



ONDE GROUP
CONSOLIDATED FINANCIAL STATEMENT
for the financial year ending on 31 December 2024

Drawn up in accordance with the International Financial Reporting Standards
(adopted for use in the European Union)

**20
24**

A CONSOLIDATED REPORT ON A RESULT AND OTHER TOTAL INCOME

		For a period of 12 months ending on 31/12/2024	For a period of 12 months ending on 31/12/2023
	CONTINUED OPERATIONS		
Note 4.2	Income on sales of products and services	803,925	1,083,819
Notes 4.2; 4.4.	Costs of products and services sold	713,275	976,833
	Gross profit on sales	90,650	106,986
Note 4.4	Costs of sales	8,328	5,248
Note 4.4	General management costs	55,067	48,165
	Income on sales of shares in a co-subsiary	19,088	-
Note 4.6	Other operating income	4,009	437
Note 4.6	Other operating costs	1,065	1,190
Note 4.2	Impairment of financial assets and assets on valuation of contracts with customers	(3,198)	(4,547)
Note 4.2	Profit on operations	46,089	48,273
Note 4.2	Participation in net losses of entities under joint control by the equity method	(1,722)	(1,125)
Note 4.7	Financial income	4,891	3,298
Note 4.7	Financial costs	9,360	10,011
Note 4.2	Gross profit	39,898	40,435
Note 4.8	Income tax	9,621	7,042
	Net profit for a financial period	30,277	33,393
	Other total income	(20)	-
	Total income	30,257	33,393
	Basic and diluted profit per share (as PLN)	0.56	0.61

CONSOLIDATED FINANCIAL STATUS REPORT

		2024	2023
ASSETS		743,817	661,491
Note 6.2	Goodwill	56	56
Note 6.1	Intangible assets	1,210	1,441
Note 6.1	Tangible fixed assets	131,283	31,434
Notes 5.1.1.	Loans granted	20,597	12,626
Note 6.11	Investments recognised using the equity method.	45,221	51,953
Note 4.8	Deferred income tax assets	28,261	19,809
Note 2.2	Receivables from construction contracts - deposits	48	438
Fixed assets		226,676	117,757
Note 6.4	Inventories	157,809	131,442
Note 2.2	Receivables from construction contracts - deposits	1,528	3,804
Note 2.3	Valuation of construction contracts - assets	71,683	191,363
Note 6.5	Receivables for deliveries and services	119,770	115,121
Note 6.5	Income tax and VAT receivables	8,808	9,299
Note 6.5	Other receivables	6,323	1,121
Notes 5.1.1.	Loans granted	4,177	3,709
Note 3.7	Cash and cash equivalents	135,525	65,322
Note 3.7	Cash on the VAT account	8,486	20,856
Note 6.6	Other assets	3,032	1,697
Current assets		517,141	543,734
LIABILITIES		743,817	661,491
Note 3.1	Share capital	1,091	1,091
Note 3.1	Supplementary capital	285,932	273,109
	Reserve capital	44,154	44,154
	Revaluation capital	(20)	-
Note 3.1	Retained profits	26,518	25,964
Equity		357,675	344,318
Notes 3.2.-3.4.	Debt	102,447	9,313
Note 6.7	Provisions	8,787	7,279
Note 4.8	Deferred income tax liabilities	20,132	14,411
Note 2.2	Payables to subcontractors - deposits	15,688	14,001
Long-term payables		147,054	45,004
Notes 3.2.-3.4.	Debt	9,501	17,337
Note 6.7	Provisions	287	590
Note 2.2	Payables to subcontractors - deposits	12,096	16,470
Note 2.3	Valuation of construction contracts - liabilities	94,626	104,718
Note 6.9	Payables for deliveries and services	94,253	92,001
Note 6.9	Income tax and VAT payables	12,527	26,890
Note 6.9	Other payables	15,798	14,163
Short-term payables		239,088	272,169

CONSOLIDATED STATEMENT ON CHANGES IN THE EQUITY

For a period of 12 months ending on 31/12/2024 and for a period of 12 months ending on 31/12/2023

	Share capital	Own shares	Supplementary capital	Reserve capital	Revaluation capital	Retained profits	Equity
Status as of 1 January 2023	1,101	(30,000)	255,580	74,144	-	10,100	310,925
Net result of the period	-	-	-	-	-	33,393	33,393
Combined total income	-	-	-	-	-	33,393	33,393
Net result of a previous year transferred to a supplementary capital	-	-	17,529	-	-	(17,529)	-
Recording of redeeming of own shares	(10)	30,000	-	(29,990)	-	-	-
Status as of 31 December 2023	1,091	-	273,109	44,154	-	25,964	344,318
Status as of 1 January 2024	1,091	-	273,109	44,154	-	25,964	344,318
Net result of the period	-	-	-	-	-	30,277	30,277
Other total income	-	-	-	-	(20)	-	(20)
Combined total income	-	-	-	-	(20)	30,277	30,257
Dividend	-	-	-	-	-	(16,900)	(16,900)
Net result of a previous year transferred to a supplementary capital	-	-	12,823	-	-	(12,823)	-
Status as of 31 December 2024	1,091	-	285,932	44,154	(20)	26,518	357,675

CONSOLIDATED CASH FLOW STATEMENT

		For a period of 12 months ending on 31/12/2024	For a period of 12 months ending on 31/12/2023
CASH FLOWS FROM OPERATIONS			
	Gross result	39,898	40,435
Note 6.1	Depreciation	9,874	9,070
Note 4.7	Loss on exchange rate differences	(368)	(243)
Note 4.7	Interests and share in profit (dividends)	1,983	4,386
	Other non-financial adjustments	(393)	1,025
	Income on sale of a co-subsiary	(19,088)	-
	Income tax paid	(17,979)	(5,627)
Note 6.10	Change in operating capital	94,620	94,700
Net cash flow from operations		108,547	143,746
CASH FLOWS FROM INVESTMENTS			
	Cash flow from sales of shares in a co-subsiary	25,328	-
Note 5.1.2.	Proceeds from loans paid	39,571	19,146
	Other proceeds	2,756	352
	Expenditures on purchase of tangible fixed assets	(69,149)	(4,622)
Note 5.1.2.	Expenditures for loans granted	(37,431)	(21,644)
	Expenditures on purchase of shares in companies	(39,775)	(13,625)
	Other expenditures	-	(8)
Net cash flow from investing activities		(78,700)	(20,401)
CASH FLOWS FROM FINANCIAL OPERATIONS			
Note 3.2	Proceeds from loans and credits taken	98,645	10,000
	Other proceeds	41	-
Note 3.2	Expenditures on repayment of credits - principal	(29,151)	(65,563)
Note 3.2	Expenditures on repayment of lease debts - principal	(8,778)	(7,486)
Note 3.2	Expenditures on repayment of debts - interests	(3,405)	(6,102)
	Payment of dividends	(16,900)	-
	Other expenditures	(96)	-
Net cash flow from financial operations		40,356	(69,151)
NET CASH FLOWS		70,203	54,194
Cash at the beginning of the period		65,322	11,128
Cash at the end of the period		135,525	65,322

1.	GENERAL	7
1.1.	INTRODUCTION	7
1.2.	BACKGROUND FOR DRAWING UP	7
1.3.	APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS:	8
2.	CONSTRUCTION CONTRACTS	11
2.1.	INCOME AND COSTS UNDER CONSTRUCTION CONTRACTS	13
2.2.	RECEIVABLES AND PAYABLES UNDER CONSTRUCTION CONTRACTS - DEPOSITS	13
2.3.	RECONCILIATION OF AMOUNTS UNDER UNCOMPLETED CONSTRUCTION CONTRACTS	14
3.	CAPITAL MANAGEMENT AND DEBT	15
3.1.	CAPITAL MANAGEMENT	15
3.2.	NET DEBT	17
3.3.	DEBT UNDER LOANS AND CREDITS TAKEN	18
3.4.	DEBT UNDER LEASE	19
3.5.	ASSETS SECURING PAYABLES UNDER DEBTS	19
3.6.	CONTINGENT ASSETS AND LIABILITIES	19
3.7.	CASH AND CASH EQUIVALENTS	20
4.	EXPLANATORY NOTES TO INCOME STATEMENTS	21
4.1.	ALTERNATIVE PERFORMANCE MEASURES	21
4.2.	REPORTING SEGMENTS	22
4.3.	INCOME ON SALES	25
4.4.	COSTS OF SALES	25
4.5.	COSTS OF EMPLOYEE BENEFITS	26
4.6.	OTHER OPERATING INCOME AND COSTS	26
4.7.	FINANCIAL INCOME AND COSTS	26
4.8.	TAXES	27
5.	FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT	29
5.1.	FINANCIAL ASSETS AND LIABILITIES	29
5.1.1.	LOANS GRANTED	33
5.1.2.	FINANCIAL ASSETS - LOANS GRANTED	33
5.2.	PRINCIPLES OF FINANCIAL RISK MANAGEMENT	34
5.2.1.	MARKET RISK - CURRENCY RISK	34
5.2.2.	MARKET RISK - INTEREST RATE RISK	36
5.2.3.	CREDIT RISK	37
5.2.4.	LIQUIDITY RISK	38
5.2.5.	CLIMATE RISK	39
6.	OTHER NOTES	40
6.1.	TANGIBLE FIXED ASSETS	40
6.1.1.	AMOUNTS OF CONTRACTUAL LIABILITIES CONTRACTED TO PURCHASE FIXED ASSETS IN KIND	43
6.2.	GOODWILL	43
6.3.	FIXED ASSETS IMPAIRMENT	43
6.4.	INVENTORIES	44
6.5.	TRADE RECEIVABLES FOR DELIVERIES AND SERVICES AND OTHER RECEIVABLES	44
6.6.	OTHER ASSETS	46
6.7.	PROVISIONS	46
6.8.	DISPUTES	47
6.9.	TRADE PAYABLES FOR DELIVERIES AND SERVICES AND OTHER PAYABLES	50
6.10.	EXPLANATION TO THE CASH FLOW STATEMENT	50
6.11.	GROUP STRUCTURE	51
6.12.	TRANSACTIONS WITH AFFILIATES	54
6.13.	EMPLOYMENT STRUCTURE	55
6.14.	EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD	55

1. GENERAL

1. GENERAL

1.1. INTRODUCTION

ONDE S.A., the Parent Entity in the ONDE Group, is a joint stock company established on 25/09/1998. The Company is registered in the Register of Entrepreneurs with a KRS number 0000028071. The entry was made by the District Court in Toruń, Poland: 7th Commercial Division of the National Court Register (KRS) on 18/07/2001

The registered office of the Company ONDE S.A. is located in Toruń, at Wapienna 40, Poland.

The main subject of ONDE operations are other specialist construction works, not elsewhere classified (PKD 43.99 Z), construction of wind and photovoltaic farms (PKD 42.99 Z), and works associated with road construction and refurbishment (PKD 42.11 Z), and the main territory of the company operations is Poland.

The ONDE S.A. Group belongs to the ERBUD Group and is its subsidiary. Erbud S.A. is also the entity controlling the Company at the highest level. ONDE S.A. has been listed on the Warsaw Stock Exchange S.A. in Warsaw since 2021.

1.2. BACKGROUND FOR DRAWING UP

Statement on IFRS Compliance

The Group's consolidated financial statement for the financial year ending on 31 December 2024 was drawn up in accordance with the International Financial Reporting Standards as approved by the European Union (hereinafter "IFRS").

The consolidated financial statement is stated in zlotys ("PLN") and all the values are stated as PLN thousand (unless stated otherwise). The consolidated financial statement was drawn up according to the historical cost principle, except for investments in entities under the joint control, which were recognised using the equity method.

This consolidated financial statement was approved by the Management Board on 24 March 2025.

Continuation of activity

This consolidated financial statement was drafted with assumption that the economic activity will be continued by the Group in the foreseeable future. As of the day of approval of this financial statement, no circumstances that may indicate a danger to continuation of the Group activity were found.

The influence of the conflict in Ukraine

In 2024, the influence of the war in Ukraine had lower impact on economic processes than in previous years. The situation is relatively stable; however, it still forces the Group to operate in the fast changing environment. For the Group, the most significant effect of the war is the increase in costs of material and payroll.

The Polish zloty strengthens, and its value returns to the level from the time before the outbreak of the conflict in Ukraine.

The Group regularly considers the risk of increase in prices of materials and labour, as well as of changes in currency exchange rates in developed calculations. The Management Board monitors the changing geopolitical and economic situation and undertakes activities aiming at minimising negative consequences of these changes, such as diversification of activities in terms of geographic locations and relevant sectors, while negotiating contractual terms and conditions with employers.

Valuation to fair value

In the valuation to fair value of an asset or a liability the Group takes into account characteristics of a given asset or liability when market participants take those characteristics into account during valuation of assets or liabilities as of a day of valuation. The Group classifies principles of fair value measurements using the fair value hierarchy reflecting the weight of source data used for valuation, consistent with provisions of IFRS 13. On individual balance sheet days, the Group does not have items valued at the fair value, but discloses the fair value in relation to items valued at a depreciated cost.

1. GENERAL

Translation of items in foreign currencies

Items included in the financial statement are valued in the currency of the basic economic environment in which an entity operates ("functional currency"). The functional currency of the Group and the reporting currency of the financial statement is Polish zloty (PLN).

Transactions in foreign currencies are disclosed in books at the moment of the initial disclosure in a value translated to PLN at an average NBP exchange rate of a transaction day.

As of the balance sheet day, monetary assets and liabilities recognised in currencies other than Polish zloty are translated to Polish zloty at the average exchange rate established for a given currency by the National Bank of Poland at the end of the reporting period. Exchange rate differences resulting from that translation are recognised as financial income (cost) or, in cases specified in relevant accounting principles (policy) they are capitalised as assets.

Non-monetary assets and payables recognised at a historical cost expressed in a foreign currency are disclosed at a historical exchange rate of the transaction day. Non-monetary assets and payables recognised at a fair value expressed in a foreign currency are disclosed at an exchange rate of the day of a fair value estimation.

