

ERBUD S.A.

Interim Condensed Separate Financial Statement

for a 6-month period closed on 30 June 2025

Drawn up in compliance with the International Accounting Standard No. 34 “Interim Financial Reporting”



INTERIM, CONDENSED SEPARATE STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME

	For a 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024	For a 3-month period, ended on 30 Jun. 2025	For a 3-month period, ended on 30 Jun. 2024
	Unaudited data	Unaudited data	Data not covered by audit	Data not covered by audit
CONTINUING OPERATIONS				
Note 4.2.-4.3. Revenues from sales of products and services	749,391	656,770	371,736	325,133
Notes 4.2.-4.3. Cost of products and services sold	692,448	606,059	333,398	298,103
Gross sales profit/(loss)	56,943	50,711	38,338	27,030
Note 4.3. Cost of sales	5,599	5,068	2,963	2,742
Note 4.3. General and administrative (G&A) costs	47,911	38,282	26,958	20,622
Other operating income	3,367	2,011	-	1,369
Other operating expenses	313	2,153	3,587	850
Note 4.2. Loss reversal/(impairment) of financial assets and customer contract valuation assets	500	(2,713)	500	(2,713)
Note 4.2. Operating profit	6,987	4,506	5,330	1,472
Financial income	42,597	22,208	39,745	19,162
Financial expenses	9,305	7,458	3,742	1,187
Note 4.2. Gross profit/loss	40,279	19,256	41,333	19,447
Note 4.4. Corporate income tax	2,164	1,221	2,385	1,111
Net profit /(loss) in the accounting period	38,115	18,035	38,948	18,336
Comprehensive income	38,115	18,035	38,948	18,336
Basic and diluted earnings per share (in PLN)	3.19	1.51	3.26	1.54

INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

		30 Jun. 2025	31 Dec. 2024
		Unaudited data	Audited data
ASSETS		1,089,935	1,035,523
	Investment properties	24,961	26,772
Note 6.1.	Intangible assets	3,192	2,366
Note 6.1.	Tangible fixed assets	34,923	37,413
Note 5.1.	Financial assets	169,363	152,531
Note 6.9.	Investments into subsidiaries and jointly owned entities	187,847	174,661
Note 4.4.	Deferred tax assets	48,510	47,002
Note 2.1.	Receivables under building contracts - bid bonds	3,433	2,658
	Fixed assets	472,229	443,403
	Inventory	2,857	2,857
Note 2.1.	Receivables under building contracts - bid bonds	26,413	36,319
Note 4.2.	Pricing of building contracts - assets	148,448	164,630
Note 6.3.	Trade receivables	315,300	249,041
Note 6.3.	Income tax & VAT receivables	1,705	6,713
Note 6.3.	Other receivables	3,080	2,067
Note 5.1.	Financial assets	32,857	10,990
Note 3.7.	Cash and cash equivalents	64,457	97,736
Note 3.7.	Cash assets in VAT account	17,546	18,248
Note 6.4.	Short-term prepayments	5,043	3,519
	Current assets	617,706	592,120
LIABILITIES		1,089,935	1,035,523
Note 3.1.	Share capital	1,193	1,193
Note 3.1.	Supplementary capital	284,921	287,725
	Reserve capital	75,323	75,323
	Retained earnings	4,036	(16,841)
	Shareholders' equity	365,473	347,400
Notes 3.2.-3.4	Debt	112,521	38,037
Note 6.5.	Provisions	1,325	770
	Long-term liabilities	113,846	38,807
Notes 3.2.-3.4	Debt	67,968	101,490
Note 6.5.	Provisions	30,973	29,363
Note 2.1.	Liabilities vis-à-vis subcontractors - bid bonds	113,827	112,136
Note 4.2.	Pricing of building contracts - liabilities	195,023	219,570
Note 6.7.	Trade payables	179,202	163,546
Note 6.7.	Income tax & VAT liabilities	2,373	-
Note 6.7.	Other liabilities	21,250	23,211
	Short-term liabilities	610,616	649,316

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

For a 6-month-period ended on 30 June 2024 and for a 6-month-period ended on 30 June 2025

	Share capital	Supplementary capital	Reserve capital	Retained earnings/(losses)	Shareholders' equity
As of 1 Jan. 2024	1,193	279,420	75,323	(5,731)	350,205
Net result in the accounting period	-	-	-	18,035	18,035
Comprehensive income	-	-	-	18,035	18,035
Dividend	-	-	-	(20,043)	(20,043)
Net retained earnings carried forward	-	8,304	-	(8,304)	-
As of 30 June 2024	1,193	287,724	75,323	(16,043)	348,197
As of 1 Jan. 2025	1,193	287,725	75,323	(16,841)	347,400
Net result in the accounting period	-	-	-	38,115	38,115
Comprehensive income	-	-	-	38,115	38,115
Dividend	-	(2,804)	-	(17,238)	(20,042)
Net retained earnings carried forward	-	-	-	-	-
As of 30 Jun. 2025	1,193	284,921	75,323	4,036	365,473

INTERIM, CONDENSED SEPARATE CASH FLOW STATEMENT

	For a 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024	For a 3-month period, ended on 30 Jun. 2025	For a 3-month period, ended on 30 Jun. 2024
	Unaudited data	Unaudited data	Data not covered by audit	Data not covered by audit
OPERATIONAL CASH FLOWS				
	40,279	19,256	41,333	19,447
Note 4.2. Amortization and depreciation	6,427	5,770	3,228	3,084
Foreign exchange gains/losses	(97)	138	198	348
Dividends and interests	(29,232)	(10,859)	(29,895)	(14,517)
Other non-cash adjustments	(382)	(514)	(288)	(135)
Income tax paid	(16)	(4,182)	(16)	(543)
Note 6.8. Change in balance of working capital	(47,898)	(698)	(3,334)	46,906
Operational cash flows, net	(30,919)	8,911	11,226	54,590
INVESTMENT ACTIVITY CASH FLOWS				
	951	10,598	141	30
Dividend income	30,664	12,256	30,664	12,256
Other inflows	2,193	1,121	773	360
Note 6.1. Expenditures on the acquisition of tangible fixed assets	(1,094)	(845)	(486)	(668)
Loans extended expense	(33,271)	(24,955)	(19,798)	(24,955)
Expenditure on capital injection into companies and acquisition of shares	(13,183)	-	(13,183)	-
Investment activity cash flows, net	(13,740)	(1,825)	(1,889)	(12,977)
FINANCIAL ACTIVITY CASH FLOWS				
Note 3.2. Income from credits and loans taken	53,773	375	9,579	375
Proceeds from the issue of debt securities	75,000	-	75,000	-
Note 3.2. Debt (principal) repayment expense - principal	(13,164)	(16,249)	(1,246)	(14,817)
Note 3.4. Lease debt repayment expense - principal	(2,498)	(2,678)	(1,064)	(1,030)
Debt (interest) repayment expense	(6,689)	(6,164)	(2,168)	(1,118)
Dividend payment	(20,042)	(20,043)	(20,042)	(20,043)
Redemption of debt securities	(75,000)	-	(75,000)	-
Financial activity cash flows, net	11,380	(44,759)	(14,941)	(36,633)
NET CASH FLOWS	(33,279)	(37,673)	(5,604)	4,980
Opening cash balance	97,736	123,560	70,061	80,907
Closing cash balance	64,457	85,887	64,457	85,887

