

ERBUD CAPITAL GROUP

Director's Report on Financial Statements of ERBUD  
S.A. for three quarters of 2022

  
GROUP

ERBUD GROUP

Condensed Consolidated Financial Statement  
for the period closed on 30 September 2022

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

DIRECTOR'S REPORT

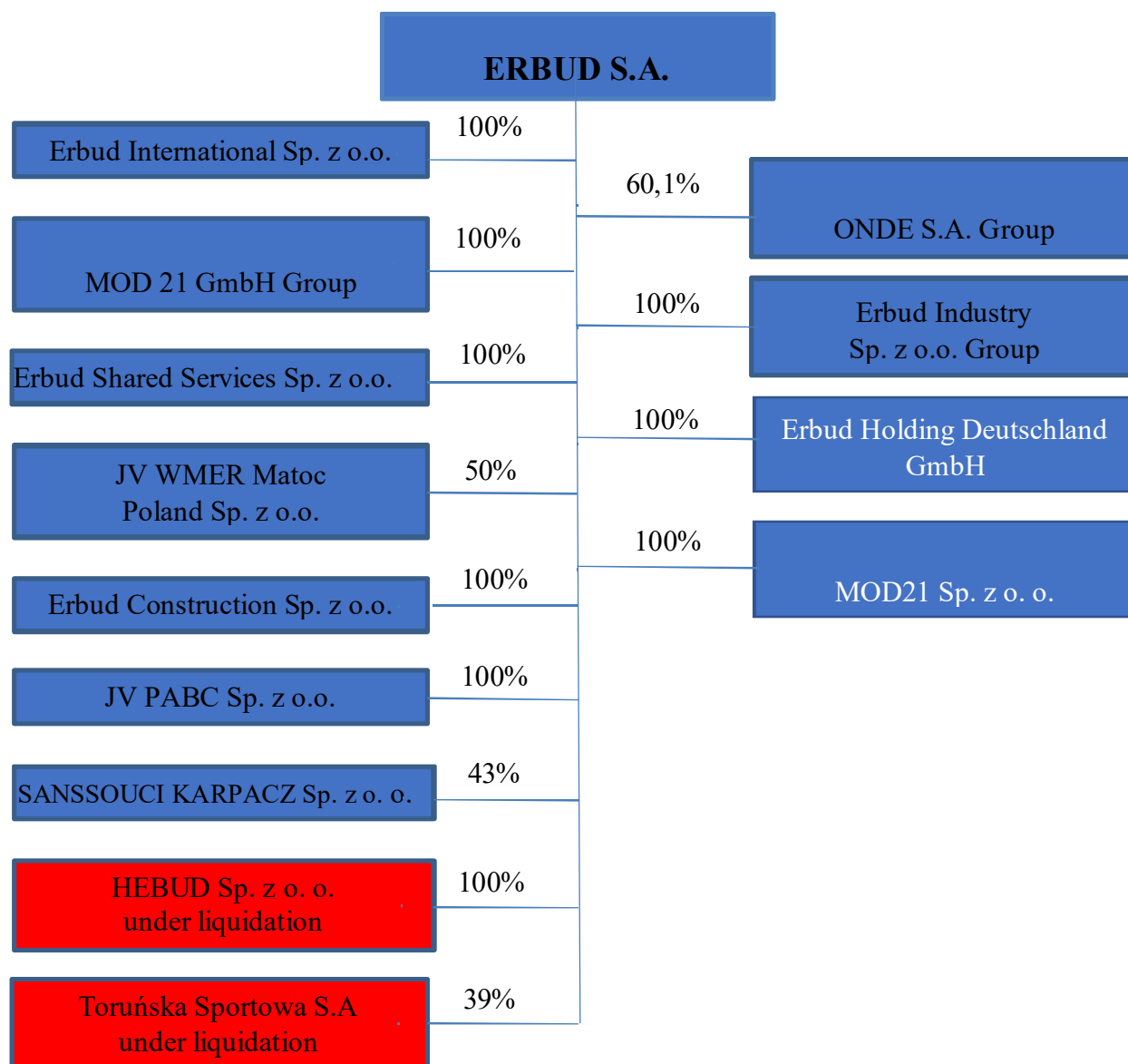
# 1. Description of organisational structure of ERBUD GROUP and changes in the Group structure

## 1.1 Parent Company

"Parent Company"; "Issuer", with its registered office in the City of Warsaw, at ul. F. Klimczaka 1. Tax ID (NIP) No. 879-017-22-53, REGON Statistical No.: 00572837300000; entered by the District Court for the Capital City of Warsaw in Warsaw, 13<sup>th</sup> Commercial Division of the National Court Register (KRS) under No. 0000268667.

## 1.2 Entities covered by consolidation

As of the date of publication of the Financial Statements drawn up as of 30 September 2022, i.e. as of 7 November 2022, the organisational structure of ERBUD GROUP was as follows:



Due to marginal significance, ERBUD Construction Sp. z o.o. and the associated entity Toruńska Sportowa S.A. in liquidation were excluded from the consolidated financial statements.

On 4 January 2022 the Düsseldorf Court registered the change of business name of GWI Bauunternehmung GmbH into MOD 21 GmbH. The renaming is a consequence of the strategy adopted in the ERBUD Group concerning the production and sale of modular buildings. On 19 February 2021, the Company's Supervisory Board adopted a resolution on the adoption of amendments to the Operational Strategy of the Company and the ERBUD S.A. Capital Group. ("Strategy") with respect to the expansion of the Group's business by adding a new segment - fabrication and sale of modular buildings.

The modules will be fabricated in Poland. The plant was established in the Pomeranian Special Economic Zone in the Łysomice Municipality. The first manufacturing line subassemblies arrived at the plant in June. Commissioning of the line and fabrication of the first test modules is expected to take place at the turn of October. Sales and assembly of the modular facilities mainly in the European market will be carried out through the Company's subsidiary MOD21 GmbH, based in Düsseldorf (the former GWI GmbH). Total expenditures in connection with the launch of the new business segment will amount approximately to PLN 100-120 million over the next 3 years, of which 90% will be incurred in 2022. The investment is financed using a hybrid method - partly from own funds, partly through a loan (purchase of the production room and its expansion) and lease arrangements (manufacturing line and accessories).

The sale of the first projects related to the modular housing segment will take place at the turn of Q1 2023.

In September 2022, ONDE S.A. established a Special Purpose Vehicle (SPV), ONDE Beteiligungs GmbH, in Germany, whose main task will be to carry out acquisitions of companies/operators in the RES segment in the local market. Supporting the overseas expansion will be the international experience of part of the ONDE team, as well as the ERBUD Group, which has been operating, *inter alia*, in the German market.

Other than those indicated above, there have been no changes in the structure of the ERBUD Group since the date of publication of the Condensed Consolidated Financial Statements for Q2 2022, i.e. 5 September 2022.

## **2. The position of the Management Board of Erbud S.A. on the implementation of forecasts published in the prospectus in the light of the performance presented in this Report.**

The Management Board of Erbud S.A. has not provided any forecast, nor estimates for 2022.

### 3. Shareholders of Parent Company

#### List of shareholders holding more than 5% stake in ERBUD S.A.'s shareholders' equity

As of the Date of the Financial Statements, i.e. 7 November 2022, there were no changes in the structure of shareholders holding more than 5% of shares in the Issuer's share capital compared to the publication date of the financial statements for H1 2021 - 5 September 2021.

Name of shareholder	As of 7 Nov. 2022		As of 5 Sept. 2022	
	Number of shares and votes at AGM	Share in equity and in the total number of votes at AGM	Number of shares and votes at AGM	Share in equity and in the total number of votes at AGM
Wolff & Müller Baubeteiligungen GmbH & Co. KG, including Wolff & Müller Holding GmbH & Co. KG*	3 854 837	31.87%	3 854 837	31.87%
DGI Closed-End Investment Fund of Non-public Assets controlled by Dariusz Grzeszczak	1 321 553	10.93%	1 321 553	10.93%
ING OFE	1 200 000	9.92%	1 200 000	9.92%
Aviva OFE Aviva BZ WBK	1 183 146	9.78%	1 183 146	9.78%
Dariusz Grzeszczak**	1 231 907	10.18%	1 231 907	10.18%
PKO OFE	715 279	5.91%	715 279	5.91%
ERBUD SA - own shares without voting rights at the General Meeting of Shareholders	166 666	1.38%	166 666	1.38%
Other shareholders	2 423 114	20.03%	2 423 114	20.03%
<b>Total:</b>	<b>12 096 502</b>	<b>100.00%</b>	<b>12 096 502</b>	<b>100.00%</b>

\*Mr Albert Dürr holds 85% shareholding in Wolff & Müller Holding GmbH & Co. KG, which holds 100% of the shares in Wolff & Müller Baubeteiligungen GmbH & Co. KG and directly 2.16% shareholding in Erbud S.A. (2.16% of the total number of votes). Wolff & Müller Baubeteiligungen GmbH & Co. KG holds directly 29.70% shareholding in Erbud S.A. (29.70% of the total number of votes). Additionally Mr Albert Dürr holds 85% shareholding of Dürr Holding GmbH, which holds 0.11% shareholding in Erbud S.A. (0.11% of the total number of votes). In total Mr Albert Dürr holds directly and indirectly 31.87% shareholding in Erbud S.A. (31.87% of the total number of votes).