1.3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS:

New and amended standards and interpretations applied:

In this consolidated financial statement, new standards and amendments to current standards, which came into force in 2024, were applied for the first time:

a) Amendment to IFRS 16 Leases

The amendment to the IFRS 16 *Leases* supplements the requirements concerning the future valuation of the lease liability in the case of sale-and-lease-back when IFRS 15 criteria are met, and the transaction is to be recognised as sale. The amendment requires from the seller-lessee to evaluate in the future the lease liabilities resulting from the lease-back in such way that the profit or loss related with the retained right of use is not recognised. The new requirement is particularly important when lease-back includes variable lease payments that do not depend on the index or the rate, as these payments are excluded from the "lease payments" as understood by IFRS 16.

b) Amendment to IAS 1 *Presentation of Financial Statements*

Changes introduced to IAS 1 contain explanations concerning disclosures of liabilities as long- and short-term, as well as address the issue of classifying liabilities when an entity is obliged to meet specific contractual requirements, so-called covenants. In consequence, the amended IAS 1 states that liabilities are classified as short- or long-term depending on rights existing at the end of the reporting period. The classification is influenced neither by the entity's expectations nor by events after the reporting day (e.g. covenants of loan agreements that the entity needs to observe only after the balance sheet day).

c) Changes to IAS 7 *Cash Flow Statement* and IFRS 7 *Financial Instruments: Disclosures - disclosures concerning supplier finance agreements*

Changes to IAS 7 *Cash Flow Statement* and IFRS 7 *Financial Instruments: Disclosures* introduce requirements for disclosures concerning agreements for financing liabilities towards suppliers (so-called reverse factoring). These changes require specific disclosures concerning agreements of this type, to enable the user of financial statements to evaluate the influence of these agreements on liabilities and cash flows, as well as entity's exposure to the liquidity risk. These changes aim at increasing transparency of disclosed information concerning agreements to finance liabilities, but do not influence rules of presentation and valuation.

In the Management Board opinion, these amendments do not significantly influence the consolidated financial statement of the Group.

1. GENERAL

Published standards and interpretations that have not come into force yet, and were not applied earlier by the Group:

In this consolidated financial statement, the Group did not decide to apply earlier the following published standards, interpretations or amendments to existing standards before a date of their coming into force:

a) Amendment to IFRS 21 *The Effects of Changes in Foreign Exchange Rates*

In August 2023, the Board published amendment to IFRS 21 *The Effects of Changes in Foreign Exchange Rates*. The introduced amendments aim at facilitating for entities establishing whether a given currency is exchangeable for another currency and estimation of the immediate exchange rate when a given currency is not exchangeable. Furthermore, amendments to the standard introduce the requirement of additional disclosures if a currency is not exchangeable, concerning the method for establishing the alternate exchange rate.

The published changes apply to financial statements for periods starting on 1 January 2025 or after that date.

As of the day of drawing up of this consolidated financial statement, these amendments had not yet been approved by the European Union.

b) Changes in classification and measurements of financial instruments - Amendment to IFRS 9 and IFRS 7.

In May 2024, IASB published amendments to IFRS 9 and IFRS 7, aiming at:

- a) specifying precisely a date for recognising and derecognising certain financial assets and liabilities, with an exemption for some financial liabilities settled using an electronic payment system;
- b) clarification and adding of further guidelines concerning assessment whether an item of financial assets meets the SPPI criteria;
- c) introducing additional disclosures for financial instruments with contingent features that can change cash flows; and
- d) updating disclosures for equity instruments classified at fair value through other comprehensive income (FVOCI).

The published changes apply to financial statements for periods starting on 1 January 2026 or after that date. As of the day of drawing up of this consolidated financial statement, these amendments had not yet been approved by the European Union.

c) Annual improvements to IFRSs

"Annual improvements to IFRSs" introduce amendments to the 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 explanations and specify in detail guidelines of standards concerning disclosures and valuations.

As of the day of drawing up of this consolidated financial statement, these amendments had not yet been approved by the European Union.

d) Agreements concerning electricity depending on natural factors: Amendments to IFRS 9 and IFRS 7

In December 2024, the Board published amendments to help companies improve their recognition of financial consequences of agreements concerning electricity depending on natural factors, which frequently have a form of power purchase agreements (PPA). Current guidelines may not fully reflect the effect of these agreements on company performance. To enable companies to better reflect these agreements in their financial statement, the IASB introduced amendments to IFRS 9, *Financial instruments*, and IFRS 7, *Financial instruments: Disclosures*.

These amendments include:

- a) more precise definition of the "own use" requirement;
- b) permit to use hedge accounting when these agreements are used as hedging instruments;

1. GENERAL

- c) adding new disclosures, to enable stakeholders to understand the effect of these agreements on financial results and cash flows.

As of the day of drawing up of this consolidated financial statement, these amendments had not yet been approved by the European Union.

e) IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the Board published a new standard, IFRS 18 *Presentation and Disclosure in Financial Statements*. This standard is to replace IAS 1 *Presentation of Financial Statements*, and will come into force 1 January 2027. Amendments versus the replaced standard concern three main issues: a profit and loss account, required disclosures concerning income measures and issues associated with aggregation and disaggregation of information included in financial statements.

The published standard will apply to financial statements for periods starting on 1 January 2027 or after that date.

As of the day of drawing up of this consolidated financial statement, these amendments had not yet been approved by the European Union.

f) IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

In May 2024, the Board issued a new accounting standard, IFRS 19, which can be adopted by specific subsidiaries applying IFRSs to improve effectiveness of disclosures in financial statements of these entities. The new standard introduces simplified and reduced requirements for disclosure of information. In consequence, the qualifying subsidiary applies requirements of other IFRSs, except requirements concerning disclosure of information, replacing them with reduced requirements on disclosure of information provided in IFRS 19.

Eligible subsidiaries are entities without public accountability, defined in the new standard. Furthermore, IFRS 19 requires an entity being the ultimate or any intermediate parent to that entity to produce consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Eligible entities can decide to apply provisions of the new IFRS 19 in to their financial statements drawn up for periods starting on 1 January 2027 or after that date.

As of the day of drawing up of this consolidated financial statement, these amendments had not yet been approved by the European Union.

g) IFRS 14 *Regulatory Deferral Accounts*

This standard allows entities that for the first time draw financial statements up in accordance with IFRSs (on 1 January 2016 or after that date) to recognise amounts resulting from operations subject to rate regulations in accordance with the previously applied accounting principles. To improve comparisons with entities already applying IFRSs and do not disclose such amounts, under published IFRS 14 amounts resulting from operations subject to rate regulations should be disclosed as a separate item in the financial status report, in the profit and loss account, and in the total other income report.

According to the European Union decision, IFRS 14 will not be approved.

h) Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint ventures

These amendments solve an issue of current inconsistency between IFRS 10 and IAS 28. The accounting disclosure depends on whether non-monetary assets sold or contributed to an associate or a joint venture represent "business".

When the non-monetary assets are "business", the investor recognises a full profit or loss on the transaction. When the assets do not meet the definition of "business", the investor recognises the profit or loss only in a part representing shares of other investors.

These amendments were published on 11 September 2014.

As of the day of drawing up of this consolidated financial statement, approval of this amendment had been deferred by the European Union.

2. CONSTRUCTION CONTRACTS

2. CONSTRUCTION CONTRACTS

The Group signs agreements at flat rate (fixed) prices for execution of construction contracts, mainly concerning construction of wind farms, photovoltaic farms, and construction and refurbishment of roads. Some agreements with Customers also contain a variable element of the remuneration in form of penalties that may be imposed on the Group, e.g., in the event of delays in contract execution.

An element of a variable remuneration adjusts a transaction price and an amount of recognised income, i.e., the Group discloses a part or a total amount of the variable remuneration only in that part in which it is highly probable that a significant reversal of the accumulated amount of recognised revenues will not occur when the uncertainty associated with variability is settled. The Company recognises income on claims only when it has external expert opinions confirming that recognition of an additional remuneration amount is justified. To estimate the value of variable remuneration, the Group uses the expected value method to estimate income on claims. Historically, the Group did not pay penalties to its customers, and circumstances for recognition of penalties did not occur for any balance sheet days for executed contracts. Any modifications to agreements (changes in their scope, prices or both those components) are recognised as a cumulative adjustment of revenues.

Due to a specific nature of construction contracts and services provided by the Group, the Group identifies only one obligation to deliver in all construction works agreements, and the total value of remuneration is allocated to it.

The Group recognises income and costs related to executed construction contracts in time, with a progress of conducted works. The Group measures a degree of a contract performance using a method based on expenditures, i.e., determines a value of income on execution of construction contracts in a period from a day of concluding an agreement to a balance sheet day, pro rata to execution of a given contract, by calculating a degree of the works progress on a basis of a ratio of costs recognised for a given contract to a total budget of costs prepared for a given contract. From the amount calculated this way the Group deduces revenues that influenced the financial performance in previous years, obtaining income on executed construction contracts for a current period. A change in estimation of a progress in performance of an agreement is treated as a change in estimation and influences the amount of the recognised income in a period in which the estimation of the progress was changed.

In the Management Board opinion, this way of measuring the degree of the contract performance provides a reliable information on the progress of a given contract due to a direct correlation between the expenditures made and the progress of construction works, which to a significant extent are executed also by the Group subcontractors.

When the progress of an uncompleted service (including construction services) or a foreseen total cost of its performance cannot be established reliably as of a balance sheet day, then the income is established in the amount of costs incurred in a given reporting period; however, not higher than costs that are expected to be covered by a principal in the future.

Correspondingly, the valuation results (i.e., determination of income by the cost-ratio method) are recognised as "Assets (or liabilities) under construction contracts". The balance of assets from construction contracts are covered by impairment write-offs calculated similarly as for non-overdue trade receivables. All assets from construction contracts are at Level 2 of the impairment model, and to calculate impairment write-offs for these assets a simplified matrix-based approach is used (similarly as for trade receivables). Due to a method used for recognising balances for assets from construction contracts, they are not subject to ageing and are treated as a whole as current and not overdue.

Invoicing of works executed as a part of construction contract performance is performed in accordance with a schedule specified in an agreement, usually after completion of a given stage of works specified in an agreement. The income is recognised in time, with a progress of performed works. Therefore, during performance of a given construction contract there may be a discrepancy between the invoiced income and the income recognised by the expenditures method. Together with an increase in income recognised by the expenditures method, the balance of "Assets from construction contracts" increases accordingly. At a moment of issuing an invoice, "Receivables for deliveries and services" are entered into books in their gross amount, and the net invoice value reduces the value of "Assets from construction contracts" or increases a balance of "Liabilities under construction contracts". Under construction contracts signed with the Group, customers retain parts of payments as a performance guarantee. These amounts are recognised as "Receivables from construction contracts - deposits" and are reimbursed usually after completion of a project or an expiry of a guarantee period.

The Group creates provisions for contracts with a negative margin at the moment of identifying circumstances that a given executed construction contract will be closed with a loss (budgeted costs exceed the budgeted income). Provisions are created under costs of a given period in a full value of forecast loss on a given contract and are disclosed in the balance sheet in the row "Provisions".

The Group recognises costs of conclusion of an agreement as costs at the moment they are incurred, as costs of conclusion of an agreement are not charged directly to a customer, regardless of whether the an agreement is concluded. The Group

2. CONSTRUCTION CONTRACTS

grants to its customers only basic guarantees that do not represent a separate liability to perform a service. A period covered by a guarantee differs, depending on a performed contract and on components covered by the guarantee.

To perform its works associated with the performance of construction contracts, the Group engages subcontractors. In relation to works performed by subcontractors, the Group acts as a general contractor (or a principal). The invoiced costs of their employment are disclosed as "Payables for deliveries and services". Parts of payments to subcontractors retained by the Group as a performance guarantee are disclosed by the Group in an item "Payables to subcontractors - deposits" (note 2.2).

In the case of certain construction contracts executed as a part of joint ventures in which the Group is a leader of a consortium or an order, the Group estimated that it acts as an intermediate in relation to works performed by other partner, and which are invoiced by the Group as a leader to a customer. The Group defines its role as a leader in a given order when it identifies specific goods and services that are to be delivered, but which are not controlled by it before they are handed over to a customer. When the Group acts as an intermediate, it recognises an income in a contractual amount of a fee or a commission to which it is authorised in return for ordering delivery of specific services or goods by other entity at the moment of fulfilling its obligation to perform the service. Due to a nature of formed consortia and orders in which the Group acts as a leader, fees and commissions described above do not occur, therefore, the income on commissions for invoicing the customer for works performed by other consortium member does not occur in the Group. The Group recognises as profit solely amounts of remuneration due for performing for a principal its scope of works in accordance with the policy described above.

Furthermore, for the remaining sales, i.e., materials (aggregate), goods and auxiliary production, the Group recognises income at a point in time. An income on remaining sales is recognised at the moment a control is transferred onto a customer, which is consistent with a moment at which a given good is delivered to a customer.

A payment date for construction services contracts performed by the Group is 30 to 180 days of an invoice date, and for remaining sales it is usually 30 days of an invoice date. Therefore, the concluded contracts do not include any significant element of financing, except for amounts invoiced for performance of construction contracts which are paid at a later date, as they represent deposits retained by a customer. Amounts retained from individual invoices represent up to 10% of the remuneration due for performance of an agreement and are released within 5 years from completion of an order at the latest. An income on performance of construction contracts in its part retained as a deposit is recognised at a discounted amount.

A division of income into income recognised in time and at a point of time is presented in Note 4.2.

The use of the expenditure-based method to recognise income on construction contracts requires estimation in relation to a degree of the works progress at a given contract, i.e., estimation of an entire budget of costs for a given contract.

Cost budgets for given contracts are prepared by the Group Management at a bidding stage and updated during a financial year or when circumstances for review of a cost or income budget are identified. When any events significantly influencing a result of a contract occur between official reviews of the budget, a value of total income or costs of that contract is updated on a regular basis, i.e., changes in the contract scope are reflected in the internal system maintained by the Group immediately after they are negotiated by the Group with a customer.

For executed construction contracts, an increase/decrease in total budgeting costs by 2% results in a corresponding decrease/increase in an income recognised cumulatively in the Group books for a given contract of a similar value as percentage points. The influence of such change in the total cost budget on income in a given period depends on a degree of progress of an executed contract at the end of a given period. For significantly advanced contracts the effect of such change on income in a given period will be more significant than in case of a contract at an early stage.

Relevant control processes function at the Group, ensuring that the budgeting process for a given project is based on current and reliable estimations of costs necessary for performance of a given contract, subject to verification and acceptance by persons appointed for that process. A budget prepared by a Project Manager is verified by a director of a department responsible for that construction site.

The Group registers executed projects - construction contract agreements in an internal system used for management of projects. Information concerning a given contract, including a degree of its performance, are entered into the system by a contract/construction site manager, and then approved by a director of a department responsible for that construction site.

2. CONSTRUCTION CONTRACTS

2.1. INCOME AND COSTS UNDER CONSTRUCTION CONTRACTS

Amounts of income and costs of construction contracts for a period and cumulatively are presented in a table below.

	For a period of 12 months ending on 31/12/2024	For a period of 12 months ending on 31/12/2023
	Contracts during the period	Contracts during the period
Amounts recognised in the period		
Income on construction agreements	763,564	1,046,672
Costs of construction agreements	701,994	960,070
Result before disclosure and settlement of future losses	61,570	86,602
Establishing provisions for future losses	179	438
Gross result	61,391	86,164
Gross profit margin		
excluding provisions	8%	8%
including provisions	8%	8%

A gross profit margin is defined as a gross profit on sales divided by income on sales.