1. BACKGROUND INFORMATION

1.	BACKGROUND INFORMATION	6
1.1.	INTRODUCTION	6
1.2.	FOUNDATIONS FOR DRAWING UP THE FINANCIAL STATEMENT	8
1.3.	APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS:	9
2.	BUILDING CONTRACTS	12
2.1.	RECEIVABLES AND LIABILITIES UNDER BUILDING CONTRACTS - BID BONDS	13
3.	CAPITAL AND DEBT MANAGEMENT	15
3.1.	CAPITAL MANAGEMENT	15
3.2.	CREDIT AND LOAN LIABILITIES	16
3.3.	DEBT RELATED TO ISSUED BONDS	17
3.4.	LEASE LIABILITIES	18
3.5.	ASSETS USED AS COLLATERALS FOR DEBT-RELATED LIABILITIES	18
3.6.	CONTINGENT ASSETS AND LIABILITIES	18
3.7.	CASH AND CASH EQUIVALENTS	19
4.	EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS	20
4.1.	ALTERNATIVE PERFORMANCE MEASURES	20
4.2.	ACCOUNTING SEGMENTS	21
4.3.	COST OF GOODS SOLD (COGS)	26
4.4.	TAXATION	26
5.	FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT	28
5.1.	FINANCIAL ASSETS AND LIABILITIES	28
5.1.1.	FINANCIAL ASSETS	28
5.1.2.	FINANCIAL ASSETS – LOANS EXTENDED	29
5.2.	FINANCIAL RISK MANAGEMENT PRINCIPLES	29
5.2.1.	MARKET RISK – CURRENCY RISK	30
5.2.2.	MARKET RISK – INTEREST RATE RISK	30
5.2.3.	LIQUIDITY RISK	30
5.2.4.	CLIMATE RISK	31
6.	OTHER NOTES	32
6.1.	TANGIBLE FIXED ASSETS	32
6.2.	FIXED ASSETS IMPAIRMENT	35
6.3.	TRADE RECEIVABLES AND OTHER RECEIVABLES	35
6.4.	OTHER ASSETS	36
6.5.	PROVISIONS	37
6.6.	DISPUTES	37
6.7.	TRADE PAYABLES, OTHER LIABILITIES	40
6.8.	EXPLANATORY NOTES TO THE CASH FLOW STATEMENT	40
6.9.	GROUP STRUCTURE	41
6.10.	Transactions with related entities	43
6.11.	POST-ACCOUNTING PERIOD EVENTS	43

1. BACKGROUND INFORMATION

1. BACKGROUND INFORMATION

1.1. INTRODUCTION

Erbud S.A. is a joint-stock company established following the transformation from Erbud limited liability company, registered on 29 November 2006 by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under No. 0000268667, with its registered office at ul. Franciszka Klimczaka 1.

Erbud Spółka z o.o. was established on 28 August 1990 and entered into the National Court Register on 8 August 2001, under entry No. 0000034299.

General civil engineering services concerning buildings (PKD 41.20.Z) delivered to other companies and public institutions are the core business of the Company.

The Company's duration is unlimited.

As of 30 June 2025 and as of the date of the Interim, Condensed Separate Financial Statements the Parent Company's Management Board consisted of:

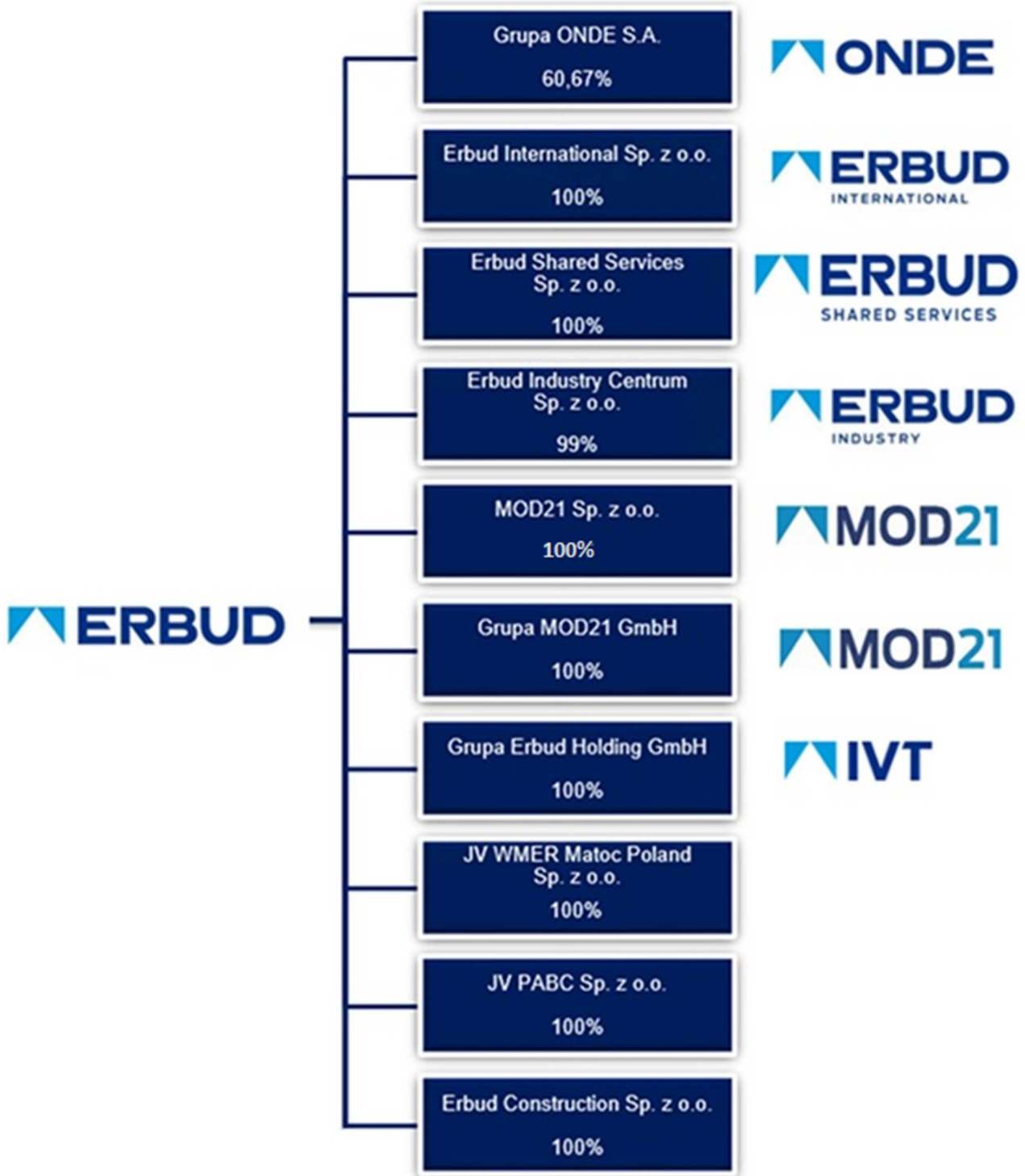
Dariusz Grzeszczak	– President of the Management Board
Agnieszka Głowacka	– Vice-President of the Management Board
Jacek Leczkowski	– Vice-President of the Management Board
Tomasz Wojak	– a Management Board Member.

As of 30 June 2025 and as of the date of the Interim, Condensed Separate 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 Company is the Parent Company of the Erbud S.A. Group and draws up interim consolidated financial statements of the Erbud S.A. Group published on the Stock Exchange website under ESPI/EBI Company Reports.

1. BACKGROUND INFORMATION



Detailed organisational structure of the Group is presented in the Note 6.9. The above graph shows shareholding of Erbud S.A. held in the individual member companies of the Erbud S.A. Capital Group as of 30 June 2025.

1. BACKGROUND INFORMATION

1.2. GROUNDS FOR DRAWING UP THE FINANCIAL STATEMENT

IFRS Compliance Statement

The Company's Interim, Condensed Separate Financial Statements ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 as endorsed by the European Union.

The Interim, Condensed Separate Financial Statement is presented in Polish currency (Polish zloty - PLN), and all figures are specified in thousands of Polish zlotys.

The Condensed Separate Financial Statements have been drawn up on the historical cost basis.

These Interim Condensed Separate Financial Statements were approved for the publication by the Management Board on 9 September 2025.

Going concern

These Interim, Condensed, Separate Financial Statements have been drawn up following going concern principle applicable to the Company in the foreseeable future. As of the date of approval of these Interim, Condensed, Separate Financial Statements, no circumstances existed that indicated any risk to the continuation of Company operations following a going concern principle.

Impact of armed conflict in Ukraine

In 2025, the impact of the war in Ukraine on economic processes is smaller than in the previous years. The situation is fairly stable, but still forces the Group to operate in an evolving environment. Among the negative impacts of the war, the most significant for the company are the price hikes of materials and wage costs. The Polish currency has been strengthening, its value returning to the level predominant prior to the outbreak of hostilities in Ukraine.

On an on-going basis, the Company's calculations take into account the risk of material and labour price hikes and exchange rate volatility. 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.

