

ERBUD S.A.

Consolidated Financial Statement for the accounting year ending 31 December 2025

**Drawn up in compliance with the
International Financial Reporting
Standards (IFRS) endorsed for
application by the European
Union**



ERBUD
GROUP

CONSOLIDATED STATEMENT OF PROFIT/LOSS

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
GOING CONCERN OPERATIONS		
Notes 4.2.-4.3. Revenues from sales of products and services	3,258,215	2,979,789
Notes 4.2.-4.3. Cost of products and services sold	2,994,916	2,760,026
Gross sales profit/(loss)	263,299	219,763
Note 4.4. Cost of sales	29,038	22,889
Note 4.4. General and administrative (G&A) costs	218,159	197,920
Note 6.11. Proceeds from the sales of interest in a jointly controlled entity	7,310	19,088
Note 4.6. Other operating income	20,532	22,248
Note 4.6. Other operating expenses	10,643	5,410
Loss reversal/(impairment) of financial assets and contract valuation assets	(12,262)	(14,227)
Note 4.2. Operating profit	21,039	20,653
Notes 4.1.-4.2. Share in net profits/losses of equity-accounted entities	(3,481)	(3,277)
Note 4.7. Financial income	15,209	12,529
Note 4.7. Financial expenses	33,835	29,849
Note 4.2. Gross profit/loss	(1,068)	56
Note 4.8. Corporate income tax	27,234	17,221
Net profit /(loss) for the accounting period	(28,302)	(17,165)
Shareholders of Parent Company	(35,754)	(28,857)
Non-Controlling Stakeholders	7,453	11,692
Average weighted number of ordinary shares (in pcs.)	11,926,836	11,926,836
Basic and diluted earnings per share attributable to the shareholders of the Parent Company	(3.00)	(2.42)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Net profit /(loss) for the accounting period	(28,302)	(17,165)
Foreign exchange gains/losses resulting from translation of statements of foreign entities	(757)	(3,202)
Comprehensive income (including tax effect) subject to reclassification into net income	(757)	(3,202)
Other comprehensive income in the accounting period	(29,059)	(20,367)
Appropriated to:		
Shareholders of Parent Company	(36,512)	(32,082)
Non-Controlling Stakeholders	7,453	11,715

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 Dec. 2025	31 Dec. 2024
ASSETS		1,987,293	2,027,937
Note 6.2.	Goodwill	42,505	42,760
Note 6.1.	Intangible assets	17,360	14,532
Note 6.1.	Tangible fixed assets	366,789	347,956
Note 6.11.	Investments accounted for using the equity method	32,022	45,711
Note 5.1.1	Financial assets	22,780	24,036
Note 4.8.	Deferred tax assets	113,083	126,308
Note 2.2.	Receivables under building contracts - bid bonds	2,809	3,001
Fixed assets		597,348	604,304
Note 6.4.	Inventory	171,878	172,339
Note 2.2.	Receivables under building contracts - bid bonds	34,222	41,446
Note 2.3.	Pricing of building contracts - assets	346,054	351,536
Note 6.5.	Trade receivables	496,592	458,438
Note 6.5.	Income tax & VAT receivables	23,446	22,928
Note 6.5.	Other receivables	23,643	27,008
Note 5.1.1	Financial assets	9,797	10,520
Note 5.2.3	Cash and cash equivalents	271,716	329,774
Note 6.6.	Short-term prepayments	12,597	9,644
Current assets		1,389,945	1,423,633
LIABILITIES		1,987 293	2,027,937
Note 3.1.	Share capital	1,193	1,193
	Supplementary capital	286,854	289,658
	Reserve capital	104,211	104,346
	Foreign exchange gains/losses resulting from conversion of foreign unit	(198)	559
	Retained earnings	39,188	90,798
	Equity of shareholders of the Parent Company	431,248	486,554
	Equity of non-controlling stakeholders	141,459	142,456
Shareholders' equity		572,707	629,010
Notes 3.2.-3.4	Debt	249,731	178,276
Note 6.7.	Provisions	25,772	25,717
Note 4.8.	Deferred tax liabilities	21,984	21,774
Note 2.2.	Liabilities vis-à-vis subcontractors - bid bonds	17,435	17,816
Long-term liabilities		314,922	243,583
Notes 3.2.-3.4	Debt	138,211	134,865
Note 6.7.	Provisions	36,367	34,895
Note 6.7.	Liabilities vis-à-vis subcontractors - bid bonds	140,675	131,672
Note 2.3.	Pricing of building contracts - liabilities	308,750	431,941
Note 5.1., Note 6.9.	Trade payables	376,042	312,199
Note 5.1.	Income tax & VAT liabilities	18,017	26,014
Note 5.1.	Other liabilities	81,602	83,758
Short-term liabilities		1,099,664	1,155,344

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For a 12-month-period ended on 31 December 2025 and for a 12-month-period ended on 31 December 2024

	Share capital	Supplementary capital	Reserve capital	Foreign exchange gains/losses resulting from conversion of foreign unit	Retained earnings	Total	Equity of non-controlling stakeholders	Shareholders' equity
As of 1 Jan. 2024	1,193	281,353	104,346	3,784	146,867	537,543	137,403	674,946
Net result in the accounting period	-	-	-	-	(28,857)	(28,857)	11,692	(17,165)
Comprehensive income in the accounting period	-	-	-	(3,225)	-	(3,225)	23	(3,202)
Other comprehensive income	-	-	-	(3,225)	(28,857)	(32,082)	11,715	(20,367)
Dividend paid by a subsidiary	-	-	-	-	-	-	(6,662)	(6,662)
Dividend	-	-	-	-	(20,042)	(20,042)	-	(20,042)
Net retained earnings carried forward	-	8,305	-	-	(8,305)	-	-	-
Share capital increase in a subsidiary	-	-	-	-	1,135	1,135	-	1,135
As of 31 Dec. 2024	1,193	289,658	104,346	559	90,798	486,554	142,456	629,010
As of 1 Jan. 2025	1,193	289,658	104,346	559	90,798	486,554	142,456	629,010
Net result in the accounting period	-	-	-	-	(35,755)	(35,755)	7,453	(28,302)
Comprehensive income in the accounting period	-	-	-	(757)	-	(757)	-	(757)
Other comprehensive income	-	-	-	(757)	(35,755)	(36,512)	7,453	(29,059)
Dividend paid by a subsidiary	-	-	-	-	-	-	(6,646)	(6,646)
Dividend	-	(2,804)	-	-	(17,240)	(20,044)	-	(20,044)
Other	-	-	(135)	-	1,386	1,251	(1,803)	(552)
As of 31 Dec. 2025	1,193	286,854	104,211	(198)	39,188	431,248	141,459	572,707

CONSOLIDATED CASH FLOW STATEMENT

		For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
OPERATIONAL CASH FLOWS			
	Gross profit/loss	(1,068)	56
Note 6.1.	Amortization and depreciation	52,256	43,106
Note 4.7.	Foreign exchange losses	(4,104)	(2,917)
Note 4.7.	Interest and share in profits (dividend)	14,410	15,965
	Other non-cash adjustments	(2,477)	(4,184)
	Share in net profits/losses of equity-accounted subsidiaries	3,481	(1,722)
	Net proceeds from the disposal of a jointly controlled company	(7,310)	(19,088)
	Income tax paid	(29,217)	(40,729)
Note 6.10.	Change in balance of working capital	(63,360)	191,253
	Operational cash flows, net	(37,389)	181,740
INVESTMENT ACTIVITY CASH FLOWS			
	Proceeds from the sales of interest in a jointly controlled entity	26,172	25,328
	Inflows from credits/loans extended	22,531	18,161
Note 3.2.	Other inflows	7,291	6,592
Note 6.1.	Expenditures on the acquisition of tangible fixed assets	(23,971)	(94,275)
	Loans extended expense	(13,038)	(14,171)
	Expenditures on the acquisition of shares in companies	(944)	(54,768)
	Other expenses	(258)	(258)
	Investment activity cash flows, net	18,041	(113,391)
FINANCIAL ACTIVITY CASH FLOWS			
Note 3.2.	Income from credits and loans taken	79,719	112,286
	Bond issue	75,000	
	Other income	206	2,359
Note 3.2.	Debt (principal) repayment expense - principal	(41,192)	(52,131)
Note 3.2.	Lease debt repayment expense - principal	(25,180)	(19,453)
Note 3.2.	Debt (interest) repayment expense	(25,572)	(17,955)
	Dividend payment	(26,691)	(26,704)
	Bond redemption	(75,000)	(96)
	Financial activity cash flows, net	(38,710)	(1,694)
NET CASH FLOWS		(58,058)	66,655
Opening cash balance		329,774	263,119
Closing cash balance		271,716	329,774

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1. BACKGROUND INFORMATION

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, Poland, 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 31 December 2025 and as of the date of the Consolidated Financial Statements the Parent Company's Management Board consisted of:

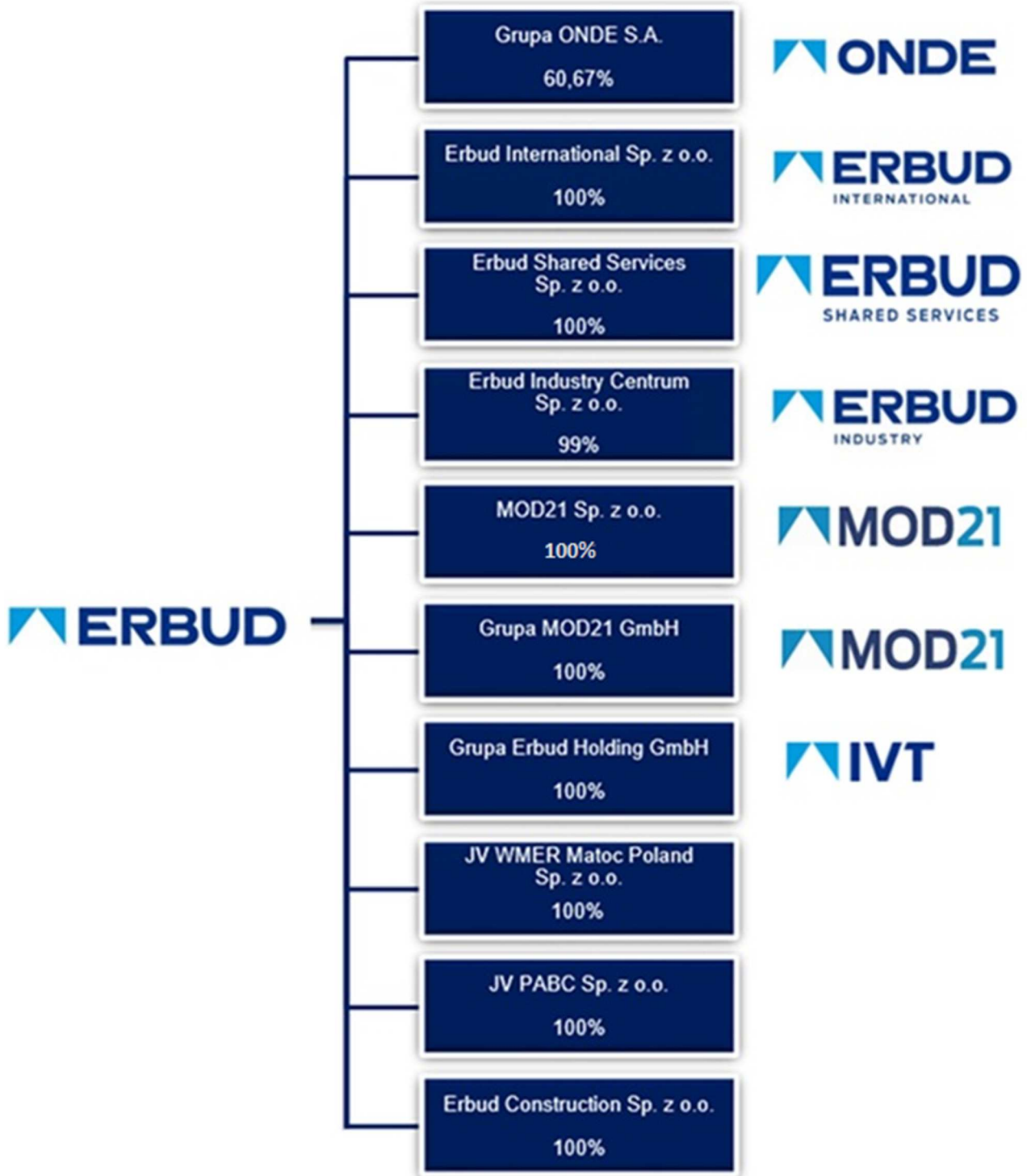
Dariusz Grzeszczak	– President of the Management Board
Agnieszka Głowacka	– Vice-President of the Management Board
Jacek Leczkowski	– Vice-President of the Management Board
Tomasz Wojak	– a Management Board Member

As of 31 December 2025 and as of the date of the Consolidated Financial Statements the Parent Company's Supervisory Board consisted of:

Roland Bosch	– the Supervisory Board Chairman
Michał Otto	– a Deputy Chairman of Supervisory Board
Albert Dürr	– a Supervisory Board Member
Janusz Reiter	– a Supervisory Board Member
Beata Jarosz	– a Supervisory Board Member
Michał Wosik	– a Supervisory Board Member
Sylwia Hałas-Dej	– a Supervisory Board Member
Seweryn Kubicki	– a Supervisory Board Member

The 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 6.11. The above figure shows the share of Erbud S.A. in individual member companies of Erbud S.A. Capital Group as of 31 December 2025.

1. BACKGROUND INFORMATION

1.2. GROUNDS FOR DRAWING UP THE FINANCIAL STATEMENT

IAS Compliance Statement

The Consolidated Financial Statements were drawn up as of 31 December 2025 in compliance with the International Financial Reporting Standards (hereinafter referred to as IFRS), endorsed by the European Union.

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

The 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 Financial Statement was approved for publication by the Management Board on 30 March 2026.

Going concern

This Consolidated Financial Statement was drawn up following going concern principle applicable to the Group in the foreseeable future.

As of the date of approval of these Consolidated Financial Statements, no signs prevailed indicating a risk to the continuation of Group operations following a going concern principle.

Impact of armed conflict in Ukraine

In 2025, the war in Ukraine had an even smaller impact on economic processes than in previous years. The situation is fairly stable, but still forces the Group to operate in ever changing environment. The Group has identified the rise in material and labour costs as the most significant negative impact of the war. This wage cost rise is further driven by the limited availability of workers due to demographic trends, wage pressures, and additional employment costs. The Polish currency has been strengthening, its value returning to the level predominant prior to the outbreak of hostilities in Ukraine.

In its on-going calculations, the Group takes into account the risks associated with rising material and labour costs as well as currency fluctuations. Management monitors the changing geo-political and economic situation and takes steps to minimise the negative impact of these changes, such as diversifying the business both geographically and by segment, while at the same time negotiating the terms of contracts with principals.

Impact of armed conflict in Iran

In light of the on-going conflict in the Middle East, the Group's Management Board has been closely monitoring the developments there in recent weeks. It seems that the Company will primarily feel the potential consequences through energy price hikes, particularly those of crude oil. Should prices of building materials rise, this would be due to any potential increases in this area. Another significant factor arising from this situation could be supply chain disruptions caused by the war, as well as exchange rate fluctuations triggered by uncertainty in the capital markets. However, in the overall assessment, this conflict does not pose a greater risk to the Group's operations than it does to those of other companies on the Polish market, as the Group does not operate directly in that region and does not have any business partners from countries directly involved in the conflict or directly affected by its consequences.

Key accounting estimates

These financial statements reflect the Group's estimates and assumptions regarding the future. Actual performance may differ from the estimates.

The most essential aspect of the company's operations is the valuation of building contracts, given the nature of the company's business. The principles applied during this process are discussed in Note 2, Building Contracts.

The Group has made other material estimates relate, inter alia, to:

- set up provisions – see Note 6.7,
- assets write-downs – see Note 2.2,

1. BACKGROUND INFORMATION

- income tax – see Note 4.8,
- depreciation rates applied – see Note 6.1,
- leases – see Note 6.1.

Any other material assumptions that were applied when estimating the above figures and that are not mentioned in this section are set forth in the accounting policies in the relevant notes to the financial statements.

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 balance-sheet date cash assets and liabilities denominated in currencies other than Polish currency 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 (NBP). 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 Consolidated Financial Statement, the following new and amended standards were applied for the first time, which entered into force in 2025:

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.

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

In these Consolidated Financial Statements, the Group has decided not to apply the following published standards, interpretations or amendments to existing standards prior to their effective date:

1. BACKGROUND INFORMATION

a) 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 provide additional guidance on how to assess 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.

b) 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 contain clarifications and describe more precisely the guidelines for standards on recognition and measurement.

The published amendments shall apply to the financial statements for periods beginning on or after 1 January 2026.

c) Natural factor-dependent electricity contracts: Amendments to IFRS 9 and IFRS 7

The amendments are intended to help companies better recognise the financial effects of contracts for electricity that are dependent on nature. These contracts often take the form of power purchase agreements (PPAs). The current guidance may not fully capture the impact of these contracts on the Company's performance. To enable entities to better reflect these contracts in their financial statements, the IASB has amended IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures".

The amendments comprise:

- a) clarification of the application of the 'own use' criterion;
- b) allowing hedge accounting where these contracts are used as hedging instruments;
- c) adding new disclosures to enable stakeholders to understand the impact of these contracts on financial performance and cash flows.

The published amendments shall apply to the financial statements for periods beginning on or after 1 January 2026.

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 the financial statements for periods beginning on or after 1 January 2027.