2.2. RECEIVABLES AND PAYABLES UNDER CONSTRUCTION CONTRACTS - DEPOSITS

Receivables from construction contracts - deposits are maintained to collect contractual flows, which include solely payments of the principal balance and interests ("SPPI") and are valued at a depreciated cost taking into account possible revaluation write-offs. At the moment of initial disclosure, these financial assets are recognised at a nominal value according to amounts initially invoiced, reduced by a value of a discount. The calculation method for the discount value is specified in Note 6.5. A value of deposits due is updated by the Company by impairment write-offs recognised in accordance with the accounting principle specified in Note 6.5 and presented in the item "Write-off for financial assets" in the statement on result.

Payables due for deposits are valued at their fair value (i.e., payment values discounted at a current market interest rate for such payables) at the moment of their initial recognition, and costs of subcontractor services are recognised at this amount. In future periods, payables due for deposits are valued at a depreciated cost, and costs of interests are disclosed in financial costs.

	2024			2023		
	Reimbursed within 12 months	Reimbursed after 12 months	Total	Reimbursed within 12 months	Reimbursed after 12 months	Total
Receivables from construction contracts - deposits before discounting	1,593	53	1,646	4,152	512	4,664
Impairment write off	(54)	36	(18)	(116)	(18)	(134)
Deposits discount	(11)	(41)	(52)	(232)	(56)	(288)
Receivables from construction contracts - deposits	1,528	48	1,576	3,804	438	4,242
Payables to subcontractors - discounted deposits	12,096	15,688	27,784	16,470	14,001	30,471

2. CONSTRUCTION CONTRACTS

2.3. RECONCILIATION OF AMOUNTS UNDER UNCOMPLETED CONSTRUCTION CONTRACTS

	2024	2023
Income on uncompleted construction agreements, incremental	2,397,803	1,895,061
Amounts invoiced to customers cumulatively (excluding prepayments)	2,391,016	1,769,204
Balance of settlements for uncompleted construction contracts	6,787	125,857
including:		
(1) Assets for performed non-invoiced construction works, gross	72,547	192,566
Impairment write-off for assets from construction contracts	(864)	(1,203)
(1a) Assets for performed non-invoiced construction works, net	71,683	191,363
(2) Liabilities for non-performed invoiced construction works	65,760	66,709
(3) Liabilities for due construction works not invoiced by subcontractors	-	9,770
Balance of settlements for construction contracts	6,787	116,087
including:		
Valuation of construction contracts - assets	71,683	191,363
Valuation of construction contracts - balances reconciliation (2+3)	65,760	76,479
Payables under construction contracts - prepayments received	28,866	28,239
Valuation of construction contracts - liabilities	94,626	104,718

For all dates specified in the table above, the entire balances of contractual payables at the beginning of a period were recognised as income in a given period. The remaining part of a change in the balance of payables under construction contracts results from a surplus of invoiced income in a given over income recognised in the statement on results.

Due to the specific nature of conducted operations, i.e., performance of construction contracts, the Company cannot separate cumulative changes in amounts of disclosed income that would result from changes in estimated progress of works or changes in a transaction price due to occurrence of estimated penalties on income amounts recognised in a period for the progress of works. Nevertheless, as it was specified in the description of accounting principles and material estimations:

changes in total costs for executed projects were not significant and usually did not deviate more than by +/- 2% versus initially budgeted costs, and in the presented periods no penalties were imposed on the Company by its customers and no circumstances to recognise penalties for executed contracts occurred on any of a balance sheet days.

An impairment write-off for assets from a contract is calculated using the write-off matrix, as for trade receivables. The entire balance of assets from a contract in all presented periods is not overdue. The write-off ratio calculated in accordance with the ECL method for contract assets was 1.16% as of 31/12/2024 and 0.4% as of 31/12/2023. In the presented financial statement, write-off amounts and changes in the impairment write-off for assets from construction contract are immaterial, therefore, they were not presented.

Changes in a value of assets and liabilities from contract valuation result from a specific nature of reconciliation of construction contracts and from invoicing schedules for individual contracts, i.e., there are contracts with diversified payment schedules; therefore, a typical relationship between a payment day and a performance of a service does not occur.

3. CAPITAL MANAGEMENT AND DEBT

3. CAPITAL MANAGEMENT AND DEBT

3.1. CAPITAL MANAGEMENT

The share capital covers ordinary shares and is disclosed at its nominal value (consistent with the Group Articles of Association and an entry in the National Court Register).

The remaining supplementary capitals are created mainly from the profit carried over, including amounts obligatorily transferred to a supplementary capital in accordance with provisions of the Commercial Companies Code.

The reserve capitals are created from the profit carried over, to finance further development of the Group.

The Group supplementary capital is created in accordance with provisions of the Commercial Companies Code and shareholders' decisions. In accordance with the Commercial Companies Code, a supplementary capital must be created to cover losses, an at least 8% of profit for a given financial year is transferred to it until that capita does not amount to at least one third of the share capital. The supplementary capital created this way cannot be divided. The General Shareholders Meeting decides about the use of the supplementary and reserve capitals; however, a certain part of the supplementary capital can only be used to cover a loss disclosed in a financial statement, and it cannot be divided for other purposes.

The Group manages the structure of its capitals and amends it according to changes in economic conditions. To maintain or adjust the structure of its capitals, the Group may appropriately shape payment of dividends to shareholders or issue new shares.

The main aim of the capital management by the Group is to maintain a sound credit rating and secure capital ratios that will support Group operations and increase value for its shareholders.

Return on equity - ROE		
	2024	2023
(1) Net profit	30,277	33,393
(2) Equity	357,675	344,318
ROE [(1)/(2) * 100%]	8.46%	9.70%

General debt ratio		
	2024	2023
(1) Payables and provisions for liabilities *	386,142	317,173
(2) Total assets	743,817	661,491
General debt ratio [(1)/(2) * 100%]	51.91%	47.95%

*"Payables and provisions for liabilities" represents a sum of all long- and short-term payables disclosed in the financial status report.

The amount of the debt ratio achieved in all presented periods was within the range specified by the Management Board as a target level for that ratio.

3. CAPITAL MANAGEMENT AND DEBT

Equity to debt ratio

	2024	2023
(1) Payables and provisions for liabilities *	386,142	317,173
(2) Equity	357,675	344,318
Equity to debt ratio [(1)/(2)*100%]	107.96%	92.12%

***"Payables and provisions for liabilities" represents a sum of all long- and short-term payables disclosed in the financial status report.*

The amount of the equity to debt ratio achieved in all presented periods was within the range specified by the Management Board as a target level for that ratio.

The most important factor influencing the above ratios and their value is the Group net profit.

Share capital

As of 31 December 2024, the share capital consisted of 54,512,759 shares of a total value of PLN 1,090,255.18, and the structure of Shareholders holding more than 5% of shares in the share capital was as follows:

Shareholder	% share in the share capital
ERBUD S.A.	60.67%
Jacek Leczkowski	6.48%
Generali PTE S.A., managing the Generali OFE Fund	6.01%
Funds managed by Nationale-Nederlanden PTE S.A.	5.53%

The Company Articles of Association do not grant to the shareholders listed above any personal rights in relation to the Company; in particular, it does not grant it a right to appoint members of the Company Management Board or Supervisory Board.

The basic profit per share is calculated by dividing the net profit/(loss) for a reporting period assigned to ordinary shareholders of the Company by an average weighted number of ordinary shares in a given reporting period.

To calculate a diluted profit per share, a net profit/(loss) for a reporting period assigned to ordinary shareholders and an average weighted number of ordinary shares in a given reporting period are adjusted by an effect of all diluting possible ordinary shares. The diluted profit per share is equal to the basic profit per share, because there are no diluting instruments at the Company.

The split of shares performed both in the reporting period, and after the balance sheet day adjusts the average weighted number of ordinary shares for the purpose of calculating basic and diluted profit per share in all presented periods.

The basic and diluted profit per share is presented below:

	For a period of 12 months ending on 31/12/2024	For a period of 12 months ending on 31/12/2023
Net profit	30,277	33,393
Average weighted number of ordinary shares (pcs.)	54,512,759	54,512,759
Basic and diluted profit per share (as PLN)	0.56	0.61

3. CAPITAL MANAGEMENT AND DEBT

3.2. NET DEBT

		2024	2023
Note 3.8	Cash and cash equivalents, and cash of limited availability for disposal (A)	135,525	65,322
Note 3.3	Debt under loans and credits taken	79,517	927
Note 3.5	Debt under lease	22,930	8,386
	Non-current debt	102,447	9,313
Note 3.3	Debt under loans and credits taken	2,676	11,548
Note 3.5	Debt under lease	6,825	5,789
	Debt (short-term)	9,501	17,337
	Total debt (B)	111,948	26,650
	(Net debt)/Net cash and cash equivalents ((A)-(B))	23,577	38,672

The Group defines net debt as a balance of debt under credits and loans, and lease reduced by cash and cash equivalents (including cash of limited availability for disposal recognised as short-term assets). When cash and cash equivalents exceed the debt, the Group describes the net amount as “net cash and cash equivalents”.

The following changes in the debt occurred during presented reporting periods:

	Debt under:	Loans and credits	Leasing	Total debt
Debt as of 1 January 2023		60,462	23,748	84,210
Proceeds from loans and credits taken - received funding		10,000	-	10,000
Concluded lease agreements		-	6,657	6,657
Calculated interests on debt		5,488	1,219	6,707
Expenditures under loans and credits taken - repayment of the principal		65,563	7,486	73,049
Expenditures under loans and credits taken - repayment of interests		5,063	1,039	6,102
Other non-financial adjustments		7,151	(8,924)	(1,773)
Change in debt in the period		(47,987)	(9,573)	(57,560)
Debt as of 31 December 2023		12,475	14,175	26,650
Proceeds from loans and credits taken - received funding		98,645	-	98,645
Concluded lease agreements		-	24,473	24,473
Calculated interests on debt		6,465	1,454	7,919
Expenditures under loans and credits taken - repayment of the principal		29,151	8,778	37,929
Expenditures under loans and credits taken - repayment of interests		2,271	1,134	3,405
Other non-financial adjustments		(3,970)	(435)	(4,405)
Change in debt in the period		69,718	15,580	85,298
Debt as of 31 December 2024		82,193	29,755	111,948

3. CAPITAL MANAGEMENT AND DEBT

3.3. DEBT UNDER LOANS AND CREDITS TAKEN

	2024	2023
Long-term		
Bank loans	79,517	725
Borrowings	-	202
	79,517	927
Short-term		
Bank loans	2,496	791
Borrowings	180	10,757
	2,676	11,548
Total debt under loans and credits taken	82,193	12,475

	2024	2024	2023	2023
	In functional currency	In foreign currency	In functional currency	In foreign currency
Credits and loans				
Long-term	79,517	-	927	-
Short-term	2,676	-	11,548	-
Total	82,193	-	12,475	-

The credits disclosed as long- and short-term bear interests according to WIBOR ON, 1M or 3M + margin of 1.5pp to 2.15pp. Loans bears interests according to WIBOR 3M + margin of 2.5pp and the fixed rate of 10%.

Payables under debt under loans and credits taken are initially recognised at their fair value reduced by transaction costs. On each balance sheet day, those items are valued at a depreciated cost using an effective interest rate.

As of specified balance sheet days, the fair value of credits and loans did not differ significantly from valuation at a depreciated cost. The fair value of credits and loans is estimated using models of discounted flows (DCF) on a basis of cash flows reflecting the repayment schedule for loans received when applying a market percentage rate for such liabilities (i.e., the discount rate was estimated at a level of WIBOR 1M for a given day increased by a fixed interest rate representing a risk premium at a level of 2.15%). The fair value of long-term loans and credits valued at a depreciated cost is classified at the second level of the fair value hierarchy.

Covenants

During the year, as of 31 December 2024, and by the day of approving the financial statement, all covenants were fulfilled.

3. CAPITAL MANAGEMENT AND DEBT

3.4. DEBT UNDER LEASE

Period		2024	2023
		Nominal value of minimum payments	Nominal value of minimum payments
Up to 1 year	Short-term	8,650	6,820
Over 1 year	Long-term	35,199	12,919
Nominal value of minimum payments		43,849	19,739
Future costs of lease		14,094	5,564
Current value of minimum payments		29,755	14,175
Up to 1 year	Short-term	6,825	5,789
Over 1 year	Long-term	22,930	8,386

The main entry in leased fixed assets are transport vehicles.

3.5. ASSETS SECURING PAYABLES UNDER DEBTS

	2024	2023
Tangible fixed assets	106,904	8,133
Inventories	47,327	-
Total	154,232	8,133

As a security for financial agreements, the Group established mortgage liens on real estates, registered and financial pledges on shares and a registered charge on a fixed pool of assets and titles. Information concerning debts under loans and credits is presented in Note 3.3.

3.6. CONTINGENT ASSETS AND LIABILITIES

	Contingent assets		Contingent liabilities	
	2024	2023	2024	2023
Affiliates				
Guarantees and warranties	146,004	147,129	70,000	81,220
Total	146,004	147,129	70,000	81,220
Other entities				
Guarantees and warranties	61,255	54,101	334,995	334,160
Total	61,255	54,101	334,995	334,160

Contingent assets include sureties and guarantees received from Erbud S.A. and required by contracts concluded by the Group. Furthermore, contingent assets include guarantees from subcontractors received by the Group, securing performance of works and warranty.

Contingent liabilities include a surety granted by the Group to Erbud S.A. and (bank and insurance) guarantees granted by the Group, securing performance of the contract and removal of defects and faults.

3. CAPITAL MANAGEMENT AND DEBT

As of a balance sheet day of 31/12/2024, ONDE S.A. had access to bank and insurance multi-purpose lines of a total value of PLN 1,228.2 million (including a joint limit with companies from the Erbud Group), which can mainly be used for credits, letters of credit, and bank and insurance guarantees. As of a balance sheet day of 31/12/2024, ONDE S.A. used PLN 82.0 million to take loans, and PLN 325.4 million for bank and insurance guarantees.

As of a balance sheet day of 31/12/2023, ONDE S.A. had access to bank and insurance multi-purpose lines of a total value of PLN 862.4 million (including a joint limit with companies from the Erbud Group), which can mainly be used for credits, letters of credit, and bank and insurance guarantees. As of a balance sheet day of 31/12/2023, ONDE S.A. used PLN 25.3 million to take loans, and PLN 342.3 million for bank and insurance guarantees.

3.7. CASH AND CASH EQUIVALENTS

	2024	2023
Cash in hand	29	16
Cash on bank accounts	135,496	65,306
Total cash and cash equivalents	135,525	65,322

A value of an impairment write-off for cash is immaterial.