Pricing at fair value

The measure of fair value of an asset or liability the Company takes into consideration the properties of a certain asset or liability, if the market players take into consideration these characteristics when measuring the assets or liabilities at the measurement date. In accordance with IFRS No. 13, the Company classifies its fair value measurements using a fair value hierarchy that reflects the weight of the inputs used in the fair value measurements. As of the individual balance sheet dates, the Company 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 Condensed Separate 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 the Company and the currency used for the presentation of the financial statements is the Polish currency (PLN).

Transactions in foreign currencies are recorded in the books at the time of initial recognition in the value converted into Polish currency (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. BACKGROUND INFORMATION

1.3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS:

The application of new and amended standards, and their interpretations

In this Interim Separate Financial Statement, the following new and amended standards that entered into force in 2025 were applied:

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 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 Company before.

In these Interim, Condensed, Separate Financial Statements the Company has not decided to apply the following published standards, interpretations or amendments to existing standards before their effective date:

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 add further guidance on assessing whether a financial asset complies with the SPPI criteria;
- c) add new disclosures for certain instruments whose contractual terms may alter cash flows; and
- d) update disclosures for equity instruments measured at fair value through other comprehensive income (FVOCI).

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

b) Annual Improvements to IFRS Accounting Standards

"Annual Improvements to IFRS accounting standards 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

1. BACKGROUND INFORMATION

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.

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

e) IFRS 19 "Subsidiaries without public accountability: disclosures".

In May 2024, the IASB issued a new accounting standard, IFRS 19, which can be adopted by certain subsidiaries applying IFRS accounting standards to improve the effectiveness of disclosures in their financial statements. The new standard introduces simplified and limited disclosure requirements. As a result, the qualifying subsidiary applies the requirements of other IFRS accounting standards with the exception of the disclosure requirements and instead applies the limited disclosure requirements of IFRS 19.

Eligible subsidiaries are entities that are not subject to "public accountability" as defined in the new standard. In addition, IFRS 19 requires the ultimate or intermediate parent of the entity to draw up publicly available consolidated financial statements in compliance with IFRS Accounting Standards.

Eligible entities may choose to apply the guidance of the new IFRS 19 standard for financial statements drawn up for periods beginning on or after 1 January 2027.

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

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

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

In August 2025, the Board 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, the effective date of IFRS 19.

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

g) 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.

h) 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.

1. BACKGROUND INFORMATION

Where a non-monetary asset is a 'business', the investor will show a full gain or loss from the transaction. If the assets do not meet the business definition criteria, the investor recognises a gain or loss excluding the portion that represents the interest of other investors.

The amendments were published on 11 September 2014.

As of the date of drawing up these Interim Condensed Separate Financial Statements, the endorsement of this amendment is deferred by the European Union.

2. BUILDING CONTRACTS

2. BUILDING CONTRACTS

The Company signs fixed-price contracts for the execution of building contracts, predominantly in the areas of residential construction (including entire housing estates), hotels, SPA facilities, shopping malls, wind farms, power plants, manufacturing facilities, and motorways. Certain contracts with Customers also contain a variable pay in the form of penalties that may be imposed on the Company, for instance, in the event of delays in contract performance.

The variable pay component adjusts the transaction price and the amount of revenue recognized i.e., the Company recognizes some or all of the 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 Company only recognises revenues from claims when it has third party expert opinions confirming the appropriateness of recognising an additional amount of remuneration based on contractual provisions. To estimate the variable pay in value terms, the Company uses the expected value method. Historically, the Company has not suffered penalties incurred by its customers and there was no indication of penalties being recognized on on-going contracts at any of the balance sheet dates. Any modifications of the contract (changes in contract scope, price, or both) are recognized as a cumulative revenue adjustment.

Due to the specific nature of building contracts and services provided by the Company, in all building contracts the Company identifies only one performance obligation to which the entire value of the compensation is allocated.

Revenues and expenses on account of performed building contracts are recognized by the Company in time as the progress of works is made. The Company measures contract performance progress rate using the performance-based method, i.e. it determines the value of revenues and expenses under the performance of building contracts in the period from the Contract Date to the balancing date proportionally to the progress rate of a certain contract performance by way of evaluation of the achieved results and milestones. From thus determined figures the Company deducts revenues and expenses, which affected the financial result in previous years, generating revenues and costs under building contracts executed in the current period. A change of the estimated progress rate of contract execution is treated as a change in estimate and affects the amount of revenues recognized in the period in which the change in estimate was made. If it is not possible to determine progress rate of non-finished service (including construction service) or expected total cost of service delivery in a reliable manner, then the revenues are determined at the level of costs born in a certain accounting period, however, not higher than costs, which are expected to be covered by the employer in the future.

On the other side the results of pricing (i.e., the determination of revenues and expenses using the progress rate method) are recorded as "Pricing of building contracts - assets (or liabilities)." The balances of assets under building contracts resulting from the excess of revenue recognized using the performance-based method over the invoiced revenues are subject to an impairment charge calculated similarly to the non-past due trade receivables. All above mentioned building contract assets at the Level 2 of the impairment model and a simplified matrix approach (similar to trade receivables) are used to calculate the impairment loss on these assets. Due to the manner in which balances on building contract assets are recognized, they are not subject to aging and are treated entirely as current, not past due.

The works performed under building contracts are invoiced in adherence to the schedule set forth in the contract. The Company recognizes invoiced revenues in the line "Trade and other receivables" (Note 6.3) The Contractors under building contracts signed with the Group retain part of the payments as contract performance bond. These figures are recognized as "Building contract receivables - bid bonds" and are refundable most often after project completion or after the end of the guarantee period.

The Company engages subcontractors to carry out work related to the implementation of building contracts. The company acts in the capacity of a general contractor. The invoiced costs related to subcontractors' employment are recognized in the line "Trade payables" (Note 6.7) 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 2.1) 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 different timing of income and expenses recognition for accounting and tax purposes, the deferred income tax assets and liabilities are recognized in the statement of financial position.

The Company 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" (Note 6.5.).

The Company provides only basic guarantees to its customers, which do not represent a separate duty to perform service. 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 Company is the consortium or assignment leader, the Company has assessed that it acts as an intermediary with respect to the work performed by the other partner and which the Company as leader invoices the Employer. The Company defines its role as that of an intermediary under a certain contract where it identifies specific goods and services to be delivered and the Company has no control over them

2. BUILDING CONTRACTS

before they have been handed over to the customer. When the Company acts as an intermediary, it recognizes revenue upon the fulfilment of its obligation in the contractual amount of the fee or commission to which it will be entitled, in exchange for being commissioned by another party to provide specific services or goods. Due to the nature of the concluded consortia and orders, in which the Company acts as a leader, there are no fees and commissions as described above, hence no revenues are generated in the Company from commissions for invoicing to a customer work performed by another consortium member. The Company recognizes as revenues only the amount of remuneration due for the execution of its scope of work for the customer in adherence to the policy described above.

Payment date for the services delivered by the Company under building contracts range from 30 to 180 days from the invoice date and for other sales transactions are usually 30 days from the date of invoice. Accordingly, the contracts under implementation do not contain a significant financing component except for amounts invoiced for building contracts, which are repaid at a later date as they represent deposits retained by the customer. The amounts retained under individual invoices represent a maximum of 10% of the remuneration for the contract execution and are subject to release for a period of up to 5 years once the contract has been completed. Revenues under the building contracts for the portion that is retained as a bid bond is recognized at a discounted amount. The accounting policy for bid bond receivables is set forth in Note 2.1.

The application of the performance-based method to the recognition of revenue and expenses under building contracts requires estimation of the progress rate of works performed under a certain contract, i.e. the quantity survey of work performed as of the balance-sheet date.

The physical quantity survey, used to determine the progress in contract performance, is taken by the construction site personnel. The quantity survey is carried out separately for each scope of works, i.e. components or phases of the contract underway, according to the units of measure assigned to them (mainly square meters, kg and pcs.).

The Company has adequate control processes in place to ensure that the calculation of actual project outcome is based on current and reliable estimates of the quantity survey, subject to verification and approval by 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 Company's internal audit department.

The Company keeps track of projects under implementation - building contracts in the internal system used for project management. Information concerning certain contract, its progress rate, is entered into the system by the Contract/Site Manager and then approved by the Branch Manager responsible for the construction site. The budgets of individual contracts are formally updated (revised) during the year based on current information and then they are approved by the Management Board. If between official budget revisions there are events that have material impact on contract performance, the value of total revenues or contract costs is updated on an on-going basis, i.e. changes in the scope of the contract are reflected in the Company's internal system immediately after they are negotiated by the Company with the customer.