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.

1. BACKGROUND INFORMATION

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 preparation of these consolidated financial statements, the amendments in question had not yet been endorsed by the European Union.

f) Amendments to IFRS 19 "Subsidiaries without public accountability: disclosures".

In August 2025, the IASB issued amendments to IFRS 19 to support qualifying subsidiaries by reducing disclosure requirements for standards and amendments to standards issued between February 2021 and May 2024. The amendments apply to the following standards: IFRS 18: Presentation and Disclosures in Financial Statements; Amendments to IAS 7 and IFRS 7 - Supplier Financing Arrangements; Amendments to IAS 12 - International Tax Reform; Amendments to IAS 21 - Non-convertibility of Currencies; Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments.

Thanks to these amendments, IFRS 19 incorporates all updates to IFRS standards that will be effective from 1 January 2027 i.e. the effective date of IFRS 19.

At the date of preparation of these consolidated financial statements, the amendments in question had not yet been endorsed by the European Union.

g) Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates – Translation to a hyperinflationary presentation currency"

In November 2025, the International Accounting Standards Board (IASB) announced amendments to clarify how companies should translate financial statements from non-hyperinflationary currencies into hyperinflationary ones.

These minor amendments are intended to make the information provided more useful in a cost-effective manner. These amendments were developed in response to stakeholder feedback and aim to reduce diversity in practices and provide a clearer reporting framework for hyperinflationary currencies.

The amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates", will apply to financial years starting on or after 1 January 2027. However, the company may choose to apply them earlier.

At the date of preparation of these consolidated financial statements, the amendments in question had not yet been endorsed by the European Union.

h) 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.

i) 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.

1. BACKGROUND INFORMATION

As of the date of drawing up these separate financial statements, the endorsement of this amendment is deferred by the European Union.

None of these amendments will have a significant impact on the financial statements of the Erbud S.A. Group, except for the implementation of IFRS 18. The Group has analysed the impact of IFRS 18 on its future financial statements and plans to begin work on adapting their format to the new requirements in the second half of 2026. As IFRS 18 primarily introduces changes to the presentation and disclosure of information, the Group does not anticipate that its implementation will affect the basic or diluted earnings per share attributable to the shareholders of the Parent Company.

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2. BUILDING CONTRACTS

2. BUILDING CONTRACTS

The Group enters into fixed-price contracts for construction projects, primarily in the fields of residential development (including entire housing estates), hotels, spa facilities, shopping centres, distribution hubs, wind and photovoltaic farms, power stations, manufacturing facilities, roads and motorways, and structures built 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 revenue from claims against the employer if it holds external expert opinions confirming that an additional amount of remuneration can be recognised based on the contractual provisions, and if it is highly probable that these revenue amounts will not be reversed. The Group uses the expected value method to estimate the value of variable remuneration.

Because of the specific nature of the Group's building contracts and services, it identifies only one performance obligation for all such contracts, to which it allocates the entire value of the compensation.

The Company recognises income and expenses generated by building contracts in line with the progress of the work. Some Group member companies measure the progress rate of contract performance using the performance-based method. This method determines the value of revenues and expenses under building contracts from the contract date to the balancing date, proportional to the progress rate of a certain contract performance. This is achieved by evaluating the results and milestones achieved. Some companies use the expenditure-based method, whereby they calculate the value of revenue from building contracts between the contract date and the balance sheet date, based on the progress rate of a particular contract. This is determined by calculating the progress rate of works, which is the ratio of recognised costs for the contract to the total budgeted costs. 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. Any change to the estimated rate at which the contract will be executed is treated as an estimate change and affects the amount of revenue recognised during the period in which the change was made. If the progress rate of incomplete services (including construction) or the total expected cost of completion cannot be reliably determined as of the balance sheet date, revenue is determined by the amount of costs incurred in the reporting period, provided it is not higher than the amount expected to be reimbursed by the employer in the future.

Conversely, 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. The Level 2 impairment model and a simplified matrix approach (similar to that used for trade receivables) are used to calculate the impairment loss on all building contract assets. Because of the way balances on building contracts are recognised, they are not subject to ageing and are treated as current rather than past due. Works performed under building contracts are invoiced in accordance with the schedule set out in the contract. The Group recognizes invoiced revenues in the line "Trade and other receivables" (Note 6.5) The Contractors under building contracts signed with the Group withhold a part of the payments as a performance bond for the contracts. These amounts are recognised as "Building contract receivables - deposits" (Note 2.2.) and are usually refundable upon completion of the project or at 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 6.9). The Company retains a portion of payments to subcontractors in relation to contract performance bond, and recognizes it in the line "Building contract liabilities - bid bonds" (Note 2.2) 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 - see Note 4.8.

2. BUILDING CONTRACTS

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 assessed that it acts as an intermediary with respect to the work performed by the other partners, for which the Group invoices the employer as leader. The Group defines its role as an intermediary under a specific order, identifying the goods and services to be delivered. The Group has no control over these goods and services before they have been transferred to the customer. When acting as an intermediary, the Group recognises revenue upon fulfilment of its obligation, in exchange for being commissioned by another party to provide specific goods or services. This obligation is in the contractual amount of the fee or commission to which the Group will be entitled. Due to the nature of the consortia and orders concluded by the Group, which acts as leader, there are no fees or commissions as described above. Therefore, no revenues are generated by the Group from commissions for invoicing work performed by another consortium member to a customer. 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. The payment deadline is a maximum of 12 months from the completion date of the work. Accordingly, except for the amounts invoiced for building contracts, which are repaid at a later date as they represent deposits retained by the customer, the signed contracts do not contain a significant financing component. The amounts retained under individual invoices represent a maximum of 10% of the remuneration for executing the contract and can be released at any time within 5 years from the date of purchase order completion. Revenues under the building contracts for the portion that is retained as a bid bond is recognized at a discounted amount.

In order to recognise revenues and expenses under building contracts using the performance-based or expenditure-based method, an estimated work progress rate is required for a given contract. This involves measuring completed work at the balance sheet date (performance-based method) or estimating the total cost budget for a given 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 work, i.e. each component or phase of the on-going contract, according to the assigned units of measurement (mainly square metres, kilograms and pieces).

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 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. In the event of developments occurring between official budget reviews that have a material impact on the contract's outcome, the total contract revenue or costs are updated on an on-going basis; i.e. changes to the scope of the contract or cost increases resulting from various factors are reflected in the Group's internal system immediately after they have been 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. In the event of developments occurring between official budget reviews that have a material impact on the contract's outcome, the total contract revenue or costs are updated on an on-going basis; i.e. changes to the scope of the contract or cost increases resulting from various factors are reflected in the Group's internal system immediately after they have been negotiated by the Group with the customer.

2. BUILDING CONTRACTS

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 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Figures recognised in the period		
Income under building contracts	2,678,615	2,396,931
Costs under building contracts,	2,504,389	2,259,403
Net income before recognition and settlement of provisions for the contracts generating liabilities	174,226	137,528
Setting up provisions for the contracts generating liabilities	1,189	179
Release /utilization of provisions set up in the previous periods	-	847
Gross profit/loss	173,037	138,196
Gross profit margin		
excluding provisions for the contracts generating liabilities	7%	6%
including provisions for the contracts generating liabilities	6%	6%

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

2.2. RECEIVABLES AND LIABILITIES UNDER BUILDING CONTRACTS - BID BONDS

Receivables under building contracts - bid bonds are held to collect contractual cash flows that comprise solely payment of principal and interest ("SPPI" - Solely Payment of Principal and Interest) and are measured at amortized cost subject to impairment allowance, if any.

At initial recognition, these financial assets are recognised at nominal value, i.e. at amounts initially invoiced less the value of discounts. The discount value calculation methods is presented in Note 6.5. The value of bid bonds receivable is updated by the Group with impairment losses recognised in accordance with the Accounting Policy referred to in Note 6.5. and presented under "Impairment losses on financial assets" in the Statement of profit or loss.

Bid bonds liabilities are measured at initial recognition at fair value (i.e., the amount of payments discounted using the current market interest rate for such liabilities) and the cost of subcontractor services is recognized at that level. In later periods, bid bond liabilities are measured at amortized cost, whereas interest expense is recognized in financial expenses.

	2025			2024		
	Refund below 12 months	Refund above 12 months	Total	Refund below 12 months	Refund above 12 months	Total
Receivables under building contracts - bid bonds prior to discounting	34,597	4,939	39,536	41,634	5,532	47,166
Revaluation write-off for impairment	(325)	(1,359)	(1,684)	(83)	(6)	(89)
Discounted bid bonds	(50)	(771)	(821)	(105)	(2,525)	(2,630)
Receivables under building contracts - bid bonds	34,222	2,809	37,031	41,446	3,001	44,447
Liabilities vis-à-vis subcontractors - discounted bid bonds	140,675	17,435	158,110	131,672	17,816	149,488

For all customer deposit receivables, an impairment write-off was estimated based on a portfolio analysis using an write-off matrix based on historical data adjusted for the impact of future factors. All receivables from deposits are in the range

2. BUILDING CONTRACTS

of non-matured receivables for which default rates were applied similarly to the ones used for calculating expected credit losses in relation to assets under contract. The amount of the write-off for expected credit losses and its changes in the presented periods are insignificant and therefore the Company does not present movements on this allowance. No bid bond receivables have been identified for which additional specific allowances would be necessary.

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

	2025	2024
Revenues generated under non-completed building contracts YTD	5,080,209	4,637,706
Invoiced receivables from customers, YTD (excl. advances)	4,888,285	4,501,492
Balance of payments under non-completed building contracts	191,924	136,214
of which:		
(1) Assets for completed, non-invoiced construction works, gross	302,151	282,401
Asset impairment write-off under building contracts	(6,903)	(12,054)
(1a) Assets for completed, non-invoiced construction works, net	295,248	270,347
(2) Payables for non-completed invoiced construction works - liabilities under building contracts	110,226	134,133
Costs related to building contracts, YTD	2,653,013	2,056,358
Losses posted on YTD basis	-	100
Subcontractor expense and own expenses on a YTD basis.	2,557,290	1,987,212
Balance of payments under building contracts	(95,723)	(69,146)
of which:		
(3) Assets for non-completed, invoiced construction works of the subcontractors	53,954	81,189
(4) Liabilities for due and payable non-completed, invoiced construction works of the subcontractors	149,677	150,335
Balance of payments under building contracts	96,201	67,068
of which:		
Pricing of building contracts - balance settlement (1a+3)	349,201	351,536
Exemption related to advance payments received	(8,706)	
Materials in stock – physical	5,559	
Pricing of building contracts - liabilities - TOTAL	346,054	351,536
Pricing of building contracts - balance settlement (2)+(4)	259,903	284,468
Building contract liabilities - advanced paid	48,847	147,473
Pricing of building contracts - liabilities - TOTAL	308,750	431,941

The gross contract asset amounts to PLN 273,986 thousand for the purposes of IFRS 15, as shown in item (1). The liability under contracts is the amount shown in item (2), namely PLN 114,506 thousand.

At all dates that are initial dates of the periods indicated in the table above, the total opening balances were recognized as revenues in the period.

Changes in the value of assets and liabilities from the pricing of contracts result from the specific nature of settlement of building contracts and invoicing schedules for individual contracts.

As of 31 December 2025, only PLN 35 million of the gross contract assets of PLN 282,401 thousand remained uninvoiced.

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3. CAPITAL AND DEBT MANAGEMENT

3. CAPITAL AND DEBT MANAGEMENT

3.1. CAPITAL MANAGEMENT

Share capital comprises common stock and is carried at par value (in adherence to the Articles of Association of the Parent Company and an entry made into the National Court 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 set up 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 (PLN 398 thousand).

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.

Return of Equity - ROE

	2025	2024
(1) Net profit attributable to shareholders of the Parent Company	(35,754)	(28,857)
(2) Equity	572,707	629,010
ROE [(1)/(2) * 100%]	(6.24)	(4.59)

Debt ratio

	2025	2024
(1). Liabilities and provisions for liabilities	1,414,586	1,398,927
(2) Total assets	1,987,293	2,027,937
Debt ratio [(1)/(2) * 100%]	71.18%	68.98%

Debt-to-equity ratio

	2025	2024
(1). Liabilities and provisions for liabilities	1,414,586	1,398,927
(2) Equity	572,707	629,010
Debt-to-equity ratio [(1)/(2)]	247.00%	222.40%

3. CAPITAL AND DEBT MANAGEMENT

"Liabilities and provisions for liabilities" are the sum of all long-term liabilities and short-term liabilities recognised in the Statement of financial position.

The amount of the achieved debt-to-equity ratio for all periods presented fall into the range set by the Management Board as the target level for this ratio.

The Group's Management Board is currently analysing the situation and plans to take steps to ensure a positive return on capital and to reduce the overall debt ratio to a level closer to 60%.

The most important driver of the above ratios and their value as the Group's net profit.

Share capital

As of 31 September 2025, the share capital consisted of 11,929,836 shares, totalling PLN 1,192,983.60. The shareholders holding over 5% of the share capital, as well as the members of the Management Board and entities under their control, were 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%
<i>Dariusz Grzeszczak</i>	7,454	0.06%
<i>DGI Family Foundation</i>	2,546,006	21.34%
Nationale Nederlanden OFE	1,200,000	10.06%
Allianz OFE, Allianz DFE, Second Allianz OFE	764,935	6.41%
PKO BP Bank Open-Ended Pension Fund	715,279	6.00%
Other shareholders	2,841,325	23.82%
Total	11,929,836	100%

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 31 December 2024 and the publication date of this Financial Statement, the share capital totals PLN 1,192,983.60 and is divided into 11,929,836 A-series ordinary bearer shares, each with a par value of PLN 0.10.

The minority interest presented in these consolidated financial statements amounts to almost the full portion of equity attributable to the minority shareholders of ONDE S.A. — namely PLN 141,382,000. The Company's shares are listed on the stock exchange, where its financial data can be viewed. The dividend payment to minority shareholders is shown in the consolidated statement of changes in equity, and this also applies to ONDE S.A.'s shareholders.

In accordance with IAS 24 requirements, the Group has assessed whether any shareholder exercises direct or indirect control over Erbud S.A. This assessment took into account the company's shareholding structure, voting rights, the provisions set out in its articles of association and any shareholder agreements. It also considered the company's actual ability to influence its operational and financial decisions.

The major shareholder — Wolff & Müller Baubeteiligungen GmbH & Co. KG — holds a 32.31% stake in the share capital. This entity is not granted any personal powers by the Articles of Association, including the right to appoint

3. CAPITAL AND DEBT MANAGEMENT

members of the Management or Supervisory Boards. To the best of the Management Board's knowledge, no agreements exist between shareholders that could result in joint control.

Following a detailed analysis, the Management Board has concluded that no single entity holds exclusive control over Erbud S.A. Consequently, the Group does not have a parent entity or an ultimate controlling party as defined in IAS 24.

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 presented periods.

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 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Net profit/loss attributable to the shareholders of the Parent Company	(35,754)	(28,856)
Average weighted number of ordinary shares (in pcs.)	11,929,836	11,929,836
Basic and diluted earnings per share (in PLN)	(3.00)	(2.42)

3.2. NET DEBT

	2025	2024
Note 3.7. Cash and cash equivalents and restricted cash (A)	271,716	329,774
Note 3.3. Credit and loan liabilities	68,336	102,373
Note 3.4. Debt related to issued bonds	75,000	-
Note 3.5. Lease liabilities	106,395	75,903
Long-term debt	249,731	178,276
Note 3.3. Credit and loan liabilities	104,954	32,228
Note 3.4. Debt related to issued bonds	1,994	76,720
Note 3.5. Lease liabilities	31,263	25,917
Short-term debt	138,211	134,865
Total debt (B)	387,942	313,141
(Net debt)/Cash and cash equivalents and restricted cash ((A)-(B))	116,226	(16,633)

The Group defines net debt as the balance of credits and loans borrowings and leases less cash and cash equivalents (including restricted cash classified as short-term assets). If there is an excess of cash and cash equivalents over debt, the net amount is defined by the Group as 'cash and cash equivalents'.

Changes in debt during the reporting periods presented were as follows:

3. CAPITAL AND DEBT MANAGEMENT

Debt related to:	Loans and borrowings	Bonds issued	Lease	Total debt
Debt balance as of 1 January 2024	73,896	76,678	88,863	239,437
Increase due to acquisition	EUR	-	160	573
Income from credits and loans taken - financing granted	112,286	-	-	112,286
Entering into lease contracts	-	-	40,724	40,724
Accrued interest on debt	11,923	6,326	6,119	24,368
Expenses related to debt taken out - principal repayment	52,131	-	19,453	71,584
Expenses related to debt taken out - interest repayment	7,011	6,284	4,660	17,955
FX differences related to the debt in foreign currencies	(837)	-	(1,441)	(2,278)
Other non-cash changes	(3,938)	-	(8,492)	(12,430)
Change of debt balance in the accounting period	60,705	42	12,957	73,704
Debt balance as of 31 December 2024	134,601	76,720	101,820	313,141
Increase due to acquisition	-	-	-	-
Income from credits and loans taken - financing granted	79,719	-	-	79,719
Bond issue	-	75,000	-	75,000
Entering into lease contracts	-	-	67,288	67,288
Accrued interest on debt	19,259	6,697	7,365	33,321
Expenses related to debt taken out - principal repayment	41,192	-	25,180	66,372
Bond redemption	-	75,000	-	75,000
Expenses related to debt taken out - interest repayment	13,124	6,423	6,015	25,562
FX differences related to the debt in foreign currencies	(528)	-	(301)	(829)
Other non-cash changes	(5,445)	-	(7,319)	(12,764)
Change of debt balance in the accounting period	38,689	274	35,838	74,801
Debt balance as of 31 December 2025	173,290	76,994	137,658	387,942

3.3. 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.