\*\* Additionally Mr Dariusz Grzeszczak controls DGI Closed-End Investment Fund of Non-public Assets, which holds 10.93% of Erbud S.A. shareholding (10.93% of the total number of votes).

## TRANSACTIONS INVOLVING ERBUD SA SHARES DURING THE PERIOD FROM 5 SEPTEMBER 2022 TO 7 NOVEMBER 2022

1. On 28 September 2022, the Issuer's registered office received a notice from Mr. Roland Bosch, the Chairman of the Supervisory Board of ERBUD S.A. - about transactions executed involving the Issuer's shares. Mr. Bosch acquired 10,000 shares in ERBUD S.A., accounting for 0.08% of the shareholders' equity. Prior to the transaction, Mr. Bosch did not hold any shares in ERBUD S.A.
2. On 14 October 2022, the Issuer's registered office received a notice from Mr. Michael Otto, a member of the Supervisory Board of ERBUD S.A. - on transactions executed involving debt securities issued by the Issuer. Mr. Otto acquired 3,000 D-series bearer bonds. Prior to the transaction, Mr. Otto did not hold any bonds of ERBUD S.A.

### 4. Statement on Erbud S.A. shares or rights thereto (options) held by the persons managing and supervising Erbud S.A. as of the date of submission of the Report with a specification of ownership changes since the submission of the previous Interim Report, i.e. since 5 September 2022.

Related person	Type of relation	As of 7 November 2022		As of 5 September 2022	
		Number of shares and votes at AGM	Share in equity and in the total number of votes at AGM	Number of shares and votes at AGM	Share in equity and in the total number of votes at AGM
Dariusz Grzeszczak	President of the Management Board	2 553 460	21,11%	2 553 460	21,11%
Albert Dürr	President of the Management Board	26 354	0,22%	26 354	0,22%
Roland Bosch	A Supervisory Board member	10 000	0,08%	0	0
Agnieszka Głowacka	Vice-President of the Management Board	3 938	0,03%	3 938	0,03%
Jacek Leczkowski	Vice-President of the Management Board	5 112	0,04%	5 112	0,04%

The Management Board and the Supervisory Board Member do not hold any options for Erbud S.A. shares.

Mr. Dariusz Grzeszczak holds 0.5% shareholding in ONDE S.A. (a subsidiary of the Issuer).

Mr. Jacek Leczkowski holds 6.42% shareholding in ONDE SA (a subsidiary of the Issuer).

Ms. Agnieszka Głowacka holds 0.25% shareholding in ONDE S.A. (a subsidiary of the Issuer).

As of the Report Date, the Company did not have any information about contracts, which could result in future changes in the percentage structure of shares held by the persons related to the Issuer.

## **5. Information about lawsuits pending before a court, an authority competent for arbitration proceedings or a public administration body at the publication date of the financial statement.**

Material proceedings to which ERBUD S.A. is a party as of the Report Date, concerning payables or receivables of the Issuer or its subsidiary (including the case subject, the amount in dispute, the date of the proceeding initiation and the Issuer's perspective)).

Both in cases where the Issuer is the plaintiff (cases related to receivables) and in cases where the Issuer is the defendant (cases related to payables) the position of the Issuer and its legal advisors prove that the proceedings will be solved in favour of the Issuer.

Material proceedings to which ERBUD S.A. is a party as of the Report Date, concerning payables or receivables of the Issuer or its subsidiary (including the case subject, the amount in dispute, the date of the proceeding initiation and the Issuer's perspective).

### **5.1 Material proceedings to which the Issuer is the plaintiff**

#### **5.1.1.**

Defendant: Bank Millennium S.A. in Warsaw

Lawsuit filing date: 22 December 2010

Value of the dispute: PLN 71 065 496

In 2008 Bank Millennium S.A. advised ERBUD S.A. to conclude FX option transactions to hedge against FX risk under the contracts denominated in EUR executed by the Issuer. The Bank's proposal was driven by a need of the Issuer to obtain security adequate to its situation. According to the Company, the product was not optimally adjusted to the ERBUD S.A. needs. In Q4 2008, as a result of a drastic revaluation of Polish zloty (PLN) in the PLN/EUR pair, Bank Millennium S.A. informed the Issuer about a negative valuation of the exposure held at that time.

At the same time, a dispute arose over the content of FX option transactions, mainly with respect to the exclusion of option structures. During numerous discussions, the Issuer presented its position to the Bank, in which it demanded that the transaction be carried out with the undertaking of actions aimed at enforcing of existing claims. In order to limit the amount of potential loss, the disputed transactions were restructured and the Bank was informed about legal actions taken in the future to remedy the loss resulting from FX option transactions. The restructuring details were presented by the Issuer in RP 43/2008 on 21 November 2008 and in the 2008 Financial Statements. The Issuer never agreed with the position of Bank Millennium S.A. and therefore called upon the Bank twice demanding the Bank to pay the amount of PLN 71,065,496, which consists of the amounts collected by the Bank from the Issuer's bank account, foregone profits and costs of legal and financial advisors. In connection with the above, the Issuer decided to bring an action for payment of compensation for the loss.

On 16 September 2016 the Management Board of ERBUD S.A. was informed by its legal counsels about the decision taken by the District Court in Warsaw. Pursuant to the decision, the Court dismissed the Issuer's claim in its entirety.

On 4 November 2016, the Issuer filed an appeal against the decision. The decision was appealed against in its entirety, and the appeal allegations focus in particular on incorrect findings and conclusions of the Court of First Instance regarding the incorrect determination by the Court of First Instance of the content of the disputed transactions, as well as incorrect interpretation of documents, including documents confirming transactions. In addition, a reference was made to numerous rulings of the District Court and the Court of Appeal in Warsaw, issued in similar cases when the Courts issued rulings favourable to the customers of Bank Millennium under circumstances similar to those of the Issuer.

The above ruling does not have any influence on the financial position of the Issuer because the entire loss related to options was settled in the year of its occurrence, i.e. in 2008.

On 29 May 2018 the Court of Appeal in Warsaw announced the ruling in the case filed by ERBUD S.A. against Bank Millennium S.A., in which it upheld the appeal of the Company.

The Court of Appeal in Warsaw, in its decision of 29 May 2018, overruled the appealed decision of the District Court in Warsaw of 16 September 2016 and referred the case back to that court for re-examination together with the decision about the costs of the appeal proceedings.

On 13 July 2018 the Company was informed about a complaint filed by Bank Millennium S.A. with the Supreme Court against the ruling of the Court of Appeal in Warsaw of 29 May 2018 concerning the action brought by ERBUD S.A. against Bank Millennium S.A.

In its complaint Bank Millennium questions the advisability of repealing the ruling and referring the case back to the District Court in Warsaw for re-examination, indicating that the Court of Appeal should decide the case itself. On behalf of the Company its Legal advisors submitted a response to the complaint.

On 28 September 2018 the Supreme Court issued a decision about the case brought by the Issuer against Bank Millennium S.A., in which it accepted the complaint of Bank Millennium S.A. The Supreme Court in Warsaw, in its decision of 28 September 2018, overruled the decision of the Court of Appeal of 29 May 2018 and referred the case back to that court for re-examination together with the decision about the costs of the appeal proceedings.