2.1. 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 6.4. The value of bid bonds receivable is updated by the Company with impairment losses recognised in accordance with the Accounting Policy referred to in Note 6.3. 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.

Bid bond liabilities are presented as short-term due to the fact that, according to the Company's standard terms and conditions, it is possible to convert bid bonds into bank or insurance guarantees. The Company intends to hold bank guarantees from subcontractors instead of bid bonds, which means that bid bond liabilities can be converted into a guarantee at any time and that these liabilities are presented as current. On a case-by-case basis, some bid bond liabilities may be analysed individually and recognised as long-term ones.

2. BUILDING CONTRACTS

	30 Jun. 2025			31 Dec. 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	26,460	5,494	31,954	36,424	5,183	41,607
Revaluation write-off for impairment	-	(1,298)	(1,298)	(53)	(1,623)	(1,676)
Discounted bid bonds	(47)	(763)	(810)	(52)	(902)	(954)
Receivables under building contracts - bid bonds	26,413	3,433	29,846	36,319	2,658	38,977
Liabilities vis-à-vis subcontractors - bid bonds in nominal terms	113,827	-	113,827	112,136	-	112,136

For all customer bid bond 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 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.

3. CAPITAL AND DEBT MANAGEMENT

3. CAPITAL AND DEBT MANAGEMENT

3.1. CAPITAL MANAGEMENT

Share capital comprises common stock and is carried at the nominal value (in adherence to the Articles of Association of the Company and an entry made into the National Court Register).

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 of Company further development.

The Company's supplementary capital is set up in accordance with the provisions of the Polish Commercial Companies' Code and the decisions of the shareholders. Pursuant to the Commercial Companies Code, a supplementary capital should be set up to cover losses, that should account for at least 8% of the profit for a certain accounting year, until the supplementary capital reaches at least one third of the share capital. the supplementary capital set up in this manner is not subject to distribution. The General Meeting of Shareholders decides on the use of the supplementary and reserve capital, however, a part of the supplementary capital may be used only to cover the loss reported in the financial statements and is not subject to distribution into other purposes.

The Company manages its capital structure and as a result of changes in economic environment, it modifies its capital structure. In order to maintain or adjust the capital structure, the Company may manage appropriately the dividend payment to shareholders or issue to new shares.

The main objective of the Company's capital management is to maintain a good credit rating and safe equity ratios in order to support the Company's operations and increase shareholders' value.

Share capital

As of 30 June 2025, the share capital consisted of 11,929,836 shares with a total value of PLN 1,192,983.60, and the structure of shareholders holding over 5% of the share capital and members of the Management Board, Supervisory Boards or entities controlled by them was as follows:

Shareholder	No. of shares	% shareholding in share capital
Wolff & Muller Baubeteiligungen GmbH & Co.KG, including Wolff & Muller Holding GmbH & Co. KG	3,854,837	32.31%
Dariusz Grzeszczak directly and indirectly (Dariusz Grzeszczak, DGI Family Foundation) including:	2,553,460	21.40%
Dariusz Grzeszczak	1,231,907	10.33%
DGI Family Foundation	1,321,553	11.08%
ING OFE	1,200,000	10.06%
Allianz OFE, Allianz DFE, Second Allianz OFE	764,935	6.41%
PKO OFE	715,279	6.00%
Other shareholders	2,841,325	23.82%
Total	11,929,836	100%

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 of 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.

3. CAPITAL AND DEBT MANAGEMENT

As of the Report Date, the Company did not have information about contracts, which could result in future changes in the percentage structure of shares held by the existing shareholders.

Erbud S.A. shares are ordinary bearer shares and are not preference shares. There are no special control rights attached to the Company's shares. The Articles of Association of Erbud S.A. also does not impose any restrictions on the transfer of ownership of shares issued by the Company, on exercising voting rights, and does not include provisions under which the equity rights attached to securities are separated from the owning of securities. The Company is not aware of any restrictions on the exercise of voting rights by holders of a specified proportion or number of votes, or any time limitations on the exercise of voting rights.

As of 30 June 2025, and as of the date of publication of this Financial Statement, therefore the share capital totalling PLN 1,192,983.60 divides into 11,929,836 A-series ordinary bearer shares with a par value of PLN 0.10 each.

The total number of votes attached to all issued Company shares is 11,929,836.

Basic earnings per share are calculated by dividing net profit /(loss) for the period, allocated to ordinary shareholders of the Company, by the weighted average number of the issued ordinary shares over the accounting period.

Own shares bought back by the Company for redemption are excluded from the calculation of the weighted average number of shares for the periods presented.

For purposes of calculating diluted earnings per share (EPS), net income/(loss) for the reporting 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 Company has no 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.

Below basic and diluted earnings per share are presented.

	For a 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024
Gross profit/loss	38,115	18,035
Average weighted number of ordinary shares (in pcs.)	11,929,836	11,929,836
Basic and diluted earnings per share (in PLN)	3.19	1.51

3.2. CREDIT AND LOAN LIABILITIES

Credit and loan liabilities are initially recognized at fair value less transaction costs. At each balancing date, credits and loans are priced at amortized cost using effective interest rate.

	30 Jun. 2025	31 Dec. 2024
Long-term		
Bank loans	8,920	11,231
Loans	5,031	3,571
	13,951	14,802
Short-term		
Overdraft facilities	51,388	10,482
Bank loans	4,460	4,494
Loans	802	325
	56,650	15,301
Total credit and loan liabilities	70,601	30,103

3. CAPITAL AND DEBT MANAGEMENT

	30 Jun. 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	5,031	8,920	3,571	11,231
Short-term	52,190	4,460	10,808	4,493
Total	57,221	13,380	14,379	15,724

The short-term loans bear interest at WIBOR 3M +2.2% and a fixed rate of 8.76 % per annum.

As of the specified balance sheet dates, the fair value of loans and advances was not materially different from the amortized cost measurement. The fair value of credits and loans is estimated using DCF models based on cash flows reflecting the repayment schedule of loans granted. The discount rate was assumed to be WIBOR 1M per day plus a fixed percentage expressing the risk premium. Long-term credits and loans measured at amortized cost are classified at Level 2 of the fair value hierarchy.

Covenants

During the year, as of 30 June 2025 and up to the date of approval of the financial statement, all covenants have been met.

3.3. 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 Company 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	
						30 Jun. 2025	31 Dec. 2024
23 Sept. 2021	D-series bearer shares, dematerialized, unsecured	functional	WIBOR 6 M + 2.6% margin	23 Sept. 2025	for financing of core activity and/or acquisitions from the industrial services sector in Poland and Germany	-	76,720
27 Feb. 2025	E-series bearer shares, dematerialized, unsecured	functional	WIBOR 6M + 3.0%	27 Feb. 2029	refinancing of the debt arising from the Issuer's D-series bonds	77,247	-
Total bond liability as of 30 June 2025, of which:						77,247	76,720
long-term						75,000	-
short-term						2,247	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 its liabilities.

3. CAPITAL AND DEBT MANAGEMENT

3.4. LEASE LIABILITIES

Period		30 Jun. 2025	31 Dec. 2024
		Nominal value of minimum payments	Nominal value of minimum payments
Below 1 year	Short-term	10,906	11,048
Above 1 year	Long-term	25,566	24,871
Nominal value of minimum payments		36,472	35,919
Future lease financial costs		3,831	3,215
Present value of minimum payments		32,641	32,704
Below 1 year	Short-term	9,071	9,469
Above 1 year	Long-term	23,570	23,235

Major items of fixed assets under lease are buildings and means of transport.

3.5. ASSETS USED AS COLLATERALS FOR DEBT-RELATED LIABILITIES

	30 Jun. 2025	31 Dec. 2024
Tangible fixed assets	46,800	-
Total	46,800	-

For information on credit and loan related debt, see Note 3.2.

3.6. CONTINGENT ASSETS AND LIABILITIES

	Contingent assets		Contingent liabilities	
	30 Jun. 2025	31 Dec. 2024	30 Jun. 2025	31 Dec. 2024
Related entities				
Guarantees and sureties	70,000	70,000	360,349	380,367
Total	70,000	70,000	360,349	380,367
Other items				
Guarantees and sureties	70,711	96,362	547,682	565,718
Total	70,711	96,362	547,682	565,718

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

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

3. CAPITAL AND DEBT MANAGEMENT

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.