Following the entering into force of Regulation (EU) 2016/1011 of the European Parliament and of the Council on benchmarks used in financial instruments and financial contracts (known as the "IBOR Reform") on 1 January 2018, significant changes occurred in the reference rates used by the Company between 2022 and 2025. Some of them have been withdrawn and replaced with new indicators, whilst the method for calculating the remaining ones has been modified. As of the date of this report, the reform process is still on-going and relates in particular to the WIBOR rate. On 10 December 2024, the Steering Committee of the National Working Group (KS NGR) identified the WIRF index, which is based on unsecured deposit transactions, as the indicator intended to replace the WIBOR index. Subsequently, its official name was announced as POLSTR (Polish Short-Term Rate) in a statement dated 30 January 2025. In accordance with the current assumptions set out in the Roadmap, the process of converting existing contracts and financial instruments is expected to be completed by the end of 2027. However, this timetable may change as work progresses on implementing the new indicator and publishing updated guidelines and standards for its application.

With reference to the accounting implications of IBOR reform, the Group adheres to the following principles:

- Where the terms of financing agreements are amended as a direct result of IBOR reform and the change in basis for determining cash flows results in the application of an economically equivalent rate, the company recognises the change prospectively by revising the effective interest rate. Any other changes to the contract's terms that do not directly result from the reform are accounted for in accordance with the relevant IFRS 9 requirements.

3. CAPITAL AND DEBT MANAGEMENT

- Where the terms of lease contracts are amended as a result of the IBOR Reform and the new rate used to calculate lease payments is economically equivalent to the previous one, the company re-measures the lease liability, taking into account the revised cash flows and updated discount rate.
- In the event of changes arising from the IBOR Reform relating to hedging instruments, hedged items, or identified hedged risks, the Group will update the hedging relationship documentation while maintaining the economic equivalence of the reference rate. The hedging relationship will not be terminated. In accordance with the adopted hedge accounting policy, the valuation effects arising from a change in the discount rate are recognised as market changes. Changes not directly related to the reform are accounted for in accordance with the relevant provisions of IFRS 9.

As the new benchmarks and final regulatory arrangements are still being developed, their impact on future reporting periods may be subject to change.

	2025	2024
Long-term		
Bank loans	64,317	102,373
Loans	4,019	-
	68,336	102,373
Short-term		
Overdraft facilities	36,589	12,748
Bank loans	65,921	18,310
Loans	2,444	1,170
	104,954	32,228
Total credit and loan liabilities	173,290	134,601

3. CAPITAL AND DEBT MANAGEMENT

	31 Dec. 2025		31 Dec. 2024	
	In the functional currency	In foreign currency EUR	In the functional currency	In foreign currency EUR
Loans and borrowings				
Long-term	55,694	12,642	86,706	15,667
Short-term	80,090	24,864	20,504	11,724
Total	135,784	37,506	107,210	27,391

Interest rates on reported long-term and short-term borrowings and loans are as follows: 3M WIBOR + 1.35%-3.5%, 3M EURIBOR + 1.35%-2.2%, 6M WIBOR +3%, and fixed rates of 8.76% and 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.

As of 31 December 2025, the balance sheet date, the Erbud S.A. Group has access to multi-purpose banking and insurance facilities totalling PLN 2,360,296 thousand. These facilities may primarily be used for bank loans or guarantees.

As of 31 December 2025, the balance sheet date, the Erbud S.A. Group had utilised PLN 173,291 thousand for loans and PLN 1,107,382 thousand for bank and insurance guarantees.

As of 31 December 2024, the balance sheet date, the Erbud S.A. Group has access to multi-purpose banking and insurance facilities totalling PLN 2,310,400 thousand. These facilities can be used for bank loans or bank and insurance guarantees.

As of the balance sheet date of 31 December 2024, the ERBUD S.A. utilized PLN 133,431 thousand to take out loans and PLN 1,115,145 thousand for bank and insurance guarantees.

Covenants

During the year, as of 31 December 2025 and up to the date of approval of the financial statement, all covenants have been met.

All covenants related to credit debt are based on the same ratios:

- EBITDA margin – not less than 1%
- debt-to-EBITDA ratio – no more than 2
- current ratio – no less than 1.2
- market capitalisation – not less than 20%

The terms used in the list of covenants are defined as follows:

Net debt means the total amount borrowed from other and related entities in the form of long-term and short-term loans, securities issues and other financial liabilities, excluding:

- liabilities arising from investments in renewable energy sources carried out under a project finance arrangement, for which the Borrower shall not be liable or jointly liable for liabilities arising from investments in renewable energy sources (its own financial liabilities and financial liabilities arising from joint and several liability), and
- lease liabilities as defined in IFRS 16, net of cash and other monetary assets;

EBITDA means, for each Calculation Period, the sum of operating profit and depreciation, excluding non-cash items relating to the revaluation of assets, creation and release of provisions and one-off events relating to the disposal of

3. CAPITAL AND DEBT MANAGEMENT

assets. It also excludes EBITDA generated by investments in renewable energy sources carried out under a project finance arrangement, for which the Borrower shall not be liable for any obligations arising from such investments.

The current ratio refers to the ratio of current assets plus non-current assets to current and long-term liabilities relating to deposits.

The net debt to EBITDA ratio is the ratio of net debt to EBITDA

EBITDA margin – defined as EBITDA divided by sales revenue, less revenue from investments in renewable energy sources.

At the end of each quarter, covenants are tested in accordance with the loan agreements. The covenants are calculated based on the Erbud S.A. Group's consolidated financial data for each loan.. As of 31 December 2025, the following values were recorded under the covenants:

- EBITDA margin – 2.10%
- debt/EBITDA ratio – (0.1)
- current ratio – 1.26
- market capitalisation – 29%

3. CAPITAL AND DEBT MANAGEMENT

3.4. DEBT RELATED TO ISSUED BONDS

Liabilities related to issued bonds are initially recognized at fair value less transaction costs. At each balancing 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	
						31 Dec. 2025	31 Dec. 2024
23 Sept. 2021	D-series bearer shares, dematerialized, unsecured	PLN	WIBOR 6M + 2.6%	23 Sept. 2025	financing of an increased working capital requirement	-	76,720
27 Feb. 2025	E-series bearer shares, dematerialized, unsecured	PLN	WIBOR 6M + 3.0%	27 Feb. 2029	refinancing of the debt arising from the Issuer's D-series bonds	76,994	-
Total bond liability as of 31 December 2025, of which:							
						76,994	76,720
						long-term	75,000
						short-term	1,994
							76,720

In Q1 2025, Erbud S.A. issued E-series bonds worth PLN 75 million, the proceeds of which were used to refinance D-series bonds. This new issue enabled the Group to redeem the D-series bonds early, while extending the maturity of Group's liabilities.

Covenants

	As of	
	31 Dec. 2025	31 Dec. 2024
"Consolidated Net Financial Debt Ratio" means the quotient of Consolidated Net Financial Debt and Consolidated Equity.	0.23	(0.03)
Consolidated long-term and short-term debt	387,942	313,141
Cash assets	271,716	329,774
Adjusted equity by goodwill and intangible assets	512,842	571,718

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. CAPITAL AND DEBT MANAGEMENT

3.5. LEASE LIABILITIES

Period		2025	2024
		Nominal value of minimum payments	Nominal value of minimum payments
Below 1 year	Short-term	38,703	31,012
Above 1 year	Long-term	134,950	93,911
Nominal value of minimum payments		173,653	124,923
Future lease costs		35,995	23,103
Present value of minimum payments		137,658	101,820
Below 1 year	Short-term	31,263	25,917
Above 1 year	Long-term	106,395	75,903

Major items of fixed assets under lease include equipment and machinery as well as means of transport.

3.6. ASSETS USED AS COLLATERALS FOR DEBT-RELATED LIABILITIES

As of 31 December 2025 and 31 December 2024, collateral for debt liabilities on tangible fixed assets are presented below:

	2025	2024
Tangible fixed assets	229,112	192,014
Inventory	62,286	66,644
Total	291,398	258,658

	Contingent assets		Contingent liabilities	
	2025	2024	2025	2024
Other items				
Guarantees and sureties	215,009	161,656	1,102,394	1,119,306
Litigations	39,646	39,678	297	18,688
Total	254,655	201,334	1,102,691	1,137,994

Contingent assets include guarantees and sureties received by the Group from subcontractors under performance bonds and implied warranties.

Contingent liabilities of the Group relate primarily to orders to extend guarantees by the Group and banks to the Group's contractors to secure their claims under building contracts, mainly performance bonds and bid bonds.

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3.7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and cash in hand as well as short-term deposits with maximum maturity of three months.

3. CAPITAL AND DEBT MANAGEMENT

The Group has at its disposal cash with restricted availability. This group primarily includes funds pledged as security for bank guarantees issued in connection with building contracts executed by the Group.

The classification adopted for presentation in the statement of financial position is consistent with the classification of these funds in the Cash Flow Statement.

Cash and cash equivalents and cash in VAT and bank accounts meet the SPPI test and the "held for collection" business model test, and are therefore measured at amortized cost with an impairment charge determined in accordance with the expected loss model (in compliance with the policy referred to in Note 6.5)

	2025	2024
Cash in hand	102	73
Cash at bank	271,614	329,701
Total cash and cash equivalents	271,716	329,774

The amount of the impairment loss on cash is marginal.

Cash on VAT bank accounts as 31 December 2025 totalled PLN 35,100 thousand. (as of 31 December 2024 they totalled PLN 29,505 thousand)

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4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.1. ALTERNATIVE PERFORMANCE MEASURES

The Management Board analyses segment performance using the following key performance indicators: EBIT, adjusted EBIT, EBIT margin, adjusted EBIT margin and 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. Adjusted EBITDA is defined as EBITDA after the deduction of one-off items, which are usually sudden and incidental, and the share of net losses or profits of entities accounted for using the equity method.

The Group defines EBIT as profit after tax (net income), plus income tax burdens, finance costs less finance income. Adjusted EBIT is defined as EBIT after one-off items have been deducted. These items are usually sudden and incidental in nature.

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.

	2025	2024
Net profit /(loss) in the accounting period	(28,302)	(17,165)
Income tax	27,234	17,221
Gross profit	(1,068)	56
Share in net profits/losses of equity-accounted subsidiaries	(3,481)	(3,277)
Financial expenses	33,835	29,849
Financial income	15,209	12,529
EBIT	21,039	20,653
Proceeds from the sales of interest in a jointly controlled entity	5,199	19,088
Adjusted profit before tax	(1,068)	(19,032)
Adjusted EBIT	21,039	1,565
Amortization and depreciation	52,256	43,106
EBITDA, adjusted	73,295	63,759
Revenues from sales of products and services	3,258,215	2,979,789
EBIT margin	1%	1%
Adjusted EBIT margin	1%	0%
EBITDA/Revenues from sales of products and services	2.25%	2.14%

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.2. ACCOUNTING SEGMENTS

Due to the change in the Group's management accounting structure and organization, the presentation of accounting segments has changed since the onset of 2025. The Group's operating and reporting segments are identical.

Eight accounting segments were presented by the end of 2024: domestic building construction, foreign building construction, road and engineering construction, domestic industry segment, foreign industry segment, renewable energy segment, timber modular construction and other segments.

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

- building construction segment,
- industrial construction segment at home
- industrial construction segment in foreign countries
- renewable energy sources + infrastructure segment
- modular construction segment,
- other segments.

Comparative figures have also been restated for the sake of comparability.

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 reporting periods: January 2025 - December 2025 and January 2024 - December 2024.

	For a 12-month period, ended on 31 Dec. 2025			For a 12-month period, ended on 31 Dec. 2024		
	Domestic market (Poland)	Foreign markets	Total	Domestic market (Poland)	Foreign markets	Total
Sales to third party customers, of which:	2,667,055	591,160	3,258,215	2,506,833	472,956	2,979,789
Accrued and deferred income	2,474,921	203,694	2,678,615	2,258,087	138,844	2,396,931
Income recognized at a certain point in time	192,134	387,466	579,600	248,746	334,112	582,858
Fixed assets other than financial instruments and deferred tax assets	374,780	57,294	432,074	568,961	53,285	622,246

As shown in the table above, the revenue generated abroad relates to the company's operations in Belgium, amounting to PLN 16,403,000. The remainder relates to operations in Germany.

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

Data concerning revenues and performance as well as assets and liabilities in individual accounting segments are presented in the table below: Costs that are classified by type are not allocated to segments.

							For a 12-month period, ended on 31 Dec. 2025
	Building construction segment	Industrial construction segment at home	Industrial construction segment in foreign countries	RES + infrastructure segment	Modular construction segment,	Other segments	Total continued activities
Sales to third party customers	1,607,709	240,374	386,476	847,507	174,393	1,756	3,258,215
Total sales revenues	1,607,709	240,374	386,476	847,507	174,393	1,756	3,258,215
Segments' performance and reconciliation with gross profit of the Group							
Cost of goods sold (COGS)	1,483,519	214,452	355,056	737,773	197,378	6,738	2,994,916
Sales margin	124,190	25,921	31,420	109,734	(22,985)	(4,981)	263,299
Sales margin %	8%	11%	8%	13%	(13)	(284)	8%
Other operating profit/loss	(101,142)	(16,036)	(8,628)	(72,169)	(46,446)	2,160	(242,260)
Segment performance – EBIT	23,048	9,885	22,792	37,565	(69,431)	(2,821)	21,039
EBIT margin	1%	4%	6%	4%	(40%)	(161%)	1%
Share in net profits/losses of equity-accounted entities	-	-	-	(3,481)	-	-	(3,481)
Profit (loss) on financial activities (financial income less financial expenses)							(18,626)
Gross profit/loss							(1,068)
Income tax							27,234
Net profit/loss							(28,302)
Amortization and depreciation	10,138	7,094	7,151	15,620	7,864	4,389	52,256
Segment performance – EBITDA	33,186	16,979	29,943	53,185	(61,567)	1,568	73,295
Assets and liabilities							
Pricing of building contracts - assets	196,824	4,468	23,735	64,140	56,887	-	346,054

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

Other assets							1,641,239
Total assets							1,987,293
Pricing of building contracts - liabilities	234,604	7,375	2,220	48,653	15,898	-	308,750
Other liabilities							1,678,543
Total liabilities							1,987,293
Other material items							
Share in performance of associates and joint-ventures measured with equity method	-	-	-	(3,481)	-	-	(3,481)
Reversal of losses/Losses on expected credit losses	(4,693)	(84)	(13)	(7,472)	-	-	(12,262)
Capital expenditures on tangible fixed and intangible assets	2,535	1,397	4,964	12,468	2,607	-	23,971
Interest income	7,330	105	378	4,233	26	(261)	11,811
Interest expenses	15,096	2,050	1,118	10,060	1,611	-	29,935

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

For a 12-month period, ended on 31 Dec. 2024

	Building construction segment	Industrial construction segment at home	Industrial construction segment in foreign countries	RES + infrastructure segment	Modular construction segment,	Other segments	Total continued activities
Total income							
Sales to third party customers	1,510,011	246,010	333,414	791,683	91,121	7,550	2,979,789
Total sales revenues	1,510,011	246,010	333,414	791,683	91,121	7,550	2,979,789
Segments' performance and reconciliation with gross profit of the Group							
Cost of goods sold (COGS)	1,411,230	216,280	315,651	705,153	111,125	587	2,760,026
Sales margin	98,781	29,730	17,763	86,530	(20,004)	6,963	219,763
Sales margin %	7%	12%	5%	11%	(22%)	92%	7%
Other operating profit/loss	(93,677)	(19,250)	(2,413)	(42,936)	(32,017)	(8,817)	(199,110)
Segment performance – EBIT	5,104	10,480	15,350	43,594	(52,021)	(1,854)	20,653
EBIT margin	0%	4%	5%	6%	(57%)	(25%)	1%
Share in net profits/losses of equity-accounted entities	-			(1,722)		(1,555)	(3,277)
Profit (loss) on financial activities (financial income less financial expenses)							(17,320)
Gross profit/loss							56
Income tax							17,221
Net profit/loss							(17,165)
Amortization and depreciation	9,200	7,219	5,814	9,875	6,565	4,433	43,106
Segment performance – EBITDA	14,304	17,699	21,164	53,469	(45,456)	2,579	63,759
Assets and liabilities							
Pricing of building contracts - assets	179,397	5,652	17,291	71,683	77,512	-	351,536
Other assets							1,676,401
Total assets							2,027,937

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

Pricing of building contracts - liabilities	233,752	11,454	2,054	94,626	90,055	-	431,941
Other liabilities							1,595,996
Total liabilities							2,027,937
Other material items							
Share in performance of associates and joint-ventures measured with equity method	-	-	-	(1,722)	-	(1,555)	(3,277)
Reversal of losses/Losses on expected credit losses	(8,510)	(830)	(191)	(3,272)	-	(1,424)	(14,227)
Capital expenditures on tangible fixed and intangible assets	2,498	1,645	8,374	69,147	12,327	284	94,275
Interest income	4,840	96	336	4,000	4	46	9,321
Interest expenses	12,563	2,402	1,309	3,790	2,343	152	22,560

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.3. SALES REVENUES

The main revenue estimates relate to the recognition of revenues generated by the building contracts. These are described in Note 2.