As of 31/12/2024, cash at VAT bank accounts amounted to PLN 8,486 thousand (as of 31/12/2023, they amounted to PLN 20,856 thousand)

4. EXPLANATORY NOTES TO INCOME STATEMENTS

4. EXPLANATORY NOTES TO INCOME STATEMENTS

4.1. ALTERNATIVE PERFORMANCE MEASURES

The Management Board analyses results of segments using key performance indicators such as EBIT, EBIT margin, and EBITDA and adjusted EBITDA. The Group Management Board considers the above measures to be significant additional measures of the result, and therefore, it presents it in the statement together with measures defined in IFRSs. It should be remembered that EBIT, EBIT margin, and EBITDA are not indicators defined in IFRSs and they are not standardised measures; therefore, methods for their calculation may differ between different entities in the market. Thus those indicators should not be analysed separately or as substitutes of measures defined in IFRSs.

EBITDA and EBIT are measures showing results achieved by the Company when effects of the income tax, financing costs and income and, in case of EBITDA, depreciation are eliminated.

EBITDA is defined as a profit after tax (net result) increased with charges for income tax, financial costs and depreciation, and reduced by financial income. Adjusted EBITDA is defined as EBITDA with one-time events eliminated.

The Company defines EBIT as a profit after tax (net result) increased with income tax liabilities, financial costs and reduced by financial income. Adjusted EBIT is defined as EBIT with one-time events eliminated.

The EBIT margin is a measure showing the Company profitability, excluding effects of the income tax, and of financial costs and income. The Company defines the EBIT margin (adjusted EBIT margin) as EBIT (adjusted EBIT) divided by income on sales of products and services.

	For a period of 12 months ending on 31/12/2024	For a period of 12 months ending on 31/12/2023
Net profit for a financial period	30,277	33,393
Income tax	9,621	7,042
Gross profit	39,898	40,435
Participation in net losses of entities under joint control by the equity method	(1,722)	(1,125)
Financial costs	9,360	10,011
Financial income	4,891	3,298
EBIT	46,089	48,273
Depreciation	9,874	9,070
EBITDA	55,963	57,343
Income on sales of products and services	803,925	1,083,819
EBIT margin	6%	4%

4. EXPLANATORY NOTES TO INCOME STATEMENTS

4.2. REPORTING SEGMENTS

On a basis of management reporting presented to the main operating decision maker (i.e., the Management Board), the Group defined three basic reporting segments corresponding to operational segments:

- road and engineering construction projects (performance of contracts for road infrastructures);
- construction projects in the renewable energy resources sector (performance of contracts for the photovoltaic industry and wind farms) in Poland; sales of subsidiaries operating in energy sales;
- a sector of other activities (sale of aggregates, construction materials and auxiliary production).

Financial data prepared for purposes of management reporting, representing a basis for data about reporting and operational segments, are based on the same accounting principles as used to draw up the Group financial statements. Out of balance sheet items, from the point of view of operational segments the Group Management Board analyses only assets and liabilities under construction contracts.

Due to the seasonal nature of construction contracts, the income in the first quarter is the lowest versus the remaining quarters.

In a period by 31 December 2024, and until approval of this consolidated financial statement, no events of a one-time nature that would materially influence reporting segments occurred.

The Company has one customer from whom more than 10% of its total income comes.

Main information on segments in reporting periods

The Group operates in Poland and abroad.

	For a period of 12 months ending on 31/12/2024			For a period of 12 months ending on 31/12/2023		
	Country (Poland)	Abroad	Total	Country (Poland)	Abroad	Total
Sale to external customers, including:	800,178	3,747	803,925	997,452	86,367	1,083,819
Income recognised in time	759,817	3,747	763,564	960,305	86,367	1,046,672
Income recognised at a point in time	40,361	-	40,361	37,147	-	37,147
Fixed assets other than financial instruments and deferred income tax assets	177,770	-	177,770	84,882	-	84,882

All construction contracts are concluded at fixed (flat rate) prices with a variable element in form of possible penalties for unpunctual performance of works and substantiated claims to investors.

In the Construction segments in the renewable energy sources (RES) segment and in road and engineering projects segment, contracts are both long- and short-term. A typical term for a contract in the RES construction segment is within 9 to 24 months; in the segment of road and engineering projects a contract term depends on a contract itself (in the presented period, the shortest contracts lasted 6 months, and the longest took up to 5 years).

In the Construction sector, in the renewable energy sources (RES) segment, the income on sales of subsidiaries operating in energy generation are usually recognised at the moment of the price payment. When the price includes a variable component, depending on satisfying conditions, the Company specifies for each condition a probability of its occurrence within a specific time, and the variable remuneration component is recognised in the income only when the probability of the condition's fulfilment is very high.

Only short-term contracts are used in the segment of other activities. In this segment there are no contracts for which an obligation to deliver was not fulfilled within the reporting period.

4. EXPLANATORY NOTES TO INCOME STATEMENTS

In the road and engineering projects segment, income is guaranteed from customers being mainly public entities, while in the RES segment the customers are private entities.

Data concerning income and results, as well as assets and liabilities of individual reporting periods is shown in the table below.

	For a period of 12 months ending on 31/12/2024			
	Road and engineering constructions	Renewable Energy Sources segment	Other activities segment	Continued operations in total
Sales to external customers:	150,614	641,070	12,241	803,925
Income on sales, total	150,614	641,070	12,241	803,925
Results of segments and reconciliation to the Group gross profit				
Costs of sales	158,606	546,549	8,120	713,275
Margin on sales	(7,992)	94,521	4,121	90,650
Margin on sales %	-5%	15%	34%	11%
Result on other operations	(10,819)	(32,117)	(1,625)	(44,561)
Segment result – EBIT	(18,811)	62,404	2,496	46,089
EBIT margin	-12%	10%	20%	6%
Participation in results of affiliated companies and joint ventures appraised according to the equity method		(1,722)		(1,722)
Result on financial operations (financial income minus financial costs)				(4,469)
Gross result				39,898
Income tax				9,621
Net result				30,277
Depreciation	3,442	6,432	-	9,874
Segment result – EBITDA	(15,369)	68,836	2,496	55,963
Assets and payables				
Valuation of construction contracts - assets	33,415	38,267	-	71,683
Other assets	618,809	628,601	-	672,134
Total assets				743,817
Valuation of construction contracts - liabilities	15,004	79,622	-	94,626
Other liabilities	608,811	54,020	-	649,191
Total liabilities				743,817
Other important items				
Participation in results of affiliated companies and joint ventures appraised according to the equity method	-	(1,722)	-	(1,722)
Reversed impairment/(impairment) of financial assets and assets on valuation of contracts	(3,255)	(17)	74	(3,198)
Expenditures on fixed assets in kind and intangible assets	(11,449)	80,596	-	69,149
Interest revenues	-	4,151	-	4,151
Interest expenses	-	3,811	-	3,811

4. EXPLANATORY NOTES TO INCOME STATEMENTS

For a period
of 12
months
ending on
31/12/2023

	Road and engineering constructions	Renewable Energy Sources segment	Other activities segment	Continued operations in total
Sales to external customers:	285,185	787,016	11,618	1,083,819
Income on sales, total	285,185	787,016	11,618	1,083,819
Results of segments and reconciliation to the Group gross profit				
Costs of sales	267,142	700,744	8,947	976,833
Margin on sales	18,043	86,272	2,671	106,986
Margin on sales %	6%	11%	23%	10%
Result on other operations	(14,438)	(43,713)	(562)	(58,713)
Segment result – EBIT	3,605	42,559	2,109	48,273
EBIT margin	1.3%	5%	18%	4%
Participation in results of affiliated companies and joint ventures appraised according to the equity method		(1,125)		(1,125)
Result on financial operations (financial income minus financial costs)				(6,713)
Gross result				40,435
Income tax				7,042
Net result				33,393
Depreciation	3,895	5,175		9,070
Segment result – EBITDA	7,500	47,734	2,109	57,343
Assets and payables				
Valuation of construction contracts - assets	64,520	126,843	-	191,363
Other assets				470,128
Total assets				661,491
Valuation of construction contracts - liabilities	17,899	86,819	-	104,718
Other liabilities				556,773
Total liabilities				661,491
Other important items				
Reversed impairment/(impairment) of financial assets and assets on valuation of contracts	2,028	(3,364)	(3,211)	(4,547)
Expenditures on fixed assets in kind and intangible assets				4,622
Interest revenues				1,597
Interest expenses				7,518

4. EXPLANATORY NOTES TO INCOME STATEMENTS

4.3. INCOME ON SALES

The Group achieves 79% of its income from contracts related to constructions in the renewable energy sources segment. Details concerning disclosure of this income group are described in note 4.2.

Main estimations concerning income concern disclosure of income under construction contract agreements. They are described in note 4.2.

The table below presents information on the cumulated amount of transaction prices allocated to obligation to deliver performance of construction contracts that were not performed or not performed in full as of a balance sheet day.

	31/12/2024	31/12/2023
Total value of open contracts	3,120,471	2,608,073
- fixed part of the reimbursement	3,101,254	2,579,497
- variable part of the reimbursement	19,217	28,576
Cumulative value of income under open contracts recognised by the reporting date	2,397,803	1,895,061
Value of income remaining to be recognised in future periods under open contracts	722,668	713,012
Long-term (income to be realised in a period from one year to 3 years of a balance sheet date)	70,186	417,271
Short term (income to be realised in a period below one year of a balance sheet date)	652,482	295,741

The total remuneration for contract performance will be settled in cash.

Due to a specific nature of performed long-term contracts, it is not possible to estimate precisely time periods in which income under contracts started as of a balance sheet day will be recognised for a horizon exceeding one year.

Income obtained by the Group comes from performance of construction works in Poland and other sales to local customers. Figures concerning income are presented in note 4.2 Reporting segments.

4.4. COSTS OF SALES

	For a period of 12 months ending on 31/12/2024	For a period of 12 months ending on 31/12/2023
External services	335,336	461,144
including external services from subcontractors	294,787	387,632
Materials and energy consumption	320,950	457,370
Costs of employee benefits	88,731	76,758
Depreciation	9,874	9,070
Taxes and fees	4,235	3,929
Other costs by type	21,836	11,578
Value of goods and materials sold	4,958	2,841
Costs by type, total	785,920	1,022,690
Change in balances from contract valuation	(9,250)	7,556
Costs of sales (negative value)	(8,328)	(5,248)
Costs of general management (negative value)	(55,067)	(48,165)
Costs of manufacturing for products sold	713,275	976,833

4. EXPLANATORY NOTES TO INCOME STATEMENTS

4.5. COSTS OF EMPLOYEE BENEFITS

	2024	2023
Payroll	71,555	61,169
Costs of schemes of specific benefits post the employment period	102	112
Social insurance and other employee benefits	17,074	15,477
Total	88,731	76,758

4.6. OTHER OPERATING INCOME AND COSTS

Other operating income	2024	2023
Profit on sale of non-financial fixed assets	2,273	284
Income on received subsidies	21	-
Reversal of provisions	476	
Other	1,239	153
Total other operating income	4,009	437

Other operating costs	2024	2023
Note 6.7 Provisions created/reversed	-	518
Costs of court proceedings	3	61
Penalties, fines and damages	732	516
Donations	101	93
Other	229	2
Total other operating costs	1,065	1,190

4.7. FINANCIAL INCOME AND COSTS

Financial income	2024	2023
Interests		
For loans granted	1,897	1,041
Other	2,254	556
Exchange rate differences	1	754
Income on financial transactions	739	947
Total financial income	4,891	3,298

Financial costs	2024	2023
Interests		
On loans and credits	2,271	5,494
On leases	1,134	1,214
Other	406	810
Bank preparation fee concerning financing in the current bank account	1,685	392
Exchange rate differences	2,391	1
Costs of warranties and guaranties	1,463	1,540
Other	10	560
Total financial costs	9,360	10,011

4. EXPLANATORY NOTES TO INCOME STATEMENTS

4.8. TAXES

The obligatory charges to the financial result include two components: a current income tax, and a deferred tax.

Due to temporary differences between the value of assets and liabilities disclosed in accounting books and their tax value, and a tax loss deductible in the future, using the balance sheet method the Group creates: liabilities for a deferred income tax for positive temporary differences and determines assets for a deferred income tax in relation to negative exchange rate differences and a tax loss for deduction, using the conservative principle.

Liabilities and assets for a deferred income tax are not recognised for temporary differences arising at the initial recognition of an asset or a liability in a transaction not representing a combination of businesses, and which do not influence a book or a tax result at a moment of conducting the transaction.

The Group recognises a tax asset only when forecasts of future financial results indicate that a tax profit will be achieved so the asset can be realised in the specified future.

The balance sheet value of an item of deferred tax assets is verified for each balance sheet day and reduced accordingly, to the extent it is improbable that a taxable income will be achieved in the amount sufficient to partly or completely use the deferred income tax assets. Forecast future financial results of the Group and their influence on assets recovery represent an element of judgement concerning recovery of deferred tax assets.

Deferred income tax assets and liabilities are offset, when there is a legal title under which taxes due can be offset with current tax liabilities, and when a deferred tax concerns a tax levied by the same tax authority on the same tax payer. This means that deferred income tax assets and liabilities are offset in the Group financial statements.

A reconciliation of an effective income tax rate is presented in the table below:

	For a period of 12 months ending on 31/12/2024	For a period of 12 months ending on 31/12/2023
Gross result before tax	39,898	40,435
Tax according to statutory tax rate effective in Poland - 19%	7,581	7,683
An excess of costs not qualifying as tax deductible over non-taxable income/(An excess of non-taxable income over costs not qualifying as tax deductible).	2,040	(641)
Tax included in the financial result	9,621	7,042
Current tax	18,073	20,238
Deferred tax	(8,452)	(13,196)
Effective tax rate	24.11%	17.41%

4. EXPLANATORY NOTES TO INCOME STATEMENTS

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

	Influence on			Influence on			
	01/01/2023	Net result	Retained profits	31/12/2023	Net result	Retained profits	31/12/2024
Deferred income tax assets							
Valuation of construction contracts - liabilities and taxable works in progress	51,596	6,793	-	58,389	(18,725)	-	39,664
Provisions	1,876	261	-	2,137	956	-	3,093
Tax loss	370	(370)	-	-	-	-	-
Calculated remuneration and charges	344	(334)	-	10	(6)	-	4
Receivables revaluation write-off	626	256	-	882	1,185	-	2,067
Other financial liabilities	582	120	-	702	94	-	796
Other	2	199	-	201	(151)	-	50
Total	55,396	6,925	-	62,321	(16,647)	-	45,674
Deferred income tax liabilities							
Valuation of construction contracts - assets	46,762	(6,676)	-	40,086	(26,068)	-	14,018
Revaluation of assets to fair value	14,191	(236)	773	14,728	1,313	5,721	21,762
Balance sheet valuation and payables discount	867	(141)	-	726	90	-	816
Calculated interests on debt	382	721	-	1,103	(530)	-	573
Income recognised	106	62	-	168	183	-	351
Other	113	(1)	-	112	(87)	-	25
Total	62,421	(6,271)	773	56,923	(25,099)	5,721	37,545
Offsetting assets and liabilities	62,421			62,321			17,553
Status post offset	13,100			34,220			48,393
Assets	6,611			19,809			28,261
Accounts payable	6,489			14,411			20,132
Net influence of changes in the period		13,196	(773)		8,452	(5,721)	

In a year ending on 31 December 2024, and on 31 December 2023, no negative items of temporary differences occurred for which deferred tax assets were not recognised.

