



CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025



CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

	For the 12-month period ended on 31/12/2025	For the 12-month period ended on 31/12/2024
CONTINUED OPERATIONS		
Note 4.2. Revenues from sales of goods and services	864,092	803,925
Note 4.2.; 4.4. Costs of goods and services sold	754,367	713,275
Gross profit on sales	109,725	90,650
Note 4.4. Selling costs	11,373	8,328
Note 4.4. General and administrative expenses	56,933	55,067
Profit/loss on the sale of shares in a jointly controlled entity	5,199	19,088
Note 4.6. Other operating revenues	2,972	4,009
Note 4.6. Other operating expenses	4,552	1,065
Note 4.2. Loss due to expected credit losses	(7,472)	(3,198)
Note 4.2. Operating profit	37,566	46,089
Note 4.2. Share in the net losses of jointly controlled entities accounted for using the equity method	(3,481)	(1,722)
Note 4.7. Financial revenues	5,219	4,891
Note 4.7. Financial expenses	11,860	9,360
Note 4.2. Gross profit	27,444	39,898
Note 4.8. Income tax	8,498	9,621
Net profit for the financial period	18,946	30,277
Other comprehensive income	1	(20)
Comprehensive income	18,947	30,257
Basic and diluted earnings per stock (in PLN)	0.35	0.56

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31/12/2025	31/12/2024
ASSETS		730,298	743,817
Note 6.2.	Goodwill	56	56
Note 6.1.	Intangible assets	2,261	1,210
Note 6.1.	Property, plant and equipment	161,973	131,283
Note 5.1.1.	Borrowings granted	13,703	20,597
Note 6.11.	Investments accounted for using the equity method	31,532	45,221
Note 4.8.	Deferred tax assets	21,064	28,261
Note 2.2.	Receivables from construction contracts – security deposits	-	48
Non-current assets		230,589	226,676
Note 6.4.	Inventory	155,656	157,809
Note 2.2.	Receivables from construction contracts – security deposits	1,099	1,528
Note 2.3.	Measurement of construction contracts – assets	64,140	71,683
Note 6.5.	Trade receivables	129,583	119,770
Note 6.5.	Income tax and VAT receivables	9,827	8,808
Note 6.5.	Other receivables	3,510	6,323
Note 5.1.1.	Borrowings granted	2,966	4,177
Note 3.7.	Cash and cash equivalents	128,895	144,011
Note 6.6.	Other assets	4,033	3,032
Current assets		499,709	517,141
EQUITY AND LIABILITIES		730,298	743,817
Note 3.1.	Share capital	1,091	1,091
Note 3.1.	Supplementary capital	308,982	285,932
	Reserve capital	44,154	44,154
	Revaluation reserve	(19)	(20)
Note 3.1.	Retained earnings	5,540	26,518
Equity		359,748	357,675
Note 3.2.-3.4.	Debt	107,886	102,447
Note 6.7.	Provisions	9,452	8,787
Note 4.8.	Deferred tax liabilities	20,338	20,132
Note 2.2.	Liabilities to subcontractors – security deposits	15,662	15,688
Long-term liabilities		153,338	147,054
Note 3.2.-3.4.	Debt	37,016	9,501
Note 6.7.	Provisions	935	287
Note 2.2.	Liabilities to subcontractors – security deposits	14,534	12,096
Note 2.3.	Measurement of construction contracts – equity and liabilities	48,653	94,626
Note 6.9.	Trade liabilities	93,003	94,253
Note 6.9.	Income tax and VAT liabilities	3,146	12,527
Note 6.9.	Other liabilities	19,925	15,798
Short-term liabilities		217,212	239,088

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 12-month periods ended 31/12/2025 and 31/12/2024

	Share capital	Supplementary capital	Reserve capital	Revaluation reserve	Retained earnings	Equity
As at 1 January 2024	1,091	273,109	44,154	-	25,964	344,318
Net result for the period	-	-	-	-	30,277	30,277
Other comprehensive income	-	-	-	(20)	-	(20)
Total comprehensive income	-	-	-	(20)	30,277	30,257
Dividend	-	-	-	-	(16,900)	(16,900)
Transfer of the net result from the previous year to supplementary capital	-	12,823	-	-	(12,823)	-
Registration of redemption of treasury stocks	-	-	-	-	-	-
As at 31 December 2024	1,091	285,932	44,154	(20)	26,518	357,675
As at 1 January 2025	1,091	285,932	44,154	(20)	26,518	357,675
Net result for the period	-	-	-	-	18,946	18,946
Other comprehensive income	-	-	-	1	-	1
Total comprehensive income	-	-	-	1	18,946	18,947
Dividend	-	-	-	-	(16,899)	(16,899)
Transfer of the net result from the previous year to supplementary capital	-	23,050	-	-	(23,050)	-
Other	-	-	-	-	25	25
As at 31 December 2025	1,091	308,982	44,154	(19)	5,540	359,748

CONSOLIDATED CASH FLOW STATEMENT

	For the 12-month period ended on 31/12/2025	For the 12-month period ended on 31/12/2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Gross profit/loss	27,444	39,898
Note 6.1. Amortisation/depreciation	15,620	9,874
Note 4.7. Foreign exchange losses	44	(368)
Note 4.7. Interest and profit sharing (dividends)	(3,356)	1,983
Other non-cash adjustments	(2,490)	(393)
Share of net losses of entities accounted for using the equity method	3,481	-
Profit/loss on the sale of a jointly controlled entity	(5,199)	(19,088)
Income tax paid	(12,393)	(17,979)
Note 6.10. Change in working capital	(27,287)	94,620
Net operating cash flows	(4,136)	108,547
CASH FLOWS FROM INVESTING ACTIVITIES		
Inflows from the sale of shares in a jointly controlled entity	26,172	25,328
Note 5.1.2. Inflows from the repayment of borrowings granted	44,735	39,571
Other inflows	2,558	2,756
Outflows due to the acquisition of property, plant and equipment	(11,113)	(69,149)
Note 5.1.2. Outflows due to borrowings granted	(33,191)	(37,431)
Outflows due to the acquisition of shares in companies	(35)	(39,775)
Net cash flows from investing activities	29,126	(78,700)
CASH FLOWS FROM FINANCING ACTIVITIES		
Note 3.2. Inflows from debt incurred – loans and borrowings	2,682	98,645
Other inflows	35	41
Note 3.2. Outflows due to the repayment of credit debt – principal amount	(6,290)	(29,151)
Note 3.2. Outflows due to the repayment of lease debt – principal amount	(11,973)	(8,778)
Note 3.2. Outflows due to the repayment of debt – interest	(7,661)	(3,405)
Payment of dividend	(16,899)	(16,900)
Other outflows	-	(96)
Net cash flows from financing activities	(40,106)	40,356
NET CASH FLOWS	(15,116)	70,203
Cash at the beginning of the period	144,011	73,808
Cash at the end of the period	128,895	144,011

Błąd! Nie zdefiniowano zakładek.

1.	GENERAL INFORMATION	7
1.1.	INTRODUCTION	7
1.2.	Basis of preparation	7
1.3.	APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS:	8
2.	CONSTRUCTION CONTRACTS	11
2.1.	REVENUE AND COSTS RELATED TO CONSTRUCTION CONTRACTS	13
2.2.	RECEIVABLES AND LIABILITIES ARISING FROM CONSTRUCTION CONTRACTS – SECURITY DEPOSITS	13
2.3.	RECONCILIATION OF AMOUNTS RELATING TO UNCOMPLETED CONSTRUCTION CONTRACTS	14
3.	CAPITAL MANAGEMENT AND DEBT	15
3.1.	CAPITAL MANAGEMENT	15
3.2.	NET DEBT	17
3.3.	DEBT DUE TO LOANS AND BORROWINGS	18
3.4.	DEBT DUE TO LEASES	20
3.5.	ASSETS PLEDGED AS COLLATERAL FOR DEBT OBLIGATIONS	20
3.6.	CONTINGENT ASSETS AND LIABILITIES	21
3.7.	CASH AND CASH EQUIVALENTS	21
4.	NOTES TO THE INCOME STATEMENT	22
4.1.	ALTERNATIVE PERFORMANCE MEASURES	22
4.2.	REPORTING SEGMENTS	23
4.3.	SALES REVENUES	27
4.4.	COST OF SALES	28
4.5.	EMPLOYEE BENEFIT COSTS	28
4.6.	OTHER OPERATING REVENUES AND EXPENSES COSTS	28
4.7.	FINANCIAL REVENUES AND EXPENSES	29
4.8.	TAXATION	29
5.	FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT	32
5.1.	FINANCIAL ASSETS AND LIABILITIES	32
5.1.1.	BORROWINGS GRANTED	36
5.1.2.	FINANCIAL ASSETS – BORROWINGS GRANTED	36
5.2.	FINANCIAL RISK MANAGEMENT PRINCIPLES	37
5.2.1.	MARKET RISK – FOREIGN EXCHANGE RISK	37
5.2.2.	MARKET RISK – INTEREST RATE RISK	39
5.2.3.	CREDIT RISK	40
5.2.4.	LIQUIDITY RISK	41
5.2.5.	CLIMATE RISK	42
6.	OTHER NOTES	43
6.1.	PROPERTY, PLANT AND EQUIPMENT	43
6.1.1.	THE AMOUNTS OF CONTRACTUAL LIABILITIES INCURRED FOR THE PURPOSE OF ACQUIRING PROPERTY, PLANT AND EQUIPMENT	46
6.2.	GOODWILL	46
6.3.	IMPAIRMENT OF NON-CURRENT ASSETS	47
6.4.	INVENTORY	48
6.5.	TRADE AND OTHER RECEIVABLES	48
6.6.	OTHER ASSETS	49
6.7.	PROVISIONS	50
6.8.	DISPUTES	51
6.9.	TRADE AND OTHER LIABILITIES	57
6.10.	CLARIFICATION TO THE CASH FLOW STATEMENT	57
6.11.	STRUCTURE OF THE GROUP	57
6.12.	TRANSACTIONS WITH RELATED PARTIES	61
6.13.	EMPLOYMENT STRUCTURE	62
6.14.	EVENTS AFTER THE END OF THE REPORTING PERIOD	62

2. CONSTRUCTION CONTRACTS

1. GENERAL INFORMATION

1.1. INTRODUCTION

The parent company of the ONDE Group – ONDE S.A. – is a public limited company established on 25/09/1998. The Company is entered in the Register of Businesses under KRS number 0000028071. The entry was made by the District Court in Toruń, Poland, 7th Commercial Division of the National Court Register on 18/07/2001.

The registered office of ONDE S.A. is located in Toruń, at Trasa Prezydenta Władysława Raczkiewicza 1, in Poland.

The core business of ONDE consists of other specialised construction works not elsewhere classified (PKD 43.99 Z), the construction of wind farms and photovoltaic power plants (PKD 42.99 Z), and works related to the construction and repair of roads (PKD 42.11 Z), and its principal place of business is Poland.

The ONDE S.A. Group is a member and subsidiary of the Erbud Group. Erbud S.A. is also the ultimate parent company of the Group. ONDE S.A. has been listed on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) since 2021.

1.2. Basis of preparation

Statement of compliance with IFRS

The Group's consolidated financial statements for the financial year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter: 'IFRS').

The consolidated financial statements are presented in Polish zlotys (PLN), and all figures are given in thousands (unless otherwise stated). The consolidated financial statements have been prepared on a historical cost basis, except for investments in jointly controlled entities, which are measured using the equity method.

These consolidated financial statements were approved by the Management Board on 25 March 2026.

Going concern

These consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern for the foreseeable future. As of the approval date of these financial statements, there are no circumstances threatening the Group's going concern status.

About the impact of the conflict in Ukraine

In 2025, the impact of the war in Ukraine on economic processes was less pronounced than in previous years. The situation is relatively stable, but it still forces the Group to operate in a rapidly changing environment. Among the negative effects of the war, the rise in material and labour costs is significant for the Group.

The Polish zloty is strengthening and returning to its pre-conflict level.

The Group takes the risk of rising material and labour costs, as well as changes in exchange rates, into account on an ongoing basis in its calculations. The Management Board is monitoring the changing geopolitical and economic situation, taking steps to minimise the negative effects of these changes, such as diversifying operations geographically and by segment, whilst negotiating contract terms with clients.

About the impact of the conflict in Iran

During the reporting period and after the balance sheet date, geopolitical tensions in the Middle East persisted, including those related to the conflict involving Iran. As at the date of preparation of the financial statements, it is not possible to estimate the impact of these events on the Group's operations. The Group identifies potential risks arising from the above situation, in particular the risk of rising prices of raw materials, energy and fuel. There is a possibility of disruptions in the supply chains for components used in ongoing projects. As at the date of preparation of these financial statements, the Group has not recorded any significant disruptions in the performance of contracts or any significant deterioration in financial liquidity arising therefrom.

2. CONSTRUCTION CONTRACTS

Fair value measurement

When measuring an asset or liability at fair value, the Group takes into account the characteristics of that asset or liability if market participants consider those characteristics when valuing assets or liabilities at the measurement date. The Group classifies fair value measurement principles using a fair value hierarchy that reflects the weight of the source data used for measurement, in accordance with IFRS 13. As at each balance sheet date, the Group has no items measured at fair value but discloses the fair value in respect of items measured at amortised cost.

Translation of foreign currency items

Items included in the financial statements are measured in the currency of the primary economic environment where the entity operates ('functional currency'). The Group's functional currency and the presentation currency of the financial statements is the Polish zloty (PLN).

Transactions in foreign currencies are recorded in the books at the time of initial recognition at an amount converted into zlotys using the average exchange rate of the National Bank of Poland (NBP) on the date of the transaction.

As at the balance sheet date, monetary assets and liabilities denominated in currencies other than the Polish zloty are translated into Polish zlotys using the average exchange rate for the relevant currency set by the National Bank of Poland as at the end of the reporting period. Foreign exchange gains/losses arising from the translation are recognised under financial revenues (expenses) or, in the situations specified by the accounting principles (policy), they are capitalised in the value of the assets accordingly.

Non-monetary assets and liabilities recognised according to the historical cost in a foreign currency are disclosed at the historical cost from the day of transaction. Non-monetary assets and liabilities recognised at fair value in a foreign currency are translated at the exchange rate as of the date of the fair value measurement.

1.3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS:

New and amended standards and interpretations applied:

The following new standards and amendments to existing standards, which came into force in 2025, have been applied for the first time in these consolidated financial statements:

a) Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

In August 2023, the International Accounting Standards Board (IASB) published amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'. The amendments are intended to help entities determine whether a particular currency is convertible into another currency and to estimate the spot exchange rate where a currency is not convertible. Furthermore, the amendments to the standard introduce a requirement for additional disclosures, in the event of non-convertibility, regarding the method used to determine an alternative exchange rate.

Published standards and interpretations which are not yet effective and have not been adopted by the Group.

In these consolidated financial statements, the Group has not chosen to early adopt the following published standards, interpretations or amendments to existing standards prior to their effective date.

a) Amendments to the classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7

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

- a) clarifying the date of recognition and derecognition of certain financial assets and liabilities, with an exemption for certain financial liabilities settled via an electronic funds transfer system;
- b) clarifying and adding further guidance on assessing whether a financial asset meets the criteria for SPPI;
- c) adding new disclosures regarding certain instruments whose contractual terms may vary cash flows; and
- d) updating disclosures regarding equity instruments measured at fair value through other comprehensive income (FVOCI).

2. CONSTRUCTION CONTRACTS

The published amendments are effective for financial statements for periods beginning on or after 1 January 2026.

b) Annual Improvements to IFRS

'Annual Improvements to IFRS' 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 clarify and explain in greater detail the guidelines to the standards concerning recognition and measurement.

The published amendments are effective for financial statements for periods beginning on or after 1 January 2026.

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

In December 2024, the IASB published amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current guidelines may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

The amendments include:

- a) clarifying the application of the 'own-use' requirements;
- b) permitting hedge accounting if these contracts are used as hedging instruments; and
- c) adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The published amendments are effective for financial statements for periods beginning on or after 1 January 2026.

d) IFRS 18 'Presentation and Disclosure in Financial Statements'

In April 2024, the IASB published the new standard IFRS 18 'Presentation and Disclosure in Financial Statements'. The standard is intended to replace IAS 1 'Presentation of Financial Statements' and will come into force on 1 January 2027. The amendments to the standard being superseded mainly concern three areas: the statement of profit or loss, required disclosures regarding performance measures, and issues relating to the aggregation and disaggregation of information contained in financial statements.

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

e) IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

In May 2024, the IASB issued a new accounting standard, IFRS 19, which may be adopted by certain subsidiaries applying IFRS accounting standards in order to improve the effectiveness of disclosures in those entities' financial statements. The new standard introduces simplified and limited disclosure requirements. Consequently, an eligible subsidiary applies the requirements of other IFRS, except for the disclosure requirements, and instead applies the limited disclosure requirements set out in IFRS 19.

Eligible subsidiaries are entities that are not subject to 'public accountability' as defined in the new standard. Furthermore, IFRS 19 requires that the ultimate or intermediate parent of such an entity prepare publicly available consolidated financial statements in accordance with IFRS.

Eligible entities may decide to adopt the guidance of the new IFRS 19 standard to financial statements prepared for periods beginning on or after 1 January 2027.

