

Peak Revenues and Profits of the ERBUD Group

The construction tycoon increased its revenue by 39% to PLN 3.1bn last year. The Group's normalised operating profit (net of one-off events) increased by 85% y/y to PLN 130m, and normalised net profit grew by 87% to over PLN 94m. Last year's performance was by far the highest in the Group's 31-year construction history. The key influence on the record results of the ERBUD Group had the RES segment, developed within the WSE-listed company ONDE.

In Q4 2021, ERBUD's consolidated revenues increased y/y by nearly half, to PLN 930.4m. The Group's normalised EBIT in Q4 2021 grew by over 80%, to PLN 43.5m, and normalised net profit more than doubled, to PLN 32m. The increase in profitability is due, among others, to the growing revenues of the RES segment, where normalised EBIT increased in the past quarter by more than a third, to nearly PLN 22 million, as well as higher results of the industrial services segment (63% increase in normalised EBIT, to PLN 24.4 million), improving revenues from foreign operations.

The ERBUD Group entered 2022 with a record-breaking order portfolio worth PLN 4.5 billion, of which PLN 3.67 billion are contracts from external entities. The value of already acquired third-party orders, scheduled for execution in 2022, amounts to over PLN 2.8 billion.

*- The financial results achieved in 2021 are the ultimate confirmation of the effectiveness of the Group's strategy. Diversification of business, building competitive advantages based on unique know-how and experience, continuous improvement of efficiency and process improvement make us distinguished by business agility, even in such a dynamically changing and demanding environment. Nowadays, sound financial and organisational foundations of the ERBUD Group allow us to successfully navigate the construction market full of business reefs, consistently reinforcing ourselves in the most promising market areas, such as renewable energy sources, advanced maintenance services, or in the near future - modular construction using prefabricated elements made of renewable materials. I am fully convinced that also in 2022 ERBUD Group will successfully stand out from the market, providing shareholders with reasons for investment satisfaction – emphasises **Dariusz Grzeszczak, CEO of ERBUD S.A.***

The CEO of the listed company stresses that the dramatic events of recent weeks have underlined the urgency of an immediate fundamental overhaul of the European economy, with energy at the forefront. – *Energy transition is a necessity not only from the perspective of global climate challenges. The development of renewable energy and widespread implementation of energy-saving technologies, including in the construction*

industry, are key for the future of Europe, also when considered from the energy security perspective. Reducing the share of fossil raw materials in Europe's energy balance limits the influence of the suppliers of these minerals on the policies of the European countries. ERBUD Group's strategic goal is to be in the vanguard of the "green" revolution in the European energy and economy, we are determined as never before to contribute to transforming the status quo in these areas – Dariusz Grzeszczak comments.

The company recognises the challenges for the industry caused by the pandemic and aggravated by the situation in Ukraine. These include rising inflation, price fluctuations and limited availability of certain building materials. – *The market is unsettled, uncertain and although this uncertainty has been with us for two years and yet we have recorded peak profits year after year, we must consider different scenarios. We are selectively acquiring new contracts, securing our profitability with indexation clauses, as well as conducting the first negotiations with our existing clients on price increases. Relationships developed over many years and mutual trust result in understanding, which makes us delighted* – notes **Jacek Leczkowski, Vice-President of ERBUD S.A. responsible for the cubature segment in Poland.**

ERBUD significantly increased employment in 2021 with over 500 people joining the Group companies. Following the outbreak of war in Ukraine, a special aid fund of PLN 1.5 million was set up in the Group, out of which PLN 200 thousand was transferred to the account of the Polish Humanitarian Action, allowances were paid to the Group's employees and a working team was established to handle the ongoing needs of the families of subcontractors with Ukrainian citizenship. More than 250 individuals have benefited so far. All ERBUD's construction sites in Poland and Germany are proceeding according to schedule.

The ERBUD capital group is the largest construction group in Poland, outside of international holdings. ERBUD has over 31 years of experience in the Polish market and in the countries of Western Europe. It focuses on cubature construction, green energy, services for industry and engineering. Annually, it carries out projects worth over PLN 3 billion. Since 2007, ERBUD S.A. has been listed on the Warsaw Stock Exchange. The most prestigious investments executed by ERBUD Group companies include: Galeria Młociny, Hala Koszyki, the Eurocentrum Office Complex and Royal Wilanów office buildings in Warsaw, the Centre for Invasive and Non-Invasive Medicine of the Gdańsk Medical University, the Southern Hospital in Warsaw, the Lidl Distribution Centre in Stargard, the Municipal Waste Incineration Plant in Konin or the Dobrcz/Mierki Photovoltaic Power Plant Complex. In 2021 ERBUD was awarded the prestigious EMAS certificate, the highest EU environmental recognition.

For more information see www.erbud.pl.

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