The table below contains periods of execution of deferred income tax assets and liabilities

	2024		2023	
	Assets	Accounts payable	Assets	Accounts payable
Short-term	40,316	15,781	16,289	40,085
Long-term	5,358	21,764	46,032	16,838
Total	45,674	37,545	62,321	56,923

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.1. FINANCIAL ASSETS AND LIABILITIES

In accordance with IFRS 9, the Group classifies financial instruments to the following categories:

- Assets valued at a depreciated cost;
- Financial assets valued at fair value through the financial result;
- Financial liabilities valued at depreciated cost;
- Derivative instruments allocated as hedging instruments in hedge accounting.

Out of the categories listed above, the Group only has items valued at a depreciated cost.

Financial assets valued at a depreciated cost consist of, in particular:

Note 5.1.2.	Financial assets - loans granted
Note 2.1	Receivables from construction contracts - deposits
Note 6.5	Receivables for deliveries and services
Note 6.5	Other receivables
Note 4.2	Assets from construction contracts
Note 3.7	Cash and cash equivalents
Note 3.7	Cash on the VAT account
Note 3.7	Cash of limited availability for disposal
Note 5.1	Other financial assets (including loans granted)

Financial liabilities valued at a depreciated cost cover mainly:

Note 2.1	Payables to subcontractors - deposits
Note 4.2	Payables under construction contracts
Note 6.9	Payables for deliveries and services
Note 6.9	Other liabilities
Notes 3.2 – 3.4	Debt

The table below presents the balance sheet value of important groups of financial assets and financial liabilities, divided into categories. The balance sheet value of the Group financial assets and financial liabilities presented in tables below did not differ significantly from their fair value in all presented periods.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

A row in the financial status report	Categories of financial instruments			
	Assets valued at a depreciated cost	Financial liabilities valued at depreciated cost	Lease liabilities	Material categories, in total
2024				
Note 5.1.2. Financial assets - loans granted	24,774	-	-	24,774
Note 2.2 Receivables from construction contracts - deposits	1,576	-	-	1,576
Note 6.5 Receivables for deliveries and services	119,770	-	-	119,770
Income tax and VAT receivables	8,808	-	-	8,808
Note 6.5 Other receivables	6,323	-	-	6,323
Note 2.3 Valuation of construction contracts - assets	71,683	-	-	71,683
Note 3.7 Cash and cash equivalents	135,525	-	-	135,525
Note 3.7 Cash on the VAT accounts	8,486	-	-	8,486
Note 2.2 Payables to subcontractors - deposits	-	27,784	-	27,784
Note 2.3 Payables to subcontractors - deposits	-	94,626	-	94,626
Note 6.9 Payables for deliveries and services	-	94,253	-	94,253
Income tax and VAT payables	-	12,527	-	12,527
Note 6.9 Other payables	-	15,798	-	15,798
Note 3.2.-3.4. Debt	-	82,193	29,755	111,948
Total	376,945	327,181	29,755	733,881

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

A row in the financial status report	Categories of financial instruments			
	Assets valued at a depreciated cost	Financial liabilities valued at depreciated cost	Lease liabilities	Material categories, in total
2023				
Note 5.1.2. Financial assets - loans granted	16,225	-	-	16,225
Note 5.1.1. Financial assets - other	110	-	-	110
Note 2.2 Receivables from construction contracts - deposits	4,242	-	-	4,242
Note 6.5 Receivables for deliveries and services	115,121	-	-	115,121
Note 6.5 Other receivables	1,121	-	-	1,121
Note 2.3 Valuation of construction contracts - assets	191,363	-	-	191,363
Note 3.7 Cash and cash equivalents	65,322	-	-	65,322
Note 3.7 Cash on the VAT accounts	20,856	-	-	20,856
Note 2.2 Payables to subcontractors - deposits	-	30,471	-	30,471
Note 2.3 Payables to subcontractors - deposits	-	104,718	-	104,718
Note 6.9 Payables for deliveries and services	-	92,001	-	92,001
Note 6.9 Other payables	-	14,163	-	14,163
Note 3.2.-3.4. Debt	(1)	12,476	14,175	26,650
Total	414,359	253,829	14,175	682,363

*Cash and cash equivalents, and cash of limited availability for disposal.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Influence of those financial instruments on the Group results in the reporting period and the same period of the preceding year is shown in tables below.

Categories of financial instruments				
	Assets valued at a depreciated cost	Financial liabilities valued at depreciated cost	Lease liabilities	Material categories, in total
2024				
Influence on the financial result				
Financial income/(financial costs) - interests	4,151	(2,677)	(1,134)	340
Financial income/(financial costs) - exchange rate differences	-	(2,390)	-	(2,390)
Reversed impairment/(impairment) of financial assets and assets on valuation of contracts with customers	(3,198)	-	-	(3,198)
Total	953	(5,067)	(1,127)	(5,248)
Categories of financial instruments				
	Assets valued at a depreciated cost	Financial liabilities valued at depreciated cost	Lease liabilities	Material categories, in total
2023				
Influence on the financial result				
Financial income/(financial costs) - interests	1,597	(6,304)	(1,214)	(5,921)
Financial income/(financial costs) - exchange rate differences	754	(1)	-	753
Reversed impairment/(impairment) of financial assets and assets on valuation of contracts with customers	(4,547)	-	-	(4,547)
Total	(2,196)	(6,305)	(1,214)	(9,715)

* Cash and cash equivalents, and cash of limited availability for disposal.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.1.1 LOANS GRANTED

As of the balance sheet date, the Group had a share in subsidiaries and entities under joint control shown in Note 6.11, and the following items disclosed as financial assets in the financial status report:

	2024	2023
Loans granted	24,774	16,225
Other	-	110
Total	24,774	16,335
Long-term	20,597	12,626
Short-term	4,177	3,709

5.1.2. FINANCIAL ASSETS - LOANS GRANTED

Debt instruments maintained to collect contractual flows, which include solely payments of the principal balance and interests ("SPPI"), are valued at a depreciated cost. At the moment of their initial disclosure these financial assets are recognised at their fair value increased by transaction costs. Interest revenues are valued using a method of an effective interest rate and disclosed in a position "interest revenues" in the financial income. Impairment write-offs are presented in the item "Reversed impairment/(impairment) of financial assets and assets on valuation of contracts".

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

- Level 1 – balances for which the credit risk did not rise significantly from their initial recognition or which have a low credit risk. The expected credit losses are determined on a basis of a probability that a liability is not met within 12 months (i.e., the total expected credit loss is multiplied by a probability that the loss will occur within next 12 months);
- Level 2 - includes balances for which the credit risk significantly increased from its initial recognition, but there are no objective assumptions for impairment; the expected credit losses are determined on a basis of a probability that a liability will not be met throughout a life of a given asset;
- Level 3 - includes balances with an objective assumption for impairment.

When loans granted bear low credit risk, a write-off for expected credit losses recognised in a given period is limited to expected credit losses for 12 months.

To the extent, to which it should be evaluated whether a significant increase in the credit risk have occurred according to the above model, the Group takes into account the following assumption during that evaluation:

- a loan is overdue for at least 30 days;
- legislative, technological or macroeconomic changes have occurred, having a significant negative influence on a debtor;
- information has become known about a significant adverse event concerning the loan, or other loan of the same debtor from other creditor, e.g., termination of a loan agreement, breach of its terms, renegotiation of conditions due to financial problems, etc.
- a debtor lost an important customer or supplier, or experienced other adverse changes in its market.

Financial assets are written-off, as a whole or in part, when the Group exhausts practically all actions to collect them, and decides that a recovery of these receivables cannot be reasonably expected. Usually, this occurs when a given asset is overdue for at least 360 days.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Loans are classified at the Level 1 of the impairment model for all presented balance sheet days. As of individual balance sheet days, all loans granted were considered instruments with a low credit risk; therefore, a write-off for expected credit losses recognised in a given period is limited to expected credit losses for 12 months. The expected credit loss was calculated on a basis of probability that a liability will not be met, a profile of repayments agreed in a loan agreement, and an evaluation of recoveries from securities. As of individual balance sheet days, the amount of the impairment write-off and its changes in the presented periods were immaterial, therefore, the Group does not present any changes in the write-off. The increase in the loan balance in a consequence of granting new loans did not contribute significantly to a change in the amount of the impairment write-off.

Borrower	Loan currency	Interest rate	Payment date	2024	2023
KWE	PLN	WIBOR 3M + 3p.p.	31/12/2028	5,756	4,738
SOLAR SERBY	PLN	WIBOR 3M + 3p.p.	17/01/2029	11,450	5,075
SZYBOWICE	PLN	6%	22/11/2024	-	3,496
SZYBOWICE	PLN	9%	04/12/2025	-	1,489
SOLAR KAZIMIERZ BISKUPI	PLN	WIBOR 3M + 3p.p.	31/12/2028	5,770	1,427
MOD21	PLN	WIBOR 3M + 3p.p.	31/12/2025	1,798	-
Total, including:				24,774	16,225
Long-term				20,597	12,516
Short-term				4,177	3,709

5.2. PRINCIPLES OF FINANCIAL RISK MANAGEMENT

In the course of its operations, the Group is exposed to the following financial risks: a market risk (including a currency risk, and a interest rate risk), a credit risk, and a liquidity risk. The Group Management Board is responsible for establishing principles for management of the above risks and their verification.

5.2.1. MARKET RISK - CURRENCY RISK

As a part of its basic operations, the Group mainly concludes construction contracts settled in the domestic currency (PLN), and only occasionally these contracts are denominated in two currencies (PLN and EUR). The contracts in the foreign segment are denominated in foreign currencies.

Nevertheless, in relation to receivables and payables under concluded agreements for purchase of materials, under which payments will be made in EUR, and in relation to loans granted denominated in EUR, the Group is exposed to a currency risk.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

2024

2024						
		Exposure to a currency risk (as PLN thousand)	Influence on the statement of results as PLN		Influence on other total income as PLN	
			change in the exchange rate +10%	change in the exchange rate -10%	change in the exchange rate +10%	change in the exchange rate -10%
Assets						
Note 3.7	Cash and cash equivalents	20,033	2,003	(2,003)	-	-
Note 6.5	Receivables for deliveries and services	30,249	3,025	(3,025)	-	-
	Income tax and VAT receivables	95	10	(10)	-	-
Note 2.2	Receivables from construction contracts - deposits	603	60	(60)	-	-
Note 5.1.2.	Financial assets - loans granted	106	11	(11)	-	-
Accounts payable						
Note 6.9	Payables for deliveries and services	(888)	(89)	89	-	-
Note 2.2	Payables under construction contracts - deposits	(43)	(4)	4	-	-
	Total income					
The effect of exchange rate changes - total assets and liabilities		50,155	5,016	(5,016)	-	-

2023

		Exposure to a currency risk (as PLN thousand)	Influence on the statement of results as PLN		Influence on other total income as PLN	
			change in the exchange rate +10%	change in the exchange rate -10%	change in the exchange rate +10%	change in the exchange rate -10%
Assets						
Note 3.7	Cash and cash equivalents	6,597	660	(660)	-	-
Note 6.5	Receivables for deliveries and services	46,701	4,670	(4,670)	-	-
Note 2.2	Receivables from construction contracts - deposits	3,788	379	(379)	-	-
Accounts payable						
Note 6.9	Payables for deliveries and services	(5,728)	(573)	573	-	-
Total income						
The effect of exchange rate changes - total assets and liabilities		51,358	5,136	(5,136)	-	-

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.2.2. MARKET RISK - INTEREST RATE RISK

The interest rate risk occurs mainly in relation to the use of the debt, i.e., bank credits and loans (Note 3.3) and leases (Note 3.4) by the Group.

Furthermore, the Group allocates free cash partly to investments with a variable interest rate (deposits) and grants loans based on a variable interest rate.

Assets and liabilities bearing interests at variable interest rates expose the Group to a risk of a change in cash flows. On the other hand, the interest charged at a fixed rate (loans granted) exposes the Group to a risk of a change in a fair value; nevertheless, due to a fact that the Group does not value these items at a fair value, this influence is not reflected in the financial statement.

The Group monitors a level of its exposure to the interest rate risk. An analysis of a sensitivity of items bearing a variable interest rate to changes in the interest rate is presented in the table below.

	2024			2023		
	Balance sheet value of an item bearing interests at a variable interest rate	Influence on the statement of results		Balance sheet value of an item bearing interests at a variable interest rate	Influence on the statement of results	
		+100 bp	-100 bp		+100 bp	-100 bp
Cash and cash equivalents	4,727	47	(47)	2,228	22	(22)
Financial assets - loans granted	24,774	248	(248)	16,225	162	(162)
Debt under loans and credits taken	(82,013)	(820)	820	(11,950)	(119)	119
Debt under lease	(29,755)	(298)	298	(14,175)	(142)	142
Total income	(82,267)	(823)	823	(7,672)	(77)	77

*Cash and cash equivalents, and cash of limited availability for disposal.

The table below presents items bearing interests at the fixed interest rate.

	2024	2023
	Balance sheet value of an item not exposed to the market risk	Balance sheet value of an item not exposed to the market risk
Cash and cash equivalents	130,798	63,094
Debt under loans and credits taken	180	526
	130,978	63,620

*Cash and cash equivalents, and cash of limited availability for disposal.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.2.3. CREDIT RISK

The Group financial assets exposed to a credit risk are mainly items listed in the table below.

	2024	2023
Note 3.7 Cash and cash equivalents	135,525	65,322
Note 3.7 Cash on the VAT accounts	8,486	20,856
Note 5.1.2. Financial assets - loans granted	24,774	16,225
Note 6.5 Receivables for deliveries and services	119,770	115,121
Note 2.2 Receivables from construction contracts - deposits	1,576	4,242
Note 2.3 Valuation of construction contracts - assets	71,683	191,363
Total	361,814	413,129

Cash and cash equivalents

The Group minimises a credit risk associated with cash and cash equivalents through diversification of banks with which deposit transactions are concluded. The Group cooperates with financial institutions of high reliability, in accordance with information provided in the table below. As of individual reporting days, there is a significant concentration of a credit risk - an information about the balance of cash accumulated in one financial institution is presented below.