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

As at the date of preparation of these consolidated financial statements, these amendments have not yet been endorsed by the European Union.

f) Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

2. CONSTRUCTION CONTRACTS

In August 2025, the IASB published amendments to IFRS 19 in order to support eligible subsidiaries by reducing the disclosure requirements for standards and amendments to standards issued between February 2021 and May 2024. The amendments cover the following standards: IFRS 18: Presentation and Disclosure in Financial Statements; Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements; Amendments to IAS 12 – International Tax Reforms; Amendments to IAS 21 – Lack of Exchangeability; Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments.

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

As at the date of preparation of these consolidated financial statements, these amendments have not yet been endorsed by the European Union.

g) Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency

In November 2025, the International Accounting Standards Board (IASB) issued amendments that clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

These narrow-scope amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency. The amendments are effective for annual periods beginning on or after 1 January 2027. Companies can choose to apply them earlier.

Amendments to IAS 21 ‘The Effects of Changes in Foreign Exchange Rates’ will apply to annual periods.

As at the date of preparation of these consolidated financial statements, these amendments have not yet been endorsed by the European Union.

h) IFRS 14 ‘Regulatory Deferral Accounts’

This standard allows first-time adopters of IFRS (as of 1 January 2016 or later) to recognise the amounts resulting from rate-regulated activities according to the previously applied accounting principles. In order to improve comparability with entities which have already adopted the IFRS and do not disclose such amounts, as per the issued IFRS 14, amounts arising from price-regulated activities are to be presented in a separate item in the statement of financial position, the profit and loss account and the statement of other comprehensive income.

The European Union decided not to approve IFRS 14.

i) Amendments to IFRS 10 and IAS 28 Sales or Contributions of Assets Between an Investor and its Associate/Joint Venture

The amendments resolve the existing inconsistencies between IFRS 10 and IAS 28. The recognition in the books depends on whether non-monetary assets sold or contributed to an associate or a joint venture constitute a business.

If such non-monetary assets constitute a business, the investor recognises a full gain or loss on a transaction. On the other hand, if such assets do not meet the definition of a business, the investor recognises a profit or loss only to the extent of the portion representing the shares of other investors.

The amendments were published on 11 September 2014.

As at the date of preparation of these consolidated financial statements, the European Union has deferred the adoption of this amendment.

None of the amendments will have a material impact on the financial statements of the ONDE S.A. Group, with the exception of the introduction of IFRS 18. The Group has analysed the impact of IFRS 18 on its future financial statements and plans to commence work on adapting their format to the new requirements in the second half of 2026. As IFRS 18 primarily provides for changes in presentation and disclosures, the Group does not anticipate any impact from the implementation of IFRS 18 on the basic and diluted earnings per share attributable to the stockholders of the Parent Company.

...

2. CONSTRUCTION CONTRACTS

2. CONSTRUCTION CONTRACTS

The Group signs contracts on a lump-sum (fixed-price) basis for the execution of construction projects, primarily relating to the construction of wind farms, solar farms, and the construction and repair of roads. Some contracts with clients also include a variable component of remuneration in the form of penalties that may be imposed on the Group, for example in the event of delays in contract performance.

The variable remuneration component adjusts the transaction price and the amount of revenue recognised, i.e. the Group recognises part or all of the variable remuneration in the transaction price only to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue recognised once the uncertainty associated with the variability is resolved. The Company recognises revenue from claims only where it holds external expert opinions confirming the validity of recognising an additional amount of remuneration based on the provisions of the contract and where it is highly probable that such revenue will not be reversed in the future. To estimate the value of variable remuneration, the Group uses the expected value method to estimate revenue from claims. To estimate the value of variable remuneration, the Group uses the expected value method to estimate revenue from claims. Historically, the Group has not incurred penalties from its clients and, as at any balance sheet date, there have been no grounds for recognising penalties on contracts in progress. Any contract modifications (changes to the scope of the contract, price, or both) are recognised as a cumulative revenue adjustment.

Due to the specific nature of construction contracts and the services provided by the Group, in all construction contracts the Group identifies only one performance obligation to which the entire contract remuneration is allocated.

The Group recognises revenue and costs arising from construction contracts over time in proportion to the progress of the work performed. The Group measures the progress of a contract using the input method, i.e. it determines the value of revenue from the performance of construction contracts in the period from the date of contract conclusion to the balance sheet date in proportion to the stage of completion of the contract in question by calculating the percentage of completion based on the ratio of costs recognised on the contract to the total cost budget prepared for that contract. From the amount obtained in this way, the Group deducts revenue that has already been recognised in previous financial years, thereby arriving at revenue from construction contracts in progress for the current period. A change in the estimate of the progress of a contract is treated as a change in estimate and affects the amount of revenue recognised in the period in which the estimated progress was revised.

In the Management Board's view, this method of measuring the stage of completion of a contract provides reliable information on the progress of a given contract due to the direct correlation between the expenditure incurred and the progress of construction works, which are also carried out to a significant extent by the Group's subcontractors.

If the stage of completion of an uncompleted service (including construction) or the estimated total cost of its performance cannot be reliably determined as at the balance sheet date, revenue is recognised in the amount of costs incurred during the reporting period, but not exceeding the costs expected to be paid by the client in the future.

Conversely, the results of the measurement (i.e. the determination of revenue using the input method) are recognised as 'Assets (or Liabilities) arising from construction contracts'. Balances of assets arising from construction contracts are subject to an impairment charge, calculated in the same way as for current trade receivables. All assets arising from construction contracts are classified in Level 2 of the impairment model, and a simplified matrix-based approach is applied to calculate the impairment loss on these assets (in the same way as for trade receivables). Due to the method of recognising balances relating to assets arising from construction contracts, they are not subject to ageing and are treated in their entirety as current, non-past due.

Invoicing for work performed under construction contracts takes place in accordance with the schedule specified in the contract, usually upon completion of a given stage of work specified in the contract. Revenue, in turn, is recognised over time as work progresses. Consequently, during the performance of a construction contract, there may be a discrepancy between invoiced revenue and revenue recognised using the input method. As revenue recognised using the input method increases, the balance of 'Assets relating to construction contracts' increases correspondingly. When an invoice is issued, 'Trade receivables' are recorded at the gross amount, whilst the net invoice amount reduces the value of 'Assets arising from construction contracts' or increases the balance of 'Liabilities arising from construction contracts'. Counterparties under construction contracts signed with the Group retain a portion of payments as performance bonds. These amounts are recognised under 'Receivables from construction contracts – security deposits' and are typically refundable upon completion of the project or at the end of the warranty period.

The Group establishes provisions for contracts with a negative margin when there are indications that a given construction contract under execution will result in a loss (budgeted costs exceed budgeted revenue). Provisions are recognised as an expense for the period in question in the full amount of the projected loss on the contract and are disclosed in the balance sheet in the 'Provisions' line item.

The Group recognises contract acquisition costs as expenses when incurred, as these costs are not directly charged to the client regardless of whether the contract is concluded. The Group provides its clients only with basic warranties, which do

2. CONSTRUCTION CONTRACTS

not constitute a separate performance obligation. The warranty period varies depending on the contract in question and the components covered by the warranty.

The Group engages subcontractors to carry out work related to the performance of construction contracts. With regard to work performed by subcontractors, the Group acts as the principal. The invoiced costs of their employment are recognised as 'Trade liabilities'. The Group recognises the portion of payments to subcontractors withheld by the Group as performance bonds under the heading "Liabilities to subcontractors – security deposits".

In the case of certain construction contracts carried out under joint contractual arrangements in which the Group acts as the lead partner in a consortium or as the principal contractor, the Group has determined that it acts as an intermediary in respect of work performed by the other partner, which the Group, as the lead partner, invoices to the client. The Group defines its role as that of an intermediary in a given contract where it identifies specific goods and services to be supplied, over which it does not exercise control prior to their delivery to the client. Where the Group acts as an intermediary, it recognises revenue upon fulfilment of the performance obligation in the contractual amount of the fee or commission to which it is entitled in return for arranging for specific services or goods to be supplied by another entity. Given to the nature of the consortia formed and the contracts in which the Group acts as the lead entity, the fees and commissions described above do not arise. Consequently, the Group does not generate revenue from commissions for invoicing the client for work performed by another consortium member. The Group recognises as revenue only the amounts of remuneration due for the performance of its scope of work for the client in accordance with the policy described above.

Furthermore, for other sales, i.e. materials (aggregates), goods and ancillary production, the Group recognises revenue on a point-in-time basis. Revenue from other sales is recognised upon the transfer of control to the customer, which coincides with the delivery of the goods to the customer.

The payment terms for construction service contracts provided by the Group range from 30 to 180 days from the invoice issue date, and for other sales are typically 30 days from the invoice issue date. The payment term does not exceed 12 months from the completion of the work. Thus, the concluded contracts do not contain a significant financing component, except for the amounts invoiced in respect of the performance of construction contracts, which are repaid at a later date as they constitute security deposits retained by the client. The amounts retained from individual invoices amount to a maximum of 10% of the remuneration for the performance of the contract and are released over a period of up to 5 years following the completion of the contract. Revenue from the performance of construction contracts, in the portion retained as a security deposit, is recognised in a discounted amount.

The breakdown of revenue into revenue recognised over time and revenue recognised at a point in time is presented in Note 4.2.

Using the input method to recognise revenue from construction contracts requires an estimate of the stage of completion of the work on a given contract, i.e. an estimate of the total cost budget for that contract.

Cost budgets for specific contracts are prepared by the Group's Management at the tendering stage and updated during the financial year or upon identification of grounds for revising the cost or revenue budget. Should events occur between official budget revisions that materially affect the contract's performance, the total revenue or cost of the contract is updated on an ongoing basis; that is, changes to the scope of the contract or cost increases resulting from various factors are reflected in the Group's internal system immediately after they have been negotiated by the Group with the client.

For construction contracts in progress, a 2% increase/decrease in total budgeted costs results in a corresponding decrease/increase in revenue recognised on a cumulative basis in the Group's accounts for the contract in question, by a similar percentage. The impact of such a change in the total cost budget on revenue in a given period depends on the stage of completion of the contract in progress at the end of that period. For contracts at a significant stage of completion, the impact of such a change on revenue in a given period will be more significant than for a contract at an early stage of completion.

The Group has appropriate control processes in place to ensure that the budgeting process for a given project is based on up-to-date and reliable estimates of the costs required to fulfil a given contract, which are subject to verification and approval by the persons designated for this process. The budget prepared by the Project Manager is verified by the director of the department responsible for the construction project.

The Group maintains a record of ongoing projects (construction contracts) in an internal project management system. Information on a given contract, including its progress, is entered into the system by the contract/site manager and then approved by the director of the department responsible for the site.

...

2. CONSTRUCTION CONTRACTS

2.1. REVENUE AND COSTS RELATED TO CONSTRUCTION CONTRACTS

The amounts of revenue and costs related to construction contracts for the period and on a cumulative basis are presented in the table below.

	For the 12-month period ended on 31/12/2025	For the 12-month period ended on 31/12/2024
	Contracts during the period	Contracts during the period
Amounts recognised during the period		
Revenues from construction contracts	843,973	763,564
Costs of construction contracts	739,527	701,994
Profit or loss before recognition and settlement of future losses	104,446	61,570
Creation of provisions for future losses	838	179
Gross profit/loss	103,608	61,391
Gross profit margin		
excluding provisions	12%	8%
including provisions	12%	8%

The gross profit margin is defined as gross sales profit divided by sales revenue.

2.2. RECEIVABLES AND LIABILITIES ARISING FROM CONSTRUCTION CONTRACTS – SECURITY DEPOSITS

Receivables arising from construction contracts – security deposits bonds are held to secure contractual cash flows, which consist solely of the payment of principal and interest (SPPI), and are measured at amortised cost, taking into account any impairment losses. Upon initial recognition, these financial assets are recognised at their nominal value, i.e. at the amounts originally invoiced, less any discount. The method used to calculate the discount is disclosed in Note 6.4. The Group adjusts the carrying amount of deposits receivable for impairment losses recognised in accordance with the accounting policy described in Note 6.4 and presented under ‘Impairment losses on financial assets’ in the income statement.

Liabilities arising from security deposits are measured at fair value on initial recognition (i.e. the amount of payments discounted using the current market interest rate for such liabilities), and the cost of subcontractors’ services is recognised at this amount. In subsequent periods, security deposit liabilities are measured at amortised cost and interest expenses are recognised in financial expenses.

	2025			2024		
	Reimburse ment within 12 months	Reimburse ment above 12 months	Total	Reimburse ment within 12 months	Reimburse ment above 12 months	Total
Receivables from construction contracts – security deposits before discounting	1,361	297	1,658	1,593	53	1,646
Impairment loss	(258)	(289)	(547)	(54)	36	(18)
Discounting of security deposits	(3)	(8)	(11)	(11)	(41)	(52)
Receivables from construction contracts – security deposits	1,099	-	1,099	1,528	48	1,576
Liabilities to subcontractors – security deposits, after discounting	14,534	15,662	30,196	12,096	15,688	27,784

2. CONSTRUCTION CONTRACTS

2.3. RECONCILIATION OF AMOUNTS RELATING TO UNCOMPLETED CONSTRUCTION CONTRACTS

	2025	2024
Cumulative revenue from uncompleted construction contracts	2,147,388	2,397,803
Total amounts invoiced to customers to date (excluding advance payments)	2,111,781	2,391,016
Balance of settlements relating to uncompleted construction contracts	35,607	6,787
including:		
(1) Assets from completed construction work not yet invoiced (gross)	70,975	72,547
Impairment loss on assets relating to construction contracts	(1,459)	(864)
(1a) Assets from completed construction work not yet invoiced (net)	69,516	71,683
(2) Liabilities arising from invoiced but uncompleted construction work	35,368	65,760
(3) Liabilities arising from construction work performed by subcontractors that is due but not yet invoiced	2,500	-
Balance of settlements under construction contracts (1+2+3)	33,107	6,787
including:		
Measurement of construction contracts – settlement of balances (1a)	69,516	71,683
Exclusion relating to advance payments received	(5,376)	-
Measurement of construction contracts – assets	64,140	71,683
Measurement of construction contracts – settlement of balances (2+3)	37,868	65,760
Liabilities arising from construction contracts – advance payments received	10,785	28,866
Measurement of construction contracts – equity and liabilities	48,653	94,626

For all periods shown in the table above, the entire opening balance of contract liabilities was recognised as revenue in the relevant period. The remainder of the change in the balance of construction contract liabilities arises from the excess of revenue invoiced in the relevant period over revenue recognised in the income statement.

Due to the specific nature of its business activities, namely the execution of construction contracts, the Company is unable to isolate the cumulative changes in recognised revenue that would result from changes in the estimate of the stage of completion or changes in the estimate of the transaction price in respect of estimated penalties from the revenue recognised during the period on account of work in progress. Nevertheless, as indicated in the description of accounting policies and significant estimates: changes in total costs for projects in progress were not significant and generally fell within a range of +/- 2% of the originally budgeted costs, and the Company did not incur penalties from its customers in the periods presented, nor were there any grounds for recognising penalties on contracts in progress as at any balance sheet date.

The impairment loss on contract assets is calculated using the same write-down matrix as for trade receivables. The entire balance of contract assets in all periods presented is not past due. The impairment ratio calculated in accordance with the ECL method for contract assets as at 31/12/2025 was 2.22% and as at 31/12/2024 was 1.19%. The amounts of the impairment loss and movements in the impairment loss on assets arising from construction contracts in the presented financial statements are immaterial and have therefore not been disclosed.

Changes in the value of assets and liabilities arising from the measurement of contracts stem from the specific nature of the settlement of construction contracts and the invoicing schedules for individual contracts, i.e. there are contracts with varying payment schedules, and therefore there is no typical correlation between the payment date and the fulfilment of the performance obligation.

Of the contract assets, which had a value of PLN 72,547,000 at the end of 2024, PLN 21,144,000 was not invoiced in 2025.

3. CAPITAL MANAGEMENT AND DEBT

3. CAPITAL MANAGEMENT AND DEBT

3.1. CAPITAL MANAGEMENT

The share capital comprises ordinary stocks and is stated at nominal value (in accordance with the Group's Articles of Association and the entry in the National Court Register).

Other supplementary capital is formed mainly from retained earnings, including amounts that must be transferred to supplementary capital in accordance with the requirements of the Commercial Companies Code.

Reserve capital is created from retained earnings, intended to finance the Group's further development.

The Group's supplementary capital is formed in accordance with the provisions of the Commercial Companies Code and the decisions of the stockholders. Under the Commercial Companies Code, supplementary capital must be created to cover losses, with at least 8% of the profit for the financial year being transferred to this reserve until it reaches at least one-third of the share capital. Supplementary capital created in this way is not subject to distribution. As at 31/12/2025, it amounted to 102,995. The General Stockholders' Meeting decides on the use of the supplementary and reserve capital. However, part of the supplementary capital may only be used to cover a loss disclosed in the financial statements and may not be distributed for other purposes.

The Group manages and adjusts its capital structure in response to the changing economic conditions. In order to maintain or adjust its capital structure, the Group may adjust the dividend payout to stockholders or issue new stocks as appropriate.

The primary objective of the Group's capital management is to maintain a strong credit rating and sound capital ratios that support the Group's operations and increase value for its stockholders.