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

Cash held in VAT bank accounts does not meet the criteria for presentation as cash and cash equivalents and is presented in a separate line in the balance sheet.

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 6.3)

	30 Jun. 2025	31 Dec. 2024
Cash in hand	4	4
Cash at bank	64,453	97,732
Total cash and cash equivalents	64,457	97,736

The amount of the impairment loss on cash is marginal.

As of 30 June 2025 cash on VAT bank accounts totalled PLN 17,546 thousand (as of 31 December 2024 it totalled PLN 18,248 thousand). These funds are presented in a separate line in the balance sheet.

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 the segment results using Key Performance Indicators (KPIs) such as EBIT, EBIT and EBITDA margins. The Company's Management Board 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 Company after eliminating the impact of income tax, financing costs and income and in the case of EBITDA, depreciation and amortization.

EBITDA is defined as profit after tax (net income), plus income tax expense, finance costs and depreciation and amortization, less financial income. The adjusted EBITDA is defined as EBITDA after taking out one-off events.

The Company defines EBIT as profit after tax (net income), plus income tax burdens, finance costs less finance income. The adjusted EBIT is defined as EBIT after taking out one-off events.

EBIT margin is a measure that shows the Company's profitability ignoring the impact of income taxes and finance costs and revenues. The Company defines EBIT margin as EBIT divided by revenues from the sales of goods and services.

	30 Jun. 2025	30 Jun. 2024
Net profit for the accounting period	38,115	18,035
Corporate income tax	2,164	1,221
Gross profit	40,279	19,256
Financial expenses	9,305	7,458
Financial income	42,597	22,208
EBIT	6,987	4,506
Amortization and depreciation	6,427	5,770
EBITDA	13,414	10,276
Revenues from sales of products and services	749,391	656,770
EBIT margin	1%	1%

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.2. ACCOUNTING SEGMENTS

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

- residential/commercial buildings at home,
- residential/commercial buildings in foreign countries,
- other segments.

The operations were broken down into individual segments by classifying the significance of operations into the segment. Such a breakdown corresponds to the distribution of the main risks and returns on expenses incurred.

The financial data prepared for the purposes of management reporting, which is the basis for data on reportable segments, follows the same accounting principles as those applied to the preparation of the Group's Separate Financial Statements. The Company has a counterparty that generates more than 10% of total revenue.

Key information on segments in the accounting periods January 2025 - June 2025 and January 2024 - June 2024.

The Company operates in Poland and abroad (in Germany, Belgium). Revenues from external customers and assets in any country other than Poland are not significant, therefore they were aggregated in the total line and disclosed as "Foreign operations".

The Company's operations do not show signs of strong seasonal impact.

	For a 6-month period, ended on 30 Jun. 2025			For a 6-month period, ended on 30 Jun. 2024		
	Domestic market (Poland)	Foreign markets	Total	Domestic market (Poland)	Foreign markets	Total
Sales to third party customers, of which:	740,019	9,372	749,391	645,260	11,510	656,770
Accrued and deferred income	729,875	9,372	739,247	635,521	11,510	647,031
Income recognized at a certain point in time	10,144	-	10,144	9,739	-	9,739
Fixed assets other than financial instruments and deferred tax assets	395,325	-	395,325	320,664	-	320,664

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:

	For a 6-month period, ended on 30 Jun. 2025			
	Domestic building construction	Building construction in foreign countries	Other segments	Total continued activities
Total income				
Sales to third party customers	737,797	9,372	2,222	749,391
Total sales revenues	737,797	9,372	2,222	749,391
Segments' performance and reconciliation with Company's gross profit				
Cost of goods sold (COGS)	681,286	8,913	2,249	692,448
Sales margin	56,511	459	(27)	56,943
Sales margin %	8%	5%	(1%)	8%
Other operating profit/loss	(48,668)	(156)	(1,132)	(49,956)
Segment performance – EBIT	7,843	303	(1,159)	6,987
EBIT margin	1%	3%	(52%)	1%
Profit (loss) on financial activities (financial income less financial expenses)				33,292
Gross profit/loss				40,279
Corporate income tax				2,164
Net profit/loss				38,115
Amortization and depreciation	4,586	-	1,841	6,427
Segment performance – EBITDA	12,429	303	682	13,414
Assets and liabilities				
Pricing of building contracts - assets	147,555	893	-	148,448
Other assets			-	941,487
Total assets				1,089,935
Pricing of building contracts - liabilities	194,379	643	-	195,023
Other liabilities				894,912
Total liabilities				1,089,935
Other material items				
Impairment of financial assets and contract valuation assets	500	-	-	500
Capital expenditures on tangible fixed and intangible assets	1,094	-	-	1,094
Interest income	11,844	-	-	11,844
Interest expenses	7,636	-	-	7,636

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

 For a 6-month period,
ended on 30 Jun.
2024

	Domestic building construction	Building construction in foreign countries	Other segments	Total continued activities
Total income				
Sales to third party customers	643,695	11,510	1,565	656,770
Total sales revenues	643,695	11,510	1,565	656,770
Segments' performance and reconciliation with Company's gross profit				
Cost of goods sold (COGS)	592,986	10,886	2,187	606,059
Sales margin	50,709	624	(622)	50,711
Sales margin %	8%	5%	-40%	8%
Other operating profit/loss	(44,946)	(88)	(1,171)	(46,205)
Segment performance – EBIT	5,763	536	(1,793)	4,506
EBIT margin	1%	5%	(115%)	1%
Profit (loss) on financial activities (financial income less financial expenses)				14,750
Gross profit/loss				19,256
Corporate income tax				1,221
Net profit/loss				18,035
Amortization and depreciation	3,929	-	1,841	5,770
Segment performance – EBITDA	9,692	536	48	10,276
Assets and liabilities				
Pricing of building contracts - assets	138,223	-	-	138,223
Other assets				853,423
Total assets				991,646
Pricing of building contracts - liabilities	209,014	172	-	209,186
Other liabilities				782,460
Total liabilities				991,646
Pricing of building contracts - liabilities				
Other material items				
Impairment of financial assets and contract valuation assets	(2,713)	-	-	(2,713)
Capital expenditures on tangible fixed and intangible assets	845	-	-	845
Interest income	7,692	-	-	7,692
Interest expenses	6,587	-	-	6,587

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

	For a 3-month-period ended on 30 June 2025			
	Domestic building construction	Building construction in foreign countries	Other segments	Total continued activities
Total income				
Sales to third party customers	366,033	4,592	1,111	371,736
Total sales revenues	366,033	4,592	1,111	371,736
Segments' performance and reconciliation with Company's gross profit				
Cost of goods sold (COGS)	327,843	4,376	1,179	333,398
Sales margin	38,190	216	(68)	38,338
Other operating profit/loss	(32,140)	(254)	(614)	(33,008)
Segment performance – EBIT	6,050	(38)	(682)	5,330
EBIT margin	2%	(1%)	(61%)	1%
Profit (loss) on financial activities (financial income less financial expenses)				36,003
Gross profit/loss				41,333
Corporate income tax				2,385
Net profit/loss				38,948
Amortization and depreciation	2,308	-	920	3,228
Segment performance – EBITDA	8,358	(38)	238	8,558

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

For a 3-month
period ended on
30 June 2024

	Domestic building construction	Building construction in foreign countries	Other segments	Total continued activities
Total income				
Sales to third party customers	318,689	5,662	782	325,133
Total sales revenues	318,689	5,662	782	325,133
Segments' performance and reconciliation with Company's gross profit				
Cost of goods sold (COGS)	291,961	5,437	705	298,103
Sales margin	26,728	225	77	27,030
Sales margin %	8%	4%	-	8%
Other operating profit/loss	(24,968)	(70)	(520)	(25,558)
Segment performance – EBIT	1,760	155	(443)	1,472
EBIT margin	1%	3%	(57%)	0%
Profit (loss) on financial activities (financial income less financial expenses)				17,975
Gross profit/loss				19,447
Corporate income tax				1,111
Net profit/loss				18,336
Amortization and depreciation	2,164	-	920	3,084
Segment performance – EBITDA	3,924	155	477	4,556

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

4.3. COST OF GOODS SOLD (COGS)

	For a 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024	For a 3-month period, ended on 30 Jun. 2025	For a 3-month period, ended on 30 Jun. 2024
Third party services	531,715	426,426	274,931	236,714
including third party services from subcontractors	448,400	325,745	229,989	177,033
Material and energy consumption	133,354	78,170	52,751	41,764
Employee benefit expenses	72,115	68,331	39,204	35,730
Amortization and depreciation	6,427	5,770	3,228	3,084
Taxes and charges	3,487	3,561	1,887	1,303
Other cost categories	2,649	4,170	1,158	2,260
Total costs by type	749,747	586,428	373,159	320,855
Change in contract pricing balances	(3,789)	62,981	(9,840)	612
Cost of sale (negative value)	(5,599)	(5,068)	(2,963)	(2,742)
General management costs (negative value)	(47,911)	(38,282)	(26,958)	(20,622)
Manufacturing costs of products sold	692,448	606,059	333,398	298,103

4.4. 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 deductible in the future, the Company companies, using the balance sheet method, set up: deferred income tax liabilities in respect of positive temporary differences and determine deferred tax assets in respect of foreign exchange losses and tax losses, which can be deducted 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 result.