On 3 June 2020 Court of Appeal in Warsaw decided:

To admit ex officio evidence from a court expert's opinion in the field of finance, economics and banking to the circumstances:

- clarification of the substance and mechanism of the contracts concluded by the parties on 9 and 11 July 2008 and 14 August 2008 as regards the contract between the parties;
- whether the above-mentioned contracts were adjusted to the claimant's market position;
- what function they performed, and in particular whether they performed a function securing the claimant's interests;
- whether the type of the switch (bilateral or unilateral) was important for the performance of the function securing the claimant's interests;
- assessment of risk of both parties to the above mentioned contracts, determination whether there was an identical probability of profit and loss on both sides and determination of possible disproportion of positions of both parties to this end;
- whether by concluding the above-mentioned contracts the claimant was exposed to the exchange rate risk, whether the defendant was exposed to the exchange rate risk and whether the degree of such risk was determined, in particular whether the risk was unlimited for any of the parties;
- whether the conclusion of the aforementioned contracts was of speculative nature;
- determine whether the information provided to the claimant prior to the conclusion of the aforementioned contracts was complete, reliable and comprehensible, whether the content of the information provided represented a sufficient basis for risk analysis and making a fully judged decision regarding the conclusion of the aforementioned contracts.

Have the court expert draw up a written opinion in three copies within two months.

On 24 November 2021, the Court of Appeal in Warsaw recognised the Company's appeal partially, awarding the amount of PLN 51,383,600 from the Bank to the Company, along with statutory interest accrued from 8 December 2010 to 31 December 2015 and statutory late payment interest from 1 January 2016 to the date of payment. The Company is liable for 29% of the litigation costs and the Bank for 71%. The judgment is legally binding.

Bank Millennium S.A. on 2 December 2021 filed a request to withhold payment to ERBUD S.A. of the total amount of PLN 102,733,906.25. The withholding will take place until the time limit for filing a cassation appeal has expired and, if filed, until the completion of the cassation proceedings.

The Court of Appeals of Warsaw, 7th Commercial and Intellectual Property Division, acceded to Bank Millennium's request and withheld payment of the adjudged amount as requested by the Bank Millennium. The court's decision is not appealable.

It does not stop the accrual of interest on the principal amount due, i.e. on the amount of: PLN 51,383,600.

The Court of Appeal has published a justification of the judgment.

### 5.1.2.

Defendant: DSH – Dopravni Stavby, a.s., Brno in the Czech Republic

Date of filing a lawsuit: 14 February 2013

Value of the dispute: PLN 26 923 644.16

Current dispute status: On 27 May 2014 ERBUD S.A. extended the claim by the amount of PLN 22,925,604.52 claiming additionally the reimbursement of costs of substitute performance. In a letter dated 27 April 2014 and delivered on 1 July 2014, the defendant filed a counterclaim for the amount of PLN 5,651,633. On 6 November 2015, a hearing was held. The parties have agreed to request the cancellation of the hearing in order to continue the settlement proceedings. The settlement talks were fruitless. All witnesses requested by the Parties were interviewed. Upon the unanimous request of the Parties, the Court set a 30-day time limit for the expert to specify the proof of evidence and to submit detailed questions to the opinion. On 17 August, CEMEX notified about its accession on ERBUD S.A. side as a secondary intervener. At the main hearing held on 12 December 2018, the court dismissed both oppositions. The court made a decision to have an expert draw up an opinion.

The Court served a court expert's opinion in favour of ERBUD S.A.. In the opinion, the expert indicated that the costs of substitute performance incurred by ERBUD S.A. are reasonable. According to the expert, DSH misperformed the contract and the method of repair used by DSH was incorrect. On 7 October 2021, the court announced a judgment under which: the Court awarded ERBUD S.A. the amount of PLN 26,923,644.16 (in words: twenty-six million nine hundred and twenty-three thousand six hundred and forty-four zlotys and sixteen groszys) from DSH - Dopravni stavby a.s. with its registered office in Brno (Czech Republic) , along with interest and legal costs.

The defendant filed an appeal against the judgment, which has not yet been delivered to ERBUD S.A..

The appeal hearing date is missing.

### 5.1.3.

Defendant: Platinum Resort Sp. z o.o.

Date of filing a lawsuit: 3 December 2018

Value of the dispute: PLN 16,301,236.97.

#### **Counterclaim**

Defendant: ERBUD S.A.

Value of the dispute: PLN 13.516.629,86

Date of filing a lawsuit: 27 April 2019.

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.



Pursuant to its Decision of 19 November 2018 the Court granted security by entering the compulsory mortgage into the land and mortgage registers of the aforementioned real estate, as well as by the attachment of bank accounts of Platinum Resort Sp. z o.o.

On 3 December 2018 the Issuer filed a lawsuit for payment of PLN 16,301,236.97 together with interest in the writ of payment proceedings for remuneration and other claims related to the execution of the aforementioned investment together with an additional request for securing claims.

Platinum Resort Sp. z o.o. filed a complaint against the decision on security. The Issuer's attorneys replied to the complaint. To date, the Szczecin Court of Appeal has not heard the complaint.

The Szczecin District Court found that there were no grounds for issuing a payment order and referred the case to be examined in ordinary proceedings. The claim was forwarded for servicing to the defendant. By virtue of decision of 22 February 2019 the District Court secured the claim of ERBUD S.A. for another amount of PLN 3.5 million by establishing a compulsory mortgage on the property.

The Court of Appeal validly dismissed the Defendant's complaint regarding the provision of security.

On 27 April the Defendant filed a response to the statement of claim together with the counterclaim in which he requests that ERBUD be awarded PLN 13,516,629.86, consisting of PLN 5,455,851.09 as an alleged contractual penalty calculated by the Defendant and PLN 8,060,778.77 as reimbursement of the allegedly overpaid remuneration collected by ERBUD for the performance of the construction contract.

ERBUD'S attorneys submitted a replica of the response to the statement of claim together with the response to the counterclaim, upholding the existing position and requesting that the counterclaim be dismissed in its entirety.

The court heard the oral evidence provided by the witnesses. Expert evidence concerning this case will be heard by the court.

On 11 June, the information about the writ of summons was received, no date for the hearing, no information about what exactly the writ of summons is supposed to be about, the file wanders between courts, there was no option to inspect it.

The Court took evidence from witnesses. The Court decided to admit expert evidence. The deadline for the submission of the opinion was 31 March 2022.

On 2 February 2022, an inspection of the disputed property took place for the purpose of preparing an expert opinion. The expert's opinion was delivered to the law firm in July 2022. The contents of the opinion are favourable to the Company. Possible comments on the contents of the opinion were submitted on 25th August this year, following an in-depth analysis of the opinion.

#### **5.1.4.**

Defendant: City of Warsaw - Capital City Development Authority.

Court: District Court in Warsaw, 26th Commercial Division

Date of lawsuit litigation: 2 August 2022

Value of the dispute: PLN 11,955,258.50

Litigation status: The Plaintiff (ERBUD S.A. jointly with STRABAG Sp. z o.o., STRABAG AG and ED ZUBLIN AG) seeks payment from the Defendant of the amount of PLN 11,955,258.50 with statutory interest and legal fees. The Plaintiff has based its claims on the Defendant's obligation to pay for construction work on the construction site of the Southern Hospital in Warsaw. The Defendant does not dispute the legitimacy of the payment of the aforementioned amount, and applies for its deposit in court. The Defendant's requests for permission to deposit the aforementioned amount in court were rejected by the court. The rulings are not final and the Defendant has appealed against the requests.

**The total value of other litigation in which ERBUD S.A. is the plaintiff amounts to PLN 28,767,329.54.**

## Changes in other litigation cases in which ERBUD S.A. is the plaintiff:

	Defendant	Branch	Amount in PLN	Result /Comments
1.	BEST Deweloper sp. z o.o.	Szczecin	+ 5.928.173,34	Remuneration for construction work

### 5.2 Material proceedings to which the Issuer acts as a defendant

#### 5.2.1.

Plaintiff: Mazowiecki Port Lotniczy Warszawa-Modlin Sp. z o.o. (Warsaw Modlin Airport) („MPL”)

Defendant: ERBUD S.A. in Warsaw

Date of servicing an action to ERBUD S.A.: 23 May 2014

Value of the dispute: PLN 34 381 374.64

On 12 May 2014, a statement of claim was delivered to Erbud in which the Warsaw Modlin Airport (MPL) requested payment of PLN 34,381,374.64 for damages along with statutory interest and litigation costs. The damages claimed by the Warsaw Modlin Airport (MPL) consists of losses and benefits incurred by the claimant and lost as a result of allegedly improper performance by Erbud of the Contract of 14 September 2010 for the construction of the Warsaw-Modlin Airport No. PLM/K/96/2010 and suspension of air traffic on a part of the airport runway.