Return on equity (ROE)		
	2025	2024
(1) Net profit	18,946	30,277
(2) Equity	359,748	357,675
ROE [(1)/(2) * 100%]	5.27%	8.46%

Overall indebtedness ratio		
	2025	2024
(1) Liabilities and provisions for liabilities*	370,550	386,142
(2) Total assets	730,298	743,817
Overall indebtedness ratio [(1)/(2) * 100%]	50.74%	51.91%

* 'Liabilities and provisions for liabilities' represent the sum of all long-term liabilities and short-term liabilities disclosed in the statement of financial position.

The indebtedness ratio achieved in all the periods presented fell within the range set by the Management Board as the target level for this ratio.

3. CAPITAL MANAGEMENT AND DEBT

Debt-to-equity ratio		
	2025	2024
(1) Liabilities and provisions for liabilities*	370,550	386,142
(2) Equity	359,748	357,675
Debt-to-equity ratio [(1)/(2)*100%]	103.00%	107.96%

* 'Liabilities and provisions for liabilities' represent the sum of all long-term liabilities and short-term liabilities disclosed in the statement of financial position.

The debt-to-equity ratio achieved in all the periods presented fell within the range set by the Management Board as the target level for this ratio.

The most significant factor affecting the above ratios and their levels is the Group's net profit.

Share capital

As at 31 December 2025, the share capital consisted of 54,512,759 stocks with a total value of PLN 1,090,255.18, and the structure of Shareholders holding more than a 5% stake in the share capital was as follows:

Stockholder	% share in initial capital
ERBUD S.A.	60.67%
Jacek Leczkowski	6.48%
Generali PTE S.A., manager of the Generali OFE fund	6.01%
Funds managed by Nationale-Nederlanden PTE S.A.	5.53%

Erbud S.A. is the entity exercising control over the Onde Group. However, none of Erbud S.A.'s stockholders exercises sole control over the Company or the Erbud S.A. Group.

The Company's Articles of Association do not grant the stockholders referred to above any personal rights in relation to the Company; in particular, they do not grant the right to appoint members of the Management Board or members of the Supervisory Board of the Company.

Basic earnings per stock are calculated by dividing the net profit/(loss) for the reporting period, attributable to the Company's ordinary stockholders, by the weighted average number of ordinary stocks during the reporting period.

For the purposes of calculating diluted earnings per stock, the net profit/(loss) for the reporting period attributable to ordinary stockholders and the weighted average number of ordinary stocks during the reporting period are adjusted to take account of the effect of all dilutive potential ordinary stocks. Diluted earnings per stock are equal to basic earnings per stock, as there are no dilutive instruments in the Company.

A stock split carried out both during the reporting period and after the balance sheet date adjusts the weighted average number of ordinary stocks for the purposes of calculating basic and diluted earnings per stock for all periods presented.

3. CAPITAL MANAGEMENT AND DEBT

The basic and diluted earnings per stock are presented below

	For the 12-month period ended on 31/12/2025	For the 12-month period ended on 31/12/2024
Net profit	18,946	30,277
Number of average weighted ordinary stocks	54,512,759	54,512,759
Basic and diluted earnings per stock (in PLN)	0.35	0.56

...

3.2. NET DEBT

	2025	2024
Note 3.7. Cash and cash equivalents and restricted cash (A)	128,895	144,011
Note 3.3. Debt due to loans and borrowings	52,528	79,517
Note 3.4. Debt due to leases	55,358	22,930
Long-term debt	107,886	102,447
Note 3.3. Debt due to loans and borrowings	26,479	2,676
Note 3.4. Debt due to leases	10,537	6,825
Short-term debt	37,016	9,501
Total debt (B)	144,902	111,948
(Net debt)/Net cash and cash equivalents ((A) – (B))	(16,007)	32,063

The Group defines net debt as the balance of debt arising from loans and borrowings and leases, less cash and cash equivalents (including restricted cash classified as short-term assets). Where cash and cash equivalents exceed debt, the Group defines the net amount as 'net cash and cash equivalents'.

3. CAPITAL MANAGEMENT AND DEBT

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

	Debt due to:	Loans and borrowings	Leases	Total debt
Debt as at 1 January 2024		12,475	14,175	26,650
Inflows from debt incurred – funding received		98,645	-	98,645
Lease agreements concluded		-	24,473	24,473
Interest accrued on debt		6,465	1,454	7,919
Outflows due to debt incurred – repayment of principal		29,151	8,778	37,929
Outflows due to debt incurred – repayment of interest		2,271	1,134	3,405
Other non-cash changes		(3,970)	(435)	(4,405)
Change in debt during the period		69,718	15,580	85,298
Debt as at 31 December 2024		82,193	29,755	111,948
Inflows from debt incurred – funding received		2,682	-	2,682
Lease agreements concluded		-	47,204	47,204
Interest accrued on debt		11,738	2,971	14,709
Outflows due to debt incurred – repayment of principal		6,290	11,973	18,263
Outflows due to debt incurred – repayment of interest		5,580	2,081	7,661
Exchange rate gains/losses on foreign currency debt		(20)	-	(20)
Other non-cash changes		(5,716)	19	(5,697)
Change in debt during the period		(3,186)	36,140	32,954
Debt as at 31 December 2025		79,007	65,895	144,902

3.3. DEBT DUE TO LOANS AND BORROWINGS

	2025	2024
Long-term		
Bank loans	51,472	79,517
Borrowings	1,056	-
	52,528	79,517
Short-term		
Bank loans	26,051	2,496
Borrowings	428	180
	26,479	2,676
Total debt due to loans and borrowings	79,007	82,193

	2025	2025	2024	2024
	In the functional currency	In a foreign currency	In the functional currency	In a foreign currency
Loans and borrowings				
Long-term	52,344	184	79,517	-
Short-term	26,479	-	2,676	-
Total	78,823	184	82,193	-

3. CAPITAL MANAGEMENT AND DEBT

Loans disclosed as long-term and short-term bear interest at the WIBOR ON, 1M or 3M rate plus a margin ranging from 1.5 to 2.6 percentage points. Borrowings bear interest at WIBOR 3M plus a margin of 2.5 to 3 percentage points, or at a fixed rate of 10%.

Liabilities arising from loans and borrowings are initially recognised at fair value, less transaction costs. At each balance sheet date, these items are measured at amortised cost using the effective interest rate.

As at the balance sheet dates stated, the fair value of loans and borrowings did not differ materially from their measurement at amortised cost. The fair value of loans and borrowings is estimated using discounted cash flow (DCF) models based on cash flows reflecting the repayment schedule of the loans received, applying a market interest rate for such liabilities (i.e. the discount rate was estimated at the 1-month WIBOR rate for the relevant date plus a fixed percentage representing a risk premium of 2.15%). The fair value of long-term loans and borrowings measured at amortised cost is classified within Level 2 of the fair value hierarchy.

Covenants

Throughout the year, as at 31 December 2025 and by the date of approval of these financial statements, all covenants were met.

All covenants relating to loan debt arising from agreements entered into with companies within the Erbud Group are based on the following ratios:

- EBITDA margin – not less than 1%
- debt/EBITDA – no more than 2.0
- current liquidity ratio – not less than 1.2
- capitalisation – not less than 20%

The terms used in the calculation of covenants have the following meanings:

‘Net debt’ means the sum of long-term and short-term loans, borrowings, securities issued and other financial liabilities to other and related parties, excluding:

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

‘EBITDA’ means, for each Calculation Period, the sum of operating profit/loss and depreciation and amortisation, excluding non-cash items relating to the revaluation of assets, the creation and release of provisions, one-off events relating to the disposal of assets, and excluding EBITDA generated by investments in renewable energy sources carried out under a project finance arrangement for which the Borrower will not be liable or jointly liable for any obligations arising from such investments.

‘Current liquidity’ means the ratio of current assets plus non-current assets – security deposits receivable – to short-term liabilities plus long-term liabilities due to security deposits.

‘Net Debt to EBITDA Ratio’ means the ratio of Net Debt to EBITDA.

‘EBITDA margin’ means EBITDA divided by revenue from sales, less revenue from investments related to renewable energy sources.

Covenants are tested in accordance with the loan agreements at the end of each quarter. The calculation of the covenants is based on the Erbud Group’s consolidated financial data for each loan. As at 31/12/2025, the covenants were as follows:

- EBITDA margin: 2.10
- debt/EBITDA margin: (0.10)
- current liquidity: 1.26
- market capitalisation: 29%

The covenants relating to the loan debt under the loan agreement between ONDE S.A. and mBank are based on the following ratios:

3. CAPITAL MANAGEMENT AND DEBT

- debt/EBITDA – no more than 3.0
- capitalisation – not less than 30%

The terms used in the calculation of covenants have the following meanings:

‘Net debt’ means the sum of long-term and short-term loans, borrowings, securities issues and other financial liabilities to other and related parties, excluding liabilities arising from investments in renewable energy sources carried out under a project finance arrangement for which the Borrower will not be liable or jointly liable for liabilities arising from investments in renewable energy sources (own financial liabilities and financial liabilities arising from joint and several liability), less cash and other monetary assets.

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

‘Debt/EBITDA’ means the ratio of Net Debt to EBITDA.

‘Capitalisation’ means the ratio of the Group’s Equity to its Assets.

Covenants are tested in accordance with the loan agreement at the end of each quarter. The calculation of the covenants is based on the ONDE Group’s consolidated financial data for each loan. As at 31/12/2025, the covenants were as follows:

- debt/EBITDA margin: (1.55)
- market capitalisation: 49%

3.4. DEBT DUE TO LEASES

Period		2025	2024
		Nominal value of minimum fees	Nominal value of minimum fees
Up to 1 year	Short-term	14,131	8,650
Over 1 year	Long-term	77,447	35,199
Nominal value of minimum fees		91,578	43,849
Future costs due to lease		25,683	14,094
Present value of minimum fees		65,895	29,755
Up to 1 year	Short-term	10,537	6,825
Over 1 year	Long-term	55,358	22,930

The main item of fixed assets under lease is office space leased for the new ONDE headquarters in Toruń, presented in accordance with IFRS 16. Since 1 August, the ONDE’s head office has been located at a new address: Trasa Prezydenta Władysława Raczkiewicza 1 in Toruń. The Group moved premises due to its rapid expansion and further growth prospects. Another material item is leased means of transport and the lease of land in special purpose vehicles, presented in accordance with IFRS 16.

3.5. ASSETS PLEDGED AS COLLATERAL FOR DEBT OBLIGATIONS

	2025	2024
Property, plant and equipment	100,986	106,905
Inventory	47,179	47,327
Total	148,165	154,232

3. CAPITAL MANAGEMENT AND DEBT

As security for financial agreements, the Group has created mortgages on real estate, registered pledges and financial pledges on shares, as well as on collections of assets and property rights. Information regarding debt arising from loans and borrowings is provided in Note 3.3.

...

3.6. CONTINGENT ASSETS AND LIABILITIES

	2025	2024	2025	2024
Related parties				
Guarantees and sureties	81,909	146,004	191,184	70,000
Total	81,909	146,004	191,184	70,000
Other parties				
Guarantees and sureties	69,997	61,255	366,257	334,995
Total	69,997	61,255	366,257	334,995

Contingent assets include guarantees received from Erbud S.A. and guarantees required under contracts entered into by the Group. In addition, contingent assets comprise guarantees received by the Group from subcontractors as security for the proper performance of works and as a warranty.

Contingent liabilities include sureties granted by ONDE to Erbud S.A. and (bank and insurance) guarantees granted by the Group to secure the proper performance of the contract and the rectification of defects and faults.

As at the balance sheet date of 31/12/2025, the ONDE S.A. Group has access to multi-purpose banking and insurance facilities with a total value of PLN 1,172.5 million (including limits shared with companies from the Erbud Group), which may be used primarily for loans, letters of credit, and bank and insurance guarantees. As at the balance sheet date of 31/12/2025, ONDE S.A. had drawn down PLN 77.5 million in respect of loans taken out and PLN 357.9 million in respect of bank and insurance guarantees utilised.

3.7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand, as well as short-term deposits with a maturity of no more than three months from the date of opening.

The classification adopted for presentation in the statement of financial position is consistent with the classification of these items in the cash flow statement.

Cash and cash equivalents, as well as cash held in VAT accounts and bank accounts, satisfy the SPPI test and the 'held for collection' business model test; consequently, they are measured at amortised cost, taking into account an impairment loss determined in accordance with the expected loss model.

	2025	2024
Cash in hand	21	29
Cash in bank	128,374	143,982
Total cash and cash equivalents	128,395	144,011

The amount of the impairment loss on cash is immaterial.

Cash in VAT bank accounts as at 31/12/2025 amounted to PLN 14,160 thousand (as at 31/12/2024, it amounted to PLN 8,486 thousand).

...

4. NOTES TO THE INCOME STATEMENT

4. NOTES TO THE INCOME STATEMENT

4.1. ALTERNATIVE PERFORMANCE MEASURES

The Management Board analyses segment performance using key performance indicators such as EBIT, EBIT margin and EBITDA. The Group's Management Board considers the above measures to be significant additional performance measures and, as such, presents them in the report alongside the measures defined by IFRS. It should be noted that EBIT, EBIT margin and EBITDA are not defined in IFRS and are not standardised measures. Therefore, the methods used to calculate them may vary between different entities in the market. As such, these indicators should not be analysed in isolation or as substitutes for measures defined by IFRS.

EBITDA and EBIT are metrics that show the Group's performance after adjusting for the impact of income tax, financial expenses and income, and, in the case of EBITDA, depreciation and amortisation.

EBITDA is defined as profit after tax (net result) plus income tax expense, financial costs and depreciation, less financial revenue.

The Group defines EBIT as profit after tax (net result), plus income tax expense and financial costs, less financial revenue.

The EBIT margin is a measure of the Group's profitability that excludes the impact of income tax, financial costs and financial revenue. The Group defines the EBIT margin as EBIT divided by revenue from the sale of goods and services.

	For the 12-month period ended on 31/12/2025	For the 12-month period ended on 31/12/2024
Net profit for the financial period	18,946	30,277
Income tax	8,498	9,621
Gross profit	27,444	39,898
Share in the net losses of jointly controlled entities accounted for using the equity method	(3,481)	(1,722)
Financial expenses	11,860	9,360
Financial revenues	5,219	4,891
EBIT	37,566	46,089
Amortisation/depreciation	15,620	9,874
EBITDA	53,186	55,963
Revenues from sales of goods and services	864,092	803,925
EBIT margin	4%	6%

4. NOTES TO THE INCOME STATEMENT

4.2. REPORTING SEGMENTS

Based on the management reporting submitted to the chief operational decision-maker (i.e. the Management Board), the Group has identified three core reporting segments that correspond to the operating segments:

- civil engineering (execution of contracts in the field of road infrastructure);
- construction within the renewable energy segment (execution of contracts for the photovoltaic sector and wind farms) in Poland; sales by subsidiaries engaged in energy production;
- the 'other' segment (sales of aggregates, building materials and ancillary production).

In 2025, the presentation of the segments changed, and the segment 'generation and sale of energy from renewable sources' was additionally presented. In the second quarter of 2025, the Group recognised its first revenue from the sale of energy, as a result of which the renewable energy sales segment was separated.

The financial data prepared for management reporting purposes, which forms the basis for information on reporting and operating segments, is based on the same accounting policies as those applied in the preparation of the Group's financial statements. From the perspective of operating segment items, the Group's Management Board analyses only assets and liabilities relating to construction contracts.

The seasonal nature of construction contracts is such that revenue in the first quarter is the lowest compared with the other quarters.

During the period up to 31 December 2025 and by the date of approval of these consolidated financial statements, there have been no one-off events that would have a material impact on the reporting segments.

The Company has 2 counterparties from which more than 10% of its total revenue is generated.

Key information regarding the segments in the reporting periods

The Group operates in Poland and abroad.

	For the 12-month period ended on 31/12/2025			For the 12-month period ended on 31/12/2024		
	Domestic (Poland)	Foreign	Total	Domestic (Poland)	Foreign	Total
Sales to external customers, including:						
Revenue recognised over time	864,092	-	864,092	800,178	3,747	803,925
Revenue recognised at a specific point in time	843,973	-	843,973	759,817	3,747	763,564
	20,119	-	20,119	40,361	-	40,361

	For the 12-month period ended on 31/12/2025					For the 12-month period ended on 31/12/2024			
	Civil engineering	Generation and sale of energy from renewable sources	Renewable Energy Sources Segment	Other segment	Total	Civil engineering	Renewable Energy Sources Segment	Other segment	Total
Sales to external customers, including:									
Revenue recognised over time	117,973	7,478	728,500	10,141	864,092	150,614	641,070	12,241	803,925
	117,973	7,478	718,522	-	843,973	150,614	612,950	-	763,564

4. NOTES TO THE INCOME STATEMENT

Revenue recognised at a specific point in time	-	9,978	10,141	20,119	-	28,120	12,241	40,361
--	---	-------	--------	---------------	---	--------	--------	---------------

All construction contracts are concluded at fixed (lump-sum) prices, with a variable component in the form of potential penalties for late completion of works and probable claims against the clients.

In the RES construction segment, and the road and civil engineering segment, there are both long-term and short-term contracts. The typical contract duration in the renewable energy construction sector ranges from 9 to 24 months. In the civil engineering sector, the contract duration depends on the specific contract (in the periods presented, the shortest contracts lasted 6 months and the longest up to 5 years).