A classification of a balance of cash and cash equivalent according to the credit rating is presented in the table below. According to Euro Rating, the rating of AA-, A-, BBB+, and BBB is an investment grade. The BB+ and B+ rating is outside the investment grade, nevertheless the amount of cash in these institutions is marginal.

According to the Euro Rating agency

	2024	2023
Banks with AA- rating	1.68%	-
Banks with A+ rating	75.12%	0.0%
Banks with A- rating	0.00%	5.5%
Banks with BBB+ rating	8.34%	0.0%
Banks with BBB rating	0.00%	70.2%
Banks with BBB- rating	14.82%	24.2%
Banks with BB+ rating	0.04%	0.0%
Banks with B+ rating	0.00%	0.1%
	100.00%	100.0%

As of 31 December 2018, the value of cash and cash equivalents deposited at one financial institution represented ca. 75% of the total balance.

The total balance of cash and cash equivalents as of individual balance sheet days is classified at Level 1 of the impairment model (i.e., a balance for which a credit risk did not increase significantly since its initial disclosure).

Write-offs for impairment of cash and cash equivalents were established individually for each balance concerning a given financial institution. External bank rankings and publicly available information on ratios of a failure to meet liabilities for a given rating established by the Euro Rating were used to evaluate the credit risk. The analysis showed that these assets have a low credit risk as of a reporting day. The Group used a simplification allowed by a standard, and an impairment write-off was established on a basis of 12-month credit losses. Calculation of the write-off disclosed an immaterial amount of the impairment write off.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Receivables for deliveries and services and assets from construction contracts

To protect against a credit risk resulting from receivables related to construction contracts (i.e., receivables for deliveries and services, receivables from construction contracts - deposits, and from contract assets from construction contracts), each customer before signing an agreement is evaluated in terms of its ability to meet its financial liability. Furthermore, agreements with investors contain clauses providing a right to stop performance of works, when there is a delay in transfer of receivables for performed services. If possible, contractual provisions are also created, under which payments to subcontractors depend on a transfer of resources from an investor.

A concentration of the credit risk related to receivables for deliveries and services and receivables from construction contracts - deposits, and contract assets from construction contracts valuation does not occur at the Group.

5.2.4. LIQUIDITY RISK

To reduce the risk of loss of liquidity, the Group maintains an adequate amount of financial resources, as well as concludes credit line agreements used to additionally secure the liquidity. The Group uses its own funds, long-term loans or long-term lease agreements to finance investment purchases, ensuring appropriate durability of the financing structure for assets of this kind.

The Group uses a policy limiting a credit exposure with individual institutions.

The liquidity management is supported with the Group existing reporting system for liquidity forecasts.

The table below presents financial liabilities of the Group according to maturity dates on a basis of undiscounted contractual payments.

	2024							
	Below 3 months	3–12 months	1–5 years	Above 5 years	Total undiscounted flows	Discount	Interests	Balance sheet values
Debt under loans and credits taken	900	3,918	80,293	-	85,111	-	2,918	82,193
Debt under lease	2,157	5,081	24,849	4,351	36,438	-	6,683	29,755
Payables to subcontractors - deposits	9,435	2,758	17,420	1,559	31,172	3,388	-	27,784
Payables for deliveries and services	94,253	-	-	-	94,253	-	-	94,253
Total	106,745	11,757	122,562	5,910	246,974	3,388	9,601	233,985

	2023							
	Below 3 months	3–12 months	1–5 years	Above 5 years	Total undiscounted flows	Discount	Interests	Balance sheet values
Debt under loans and credits taken	356	11,285	955	-	12,596	-	121	12,475
Debt under lease	1,961	4,945	10,238	2,580	19,724	-	5,549	14,175
Payables to subcontractors - deposits	5,535	2,914	21,044	4,799	34,292	3,821	-	30,471
Payables for deliveries and services	92,001	-	-	-	92,001	-	-	92,001
Total	99,853	19,144	32,237	7,379	158,613	3,821	5,670	149,122

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**5.2.5. CLIMATE RISK**

The ONDE Group monitors the influence of the climate risks on the Group operations, and as of today, does not identify any material influence of climate-related factors on its operations. The ONDE Group consistently implements the ESG strategy, observing requirements concerning environmental aspects, and investing in development of projects in the RES sector.

6. OTHER NOTES

6. OTHER NOTES

6.1. TANGIBLE FIXED ASSETS

The most important items of fixed assets in kind are transport vehicles and technical devices and machines, related mainly to construction of road, wind farms and photovoltaic farms infrastructure. Furthermore, the Group also owns buildings and premises, and land.

Fixed assets in kind are valued at their purchase prices/production costs, reduced by depreciations and all impairment write-offs. When the Group identifies circumstances indicating that impairment of fixed assets in kind may occur, it conducts an impairment test based on estimation of a recoverable value for a given fixed asset. The recoverable value is specified as a higher of two values: the value possible to recover on sale of a given fixed asset reduced by costs of sale, or a usable value calculated on a basis of discounted cash flows that will be generated by a given fixed asset or a set of assets.

The Group includes a price of the fixed asset purchase price increased by all costs directly associated with the purchase and of adopting the asset to a condition suitable for use in its initial value. The initial value also includes costs of spare parts of machines and equipment at a moment they are incurred, when the criteria of recognition are met, i.e., it is expected that spare parts will be used for a period longer than one year and they cannot be assigned to any specific item of fixed assets in kind.

Costs incurred after a date of putting the fixed asset into operation, such as maintenance and repair, are recognised in the financial result at a moment of their incurring.

Every year the Group reviews the final value, the life cycle, and a depreciation method for fixed assets in kind. Reviews performed as of 31 December 2024 and 31 December 2023 did not result in changes of other estimated life cycles, depreciation methods, or salvage values of fixed assets.

The depreciation rates are specified for individual classes of fixed assets (also including a right of usufruct of assets belonging to a given category):

- Buildings and premises - 2%–4.5%
- Technical devices and machines - 6%–30%
- Transport vehicles - 12.5%–20%
- Other - 10%–33%
- Lands are not subject to depreciation.

Rights of use for assets are depreciated during a period reflecting a term of concluded agreements. For fixed assets in lease held by the Group, the depreciation rates correspond to depreciation rates used for own assets belonging to the same category, as the lease term corresponds to a period of economic usefulness of a given asset (taking into account an option for prolonging it), or an agreement contains an option for purchase of an asset and it is reasonably certain that the Group will use this option.

Fixed assets under construction are valued at incurred costs directly related to their purchase or production, including costs of financing, reduced by impairment write-offs. The fixed assets under construction are not depreciated until their construction is completed.

The accounting policy concerning leases applied since 1 January 2019:

The leases are recognised as assets under a right of use, and payables for these rights are recognised on a day on which assets under lease are available to be used by the Group. Assets under a right of use are shown in note 6.1.

On a date of the lease start, lease liabilities are valued at an amount equal to current value of the following lease payments for a right of use of a basis asset during the lease term:

- fixed payments (including, generally fixed payments) reduced by all lease incentives due;
- variable lease payments, depending on an index or a rate;
- amounts expected to be paid by a lessee as a guaranteed residual value;
- a price of executing the purchase option, when it can be assumed with a sufficient certainty that a lessee will exercise this option;
- financial penalties for lease termination, when lease terms provide that a lessee may terminate the lease.

Lease payments are discounted using the lease interest rate, when that rate can be easily determined, or a limiting interest rate of a lessee debt.

Each lease payment is allocated between liabilities and financial costs. After their initial disclosure, lease liabilities are valued using an effective interest rate. Balance sheet values are updated to reflect a change in estimations of a lease term,

6. OTHER NOTES

purchase options, changes in lease payments, and in a guaranteed residual value, as well as modification of a lease agreement.

The lease term is an irrevocable lease term; periods covered by an option of prolongation and earlier termination of the lease are included in the lease term when there is a reasonable certainty that the lease will be prolonged or the agreement will not be terminated earlier.

As of 31 December 2024, the Company held the following groups of fixed assets in kind, including a right of use for assets:

Tangible fixed assets group	2024			2023		
	Gross amount	Depreciation and revaluation write-off	Net value	Gross amount	Depreciation and revaluation write-off	Net value
Land (including a right of perpetual usufruct)	17,334	1,605	15,729	8,249	1,241	7,008
including lease for	12,709	1,438	11,271	3,620	1,074	2,546
Buildings and premises	4,723	2,467	2,256	3,076	1,949	1,127
including lease for	2,820	804	2,016	1,214	278	936
Technical devices and machines	43,069	30,394	12,675	38,842	30,041	8,801
including lease for	10,001	2,086	7,915	12,430	7,263	5,167
Transport vehicles	36,558	20,301	16,257	30,311	18,559	11,752
including lease for	19,683	5,600	14,083	15,354	5,160	10,194
Other fixed assets	1,682	1,115	567	1,515	942	573
including lease for	49	16	33	49	6	43
Fixed assets under construction	83,799	-	83,799	2,173	-	2,173
Total	187,165	55,882	131,283	84,166	52,732	31,434

	Land, including a right of perpetual usufruct	Buildings and premises	Technical devices and machines	Transport vehicles	Other fixed assets	Fixed assets under construction	Intangible assets	Total
Net value as of 1 January 2023	15,496	1,379	7,613	12,548	487	60	1,509	39,092
Increases:								
Purchase	-	133	1,698	290	210	2,113	178	4,622
Leases	-	-	3,351	3,091	49	-	-	6,491
Depreciation	369	385	3,886	4,030	154	-	246	9,070
Sale and liquidation	-	-	-	-	19	-	-	19
Other	8,119	-	(25)	147	-	-	-	8,241
Net value as of 31 December 2023	7,008	1,127	8,801	11,752	573	2,173	1,441	32,875
Net value as of 1 January 2024	7,008	1,127	8,801	11,752	573	2,173	1,441	32,875
Purchase (including fixed assets developed internally)	-	-	638	66	176	68,213	56	69,149
Leases	9,085	1,606	5,359	9,102	-	-	-	25,152
Taking over of the fixed assets	-	60	2,188	-	-	524	-	2,772
Other, including reclassification	-	-	-	-	-	12,946	-	12,946
adjustments for inventories:								
Depreciation	364	537	3,896	4,608	182	-	287	9,874
Sale and liquidation	-	-	415	55	-	-	-	470
Other	-	-	-	-	-	57	-	57
Net value as of 31 December 2024	15,729	2,256	12,675	16,257	567	83,799	1,210	132,493

6. OTHER NOTES

Depreciation

	2024	2023
General management costs	3,374	3,445
Costs of manufacturing for products and services sold	6,500	5,625
Total	9,874	9,070

Right to use assets under lease, lease liabilities

The following simplifications were adopted, allowed by IFRS 16:

- lease agreements are not activated for low value assets (below PLN 15 thousand);
- agreements that will be terminated in the current year are omitted;

In periods covered by the statement the Group did not conclude any lease agreements for a period shorter than 12 months.

Payments associated with all short-term leases and low value leases are recognised according to a straight-line method as a cost in the financial result. At the moment of the first time application of the standard, for all leases, excluding short-term leases and leases for low value assets, previously classified as an operating lease:

Data concerning application of IFRS 16 is presented in the tables below.

	Land, including a right of perpetual usufruct	Buildings and premises	Technical devices and machines	Transport vehicles	Other fixed assets	TOTAL
Net value as of 1 January 2023	11,035	1,214	3,917	11,696	-	27,862
Increase due to taking over from lease	-	-	3,351	3,091	49	6,491
Decrease resulting from reclassification - from a right of use assets under lease to fixed assets in kind	-	-	-	(1,535)	-	(1,535)
Depreciation	(371)	(278)	(2,100)	(3,021)	(6)	(5,776)
Decrease in previous amortisation resulting from reclassification - from a right of use assets under lease to fixed assets in kind	-	-	-	(37)	-	(37)
Other	(8,119)					(8,119)
Net value as of 31 December 2023	2,545	936	5,168	10,194	43	18,886
Net value as of 1 January 2024	2,545	936	5,168	10,194	43	18,886
Increase due to taking over from lease	9,089	1,606	5,359	9,102	-	25,156
Decrease resulting from reclassification - from a right of use assets under lease to fixed assets in kind	-	-	(498)	(2,013)	-	(2,511)
Depreciation	(363)	(526)	(2,114)	(3,142)	(10)	(6,155)
Decrease in previous amortisation resulting from reclassification - from a right of use assets under lease to fixed assets in kind	-	-	-	(6)	-	(6)
Other	-	-	-	(52)	-	(52)
Net value as of 31 December 2024	11,271	2,016	7,915	14,083	33	35,318

6. OTHER NOTES

6.1.1. AMOUNTS OF CONTRACTUAL LIABILITIES CONTRACTED TO PURCHASE FIXED ASSETS IN KIND

As of 31 December 2024 and 31 December 2023, the Group did not have any contractual liabilities related to agreements for purchase of fixed assets and concluded lease agreements for which the lease term had not started yet and which had not been recognised in lease liabilities in this respect .

6.2. GOODWILL

The goodwill is created through reconciliation of purchase of projects by the purchase method - details are provided below.

The accounting principles concerning impairment of goodwill are described in Note 6.3.

The Group has purchased shares in subsidiaries and entities under joint control - where, due to the development strategy assumed, usually these are companies established for specific projects, so-called SPV, for which the goodwill is not recognised, because these were transaction of purchasing assets not representing a purchase of the business. Entities for which the goodwill was recognised during a purchase transaction are shown below:

	2024	2023
Goodwill at the beginning of the period	56	56
Goodwill at the end of the period	56	56
Including due to purchase:		
IDE Spółka z o.o.	56	56

6.3. FIXED ASSETS IMPAIRMENT

The Group tests fixed assets impairment when circumstances implying impairment occur, and additionally, at least once in a year for the goodwill. The recoverable value is set at the lowest level possible, i.e., for an individual asset or at a level of a cash generating centre to which a given asset belongs.

Impairment of fixed assets in kind

On each balance sheet day it is estimated whether there is objective evidence indicating permanent impairment of an asset in kind or a group of assets in kind. When such evidence exists, a possible to recover value (value possible to recover) of an asset is estimated, and impairment write-off is made in the amount equal to a difference between the value possible to recover and the balance sheet value. The value possible to recover is a higher of two values: the fair value reduced by costs of sale and the usable value. Resultant impairment loss is recognised in the profit and loss account. On each balance sheet day, the Group also estimates whether there is evidence indicating that an impairment write-off recognised in previous periods should be reduced or reversed completely.