On 11 October 2014 Erbud submitted a reply to the statement of claim in which Erbud requested that the Warsaw Modlin Airport's (MPL) claim be dismissed in its entirety and that the costs of the proceedings be reimbursed. At the same time, irrespective of the claim lodged by the claimant, the Company instituted a counterclaim against Warsaw Modlin Airport (MPL), requesting that the amount of PLN 19,892,366.30 with statutory interest be awarded to the Company. The counterclaim consists of costs incurred by ERBUD S.A. to repair the airfield surface at the Warsaw-Modlin airport. On 2 March 2015, MPL's pleading was served on Erbud, in which MPL maintained its claims and requested that Erbud's counterclaim be dismissed.

After the exchange of pleadings, the court proceeded to hear witnesses. The first hearing date took place on 28 October 2015. During the subsequent court sessions, a number of witnesses called by both parties were heard.

The court heard all witnesses called by the Parties.

A final hearing was held on 21 December 2018, at which the Court concluded the questioning of the Parties' representatives and decided to admit evidence:

1. an opinion from a building institute on:
  - a) determining the causes and effects of defects in the work carried out by Erbud;
  - b) establishing whether the concrete mix recipes were prepared correctly;
2. an opinion of an institute specializing in the of civil airports' operations and assessment of the technical condition of airport pavement for the purposes of:
  - a) determination whether the condition of the Modlin Airport airfield pavement on 22 December 2012 justified the banning of air traffic and whether, given the condition of the airfield surface at that time, it was possible to continue air traffic of Class C aeroplanes on all or part of that surface while maintenance and repair works were carried out at the same time;
  - b) determination whether, in the period from 6 June 2012 to 22 December 2012, maintenance works on the surface of the runway and taxiways were carried out properly;
3. an opinion of meteorological expert on the meteorological conditions affecting the performance of C-code aircraft flights actually occurring at Warsaw-Modlin airport between 22 December 2012 and 29 September 2013 with two options:
  - a) taking into account the ILS system at the Modlin airport existing at that time, and
  - b) taking into account the ILS Category 1 navigation system, which would have been certified at the time the concrete thresholds were taken out of service.

On 20 August 2019, the Court issued an order to entrust the Institute of Roads and Airports the performance of an construction opinion (reasons for defects in the surface and assessment of alternative repair options). Subsequently, the Court commissioned to the Institute the drawing up an opinion also on meteorological aspects. Eventually the Court extended the deadline for the opinion preparation until 20 May 2021 and at that date the opinion was submitted to the case file.

On 29 November 2021. Erbud submitted comments and objections to the opinion accompanied by a request to exclude the expert. On 7 February 2022 the court sent Erbud's findings and comments to the expert and invited him to provide a response. On 21 April 2022 the Court made an order awarding the expert the entire fee requested by the expert. On 7 June 2022 Erbud filed a complaint against the above-mentioned order. On 12 September 2022, the Court of Second Instance dismissed the complaint in its entirety.

At the moment, the Court of First Instance is proceeding with the motion to exclude the expert - on October 24, 2022, it sent an undertaking to MPL's attorney to respond to the motion to exclude, and to OAT Ltd. a request for information on the professional history of the chairman of the expert team at that company (which worked jointly with MPL).

### 5.2.2.

Plaintiff: Marshal Office of the Wielkopolskie Province in Poznań

Defendant: ERBUD S.A. in Warsaw

Date of servicing an action to ERBUD S.A.: 28 January 2022

Value of the dispute: PLN 21,553,732.

By a statement of claim of 20 December 2021, the Wielkopolskie Province with its registered office of the Marshal Office of the Wielkopolskie Province in Poznań requests that the Court authorise the replacement, at the expense of Erbud S.A., of the following systems in their entirety: 1) cold water supply system, 2) hot water supply system, 3) hydrant water, 4) process heat and 5) chilled water in the building, which is the registered office of the Marshal Office in Poznań, located at Al. Niepodległości 34 in Poznań under a quality warranty.

A response to the claim has been filed. The date of the first hearing has been set for October 2022.

In the opinion of Erbud S.A., there are no grounds to consider the claims of the Wielkopolskie Province in its entirety.

Anticipated date for completion of litigation before the Court of First Instance: 2025 r.

**Total value of other proceedings where ERBUD S.A. is the defendant: PLN 12,385,224.58**

### Changes in other court cases where ERBUD S.A. acts as a defendant:

	Plaintiff	Branch	Amount in PLN	Result /Comments
1.	Tomasz Cabaj	Szczecin	- 533.354 PLN	Case won
2.	Compensa SA	Warszawa	+ 32.900,00	Compensation for the destruction of a concrete mixer at the Żerań Harbour
3.	JDG INVEST sp. z o. o.	Kraków	- 115.359,2	Case won
4.	JW CONSTRUCT sp. z o. o	Kraków	- 90.370,76	Settlement worth PLN 20.000
5.	Unima 2000 ST SA.	Rzeszów	- 83.658,00	Case won
6.	EL PUK sp. z o.o.	Wrocław	- 83.181,00	Settlement worth PLN 65.000

### 6. Information on the entering by the Issuer and its subsidiaries into one or more transactions with related parties, if they are individually or jointly significant, and if they are not arm's-length transactions.

In the period from Q1 to Q3 2022 and until the date of publication, neither the Issuer nor its subsidiaries entered into any transactions other than those related to the regular operations of the aforementioned entities. All transactions are concluded following the arms' length principle.

### 7. Information on granting by the issuer or its subsidiary a surety of a credit or a loan, extending guarantees and information on guarantees received, extended on behalf of subcontractors during three quarters of 2021.

Contingent liabilities on account of guarantees and sureties granted include both sureties issued by member companies of the ERBUD Group and the guarantees extended by the banks and insurance companies to the contractors of the ERBUD Group to secure their claims against the Group under building contracts. However, the banks and insurance companies are entitled to a claim against the ERBUD Group in the event of the guarantee being performed by the customer.

### Sureties extended by ERBUD S.A. – as of the date of Financial Statements

Guarantor	Surety holder	Value ('000 PLN)	Subject	Beneficiary	Surety expiry date	Type of surety and financial terms
ERBUD S.A.	MOD 21 GmbH (former) GWI GmbH	14 902	Line for financial guarantees of EUR 3 060	PKO BP S.A. (German Branch)	31 Dec. 2031	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety

ERBUD S.A.	MOD 21 GmbH (former) GWI GmbH	4 870	insurance guarantee lines of EUR 1 million	Euler Hermes, Zürich, AXA, Bayerische Versicherungsverband, R+V ; Swiss RE	2022.12.31	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	MOD 21 GmbH (former) GWI GmbH	4 870	Overdraft facility of EUR 1 million	Deutsche Bank AG	31 May 2023	Guarantee extended by mBank S.A. on behalf of ERBUD S.A. The Guarantor charges the Company with fees charged by the Guarantor
ERBUD S.A.	ERBUD Industry Sp. z o.o.	17 000	Multi-purpose credit line	BNP Paribas Bank Polska S.A.	2023.02.24	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.;	IVT W&R GmbH	17 419	Non-renewable loan for the acquisition of shares in IVT Weiner+Reimann GmbH (EUR 3 577 thous.)	HSBC	2023.03.24	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	ONDE S.A.	6 720	Investment loan	ING Bank Śląski S.A.	2028.11.30	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	ONDE S.A.	73 047	Building Contract performance bond	Sun Power Energy Sp. z o.o.	2026.03.11	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	ONDE S.A.	20 000	Building Contract performance bond	ABO Wind Polska Sp. z o.o.	2027.05.19	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	ONDE S.A.	17 300	Investment Agreement performance bond	Eurowind Energy A/S	2028.06.28	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	ONDE S.A.	37 889	Building Contract performance bond	EW Rywałd Sp. z o.o.	2028.06.20	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	MOD 21 GmbH (former) GWI GmbH	44 315	Building Contract performance bond	Monheimer Einkaufszentrum GmbH	Until works acceptance	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety
ERBUD S.A.	MOD 21 Sp. z o.o.	15 000	Surety for a manufacturing line lease contract	BNP Paribas Bank Polska S.A.	20 May 2028	Surety on a promissory note, the Guarantor charges a fee for the surety accounting for 1% of the value
ERBUD S.A.	MOD 21 Sp. z o.o.	23 364	Surety for a manufacturing line lease contract	BNP Paribas Leasing Services Sp. z o.o..	2028.07.13	Surety on a promissory note, the Guarantor charges a fee for the surety accounting for 1% of the value
ERBUD S.A.	MOD 21 Sp. z o.o.	1 653	Surety for the Lease Contract	BNP Paribas Leasing Services Sp. z o.o..	2029.06.13	Surety on a promissory note, the Guarantor charges a fee for the surety accounting for 1% of the value
ERBUD S.A.	MOD 21 Sp. z o.o.	1 857	Surety for the Lease Contract	BNP Paribas Leasing Services Sp. z o.o..	2029.06.13	Surety on a promissory note, the Guarantor charges a fee for the surety accounting for 1% of the value
ERBUD S.A.	MOD 21 Sp. z o.o.	59	Surety for the Lease Contract	BNP Paribas Leasing Services Sp. z o.o..	2029.03.11	Surety on a promissory note, the Guarantor charges a fee for the surety accounting for 1% of the value
ERBUD S.A.	MOD 21 Sp. z o.o.	1 048	Surety for the Lease Contract	BNP Paribas Leasing Services Sp. z o.o..	2029.03.11	Surety on a promissory note, the Guarantor charges a fee for the surety accounting for 1% of the value
ERBUD S.A.	MOD 21 Sp. z o.o.	75	Surety for the Lease Contract	BNP Paribas Leasing Services Sp. z o.o..	2029.04.07	Surety on a promissory note, the Guarantor charges a fee for the surety accounting for 1% of the value