In the renewable energy (RE) construction segment, sales revenue from subsidiaries involved in energy production is typically recognised upon payment of the price. Where the price includes a variable component contingent upon the fulfilment of certain conditions, the Company assesses, on a case-by-case basis for each condition, the likelihood of it materialising within a specified timeframe. The variable component of the remuneration is recognised as revenue only if the likelihood of the condition being met is very high.

The 'Other' segment comprises short-term contracts only. There are no contracts in this segment for which the performance obligation would not have been satisfied during the reporting period.

In the road and engineering segment, revenue is generated from customers who are mainly public entities, and in the renewable energy segment from customers who are private entities.

Operating segments have been identified on the basis of internal reports used for resource allocation and the assessment of segment performance. Management reporting is carried out using a cost-centre-based system and reflects the structure of the Group's operations, including the execution of construction contracts and projects in the field of renewable energy sources. Segment result comprises revenue and costs directly attributable to the segment, as well as the appropriately allocated portion of indirect costs in accordance with the adopted allocation methods. Costs classified by nature are not allocated to segments.

Data on revenue and profit, as well as assets and liabilities of individual reporting segments, are presented in the table below.

4. NOTES TO THE INCOME STATEMENT

	For the 12-month period ended on 31/12/2025				
	Civil engineering	Generation and sale of energy from renewable sources	Renewable Energy Sources Segment	Other segment	Total continued operations
Sales to external customers	117,973	7,478	728,500	10,141	864,092
Total sales revenue	117,973	7,478	728,500	10,141	864,092
Segment results and reconciliation to the Group's gross profit					
Cost of sales	122,854	4,356	618,088	9,069	754,367
Sales margin – segment result	(4,881)	3,122	110,412	1,072	109,725
Sales margin %	-4%	42%	15%	11%	13%
Other operating profit/loss	(10,683)	(983)	(66,425)	733	(77,358)
Profit/loss on the sale of shares in a jointly controlled entity			5,199		5,199
Segment result – EBIT	(15,564)	2,139	49,186	1,805	37,566
EBIT margin	-13%	29%	7%	18%	4%
Share of profit or loss of associates and joint ventures accounted for using the equity method			(3,481)		(3,481)
Net financial result (financial revenue less financial expenses)					(6,641)
Gross profit/loss					27,444
Income tax					8,498
Net profit/loss					18,946
Amortisation/depreciation	3,062	2,792	9,766	-	15,620
Segment result – EBITDA	(12,502)	4,931	58,952	1,805	53,186
Assets and liabilities					
Measurement of construction contracts – assets	47,310	-	16,830	-	64,140
Other assets	619,018	6,821	6,221	-	666,158
Total assets	666,328	6,821	23,051	-	730,298
Measurement of construction contracts – equity and liabilities	2,881	-	45,772	-	48,653
Other equity and liabilities	688,767	6,821	62,839	-	681,645
Total equity and liabilities	691,648	6,821	108,611	-	730,298
Other material items					
Share of profit or loss of associates and joint ventures accounted for using the equity method	-		(3,481)	-	(3,481)
Reversal of loss(es) on expected credit losses	(2,303)	-	(5,496)	327	(7,472)
Expenditure on property, plant and equipment and intangible assets	10,217	1,000	1,900	-	11,113
Interest revenues	1,107	1,000	1,900	-	4,106
Interest expenses	1,107	1,000	1,900	-	9,854

4. NOTES TO THE INCOME STATEMENT

For the 12-month period ended on 31/12/2024

	Civil engineering	Generation and sale of energy from renewable sources	Renewable Energy Sources Segment	Other segment	Total continued operations
Sales to external customers	150,614	-	641,070	12,241	803,925
Total sales revenue	150,614	-	641,070	12,241	803,925
Segment results and reconciliation to the Group's gross profit					
Cost of sales	158,606	-	546,549	8,120	713,275
Sales margin – segment result	(7,992)		94,521	4,121	90,650
Sales margin %	-5%		15%	34%	11%
Other operating profit/loss	(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%
Share of profit or loss of associates and joint ventures accounted for using the equity method			(1,722)		(1,722)
Net financial result (financial revenue less financial expenses)					(4,469)
Gross profit/loss					39,898
Income tax					9,621
Net profit/loss					30,277
Amortisation/depreciation	3,442	-	6,432		9,874
Segment result – EBITDA	(15,369)	-	68,836	2,496	55,963
Assets and liabilities					
Measurement of construction contracts – assets	33,416	-	38,267	-	71,683
Other assets					672,134
Total assets					743,817
Measurement of construction contracts – equity and liabilities	15,004	-	79,622	-	94,626
Other equity and liabilities					649,191
Total equity and liabilities					743,817
Other material items					
Share of profit or loss of associates and joint ventures accounted for using the equity method	-		(1,722)	-	(1,722)
Reversal of loss(es) on expected credit losses	(3,255)	-	(17)	74	(3,198)
Expenditure on property, plant and equipment and intangible assets					69,149
Interest revenues					4,151
Interest expenses					3,811

...

4. NOTES TO THE INCOME STATEMENT

4.3. SALES REVENUES

Other revenue from the sale of goods and services is recognised when the Group's obligation to deliver the goods or services (i.e. the asset) to the customer has been fulfilled in an amount reflecting the consideration to which the Group expects to be entitled in exchange for those goods or services. In the case of contracts where the remuneration includes a variable amount, the Group applies the same principle, i.e. the Group recognises revenue in the amount of the expected remuneration in respect of which there is a high probability that it will not be reversed in the future. The Group considers that an asset is transferred when the customer obtains control over that asset. The following circumstances indicate a transfer of control in accordance with IFRS 15: the seller's current right to payment for the asset, the customer's legal title to the asset, physical possession of the asset, the transfer of risks and rewards, and the customer's acceptance of the asset. Revenue comprises amounts received and receivable in respect of products, goods, materials and services supplied, less discounts, penalties, bonuses, value added tax (VAT), excise duty and the fuel surcharge. Revenue from the sale of goods and services is adjusted for gains or losses arising from the settlement of cash flow hedging instruments relating to such revenue.

The Group generates 84% of its revenue from the performance of construction contracts in the renewable energy segment. Details regarding the recognition of this group of revenue are described in Note 4.2.

The main revenue estimates relate to the recognition of revenue from construction contracts. These are described in Note 4.2.

The table below provides information on the aggregate amount of transaction prices allocated to unfulfilled or partially fulfilled performance obligations as at the balance sheet date arising from the execution of construction contracts.

	31/12/2025	31/12/2024
Total value of ongoing contracts	3,071,614	3,120,471
- fixed part of the remuneration	3,052,397	3,101,254
- variable part of the remuneration	19,217	19,217
Cumulative revenue from ongoing contracts recognised by the reporting date	2,142,012	2,397,803
Revenue to be recognised in future periods from ongoing contracts	929,602	722,668
Long-term (revenue to be recognised within a period of 1 to 3 years from the balance sheet date)	67,886	70,186
Short-term (revenue to be recognised within one year of the balance sheet date)	861,716	652,482

Total remuneration for the performance of the contracts will be paid in cash.

Due to the specific nature of the long-term contracts being performed, it is not possible to accurately estimate the time periods over which revenue from contracts commenced as at the balance sheet date and with a term of more than one year will be recognised.

The Group's revenue is generated from the performance of construction works in Poland and the sale of other goods to local customers. The revenue figures are presented in Note 4.2, 'Reporting segments'.

4. NOTES TO THE INCOME STATEMENT

4.4. COST OF SALES

	For the 12-month period ended on 31/12/2025	For the 12-month period ended on 31/12/2024
Third-party services	361,215	335,336
including third-party services provided by subcontractors	222,185	294,787
Consumption of materials and energy	334,125	320,950
Employee benefit costs	96,078	88,731
Amortisation/depreciation	15,620	9,874
Taxes and fees	5,079	4,235
Other costs by type	2,796	21,836
Value of goods and materials sold	4,205	4,958
Total costs by type	819,118	785,920
Change in contract measurement balances	3,555	(9,250)
Selling costs (negative value)	(11,373)	(8,328)
General administrative expenses (negative value)	(56,933)	(55,067)
Cost of manufacture of products sold	754,367	713,275

4.5. EMPLOYEE BENEFIT COSTS

	2025	2024
Remunerations	77,235	71,555
costs of post-employment defined-benefit schemes	48	102
Social insurance and other employee benefits	18,795	17,074
Total	96,078	88,731

4.6. OTHER OPERATING REVENUES AND EXPENSES COSTS

Other operating revenues	2025	2024
Profit on disposal of non-financial non-current assets	918	2,273
Revenues from subsidies received	4	21
Provisions released	-	476
Other	892	1,239
Total other operating revenues	2,972	4,009

Other operating expenses	2025	2024
Costs of court proceedings	123	3
Penalties, fines and damages	306	732
Donations	597	101
Discontinuation of investments	1,469	-
Costs of joint and several liability	1,512	-
Other	545	229
Total other operating expenses	4,552	1,065

4. NOTES TO THE INCOME STATEMENT

4.7. FINANCIAL REVENUES AND EXPENSES

Financial revenues	2025	2024
Interest		
Arising from borrowings granted	2,108	1,897
Other	1,998	2,254
Foreign exchange gains/losses	137	1
Revenues from financial transactions	973	739
Total financial revenues	5,219	4,891

Financial expenses	2025	2024
Interest		
On loans and borrowings	5,580	2,271
On leases	2,081	1,134
Other	2,193	406
Bank arrangement fee for financing through an overdraft facility	778	1,685
Foreign exchange gains/losses	3	2,391
Costs of sureties and guarantees	1,074	1,463
Other	151	10
Total financial expenses	11,860	9,360

4.8. TAXATION

The mandatory charge against the profit or loss consists of two components: current income tax and deferred tax.

The mandatory charge against the profit or loss consists of two components: current income tax and deferred tax. Due to temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases, as well as a tax loss that may be deducted in future, the Group, applying the balance sheet method, recognises deferred tax liabilities in respect of taxable temporary differences and recognises deferred tax assets in respect of deductible temporary differences and tax losses, applying the principle of prudence.

Deferred tax liabilities and assets are not recognised in the case of temporary differences arising on the initial recognition of an asset or liability in a transaction that does not constitute a business combination, and at the time of transactions that have no impact on either the accounting or tax profit.

The Group recognises a tax asset only when forecasts of future financial results indicate that a taxable profit will be achieved, allowing the asset to be realised in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced accordingly to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilised, in whole or in part. The judgement regarding the recoverability of deferred tax assets is based on the Group's projected future financial results and their impact on the recoverability of the assets.

Deferred tax assets and liabilities are offset if there is a legal title to offset tax receivables against current tax liabilities, and if the deferred tax relates to tax levied by the same tax authority on the same taxpayer. This means that deferred tax assets and liabilities are offset in the Group's financial statements.

The Group is not subject to the global minimum tax rules (Pillar Two), and these regulations have no impact on these financial statements. As at the date of preparation of the financial statements, the Management Board does not identify any risk of the Group being subject to these regulations in the foreseeable future.

4. NOTES TO THE INCOME STATEMENT

The table below shows the determination of the effective income tax rate

	For the 12-month period ended on 31/12/2025	For the 12-month period ended on 31/12/2024
Gross result before tax	27,444	39,898
Tax according to the 19% statutory tax rate applicable in Poland	5,214	7,581
Excess of non-deductible expenses over non-tax revenue/(Excess of non-tax revenue over non-deductible expenses).	3,329	2,040
Tax disclosed in the profit or loss	8,498	9,621
Current tax	1,111	18,073
Deferred tax	7,387	(8,452)
Effective tax rate	30.96%	24.11%

Presented in the table below are changes in deferred tax assets and liabilities during the financial year:

	Effect on			Effect on			
	1 January 2024	Net profit/loss	Retained earnings	31 December 2024	Net profit/loss	Retained earnings	31 December 2025
Deferred tax assets							
Measurement of construction contracts – equity and liabilities, and work in progress for tax purposes	58,389	(18,725)	-	39,664	(18,254)	-	21,410
Provisions	2,137	956	-	3,093	2,933	-	6,026
Tax loss	-	-	-	-	4,954	-	4,954
Accrued remuneration and charges	10	(6)	-	4	(2)	-	2
Write-downs on receivables	882	1,185	-	2,067	1,844	-	3,911
Other financial liabilities	702	94	-	796	4,247	-	5,043
Other	201	(151)	-	50	25	-	75
Total	62,321	(16,647)	-	45,674	(4,253)	-	41,421
Deferred tax liabilities							
Measurement of construction contracts – assets	40,086	(26,068)	-	14,018	(689)	-	13,329
Revaluation of assets to fair value	14,728	1,313	5,721	21,762	4,407	16	26,185
Balance sheet measurement and discounting of liabilities	726	90	-	816	(379)	-	437
Interest accrued on debt	1,103	(530)	-	573	(574)	-	(1)
Accrued revenue	168	183	-	351	178	-	529
Other	112	(87)	-	25	191	-	216
Total	56,923	(25,099)	5,721	37,545	3,134	16	40,695
Offsetting of assets and liabilities	62,321			17,553			21,169
Balance after offsetting	34,220			48,393			41,402
Assets	19,809			28,261			21,064
Liabilities	14,411			20,132			20,338
Net effect of changes during the period		8,452	(5,721)		(7,387)	(16)	

In the years ended 31 December 2025 and 31 December 2024, there were no negative temporary differences for which deferred tax assets were not recognised.

The table below presents the realisation periods for deferred income tax assets and liabilities.

2025		2024	
Assets	Liabilities	Assets	Liabilities

4. NOTES TO THE INCOME STATEMENT

Short-term	30,057	14,509	40,316	15,781
Long-term	11,364	26,186	5,358	21,764
Total	41,421	40,695	45,674	37,545

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.1. FINANCIAL ASSETS AND LIABILITIES

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

- Assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss;
- Financial liabilities measured at amortised cost;
- Derivatives designated as hedging instruments in hedge accounting.

Of the categories listed above, the Group holds only items measured at amortised cost.

Financial assets measured at amortised cost primarily consist of:

Note 5.1.2.	Financial assets – borrowings granted
Note 2.2.	Receivables from construction contracts – security deposits
Note 6.5.	Trade receivables
Note 6.5.	Other receivables
Note 4.2.	Reporting segments
Note 3.7.	Cash and cash equivalents
Note 3.7.	Cash on a VAT account
Note 3.7.	Restricted cash
Note 5.1.	Other financial assets (including borrowings granted)

Financial liabilities measured at amortised cost primarily consist of:

Note 2.2.	Liabilities to subcontractors – security deposits
Note 2.3.	Liabilities due to construction contracts
Note 6.9.	Trade liabilities
Note 6.9.	Other liabilities
Notes 3.2-3.4	Debt

The table below shows the carrying amounts of significant groups of financial assets and financial liabilities, broken down by category. The carrying amounts of the Group's financial assets and financial liabilities presented in the tables below did not differ materially from their fair values in any of the periods presented.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Line in the statement of financial position	Financial instrument categories			Total material categories
	Assets measured at amortised cost	Financial liabilities measured at amortised cost	Lease liabilities	
2025				
Note 5.1.2. Financial assets – borrowings granted	16,669	-	-	16,669
Note 2.2. Receivables from construction contracts – security deposits	1,099	-	-	1,099
Note 6.5. Trade receivables	129,583	-	-	129,583
Note 6.5. Other receivables	3,510	-	-	3,510
Note 2.3. Measurement of construction contracts – assets	64,140	-	-	64,140
Note 3.7. Cash and cash equivalents	128,895	-	-	128,895
Note 2.2. Liabilities to subcontractors – security deposits	-	30,196	-	30,196
Note 2.3. Liabilities to subcontractors – measurement	-	48,653	-	48,653
Note 6.9. Trade liabilities	-	93,003	-	93,003
Note 6.9. Other liabilities	-	19,925	-	19,925
Note 3.2.-3.4. Debt	-	98,462	46,440	144,902
Total	343,896	290,239	46,440	680,575

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Line in the statement of financial position	Financial instrument categories			Total material categories
	Assets measured at amortised cost	Financial liabilities measured at amortised cost	Lease liabilities	
2024				
Note 5.1.2. Financial assets – borrowings granted	24,774	-	-	24,774
Note 2.2. Receivables from construction contracts – security deposits	1,576	-	-	1,576
Note 6.5. Trade receivables	119,770	-	-	119,770
Note 6.5. Other receivables	6,323	-	-	6,323
Note 2.3. Measurement of construction contracts – assets	71,683	-	-	71,683
Note 3.7. Cash and cash equivalents	144,011	-	-	144,011
Note 2.2. Liabilities to subcontractors – security deposits	-	27,784	-	27,784
Note 2.3. Liabilities to subcontractors – measurement	-	94,626	-	94,626
Note 6.9. Trade liabilities	-	94,253	-	94,253
Note 6.9. Other liabilities	-	15,798	-	15,798
Note 3.2.-3.4. Debt	-	82,193	29,755	111,948
Total	368,137	314,654	29,755	712,546

Cash and cash equivalents, and restricted cash.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The impact of these financial instruments on the Group's results for the reporting period and the corresponding period of the previous year is shown in the tables below.