Other revenues from the sale of goods and services is recognised when the Group has fulfilled its obligation to deliver the promised goods or services to the customer, in an amount reflecting the consideration to which the Group expects to be entitled in exchange for those goods or services. In the case of contracts where the consideration includes a variable component, the Group applies the same principle: it recognises revenue in the amount of the expected consideration provided it is highly probable that this amount will not be reversed in future. The Group recognises that an asset is transferred when the customer gains control of it. The following circumstances indicate a transfer of control in accordance with IFRS 15: the seller's current right to payment for the asset, the customer's legal title to the asset, physical possession of the asset, the transfer of risks and rewards, and the customer's acceptance of the asset. Revenue comprises the amounts received or due in respect of products, goods, materials and services supplied, minus discounts, penalties, bonuses, VAT, excise duty and fuel duty. Revenue from the sale of goods and services is adjusted for gains or losses arising from the settlement of cash flow hedging instruments relating to such revenue.

The following table provides information on the aggregate amount of transaction prices allocated to service obligations not performed or not fully performed as of the balance sheet date under building contracts.

:

	31 Dec. 2025	31 Dec. 2024
Total value of opened contracts	7,339,755	7,145,179
- the fixed part of the remuneration	7,320,538	7,125,962
- the variable part of the remuneration	19,217	19,217
Cumulative value of revenues under open contracts recognized through the reporting date	5,080,209	4,637,706
The revenues in value terms to be recognized in subsequent periods under open contracts	2,259,546	2,507,473
Long-term (income to be generated in the period from 1 to 3 years from the balance sheet date)	302,958	242,645
Short-term (income to be generated below one year from the balance sheet date)	1,956,588	2,264,828

The total fee for the performance of the contracts will be paid in cash.

Due to the specific nature of long-term contracts in progress, it is not possible to accurately estimate the period over which revenue will be recognised from contracts in progress at a given balance sheet date over a time horizon longer than one year.

Revenues generated by the Group originate from the execution of construction works in Poland and the European Union and from other sales to local customers.

Revenue figures are presented in Note 4.2 Accounting segments.

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.4. COST OF GOODS SOLD (COGS)

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Third party services	1,903,736	1,602,381
including third party services from subcontractors	1,467,544	1,186,818
Material and energy consumption	800,618	691,837
Employee benefit expenses	546,776	527,976
Amortization and depreciation	52,256	43,106
Taxes and charges	19,419	18,044
Other cost categories	40,480	40,742
Value of commodities and materials sold	4,785	5,649
Total costs by type	3,368,070	2,929,735
Change in the balance of products, work in progress and accrued expenses under building contracts	(125,957)	51,100
Cost of sale (negative value)	(29,038)	(22,889)
General management and administrative costs (G&A) (negative value)	(218,159)	(197,920)
Manufacturing costs of products sold	2,994,916	2,760,026

4.5. EMPLOYEE BENEFIT EXPENSES

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Wages and salaries	440,534	426,622
Expenses related to post-employment defined benefit plans	384	818
Social insurance and other employee benefits	105,858	100,536
Total	546,776	527,976

4.6. OTHER OPERATING INCOME AND EXPENSES

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Other operating income		
Proceeds from the sales of non-financial fixed assets	3,092	4,154
Penalties, fines and damages	7,768	2,642
Transfers, redemptions, vehicle returns	1,866	-
Revenues from subsidies received	219	76
Written-off liabilities	105	130
Refund of taxes and charges	2,655	3,130
Dissolution of provisions	1,041	7,491
Revenue from car hire	2,904	-
Other	882	4,625
	20,532	22,248

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Other operating expenses		
Loss on the disposal of non-financial fixed assets	773	-
Note 6.5. Receivables revaluation write-downs	-	-
Note 6.7. Set up / released provisions	149	-
Note 6.8. Litigation costs	131	326
Donations	1,189	1,502
Penalties, fines and damages	2,100	1,597
Withdrawal from the investment	1,469	-
Costs of joint and several liability	1,511	-
Payments under insurance and bank guarantees	1,504	-
Other	1,817	1,985
	10,643	5,410

4.7. FINANCIAL INCOME AND EXPENSES

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Financial income		
Note 5.1.2 Interest income	11,811	9,321
Loans extended expense	2,329	2,391
From settlement of accounts	5,392	2,939
Other	4,090	3,991
F/X gains/losses	875	2,039
Other	2,523	1,169
	15,209	12,529

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Financial expenses		
Note 5.1.2 Interest income	29,935	22,560
Note 3.4. Issued bond expense	6,696	6,326
Note 3.3. List of credits and loans	13,091	8,033
Note 3.5. Lease liabilities	7,365	6,119
Other	2,783	2,082
Overdraft facility arrangement fee	1,156	4,028
F/X gains/losses	1,450	2,544
Other	1,294	717
	33,835	29,849

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.8. TAXATION

The mandatory burdening of the financial result consists of two elements: current income tax and deferred tax.

Due to temporary differences between the value of assets and liabilities shown in the accounting books and their tax value and the tax loss deductible in the future, the Group companies, using the balance sheet method, sets up: deferred income tax liabilities concerning positive temporary differences and determines deferred tax assets in respect of foreign exchange losses and tax losses, which is deductible following the prudential principle.

Deferred income tax assets and liabilities are not recognized in the case of temporary differences arising upon initial recognition of an asset or liability in a transaction that is not a business combination and in case of transactions that have no impact on either the accounting or tax profit or loss.

Deferred tax assets and liabilities are offset if there is a legal right to set-off tax liabilities and current tax liabilities, and if the deferred tax concerns a tax imposed by the same tax authority on the same taxpayer. It implies that deferred income tax assets and liabilities are compensated in the Group financial statements.

The Group recognizes a tax asset only when projections of future financial performance indicate that a tax gain will be realized to allow the asset to be realized in a specified future.

The balance sheet value of an deferred tax asset is verified at each balancing date and is reduced accordingly by as much as its probability dropped to reach taxable income sufficient for partial or total realisation of the deferred tax asset. The Group's projected future financial performance and its impact on the recoverability of deferred tax assets is an element of judgement in determining the recoverability of deferred tax assets.

As the Company is not subject to Pillar 2 requirements, there is no additional burden arising from the global minimum tax.

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

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Gross profit before taxation	(1,068)	56
Tax according to the statutory tax rate applicable in Poland - 19%	(203)	10
Additional tax burden being a result of a rate exceeding 19% in Germany	7,320	6,220
Tax losses incurred during the financial year for which no deferred tax has been recognised	(1,710)	-
Surplus of non-deductible expenses over non-taxable income	21,827	10,549
Special Economic Zone's support	-	442
Tax recognized in the financial net profit/loss	27,234	17,221
Current tax	13,882	34,213
Deferred tax	13,352	(16,992)
Effective tax rate	(2,550.00%)	30,751.79%

The table below presents changes in deferred tax assets and liabilities in the accounting year:

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

	Impact as of			Impact as of			31 Dec. 2025
	1 Jan. 2024	Net profit/loss	Other comprehensive income	31 Dec. 2024	Net profit/loss	Other comprehensive income	
Deferred tax assets							
Pricing of building contracts - liabilities and taxable work in progress	115,011	17,662	370	133,043	(5,929)	-	127,114
Provisions	13,558	1,536	-	15,094	3,806	-	18,900
Tax loss	17,133	(5,946)	-	11,187	(4,662)	-	6,525
Special Economic Zone's support	24,308	442	-	24,750	-	-	24,750
Accrued wages and salaries, and charges	106	334	-	440	(436)	-	4
Receivables revaluation write-downs	9,412	(652)	-	8,760	1,543	-	10,303
Other financial liabilities	9,102	3,660	-	12,762	6,484	-	19,246
Deferred expenses	485	154	-	639	(359)	-	280
Other	8,087	(3,632)	1,242	5,697	460	(67)	6,090
Total	197,202	13,558	1,612	212,372	907	(67)	213,212
Deferred tax liabilities							
Pricing of building contracts - assets	75,848	(7,458)	-	68,390	5,627	-	74,017
Conversion of assets into fair value	18,327	259	7,454	26,040	4,260	16	30,316
Balance sheet pricing and liabilities discount	1,307	403	-	1,710	480	-	2,190
Accrued interest on debt	3,375	(1,008)	-	2,367	3,038	-	5,405
Accrued revenues	166	199	-	365	167	-	532
Other	4,833	4,171	(38)	8,966	919	1	9,886
Total	103,856	(3,434)	7,416	107,838	14,259	17	122,113
Assets and liabilities set off	88,052			86,064			100,129
Post set-off balance	124,954			148,082			135,067
Assets	109,150			126,308			113,083
Liabilities	15,804			21,774			21,984
Net impact of changes in the period		16,992	(5,804)		(13,352)	(84)	

In the year ended on 31 December 2024 there were no negative temporary differences on which no deferred tax assets were recognised. As of the end of 2025, the Group had not recognised any deferred tax assets relating to tax losses incurred in the modular construction segment in subsequent years. The amounts of these losses are as follows:

- 2022 – amounting to PLN 14.1 million – to be utilised by 2027
- 2024 – amounting to PLN 1.5 million – to be utilised by 2029
- 2025 – amounting to PLN 9 million – to be utilised by 2030

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

The table below shows the periods of realisation of deferred income tax assets and liabilities.

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Short-term	112,214	84,739	114,765	72,018
Long-term	100,998	37,374	97,607	35,820
Total	213,212	122,113	212,372	107,838

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.1. FINANCIAL ASSETS AND LIABILITIES

Pursuant to IFRS 9 the Group classifies financial instruments, into the following categories:

- Assets priced at amortized cost;
- Financial assets priced at fair value through financial profit or loss;
- Financial liabilities priced at amortized cost;
- Derivative instruments determined as hedging instruments in hedge accounting.

In the above categories, the Group has only items measured at amortized cost

Financial assets priced at amortized cost include primarily:

Notes 5.1.2	Financial Assets - Loans Extended
Note 2.2.	Receivables under building contracts - bid bonds
Note 6.5.	Trade receivables
Note 6.5.	Other receivables
Note 2.3.	Assets under building contracts
Note 3.7.	Cash and cash equivalents
Note 3.7.	Cash assets on the VAT account
Note 3.7.	Cash with restricted availability.
Note 5.1.	Other financial assets (including extended loans)

Financial liabilities priced at amortized cost comprise mainly:

Note 2.2.	Liabilities vis-à-vis subcontractors - bid bonds
Note 2.3.	Liabilities under building contracts
Note 6.9.	Trade payables
Note 6.9.	Other liabilities
Notes 3.2.–3.5.	Debt

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The table below shows the carrying amount of key groups of financial assets and financial liabilities by category. The carrying value of financial assets and financial liabilities held by the Group presented in the tables below did not differ significantly from their fair value in both presented periods.

A line in the Statement of financial position	Financial instrument classes			Total significant categories
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Lease liabilities	
2025				
Note 5.1.2 Financial assets - loans extended	24,148	-	-	24,148
Financial assets - Other	1,125	-	-	1,125
Note 2.2. Receivables under building contracts - bid bonds	37,031	-	-	37,031
Note 6.5. Trade receivables	496,592	-	-	496,592
Note 6.5. Other receivables	23,645	-	-	23,645
Note 2.3. Pricing of building contracts - assets	346,054	-	-	346,054
Note 3.7. Cash and cash equivalents	271,716	-	-	271,716
Note 2.2. Liabilities vis-à-vis subcontractors - bid bonds	-	158,110	-	158,110
Note 2.3. Liabilities vis-à-vis subcontractors - bid bonds	-	308,750	-	308,750
Note 6.9. Trade payables	-	376,042	-	376,042
Note 6.9. Other liabilities	-	81,602	-	81,602
Note 3.2.-3.5. Debt	-	273,749	114,193	387,942
Total	1,223,756	1,216,270	114,193	2,512,757

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

A line in the Statement of financial position	Financial instrument classes			Total significant categories
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Lease liabilities	
	2024			
Note 5.1.2 Financial assets - loans extended	29,784	-	-	29,784
Financial assets - Other	985	-	-	985
Note 2.2. Receivables under building contracts - bid bonds	44,447	-	-	44,447
Note 6.5. Trade receivables	458,438	-	-	458,438
Note 6.5. Other receivables	27,008	-	-	27,008
Note 2.3. Pricing of building contracts - assets	351,536	-	-	351,536
Note 3.7. Cash and cash equivalents	329,774	-	-	329,774
Note 2.2. Liabilities vis-à-vis subcontractors - bid bonds	-	149,488	-	149,488
Note 2.3. Liabilities vis-à-vis subcontractors - bid bonds	-	431,941	-	431,941
Note 6.9. Trade payables	-	312,199	-	312,199
Note 6.9. Other liabilities	-	83,758	-	83,758
Note 3.2.-3.5. Debt	-	211,321	101,820	313,141
Total	1,241,972	1,188,707	101,820	2,532,499

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instrument classes				
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Lease liabilities	Total significant categories
2025				
Impact on the financial net income				
Note 4.7. Financial income /(financial expenses) – interest	23,526	(38,016)	(3,634)	(18,124)
Note 4.7. Financial income/(financial expenses) - FX gains/losses	120	(695)	-	(575)
Note 4.2. Impairment of financial assets and contract valuation assets	(12,262)	-	-	(12,262)
Total	11,384	(38,711)	(3,634)	(30,961)

Financial instrument classes				
	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Lease liabilities	Total significant categories
2024				
Impact on the financial net income				
Note 4.7. Financial income /(financial expenses) – interest	9,321	(16,441)	(6,119)	(13,239)
Note 4.7. Financial income/(financial expenses) - FX gains/losses	2,039	(2,544)	-	(505)
Note 4.2. Impairment of financial assets and contract valuation assets	(14,227)	-	-	(14,227)
Total	(2,867)	(18,985)	(6,119)	(27,971)

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.1.1. FINANCIAL ASSETS

As of 31 December 2025 and as of 31 December 2024 the Group was in the possession of the following items disclosed in the Statement of Financial Position in the financial assets line:

	2025	2024
Note 5.1.2 Loans extended	24,148	29,784
Other	8,429	4,772
Total	32,577	34,556
Long-term	22,780	24,036
Short-term	9,797	10,520

5.1.2. FINANCIAL ASSETS – LOANS EXTENDED

Borrower	Loan currency	Interest rate	Maturity date	2025	2024
KWE	PLN	WIBOR 3M + 3 p.p.	31 Dec. 2028	6,833	5,756
SOLAR SERBY	PLN	WIBOR 3M + 3 p.p.	-	-	11,450
IVT personnel	EUR	0-0.5%	31 Dec. 2024	-	24
IVT personnel	EUR	0-0.5%	31 Dec. 2027	58	7
Sanssouci Karpacz Sp. z o.o.	PLN	10.00%	15 Dec. 2025	6,774	6,317
JV PABC Sp. z o.o.	PLN	3 M Euribor + 2.2% - 3.5%	31 Dec. 2026	38	-
JV PABC Sp. z o.o.	PLN	3 M Euribor + 2.2% - 3.5%	31 Dec. 2028	550	460
Solar Kazimierz Biskupi Sp. z o.o.	PLN	WIBOR 3M + 3 p.p.	31 Dec. 2029	9,125	5,770
DEV 2	PLN	WIBOR 3M + 2.6 p.p.	30 Nov. 2027	770	-
Total including:				24,148	29,784
Long-term				17,335	22,982
Short-term				6,813	6,802

There is credit risk and currency risk associated with the loans, which are described in Note 5.2, respectively. Loans granted are classified at Level 1 of the impairment model. As of each balance sheet date, all loans granted were classified as instruments with the highest internal credit rating (i.e. low credit risk). Consequently, the provision for expected losses was immaterial.

At the time this report was approved for publication, the loan from Sanssouci had not yet been repaid. The receivable has not been written off because Erbud S.A.'s claim is secured by a first mortgage and the property's current value exceeds that of the claim.

Debt instruments held to collect contractual cash flows that comprise solely payment of principal and interest ('SPPI') are priced at amortized cost. Upon initial recognition, these financial assets are recognized at fair value plus transaction costs. Interest income is measured using the effective interest rate method and disclosed under "Interest income" in the financial income. The impairment losses are presented under "Reversal of impairment/(loss) of value of financial assets and assets from valuation of contracts with customers".

The value of financial assets is updated with an impairment loss calculated using the expected credit loss method. The Group uses a three-step impairment model for financial assets:

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Level 1 - balances for which credit risk has not increased significantly since initial recognition or have low credit risk. Expected credit losses are determined based on the probability of default within 12 months (i.e., the total expected credit loss is multiplied by the probability that the loss will occur within the next 12 months);

- Level 2 - includes balances for which there has been a significant increase in credit risk since initial recognition but no objective evidence of impairment; expected credit losses are determined based on the probability of default over the contractual life of the asset.
- Level 3 includes balances for which there is objective evidence of impairment. This could be a liquidation process that has commenced, for example, or an amount that is the subject of a legal dispute.

If the loans granted have low credit risk, the allowance for expected credit losses recognized during the period is limited to 12 months of expected credit losses.

To the extent that it is necessary to assess whether there has been a significant increase in credit risk under the above model, the Group considers the following considerations in making this assessment:

- the loan is at least 30 days past due,
- legislative, technological or macroeconomic changes have occurred that have a significant negative impact on the debtor,
- there has been information about a significant adverse event relating to a loan or another loan of the same debtor from another lender, e.g. termination of a loan agreement, breach of its terms or renegotiation of its terms due to financial difficulties, etc.,
- the debtor has lost a significant customer or supplier or experienced other adverse changes in its market.

Financial assets are written off, in whole or in part, when the Group has exhausted virtually all collection efforts and determines that the receivable can no longer be reasonably expected to be recovered. This typically occurs when an asset is at least 360 days past due.