ERBUD S.A.	MOD 21 Sp. z o.o.	779	Surety for the Lease Contract	BNP Paribas Leasing Services Sp. z o.o..	2029.04.07	Surety on a promissory note, the Guarantor charges a fee for the surety accounting for 1% of the value
<b>Total:</b>		<b>302 166</b>				

### Contingent liabilities under lawsuits brought against ERBUD S.A.

Item	30 Sept. 2022 (value in PLN M)	30 Sept. 2021 (value in PLN)
Contingent liabilities under lawsuits brought against ERBUD S.A.	46,7	46,7

Based on legal opinions and knowledge of cases, the Management Board of ERBUD S.A. determines the probability of the Company winning cases related to contingent liabilities to be significant. In the category of contingent liabilities, the highest amount equals to PLN 34.4 million and concerns the dispute with MPL Modlin Sp. z o.o.

### Surety extended to the benefit of ERBUD S.A. – as of the date of Financial Statements

Guarantor	Surety holder	Value ('000 PLN)	Subject	For whom	Surety expiry date	Type of surety and financial terms
ONDE S.A. (ERBUD S.A.'s subsidiary; ERBUD International Sp. z o.o. (ERBUD S.A.'s subsidiary) – joint and several surety	ERBUD S.A.	50 000	Multi-purpose credit and guarantee line	PKO BP S.A.	30 Sept. 2030	Civil surety, the Guarantor charges a surety fee of 1% of the value of the surety

### Contingent liabilities under guarantees granted to third parties ('000 PLN)

Company	Liability payment guarantee	Performance bond	Retention bond	Total contingent liabilities
<b>ERBUD S.A.</b>				
30 Sept. 2022	128 588	221 825	260 330	610 743
31 Dec. 2021	87 568	238 980	260 306	586 854
30 Sept. 2021	95 840	229 800	263 339	588 979
<b>ONDE.S.A.</b>				
30 Sept. 2022	30 473	149 252	74 265	253 990
31 Dec. 2021	7 436	160 022	50 907	218 364

30 Sept. 2021	10 020	167 492	37 183	214 695
<b>MOD 21 GmbH (GWI GmbH)</b>				
30 Sept. 2022	11 558	22 735	38 859	73 152
31 Dec. 2021	6 234	19 639	41 138	67 011
30 Sept. 2021	5 029	20 540	45 896	71 465
<b>ERBUD International Sp. z o.o.</b>				
30 Sept. 2022	340	7 563	7 033	14 936
31 Dec. 2021	1 465	8 936	6 356	16 757
30 Sept. 2021 (following merger with Erbud Operations Sp. z o.o.)	2 683	12 646	4 496	19 825
<b>ERBUD Industry Sp. z o.o.</b>				
30 Sept. 2022	9 167	2 376	5 045	16 588
31 Dec. 2021	0	565	7 234	7 800
30 Sept. 2021	1 300	8 590	4 819	17 709
<b>ERBUD Industry Centrum Sp. z o.o.</b>				
30 Sept. 2022	4 821	15 596	3 379	23 796
31 Dec. 2021	1 698	7 811	3 074	12 583
30 Sept. 2021	740	9 352	2 529	12 621
<b>ERBUD Industry Poludnie Sp. z o.o.</b>				
30 Sept. 2022	541	5 982	1 902	8 425
31 Dec. 2021	450	5 629	1 384	7 463
30 Sept. 2021	199	3 773	2 176	6 148
<b>Satchwell Sp. z o.o.</b>				
30 Sept. 2022	0	0	659	659
31 Dec. 2021	0	0	726	726
30 Sept. 2021	726	726	726	726
<b>IVT Weiner+Reimann GmbH</b>				
30 Sept. 2022	2 537	73	921	3 531
31.03.2021	2 594	70	0	2 664
30 Sept. 2021	3 204	69	0	3 273
<b>IVT Menzenbach GmbH</b>				
30 Sept. 2022	784	0	0	784
31 Dec. 2021	741	0	0	741
30 Sept. 2021	746	0	0	746
<b>IKR GmbH</b>				
30 Sept. 2022	5 284	14 649	5 444	25 377
31 Dec. 2021	4 990	15 192	7 482	27 665

30 Sept. 2021	12 564	10 570	0	23 134
30 Sept. 2022	<b>Total</b>			<b>1 031 981</b>
31 Dec. 2021	<b>Total</b>			<b>949 179</b>
30 Sept. 2021	<b>Total</b>			<b>959 321</b>



## Contingent receivables under guarantees held ('000 PLN)

Item	As of 30 Sept. 2022 ('000 PLN)	As of 31 Dec. 2021 ('000 PLN)	As of 30 Sept. 2021 ('000 PLN)	Company
Performance bond, retention bond, payment guarantees	82 690	90 000	113 518	ERBUD S.A.
Performance retention bond	58 326	51 206	46 937	ONDE S.A.
Performance retention bond	2 622	25 139	25 143	ERBUD International Sp. z o.o.
Performance retention bond	35 080	40 019	40 314	MOD 21 GmbH (GWI GmbH)
Performance retention bond	25	25	38	ERBUD Industry Centrum Sp. z o.o.
Performance retention bond	12 320	15 023	16 304	ERBUD Industry Sp. z o.o.
Performance retention bond	225	396	324	ERBUD Industry Południe Sp. z o.o.
Performance retention bond	0	46	0	Satchwell Sp. z o.o.
Performance retention bond	47	0	46	IVT Weiner+Reimann GmbH
Performance retention bond	0	0	0	IVT Menzenbach GmbH
Performance retention bond	0	0	0	IKR GmbH
<b>Total:</b>	<b>191 336</b>	<b>221 854</b>	<b>242 624</b>	

## 8. Major events in Q1-Q3 2022 and significant events beyond 30 Sept. 2022.

Major events in Q3 2022 include the start of a review of strategic options in the ONDE Group. The review is aimed at selecting the most favourable method to finance the business of developing its own PV and wind farms. Turbulence in the energy market, which has been accompanying since February 2022, determines

ONDE's management to analyse the profitability of selling completed projects vs. selling electricity under the PPA formula. The possible building of an investment platform is also part of the review of strategic options.

## **9. Other information which, in the Issuer's opinion, is key to the assessment of its personnel, property, financial situation, financial result and their changes, as well as information which is key to the assessment of the Issuer's capacity to fulfil its obligations.**

### ***9.1 Specification of signed loan agreements and agreements concerning multi-purpose guarantee lines.***

As of the end of September 2022, the ERBUD Group's total debt related to loans, borrowings and financial leases totalled PLN 355,776 thousand, including PLN 215,895 thousand of short-term debt. As of 31 December 2021, interest debt totalled PLN 213,895 thousand including PLN 58,735 of short-term debt. The increase in short-term debt is mainly due to a large commitment to financing ONDE S.A.'s operations and the execution of RES investment projects on its own account. This is reflected in inventories, which totalled PLN 164,788 thousand at the end of September 2022 as opposed to PLN 67,446 thousand at the end of 2021.

The potential debt capabilities of the ERBUD Group under the signed agreements were as follows.

The potential debt capabilities of the ERBUD Group under the signed loan agreements and guarantee line agreements totalled **PLN 1 942 million**.