Impairment of goodwill

The goodwill is tested for impairment at least once in a year. A possible impairment is recognised immediately as a decrease in the goodwill and recognised in the profit statement, additionally, it is not reversed in successive reporting periods.

To test the goodwill for possible impairment, it is allocated to cash generating centre. When operations being a part of the cash generating centre, to which the goodwill was allocated are sold, the goodwill associated with sold operations is included in the balance sheet value when profit or loss on sale is established.

Impairment of fixed assets in kind

The Group did not identify factors that could imply assumptions for impairment of fixed assets in kind, therefore no impairment test was performed as of 31 December 2024.

6. OTHER NOTES

6.4. INVENTORIES

Under individual groups of inventories, the following items are mainly recognised:

- Materials: items stored at warehousing locations intended to be used in production processes, especially to be used in construction operations.
- Production in progress;
- Finished products: a main product is bitumen mass used in production processes and designated for sale.
- RES projects.

Materials are valued at their purchase price, and their expenditure is recognised according to the “first in-first out” method. The production in progress and finished products are recognised at a cost of direct materials and labour, including a relevant indirect costs of production determined assuming a normal use of production capacities, excluding costs of external financing. As of a balance sheet day, inventories are valued at the lower two values: purchase price or cost of production and net sales price.

The Group recognises as materials inventory components stored in its own or in suppliers’ warehouses and in transport, required for performance of contracts.

The Group identifies RES projects as a separate category of finished products, being developed internally projects of wind and photovoltaic farms. The RES projects are valued at the lower of two values - a cost of production, or a net sales price possible to achieve. The net sales price is an estimated sales price evaluated by the Management Board on the basis of market data.

	2024	2023
Materials	44,537	26,758
Production in progress, including	1,466	2,192
Finished products	572	366
Goods	-	6
RES projects.	111,364	102,250
Gross value of inventories	157,939	131,572
Inventories revaluation write-off	130	130
Net value of inventories	157,809	131,442

6.5. TRADE RECEIVABLES FOR DELIVERIES AND SERVICES AND OTHER RECEIVABLES

The Group includes in receivables for deliveries and services and in other receivables mainly receivables for deliveries and services from non-affiliated entities (mainly for issued invoices resulting from performance of construction contracts by the Group) and budget receivables, including corporate income tax and value added tax receivables.

Receivables for deliveries and services, for which the maturity date is usually 30 to 180 days, are recognised at their nominal value, i.e., at amounts invoiced initially. Receivables for deliveries and services are maintained for collections and meet the SPPI test, therefore, as of a balance sheet day these items are valued at their depreciated cost, taking into account revaluation write-offs calculated using a model of expected losses.

IFRS 9 requires estimation of expected loss for financial assets, regardless of whether circumstances of impairment occurred or not. For trade receivables, the Group uses a simplified approach and values impairment write-offs in the amount of credit losses expected throughout the life of receivables, from the moment of their initial recognition.

For trade receivables evaluated as unimpaired receivables on a basis of a conducted portfolio analysis, estimation of possible revaluation write-offs is based on the use of the write-off matrix, in which write-offs are calculated for trade receivables included in different ageing classes (aged debt periods) using a ratio of a failure to meet liabilities. The ratio of a failure to meet liabilities is determined on a basis of historical data (calculated on a basis of last 5 years) adjusted for the influence of future factors.

In the same way, the Group calculates write-offs for expected credit losses for receivables from deposits and assets from construction contracts; balances for which the payment date has not expired yet are included in an interval of “not overdue” in the write-off matrix, and the write-off is calculated using a bad debt ratio for receivables that are not overdue.

For trade receivables for which circumstances implying impairment exist (e.g., disputed receivables), specific additional write-offs were created, depending on individual assessment of a possibility of their recovery.

When the effect of the value of money over time is significant (concerns receivables from deposits), the amount of the receivables is established by discounting foreseen future cash flows to their present value using the gross discount rate

6. OTHER NOTES

reflecting current market estimations of value of money over time. When a method based on discounting was applied, the increase in the receivables related to the time is recognised as financial income.

	2024			2023		
	Gross amount	Write-off	Net value	Gross amount	Write-off	Net value
Receivables for deliveries and services	126,399	6,629	119,770	118,142	3,021	115,121
Corporate income tax receivables	4	-	4	-	-	-
VAT receivables	8,804	-	8,804	-	-	-
Other budgetary receivables	1,328	-	1,328	9,299	-	9,299
Other receivables	4,995	-	4,995	1,121	-	1,121
Total	141,530	6,629	134,901	128,562	3,021	125,541

	2024	2023
Receivables that are not overdue	58,735	51,361
Outstanding receivables:	61,035	63,760
Within 1 month	30,265	17,330
1–3 months	13,752	28,053
3–6 months	1,931	16,389
6 months - 1 year	8,720	1,914
Over 1 year	6,367	74
Total	119,770	115,121

Changes in a revaluation write-off for receivables for deliveries and services are presented in the table below.

	For a period of 12 months ending on 31/12/2024	For a period of 12 months ending on 31/12/2023
Revaluation write-offs at the beginning of the period	3,021	2,110
Creation of individual write-offs	3,384	384
Creation of write-offs according to the write-off matrix	368	564
Release of individual write-offs	(144)	(37)
Revaluation write-offs at the end of the period, including:	6,629	3,021
Write-offs calculated on a basis of the matrix	2,196	1,827
Individual write-off	4,433	1,194
Total	6,629	3,021

6. OTHER NOTES

6.6. OTHER ASSETS

The item Insurances represents prepayments made by the Group under insurance agreements concerning future reporting periods. They are recognised in the statement on results on a time basis.

In the item Prepayments, the Group recognises amounts paid for concluded preliminary agreements on purchase of shares in Companies, not meeting a definition of derivatives according to IFRS 9.

	2024	2023
Prepayments	77	794
Insurance	917	607
Other	2,038	296
Total	3,032	1,697

6.7. PROVISIONS

Provisions cover mainly provisions for guarantee repairs, provisions for employee benefits and post-employment benefits, and provisions for proceedings in courts and disputes.

Provisions for guarantee repairs

Provisions for costs of guarantee repairs result from guarantees granted by the Group for provided construction services. The provision is created in the amount established at a percentage rate being a quotient of historical costs for guarantee repairs and historical receivables from performance of construction contracts. Costs of provisions for guarantee repairs are recognised in costs of services sold. For services other than construction services, mainly maintenance services, provisions for costs of guarantee repairs are established on a basis of historical data and reliable estimation of an amount of an obligation for this item. Assumptions used to calculate a provision for guarantee repairs were based on a register of guarantee repairs for a period of 2019–2023 as of 31 December 2024, and of 2018–2022 as of 31 December 2023.

Provision for post-employment benefits

This group includes all provision for retirement and disability severance pays, required to be paid by the Group under legislation and the remuneration regulations. The amount of the provision is established at a current value using actuarial techniques requiring making of certain assumptions. The assumptions required for the valuation include amounts of discount rates, forecast rates of returns on assets and forecast increases in remuneration. Due to a complex nature of the valuation, the adopted assumptions, and their long-term character, the liabilities for the above-mentioned benefits are very sensitive to changes in assumptions. All above assumptions are verified and updated as of the end of each reporting period.

Provisions for court proceedings and disputes

A detailed analysis of possible risks associated with current court proceedings, and decisions about a need to include consequences of those proceedings in the Group financial statement and an amount of a provision are made by the legal departments and the Management Board.

6. OTHER NOTES

Provisions broken by groups are presented in the table below:

	Provisions for guarantee repairs	Provision for post- employment benefits	Other	Total
Status as of 1 January 2023	4,551	536	793	5,880
increases	1,947	41	915	2,903
Use	-	121	793	914
Status as of 31 December 2023	6,498	456	915	7,869
short-term	-	152	438	590
long-term	6,498	304	477	7,279
Status as of 1 January 2024	6,498	456	915	7,869
Increases	4,469	31	6	4,506
Reversal	-	53	736	789
Use	2,512	-	-	2,512
Status as of 31 December 2024	8,455	434	185	9,074
short-term	-	102	185	287
long-term	8,455	332	-	8,787

6.8. DISPUTES

As of a balance sheet day, companies of the Group participate in court proceedings, both as a defendant and a plaintiff.
Status of material cases:

Party to a dispute	Description of the subject matter of the dispute
<p>Cause:</p> <p>1. ONDE S.A.,</p> <p>2. Przedsiębiorstwo Inżynierskich Robót Kolejowych „TOR-KRAK” Sp. z o.o. with its registered office in Kraków</p> <p>3. the receiver of “Gotowski – Budownictwo Komunikacyjne i Przemysłowe” Sp. z o.o. undergoing bankruptcy, with its registered office in Bydgoszcz</p> <p>Defendants:</p> <p>1. City of Bydgoszcz;</p> <p>2. Miejskie Wodociągi i Kanalizacja w Bydgoszczy sp. z o.o.</p> <p>Value of the subject matter of the dispute: PLN 6,478,982</p>	<p>On 30 December 2022, the Plaintiff applied for summoning the Defendant to a conciliation hearing in which they called upon the Defendant to conclude a court settlement concerning a payment by them an additional remuneration to the Plaintiff for the costs of temporary traffic organisation during the extended term of the construction works agreement No. 159/ZDMiKP/18 concluded on 29 November 2018. The amount due covered by the request concerns the remaining costs of the temporary traffic organisation by the Plaintiff during a period of 196 days in total. Before submitting the request, the Plaintiff notified a claim in March 2022, and then, in November 2022, they sent a pre-litigation request for payment covering the amount claimed in the request. As of 13 April 2023, a date of a hearing was specified, which did not take place due to settlement negotiations undertaken by the Parties, which are being continued. No new hearing date was specified in this case. Between April 2023 and beginning of December 2023, the Parties conducted negotiations, with breaks, aiming at concluding a possible court settlement. The Parties did not reach an out-of-court settlement. A new hearing date was appointed for 8 February 2024, on which the court settlement was not concluded. In view of the above, an action for payment of the amount covered by the summons to a conciliation hearing was brought to the court on 9 February 2024. The case was submitted to mediation proceedings, under which the court agreement was not reached. Hearing dates were specified in the proceedings, as of 31 December 2024, there was no ruling of the Court of the first instance.</p> <p>The Management Board foresees that the claim will be accepted in full/in part.</p>

6. OTHER NOTES

<p>Creditor: ONDE S.A.</p> <p>Debtor: PflegeQuartier Beteiligungs GmbH</p> <p>Guarantor: Andreas Skoberne</p> <p>Value of the subject matter of the dispute: EUR 870,000.00</p>	<p>On 17 January 2018, a loan agreement was concluded with the Debtor, for the amount of EUR 750,000.00. Pursuant to the agreement, the total amount should have been repaid by 31 January 2020 at the latest. In December 2021, an attempt was made to settle the dispute amicably, and a request for payment was sent. The Debtor did not pay any part of the amount due. The case was transferred to be handled by an external Office in Germany: On 14 February 2022, a final pre-litigation request for payment was sent by the representative, with the due date specified for 25 February 2022. As the payment was not made, on 1 March 2022, an application was filed to initiate proceedings by writ of payment against the guarantor, who submitted an objection. In consequence of the above, the case was brought before the Landgericht Court in Dortmund. The action for payment against the guarantor was brought to the above court on 23 May 2022. The court initiated written preparatory proceedings. The defendant did not offer his position on the case. In July 2022, Landgericht in Dortmund passed the judgement in default against the Guarantor, who did not appeal it. The following enforcement proceedings against the Debtor are in progress: concerning seizure of shares of Wohnvoll AG; concerning seizure of shares in PflegeQuartier Düren GmbH, and concerning seizure of the Debtor bank account. In December 2022, the Debtor paid the amount of EUR 100,000.00 to the bank account of the Bailiff in charge of the enforcement proceedings. After deducting costs, on 5 December 2022, the Bailiff paid to the Creditor bank account the amount of EUR 99,961.11. The enforcement proceedings were initiated against the Guarantor on the basis of the enforceable judgement in default. Then in April 2023, the Debtor paid to the account of the Bailiff conducting enforcement proceedings the amount of EUR 75,000.00. for the Creditor. After deducting costs of the enforcement proceedings, the Bailiff paid the amount of EUR 74,994.72 to the Creditor on 14 April 2023. During the enforcement proceedings, the Guarantor's bank accounts were seized, and a request for an arrest warrant was made. In August 2023, the Bailiff searched the residential premises at which the Guarantor was registered, but where he did not stay. During the proceedings, a negative entry was made for A. Skoberne in the SCHUFA register and the register of debtors. Furthermore, a request was submitted to seize the remuneration for work for A. Skoberne at his position as a member of the management board of the company PQ Grundstücksverwaltungs. In January 2024, an action for payment was brought against PQ Service GmbH, for payment of EUR 821,850.88. On 20 February 2024, the court AG in Wedding issued an enforceable title against PQ Service GmbH for the amount of EUR 836,191.78. Under the initiated enforcement proceedings against PQ Service GmbH, the activities undertaken by the Bailiff were ineffective. As of 31 December 2024, no new payments for ONDE were recorded.</p> <p>As of 31/12/2024, a write-off for the full amount of the receivable was created.</p>
<p>Plaintiff 1: Mosty Łódź S.A.</p> <p>Plaintiff 2: ONDE S.A.</p> <p>Defendant: State Treasury – the General Directorate for National Roads and Motorways</p> <p>Value of the subject matter of the dispute: PLN 154,927,233.00</p>	<p>On 23 October 2024, the Consortium brought an action for payment of PLN 154,927,233.00 against the defendant, the State Treasury – the General Directorate for National Roads and Motorways. The action concerns the receivables associated with performance of Agreement No. O.WR.D -3.2410.86.2017, resulting from requests at the stage of the Agreement performance, covering:</p> <ul style="list-style-type: none"> - claims for indirect costs incurred associated with Agreement performance in the extended time (including construction site overheads, costs of management, and profit/risk), unforeseen in the Agreement in its initial form, - claims due to an increase in goods prices, - claims resulting from additional and replacement works performed by the Consortium, unforeseen in the Agreement in its initial form, - claims related to changes in generally applicable legislation, influencing terms and conditions of the Agreement performance. <p>No hearing date was specified for the case nor the parties were referred for the mediation proceedings.</p> <p>The proceedings were assigned a file number, XX GC 1222/24.</p> <p>The Management Board foresees that the claim will be accepted in full/in part.</p>

6. OTHER NOTES

<p>Plaintiff 1: Mosty Łódź S.A.</p> <p>Plaintiff 2: ONDE S.A.</p> <p>Defendant: State Treasury – the General Directorate for National Roads and Motorways</p> <p>Value of the subject matter of the dispute: PLN 11,916,279</p>	<p>On 17 January 2024, the plaintiffs brought an action for payment of PLN 11,916,279 against the defendant, the State Treasury – the General Directorate for National Roads and Motorways. The action concerns a part of receivables associated with performance of the Agreement No. O.WR.D -3.2410.86.2017, i.e. receivables resulting from changes in technical requirements issued by a railway line manager concerning the required gauge for structures above railway lines - design works, performance of the increased quantity of construction works resulting from technical requirements of a railway line manager concerning the required vertical gauge for structures - construction works, and payments for prolonged performance of design works for a period between 20 December 2019 and 18 March 2020 and in consequence, prolonged performance of the order in a period between 22 March 2022 and 31 May 2022.</p> <p>No hearing date was specified for the case nor the parties were referred for the mediation proceedings.</p> <p>The proceedings were assigned the file number XX GC 960/24.</p> <p>On 26 November 2024, the defendant submitted to the Court an application for extending the time for providing a response to the action, to 28 February 2025. To the date of publication of this statement, no response to the action was submitted.</p> <p>The Management Board foresees that the claim will be accepted in full/in part.</p>
<p>Cause: ONDE S.A.</p> <p>Defendant: Przedsiębiorstwo Robót Inżynieryjnych i Budowlanych "INFRABUD" Sp.z o.o.</p> <p>Value of the subject matter of the dispute: PLN 1,002,744</p>	<p>On 19 December 2024, the plaintiff brought an action for payment of PLN 1,002,744.00 against the defendant, Przedsiębiorstwo Robót Inżynieryjnych i Budowlanych "INFRABUD" Sp.z o.o.</p> <p>The action concerns unpaid invoices issued for sale of bitumen masses from the Bitumen Mass Manufacturer in Koszalin.</p> <p>No hearing date was specified for the case nor the parties were referred for the mediation proceedings.</p> <p>As of 31/12/2024, a write-off for the full amount of the receivable was created.</p>

The Management Board sees no risks associated with the above assets failing to materialise.