5.2. 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.

5.2.1. 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.

		2025		
		Currency risk exposure (in '000 PLN)	Impact on the Statement of Profit/Loss '000 PLN	
			exchange rate change +10%	exchange rate change -10%
Assets				
Note 3.7.	Cash and cash equivalents	58,482	5,848	(5,848)
Note 6.5.	Trade receivables	168,658	16,866	(16,866)
Note 6.5.	Income tax & VAT receivables	-	-	-
Note 6.5.	Other receivables	22,095	2,209	(2,209)
Note 2.2.	Receivables under building contracts - bid bonds	6,367	637	(637)

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Notes 5.1.2	Financial assets - loans extended	145	15	(15)
Liabilities				
Notes 3.3.-3.5	Debt	51,201	(5,120)	5,120
Note 6.9.	Trade payables	65,851	(6,585)	6,585
Note 6.9.	Other liabilities	23,560	(2,356)	2,356
Note 2.2.	Building contract liabilities - bid bonds	675	(67)	67
Impact of exchange rate changes - total assets and liabilities		397,034	11,447	(11,447)

2024

		Currency risk exposure ('000 PLN)	Impact on the Statement of Profit/Loss ('000 PLN)	
			exchange rate change +10%	exchange rate change -10%
Assets				
Note 3.7.	Cash and cash equivalents	84,728	8,473	(8,473)
Note 6.5.	Trade receivables	108,822	10,882	(10,882)
Note 6.5.	Income tax & VAT receivables	95	10	(10)
Note 6.5.	Other receivables	36,383	3,638	(3,638)
Note 2.2.	Receivables under building contracts - bid bonds	18,403	1,840	(1,840)
Note 5.1.2	Financial assets - loans extended	137	14	(14)
Liabilities				
Notes 3.3.-3.5	Debt	56,666	(5,667)	5,667
Note 6.9.	Trade payables	16,980	(1,698)	1,698

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Note 6.9. Other liabilities	24,780	(2,478)	2,478
Note 2.2. Building contract liabilities - bid bonds	251	(25)	25
Impact of exchange rate changes - total assets and liabilities	347,245	14,989	(14,989)

5.2.2. MARKET RISK – INTEREST RATE RISK

The interest rate risk occurs mainly in connection with debt financing, i.e. bank credits and loans (Note 3.3), and lease products (Note 3.5), 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.

A sensitivity analysis of variable interest rate items to interest rate volatility is presented in the table below:

	2025			2024		
	Carrying amount of the item bearing interest at a variable interest rate	Impact on the Statement of Profit/Loss		Carrying amount of the item bearing interest at a variable interest rate	Impact on the Statement of Profit/Loss	
		+100 bp	-100 bp		+100 bp	-100 bp
Cash and cash equivalents	37,293	373	(373)	35,207	352	(352)
Financial assets - loans extended	13,754	138	(138)	23,435	234	(234)
Credit and loan liabilities	144,200	(1,442)	1,442	124,683	(1,247)	1,247
Debt related to issued bonds	76,994	(770)	770	76,720	(767)	767
Lease liabilities	103,857	(1,039)	1,039	89,235	(892)	892
Total impact		(2,740)	2,740		(2,320)	2,320

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The table below shows items bearing a fixed interest rate:

	2025	2024
	Balance sheet value of items not subject to market risk	Balance sheet value of items not subject to market risk
Cash and cash equivalents	234,423	265,062
Financial assets - loans extended	10,394	6,349
Credit and loan liabilities	29,090	9,918
Lease liabilities	33,801	12,585
	307,708	293,914

5.2.3. CREDIT RISK

The Group's financial assets that are exposed to credit risk are mainly the items listed in the table below:

	2025	2024
Note 3.7. Cash and cash equivalents	271,716	329,774
Note 5.1.2 Financial Assets - Loans Extended	24,148	29,784
Note 6.5. Trade receivables	496,592	458,438
Note 2.2. Receivables under building contracts - bid bonds	37,031	44,447
Note 2.3. Pricing of building contracts - assets	346,054	351,536
Total	1,175,541	1,213,979

Cash and cash equivalents

The Erbud S.A. Group minimises the credit risk associated with cash and cash equivalents by diversifying the banks used to conclude investment transactions. The Group does business with financial institutions with high credibility, as indicated in the table below. There is a significant credit risk concentration at particular reporting dates - information on the amount of cash balances held with one financial institution is shown below.

The breakdown of cash and cash equivalent balances by credit rating is shown in the table below. AA, A-, BBB+, BBB according to Euro Rating agency are investment grades.

According to the Euro Rating agency

	2025	2024
Banks ranked AA-	4%	7%
Banks ranked A+	57%	53%
Banks ranked A+	0%	6%
Bank ranked A-	5%	0%
Banks rated BBB+	6%	5%
Banks rated BBB	22%	0%
Banks rated BBB-	0%	29%
Banks rated BB+	2%	0%
Banks rated BB-	4%	0%
	100.0%	100.0%

As of 31 December 2025, the value of cash assets and cash equivalents placed with a single financial institution accounted for approximately 57% of the total balance (banks rated A+). The remainder of the funds was deposited with

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

several institutions, which had varying credit ratings. The next largest concentrations amounted to 22% (banks rated BBB) and 6% (banks rated BBB+), respectively.

As of 31 December 2024, the value of cash assets and cash equivalents placed with a single financial institution accounted for approximately 53% of the total balance (banks rated A+). The remainder of the funds was deposited with several institutions, which had varying credit ratings. The next largest concentrations amounted to 29% (banks rated BBB-) and 7% (banks rated AA-), respectively.

The entire balance of cash and cash equivalents as of the respective balance sheet dates is included in Degree 1 of the impairment model (i.e., balances for which credit risk has not increased significantly since initial recognition).

The allowance for impairment of cash and cash equivalents was determined individually for each balance related to the financial institution. External bank rating grades and publicly available information on default rates for a given grade established by Euro Rating agency were used to assess credit risk. The analysis showed that these assets have low credit risk at the accounting date. The Group took advantage of the simplification permitted by the standard and the impairment charge was determined on the basis of 12-month credit losses. The calculation of write-off showed an immaterial amount of impairment loss.

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 6.5.

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5.2.4. 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.

The table below shows the Group's financial liabilities as of 31 December 2025 by maturity date based on contractual non-discounted payments:

						2025
	Below 3 months	3-12 months	1-5 years	Above 5 years of age	Total non-discounted flows	Balance-sheet values
Credit and loan liabilities	46,457	64,267	37,470	51,316	199,510	173,290
Debt related to issued bonds	-	1,994	75,000	-	76,994	76,994

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Lease liabilities	9,077	29,636	97,162	37,815	173,690	137,658
Liabilities vis-à-vis subcontractors - bid bonds	103,487	41,324	18,989	1,167	164,967	158,110
Trade payables	370,508	5,534	-	-	376,042	376,042
Total	529,529	142,755	228,621	90,298	991,203	922,094

						2024	
	Below 3 months	3-12 months	1-5 years	Above 5 years of age	Total non-discounted flows	Balance-sheet values	
Credit and loan liabilities	17,743	17,508	104,067	-	139,318	134,601	
Debt related to issued bonds	-	76,720	-	-	76,720	76,720	
Debt related to financial lease	7,203	22,315	83,473	4,351	117,342	101,820	
Liabilities vis-à-vis subcontractors - bid bonds	40,882	94,430	19,546	1,559	156,417	149,488	
Trade payables	312,199	-	-	-	312,199	312,199	
Total	378,027	210,973	207,086	5,910	801,996	774,828	

5.2.5. CLIMATE RISK

Sudden changes in weather conditions, such as torrential rain or heat waves, are already having an impact on the construction industry. The impact of climate change on construction schedules, costs and safety on building sites may be exacerbated by these phenomena, resulting in a growing effect. Climate-related risks can result in work interruptions, schedule delays, and damage to machinery, equipment, and materials. They can also lead to elevated insurance costs. The ERBUD Group analyses these risks and incorporates them into its management strategies and operational activities.

The Group also analyses transition risks by evaluating the potential impact of regulatory, technological, market and reputational changes on its operations, resulting from stricter climate regulations and the transition to a low-carbon economy. It also monitors developments in new technologies and materials that could impact the way the business operates and its competitiveness.

At this stage, the Group has not identified any material impact of these risks on its operations. These risks do not affect the financial statements or the key assumptions applied to their drawing up. Further information can be found in the ERBUD Group's Sustainability Report.

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6. OTHER NOTES

6. OTHER NOTES

6.1. TANGIBLE FIXED ASSETS

The most significant items of property, plant and equipment are land, buildings and structures. Fixed assets under construction are also a significant item. In addition, the Group also owns technical appliances and machinery.

Tangible fixed assets are carried at purchasing price /manufacturing cost less depreciation and all impairment write-offs. When the Group identifies indications that the tangible fixed assets may be impaired, it performs an impairment test based on an estimate of the recoverable amount of the property, plant and equipment. Recoverable amount is determined as the higher of the value that is realizable upon sale of a given non-current asset less costs to sell or the value in use calculated based on the discounted cash flows to be generated by a given non-current asset or group of assets.

The initial value of tangible fixed assets comprises their purchasing price plus all costs connected directly with the purchase and adaptation of the asset to the condition fit for use. The initial value also comprises the cost of spare parts of machinery and equipment when incurred, if the recognition criteria are met, i.e. a member company of Erbud Group expects that spare parts will be used for more than one year and it is possible to assign them to a specific item of tangible fixed assets.

Costs incurred after the date of commissioning of a fixed asset such as maintenance and repair costs, are recognized in the net financial income when incurred.

The Group annually verifies the residual value, useful life and depreciation methods of tangible fixed assets. There were no changes in the remaining estimated useful lives, depreciation methods or residual values of fixed assets as a result of the reviews carried out on 31 December 2025 and on 31 December 2024.

Depreciation rates are by class of fixed assets (including the right to use assets that belong to a particular category):

- Buildings and structures – 2% - 4,5%
- Technical appliances and machinery – 6% - 30%
- Means of transport – 12,5% - 20%
- Other – 10% - 33%
- Lands are not depreciated.

The rights to use the assets are amortized over a period that reflects the effective term for which contracts have been signed.

For leased assets of the Group, depreciation rates coincide with depreciation rates for its own assets belonging to the same category because the lease term corresponds to the economic useful life of the asset (including renewal options) or the contract includes an option to purchase the asset and it is reasonably certain that the Group will exercise the option.

Fixed assets under construction are priced at the level of costs connected directly with their acquisition or manufacturing including costs of financing, less write-downs for impairment. Fixed assets under construction are not depreciated until their construction has been completed.

Leases are recognized as right-of-use assets and obligations to pay for those rights at the date the leased assets are available for use by the Group. Right-of-use assets are presented in Note 6.1.

At the lease start date, the lease obligations are measured at an amount equal to the present value of the following lease payments for the right to use the underlying asset during the lease term:

- fixed lease payments (including substantially fixed payments), less any lease incentives payable,
- variable lease payments that depend on an index or rate;
- amounts expected to be paid by the Lessee under the guaranteed residual value,
- the exercised price of a call option, if it can be assumed with reasonable certainty that the lessee will exercise the option,
- financial penalties for lease termination, if the lease terms and conditions provide that the Lessee may exercise the lease termination option

Lease payments are discounted using the lease interest rate, if that rate can be readily determined, or the lessee's incremental debt rate.

Each lease payment is allocated between a liability and a finance expense. After initial recognition, lease liabilities are measured using the effective interest rate. The carrying amounts of the liabilities are updated to reflect the change in estimated lease term, option to redeem, change in lease payments and guaranteed residual value and lease contract modifications.

6. OTHER NOTES

The lease term is a non-cancellable lease term; periods covered by renewal and early termination options are included in the lease term if there is a reasonable certainty that the lease will be renewed or the lease will not be terminated early.

As of 31 December 2025 the Group held the following categories of tangible fixed assets including right to use assets:

Tangible fixed assets category	2025			2024		
	Gross value	Depreciation and write-offs	Net value	Gross value	Depreciation and write-offs	Net value
Lands (including right of perpetual usufruct to land)	38,851	3,302	35,549	36,862	403	36,459
including lease	24,498	2,398	22,100	13,745	1,524	12,221
Buildings and structures	203,206	80,765	122,441	108,268	12,513	95,755
including lease	73,083	26,907	46,176	33,476	6,347	27,129
Technical appliances and machinery	199,175	68,769	130,406	67,911	9,165	58,746
including lease	37,830	9,323	28,507	33,870	5,243	28,627
Means of transport	122,924	61,286	61,638	73,149	15,634	57,515
including lease	68,375	22,012	46,363	49,813	9,426	40,387
Other fixed assets	29,135	20,843	8,292	10,830	2,738	8,092
including lease	702	257	445	281	143	138
Fixed assets under construction	8,463	-	8,463	91,389	-	91,389
Total	601,754	234,965	366,789	388,409	40,453	347,956

The Group has entered into lease contracts for a term of between 3 and 5 years (with the exception of perpetual usufruct rights over land). Leases include mainly means of transport and leases of offices, warehouses and rights of perpetual usufruct to land. These contracts mostly (except for perpetual usufruct rights) contain an option of contract renewal after the end of the basic period. Additionally, under the concluded lease contracts for the means of transport the Group is entitled to repurchase the leased asset at the end of contract life.

Debt related to lease contracts is referred to in Note 3.5.

6. OTHER NOTES

	Lands including right of perpetual usufruct to land	Buildings and structures	Technical appliances and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Intangible assets	Total
Net value as of 1 January 2024	27,060	101,214	45,795	46,378	7,829	5,624	13,605	247,505
Increases:								
Purchase of which: fixed assets developed internally	-	557	2,185	5,128	2,725	82,428	1,252	94,275
Lease	9,089	5,355	5,563	21,370	27	-	-	41,404
Acceptance of fixed assets	730	1,398	14,826	2,385	424	(9,605)	2,389	12,547
Other, including reclassified inventories	-	-	-	-	-	12,946	-	12,946
Decreases:								
Amortization and depreciation	404	12,513	9,165	15,634	2,738	-	2,652	43,106
Disposal and liquidation	-	-	439	1,937	66	-	-	2,442
FX gains and losses from translation	(16)	(256)	(19)	(175)	(109)	(4)	(62)	(641)
Net value as of 31 December 2024	36,459	95,755	58,746	57,515	8,092	91,389	14,532	362,488
Net value as of 1 January 2025	36,459	95,755	58,746	57,515	8,092	91,389	14,532	362,488
Increases:								
Purchase of which: fixed assets developed internally	-	150	1,833	2,464	2,677	13,190	3,657	23,971
Lease	-	29,301	3,502	24,348	169	-	-	57,320
Acceptance of fixed assets	-	14,661	82,945	13	128	-	EUR	99,886
Other, including reclassification adjustments	-	-	655	(872)	216	212	-	211
Decreases:								
Amortization and depreciation	899	15,281	12,479	17,852	2,815	-	2,930	52,256
Disposal and liquidation	1	1,669	137	3,861	101	-	-	5,769
Commissioning of fixed assets under construction	-	-	-	-	-	93,959	-	93,959
Other	-	349	4,648	-	7	2,358	-	7,362
FX gains and losses from translation	(10)	(127)	(11)	(117)	(67)	(11)	(38)	(381)
Net value as of 31 December 2025	35,549	122,441	130,406	61,638	8,292	8,463	17,360	384,149

6. OTHER NOTES

Amortization and depreciation

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
General and administrative (G&A) costs	24,239	20,793
Costs of products and services sold	28,017	22,313
Total	52,256	43,106

Right to use assets under lease, lease liabilities

The following simplifications allowed by IFRS16 have been adopted:

- no lease contracts for low-value assets (below PLN 15 thousand) are activated,
- contracts that will be terminated during the current year are omitted,

During the periods covered by the financial statements, the Group did not enter into leases with a term of less than 12 months. The signed lease contracts did not comprise a variable fee for the Lessor.

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Data regarding the first-time adoption of IFRS 16 is presented in the tables below.

	Lands including right of perpetual usufruct to land	Buildings and structures	Technical appliances and machinery	Means of transport	Other fixed assets	Total
Net value as of 1 Jan. 2024	3,510	28,186	27,813	33,804	151	93,464
Increase due to acquisition	-	-	-	397	-	397
Increase due to opened lease contracts	9,089	3,340	5,586	21,370	27	39,412
Increase due to capex on tangible fixed assets under construction and advances on tangible fixed assets	-	2,016	-	-	-	2,016
Decrease due to reclassification - from right-to-use leased assets to tangible fixed assets	-	-	(1,432)	(10,093)	-	(11,525)
Amortization and depreciation	(378)	(6,347)	(3,936)	(9,426)	(40)	(20,127)
Decrease of the depreciation to date due to reclassification - from right-to-use leased assets to tangible fixed assets	-	-	596	6,111	-	6,707
Other	-	-	-	(1,776)	-	(1,776)
FX gains and losses from translation	-	(66)	-	-	-	(66)
Net value as of 31 Dec. 2024	12,221	27,129	28,627	40,387	138	108,502
Net value as of 1 Jan. 2025	12,221	27,129	28,627	40,387	138	108,502
Increase due to opened lease contracts	10,753	29,301	3,502	24,348	169	68,073
Increase due to capex on tangible fixed assets under construction and advances on tangible fixed assets	-	-	-	-	-	-
Decrease due to reclassification - from right-to-use leased assets to tangible fixed assets	-	-	(171)	(13,240)	-	(13,411)
Amortization and depreciation	(874)	(8,588)	(4,181)	(11,908)	(115)	(25,666)

6. OTHER NOTES

Decrease of the depreciation to date due to reclassification - from right-to-use leased assets to tangible fixed assets	-	-	101	8,949	-	9,050
Other	-	(1,622)	629	(2,093)	253	(2,833)
FX gains and losses from translation	-	(44)	-	(80)	-	(124)
Net value as of 31 Dec. 2025	22,100	46,176	28,507	46,363	445	143,591

The main item of fixed assets under lease is office space leased for ONDE's new registered office in Toruń, presented in accordance with IFRS 16. As of 1 August the ONDE registered office is located at a new address: Trasa Prezydenta Raczkiewicza 1 in the City of Toruń. The Company move to a new office due to its rapid development and further growth prospects. Another major item is leased transportation assets.