The Group's loans and borrowings from banks are secured with:

- contractual and capped mortgages on the Group's assets,
- assignments of rights under building contracts,
- clauses with entitlement to deduct receivables from bank accounts
- blank promissory notes,
- transfer of ownership title to cash deposits representing the contractual percentage of secured receivables,
- civil sureties granted within the Group.

**Loan agreements signed by ERBUD Group member companies - as of the date of financial statements for the first three quarters of 2022.**

Bank	Type of liability	Amount ('000 PLN)	Currency	Interest terms	Repayment date	Payment of instalments	Borrower
BNP Paribas Bank Polska S.A.	overdraft facility	11 000	PLN	WIBOR 3M +1.50%	30 Apr. 2023	on one-off basis	ERBUD S.A. 3 000; ONDE S.A. 5 000; ERBUD INTERNATIONAL 3 000;
mBank S.A.	overdraft facility	40 000	PLN	WIBOR 1M +1.60%	13 Apr. 2023	on one-off basis	ERBUD S.A. – 15 000; ONDE S.A. – 30 000
mBank S.A.	working capital facility	72 000	PLN	WIBOR 1M + 1.60%	13 Apr. 2023	on one-off basis	ONDE S.A.
PKO Bank Polski S.A.	overdraft facility	20 000	PLN	WIBOR 3M 2.28%	30 Jun. 2023	on one-off basis	ERBUD S.A.
Alior Bank S.A.	overdraft facility	10 000	PLN	WIBOR 3M+1.6%	30 Sept. 2023	on one-off basis	ERBUD S.A.
ING Bank Śląski S.A.	overdraft facility	64 000	PLN	WIBOR 1M+1.65%	31 Jan. 2024	on one-off basis	ERBUD S.A – 50.000.; ONDE S.A – 20 000.; ERBUD Industry Centrum – 4 000; Erbud International 5 000;
Santander Bank Polska S.A.	overdraft facility	5 000	PLN	WIBOR 1M+2.0%	7 Jul. 2023	on one-off basis	ERBUD S.A.
BNP Paribas Bank Polska S.A.	Non-revolving loan for real estate purchase	28 704	PLN	WIBOR 3M +1.35%	27 Apr. 2028	hire purchase	ERBUD S.A.
BNP Paribas Bank Polska S.A.	overdraft facility	7 000	PLN	WIBOR 1M +1.50%	30 Apr. 2023	on one-off basis	ERBUD Industry sp. z o.o.
BNP Paribas Bank Polska S.A.	project finance	15 000	PLN	WIBOR 1M +1.50%	30 Apr. 2023	on one-off basis	ERBUD Industry Sp. z o.o. (max. PLN 10 M) Erbud Industry Południe Sp. z o.o. (max. PLN 10 M)
Credit Agricole Bank Polska S.A.	working capital facility	7 000	PLN	WIBOR 1M+1.40%	30 Sept. 2023	on one-off basis	ERBUD Industry Sp. z o.o.
Credit Agricole Bank Polska S.A.	working capital facility	4 000	PLN	WIBOR 1M+1.40%	30 Sept. 2023	on one-off basis	ERBUD Industry Centrum Sp. z o.o.
Credit Agricole Bank Polska S.A.	working capital facility	7 000	PLN	WIBOR 1M+1.40%	30 Sept. 2023	on one-off basis	ERBUD Industry Centrum Sp. z o.o.
Credit Agricole Bank Polska S.A.	Investment loan for the acquisition of a shareholding in Satchwell Sp. z o.o.	3 341	PLN	WIBOR 3M+1.55%	29 May 2026	Quarterly instalments	ERBUD Industry Centrum Sp. z o.o.
Credit Agricole Bank Polska S.A.	working capital facility	7 000	PLN	WIBOR O/N+1.40%	30 Sept. 2023	on one-off basis	ERBUD Industry Południe Sp. z o.o.
Credit Agricole Bank Polska S.A.	working capital facility	1 000	PLN	WIBOR 1M+1.40%	30 Sept. 2023	on one-off basis	Satchwell Sp. z o.o.
mBank S.A.	overdraft facility	3 000	PLN	WIBOR 1M +1.5%	29 Jul. 2023	on one-off basis	ERBUD International sp. z o.o.
ING Bank Śląski S.A.	investment loan	2 506	PLN	WIBOR 1M + 2.15%	30 Nov. 2025	hire purchase	ONDE S.A.
Santander Bank Polska S.A.	overdraft facility	20 000	PLN	WIBOR 1M + 2.0%	7 Jul. 2023	on one-off basis	ONDE S.A.
BNP Paribas Bank Polska S.A.	non-revolving loan for property	15 000	PLN	WIBOR 3M + 1.35	20 May 2028	hire purchase	MOD21 Sp. z o.o

	renovation and expansion						
CommerzBank AG	overdraft facility	2 000	EUR	EURIBOR 3M+ 0.25%	31 May 2023	on one-off basis	MOD21 GmbH (former GWI GmbH)
Deutsche Bank AG	overdraft facility	1 000	EUR	2.25%	30 May 2023	on one-off basis	MOD21 GmbH (former GWI GmbH)
HSBC France (SA), a branch office in Poland	non-revolving loan	700	EUR	EURIBOR 3M+ 2.2%	24 Feb. 2023	hire purchase	IVT Weiner+Reimann GmbH
Commerzbank	overdraft facility	1 500	EUR	EURIBOR + 1.5%-2.0%	Indefinite	on one-off basis	IVT Weiner+Reimann GmbH
National Bank AG	overdraft facility	1 000	EUR	EURIBOR + 1.5%-2.5%	Indefinite	on one-off basis	IVT Weiner+Reimann GmbH, Erbud Holding DE, IKR
Santander Bank AG	overdraft facility	2 000	EUR	EURIBOR + 1.5%-2.5%	Indefinite	on one-off basis	IVT Weiner+Reimann GmbH, Erbud Holding DE; IKR
Ford Bank AG	car loan	9	EUR	0.00%-3.92%	31 Jul. 2023	hire purchase	IVT Weiner+Reimann GmbH
Santander Bank AG	car loan	468	EUR	0.00%-3.92%	31 Jul. 2023	hire purchase	IVT Weiner+Reimann GmbH
KIA Finance	car loan	50	EUR	0.00%-3.92%	30 Jun. 2026	hire purchase	IVT Weiner+Reimann GmbH
Ford Bank AG	car loan	66	EUR	0.00%-5.99%	30 Sept. 2024	hire purchase	IKR
Santander Bank AG	car loan	77	EUR	0.00%-3.19%	1 Oct. 2024	hire purchase	IKR
	Total:	342 551	PLN				
	Total:	8 869	EUR				

Moreover, the GROUP is capable of obtaining contract guarantees from the above-mentioned banks and insurance companies.

The total value of available guarantee lines is:

## Bank guarantee limits made available to the Group - as of the date of Financial Statements.

Guarantor	Type of liability	Limit amount '000	Currency	Obligor
Alior Bank S.A.	Bid bonds, performance bonds, retention bonds, advance payment, re-guarantee	80 000	PLN	ERBUD S.A.
Alior Bank S.A.	Bid bonds, performance bonds, retention bonds, advance payment, re-guarantee	2 000	EUR	ERBUD S.A.
BNP Paribas Bank Polska S.A.	Bid bonds, performance bonds, retention bonds, advance payment, re-guarantee	123 000	PLN	ERBUD S.A.(120 000); ONDE S.A. (120 000); ERUBD INTERNATIONAL (3 000)
mBank S.A.	Bid bonds, performance bonds, retention bonds	85 000	PLN	ERBUD S.A.
mBank S.A.	Bid bonds, performance bonds, retention bonds	40 000	PLN	ERBUD S.A. - 10 000 ONDE S.A. – 30 000
PKO Bank Polski S.A.	Bid bonds, performance bonds, retention bonds	50 000	PLN	ERBUD S.A.
Santander Bank Polska S.A.	Bid bonds, performance bonds, retention bonds	100 800	PLN	ERBUD S.A – 60 800.; ONDE S.A. – 40 000
HSBC Bank Polska S.A.	Bid bonds, performance bonds, retention bonds	100 000 (50 million for green guarantees)	PLN	ERBUD S.A. ; ONDE S.A.
Credit Agricole Bank Polska S.A.	Bid bonds, performance bonds, retention bonds	60 000	PLN	ERBUD S.A. (60 000), ERBUD Industry Centrum Sp. z o.o. (17 000), ERBUD Industry Sp. z o.o. (10 000), ERBUD Industry Południe (12 000)
Satchwell Sp. z o.o.	Bid bonds, performance bonds, retention bonds	1 000	PLN	Satchwell sp. z o.o.
ING Bank Śląski S.A.	Bid bonds, performance bonds, retention bonds	175 000	PLN	ERBUD S.A. (175 000), ONDE S.A. (30 000) i ERBUD Industry Centrum Sp. z o.o. (6 000), Erbud International (10 000)
Santander Bank Polska S.A.	Letter of credit	14 000	EUR	ONDE S.A.
BNP Paribas Bank Polska S.A.	Letter of credit	70 000	PLN	ERBUD S.A, ONDE S.A.
mBank S.A.	Bid bonds, performance bonds, retention bonds	3 000	PLN	ERBUD International Sp. z o.o.
BNP Paribas Bank Polska S.A.	Bid bonds, performance bonds, retention bonds	2 500	PLN	Erbud Industry
PKO Bank Polski S.A.	Bid bonds, performance bonds, retention bonds	2 550	EUR	MOD 21 GmbH (former GWI GmbH)