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 Company financial statements.

The Company only recognises a tax asset when projections of future financial performance indicate that a taxable profit will be gained to allow the asset to be realised in a specified future.

The balance sheet value of an deferred tax asset is verified at each balance-sheet 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. An element of judgment in the recoverability of deferred tax assets is the Company's projected future financial performance and its impact on the recoverability of the assets.

4. EXPLANATORY NOTES TO THE STATEMENT OF PROFIT/LOSS

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

	For a 6-month period, ended on 30 Jun. 2025	For a 6-month period, ended on 30 Jun. 2024
Gross profit before taxation	40,279	19,256
Tax according to the statutory tax rate applicable in Poland - 19%	7,653	3,659
Surplus of non-deductible expenses over non-taxable income	(5,489)	(2,438)
Tax recognized in the financial net profit/loss	2,164	1,221
Current tax	3,672	3,716
Deferred tax	(1,508)	(2,495)
Effective tax rate	5.37%	6.34%

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 Company has only items measured at amortized cost.

Financial assets priced at amortized cost include primarily:

Financial Assets - Loans Extended

Note 2.1. Receivables under building contracts - bid bonds

Note 6.3. Trade receivables

Note 6.3. Other receivables

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.

Other financial assets (including extended loans)

Financial liabilities priced at amortized cost comprise mainly:

Note 2.1. Liabilities vis-à-vis subcontractors - bid bonds

Liabilities under building contracts

Note 6.7. Trade payables

Note 6.7. Other liabilities

Note 3.2.-3.4. Debt

5.1.1.FINANCIAL ASSETS

As of 30 June 2025 and as of 31 December 2024 the Company was in the possession of the following items recognised in the Statement of Financial Position as financial assets:

	30 Jun. 2025	31 Dec. 2024
Note 5.1.2. Loans extended	195,955	158,789
Other	6,265	4,732
Total	202,220	163,521
Long-term	169,363	152,531
Short-term	32,857	10,990

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.1.2. FINANCIAL ASSETS – LOANS EXTENDED

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 Company uses a three-step impairment model for financial assets:

- 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 with objective evidence of impairment.

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 Company 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 Company 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.

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 at WIBOR rate for PLN-denominated loans and at EURIBOR rate for EUR-denominated loans as of a given date plus a fixed percentage reflecting the risk premium. Loans measured at amortized cost are classified at Level 2 of the fair value hierarchy.

Loans are classified at Level 1 of the impairment model at all balance sheet dates presented. All loans granted as of the respective balance sheet dates were considered to be instruments with low credit risk and therefore the allowance for expected credit losses recognized during the period is limited to 12-month expected credit losses. The expected credit loss was calculated based on the probability of default, the repayment profile agreed to in the loan agreement and an assessment of recoveries from the collateral.

As of particular balance sheet dates, the amount of impairment loss and its changes in the presented periods were insignificant in terms of amounts, therefore the Company does not present movements on the impairment loss. The increase in the loan balance as a result of new loans granted did not significantly contribute to the change in the impairment allowance.

5.2. FINANCIAL RISK MANAGEMENT PRINCIPLES

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

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.2.1. MARKET RISK – CURRENCY RISK

While performing its core operations, the Company does not enter into building contracts that are denominated in EUR.

No impairment was identified in respect of loans extended. Loans are not past due at the balance sheet date. Loans granted are burdened with credit risk and interest rate risk, which are described respectively.

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 3.2), issued bonds (Note 3.4) and financial lease products (Note 3.4), used by the Company.

In addition, the Company invests idle cash partly into variable interest rate deposits and extends variable interest rate loans.

Assets and liabilities bearing interest at variable interest rates expose the Company to the risk of cash flow volatility. Meanwhile assets and liabilities bearing fixed rate exposes the Company 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 Company monitors the exposure to interest rate risk and prepares interest rate forecasts.

Trade receivables and building contract assets

The Company has a policy to assess and review the credit risk associated with all contracts, both at the pre-bid stage and during contract execution, in order to hedge against the credit risk arising from building contract receivables (i.e. trade receivables, building contract receivables - deposits and building contract valuation). 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 Company 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 and the age structure of past due receivables are presented in Note 6.3.

5.2.3. LIQUIDITY RISK

In order to reduce the risk of liquidity loss, the Company 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 Company uses own funds or long-term financial lease contracts, ensuring adequate sustainability of the financing structure for this type of assets.

The Company 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 Company.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The table below shows the Company's financial liabilities as of 30 June 2025 by maturity date based on contractual non-discounted payments.

	30 Jun. 2025				
	Below 3 months	3-12 months	1-5 years	Total non-discounted flows	Balance-sheet values
Credit and loan liabilities	52,916	4,220	14,445	71,581	70,601
Debt related to issued bonds	-	2,247	75,000	77,247	77,247
Lease liabilities	3,603	7,303	25,566	36,472	32,641
Liabilities vis-à-vis subcontractors - bid bonds	17,828	100,194	-	118,022	113,827
Trade payables	179,202	-	-	179,202	179,202
Total	253,549	113,964	115,011	482,524	473,518

The table below shows the Company's financial liabilities as of 30 December 2024 by maturity date based on contractual non-discounted payments.

	31 Dec. 2024				
	Below 3 months	3-12 months	1-5 years	Total non-discounted flows	Balance-sheet values
Credit and loan liabilities	12,140	3,828	15,483	31,451	30,103
Debt related to issued bonds	-	76,720	-	76,720	76,720
Lease liabilities	2,762	8,286	24,871	35,919	32,704
Liabilities vis-à-vis subcontractors - bid bonds	28,920	86,758	-	115,678	112,136
Trade payables	163,546	-	-	163,546	163,546
Total	207,368	175,592	40,354	423,314	415,209

5.2.4. CLIMATE RISK

Erbud S.A. monitors the impact of climate risks on the Company's operations and, at present, does not identify any significant impact of climate factors on its operations. Erbud S.A. has consistently pursued its ESG strategy, adhering to the required environmental aspects, investing in the development of projects in the RES industry, as well as in timber construction.

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 Company 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 Company 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. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use, which is determined based on the discounted cash flows expected to be generated by the asset or cash-generating unit, if the asset does not generate cash inflows independently.

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. Company 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 Company 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 30 June 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 Company, 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 Company will exercise the option.

Fixed assets under construction are valued at the cost directly attributable to the acquisition or production of the asset, including financing costs, less any write-downs for impairment. Fixed assets under construction are not depreciated until their construction has been completed.

Lease accounting policy effective from 1 January 2019:

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 Company. 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.

