.o.. (from a joint stock into a limited liability company). The company's entry in the National Court Registry (KRS) was also changed into 0001128924.

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/	

Warsaw, 6 November 2024