Santander Bank DE AG	Bid bonds, performance bonds, retention bonds	8 000	EUR	IVT Weiner+Reimann GmbH, Erbud Holding DE, IKR
Commerz Bank S.A.	Bid bonds, performance bonds, retention bonds	1 500	EUR	IVT Weiner+Reimann GmbH, Erbud Holding DE, IKR
National Bank AG	Bid bonds, performance bonds, retention bonds	2 000	EUR	IVT Weiner+Reimann GmbH, Erbud Holding DE, IKR
<b>Total:</b>		<b>890 300</b>	<b>PLN</b>	
<b>Total:</b>		<b>30 050</b>	<b>EUR</b>	

### Insurance guarantee limits made available to the Group - as of the date of Financial Statements

Guarantor	Type of liability	Limit amount ('000 PLN)	Currency	Guarantor
STU Ergo Hestia S.A.	Bid bonds, performance bonds, retention bonds, advance payment	265 000	PLN	ERBUD S.A. ONDE S.A. ERBUD Industry Sp. z o.o. – 20.000
PZU S.A.	Bid bonds, performance bonds, retention bonds, advance payment	10 352	PLN	ERBUD S.A.
Allianz Polska S.A.	Bid bonds, performance bonds, retention bonds, advance payment	1 989	PLN	ERBUD S.A.
KUKE S.A.	Bid bonds, performance bonds, retention bonds, advance payment	70 000	PLN	ERBUD S.A.
Generali TU S.A.	Bid bonds, performance bonds, retention bonds, advance payment	36 500	PLN	ERBUD S.A.
CREDENDO	Bid bonds, performance bonds, retention bonds, advance payment	20 000	PLN	ERBUD S.A.; ONDE S.A.
Uniq TU	Bid bonds, performance bonds, retention bonds, advance payment	10 000	PLN	ERBUD S.A.
Euler Hermes AG.	Bid bonds, performance bonds, retention bonds	7 500	EUR	MOD 21 GmbH (former GWI GmbH), ERBUD S.A. and ERBUD International Sp. z o.o
ZURICH	Bid bonds, performance bonds, retention bonds	3 500	EUR	MOD 21 GmbH (former GWI GmbH)
R+V	Bid bonds, performance bonds, retention bonds	7 000	EUR	MOD 21 GmbH (former GWI GmbH)
AXA	Bid bonds, performance bonds, retention bonds	1 500	EUR	MOD 21 GmbH (former GWI GmbH)
Bayerischer Versicherungsverband	Bid bonds, performance bonds, retention bonds	1 500	EUR	MOD 21 GmbH (former GWI GmbH)
Swiss RE	Bid bonds, performance bonds, retention bonds	2 000	EUR	MOD 21 GmbH (former GWI GmbH)
Credendo	Bid bonds, performance bonds, retention bonds	2 500	EUR	MOD 21 GmbH (former GWI GmbH)
VHV Versicherungen	Bid bonds, performance bonds, retention bonds	500	EUR	MOD 21 GmbH (former GWI GmbH)
Wuerttembergische Versicherung	Bid bonds, performance bonds, retention bonds	750	EUR	MOD 21 GmbH (former GWI GmbH)
Genrali S.A.	Bid bonds, performance bonds, retention bonds	20 000	PLN	ONDE S.A.

InterRisk	Bid bonds, performance bonds, retention bonds	7 000	PLN	ONDE S.A
TU Europa S.A.	Bid bonds, performance bonds, retention bonds, advance payment	6 000	PLN	ONDE S.A
KUKE S.A.	Bid bonds, performance bonds, retention bonds, advance payment	30 000	PLN	ONDE S.A
Uniqa TU	Bid bonds, performance bonds, retention bonds, advance payment	30 000	PLN	ONDE S.A
TUiR Allianz Polska S.A.	Bid bonds, performance bonds, retention bonds, advance payment	15 000	PLN	ONDE S.A.
TU Europa S.A.	Bid bonds, performance bonds, retention bonds	850	PLN	Satchwell Sp. z o.o
InterRisk	Bid bonds, performance bonds, retention bonds	25	PLN	Satchwell Sp. z o.o
STU Ergo Hestia S.A.	Bid bonds, performance bonds, retention bonds	7 000	PLN	ERBUD Industry Centrum Sp. z o.o
WARTA S.A.	Bid bonds, performance bonds, retention bonds	222	PLN	ERBUD Industry Centrum Sp. z o.o
KUKE S.A.	Bid bonds, performance bonds, retention bonds	3 633	PLN	ERBUD Industry Centrum Sp. z o.o
STU Ergo Hestia S.A.	Bid bonds, performance bonds, retention bonds	500	PLN	ERBUD Industry Południe Sp. z o.o
STU Ergo Hestia S.A.	Bid bonds, performance bonds, retention bonds	8 000	PLN	ERBUD International Sp. z o.o.
TU Gothaer.	Bid bonds, performance bonds, retention bonds	644	PLN	ERBUD International Sp. z o.o.
KUKE S.A.	Bid bonds, performance bonds, retention bonds, advance payment	5 873	PLN	ERBUD International Sp. z o.o.
Generali TU S.A.	Bid bonds, performance bonds, retention bonds	2 457	PLN	ERBUD International Sp. z o.o.
R+V	Bid bonds, performance bonds, retention bonds	3 000	EUR	IVT Weiner+Reimann GmbH
Total:		551 045	PLN	
Total:		29 750	EUR	

## 9.2 Material financial contracts

During the first three quarters of 2022 and until the date of this report, the following loan agreements and annexes to the existing agreements were signed:

- **On 1 February 2022** Annex No. 25 was signed by ING Bank Śląski S.A. to the Loan Agreement of 6 July 2010. Pursuant to this Annex, the Issuer and its subsidiaries: ONDE S.A. and Erbud Industry Centrum Sp. z o.o. extend an option of using a multi-purpose line (overdraft facility and bank guarantee line) for the total amount of PLN 160 million. In relation to the terms and conditions in force prior to the signing of Annex No. 25, the sub-limit for current account overdraft facility for ONDE S.A. was increased from PLN 5 million to PLN 20 million and a new product was made available to ONDE S.A. (Letter of Credit) with the sub-limit amount of PLN 30 million under the joint multi-option line. The Issuer and its subsidiaries may use the lines within the sublimits specified for each and every entity: limit for Erbud S.A. amounts to PLN 160 million, including an option of drawing max. debt of PLN 50 million; - a sublimit for ONDE S.A. amounts to PLN 50 million with an option of drawing max. debt max. of PLN 20 million; - a sublimit for Erbud Industry Centrum Sp. z o.o. amounts to PLN 10 million with an option of drawing max. debt of PLN 4 million. The line's maturity date is 31 January 2023.
- **On 9 February 2022** Annex No. 17 to the Framework Agreement No. 38/003/10/Z/GX of 2 February 2010 with mBank S.A. was signed. Pursuant to this Annex, the Issuer may use the guarantee line in the amount of PLN 85 million. The line's maturity date is 3 February 2023.
- **On 18 February 2022** Annex No. 9 to MultiLine Agreement No. K01393/15 dated 20 November 2015, as amended. Under this Annex, the Issuer and the ONDE S.A. may use a multi-purpose line (overdraft and bank guarantee line) up to PLN 165,800,000.00 (one hundred and sixty-five million,

eight hundred thousand PLN), provided that the ONDE S.A. may use services under the MultiLine up to PLN 105,000,000.00 (one hundred and five million PLN). A new product has been made available to ONDE S.A. in relation to the terms and conditions in force prior to the signing of this annex – A letter of Credit - in the sub-limit amount of EUR 14 million under the joint multi-option line. The line's maturity date is 7 July 2022.