	Net value	
	31 Dec. 2025	31 Dec. 2024
Lands (including right of perpetual usufruct to land)	22,100	12,221
Buildings and structures	46,175	27,129
Technical appliances and machinery	28,507	28,627
Means of transport	46,363	40,387
Other fixed assets	445	138
Total impact	143,590	108,502

6.1.1. AMOUNTS OF CONTRACTUAL OBLIGATIONS TAKEN TO ACQUIRE TANGIBLE FIXED ASSETS

As of 31 December 2025 and 31 December 2024, the Group has no contractual liabilities in respect of capital asset purchase agreements and has entered into lease contracts where the lease term has not yet commenced and is therefore not included in lease liabilities.

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6.2. GOODWILL

Goodwill arises as a result of accounting for the acquisition of projects using the acquisition method - details are provided below.

Accounting principles concerning goodwill impairment are described in Note 6.3.

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Opening balance of goodwill	42,760	40,217
Additions	-	2,909
Decreases	-	(78)
FX gains and losses from translation	(255)	(288)
Closing balance of goodwill	42,505	42,760
Including acquisitions:		
ONDE S.A.	18,274	18,274
Erbud Holding GmbH	16,135	16,390
Other	8,096	8,096

6. OTHER NOTES

6.3. FIXED ASSETS IMPAIRMENT

The Group carries out test for fixed asset impairment, if there are reasons for impairment and additionally it carried out a test for goodwill once a year. Recoverable amount is determined at the lowest possible level, i.e. for an individual asset or for the cash-generating centre to which the asset belongs.

Tangible fixed assets impairment

At each balancing date the it is evaluated if there are any objective reasons indicating a risk of asset or asset category impairment. If there are such reasons, the estimated recoverable value is agreed for the asset and an impairment loss is written off, in the amount equal to the difference between the recoverable value and balance sheet value. The recoverable value corresponds the higher of the following two values: fair value less costs closing sales or value in use. The impairment loss is posted into profit and loss account. As of each balancing date, the Group also assesses whether there are any indications that the impairment loss recognised in previous periods should be reduced or completely reversed.

Goodwill impairment

Goodwill is tested for impairment at least once a year. Potential impairment is recognized immediately as a decrease in goodwill and recognized in the Profit and Loss Account, additionally it is not subject to reversal in subsequent reporting periods.

To carry out possible impairment test, the goodwill is allocated to the cash generating units. In the event of a disposal of an operation within a cash-generating centre to which goodwill has been allocated, the goodwill associated with the disposal shall be included in the carrying amount of the operation when determining the gain or loss on disposal.

An impairment test for goodwill was carried out as on 31 December 2025. The Management Board has not identified any indications of impairment.

6. OTHER NOTES

6.4. INVENTORY

The following items are mainly recognized in individual inventory categories:

- Materials – items kept at storage sites to be used in manufacturing processes, especially for the application in the construction activities;
- Merchandise;
- Work in progress;
- Finished goods;
- RES projects.

Materials are valued at the purchase price, and their expenditure is accounted for using the FIFO ("first in-first out") method. Work in progress and finished goods are valued at the direct cost of materials and labour, together with an appropriate mark-up of indirect production costs determined assuming regular capacity utilization, excluding borrowing costs. At the balancing date the inventory is priced taking lower of the two values: purchasing price or the cost of manufacturing and net selling price.

Under materials the Group posts construction site stored inventories for general purposes, low processing degree that could be used in a straightforward manner and without incurring material costs for other contracts or sold (if they turn out to be redundant in case of execution of a certain contract). The inventory items are not items stored on construction sites with a specific use on a certain construction site or processed on the company own or by the subcontractor, generally these are items where it is not certain whether they could be used for other contracts or sold. Such items are charged directly to the cost of the contract and are thus included in the valuation of the contract by completion degree (details are provided for in Note 2.1.).

As renewable energy projects, the Group identifies a separate category of finished products, which are wind farm and photovoltaic projects developed in-house. RES projects are valued at the lower of cost and net achievable price from sales. The net selling price is the estimated selling price evaluated by management based on market data.

	2025	2024
Materials	32,759	49,557
Work in progress	530	5,885
Finished goods	607	4,231
Merchandise	2,857	2,858
Prepaid deliveries	53	-
RES projects	136,461	111,364
Gross value of inventory	173,267	173,895
Impairment write-offs for inventory	1,389	1,556
Net value of inventory	171,878	172,339

6. OTHER NOTES

6.5. 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 a 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, the increase of receivables caused by time elapse is posted as financial gains.

	2025			2024		
	Gross value	Write-down	Net value	Gross value	Write-down	Net value
Trade receivables	557,886	61,295	496,591	510,560	52,122	458,438
Receivables from corporate income tax	9,023	-	9,023	3,958	-	3,958
VAT tax receivables	14,423	-	14,423	18,970	-	18,970
Other budget receivables	1,316	-	1,316	1,616	-	1,616
Other receivables	22,367	39	22,328	25,474	82	25,392
Total	605,015	61,334	543,681	560,578	52,204	508,374

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

6. OTHER NOTES

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

	For a 12-month period, ended on 31 Dec. 2025	For a 12-month period, ended on 31 Dec. 2024
Opening balance of write-downs	52,205	60,354
Setting up of individual write-offs	11,766	5,396
Setting up of write-offs according to write-off matrix	1,948	3,994
Use of individual write-offs	(744)	(17,909)
Reversal of individual write-offs	(3,722)	-
Other	(45)	724
FX gains and losses from translation	(113)	(355)
Closing write-offs, of which:	61,295	52,204
Matrix-based calculated write-off	23,311	22,415
Individual write-off	38,023	29,789

	2025	2024
Non-past due receivables:	378,059	278,382
Past due receivables:	118,533	180,056
below 1 month	33,091	78,631
1-3 months	28,381	38,635
3-6 months	17,265	2,502
6 months - 1 year	6,546	16,590
Above 1 year	33,250	43,698
Total trade receivables, net	496,592	458,438

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. The Group estimates an allowance for expected credit losses in an amount equal to the expected credit losses over the entire life of all receivables, except those subject to an individual impairment write-down.

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6.6. OTHER ASSETS

The **Insurance** line comprises prepayments made by the Group under insurance contracts concerning future reporting periods. They are recognized in the income statement proportionally to the time expired.

	2025	2024
Prepayments	-	-
Insurance	5,117	5,285
Licenses	3,863	376
Other	3,617	3,983
Total	12,597	9,644

6. OTHER NOTES

6.7. PROVISIONS

The Provisions category mainly comprises provisions for warranty repairs, provisions for employee benefits and post-employment benefits, and provisions for litigations and disputes.

Provisions for warranty repairs

Provisions for warranty repair costs result from the Company's warranty extended for construction services. Provisions are set up in the amount determined with percentage rate, which is a quotient of historically incurred costs for warranty repairs and historically posted revenues generated by the execution of building contracts. The costs of provision for warranty repairs are posted into costs of services sold. In the case of non-construction services, mainly maintenance services, the provision for the costs of warranty repairs is set up on the basis of historical data and a reliable estimate of the amount of the related obligation. The assumptions used to calculate the provision for warranty repairs as of 31 December 2025 were based on the records of warranty repairs between 2021 and 2025 and as of 31 December -2024 - between 2020 and 2024 respectively.

Provision for benefits in the post-employment period

This category comprises provisions for retirement and pension severance pays, to be paid by the Group under the effective law and the remuneration rules and regulations. The amount of the provision is determined at the present value using actuarial techniques requiring the adoption of certain assumptions. Assumptions vital to pricing include the levels of discount rates, projected rates of return on assets (ROA), forecast wage increases. Due to pricing complexity, the assumptions made, its long-term nature, the liabilities related to the above mentioned benefits are very sensitive to assumption changes. All the above assumptions are verified and updated at the end of each reporting period.

Provisions for litigation and disputes

Detailed analysis of potential risks related to litigation, making decisions about a need to reflect the impact of such litigation in the Group's financial statements and the amount of the provision are made by the legal departments and the Management Board.

Categorized provisions are presented in table below:

	Provisions for warranty repairs	Provision for employee benefits in the post- employment period	Provisions for litigations and disputes	Other	Total
As of 1 Jan. 2024	36,084	12,019	932	21,509	70,544
Increase	16,501	6,409	-	3,954	26,864
Dissolution	13	PLN 6,277	-	15,782	22,072
Increase due to acquisition	21	211	-	-	232
Utilisation	10,916	221	-	3,436	14,573
FX gains and losses from translation	(30)	(158)	-	(195)	(383)
As of 31 December 2024	41,647	11,983	932	6,050	60,612
short-term	28,365	104	896	5,530	34,895
long-term	13,282	11,879	36	520	25,717
As of 1 Jan. 2025	41,647	11,983	932	6,050	60,612
Increase	16,595	7,554	265	9,948	34,362
Dissolution	609	6,920	-	12,738	20,267
Utilisation	11,695	681	-	42	12,418
FX gains and losses from translation	(17)	(96)	-	(52)	(165)
As of 31 Dec. 2025	45,944	11,836	1,197	3,162	62,139
short-term	32,834	-	896	2,637	36,367
long-term	13,110	11,836	301	525	25,772

6. OTHER NOTES

DISPUTES

Both in cases where the Erbud S.A. Group is the plaintiff (cases for receivables) and in cases where the Erbud S.A. Group is the defendant (cases for liabilities), the position of the Erbud S.A. Group and its legal advisers indicates that the cases will be resolved in favour of the Erbud S.A. Group.

Material proceedings to which ERBUD S.A. is the plaintiff

Party to the Dispute	Description of the Subject of the Dispute
Defendant: BEST Deweloper Sp. z o.o. Court: District Court in Szczecin Date of filing a lawsuit: 6 February 2023 Value of the dispute: PLN 5,171,896.17	<p>Dispute status: The Plaintiff claims amounts due for work performed as part of the construction of multi-family apartment buildings in Chrzanowskiego Street in Szczecin. The amounts claimed in the lawsuit are covered by VAT invoices issued on the basis of inventory reports accepted and signed by the Defendant. They relate to works completed and accepted by the Defendant. The demand for a lawsuit includes the issuance of writ of payment and a request to secure claims. District Court ordered exchange of pleadings, without establishing the date for first hearing. Upon the amicable request of the Parties, the Court, by virtue of order of 15 July 2024, referred the Parties to mediation. During the mediation process, the parties reached a partial settlement under which Best Developer paid PLN 739,152 plus interest of PLN 219,943.30.</p> <p>An agreement was reached with the project contractor to sell the building materials to them for PLN 139,289.20. In view of the above, the value of the subject matter under dispute totals PLN 5,171,896.17. No date for the first hearing.</p> <p>The Management Board expects a positive outcome. The receivable (PLN 4.892.278,61) has been written off in accordance with the write-off matrix.</p>
Defendant: Independent Public Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin Court: District Court in Szczecin, 8 th Commercial Division Date of filing a lawsuit: 7 November 2022 Value of the dispute: PLN 14.435.306,59	<p>ERBUD S.A. demands that the Independent Public Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin should amend the contract of June 2021 for the execution of the project called "Construction of the A2 building and its connector", as well as land development, as part of the conversion and extension of A building at the Independent Public Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin, with an increase in the contractor's remuneration of PLN 14,435,306.59 (gross amount including VAT) and adjudication of this amount. The Defendant filed a response to the lawsuit.</p> <p>The first hearing was scheduled for 24 October 2024. However, the case was adjourned without a new date being set, and the court suspended the proceedings following the joint request of the parties involved. A meeting with the parties has been scheduled for 14 March 2025 to discuss the terms of the settlement.</p> <p>The parties had not reached a consensus, so ERBUD S.A. asked for the suspended proceedings to be resumed. The District Court approved the motion. The parties have drawn up a trial schedule. The next hearing dates have been set for April and May 2026.</p> <p>The date on which the Court of First Instance is expected to reach a conclusion on the dispute: 2029.</p> <p>The Management Board expects a positive outcome.</p>
	<p>The value of other litigations where ERBUD S.A. is the Plaintiff totals PLN 25,526,227.78.</p>

6. OTHER NOTES
Material proceedings to which ERBUD S.A. is the Defendant

Party to the Dispute	Description of the Subject of the Dispute
<p>Defendant: Platinum Resort Sp. z o.o.</p> <p>Date of filing a lawsuit: 3 December 2018</p> <p>Value of the dispute: PLN 16.301.236,97</p> <p>Counterclaim: Defendant: ERBUD S.A.</p> <p>Date of filing a lawsuit: 27 April 2019</p> <p>Value of the litigation: PLN 13.516.629,86</p>	<p>ERBUD filed a request with the District Court in Szczecin to secure a cash claim in the amount of PLN 5,455,851.09 in relation to the contractual penalty for withdrawal from the Construction Works Contract of 26 January 2017 for the execution of the project titled "Construction of a four-star hotel complex consisting of: Three hotel buildings with land development in Żeromskiego Street in the City of Świnoujście" by encumbering the properties belonging to Platinum Resort Sp. z o.o. with a joint compulsory mortgage. By virtue of Decision of 19 November 2018, the court granted security through the registration of a tacit mortgage in the land and mortgage registers of the aforementioned property.</p> <p>The court heard the oral evidence provided by the witnesses. Expert evidence concerning this case will be heard by the court. The court decided to admit expert evidence involving his opinion. The content of expert's opinion is advantageous for the Company.</p> <p>On 17 April 2024, the Court awarded Erbud S.A. with the following:</p> <ul style="list-style-type: none"> • PLN 14,600,577.00 with statutory default interest charged on the amounts of PLN 5,455,851.09 from 1 June 2018 and on the amount of PLN 9,144,725.89 from 25 October 2018 the amount of PLN 19,311,00 for the costs of the security proceedings; • dismissed the remaining scope of the claim. • dismissed the counterclaim of the Platinum Resort. <p>An appeal hearing was held.</p> <p>The Court of Appeal in Szczecin upheld Erbud's claim for payment, awarding PLN 9,144,725.89 from Platinum Resort together with statutory interest for delay. The court also dismissed all other claims. The court enforcement officer collected the total amount owed to Erbud under the Court of Appeal's judgment, concluding the enforcement proceedings.</p> <p>Erbud S.A. lodged a cassation appeal with the Supreme Court, challenging the Court of Appeal's judgment concerning the sum of PLN 5,455,851.09. Platinum filed a response to the cassation appeal. The case was referred to the Supreme Court.</p> <p>The Management Board believes that the Company's position is justified.</p>
<p>Plaintiff: Silesia Property sp. z o.o.</p> <p>Date of filing a lawsuit: 23 December 2024</p> <p>Value of the dispute: PLN 52.686.247,51</p>	<p>By statement of claim dated 23 December 2024, Silesia Property Sp. z o.o. claims payment of PLN 52,686,247.51 from Erbud S.A. for reimbursement of the costs of roof replacement (under warranty repair) performed by Erbud S.A. in connection with the performance of the contract dated 25 August 2010 for the design and construction of the Silesia City Center shopping centre at 25 August 2010.</p> <p>On 25 February 2025 Erbud S.A. filed a response to the lawsuit requesting that the lawsuit be dismissed in its entirety. In the opinion of Erbud S.A., the Arbitration Court should not admit Silesia Property Sp. z o.o.'s claims in full due to the absence of an effective arbitration clause, the nature of the claims (legal grounds) and the facts of the case, or finally, the limitation plea.</p> <p>An adjudication panel of three arbitrators was constituted for the case. During the first phase of the arbitration proceedings, during which the Adjudication Panel was to decide whether it had jurisdiction to settle the dispute, the parties exchanged pleadings, after which a hearing was held. The first phase concluded with the Adjudication Panel delivering a ruling, determining the following:</p> <ol style="list-style-type: none"> (1) dismiss Erbud's request for the Adjudication Panel to declare that it lacks jurisdiction to hear the case. (2) the remaining claims and motions of the parties will be decided at a later point in the proceedings. <p>Now that the motion to declare the Adjudication Panel's lack of jurisdiction has been dismissed, the substantive phase of the proceedings will commence. Silesia Property filed a response that reiterated their position. Deadlines have been set for the exchange of further pleadings. A preparatory organisational meeting for the hearing is scheduled for 1 December 2026. The arbitration hearing is set to take place from 7–11 December and 14–15 December 2026.</p>