6. OTHER NOTES

6.9. TRADE PAYABLES FOR DELIVERIES AND SERVICES AND OTHER PAYABLES

	2024	2023
Payables for deliveries and services	94,253	92,001
including from affiliates	3,076	3,756
Budget liabilities for:	12,527	26,890
value added tax	2,701	15,430
corporate income tax	9,826	11,460
Other payables	15,798	14,163
payroll	3,726	3,118
accruals	293	21
short-term employee benefit payables	3,943	3,719
other taxes	6,333	5,385
other	1,503	1,920
Total	122,578	133,054

6.10. EXPLANATION TO THE CASH FLOW STATEMENT

Reconciliation of a change in the operating capital for the reporting period and for the same period of the preceding year:

	A change of status in the cash flow statement 2024	A change of status in the cash flow statement 2023
Change in provisions	1,205	1,989
Change in inventories, excluding RES projects	(26,367)	22,817
Change in receivables	(9,360)	(9,430)
Changes in short-term payables, excluding loans and credits	20,889	3,181
Change in other assets	(1,335)	218
Change in assets and liabilities under construction contracts	109,588	75,925
Change in operating capital	94,620	94,700

6.11. GROUP STRUCTURE

Group structure

As of 31 December 2024, the Group consists of a parent entity ONDE S.A. and entities under joint control, consolidated using the full method and the equity method.

Subsidiaries and consolidation principles: The consolidated financial statement contains data of the Parent Company and its subsidiaries.

The subsidiaries are consolidated using the full method from the date of taking the control over to the date of losing the control. The control is exerted when due to its involvement in an entity in which it invested the Parent Company is exposed to variable returns or is entitled to variable returns, and can influence the level of those returns by exerting control over that entity. Financial statements of subsidiaries are drawn up for the same period as the statement of the Parent Company, on a basis of consistent accounting principles. When the control over subsidiary is lost, the profit or loss on a transaction resulting in the loss of control is recognised in the financial result.

Settlements, income, costs and unrealised profits recognised in assets and resulting from transactions between the Group companies are eliminated.

As of a date of taking control over, the Group establishes whether the entity over which the control has been taken over is a business as understood by IFRS 3 or a group of assets not being a business.

Purchases of businesses are reconciled using the purchase method. In this method, identifiable purchased assets and liabilities are valued at their fair value as of a date of taking over. A payment made under a transaction of purchase of businesses is valued at a fair value of assets transferred by the Group, liabilities contracted by the Group towards previous owners of the entity being taken over, and capital instruments issued by the Group in return for taking control over the entity being taken over. Costs associated to taking over are recognised in the financial result at the moment they are incurred. The excess of the price of taking over, the fair value of previously held assets, and non-controlling assets over the net fair value of assets taken over, taking into account exceptions listed in IFRS 3, is a goodwill.

In the case of an asset purchase transaction not being a purchase of a business, the purchase price is allocated to individual purchased assets on a basis of their relative fair value. The transaction costs are recognised in the initial value of fixed assets purchased. In the asset purchase transaction, no goodwill is created.

Investments in associates and joint ventures are recognised in the consolidated financial statement using the equity method. In accordance with the equity method, investments in associates and joint ventures are initially recognised at their cost, and then adjusted to take into account the Group share in the financial result and other total revenues of the associate or the joint venture. An investment in an associate or a joint venture is recognised by the equity method from a date on which a given entity gained a status of an associate.

When evaluating a need to recognise impairment of a value of the Group investment in an associate or a joint venture, requirements of IAS 28 are taken into account. When necessary, the entire balance sheet amount is tested for impairment in accordance with IAS 36 "Impairment of Assets", as an individual asset, by comparing its recoverable value with the balance sheet value. The recognised impairment is a part of a balance sheet value of the investment. Reversal of that value is recognised in accordance with IAS 36 at a level corresponding to the future increase in the recoverable value of the investment.

6. OTHER NOTES

The detailed information on the Group structure is provided in the tables below

Entity name	Registered office	Line of business	2024	2023
Shares held directly				
WTL 20 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 40 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 80 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 100 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 120 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 130 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 140 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 150 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 160 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 170 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
IDE PROJEKT SP. Z O.O.	Toruń	design services	100.00%	100.00%
SOLAR SERBY SP. Z O.O. (former AZURYT 6 INVESTMENTS SP. Z O.O.)	Warsaw	renewable energy sources	50.00%	50.00%
KWE SP. Z O.O.	Warsaw	renewable energy sources	50.00%	50.00%
ELEKTROWNIA DE PVPL 22 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 270 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 210 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
WTL 50 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
PARK SŁONECZNY CIECHANÓW SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
PARK LEWAŁD SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
FW GUMIENICE SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
FARMA WIATROWA SZYBOWICE SP. Z O.O.	Warsaw	renewable energy sources	0.00%	50.00%
DEVOZE SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
SOLAR KAZIMIERZ BISKUPI SP. Z O.O. (former NEO SOLAR KAZIMIERZ BISKUPI SP. Z O.O.)	Warsaw	renewable energy sources	50.00%	50.00%
PV KADŁUBIA 2 SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
PV SZCZEPANÓW SP. Z O.O.	Toruń	renewable energy sources	100.00%	100.00%
ONDE GmbH	Germany, Düsseldorf	development of executing activities in RES	100.00%	100.00%
INVEST PV	Toruń	renewable energy sources	0.00%	100.00%
SPV CZERWONA WODA	Toruń	renewable energy sources	0.00%	100.00%
FARMA FOTOWOLTAICZNA ŻABÓW SP. Z O.O.	Toruń	renewable energy sources	100.00%	0.00%
ONDE DEV 1 SP. Z O.O.	Toruń	renewable energy sources	100.00%	0.00%
ONDE DEV 2 SP. Z O.O.	Toruń	renewable energy sources	100.00%	0.00%
ONDE DEV 3 SP. Z O.O.	Toruń	renewable energy sources	100.00%	0.00%
ONDE DEV 4 SP. Z O.O.	Toruń	renewable energy sources	100.00%	0.00%

6. OTHER NOTES

ONDE DEV 5 SP. Z O.O.	Toruń	renewable energy sources	100.00%	0.00%
ONDE DEV 6 SP. Z O.O.	Toruń	renewable energy sources	100.00%	0.00%
ONDE DEV 7 SP. Z O.O.	Toruń	renewable energy sources	100.00%	0.00%
ONDE DEV 8 SP. Z O.O.	Toruń	renewable energy sources	100.00%	0.00%

ONDE S.A. holds the following shares in companies held under joint control consolidated by the equity method and classified as long-term financial assets:

Long-term financial assets

	2024	2023
SOLAR SERBY SP. Z O.O. (former AZURYT 6 INVESTMENTS SP. Z O.O..)	13,004	13,904
KWE SP. Z O.O.	10,133	10,619
FARMA WIATROWA SZYBOWICE SP. Z O.O.	-	4,891
SOLAR KAZIMIERZ BISKUPI SP. Z O.O. (former NEO SOLAR KAZIMIERZ BISKUPI SP. Z O.O.)	22,084	22,421
ONDE GmbH	-	118
Total	45,221	51,953

	SOLAR SERBY SP. Z O.O.	KWE SP. Z O.O.	SOLAR KAZIMIERZ BISKUPI SP. Z O.O.
Selected balance sheet items:			
ASSETS, including:	11,097	5,651	13,559
Fixed assets	9,111	4,649	8,041
Current assets	1,986	1,002	5,518
Cash	-	-	148
LIABILITIES, including:	11,097	5,651	13,559
Long-term accounts payable, including:	10,292	7,455	11,502
Financial liabilities	10,292	7,455	11,502
Other short-term liabilities, including:	3,026	98	366
Financial liabilities	2,338	-	-
Abridged result statement:			
Net profit for a financial period	(1,799)	(971)	(673)
Other result items:			
Financial costs	234	(349)	603

The settlement period for companies under joint control is the same as in the Parent Company. In those companies there are no limitations in disposal of cash concerning potential payments of dividends and repayments of loans.

6. OTHER NOTES

Disposal of shares in subsidiaries

On 15 March 2024, 100% of shares in companies PV Invest Sp. z o.o. and SPV Czerwona Woda Sp. z o.o., being owners of photovoltaic farms of a total capacity of 23.1 MW, were sold to an unaffiliated entity. The transaction price was about PLN 20.7 million. It consisted of a fixed (ca. PLN 19 million) and a variable (ca. PLN 1.7 million) part, where the payment of the latter depends on meeting a part of contractual requirements. The result on sale of executed photovoltaic plant projects was presented separately in lines Income on sales of products and services and Costs of products and services sold.

Disposal of shares in an entity under joint control

On 8 March 2024, 50% of shares in Farma Wiatrowa Szybowice Sp. z o.o. were sold to a unaffiliated entity. The transaction price was about PLN 30 million and was adjusted for the value of the net operating capital and the net debt of Farma Wiatrowa Szybowice as of the date of the Shares Sale Agreement. The income on sale of shares was disclosed in the statement on income and other comprehensive income in the line "Income on sales of shares in a co-subsidiary".

Purchase of entities being a group of assets not considered a business

On 21 May 2024, ONDE S.A. concluded an agreement for purchase of 100% of shares from unaffiliated entities in a special purpose vehicle owning a project of a photovoltaic farm of a connecting capacity of 63 MW, located in the Zachodniopomorskie Voivodeship. The photovoltaic project is at the advanced stage of development and received conditions for connection to the power grid.

The purchase price for the shares was determined at arm's length, amounted to PLN 38,2 million and was settled in cash. The transaction costs were insignificant. The company property includes a rental agreement for grounds specifying sites for construction of a photovoltaic farm, environmental decisions, development conditions, connection conditions, as well as financial resources. In the Management Board Opinion, the transaction represents a purchase of assets, and not of a project, hence the excess of cash paid over the assets net book value was allocated to the company assets - i.e. inventories - RES projects.

6.12. TRANSACTIONS WITH AFFILIATES

The tables below present total amounts of transactions concluded by the ONDE Group with affiliates within the Erbud S.A. Group for the period ending on 31 December 2024, and for the period ending on 31 December 2023.

	2024			2023		
	Affiliates consolidated in the Erbud Group	Affiliates not consolidated under the full method	Total	Affiliates consolidated in the Erbud Group	Affiliates not consolidated under the full method	Total
Receivables for deliveries and services	2,244	243	2,487	6	605	611
Loans granted	1,799	22,975	24,774	-	36,505	36,505
Payables for deliveries and services	3,075	-	3,075	3,748	890	4,638
Income on sales	75,953	11,321	87,274	36	1,769	1,805
Loan interest revenues	151	1,415	1,566	-	1,360	1,360
Purchases of goods and services	17,861	-	17,861	16,798	4,656	21,454

As of the date of submitting this financial statement, the members of the Management Board or representatives do not hold any option-based benefits.

6. OTHER NOTES

Transactions with key members of the management

Remuneration calculated for the financial year for the Members of the Company Management Board and of the Supervisory Board is presented in the table below:

	2024	2023
Management Board		
Short-term employee benefits (remuneration)	9,560	5,715
Supervisory Board		
Short-term employee benefits (remuneration)	760	762
Total	10,320	6,477

	2024		2023	
Shareholder	Number of shares/votes	%share in the share capital in votes at GM	Number of shares/votes	%share in the share capital in votes at GM
Jacek Leczkowski	3,530,612	6.48%	3,530,612	6.48%
Agnieszka Głowacka	136,768	0.25%	136,768	0.25%
Paweł Średniawa	117,831	0.22%	117,831	0.22%
Marcin Szerszeń	-	0.00%	105,206	0.19%
Piotr Gutowski	105,206	0.19%	105,206	0.19%
Jacek Socha	43,743	0.08%	43,743	0.08%
Michał Otto	44,558	0.08%	44,558	0.08%
Paweł Przybylski	6,977	0.01%	-	0.00%
Total	3,985,695	7.31%	4,083,924	7.49%

6.13. EMPLOYMENT STRUCTURE

	2024	2023
Blue-collar workers	199	198
White-collar workers	343	355
All employees	542	553

6.14. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

On 27 January 2025, the Company signed a conditional contract with PV SOL 8 Sp. z o.o., concerning construction of a photovoltaic plant with accompanying infrastructure, involving performance of construction works and other works and actions involving construction and putting into operation a photovoltaic plant of the total installed power of 29 MW, with the contract value of ca. PLN 30.5 million. On 20 February 2025, the Company received a notice to proceed with performance of the contract from the Investor; therefore, the contract came into force on 25 February 2025.

Signatures of Members of the Management Board

Paweł Przybylski
/President of the Management
Board/

Piotr Gutowski
/Vice-president of the
Management Board/

Paweł Średniawa
/Vice-president of the
Management Board/

Marek Marzec
/Vice-president of the
Management Board/

Torun, 24 March 2025