	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	15,629	364	14,399	110	2,370	2,724	35,596
Increases:							
Acquisition	-	534	-	-	1,810	94	2,438
Lease	2,016	-	9,302	-	-	-	11,318
Decreases:							
Amortization and depreciation	2,488	565	4,800	20	-	452	8,325
Disposal and liquidation	-	-	1,248	-	-	-	1,248
Net value as of 31 December 2024	15,157	333	17,653	90	4,180	2,366	39,779
Net value as of 1 January 2025	15,157	333	17,653	90	4,180	2,366	39,779
Increases:							
Acquisition	-	264	-	153	665	12	1,094
Lease	-	-	3,672	-	-	-	3,672
Acceptance of fixed assets	-	-	-	-	(1,073)	1,073	-
Decreases:							
Amortization and depreciation	1,341	249	2,757	10	-	259	4,616
Disposal and liquidation	-	-	769	-	-	-	769
Other	-	-	-	-	1,045	-	1,045
Net value as of 30 June 2025	13,816	348	17,799	233	2,727	3,192	38,115

In 2022, MOD21 Sp. z o.o., that leases manufacturing and other infrastructure facilities from ERBUD S.A. to carry out its operations, started its statutory activities. The value of these investment properties is presented below.

Investment property is property treated as a source of rental income or held for capital appreciation, or both, and not used in the ordinary course of business or held for sale.

Investment properties are initially recognised at cost of acquisition plus transaction costs. After initial recognition, they are carried at cost of acquisition (cost of production) less depreciation or amortisation allowances and write-offs for impairment losses. If reasons causing permanent impairment of the above-mentioned investments have occurred, an appropriate write-down is made. This write-off is posted into Other operating expenses. If the reason for the impairment loss ceases to exist, the equivalent of all or an appropriate part of the previously recognised impairment loss boosts the value of the investment and is included in Other operating income

Investment properties

	30 Jun. 2025	31 Dec. 2024
Opening balance of goodwill	26,772	30,394
Amortization and depreciation	1,811	3,622
Closing balance of goodwill	24,961	26,772

Investment properties are buildings and structures that ERBUD SA leases out to MOD21 Sp. z o.o. to enable it to run its statutory activities.

6. OTHER NOTES

Right to use assets under lease, lease liabilities

The following simplifications permitted 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 these financial statements, the Company did not enter into any lease contracts for a period shorter than 12 months.

6. OTHER NOTES

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

	Buildings and structures	Means of transport	Total
Net value as of 1 Jan. 2024	11,991	14,353	26,344
Increase due to opened lease contracts	-	9,302	9,302
Increase due to expenditures for tangible fixed assets under construction and advances for tangible fixed assets	2,016	-	2,016
Decrease due to reclassification - from right-to-use leased assets to tangible fixed assets	-	(4,598)	(4,598)
Amortization and depreciation	(2,312)	(4,679)	(6,991)
Decrease of the depreciation to date due to reclassification - from right-to-use leased assets to tangible fixed assets	-	3,349	3,349
Other	-	(319)	(319)
Net value as of 31 Dec. 2024	11,695	17,408	29,103
Net value as of 1 Jan. 2025	11,695	17,408	29,103
Increase due to opened lease contracts	-	3,672	3,672
Decrease due to reclassification - from right-to-use leased assets to tangible fixed assets	-	(2,125)	(2,125)
Amortization and depreciation	(1,253)	(2,657)	(3,910)
Decrease of the depreciation to date due to reclassification - from right-to-use leased assets to tangible fixed assets	-	1,555	1,555
Other	-	(223)	(223)
Net value as of 30 Jun. 2025	10,442	17,630	28,072

6.2. FIXED ASSETS IMPAIRMENT

The Company did not identify any factors that could indicate grounds for impairment of fixed assets, therefore no impairment test was performed as of 30 June 2025.

6.3. TRADE RECEIVABLES AND OTHER RECEIVABLES

In the trade receivables as well as other receivables category ERBUD 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 Company in accordance with applicable laws and regulations.

6. OTHER NOTES

	30 Jun. 2025			31 Dec. 2024		
	Gross value	Write-down	Net value	Gross value	Write-down	Net value
Trade receivables	338,429	23,129	315,300	274,299	25,258	249,041
Receivables from corporate income tax	-	-	-	1,283	-	1,283
VAT tax receivables	1,705	-	1,705	5,430	-	5,430
Other budget receivables	-	-	-	-	-	-
Other receivables	3,080	-	3,080	2,067	-	2,067
Total	343,214	23,129	320,085	283,079	25,258	257,821

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

	For a 6-month period, ended on 30 Jun. 2025	For a 12-month period, ended on 31 Dec. 2024
Opening balance of write-downs	25,258	35,042
Setting up of individual write-offs	-	2,030
Setting up of write-offs according to write-off matrix	-	3,625
Use of individual write-offs	-	(15,439)
Setting up of write-offs according to write-off matrix	(2,129)	-
Closing write-offs, of which:	23,129	25,258
Matrix-based calculated write-off	18,088	20,217
Individual write-off	5,041	5,041

	30 Jun. 2025	31 Dec. 2024
Non-past due receivables:	266,423	181,461
Past due receivables:	48,877	67,580
Below 1 month	4,100	27,368
1-3 months	6,484	6,475
3-6 months	5,622	320
6 months - 1 year	385	7,655
Above 1 year	32,286	25,762
Total trade receivables, net	315,300	249,041

6.4. OTHER ASSETS

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

	30 Jun. 2025	31 Dec. 2024
Insurance	2,979	2,553
Licenses	875	14
Other	1,189	952
Total	5,043	3,519

6. OTHER NOTES

6.5. 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 30 June 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 Company 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 Company'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	27,046	796	896	946	29,684
Increase	9,679	-	-	-	9,679
Dissolution	-	26	-	847	873
Utilisation	8,357	-	-	-	8,357
As of 31 December 2024	28,368	770	896	99	30,133
short-term	28,368	-	896	99	29,363
long-term	-	770	-	-	770
As of 1 Jan. 2025	28,368	770	896	99	30,133
Increase	5,736	555	-	105	6,396
Dissolution	-	-	-	99	99
Utilisation	4,132	-	-	-	4,132
As of 30 Jun. 2025	29,972	1,325	896	105	32,298
short-term	29,972	-	896	105	30,973
long-term	-	1,325	-	-	1,325

6.6. DISPUTES

Both in cases where Erbud S.A. is the plaintiff (lawsuits concerning receivables) and in cases where Erbud S.A. is the defendant (lawsuits concerning liabilities) the position of Erbud S.A. and Erbud S.A.'s legal advisors testifies that the cases will be resolved in favour of Erbud S.A.

6. OTHER NOTES

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

Party to the Dispute	Description of the Subject of the Dispute
Defendant: BEST Developer Sp. z o.o. Court: District Court in Szczecin Date of filing a lawsuit: 6 February 2023 Value of the dispute: 6.050.337,37	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. The District Court ordered the exchange of pleadings. 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. No date for the first hearing. 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.
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: 14.435.306,59	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 (including VAT) and adjudication of this amount. The Defendant filed a response to the lawsuit. 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. The parties had not reached a consensus, so ERBUD S.A. asked for the suspended proceedings to be resumed. Estimated date for dispute settlement before the Court of First Instance: 2027 The Management Board expects a positive outcome.
	The value of other litigations where ERBUD S.A. is the Plaintiff totals PLN 24,055,539.99.

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

Party to the Dispute	Description of the Subject of the Dispute
Plaintiff: Silesia Property sp. z o.o. Date of filing a lawsuit: 23 December 2024 Value of the dispute: PLN 52,686,247.51	By virtue of the 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 mall at ul. Chorzowska 107, Katowice. 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. The Arbitration Court was constituted, and a schedule for the proceedings was agreed upon. Estimated date for concluding the dispute before the Arbitration Court: 2027 The Management Board believes that the Company's position is justified. No provision has been made for litigation.