	Financial instrument categories			
	Assets measured at amortised cost	Financial liabilities measured at amortised cost	Lease liabilities	Total material categories
2025				
Effect on the financial result				
Financial revenues/(financial expenses) – interest	4,106	(7,761)	(2,083)	(5,738)
Financial revenues/(financial expenses) – foreign exchange gains/losses	134	-	-	134
Reversal of impairment/(impairment) of financial assets and assets arising from the measurement of contracts with customers	(7,472)	-	-	(7,472)
Total	(3,232)	(7,761)	(2,076)	(13,076)

	Financial instrument categories			
	Assets measured at amortised cost	Financial liabilities measured at amortised cost	Lease liabilities	Total material categories
2024				
Effect on the financial result				
Financial revenues/(financial expenses) – interest	4,151	(2,677)	(1,134)	340
Financial revenues/(financial expenses) – foreign exchange gains/losses	-	(2,390)	-	(2,390)
Reversal of impairment/(impairment) of financial assets and assets arising from the measurement of contracts with customers	(3,198)	-	-	(3,198)
Total	953	(5,067)	(1,127)	(5,248)

*Cash and cash equivalents, and restricted cash

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.1.1 BORROWINGS GRANTED

As at the balance sheet date, the Group held shares in subsidiaries and jointly controlled entities as set out in Note 6.11, as well as the following items disclosed in the statement of financial position as financial assets:

	2025	2024
Borrowings granted	16,669	24,774
Total	16,669	24,774
Long-term	13,703	20,597
Short-term	2,966	4,177

5.1.2. FINANCIAL ASSETS – BORROWINGS GRANTED

Debt instruments held for the purpose of collecting contractual cash flows consisting solely of payment of principal and interest ('SPPI') are measured at amortised cost. Upon initial recognition, these financial assets are recognised at fair value plus transaction costs. Interest revenue is measured using the effective interest rate method and is recognised under "interest revenue" in financial revenue. Impairment losses are presented under 'Reversal of impairment/(impairment) of financial assets and assets arising from the measurement of contracts with customers'. Borrowings granted concern related parties and therefore have the highest internal credit rating.

The value of financial assets is adjusted for an impairment loss calculated using the expected credit loss method. The Group applies a three-level impairment model for financial assets:

- Level 1 – balances for which credit risk has not increased significantly since initial recognition or which have low credit risk. Expected credit losses are determined based on the probability of default within 12 months (i.e. the total expected credit loss is multiplied by the probability that the loss will occur within the next 12 months);
- Level 2 – includes balances for which there has been a significant increase in credit risk since initial recognition, but there is no objective evidence of impairment; expected credit losses are determined on the basis of the probability of default over the entire contractual life of the asset;
- Level 3 – includes balances for which there is objective evidence of impairment. The receivables are due from a counterparty in liquidation, or the amount is subject to legal dispute.

If the borrowings granted have low credit risk, the provision for expected credit losses recognised during the period is limited to 12-month expected credit losses.

To the extent that, in accordance with the above model, it is necessary to assess whether there has been a significant increase in credit risk, the Group takes the following factors into account when making this assessment:

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

Financial assets are written down, in whole or in part, when the Group has exhausted virtually all collection efforts and concludes that it can no longer reasonably expect to recover the amount receivable. This is usually the case when an asset is at least 360 days past due.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Borrowings are classified into Level 1 of the impairment model for all balance sheet dates presented. All borrowings granted as at each balance sheet date were classified as low-credit-risk instruments. Consequently, the charge for expected credit losses recognised during a given period is limited to 12-month expected credit losses. The expected credit loss was calculated on the basis of the probability of default, the repayment schedule agreed in the borrowing agreement and an assessment of recoveries from collateral. As at each balance sheet date, the amount of the impairment loss and changes therein during the periods presented were immaterial; consequently, the Group does not present movements in the impairment loss. The increase in the borrowing balance resulting from the granting of new borrowings did not contribute significantly to a change in the amount of the impairment loss.

Borrower	Borrowing currency	Interest rate	Repayment date	2025	2024
KWE	PLN	WIBOR 3M + 3 p.p.	31/12/2029	6,833	5,756
SOLAR SERBY	PLN	WIBOR 3M + 3 p.p.	17/01/2029	-	11,450
SOLAR KAZIMIERZ BISKUPI	PLN	WIBOR 3M + 3 p.p.	31/12/2029	9,125	5,770
DEV 2	PLN	WIBOR 3M + 2.6 p.p.	30/11/2027	711	-
MOD21	PLN	WIBOR 3M + 3 p.p.	31/12/2025	-	1,798
Total, including:				16,669	24,774
Long-term				13,703	20,597
Short-term				2,966	4,177

5.2. FINANCIAL RISK MANAGEMENT PRINCIPLES

In the course of its business activities, the Group is exposed to the following significant types of financial risk: market risk (including FX risk and interest rate risk), credit risk and liquidity risk. The Group's Management Board is responsible for establishing and reviewing the principles for managing these risks.

5.2.1. MARKET RISK – FOREIGN EXCHANGE RISK

As part of its core operations, the Group primarily enters into construction contracts denominated in the local currency (PLN), with dual-currency contracts (in PLN and EUR) being concluded on an occasional basis. Contracts in the 'foreign' segment, however, are denominated in foreign currencies.

However, the Group is exposed to FX risk in respect of receivables and liabilities arising from contracts for the purchase of materials for which payments will be made in EUR, and in respect of borrowings granted denominated in EUR.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
2025

	Exposure to foreign exchange risk (PLN '000)	Effect on the profit and loss account (PLN '000)		Effect on other comprehensive income (PLN '000)	
		+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate
Assets					
Note 3.7. Cash and cash equivalents	224	22	(22)	-	-
Note 6.5. Trade receivables	30,981	3,098	(3,098)	-	-
Note 2.2. Receivables from construction contracts – security deposits	596	60	(60)	-	-
Note 5.1.2. Financial assets – borrowings granted	7,758	776	(776)	-	-
Liabilities					
Note 6.9. Trade liabilities	(956)	(96)	96	-	-
Note 2.2. Liabilities due to construction contracts – security deposits	(277)	(28)	28	-	-
Total inflows					
Effect of exchange rate changes – total assets and liabilities	38,142	3,814	(3,814)	-	-

2024

	Exposure to foreign exchange risk (PLN '000)	Effect on the profit and loss account (PLN '000)		Effect on other comprehensive income (PLN '000)	
		+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate
Assets					
Note 3.7. Cash and cash equivalents	20,033	2,003	(2,003)	-	-
Note 6.5. Trade receivables	30,249	3,025	(3,025)	-	-
Note 2.2. Receivables from construction contracts – security deposits	603	60	(60)	-	-
Note 5.1.2. Financial assets – borrowings granted	106	11	(11)	-	-
Liabilities					
Note 6.9. Trade liabilities	(888)	(89)	89	-	-
Note 2.2. Liabilities due to construction contracts – security deposits	(43)	(4)	4	-	-
Total inflows					
Effect of exchange rate changes – total assets and liabilities	50,060	5,006	(5,006)	-	-

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.2.2. MARKET RISK – INTEREST RATE RISK

Interest rate risk arises primarily from the Group's use of debt, i.e. bank loans and borrowings (Note 3.3) and leases (Note 3.4).

In addition, the Group allocates part of its free cash to variable-rate investments (deposits) and grants borrowings at variable interest rates.

Assets and liabilities bearing interest at variable rates expose the Group to the risk of fluctuations in cash flows. Conversely, those bearing interest at a fixed rate (borrowings granted) expose the Group to fair value risk. However, as the Group does not measure these items at fair value, this effect is not reflected in the financial statements.

The Group monitors its exposure to interest rate risk. The table below shows the sensitivity analysis of items with variable interest rates to changes in interest rates.

	2025			2024		
	Carrying amount of items bearing variable interest rates	Effect on the profit and loss account		Carrying amount of items bearing variable interest rates	Effect on the profit and loss account	
		+100 b.p.	-100 b.p.		+100 b.p.	-100 b.p.
Cash and cash equivalents	2,985	30	(30)	4,727	47	(47)
Financial assets – borrowings granted	16,727	167	(167)	24,774	248	(248)
Debt due to loans and borrowings	(109,382)	(1,094)	1,094	(82,013)	(820)	820
Debt due to leases	(46,440)	(464)	464	(29,755)	(298)	298
Total inflows	(136,110)	(1,361)	1,361	(82,267)	(823)	823

*Cash and cash equivalents, and restricted cash.

The table below presents products with a fixed interest rate.

	2025	2024
	Carrying amount of items not subject to market risk	Carrying amount of items not subject to market risk
Cash and cash equivalents	125,911	139,283
Debt due to loans and borrowings	(30,377)	180
	95,534	139,463

*Cash and cash equivalents, and restricted cash.

...

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

5.2.3. CREDIT RISK

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

	2025	2024
Note 3.7. Cash and cash equivalents	128,895	144,011
Note 5.1.2. Financial assets – borrowings granted	16,669	24,774
Note 6.5. Trade receivables	129,583	119,770
Note 2.2. Receivables from construction contracts – security deposits	1,099	1,576
Note 2.3. Measurement of construction contracts – assets	64,140	71,683
Total	340,386	361,814

Cash and cash equivalents

The Group minimises credit risk associated with cash and cash equivalents by diversifying the banks with whom it enters into investment transactions. The Group works with financial institutions with high credit ratings, as shown in the table below. There is a significant concentration of credit risk on individual reporting dates. Details of the cash balances held with a single financial institution are presented below.

The table below shows the breakdown of cash and cash equivalents by credit rating. Ratings of AA-, A-, BBB+ and BBB from Euro Rating are investment grade. Ratings of BB+ and B+ are non-investment grade. However, the amount of cash held by these institutions is negligible.

According to the rating agency Euro Rating:

	2025	2024
AA- rated banks	0.00%	1.68%
A+ rated banks	85.46%	75.12%
A- rated banks	0.89%	0.00%
BBB+ rated banks	0.00%	8.34%
BBB rated banks	6.39%	0.00%
BBB- rated banks	0.00%	14.82%
BB+ rated banks	0.00%	0.04%
BB- rated banks	7.27%	0.0%
	100.00%	100.0%

As at 31 December 2025, the value of cash and cash equivalents held with a single financial institution accounted for approximately 85% of the total balance.

The entire balance of cash and cash equivalents as at each balance sheet date is classified as Level 1 of the impairment model (i.e. balances for which credit risk has not increased significantly since initial recognition).

Impairment losses on cash and cash equivalents were determined individually for each balance relating to a given financial institution. To assess credit risk, external bank ratings and publicly available information on default rates for a given rating, as determined by Euro Rating, were used. The analysis showed that these assets carried a low credit risk as at the reporting date. The Group applied the simplification permitted by the standard, and the impairment loss was determined on the basis of 12-month credit losses. The calculation of the impairment loss resulted in an immaterial amount.

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Trade receivables and assets arising from construction contracts

In order to mitigate the credit risk arising from receivables related to the performance of construction contracts (i.e. trade receivables, receivables from construction contracts – performance bonds – and contract assets arising from construction contracts), each counterparty is assessed for their ability to meet their financial obligations prior to signing the contract. Furthermore, contracts with clients include clauses providing for the right to suspend works if there is a delay in payment for services rendered. Where possible, contractual provisions are also included making payments to subcontractors conditional upon receipt of funds from the client.

There is no material concentration of credit risk within the Group relating to trade receivables, receivables from construction contracts – deposits, or contract assets arising from the measurement of construction contracts.

5.2.4. LIQUIDITY RISK

To mitigate the risk of liquidity loss, the Group maintains an adequate cash balance and enters into credit facility agreements to serve as additional liquidity safeguards. To finance capital expenditure, the Group utilises its own funds, long-term loans or long-term lease agreements, thus ensuring an appropriate level of stability in the financing structure for such assets.

The Group applies a policy to limit its credit exposure to individual institutions.

Liquidity management is supported by the Group's existing liquidity forecast reporting system.

Presented in the table below are the Group's financial liabilities by maturity date, based on contractual undiscounted payments.

	2025							
	Under 3 months	3-12 months	1-5 years	Over 5 years	Total undiscounted cash flows	Discount	Interest	Carrying amount
Debt due to loans and borrowings	3,077	28,331	21,243	51,316	103,967	-	24,960	79,007
Debt due to leases	3,657	10,458	39,647	37,815	91,577	-	25,682	65,895
Liabilities to subcontractors – security deposits	11,310	3,896	16,676	1,167	33,049	2,853	-	30,196
Trade liabilities	93,003	-	-	-	93,003	-	-	93,003
Total	111,047	42,685	77,566	90,298	321,596	2,853	50,642	268,101

	2024							
	Under 3 months	3-12 months	1-5 years	Over 5 years	Total undiscounted cash flows	Discount	Interest	Carrying amount
Debt due to loans and borrowings	900	3,918	80,293	-	85,111	-	2,918	82,193
Debt due to leases	2,157	5,081	24,849	4,351	36,438	-	6,683	29,755
Liabilities to subcontractors – security deposits	9,435	2,758	17,420	1,559	31,172	3,388	-	27,784
Trade liabilities	94,253	-	-	-	94,253	-	-	94,253
Total	106,745	11,757	122,562	5,910	246,974	3,388	9,601	233,985

5.2.5. CLIMATE RISK

The ONDE Group monitors the impact of climate-related risks on its operations and, as of today, has not identified any significant impact of climate-related factors on its business activities. The ONDE Group consistently implements its ESG strategy, complying with environmental requirements and investing in the development of renewable energy projects.

...

6. OTHER NOTES

6. OTHER NOTES

6.1. PROPERTY, PLANT AND EQUIPMENT

The most significant items of property, plant and equipment are means of transport, technical equipment and machinery primarily associated with the construction of road as well as wind and PV plant infrastructure. In addition, the Group also owns buildings, civil engineering structures and land.

Property, plant and equipment are measured at acquisition price/production cost, less accumulated depreciation and any impairment losses. Where the Group finds indications that an item of PP&E may be impaired, it performs an impairment test based on an estimate of the recoverable amount of the asset in question. Recoverable amount is defined as the higher of the following: the amount that could be obtained from the sale of the fixed asset, less the costs of disposal, or the value in use calculated on the basis of the discounted cash flows that will be generated by the fixed asset or group of assets.

In the initial value of property, plant and equipment, the Group recognises their acquisition price plus all costs directly attributable to the acquisition and bringing the asset to a condition ready for use. The initial value also includes the cost of spare parts for machinery and equipment at the time they are incurred, provided that the recognition criteria are met, i.e. the spare parts are expected to be used for a period longer than one year and can be allocated to a specific item of property, plant and equipment.

Costs incurred after a fixed asset is put into use, such as maintenance and repair costs, are recognised in the profit or loss account when incurred.

Each year, the Group reviews the residual values, useful lives and depreciation methods of its property, plant and equipment. The reviews carried out as at 31 December 2024 and 31 December 2023 did not result in any changes to the remaining estimated useful lives, depreciation methods or residual values of the fixed assets.

The depreciation rates are as follows for each class of fixed assets (including rights to use assets belonging to a given category):

- Buildings and structures: 2%-4.5%
- Technical equipment and machinery: 6%-30%
- Means of transport: 12.5%-20%
- Other: 10%-33%
- Land is not subject to depreciation.

Rights to use assets are depreciated over a period reflecting the term of the respective agreements. For the Group's fixed assets under lease, the depreciation rates are consistent with those applied to the Group's own assets in the same category, as the lease term corresponds to the asset's economic useful life (taking into account any extension options) or the lease agreement provides for an option to purchase the asset and it is reasonably certain that the Group will exercise this option.

Fixed assets under construction are measured at the costs incurred that are directly related to their acquisition or production, including financing costs, less any impairment losses. Fixed assets under construction are not depreciated until their construction is complete.

Accounting policy for leases effective from 1 January 2019:

Leases are recognised as right-of-use assets and liabilities to pay for those rights on the date on which the leased assets are available for use by the Group. Right-of-use assets are presented in Note 6.1.

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

- fixed payments (including, in general, fixed payments), less any lease incentives due;
- variable lease payments that depend on an index or rate;
- the amounts expected to be paid by the lessee under the guaranteed residual value;
- the exercise price of a purchase option, if it can be assumed with sufficient certainty that the lessee will exercise the option;
- penalties for early termination of the lease, if the lease terms provide that the lessee may exercise their option to terminate the lease.

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

Each lease payment is allocated between the liability and finance cost. Once initially recognised, lease liabilities are measured using the effective interest rate. The carrying amounts of the liabilities are adjusted to reflect changes in the estimated lease term, purchase options, changes in lease payments and the guaranteed residual value, and modifications to the lease agreement.

6. OTHER NOTES

The lease term is the non-cancellable term of the lease; periods covered by options to extend or terminate the lease early are included in the lease term if there is reasonable certainty that the lease will be extended or that the agreement will not be terminated early.