6. OTHER NOTES

Party to the Dispute	Description of the Subject of the Dispute
	<p>No settlement negotiations are currently taking place in this case.</p> <p>Estimated date for settlement of the dispute in front of the Arbitration Court: 2027</p> <p>The Management Board believes that the Company's position is justified. No provision has been made for litigation.</p>
<p>Plaintiff: The Wielkopolskie Province</p> <p>Date of filing a lawsuit: 15 October 2024</p> <p>Value of the dispute: PLN 7.700.000</p>	<p>The Wielkopolskie Province with the seat of the Marshal's Office of the Wielkopolskie Province in Poznań, by action of 15 October 2024, claims that ERBUD S.A. to pay in its favour the sum of PLN 7,700,000, together with statutory default interest calculated on the amount of PLN 5,790,000 for the period from 5 December 2023 to the date of payment and on the amount of PLN 1,980,000 for the period from 5 December 2023 to the date of payment and PLN 1,980,000 for the period from the day following the delivery of the statement of claim to the date of payment) for a contractual penalty for delay in the removal of ceiling defects discovered during the warranty period under the contract for the construction of an office building for the Marshal of the Wielkopolskie Province in Poznań at 34 Al. Niepodległości 34.</p> <p>On 4 December 2024 Erbud S.A. filed a response to the lawsuit requesting that the lawsuit be dismissed in its entirety. In the opinion of Erbud S.A., the nature of the claims asserted (legal grounds) and the factual circumstances of the case do not provide grounds for accepting the claims of the Wielkopolskie Province in their entirety. Between March and May 2025, there were three hearings at which witnesses were examined. At present, the Court has concluded the hearing of witness evidence. The District Court ordered that evidence be submitted in the form of an expert opinion. The date on which the Court of First Instance is expected to reach a conclusion on the dispute: 2028.</p> <p>The Management Board believes that the Company's position is justified.</p> <p>No provision has been made for litigation.</p>
<p>Plaintiff: The Wielkopolskie Province</p> <p>Date of filing a lawsuit: 11 December 2024</p> <p>Value of the dispute: PLN 12.670.000</p>	<p>The Wielkopolskie Province with the registered office of the Office of the Marshal of the Wielkopolskie Province in Poznań requests that the Court authorise Erbud S.A. to carry out, at the expense of Erbud S.A., a repair project and replacement of the defective façade in the building which is the registered office of the Office in Poznań, located at Al. Niepodległości 34 in Poznań, on the K-0 storey, i.e. in the main lobby, as part of performance bond.</p> <p>Erbud S.A. is currently preparing a defence strategy and a response to the lawsuit, which must be submitted by 31 March 2025. In the opinion of Erbud S.A., the nature of the claims asserted (legal grounds) as well as the factual circumstances of the case do not provide grounds for accepting the claims of the Wielkopolskie Province in their entirety. The evidence-gathering stage is underway – evidence in the form of a court expert's report is currently being examined. No date has yet been set for the first hearing in the case.</p> <p>The date on which the Court of First Instance is expected to reach a conclusion on the dispute: 2029.</p> <p>The Management Board believes that the Company's position is justified.</p> <p>No provision has been made for litigation.</p>
<p>Plaintiff – Puławy S.A. Nitrogen Fertilizer Plant</p> <p>Date of filing a lawsuit: 9 October 2024</p> <p>Value of the dispute: PLN 18.132.376,00</p>	<p>Case status: the court refused to issue an order for payment and referred the case for judicial review during trial. The claim includes the Plaintiff's contractual penalty for failing to complete the stage of works on time. This stage involved signing the Boiler Hand-Over Certificate. The defendants (along with Sefako) were obliged, as turnkey contractors, to perform all deliveries, civil works and services necessary for designing, constructing, commissioning and handing over the K2 Steam Boiler for operation and use. The Defendants filed a response to the lawsuit. The Management Board's position on the matter is that there is scope for an amicable resolution of the case. The outcome depends on the validity of the defendant's calculation of contractual penalties against ERBUD S.A. This will be confirmed or refuted by the expert opinion commissioned for the case, which will assess ERBUD S.A.'s timely performance of the aforementioned contract;</p>

6. OTHER NOTES

Party to the Dispute	Description of the Subject of the Dispute
	The date on which the Court of First Instance is expected to reach a conclusion on the dispute: 2027. The Management Board believes that the Company's position is justified. No provision has been made for litigation.
The Plaintiff – University Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin (formerly: Independent Public Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin) Date of filing a lawsuit: 18 September 2025 Value of the dispute: PLN 8,365,943.08	The University Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin is seeking an order requiring ERBUD S.A. to pay the sum of 8,365. 943.08 PLN as a contractual penalty for the late completion of the project entitled "Construction of Building "A2" together with a connecting passage and site development as part of the reconstruction and extension of Building "A" of the Independent Public Clinical Hospital No. 2 of the Pomeranian Medical University in Szczecin". Erbud S.A. filed a statement of defence seeking dismissal of the claim in its entirety. The Company contested both the amount and the grounds of the claim. In particular, it argued that there had been no culpable delay in performing the contract and that the Employer had not suffered any loss. The parties are currently engaged in mediation proceedings, seeking to amicably resolve all outstanding disputes between them. Expected date of conclusion of the proceedings before the Court of First Instance (if the case is not settled): 2029. The Management Board believes that the Company's position is justified. No provision has been made for litigation.
	Total value of other proceedings where ERBUD S.A. is the Defendant: PLN 16.310.810,00

As of the balance sheet date, companies within the ONDE S.A. Group, which is part of the ERBUD S.A. Group, are involved in legal proceedings, both as defendants and plaintiffs. The status of significant cases is set out in the tables below:

Liabilities-related proceedings

As of the publication date of this report, ONDE is involved in the following significant legal proceedings:

Party to the Dispute	Description of the Subject of the Dispute
Plaintiff: Bydgoszcz City Council – Roads and Public Transport Authority in Bydgoszcz Defendants: 1. ONDE S.A., 2. Railway Engineering Works Company	On 21 March 2025 the defendants, ONDE S.A. and the 'TOR-KRAK' Railway Engineering Works Company Sp. z o.o., were served with a copy of the payment order together with a copy of the claim for payment of 1,841,844.85 in contractual penalties for the delayed performance of Contract No. 159/ZDMiKP/18 for construction works, which was concluded on 29 November 2018. On 31 March 2025, the receiver of the estate of "Gotowski – Transport and Industrial Construction Sp. z o.o. collected the shipment containing the aforementioned documents. On 4 April 2025, an objection to the order for payment was lodged on behalf of the defendants ONDE S.A. and „TOR-KRAK” Engineering Railway Works Company Sp. z o.o. On 13 August 2025, the first hearing was held, at which the witnesses Danuta Jeleniewska and Maciej Gust were examined. The next hearing date has been set for 22 October 2025. At the hearing on 22 October 2025, the following witnesses were examined: Justyna

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	<p>Ściślak, Marcin Rubach, Marian Kaczmarek. The court issued an order requiring the claimant to submit a copy of the construction log to the case file. The court also directed the parties to file written submissions setting out their positions before the hearing concludes on 22 November 2025.</p>
<p>„TOR-KRAK” Sp. z o.o. with its registered office in Kraków. 3. The receiver of the bankruptcy estate of “Gotowski – Transport and Industrial Construction Company” Sp. z o.o. (in liquidation), with its registered office in Bydgoszcz</p> <p>Value of the dispute: PLN 1,841,844.85</p>	<p>On 30 December 2025, a judgment was issued in a closed session, on the basis of which the plaintiff, the City of Bydgoszcz - Municipal Roads and Public Transport Authority in Bydgoszcz, was awarded the sum of 87,664.89 PLN (87,664.89) in solidarity with the defendants, plus statutory interest from 19 June 2022 until payment is made, and the claim was dismissed in the remaining part (i.e. the claim was dismissed by around 96%).</p> <p>The judgement is not yet final. Both parties have the right to appeal once the court has drawn up and served the written reasons for the judgment.</p> <p>As of 31 December 2025, a provision had been set up to cover 50% of the amount awarded.</p>

Claims-related proceedings

As of the date of this report, ONDE is involved in the following significant proceedings

Party to the Dispute	Description of the Subject of the Dispute
<p>Plaintiff:</p> <p>1. ONDE S.A., 2. "TOR-KRAK" Railway Engineering Works Sp. z o.o., based in Kraków</p> <p>3. Bankruptcy Trustee of " Gotowski - Transport and Industrial Construction" Sp. z o.o. in bankruptcy with its registered office in Bydgoszcz</p> <p>Defendants:</p> <p>1. The City of Bydgoszcz; 2. Bydgoszcz Municipal Water Supply and Sewerage Sp. z o.o.</p> <p>Value of the dispute: PLN 6.478.982</p>	<p>On 30 December 2022, the claimant submitted a request for a settlement hearing to the defendant. In this request, the claimant called upon the defendant to enter into a court-mediated settlement regarding the payment of additional remuneration by the defendant to the Plaintiff for the costs of temporary traffic management during the extended term of Contract No. 159/ZDMiKP/18 for construction works, which was concluded on 29 November 2018. The application relates to costs incurred by the claimant for temporary traffic management, totalling 196 days.. The Plaintiff filed a claim in March 2022, subsequently issuing a pre-action demand for payment in November 2022, covering the amount claimed in the application. A hearing scheduled for 13 April 2023 did not take place due to settlement discussions between the parties. From April until early December 2023, the parties held intermittent discussions with a view to reaching a court settlement. The Parties have not reached an out-of-court agreement. A new date for the settlement hearing was set: 8 February 2024. However, no court settlement was reached at this hearing.</p> <p>In view of the above, a claim for payment of the amount covered by the application for a settlement hearing was filed on 9 February 2024. The case was referred to mediation, but no court settlement was reached. Hearings were held in this case during which the witnesses called by each party were examined. In an order dated 21 February 2025, the court dismissed the defendant (the City of Bydgoszcz)'s application to admit evidence in the form of an expert opinion. On 25 March 2025, the court issued an order allowing the hearing to be held in private and authorising the representatives of the parties to submit their final written statements before the hearing closed. On 15 May 2025, a judgment dismissing the claim in its entirety was delivered; this judgment, together with the grounds, was served on the parties on 7 July 2025. A decision was taken to challenge the judgment in its entirety by lodging an appeal, which was filed by the 21 July 2025 deadline. On 17 July 2025, an appeal challenging the judgment in its entirety was lodged on behalf of the plaintiffs. On 30 July 2025, the case file and the appeal were forwarded to the Court of Second Instance. The appeal hearing has been scheduled for 20 April 2026.</p> <p>The Management Board expects the appeal to be upheld in full or in part.</p>

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<p>Creditor:</p> <p>Creditor: ONDE S.A.</p> <p>Debtor: PflegeQuartier Beteiligungs GmbH Guarantor: Andreas Skoberne</p> <p>Value of the dispute: EUR 870,000.00</p>	<p>On 17 January 2018, a loan agreement was entered into with the Borrower for the sum of EUR 750,000. Pursuant to the agreement, the full amount owed must be repaid by 31 January 2020 at the latest. An attempt was made to settle the dispute amicably in December 2021, when a payment demand was issued. The debtor has not paid the amount due in any part. The case has been handed over to a third party law firm in Germany. On 14 February 2022, the solicitor re-issued a final pre-action demand for payment, setting a deadline of 25 February 2022 for payment to be made. As payment was not made, an application was filed on 1 March 2022 to initiate summary proceedings against the Guarantor, who then lodged an objection. As a result, the case was referred to the Landgericht Court in Dortmund. A claim for payment against the Guarantor was filed with the aforementioned court on 23 May 2022. The court then initiated written preparatory proceedings. The Defendant has not taken a position on the case. In July 2022, the Dortmund Regional Court issued a default judgement against the Guarantor, who did not contest it. The following enforcement proceedings are pending against the Debtor: attachment of shares in Wohnvoll AG; attachment of shares in PflegeQuartier Düren GmbH, attachment of the Debtor's bank account. In December 2022, the debtor made a payment of €100,000 into the account of the bailiff handling the enforcement proceedings; after deducting the costs of the enforcement proceedings, the bailiff made a payment of EUR 99,961.11 to the creditor on 5 December 2022. Enforcement proceedings were initiated against the Guarantor on the grounds of an enforceable default judgment. Subsequently, in April 2023, the Debtor made a payment of EUR 75,000 into the account of the Enforcement Officer handling the enforcement proceedings, in favour of the Creditor. On 14 April 2023, the Enforcement Officer made a payment of EUR 74,994.72 to the creditor after deducting the costs of the enforcement proceedings. In the course of the enforcement proceedings, the Guarantor's bank accounts were seized and a warrant of arrest was applied for. In August 2023, an enforcement officer searched the residential property where the guarantor was registered. The guarantor was not present at the time. The case resulted in a negative entry in the Schufa register and the debtors' register concerning Andreas Skoberne. Additionally, an application has been made for the seizure of remuneration claims for Andreas Skoberne working in a position of a member of the Management Board at PQ Grundstücksverwaltungen. In January 2024, a lawsuit was filed against PQ Service GmbH for payment of EUR 821,850.88. On 20 February 2024, the AG Court in Wedding issued an enforcement order against PQ Service GmbH for the sum of EUR 836,191.78. The measures taken by the enforcement officer in the proceedings instigated against PQ Service GmbH proved unsuccessful. As of 31 December 2025, no new payments to ONDE S.A. had been recorded. As of 31 December 2025, the receivable was written off in full. As of 31 December 2024, the receivable was written off in full.</p>
<p>Plaintiff 1: Mosty Łódź S.A.</p> <p>Plaintiff 2: ONDE S.A.</p> <p>Defendant:</p> <p>State Treasury - Director General of National Roads and Motorways</p> <p>Value of the dispute: PLN 154,927,233.00</p>	<p>On 23 October 2024, the consortium lodged a claim for payment of 154,927,233 PLN against the Defendant, the State Treasury – General Directorate for National Roads and Motorways. The claim relates to the sums payable in connection with the performance of Contract No. O.WR.D-3.2410.86.2017. These sums arise from claims made during the performance of the contract and include:</p> <ul style="list-style-type: none"> - claims for indirect costs incurred over an extended period in connection with the Contract performance (including construction overheads, management costs, profit and risk) for works not provided for in the original version of the Contract; - claims arising from price hikes of goods; - claims arising from the Consortium's performance of additional and replacement works not included in the original Contract; - claims arising from changes in generally applicable legal provisions affecting the terms of Contract performance. <p>Regarding the failure to set a date for the hearing or to refer the parties to a settlement hearing. The Attorney General's Office has filed a response to the claim. The case has been assigned the reference number: XX GC 1222/24.</p> <p>The Management Board expects that the claim will be upheld in whole or in part.</p>

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<p>Plaintiff 1: Mosty Łódź S.A.</p> <p>Plaintiff 2: ONDE S.A.</p> <p>Defendant: State Treasury - Director General of National Roads and Motorways</p> <p>Value of the dispute: PLN 11,916,279</p>	<p>On 17 January 2024, the plaintiffs filed a lawsuit for the payment of PLN 11,916,279 against the defendant State Treasury - General Directorate for National Roads and Motorways. The claim relates to a part of the sums payable in connection with the performance of Contract No. O.WR.D -3.2410. This includes receivables arising from changes to the technical requirements issued by the railway infrastructure manager concerning the required clearance of structures over railway lines, design work and additional construction work resulting from the manager's technical requirements regarding</p> <p>the required vertical clearance of structures, as well as payments in respect of the extended duration of design work</p> <p>from 20 December 2019 to 18 March 2020, and consequently the extended duration of the contract from 22 March to 31 May 2022.</p> <p>Regarding the failure to set a date for the hearing or to refer the parties to a settlement hearing. This case has been assigned the reference number XX GC 960/24.</p> <p>On 26 November 2024, the Defendant filed a motion with the court requesting an extension of the deadline for submitting a statement of defence until 28 February 2025. On 14 March 2025, ONDE S.A. received the Employer's reply to a statement of a claim. On 28 March 2025, the Consortium submitted its position to the Court in response to the Employer's claim. The court took no further action in the case.</p> <p>The Management Board expects that the claim will be upheld in whole or in part.</p>
<p>Plaintiff: ONDE S.A.</p> <p>Defendant: INFRABUD Engineering and Construction Company Sp. z o.o.</p> <p>Value of the dispute: PLN 1,002,744</p>	<p>On 19 December 2024, the Plaintiff lodged a claim for payment of 1,002,744 PLN against the Defendant, "INFRABUD" Engineering and Construction Works Company Sp. z o.o. The claim relates to unpaid invoices for bituminous mixture sales from the Bituminous Mixture Plant in Koszalin.</p> <p>The claim relates to unpaid invoices for bituminous mastic sales by the Bituminous Mastic Plant in Koszalin.</p> <p>A hearing has been scheduled for 2 July 2025. A settlement has been reached under which the defendant will pay the following amounts by the end of the respective months: PLN 300,000 by the end of July 2025; PLN 200,000 by the end of August 2025; and the remaining amount by the end of December 2025. Additionally, by 16 July 2025, the Defendant agreed to register a mortgage on the property, which has been entered in the land and mortgage register under the number KO1K/00043458/2.</p> <p>The Defendant paid the sum of PLN 544,695.50. An application was made to include ONDE S.A. in the enforcement proceedings against the mortgaged property due to the non-payment of the outstanding balance (PLN 682,743.55). These proceedings had been initiated upon the request of another creditor, the Municipality of Koszalin.</p> <p>As of 31 December 2025, the full outstanding amount was written-off.</p> <p>The claim was upheld in its entirety.</p>
<p>Plaintiff: ONDE S.A.</p> <p>Defendant: Merkury Market Sp. z o.o. Sp. k.</p> <p>Value of the dispute: PLN 1,823,415</p>	<p>On 4 April 2025, a claim was made for payment of remuneration for the installation of photovoltaic systems at the defendant company's premises in Rybnik, Tychy, Kraków (Pavilions I and II), Nowy Sącz (Pavilion III) and Krosno (office buildings).</p> <p>7 invoices were issued in this regard, which form the grounds for the claim. The case was assigned reference number VI GC 124/25, and, in response to the Court's request, a letter was sent consenting to the referral of the case to mediation.</p>