6. OTHER NOTES

<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, along 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 Niepodległości Avenue.</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. The hearing of witnesses is underway.</p> <p>Estimated date for dispute settlement before the Court of First Instance: 2027</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 34 Niepodległości Avenue in Poznań, on the K-0 storey, i.e. in the main lobby, as part of performance bond.</p> <p>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.</p> <p>Proceedings for the taking of evidence are underway - expert opinion is being prepared.</p> <p>Estimated date for dispute settlement before the Court of First Instance: 2027</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: 29 March 2025</p> <p>Value of the dispute: PLN 8.653.811,55</p>	<p>The Wielkopolskie Province, whose Marshal's Office is based in Poznań, is demanding that Erbud S.A. be ordered to pay a portion of the contractual penalty charged for the alleged delay in rectifying the cracks and flooding in the underground car park facility under the driveway descent, which were caused by a lack of waterproofing at the driveway descent.</p> <p>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.</p> <p>A response to the appeal was filed.</p> <p>Estimated date for dispute settlement before the Court of First Instance: 2027</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>Status of the case: the court refused to issue an order for payment and referred the case for trial. The claim covers the Plaintiff's contractual penalty for failing to complete the milestone of signing the boiler handover certificate on time. The Plaintiffs, acting in the capacity of Contractors, were obliged to complete all supplies, civil works and services necessary for the design, construction, commissioning and handover of the K2 steam boiler on a turnkey basis. The Defendants filed a response to the lawsuit. The Management Board's position on the case: The Management Board is confident that a satisfactory resolution to the matter can be reached.</p> <p>Estimated date for dispute settlement before the Court of First Instance: 2027</p> <p>The Management Board believes that the Company's position is justified.</p> <p>No provision has been made for litigation.</p>
	<p>Total value of other proceedings where ERBUD S.A. is the defendant: PLN 13,054,859.16</p>

6. OTHER NOTES

6.7. 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 Company in compliance with the effective and applicable legislation.

Short-term employee benefit liabilities

This category comprises provisions for non-utilized holidays. The basis for calculation of provision for non-utilized leave is the specification of non-utilized leave days at a certain balancing date broken down by employees and their daily gross salary plus social contribution surcharges paid by the Employer.

	30 Jun. 2025	31 Dec. 2024
Trade payables	179,202	163,546
including to related entities	7,746	10,172
Liabilities vis-à-vis state budget in relation to:	2,373	-
corporate income tax	2,373	-
Other liabilities	21,250	23,211
wages and salaries	1,532	1,506
short-term employee benefit liabilities	11,015	9,564
other	8,703	12,141
Total	202,825	186,757

6.8. EXPLANATORY NOTES TO THE CASH FLOW STATEMENT

Reconciliation of the change in working capital balance for the period from 1 January to 30 June 2025 and for the period from 1 January to 30 June 2024.

	Change in balance of Cash Flow Statement in the period from January 2025 to June 2025	Change in balance of Cash Flow Statement in the period from January 2024 to June 2024
Change in provision balance	3,615	(562)
Change of receivables balance	(54,070)	(2,363)
Change in balances of short-term liabilities, excluding credits and loans	(4,696)	(36,838)
Change in settlement of assets and liabilities under building contracts	(8,365)	9,452
Change in balance of prepayments and accruals	15,618	29,614
Change in balance of working capital	(47,898)	(698)

6. OTHER NOTES

6.9. GROUP STRUCTURE

Interests and shares in subsidiaries and jointly controlled entities

Shares, interests in subsidiaries and jointly-controlled entities are carried at historical cost less any impairment losses recognised.

Non-financial fixed assets impairment

At the end of each reporting period, the Company assesses whether any assets may have been impaired. When such circumstances have been identified or when an annual impairment test needs to be carried out, the Company's estimates the recoverable value of a given asset.

The recoverable amount of an asset corresponds to the fair value of the asset or cash centre less costs to sell or value in use, whichever is higher. This value is determined for individual assets, unless a certain asset does not generate cash inflows on its own, which are mostly independent from those generated by other assets or asset categories. If the carrying amount of an asset in the balance sheet is higher than its recoverable amount, impairment occurs and a write-down it made up to the determined recoverable amount.

For the estimation of the value in use, the projected cash flows are discounted to their present value using a discount rate before taxation that reflects current market estimation of the time value of money and the risk typical for a given asset. Impairment losses on non-financial assets used in operations are recognised as Other Expenses.

Group Structure

As of 30 June 2025, the Group comprised the Parent Company Erbud S.A. and fully consolidated subsidiaries and subsidiaries consolidated on the equity method basis.

Item	Name of entity	Registered office	Scope of activities	% share in	balance	% share in	balance
				share	sheet	share	sheet
				capital	value of	capital	value of
				interests/s	hare	interests/s	hare
				30 Jun.	30 Jun.	31 Dec.	31 Dec.
				2025	2025	2024	2024
Shares held directly							
1	ONDE S.A.	Toruń	Road engineering and renewable energy sources	60.67%	39,871	60.67%	39,871
2	Erbud International Sp. z o.o.	Rzeszów	Construction services	100.00%	431	100.00%	431
3	Erbud Construction Sp. z o.o.	Toruń	Construction services	100.00%	-	100.00%	-
4	MOD21 GmbH	Düsseldorf, Germany	Construction services	100.00%	88,198	100.00%	75,657
5	Erbud Shared Services Sp. z o.o.	Warsaw	Support services	100.00%	12,000	100.00%	12,000
6	Erbud Holding Deutschland GmbH	Düsseldorf, Germany	Management services	100.00%	21,162	100.00%	21,162
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%	5	100.00%	5
9	JV PABC Sp. z o.o.	Warsaw	Construction services	100.00%	5	100.00%	5
10	MOD21 Sp. z o.o.	Ostaszewo	Modular timber construction	100.00%	650	98.00%	5
11	Erbud Industry Centrum Sp. z o.o.	The City of Łódź	Maintenance services in the industrial segment	99.00%	25,035	99.00%	25,035
12	Tauron Serwis Sp. z o.o.	Jaworzno	Maintenance services in the industrial segment	4.14%	490	4.14%	490
	TOTAL				187,847		174,661

6. OTHER NOTES

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

#	Name of entity	Registered office	Scope of activities	30 Jun. 2025	31 Dec. 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 in the RES segment	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 22 Sp. z o.o. Power Plant	Toruń	Renewable energy sources	100.00%	100.00%
18	KWE Sp. 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	WTL270 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	WTL50 Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
23	Park Słoneczny Ciechanów Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
24	Park Lewałd Sp. z o.o.	Toruń	Renewable energy sources	100.00%	100.00%
25	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	Düsseldorf, Germany	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	100.00%	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 Sp. z o.o. Photovoltaic Farm	Toruń	Renewable energy sources	100.00%	100.00%
40	CKTIS Sp. z o.o.	Biała	Maintenance services in the industrial segment	100.00%	100.00%
41	WINDIFY SP. Z O.O.	Warsaw	Renewable energy sources	100.00%	0.00%

As of 30 June 2025, there were no grounds for impairment recognition of shares in subsidiaries and associated companies.

6. OTHER NOTES

6.10. Transactions with related entities

The following tables show the totals of transactions made by the Company with the Erbud S.A. Group member companies in the period ended on 30 June 2025 and in the period ended on 31 December 2024.

	30 Jun. 2025			31 Dec. 2024		
	Related companies in the Erbud Group	Other relation	Total	Related companies in the Erbud Group	Other relation	Total
Trade receivables	19,375	38	19,413	28,102	36	28,138
Loans extended	188,843	568	189,411	152,011	6,778	158,789
Trade payables	7,746	-	7,746	10,148	24	10,172
Sales revenues	16,822	41	16,863	22,609	65	22,674
Interest income on loans extended	4,959	12	4,971	8,815	485	9,300
Purchase of goods and services	26,407	-	26,407	37,881	-	37,881

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):

Shareholder	30 Jun. 2025		31 Dec. 2024	
	No. of shares /votes	% of shareholding in the share capital counted in votes at the General Meeting of Shareholders	No. of shares /votes	% of shareholding in the share capital counted in votes at the General Meeting of Shareholders
Dariusz Grzeszczak directly and indirectly (Dariusz Grzeszczak, DGI Family Foundation) including:	2,553,460	21.40%	2,553,460	21.40%
Jacek Leczkowski	5,112	0.04%	5,112	0.04%
Agnieszka Głowacka	3,938	0.03%	3,938	0.03%
Albert Dürr	32,172	0.27%	26,354	0.22%
Roland Bosch	10,000	0.08%	10,000	0.08%
Total	2,604,682	21.82%	2,598,864	21.77%

There were no significant transactions with members of the Management Board or supervisors.

6.11. POST-ACCOUNTING PERIOD EVENTS

There were no significant events, not recognised in the financial statements, affecting the Group's financial position after the end of the accounting period until the date of signing of these interim condensed financial statements.

Signatures of all Management Board members:

<hr/>	<hr/>
Dariusz Grzeszczak /President of the Management Board/	Jacek Leczkowski /Vice-President of the Management Board/
<hr/>	<hr/>
Agnieszka Głowacka /Vice-President of the Management Board/	Tomasz Wojak /A Management Board member/

Warsaw, 9 September 2025