As at 31 December 2025, the Group held the following categories of property, plant and equipment (PP&E), including the right to use the assets:

PP&E category	2025			2024		
	Gross value	Accumulated depreciation and impairment losses	Net value	Gross value	Accumulated depreciation and impairment losses	Net value
Land (including perpetual usufruct)	17,334	2,465	14,869	17,334	1,605	15,729
including leases	23,462	2,298	21,164	12,709	1,438	11,271
Buildings and structures	41,961	4,547	37,414	4,723	2,467	2,256
including leases	25,948	2,495	23,453	2,820	804	2,016
Technical equipment and machines	123,262	35,580	87,682	43,069	30,394	12,675
including leases	12,865	4,164	8,701	10,001	2,086	7,915
Means of transport	41,390	20,987	20,403	36,558	20,301	16,257
including leases	22,715	4,773	17,942	19,683	5,600	14,083
Other fixed assets	1,931	1,344	587	1,682	1,115	567
including leases	49	25	24	49	16	33
Fixed assets under construction	1,017	-	1,017	83,799	-	83,799
Other	3,762	1,501	2,261	2,415	1,204	1,211
Total	226,895	64,923	161,972	187,165	55,882	131,283

6. OTHER NOTES

	Land, including perpetual usufruct title	Buildings and structures	Technical equipment and machines	Means of transport	Other fixed assets	Fixed assets under construction	Intangible assets	Total
Net value as at 1 January 2024	7,008	1,127	8,801	11,752	573	2,173	1,441	32,875
Increases:								
Purchases (including: fixed assets developed internally)	-	-	638	66	176	68,213	56	69,149
Lease	9,085	1,606	5,359	9,102	-	-	-	25,152
Acceptance of fixed assets	-	60	2,188	-	-	524	-	2,772
Other, including reclassification adjustments	-	-	-	-	-	12,946	-	12,946
Amortisation/depreciation	364	537	3,896	4,608	182	-	287	9,874
Sale and liquidation	-	-	415	55	-	-	-	470
Other	-	-	-	-	-	57	-	57
Net value as at 31 December 2024	15,729	2,256	12,675	16,257	567	83,799	1,210	132,493
Net value as at 1 January 2025	15,729	2,256	12,675	16,257	567	83,798	1,210	132,493
Purchases (including: fixed assets developed internally)	-	-	386	187	133	9,060	1,348	11,114
Lease	-	23,282	2,864	10,304	-	-	-	36,450
Acceptance of fixed assets	-	14,542	82,945	13	128	(91,700)	-	5,928
Amortisation/depreciation	860	2,116	6,544	5,569	234	-	297	15,620
Sale and liquidation	-	201	-	789	-	-	-	990
Other	-	349	4,644	-	7	141	-	5,141
Net value as at 31 December 2025	14,869	37,414	87,682	20,403	587	1,017	2,261	164,234

Amortisation/depreciation

	2025	2024
General and administrative expenses	4,500	3,374
Production costs of goods and services sold	11,120	6,500
Total	15,620	9,874

Right to use leased assets, lease liabilities

The following simplifications permitted by IFRS 16 have been adopted:

- lease agreements relating to low-value assets (below PLN 15,000) are not capitalised;
- agreements that will expire within the current year are excluded.

During the periods covered by the financial statements, the Group did not enter into any lease agreements for a term of less than 12 months.

Payments relating to all short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the profit or loss.

6. OTHER NOTES

The data relating to the application of IFRS 16 is presented in the tables below.

	Land, including : perpetual usufruct title	Buildings and structures	Technical equipment and machines	Means of transport	Other fixed assets	TOTAL
Net value as at 1 January 2024	2,545	936	5,168	10,194	43	18,886
Increase due to the commencement of a lease	9,089	1,606	5,359	9,102	-	25,156
Decrease resulting from the reclassification of the right to use leased assets to property, plant and equipment	-	-	(498)	(2,013)	-	(2,511)
Amortisation/depreciation	(363)	(526)	(2,114)	(3,142)	(10)	(6,155)
Decrease in the accumulated depreciation resulting from the reclassification of the right to use leased assets to property, plant and equipment	-	-	-	(6)	-	(6)
Other	-	-	-	(52)	-	(52)
Net value as at 31 December 2024	11,271	2,016	7,915	14,083	33	35,318
Net value as at 1 January 2024	11,271	2,016	7,915	14,083	33	35,318
Increase due to the commencement of a lease	10,753	-	2,864	10,304	-	23,921
Increase due to expenditure on property, plant and equipment under construction and advance payments for property, plant and equipment	-	23,282	-	-	-	23,282
Decrease resulting from the reclassification of the right to use leased assets to property, plant and equipment	-	-	-	(7,286)	-	(7,286)
Amortisation/depreciation	(860)	(1,691)	(2,078)	(3,468)	(9)	(8,106)
Decrease in the accumulated depreciation resulting from the reclassification of the right to use leased assets to property, plant and equipment	-	-	-	4,296	-	4,296
Other	-	(154)	-	13	-	(141)
Net value as at 31 December 2025	21,164	23,453	8,701	17,942	24	71,284

6.1.1. THE AMOUNTS OF CONTRACTUAL LIABILITIES INCURRED FOR THE PURPOSE OF ACQUIRING PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2025 and 31 December 2024, the Group did not have any contractual obligations arising from contracts for the purchase of fixed assets or from lease agreements where the lease term had not yet commenced, and which were not recognised as lease liabilities in this respect.

6.2. GOODWILL

Goodwill arises as a result of accounting for the acquisition of undertakings using the purchase method. See below for details.

The accounting policies relating to the impairment of goodwill are described in Note 6.3.

The Group holds shares in subsidiaries and jointly controlled entities. However, in line with its development strategy, these are generally special purpose vehicles (SPVs), in respect of which no goodwill is recognised, as these were asset acquisitions that did not constitute the acquisition of a business. Presented below are the entities for which goodwill was recognised in the course of the acquisition transaction.

6. OTHER NOTES

	2025	2024
Goodwill at the beginning of the period	56	56
Goodwill at the end of the period	56	56
Including due to acquisition:		
IDE Projekt Spółka z o.o.	56	56

6.3. IMPAIRMENT OF NON-CURRENT ASSETS

The Group tests its non-current assets for impairment if there are indications of impairment and, in addition, tests goodwill for impairment at least once a year. The recoverable amount is determined at the lowest possible level, i.e. for an individual asset or at the level of the cash-generating unit to which the asset belongs.

Impairment of property, plant and equipment

At each balance sheet date, an assessment is made as to whether there are objective indications that an item or group of non-current assets may be impaired. If such indications exist, the estimated recoverable amount of the asset (recoverable amount) is determined and an impairment loss is recognised in an amount equal to the difference between the recoverable amount and the carrying amount. Recoverable amount is the higher of two amounts: fair value less costs to sell and value in use. The impairment loss is recognised in the profit and loss account. At each balance sheet date, the Group also assesses whether there are any indications that an impairment loss recognised in previous periods should be reduced or reversed in full.

Goodwill impairment

Goodwill is tested for impairment at least once a year. Any impairment loss is recognised immediately as a reduction in goodwill and charged to the profit and loss account. In addition, it cannot be reversed in subsequent reporting periods.

For the purpose of testing for impairment, goodwill is allocated to cash-generating units. Where a business forming part of a cash-generating unit to which goodwill has been allocated is disposed of, the portion of goodwill relating to the disposed business is included in the carrying amount when determining the gain or loss on disposal.

Impairment of goodwill and PP&E

The Group has not identified any factors that might indicate that its non-current assets are impaired. Consequently, no impairment test was carried out as at 31 December 2025.

...

6. OTHER NOTES

6.4. INVENTORY

The following items are mainly recognised within each inventory group:

- Materials: items held in storage areas intended for use in production processes, particularly to be consumed in construction activities;
- Work in progress;
- Finished products: the main product is bituminous mix used in production processes and held for sale.
- RES projects

Materials are measured at acquisition price, and their outflow is accounted for using the first-in, first-out method. Work in progress and finished products are measured at the cost of direct materials and labour, together with an appropriate markup of indirect production costs calculated on the basis of normal capacity utilisation, excluding borrowing costs. At the balance sheet date, inventories are measured at the lower of their acquisition price or production cost and their net realisable sale price.

The Group classifies as materials those inventory items stored in its own warehouses or in suppliers' warehouses, as well as those in transit which are necessary for the fulfilment of contracts.

The Group classifies RES projects as a separate category of finished products, comprising wind and PV farm projects developed internally. RES projects are measured at the lower of the following two amounts: the cost of production and the net realisable sale price. The net sale price is an estimated selling price determined by the Management Board based on market data.

	2025	2024
Materials	18,543	44,537
Work in progress	365	1,466
Finished products	417	572
RES projects	136,173	111,364
Gross value of inventory	155,786	157,939
Write-downs on inventory	130	130
Net value of inventory	155,656	157,809

6.5. TRADE AND OTHER RECEIVABLES

The Group's trade and other receivables primarily comprise trade receivables from unrelated parties (mainly arising from invoices issued in connection with the Group's performance of construction contracts) and receivables from the state budget, including corporate income tax and value added tax receivables.

Trade receivables, which typically have a maturity of between 30 and 180 days, are recognised at their nominal value, i.e. at the amounts originally invoiced. Trade receivables are held for collection and pass the SPPI test; consequently, as at the balance sheet date, these items are measured at amortised cost, taking into account an impairment loss calculated using the expected loss model.

IFRS 9 requires the expected loss on financial assets to be estimated, regardless of whether there are indications of impairment. In the case of trade receivables, the Group applies a simplified approach and measures impairment losses at the amount of credit losses expected over the entire life of the receivables from the date of initial recognition.

The Group classifies trade receivables into portfolios with similar credit risk, in particular by counterparty type and the nature of the transaction. Separate parameters for estimating expected credit losses are applied to these distinct portfolios. For trade receivables which, based on the portfolio analysis carried out, have been assessed as not having been impaired, the estimation of any impairment losses is based on the use of a write-down matrix in which impairment losses are calculated for trade receivables classified into different age brackets (time past due), using a default rate. The default rate is determined on the basis of historical data (calculated over the last 5 years, adjusted for the impact of future factors).

In a similar manner, the Group calculates write-downs for expected credit losses on receivables from security deposits and assets arising from construction contracts; balances for which the payment due date has not yet passed are classified as 'not past due' in the write-down matrix, and the impairment is calculated taking into account the uncollectibility rate for receivables not past due.

For trade receivables where there are indications of impairment (e.g. disputed receivables), specific additional write-downs have been made based on an individual assessment of their recoverability.

Where the time value of money is material (as is the case with security deposits), the value of the receivable is determined by discounting the projected future cash flows to their present value, using a gross discount rate that reflects current market

6. OTHER NOTES

assessments of the time value of money. If the discounting method has been applied, the increase in receivables due to the passage of time is recognised as financial revenue.

	2025			2024		
	Gross value	Write-down	Net value	Gross value	Write-down	Net value
Trade receivables	144,797	15,214	129,583	126,399	6,629	119,770
Corporate income tax receivables	2,961	-	2,961	4	-	4
VAT receivables	6,866	-	6,866	8,804	-	8,804
Other receivables from the state budget	-	-	-	1,328	-	1,328
Other receivables	3,510	-	3,510	4,995	-	4,995
Total	158,134	15,214	142,920	141,530	6,629	134,901

	2025	2024
Receivables not past due	68,034	58,735
Receivables past due:	61,549	61,035
Up to 1 month	12,269	30,265
1 - 3 months	22,027	13,752
3 - 6 months	12,939	1,931
6 months to 1 year	442	8,720
Over 1 year	13,872	6,367
Total	129,583	119,770

Presented in the table below are changes in the write-down on trade receivables:

	For the 12-month period ended on 31/12/2025	For the 12-month period ended on 31/12/2024
Write-downs at the beginning of the period	6,629	3,021
Creation of individual write-downs	6,123	3,384
Creation of write-downs according to the write-down matrix	3,254	368
Reversal of individual write-downs	(792)	(144)
Write-downs at the end of the period, including:	15,214	6,629
Write-down calculated based on the matrix	2,450	2,196
Individual write-down	12,764	4,433
Total	15,214	6,629

6.6. OTHER ASSETS

The 'Insurance' item comprises prepayments made by the Group in respect of insurance contracts relating to future reporting periods. These are recognised in the income statement on a time-proportion basis.

Under 'Prepayments', the Group recognises amounts paid in respect of preliminary agreements to acquire shares in companies that do not meet the definition of derivatives as per IFRS 9.

6. OTHER NOTES

	2025	2024
Prepayments	-	77
Insurance	1,028	917
Licenses	1,490	-
Other	1,515	2,038
Total	4,033	3,032

6.7. PROVISIONS

Provisions mainly comprise provisions for warranty repairs, provisions for employee benefits and post-employment benefits, as well as provisions for litigation and disputes.

Provisions for repairs under warranty

Provisions for the costs of warranty repairs are related to the fact that the Group provides warranties for its construction services. The provision is created in an amount determined by a percentage ratio which is calculated by dividing the historical costs incurred for warranty repairs by the historical revenue recognised from the performance of construction contracts. The costs of the provision for warranty repairs are recognised in the costs of services sold. In the case of services other than construction services – mainly maintenance services – provisions for warranty repair costs are established on the basis of historical data and a reliable estimate of the amount of the obligation in this respect. The assumptions made to calculate the provision for warranty repairs as at 31 December 2025 were based on records of warranty repairs between 2020 and 2024, and, for the period ending 31 December 2024, on records from 2019 to 2023.

Provision for post-employment benefits

This category includes provisions for retirement and disability severance pay which the Group is obliged to pay in accordance with the law and its remuneration rules. The amount of the provision is determined at present value using actuarial techniques, which require certain assumptions to be made. The assumptions necessary for the measurement include discount rates, projected rates of return on assets and projected remuneration increases. Given the complexity of the measurement, the assumptions made, and their long-term nature, the liabilities arising from the aforementioned benefits are highly sensitive to changes in these assumptions. All of the above assumptions are reviewed and updated at the end of each reporting period.

Provisions for legal proceedings and disputes

The legal departments and the Management Board analyse in detail the potential risks associated with ongoing legal proceedings, decide whether the effects of these proceedings need to be recognised in the Group's financial statements, and determine the amount of the corresponding provision.

6. OTHER NOTES

The provisions, broken down by category, are presented in the table below:

	Provisions for repairs under warranty	Provisions for post- employment benefits	Other	Total
As at 1 January 2024	6,498	456	915	7,869
Increase	4,469	31	6	4,506
Released	-	53	736	789
Used	2,512	-	-	2,512
As at 31 December 2024	8,455	434	185	9,074
short-term	-	102	185	287
long-term	8,455	332	-	8,787
As at 1 January 2025	8,455	434	185	9,074
Increase	2,802	815	4,571	8,188
Released	-	434	3,821	4,255
Used	2,193	427	-	2,620
As at 31 December 2025	9,064	388	935	10,387
short-term	-	-	935	935
long-term	9,064	388	-	9,452

6.8. DISPUTES

As at the balance sheet date, the Group companies are involved in legal proceedings, both as defendants and as claimants. The status of material proceedings is described below.

Proceedings concerning obligations

As at the publication date of this report, ONDE is involved in the following material proceedings:

Party to the dispute	Subject matter of the dispute
Claimant: The City of Bydgoszcz Municipality – Roads and Public Transport Authority in Bydgoszcz Defendants: 1. ONDE S.A.; 2. Przedsiębiorstwo Inżynieryjnych Robót Kolejowych TOR-KRAK Sp. z o.o., having its registered office in Kraków; 3. Insolvency administrator of Firma Gotowski –	<p>On 21 March 2025, the defendants ONDE S.A. and Przedsiębiorstwo Inżynieryjnych Robót Kolejowych TOR-KRAK Sp. z o.o. were served a copy of the order for payment, together with a copy of the claim for payment of the sum of 1,841,844, 85 in contractual penalties for delay in the performance of contract no. 159/ZDMiKP/18 for construction works, concluded on 29 November 2018. The defendant, the insolvency administrator of Firma Gotowski – Budownictwo Komunikacyjne i Przemysłowe Sp. z o.o., collected the delivery containing a copy of the claim and the payment order on 31 March 2025.</p> <p>On 4 April 2025, an objection to the order for payment was lodged on behalf of the defendants ONDE S.A. and Przedsiębiorstwo Inżynieryjnych Robót Kolejowych TOR-KRAK Sp. z o.o. On 13 August 2025, the first hearing took place, at which the witnesses Danuta Jeleniewska and Maciej Gust were examined. The next hearing was scheduled for 22 October 2025.</p> <p>At the hearing on 22 October 2025, the following witnesses were examined: Justyna Ściślak, Marcin Rubach and Marian Kaczmarek. The court issued an order requiring the claimant to submit a copy of the site logbook to the case file and required the parties to submit written submissions setting out their positions before the hearing was closed, by 22 November 2025.</p> <p>On 30 December 2025, at a closed-door hearing, a judgment was delivered ordering the defendants to pay, jointly and severally, to the claimant, the City of Bydgoszcz Municipality</p>

6. OTHER NOTES

Budownictwo Komunikacyjne i Przemysłowe Sp. z o.o. in liquidation, having its registered office in Bydgoszcz. Value of the subject matter of dispute: PLN 1,841,844.85	– Roads and Public Transport Authority in Bydgoszcz, the sum of PLN 87,664.89 (eighty-seven thousand six hundred and sixty-four zlotys and eighty-nine groszy), together with statutory interest for late payment from 19 June 2022 until the date of payment, and the remainder of the claim was dismissed (i.e. approx. 96% of the claim was dismissed). The judgment is not yet final. Both parties have the right to appeal once the court has drawn up and served the written substantiation for the judgment. As at 31 December 2025, a provision was established to cover the awarded amount (50%).
---	--