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	<p>The parties have been referred to mediation. Merkurs Market Sp. z o.o. sp.k. has filed a defence to the lawsuit. The first mediation session took place. The mediation proceedings did not result in the Parties reaching a settlement. The Defendant proposed that a settlement would involve the claims arising from unpaid invoices to ONDE S.A. remaining unpaid. Furthermore, ONDE S.A. would pay compensation to Merkurs Market Sp. z o.o. sp.k. for damage to the roofs on which the micro-photovoltaic installations were mounted. This would be in connection with the accepted position that ONDE S.A.'s improper performance of the contract dated 31 March 2023 caused this damage.</p> <p>At the same time, proceedings are underway at the district courts in Krościenko, Kraków, Tychy and Rybnik regarding the preservation of evidence in the form of expert reports. The purpose of these reports is to assess the quality of the work carried out by ONDE S.A. Merkurs Market Sp. z o.o. sp.k. believes that the roofs urgently need to be repaired due to the risk of further deterioration. At the same time, given that the payment proceedings at the Regional Court in Rzeszów will undoubtedly be lengthy, it is not feasible to wait for an expert's report to be drawn up during those proceedings, even though the report will be key evidence in the case.</p> <p>On 4 March 2026, the first hearing took place, during which the President of the Management Board of Merkurs Market sp. z o.o. sp.k. was examined, and a ruling was issued admitting expert evidence regarding the quality of the work carried out by ONDE S.A. The court also ordered the legal representatives of the parties involved to specify the final points of evidence for the expert's report, as well as to pay an advance towards the expert's fees, both within 21 days.</p> <p>Estimated date of case closing in the court of second instance: 31 December 2027</p> <p>As of 31 December 2025, the receivable was written off in full.</p> <p>The Management Board expects that the claim will be upheld in whole or in part.</p>
<p>Plaintiff:</p> <p>1. ONDE S.A.</p> <p>2.P&Q Sp. z o.o.</p> <p>Defendant:</p> <p>Windpower Poland Sp. z o.o.</p> <p>Value of the claim: PLN 3,174,908.75</p>	<p>On 24 July 2025, a claim for payment of PLN 7,131,192.54 was filed with the Arbitration Court at the LEWIATAN Employers' Confederation; this amount relates to the aggregate claims of the P&Q Sp. z o.o. Consortium/ ONDE S.A. A claim has been made by ONDE S.A. comprising a gross amount of PLN 310,889.89 for additional works, a gross amount of PLN 200,885.60 for an unpaid invoice, PLN 693,843.18 in respect of interest, and PLN 1,601,048.85 net in respect of indirect costs arising from the extended duration of the Contract.</p> <p>Windpower Poland Sp. z o.o. has been ordered to respond to the claim by 30 November 2025.</p> <p>The parties held a mediation meeting on 1 October 2025. Given the differences in the Parties' positions regarding ONDE S.A.'s liability for the proper construction of access roads and platforms at the wind farm, as well as the potential costs of rectifying any identified defects, the Parties were unable to reach an agreement.</p> <p>The Defendant filed a statement of defence in which it contested the claims brought by ONDE S.A.</p> <p>In response to the above, ONDE S.A. is preparing a reply to the statement of defence.</p>

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<p>Plaintiff: ONDE S.A.</p> <p>Defendant: The Kujawsko-Pomorskie Province represented by the Provincial Roads Authority in Bydgoszcz.</p> <p>Value of the dispute: PLN 4,284,167</p>	<p>On 27 December 2025, a claim for payment of remuneration was filed in connection with the performance of works under Contract ZDW.N4.363.06.2020, signed on 5 October 2020. An invoice for this contract, numbered FSBD/24/10/0101, was issued on 18 October 2024 for the sum of PLN 6,689,507.24 of which the amount of PLN 3,005,664.85 has been paid. The Defendant failed to pay the remaining portion of the remuneration. On 7 November 2024, the Defendant issued accounting note No. NK/27/2024. On this basis, the Defendant charged the Plaintiff a contractual penalty of PLN 3,669,140.70. Then, on 9 December 2024, the Defendant issued accounting note No. NO/10/2024 for the sum of PLN 14,701.69. The Defendant subsequently set this off in a statement dated 9 December 2024. The claimant informed the defendant that they did not accept the contractual penalties imposed on them. Consequently, in a letter dated 28 November 2024, no. 426/NZ/N4.363.06, 2020/2024, the Claimant returned accounting note NK/27/2024, dated 7 November 2024, without posting it to the accounts. Subsequently, by letter dated 23 December 2024, No. 430/JSZR/N4.363.06, 2020/2024, the Plaintiff also returned interest note NO/10/2024 without posting it, along with a statement of set-off.</p> <p>The value of the matter in dispute is comprised of the following:</p> <ol style="list-style-type: none"> 1. The outstanding principal amount is PLN 3,683,842.39 for the partially paid invoice No. FSBD/24/10/0101, dated 18 October 2024. 2. Capitalised interest totalling PLN 594,167.86 <p>The claim was lodged with the Regional Court in Bydgoszcz, which ruled that it lacked local jurisdiction and referred the case to the Regional Court in Toruń.</p> <p>As of 31 December 2025 - a write-down of 50% of the receivables.</p> <p>The Management Board expects that the claim will be upheld in whole or in part.</p>
<p>Plaintiff: ONDE S.A.</p> <p>Defendants: 1. Mosty Gdańsk Sp. z o.o. 2. Menard Sp. z o.o.</p> <p>Value of the dispute: PLN 12,432,623</p>	<p>On 30 December 2025, ONDE S.A. submitted a claim to recover the costs it incurred in connection with the discovery of a failure in the embankment at abutments P1 and P6 while implementing the "Extension of Provincial Road No. 270 Brześć Kujawski – Izbica Kujawska – Koło on the section from 0+000 km to 29+023 km – Construction of the Lubraniec bypass" investment project.</p> <p>On 22 January 2026, the court issued an order regarding the service of the statement of claim on the Defendants, setting a 30-day deadline for them to file their response to the statement of claim.</p> <p>The defendants have not yet reached the deadline for filing a response to the claim.</p>

The Management Board of ONDE S.A. is not anticipating any issues with the materialisation of these assets.

No other member companies of the Erbud S.A. Group are involved in any significant legal disputes.

6.8. 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.

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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 balance-sheet date broken down by employees and their daily gross salary plus social contribution surcharges paid by the Employer.

	2025	2024
Trade payables	376,042	312,199
including to related entities	1,831	(116)
Advances received	-	-
Financial liabilities in relation to:	-	-
interest	-	-
fixed assets lease	-	-
forward pricing	-	-
other	-	-
dividends	-	-
Liabilities vis-à-vis budget in relation to:	18,017	26,014
VAT tax	13,781	10,568
corporate income tax	4,236	15,446
personal income tax	-	424
Social insurance contribution	-	1,652
real estate tax	-	-
tax on civil law transactions	-	-
State Fund for the Rehabilitation of the Disabled	-	39
Employee Capital Plans (PPK)	-	43
holiday accrual (Belgium tax)	-	257
other	-	528
...	-	-
Other liabilities	81,602	83,758
wages and salaries	17,018	16,244
accruals	2,828	2,389
short-term employee benefit liabilities	14,938	33,318
other taxes	14,912	21,800
other	31,906	10,007
-	-	-
short-term employee benefit liabilities	-	-
Total	475,661	421,971

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6.9. EXPLANATORY NOTES TO THE CASH FLOW STATEMENT

Reconciliation of the change in working capital balance for the period from 1 January 2025 to 31 December 2025 and for the period from 1 January 2024 to 31 December 2024.

	Change in balance of Cash Flow Statement in the period from January 2025 to December 2025	Change in balance of Cash Flow Statement in the period from January 2024 to December 2024
Change in provision balance	1,526	(9,932)
Change in inventory balance	461	(32,675)
Change of receivables balance	(29,886)	56,186
Change in balances of short-term liabilities, excluding credits and loans	85,201	31,297
Change in balance of prepayments and accruals	(2,953)	(1,648)
Change in settlement of assets and liabilities under building contracts	(117,709)	148,025
Change in balance of working capital	(63,360)	191,253

6.10. GROUP STRUCTURE

Related entities and consolidation rules: The consolidated financial statements comprise data of the Parent Entity 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 acquired and liabilities assumed are measured at their fair values at the date of acquisition. 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 profit or loss 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.

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 based on 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

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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 31 December 2025, 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.

Item	Name of entity	Parent Company's share in equity (equal to the voting rights held)			
		Registered office	Scope of activities	2025	2024
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, Belorussia	Construction services	100.00%	100.00%
8	JV WMER Matoc Poland Sp. z o.o.	Warsaw	Construction services	100.00%	100.00%
9	JV PABC Sp. z o.o.	Warsaw	Construction services	100.00%	100.00%
10	MOD21 Sp.z o.o.	Ostaszewo	Modular timber construction	100.00%	98.00%
11	Erbud Industry Centrum Sp. z o.o.	The City of Łódź	Maintenance services in the industrial segment	99.84%	99.00%
12	Tauron Serwis Sp. z o.o.	Jaworzno	Maintenance services in the industrial segment	4.00%	4.00%

All the companies listed in the table above (except for Tauron Serwis Sp. z o.o.) are subsidiaries of Erbud S.A.

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Shares held indirectly by the Parent Company (corresponding to the voting rights held)

#	Name of entity	Registered office	Scope of activities	2025	2024
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	0.00%	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 Lewańd Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
25	FW Gumienice Sp. z o.o. (wind farm)	Toruń	Renewable energy sources	100.00%	100.00%
26	DEVOZE Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
27	Solar Kazimierz Biskupi Sp. z o.o.	Warsaw	Renewable energy sources	50.00%	50.00%
28	PV KADŁUBIA 2 Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
29	PV SZCZEPANÓW Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
30	ONDE GmbH	Germany, Dusseldorf	Development of contracting activities in the RES business segment	100.00%	100.00%
31	ONDE DEV 1 Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
32	ONDE DEV 2 Sp. z o.o.	Toruń	Renewable energy sources	50.00%	100.00%
33	ONDE DEV 3 Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
34	ONDE DEV 4 Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
35	ONDE DEV 5 Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
36	ONDE DEV 6 Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
37	ONDE ENERGY Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
38	ONDE DEV 8 Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
39	Żabów Photovoltaic Farm Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
40	WINDIFY SP. Z O.O.	Warsaw	Renewable energy sources	100.00%	0.00%

6. OTHER NOTES

All of the companies listed in the above table are indirect subsidiaries of Erbud S.A., except for those in which the company holds a 50% voting interest. These are jointly controlled with other entities.

Shares in jointly controlled entities, consolidated using the equity method (with a 50% shareholding).

Investments in companies consolidated based on the equity method	31 Dec. 2025	31 Dec. 2024
Solar Serby Sp. z o.o. (former Azuryt 6 Investments Sp. z o.o.)	-	13,004
KWE Sp. z o.o.	10,001	10,133
Solar Kazimierz Biskupi Sp. z o.o. (former Neo Solar Kazimierz Biskupi Sp. z o.o.)	21,537	22,084
ONDE DEV 2 SP. Z O.O.	(6)	
Total	31,532	45,221

For major investment projects consolidated using the equity method, the key financial figures for the period ended on 31 December 2025 are presented below:

	KWE SP. Z O.O.	Solar Kazimierz Biskupi Sp. z o.o.	ONDE DEV 2 Sp. z. o.o
Balance Sheet highlights:	31 Dec. 2025	31 Dec. 2025	
ASSETS, of which:	6,497	16,539	706
Fixed assets	6,011	11,102	142
Current assets, of which:	486	5,437	564
Cash assets	262	425	518
LIABILITIES, of which:	6,497	16,539	706
Long-term liabilities of which:	8,651	15,116	757
Financial liabilities	8,651	15,116	757
Short-term liabilities of which:	34	825	26
Financial liabilities	-	-	12
Condensed Profit and Loss Account:			
Net profit for the accounting period	(262)	(1,093)	(18)
Other P&L items:			
Financial expenses	259	1,059	3

The accounting period of subsidiaries is the same as that of the parent company. These companies have no restrictions on the cash allocation to potential dividend payments and loan repayments.

The remaining companies reported a financial result with marginal importance.

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.

6. OTHER NOTES

Sale of shares in a jointly-controlled entity

On 16 May 2025, 50% shareholding in Solar Serby Sp. z o.o. was sold to a non-related entity. The deal price totalled approximately to PLN 48 million and was adjusted with the value of the net working capital and net debt of the Solar Serby Sp. z o.o. as of the date of the Share Sales Agreement. The net proceeds from the disposal of shares is presented in the profit and loss account and other comprehensive income in the line 'Profit/loss on the sale of shares in subsidiaries and jointly-controlled entities'.

Acquisition of shares in a controlled entity

On 2 June 2025, ONDE S.A. entered into an agreement to acquire a 100% shareholding in Windify Sp. z o.o., a company owned by a special purpose vehicle (SPV), from a third party. The SPV owns a wind power project with a planned installed capacity of 200 MW, located in the Lublin Province. The wind project is in an early phase of development.

The acquisition price of the shares was determined following an arm's length principle, totalled PLN 5 million and was settled in cash. Transaction costs were negligible. The Company's assets include land lease contracts defining the wind farm construction site and cash.

The revaluation of assets to fair value relates to the valuation of customer interactions included in intangible assets. Land and buildings were valued on the grounds of a valuation report prepared by an independent appraiser. However, during the analysis of the company's liabilities and risks, unknown risks at the time of the acquisition were identified. These were appropriately addressed in the fair value measurement of assets as at the acquisition date.

6.11. Transactions with related entities

Transactions with related entities

The following tables show the totals of transactions made by the Erbud S.A. Group with its member companies in the period ended on 31 December 2025 and in the period ended on 31 December 2024.

	2025	2024
	Subsidiaries not consolidated by full method	Subsidiaries not consolidated by full method
Trade receivables	1,334	279
Loans extended	17,315	29,753
Trade payables	904	24
Sales revenues	532	11,385
Interest income on loans extended	1,210	1,900

6. OTHER NOTES

Transactions with key members of management staff

The remuneration accrued for the members of the Management Board of the Parent Company and for the members of the Supervisory Board paid by the Group in the accounting year is presented in the table below:

	2025	2024
Management Board		
Short-term employee benefits (wages & salaries)	5,260	5,926
Supervisory Board		
Short-term employee benefits (wages & salaries)	1,140	1,083
Total	6,400	7,009

At individual balance sheet dates the managing persons (members of the Management and Supervisory Boards) held the following number of shares (all shares are ordinary shares):

As of the date of submission of these financial statements, the Management Board members and proxies do not hold any share-based benefits.

6.12. EMPLOYMENT STRUCTURE

	2025	2024
Blue-collar workers	1,319	1,450
White-collar workers	1,366	1,359
All personnel members	2,685	2,809

6.13. POST-ACCOUNTING PERIOD EVENTS

On 26 January 2026, Erbud S.A. received Annex No. 31 to the Loan Agreement dated 6 July 2010, which was signed by all parties and entered into with ING Bank Śląski S.A.

Under this Appendix, the Issuer, together with its subsidiaries (Onde S.A., Erbud Industry Centrum sp. z o.o.; Erbud International sp. z o.o.), may use a multi-purpose line of maximum PLN 175 million, split into an overdraft limit of PLN 64 million and a guarantee limit of PLN 175 million.

- the sub-limit for Erbud S.A. is PLN 175 million with an option of drawing a debt of maximum PLN 64 million;
- the sub-limit for Onde S.A. is PLN 50 million with an option of drawing a debt of maximum PLN 20 million;
- the sub-limit for Erbud Industry Centrum Sp. z o.o. is PLN 10 million with an option of drawing a debt of maximum PLN 4 million;
- the sub-limit for Erbud International Sp. z o.o. is PLN 15 million with an option of drawing a debt of maximum PLN 5 million).

The line's maturity date is 29 January 2027.

All other terms and conditions related to this multi-purpose line remain unchanged.

6. OTHER NOTES

Furthermore, on 30 January 2026, Erbud S.A. received addenda to significant financial agreements with mBank S.A., signed by all parties. - Appendix No. 29 to Framework Agreement No. 38/003/10/Z/GX and Appendix No. 18 to Umbrella Multi-product Framework Agreement No. 38/035/20/Z/UX with mBank S.A..

Under Appendix No. 29 to the Framework Agreement No. 38/003/10/Z/GX, ERBUD S.A. may take advantage of a guarantee line of PLN 85 million. The line's maturity date is 25 February 2027. The other conditions remained unchanged.

Pursuant to the Appendix No. 18 to the Multi-Product Umbrella Master Agreement No. 38/035/20/Z/UX, the Issuer, acting jointly with its subsidiary Onde SA, may take advantage of an overdraft limit, working capital loan and guarantee limit totalling PLN 112 million. The line's maturity date is 25 February 2027. The other conditions remained unchanged.

On 27 February 2026, Erbud Shared Services Sp. z o.o., a company belonging to the Erbud S.A. Group, sold a property located in Toruń at 40 Wapienna Street (land and buildings) for EUR 3,234,000, which had previously been used for its core business activities. On the same day and at the same time, the party acquiring the property entered into a 125-month lease agreement with Erbud S.A. for that property, which Erbud S.A. will then sublease to Erbud Shared Services Sp. z o.o. and other member companies of the Group.

Note 1.2 describes the impact of the conflict in the Middle East on the position of the Erbud S.A. Group.

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/

Tomasz Wojak
/A Management Board member/

Warsaw, 30 March 2026