- **On 20 April 2022** Annex No. 6 to the Multi-Product Agreement with mBank with its registered office in Warsaw was signed. Under the signed annex, ERBUD S.A. and ONDE S.A. may use the Limit up to a total of PLN 112 million until 13 April 2023.
- **On 1 July 2022**, Annex No. 21 to the loan agreement dated 30 June 2009 was signed with PKO BP S.A. Under this Annex, ERBUD S.A. may use a multi-purpose line in the total amount of PLN 70 million (overdraft facility and a bank guarantee line), including an option to draw debt up to PLN 20 million. The maturity date of the line is 30 June 2023. As opposed to the previous year, the value of the multi-purpose line was raised by PLN 20 million only for guarantee products.
- **On 8 July 2022** Annex No. 10 to the MultiLine Agreement No. K01393/15 dated 20 November 2015, as amended, was signed with Santander Bank Polska S.A.. Pursuant to this Annex, ERBUD S.A. and ONDE S.A. may draw tranches from the MultiLine (overdraft facility and a line for bank guarantees and letters of credit) for the maximum amount of PLN 165,800,000.00 (one hundred sixty-five million eight hundred thousand PLN), under the proviso that ERBUD S.A. may use the services under the MultiLine up to the amount of PLN 60,800,000.00 (sixty million eight hundred thousand PLN). The maturity date of the line is 7 July 2023. Other terms and conditions remain constant.
- **On 26 July 2022** Annex No. 24 to the Multi-Purpose Credit Line Agreement No. WAR/4120/05/221/RB1 dated 7 July 2005 was signed with BNP Paribas Bank Polska S.A.. The annex increases financing under the existing Agreement by PLN 61 million as a result of granting an additional amount of PLN 45 million to Erbud S.A. and ONDE S.A., as well as the incorporation of an additional Group Company, Erbud International Sp. z o.o., in the Agreement with the Bank starting this year, and thus making a limit of PLN 16 million available to it. This annex increases the total amount of the limit to PLN 181 million compared to the previous year. The maturity date of the line is 30 April 2023.
- **On 29 September 2022** Annex No. 13 to the Credit Line Agreement No. KKW/NS/15/2015 dated 18 September 2015 was signed with Credit Agricole Bank Polska S.A. Pursuant to the Annex No. 13, ERBUD S.A. and its subsidiaries, i.e.: (Erbud Industry Sp. z o.o.; Erbud Industry Centrum Sp. z o.o.; Erbud Industry Południe Sp. z o.o.) may use a multi-purpose line up to a total of PLN 60 million, and the Issuer's subsidiaries have the ability to incur debt up to the amount of i.e. (Erbud Industry Sp. z o.o. - PLN 7 million; Erbud Industry Centrum Sp. z o.o. - PLN 7 million; Erbud Industry Południe Sp. z o.o. - PLN 7 million). The maximum total value of the loan may not exceed PLN 21 million, while the maximum amount of the limit for bank guarantees may not exceed PLN 60 million. The Issuer may use up to the full amount of the limit, i.e. PLN 60 million, while subsidiaries may place orders for guarantees up to the maximum amounts, i.e.: (Erbud Industry Sp. z o.o. - PLN 10 million; Erbud Industry Centrum Sp. z o.o. - PLN 20 million; Erbud Industry Południe Sp. z o.o. - PLN 12 million). The aforementioned bank products have been made available to the Issuer and Subsidiaries until 29 September 2023.

**On 27 October 2022** Annex No. 26 to the Loan Agreement signed with ING Bank Śląski S.A. The Annex increases the financing under the existing Agreement by PLN 15 million due to the inclusion of an additional Group Company - Erbud International Sp. z o.o. - in the Agreement with the Bank starting this year.

The Bank will provide the borrowers with a revolving limit of PLN 175 million, divided into a sub-limit for an overdraft facility of up to PLN 64 million and a sub-limit for a guarantee loan of up to PLN 175 million.

The sub-limit for Erbud S.A. is PLN 175 million, including an option of drawing maximum debt of PLN 64 million;



The sub-limit for ONDE S.A. is PLN 50 million with an option of drawing maximum debt of PLN 20 million;

The sub-limit for Erbud Industry Centrum Sp. z o.o. is PLN 10 million, with an option of drawing maximum debt of PLN 4 million.

The sub-limit for Erbud International Sp. z o.o. totals PLN 15 million with an option of drawing maximum debt of PLN 5 million.

The maturity date of the line is 31 January 2024. Other terms and conditions follow the arm's length principle.

- **On 31 October 2022** with Alior Bank an annex was signed to Loan Agreement No. U0002139462604 Receivables Limit dated 27 September 2012 and Annex No. 7 to Agreement U0002931236940 Limit for Guarantee Products dated 20 August 2015 was signed with Alior Bank S.A. Under the Annexes, the Issuer may use an overdraft facility in the maximum amount of PLN 10 million and guarantee products in the maximum amount of PLN 80 million and EUR 2 million. The above-mentioned banking products have been made available to the Issuer until 30 September 2023.

### **9.3 Material information about subsidiaries.**

#### **9.3.1. Background information.**

Before the date of Financial Statements for the Q3 2022, no events of a special nature related to subsidiaries occurred, except for those referred to in Section 1.2. of this Report.

#### **9.3.2 Information about entering into transactions with related entities in the Issuer's Group.**

Prior to 30 September 2021 and prior to the Report publication date, the Issuer and its subsidiaries had not entered into any transactions with related parties under terms and conditions other than following the arm's length principle.

#### ***9.4 Other material information, which in the Issuer's opinion have an impact on the future performance of the Group.***

An analysis of the economic environment and macroeconomic indicators as well as forecasts for the economies in Poland and in the EUR zone reveals a completely new reality than on the onset of 2022. The possible impact of the COVID 19 pandemic on the ERBUD Group's operations can now be definitely forgotten. Although the personnel may still get sick from time to time, such cases do not have any impact on the Group's operations and performance.

There are definitely other problems on the horizon that affect the Group much more strongly than the aforementioned pandemic. At present, the greatest impact on current and future operations is the significant decline of the number of private and public investment projects and a significant fall of activity in the housing sector. A second concern is the on-going confusion and uncertainty in the energy sector: the blocking of the slackening of the "10H" Act; the lack of clear energy price guidelines, high interest rates. These factors have negative impact on the large revenue and income business leg, which is ERBUD Group's subsidiary ONDE S.A. Thanks to segmental and geographic diversification, the impact of negative events are offset to a certain extent, however, a smaller order portfolio compared to the previous year is the evidence of the negative impact of the drivers discussed above.

A positive stimulus for the Group's future operations is the planned execution of investments in a new segment - the fabrication and sale of timber modular buildings. The new segment will start generating revenue in 2023. An analysis of the German market in terms of market absorption for this type of buildings indicates strong demand for MOD 21 products.

The Management Board has continuously been analysing the economic forecasts concerning the Group's strategy. At the moment, the key issues include: minimisation of the risks associated with further raw material and building material price hikes, to take proper care of cash flows and to be flexible while modifying the operational strategy.

## 9.5 Statutory governing bodies

### 9.5.1. Management Board

On 27 June 2022, ERBUD S.A. received a resignation from Mr Radosław Górski from his position as a Member of the Management Board of ERBUD S.A., with immediate effect, therefore, as of 28 June 2022, the composition of ERBUD S.A. Management Board was as follows:

Dariusz Grzeszczak - President of the Management Board  
Agnieszka Głowacka - Vice-President of the Management Board  
Jacek Leczkowski - Vice-President of the Management Board

### 9.5.2. Supervisory Board

The Supervisory Board of ERBUD S.A. consists of seven (7) persons:

Roland Bosch – Chairman;  
Gabriel Głowka – Deputy Chairman;  
Beata Jarosz – a member of the Supervisory Board;  
Albert Duerr – a member of the Supervisory Board;  
Michał Otto – a member of the Supervisory Board acting simultaneously as the Chairman of the Audit Committee of the Supervisory Board;  
Janusz Reiter – a member of the Supervisory Board;  
Michał Wosik – a member of the Supervisory Board .

The Audit Committee and Remuneration Committee are two active committees reporting to the Supervisory Board.

### Signatures of the Management Board members

Dariusz Grzeszczak <i>President of the Management Board</i>	Jacek Leczkowski <i>Vice-President of the Management Board</i>	Agnieszka Głowacka <i>Vice-President of the Management Board</i>
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**Warsaw, 7 November 2022**