Proceedings concerning claims

As at the publication date of this report, ONDE is involved in the following material proceedings:

Party to the dispute	Subject matter of the dispute
<p>Claimant:</p> <ol style="list-style-type: none"> ONDE S.A.; Przedsiębiorstwo Inżynierskich Robót Kolejowych TOR-KRAK Sp. z o.o., having its registered office in Kraków; Insolvency administrator of Firma Gotowski – Budownictwo Komunikacyjne i Przemysłowe Sp. z o.o. in liquidation, having its registered office in Bydgoszcz. <p>Defendants:</p> <ol style="list-style-type: none"> The City of Bydgoszcz; Miejskie Wodociągi i Kanalizacja w Bydgoszczy Sp. z o.o. <p>Value of the subject matter of dispute: PLN 6,478,982</p>	<p>On 30 December 2022, the claimant submitted a request for a settlement hearing to the defendant, in which it called upon the defendant to enter into a court settlement regarding the payment by the defendant of additional remuneration to the claimant in respect of the costs of temporary traffic management during the extended term of contract no. 159/ZDMiKP/18 for construction works, concluded on 29 November 2018. The claimed amount relates to the costs incurred by the claimant for the temporary traffic management and covers a total period of 196 days. Prior to filing the application, the claimant submitted a claim in March 2022, and subsequently, in November 2022, issued a pre-litigation demand for payment covering the amount claimed in the application. A hearing was scheduled for 13 April 2023, but did not take place due to settlement discussions between the Parties. From April 2023 to early December 2023, the Parties conducted intermittent discussions aimed at reaching a possible court settlement. The Parties did not reach an out-of-court settlement. A new date for the settlement hearing was set for 8 February 2024, during which no court settlement was reached.</p> <p>In view of the above, a claim for payment of the amount covered by the application for a settlement hearing was filed on 9 February 2024. The case was referred to mediation, during which no court settlement was reached. Hearings were held in the case, at which witnesses called by the parties were examined. By order of 21 February 2025, the Court dismissed the application by the defendant, the City of Bydgoszcz, to admit evidence in the form of an expert opinion. On 25 March 2025, the Court issued an order allowing the hearing to be closed to the public and permitting the parties' representatives to submit their final written submissions before the hearing was closed. On 15 May 2025, a judgment dismissing the claim in its entirety was delivered; this judgment, together with the substantiation, was served on the parties on 7 July 2025. A decision was taken to challenge the judgment in its entirety by lodging an appeal, which was filed by 21 July 2025. On 17 July 2025, an appeal challenging the judgment in its entirety was lodged on behalf of the claimants. On 30 July 2025, the case file, together with the appeal, was forwarded to the court of second instance. The appeal hearing was scheduled for 20 April 2026.</p> <p>The Management Board anticipates that the appeal will be upheld in full or in part.</p>
<p>Creditor:</p> <p>Creditor: ONDE S.A.</p> <p>Debtor: PflegeQuartier Beteiligungs GmbH</p> <p>Guarantor: Andreas Skoberne</p>	<p>On 17 January 2018, a borrowing agreement was entered into with the Debtor for the sum of EUR 750,000. Under the terms of the agreement, the entire amount was to be repaid by 31 January 2020 at the latest. In December 2021, an attempt was made to settle the dispute amicably and a demand for payment was issued. The Debtor failed to make any payment whatsoever. The case was referred to an external law firm in Germany for handling. On 14 February 2022, a final pre-litigation demand for payment was issued again by the attorney, with a payment deadline of 25 February 2022. As payment was not made, an application was filed on 1 March 2022 to initiate summary proceedings against the guarantor, who lodged an objection. Following this, the case was referred to the Regional Court (Landgericht) in</p>

6. OTHER NOTES

<p>Value of the subject matter of dispute: EUR 870,000.00</p>	<p>Dortmund. A claim for payment against the guarantor was filed with the aforementioned court on 23 May 2022. The court initiated written preparatory proceedings. The defendant did not take a position on the matter. In July 2022, the Regional Court in Dortmund issued a default judgment against the Guarantor, who did not appeal against it. The following enforcement proceedings are pending against the Debtor: seizure of stocks in Wohnvoll AG; seizure of shares in PflegeQuartier Düren GmbH; and seizure of the Debtor's bank account. In December 2022, the Debtor made a payment of EUR 100,000 into the account of the court enforcement officer handling the enforcement proceedings; after deducting the costs of the enforcement proceedings, the court enforcement officer made a payment to the Creditor on 5 December 2022 in the amount of EUR 99,961.11. Enforcement proceedings were initiated against the Guarantor on the basis of an enforceable default judgment. Subsequently, in April 2023, the Debtor made a payment of EUR 75,000 into the account of the court enforcement officer handling the enforcement case, in favour of the Creditor. After deducting the costs of the enforcement proceedings, the court enforcement officer made a payment on 14 April 2023 in the amount of EUR 74,994.72 to the Creditor. In the course of the enforcement proceedings, the Guarantor's bank accounts were seized and an arrest warrant was sought. In August 2023, the court enforcement officer searched the residential premises where the Guarantor was registered, but he was not present there. A negative entry was made in the Schufa register and the register of debtors against Andreas Skoberne. Furthermore, an application was filed to seize claims arising from remuneration for Andreas Skoberne's work as a member of the management board at PQ Grundstücksverwaltungs. In January 2024, a claim was filed against PQ Service GmbH for payment of EUR 821,850.88. On 20 February 2024, the District Court (Amtsgericht) in Wedding issued an enforcement order against PQ Service GmbH for the sum of EUR 836,191.78. In the enforcement proceedings initiated against PQ Service GmbH, the measures taken by the bailiff proved unsuccessful. As at 31 December 2025, no new payments to ONDE S.A. were recorded. As at 31 December 2025, the receivable was written off in full. As at 31/12/2024, the receivable was written off in full.</p>
<p>Claimant 1: Mosty Łódź S.A.</p> <p>Claimant 2: ONDE S.A.</p> <p>Defendant:</p> <p>The State Treasury – General Directorate for National Roads and Motorways (Generalny Dyrektor Dróg Krajowych i Autostrad)</p> <p>Value of the subject matter of dispute: PLN 154,927,233.00</p>	<p>On 23 October 2024, the Consortium filed a claim for payment of PLN 154,927,233 against the defendant, the State Treasury – General Directorate for National Roads and Motorways. The claim concerns amounts due in connection with the performance of contract No. O.WR.D - 3.2410.86.2017, arising from claims submitted during the performance of the contract, including:</p> <ul style="list-style-type: none"> - claims for indirect costs incurred in connection with the performance of the Contract over an extended period (including general construction costs and management costs and profit/risk) for the completion of works not originally provided for in the Contract; - claims relating to increases in the prices of goods; - claims relating to the Consortium's performance of additional and alternative works not originally provided for in the Contract; - claims arising from changes in universally binding laws which affected the terms and conditions of performance of the Contract. <p>No hearing date was set in the case, nor were the parties referred to a settlement hearing. The State Treasury Solicitor's Office filed a response to the claim. The case was assigned the reference number: XX GC 1222/24. The Management Board anticipates that the claim will be upheld in full or in part.</p>

6. OTHER NOTES

<p>Claimant 1: Mosty Łódź S.A.</p> <p>Claimant 2: ONDE S.A.</p> <p>Defendant: The State Treasury – General Directorate for National Roads and Motorways (Generalny Dyrektor Dróg Krajowych i Autostrad)</p> <p>Value of the subject matter of dispute: PLN 11,916,279</p>	<p>On 17 January 2024, the claimants filed a claim for payment of PLN 11,916,279 against the defendant, the State Treasury – General Directorate for National Roads and Motorways. The claim relates to part of the amounts due in connection with the performance of contract no. O.WR.D -3.2410. 86.2017, i.e. claims arising from changes to the technical requirements issued by the railway infrastructure manager concerning the required clearance of structures over railway lines – design work, the execution of additional construction works resulting from the railway infrastructure manager’s technical requirements regarding the required vertical clearance of structures – construction works, and payments for the extended duration of design works</p> <p>in the period from 20 December 2019 to 18 March 2020 and, consequently, the extended duration of the contract in the period from 22 March 2022 to 31 May 2022.</p> <p>No hearing date was set in the case, nor were the parties referred to a settlement hearing. The case was assigned file reference number XX GC 960/24.</p> <p>On 26 November 2024, the defendant filed a motion with the court requesting an extension of the deadline for submitting a statement of defence until 28 February 2025. On 14 March 2025, ONDE S.A. received the Contracting Authority’s statement of defence. On 28 March 2025, the Consortium submitted its response to the Contracting Authority’s claim to the Court. The court has not taken any further action in the case.</p> <p>The Management Board anticipates that the claim will be upheld in full or in part.</p>
<p>Claimant: ONDE S.A.</p> <p>Defendant: Przedsiębiorstwo Robót Inżynieryjnych i Budowlanych INFRABUD Sp. z o.o.</p> <p>Value of the subject matter of dispute: PLN 1,002,744</p>	<p>On 19 December 2024, the claimant filed a claim for payment of PLN 1,002,744 against the defendant, Przedsiębiorstwo Robót Inżynieryjnych i Budowlanych INFRABUD Sp. z o.o.</p> <p>The claim concerned unpaid invoices issued for the sale of bituminous mixtures from the Bituminous Mixture Plant in Koszalin.</p> <p>A hearing in the case was scheduled for 2 July 2025. A settlement was reached under which the Defendant would pay PLN 300,000 by the end of July 2025, PLN 200,000 by the end of August 2025, and the remaining balance by the end of December 2025. In addition, by 16 July 2025, the Defendant undertook to register a mortgage on the property with the land and mortgage register under number KO1K/00043458/2. The entry in the land and mortgage register was made.</p> <p>The Defendant paid PLN 544,695.50. As the remaining amount (PLN 682,743.55) was not paid, an application was made for ONDE S.A. to join the enforcement proceedings against the property secured by the mortgage, which was initiated at the request of another creditor – the City of Koszalin Municipality.</p> <p>As at 31 December 2025, the receivable was written off in full.</p> <p>The claim was upheld in full.</p>
<p>Claimant: ONDE S.A.</p> <p>Defendant: Merkury Market Sp. z o.o. Sp. k.</p> <p>Value of the subject matter of dispute: PLN 1,823,415</p>	<p>On 4 April 2025, a claim for payment of remuneration was filed for the installation of photovoltaic systems at the defendant Company’s sites, i.e. in Rybnik, Tychy, Kraków, Nowy Sącz (Pavilions I and II), Nowy Sącz (Pavilion III), Krosno (office building) and Krosno (office building).</p> <p>Seven invoices were issued in this regard, forming the basis of the claim. The case was assigned reference number VI GC 124/25. In response to the Court’s request, a letter was sent expressing consent to refer the case to mediation proceedings.</p> <p>Accordingly, the parties were referred to mediation. Merkury Market Sp. z o.o. sp.k. filed a statement of defence against the claim. The first mediation session took place. The mediation proceedings did not result in the Parties reaching a Settlement agreement. The Defendant proposed that, from its perspective, a possible agreement would involve the claims being pursued in the court proceedings – arising from unpaid invoices owed to ONDE S.A. –</p>

6. OTHER NOTES

	<p>remaining outstanding, and, furthermore, that ONDE S.A. would pay compensation to Merkury Market Sp. z o.o. sp.k. for damage to the roofs on which micro-photovoltaic installations were mounted, in accordance with the accepted position that the cause of this damage was ONDE S.A.'s improper performance of the contract dated 31 March 2023.</p> <p>At the same time, proceedings are underway at the District Courts in Krosno, Kraków, Tychy and Rybnik concerning the securing of evidence in the form of expert reports, the purpose of which is to assess the quality of the work carried out by ONDE S.A. In the opinion of Merkury Market Sp. z o.o. sp.k., there is an urgent need to repair the roofs, given the risk of their further deterioration. At the same time, bearing in mind that the proceedings for payment before the Regional Court in Rzeszów will undoubtedly be protracted, it is not possible to wait for the expert opinion to be drawn up during the course of those proceedings, even though that opinion will constitute the primary evidence in the case.</p> <p>On 4 March 2026, the first hearing took place, during which the President of the Management Board of Merkury Market sp. z o.o. sp.k. was examined, and a ruling was issued admitting expert evidence regarding the quality of the work carried out by ONDE S.A. The court also ordered the parties' attorneys to specify the final points of evidence for the expert's report and to pay an advance towards the expert's fees within 21 days.</p> <p>The estimated date for the conclusion of the case at second instance is 31 December 2027.</p> <p>As at 31 December 2025, the receivable was written off in full.</p> <p>The Management Board anticipates that the claim will be upheld in full or in part.</p>
<p>Claimant:</p> <p>1. ONDE S.A.</p> <p>2. P&Q Sp. z o.o.</p> <p>Defendant:</p> <p>Windpower Poland Sp. z o.o.</p> <p>Value of the subject matter of dispute:</p> <p>PLN 3,174,908.75</p>	<p>On 24 July 2025, a claim for payment of PLN 7,131,192.54 was filed with the Arbitration Court at the LEWIATAN Employers' Confederation; this amount relates to the combined claims of the Consortium of P&Q Sp. z o.o. and ONDE S.A. ONDE S.A.'s claim comprises a gross amount of PLN 310,889.89 for additional works, a gross amount of PLN 200,885.60 for an unpaid invoice, PLN 693,843.18 in respect of interest, and PLN 1,601,048.85 net in respect of indirect costs arising from the protracted performance of the Contract.</p> <p>Windpower Poland Sp. z o.o. was ordered to file a response to the claim by 30 November 2025.</p> <p>On 1 October 2025, a mediation meeting between the Parties took place. Given the differences in the Parties' positions regarding ONDE S.A.'s liability for the proper construction of access roads and platforms at the wind farm, as well as the potential costs of rectifying the identified defects, the Parties were unable to reach an agreement.</p> <p>The defendant filed a statement of defence in which it contests the claims brought by ONDE S.A.</p> <p>In response to this, ONDE S.A. is preparing a reply to the statement of defence.</p>
<p>Claimant:</p> <p>ONDE S.A.</p> <p>Defendant:</p> <p>The Kujawsko-Pomorskie Voivodeship, on behalf of which the Voivodeship Roads Authority in Bydgoszcz acts</p>	<p>On 27 December 2025, a claim for payment of remuneration was filed in connection with the performance of works under Contract No. ZDW.N4.363.06.2020 of 5 October 2020, for which invoice no. FSB/24/10/ 0101 dated 18 October 2024 was issued for the sum of PLN 6,689,507.24, of which PLN 3,005,664.85 has been paid. The Defendant did not pay the outstanding portion of the remuneration, following the issue on 7 November 2024 of accounting note no. NK/27/2024, on the basis of which it charged the Claimant a contractual penalty of PLN 3,669,140.70, as well as on 9 December 2024, accounting note no. NO/10/2024 for the sum of PLN 14,701.69, which it subsequently set off in a statement dated 9 December 2024. The Claimant informed the Defendant that it did not accept the contractual penalties imposed on it, and consequently, by letter dated 28 November 2024 no. 426/NZ/N4.363.06. 2020/2024, returned accounting note no. NK/27/2024 dated 7 November 2024 without first posting it to the accounts, and subsequently, by letter dated 23 December 2024 no. 430/JSZR/N4.363.06. 2020/2024, also returned interest note no. NO/10/2024 without first posting it, along with a statement of set-off.</p> <p>The subject matter of the dispute comprises:</p>

6. OTHER NOTES

<p>Value of the subject matter of dispute: PLN 4,284,167</p>	<p>1. the principal amount of PLN 3,683,842.39 in respect of the partially paid invoice no. FSBD/24/10/0101 dated 18 October 2024;</p> <p>2. capitalised interest amounting to PLN 594,167.86.</p> <p>The claim was filed with the Regional Court in Bydgoszcz, which declared that it did not have territorial jurisdiction and referred the case to the Regional Court in Toruń for consideration.</p> <p>As at 31 December 2025, a write-down of 50% on the receivables was made.</p> <p>The Management Board anticipates that the claim will be upheld in full or in part.</p>
<p>Claimant: ONDE S.A.</p> <p>Defendants: 1. Mosty Gdańsk Sp. z o.o. 2. Menard Sp. z o.o.</p> <p>Value of the subject matter of dispute: PLN 12,432,623</p>	<p>On 30 December 2025, ONDE S.A. filed a claim for payment of the costs incurred by ONDE S.A. in connection with the discovery of a failure in the embankment at abutments P1 and P6 during the implementation of the investment project 'Extension of Voivodeship Road No. 270 Brześć Kujawski – Izbica Kujawska – Koło from km 0+000 to km 29+023 – Construction of the Lubraniec bypass'.</p> <p>The court issued an order on 22 January 2026 regarding the delivery of the statement of claim on the defendants, setting a 30-day deadline for them to file a response to the statement of claim. At the defendants' motion, the deadline for filing a response to the statement of claim was extended to 30 March 2026.</p> <p>File reference number: VI Gc 3/26</p>

The Management Board does not see any risk that the above assets might not materialise.

...

6. OTHER NOTES

6.9. TRADE AND OTHER LIABILITIES

	2025	2024
Trade liabilities	93,003	94,253
including from related parties	4,657	3,076
Budgetary liabilities due to:	3,146	12,527
value added tax	2,977	2,701
corporate income tax	169	9,826
Other liabilities	19,925	15,798
due to payroll	4,955	3,726
accruals	48	293
short-term liabilities due to employee benefits	4,360	3,943
other taxes	4,345	6,333
other	6,217	1,503
Total	116,074	122,578

6.10. CLARIFICATION TO THE CASH FLOW STATEMENT

Reconciliation of changes in working capital for the reporting period and the corresponding period of the previous year:

	Change of balance in the 2025 cash flow statement	Change of balance in the 2024 cash flow statement
Change in provisions	1,313	1,205
Change in inventory, excluding RES projects	2,153	(26,367)
Change in receivables	(9,393)	(9,360)
Change in short-term liabilities, except for loans and borrowings	18,072	20,889
Change in other assets	(1,001)	(1,335)
Change in assets and liabilities arising from construction contracts	(38,431)	109,588
Change in working capital	(27,287)	94,620

6.11. STRUCTURE OF THE GROUP

Structure of the Group

As at 31 December 2025, the Group comprises the parent company ONDE S.A., subsidiaries and jointly controlled entities, consolidated using the full consolidation method and the equity method.

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

Subsidiaries are consolidated using the full consolidation method from the date on which control is acquired until the date on which control is lost. Control exists when the Parent Company, by virtue of its involvement in the entity in which it has invested, is exposed to variable returns, or has rights to variable returns, and has the ability to influence the amount of those returns through its power over that entity. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company's financial statements, using consistent accounting principles. In the event of a loss of control over a subsidiary, the gain or loss arising from the transaction resulting in the loss of control is recognised in profit or loss.

6. OTHER NOTES

Settlements, revenue, costs and unrealised gains recognised in assets arising from transactions between Group companies are eliminated.

At the date of acquisition of control, the Group establishes whether the entity over which control has been acquired constitutes a business within the meaning of IFRS 3 or a group of assets that does not constitute a business.

The acquisition of businesses is accounted for using the purchase method. Under this method, identifiable assets and liabilities acquired are measured at fair value as at the acquisition date. The consideration transferred in a business combination is measured at the fair value of the assets transferred by the Group, the liabilities incurred by the Group to the previous owners of the acquiree, and the equity instruments issued by the Group in exchange for obtaining control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. The excess of the acquisition price, the fair value of previously held shares and non-controlling shares over the fair value of the net assets acquired, subject to the exceptions set out in IFRS 3, constitutes goodwill.

In the case of an asset acquisition that does not constitute a business combination, the purchase price is allocated to the individual acquired assets on the basis of their relative fair values. Transaction costs are recognised in the initial carrying amount of the acquired non-current assets. No goodwill arises on an asset acquisition.

Investments in associates are recognised in the consolidated financial statements using the equity method. Under the equity method, an investment in an associate is initially recognised at cost and is subsequently adjusted to reflect the Group's share of the associate's profit or loss and other comprehensive income. An investment in an associate is accounted for using the equity method from the date on which the entity acquired the status of an associate.

When assessing whether the Group's investment in an associate requires recognition of an impairment loss, the requirements of IAS 28 are applied. Where necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 'Impairment of Assets' as a single asset, by comparing its recoverable amount with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. A reversal of this impairment loss is recognised in accordance with IAS 36 to the extent corresponding to a subsequent increase in the investment's recoverable amount.

Presented in the tables below is detailed information on the Group's structure

Entity	Registered office	Business activities	2025	2024
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%
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%

6. OTHER NOTES

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%
DEVOZE SP. Z O.O.	Toruń	Renewable energy sources	100.00%	100.00%
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	Düsseldorf, Germany	Development of RES construction business	100.00%	100.00%
FARMA FOTOWOLTAICZNA ŻABÓW SP. Z O.O.	Toruń	Renewable energy sources	100.00%	100.00%
ONDE DEV 1 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	100.00%
ONDE DEV 3 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	100.00%
ONDE DEV 4 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	100.00%
ONDE DEV 5 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	100.00%
ONDE DEV 6 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	100.00%
ONDE ENERGY SP. Z O.O.	Toruń	Renewable energy sources	100.00%	100.00%
ONDE DEV 8 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	100.00%
WINDIFY SP. Z O.O.	Toruń	Renewable energy sources	100.00%	0.00%
ONDE DEV 9 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	0.00%
ONDE DEV 10 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	0.00%
ONDE DEV 11 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	0.00%
ONDE DEV 12 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	0.00%
ONDE DEV 13 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	0.00%
ONDE DEV 14 SP. Z O.O.	Toruń	Renewable energy sources	100.00%	0.00%
ONDE ROMANIA S.R.L.	Bucharest	Renewable energy sources	100.00%	0.00%
SOLAR SERBY SP. Z O.O. (formerly: AZURYT 6 INVESTMENTS SP. Z O.O.)	Warsaw	Renewable energy sources	0.00%	50.00%
KWE SP. Z O.O.	Warsaw	Renewable energy sources	50.00%	50.00%
SOLAR KAZIMIERZ BISKUPI SP. Z O.O. (formerly: NEO SOLAR KAZIMIERZ BISKUPI SP. Z O.O.)	Warsaw	Renewable energy sources	50.00%	50.00%
ONDE DEV 2 SP. Z O.O.	Toruń	Renewable energy sources	50.00%	100.00%

ONDE S.A. holds the following shares in jointly controlled entities consolidated using the equity method and classified as financial assets:

	2025	2024
Financial assets		
SOLAR SERBY SP. Z O.O. (formerly: AZURYT 6 INVESTMENTS SP. Z O.O.)	0	13,004
KWE SP. Z O.O.	10,001	10,133
SOLAR KAZIMIERZ BISKUPI SP. Z O.O. (formerly: NEO SOLAR KAZIMIERZ BISKUPI SP. Z O.O.)	21,537	22,084
ONDE DEV 2 SP. Z O.O.	(6)	-
Total	31,532	45,221

6. OTHER NOTES

	KWE SP. Z O.O.	SOLAR KAZIMIERZ BISKUPI SP. Z O.O.	ONDE DEV 2 SP. Z O.O.	KWE SP. Z O.O.	SOLAR KAZIMIERZ BISKUPI SP. Z O.O.	ONDE DEV 2 SP. Z O.O.
Selected balance sheet items:						
ASSETS, including:	6,497	16,539	706	5,651	13,559	-
Non-current assets	6,011	11,102	142	4,649	8,041	-
Current assets	486	5,437	564	1,002	5,518	-
Cash	262	425	518	-	148	-
EQUITY AND LIABILITIES, including:	6,497	16,539	706	5,651	13,559	-
Long-term liabilities, including:	8,651	15,116	757	7,455	11,502	-
Financial liabilities	8,651	15,116	757	7,455	11,502	-
Short-term liabilities, including:	34	825	26	98	366	-
Financial liabilities	-	-	12	-	-	-
Condensed income statement:						
Net profit for the financial period	(262)	(1,093)	(18)	(971)	(673)	-
Other income statement items:						
Financial expenses	259	1,059	3	(349)	603	-

The financial period of the jointly controlled entities is the same as that of the Parent Company. There are no restrictions on the use of cash in these entities in the event of potential dividend payments or borrowings.

Sale of shares in a jointly controlled entity

On 16/05/2025, 50% of the shares in Solar Serby Sp. z o.o. were sold to an unrelated party. The transaction price amounted to approximately PLN 48 million and was adjusted for the net working capital and net debt of Solar Serby Sp. z o.o. as at the date of the Interest Sale Agreement. The result on the sale of shares is presented in the income statement and statement of other comprehensive income under 'Profit/loss on the sale of shares in jointly controlled entities'.

Acquisition of shares in a controlled entity

On 2 June 2025, ONDE S.A. entered into an agreement to acquire 100% of the shares in Windify Sp. z o.o. from an unrelated party in a special purpose vehicle that owns a wind farm project with a planned installed capacity of 200 MW, located in the Lublin Voivodeship. The wind farm project is at an early stage of development.

The price of the shares being acquired was determined on an arm's length basis, amounted to PLN 5,000 and was settled in cash. Transaction costs were not material. The company's assets comprise land lease agreements specifying the area for the construction of the wind farm and cash.

6. OTHER NOTES

Material events in the financial year

In the third quarter of 2025, in one of the special purpose vehicles within the ONDE Group, due to delays in obtaining an environmental permit and the inability to enter into an amendment extending the lease term for the land allocated to the project, the company terminated the lease agreement. Consequently, the property development activities were discontinued and an impairment loss on assets in the amount of PLN 126,000 was recognised.

6.12. TRANSACTIONS WITH RELATED PARTIES

Presented in the tables are the total amounts of transactions entered into by the ONDE Group with related parties within the Erbud S.A. Group for the periods ended 31 December 2025 and 31 December 2024.

	2025				2024			
	Parent company of the Erbud Group	Other related companies consolidated within the Erbud Group	Related companies – jointly controlled	Total	Parent company of the Erbud Group	Other related companies consolidated within the Erbud Group	Related companies not consolidated using the full consolidation method	Total
Trade receivables	6,031	7	249	6,287	1,544	700	243	2,487
Borrowings granted	-	-	16,727	16,727	-	1,799	22,975	24,774
Trade liabilities	2,422	492	-	2,914	2,502	573	-	3,075
Sales revenues	16,515	69	426	17,010	1,917	74,036	11,321	87,274
Revenues from interest on borrowings	129	145	1,172	1,446	82	69	1,415	1,566
Purchase of goods and services	14,350	4,857	-	19,207	12,399	5,462	-	17,861

As at the date of publication of these consolidated financial statements, the members of the Management Board and the proxies do not hold any option-based benefits.

Transactions with key management personnel

Presented in the table below is the remuneration paid to members of the Management Board and members of the Supervisory Board for the financial year:

	2025	2024
Management Board		
Short-term payments to employees (remunerations)	3,685	9,560
Supervisory Board		
Short-term payments to employees (remunerations)	756	760
Total	4,441	10,320

6. OTHER NOTES

Stockholder	2025		2024	
	Number of stocks/votes	% of the share capital held and votes at the General Stockholders' Meeting	Number of stocks/votes	% of the share capital held and votes at the General Stockholders' Meeting
Jacek Leczkowski	3,530,612	6.48%	3,530,612	6.48%
Agnieszka Głowacka	136,768	0.25%	136,768	0.25%
Paweł Średniawa	127,000	0.23%	117,831	0.22%
Piotr Gutowski	-	0.00%	105,206	0.19%
Jacek Socha	43,743	0.08%	43,743	0.08%
Michał Otto	-	0.00%	44,558	0.08%
Paweł Przybylski	37,028	0.05%	6,977	0.01%
Total	3,875,151	7.09%	3,985,695	7.31%

6.13. EMPLOYMENT STRUCTURE

	2025	2024
Blue-collar workers	186	199
White-collar workers	345	343
All employees	531	542

6.14. EVENTS AFTER THE END OF THE REPORTING PERIOD

- No material events occurred between the balance sheet date and the signing of these consolidated financial statements which are not reflected in the financial statements and which affect the Company's assets and financial position as at the balance sheet date. **On 16 January 2026, the Company reported that it had been instructed to commence work (Current Report No. 2/2026)**

Regarding Current Report No. 24/2025 of 28 November 2025 concerning ONDE's conclusion of a material construction contract for the construction of a 120 MW photovoltaic farm with a net value of approx. PLN 89 million, the Management Board of ONDE announced that it had received a written instruction from a Polish special purpose vehicle belonging to the capital group of an RES client based in Scandinavia to commence works with a value representing approx. 99% of the contract value. The Company commenced performance of the contract in the aforementioned scope.

Further information on material contracts relating to photovoltaic farms that came into effect by the date of publication of the Statements can be found in section 1.2.1.2 Photovoltaic farms under construction.

- On 26 January 2026, the Company reported on the conclusion of an addendum to a material loan agreement with ING Bank Śląski S.A. (Current Report No. 3/2026)**

On 26 January 2026, ONDE, together with the companies of the ERBUD Group, i.e. Erbud S.A., Erbud Industry Centrum Sp. z o.o. and Erbud International Sp. z o.o., received an addendum, signed by all parties, to the loan agreement dated 6 July 2010 concluded with ING Bank Śląski S.A., pursuant to which the maturity of the credit facility was extended to 29 January 2027.

Under the agreement, ONDE, together with the other borrowers, may draw upon a multi-purpose credit facility of up to PLN 175 million, broken down into an overdraft facility of PLN 64 million and a guarantee facility of up to PLN 175 million.

6. OTHER NOTES

The sub-limits for individual borrowers remain unchanged and are as follows:

- the sub-limit for Erbud S.A. is PLN 175 million, with the option to take on debt of up to PLN 64 million;
- the sub-limit for ONDE is PLN 50 million, with the option to take on debt of up to PLN 20 million;
- the sub-limit for Erbud Industry Centrum Sp. z o.o. is PLN 10 million, with the option to take on debt of up to PLN 4 million;
- the sub-limit for Erbud International Sp. z o.o. is PLN 15 million, with the option to take on debt of up to PLN 5 million.

Under the addendum, the borrowers also undertook to extend the term of the collaterals established in favour of ING Bank Śląski S.A.

The other terms of the loan agreement remained unchanged.

- **On 30 January 2026, the Company reported on signing an addendum to a material financial agreement with mBank S.A. (Current Report No. 4/2026).**

On 30 January 2026, ONDE, together with ERBUD S.A., received an addendum to the Multi-Product Umbrella Framework Agreement concluded with mBank S.A., based in Warsaw, signed by all parties.

Pursuant to the addendum, the maturity date of the overdraft facility, working capital loan and guarantee limit granted to ONDE and ERBUD S.A., up to a total amount of PLN 112 million, was extended to 25 February 2027, with the proviso that the parties allow for the possibility that the validity period of the guarantee may extend beyond the maturity date of the facility, but not beyond 29 January 2030.

The other terms of the agreement remained unchanged.

- **On 2 February 2026, the Company reported on having been instructed to commence work on two PV farms with a combined capacity of 120.1 MW, and on the conclusion of an addendum increasing the Company's remuneration (Current Report No. 5/2026)**

With reference to current reports no. 20/2025 of 8 October 2025 and no. 26/2025 of 8 December 2025, the Management Board of ONDE announced that on 2 February 2026 the Company received an instruction to commence work on two contracts. These are contracts with two companies belonging to the capital group of an RES client based in Western Europe for the performance of comprehensive construction works under an EPC arrangement (including the supply of modules) for two photovoltaic farms with a total capacity of 120.1 MW. Commencement of the works was conditional upon receipt of a written instruction from the client to commence works. The Company commenced performance of said contracts.

Furthermore, on 2 February 2026, the Company entered into addenda to the contracts with the aforementioned clients under which, among other things:

- the total contractual remuneration due to the Company for the performance of the contracts was increased by approx. 7%;
- the final deadlines for the performance of the contracts were extended and are now as follows:
 - a) Contract 1 – 06/10/2027 (PAC acceptance);
 - b) Contract 2 – 23/02/2027 (PAC acceptance).

The other material terms of the contracts disclosed in Current Report No. 20/2025 of 8 October 2025 remain unchanged.

Further information on material contracts relating to photovoltaic farms that came into effect by the date of publication of the Statements can be found in section 1.2.1.2 Photovoltaic farms under construction.

- **On 4 February 2026, the Company reported on the resignation of a Member of the Supervisory Board of ONDE (Current Report No. 6/2026)**

ONDE announced that it received a letter of resignation from Jacek Socha, a member of the Supervisory Board of ONDE, effective 4 February 2026, from his position as Member of the Supervisory Board. The letter of resignation did not specify the reasons for the resignation.

- **On 23 March 2026, the Company reported on the signing of a contract for the provision of design (detailed designs), construction and electrical engineering services under a BoP arrangement,**

6. OTHER NOTES

excluding the supply of storage technology, for an electricity storage facility (Current Report No. 7/2026).

The Management Board of ONDE S.A. announced that on 23 March 2026, the Company entered into a contract worth approximately PLN 41.3 million net with a special purpose vehicle belonging to an RES client's capital group based in Western Europe for the provision of design work (detailed designs), construction and electrical engineering works, excluding the supply of storage technology for an electricity storage facility.

The contract provides for an option for the client regarding additional works with a total value of approx. PLN 12.0 million net.

Therefore, the potential maximum value of the contract is approx. PLN 53.3 million net.

The contract will be performed by 31 August 2027 (completion of construction and commissioning of the energy storage facility).

ONDE's commencement of design work, whose value accounts for approx. 1% of the contract value, is contingent upon the client issuing a written instruction to commence design work. The issuing of the instruction to commence design work will be subject to the fulfilment of the conditions set out in the contract, including those relating to ONDE. The deadline for receiving the instruction to commence design work is 30 April 2026.

The Company's commencement of construction work, whose value accounts for approx. 99% of the contract value, is contingent upon the client issuing a written instruction to commence construction work. The issuing of the instruction to commence construction work will be subject to ONDE fulfilling the conditions set out in the contract. The deadline for receiving the instruction to commence work is 15 July 2026.

Signatures of the Management Board Members

Paweł Przybylski
/President of the Management
Board/

Paweł Średniawa
/Vice-President of the
Management Board/

Marek Marzec
/Vice-President of the
Management Board/

Bartosz Sobolewski
/Vice-President of the
Management Board/

Toruń, 25 March 2026