



**Management Board Report  
RESBUD SE  
for the first half of 2022**

**(period from 1 January 2022 to 30 June 2022)**

**The report has been drawn up in accordance with  
International Financial Reporting Standards**

*Tallinn - Krakow, 30 September 2022*

*Dear Shareholders, Customers and Business Partners,*

On behalf of the Management Board of RESBUD SE, I provide you with a condensed consolidated Report of RESBUD SE covering the period from January 1, 2022 to June 30, 2022, which is a summary of all significant economic events that took place in the Company's operations in this period, which events have – in the opinion of the Management Board of RESBUD SE – an impact on the full and objective assessment of the activities conducted by the Company.

Since 2021, RESBUD SE is a holding company, bringing together shares of other business entities from various EU countries and outside the EU, mainly from the construction industry, as well as from the energy and commercial industries. In addition to holding activities, RESBUD SE also intends to carry out construction and commercial activities.

RESBUD SE consciously and with full consistency refers to the tradition of the largest construction and assembly company in the south-eastern Polish, and at the same time builds a modern holding of Central and Eastern European companies from various industries - which translates into better financial results by the Company, and thus a greater return on investment in RESBUD SE shares.

The period of the first half of 2022 initiated changes and transformations in the functioning of the holding. First of all, on May 23, 2022, the Extraordinary General Meeting increased the Company's share capital through a bonus issue of 78,873,421 new shares.

As a consequence, the number of the Company's shares increased from 236,620,263 to 315,493,684, while the Company's share capital was increased from EUR 26,028,229 to EUR 34,704,306. The share of shareholders in the Company's share capital increased in a ratio of 1:3, which means that each shareholder of the Company received 1 (one) new share for every 3 (three) held so far.

In connection with the increase in the share capital, the provisions of the Articles of Association have also been amended in such a way that currently the minimum amount of the Company's share capital is EUR 8,750,000 and the maximum amount of the share capital is EUR 35,000,000, and the minimum number of shares of the Company without a nominal value is 72,500,000 shares, and the maximum number of shares of the Company without a nominal value is 320,000,000 shares.

On the basis of the decision of 5 July 2022, subsequently adopted by resolutions of the Extraordinary General Meeting of Shareholders of RESBUD SE of 12 September 2022, the Management Board initiated the procedure for changing the company's country of incorporation and transferring it to Poland. The Company will retain the legal continuity and legal form of a European Company and will continue its activities in its current scope. However, according to the Management Board, the initiated change will result in more favorable conditions for the Company's operations.

We are convinced that the changes initiated and the activities planned for the coming months will have a positive impact on the Company's operations and will bring tangible benefits to the Company itself and all shareholders.

Yours faithfully,

*Krzysztof Długosz*

*President of the Management Board of RESBUD SE*

**STATEMENT BY THE MANAGEMENT BOARD OF RESBUD SE**  
**REGARDING THE FINANCIAL STATEMENTS**  
**FOR THE FIRST HALF OF 2022**

*The Management Board of RESBUD SE declares that, to the best of its knowledge, the semi-annual condensed financial statements and comparable data have been prepared in accordance with the applicable accounting principles and that they reflect in a true, fair and clear manner the property and financial position of RESBUD SE and its financial result and that the Management Board's report contains a true picture of the situation of RESBUD SE.*

*The financial statements have been presented in such a version as to fulfill the obligations arising from the provisions governing the publication and audit of financial statements in force in Poland and Estonia.*

*The Management Board of RESBUD SE would like to point out that information on all material events that occurred in the period from January 1, 2022 to June 30, 2022, and played, for various reasons, significant for the Company - were published through Current Reports submitted to the Polish Financial Supervision Authority, the Warsaw Stock Exchange and Finanstinspektioon in Estonia and e-Registri in Estonia.*

*In the light of the above, the Management Board of RESBUD SE presents below with due diligence and accuracy the Management Board's Report on activities for the first half of 2022.*

*Krzysztof Długosz - President of the Management Board of RESBUD SE*

*Joanna Dyja – Member of the Management Board*

1. Basic economic and financial figures disclosed in the semi-annual consolidated financial statements.

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

ASSETS (in thousand EUR)	state on June 30, 2022 not proven	state on December 31, 2021 not proven
<b>ASSETS</b>	<b>35524</b>	<b>36900</b>
Property, plant and equipment	4099	5405
Goodwill	31279	31279
Long-term loans	27	35
Long-term receivables	99	113
Deferred income tax assets	20	68
<b>CURRENT ASSETS</b>	<b>29436</b>	<b>40583</b>
Supplies	3439	2305
Trade receivables and other receivables	21631	29992
Short-term loans	539	409
Tax receivables	0	0
Other receivables	309	331
Short-term financial assets	2855	3983
Cash and cash equivalents	654	3548
Short-term accruals	9	15
<b>TOTAL ASSETS</b>	<b>64960</b>	<b>77483</b>

LIABILITIES (in thousand EUR)	state on June 30, 2022 not proven	state on December 31, 2021 not proven
<b>TOTAL EQUITY</b>	<b>32870</b>	<b>33677</b>
Share capital	26028	26028
Supplementary capital	10112	10112
Reserve capital	69	69
Revaluation capital	(498)	(498)
Differences from translation into EUR	(1977)	680
Capital from business combinations	(4)	(4)
Retained earnings	(860)	(2710)
<b>LONG-TERM LIABILITIES</b>	<b>801</b>	<b>990</b>
Deferred tax liability	645	839
Long-term liabilities from loans and borrowings	66	18
Other long-term liabilities	90	133

<b>CURRENT LIABILITIES</b>	<b>31289</b>	<b>42816</b>
Other short-term provisions	0	8
Short-term liabilities on account of loans and borrowings	5395	6498
Trade and other liabilities	23766	32768
Tax liabilities	50	362
Other short-term liabilities	2078	3180
<b>TOTAL LIABILITIES</b>	<b>64960</b>	<b>77483</b>
Book value	64960	77483
Number of shares	236 620 263	236 620 263
Book value per share (in EUR)	0,2745	0,3275
Diluted number of shares	236 620 263	236 620 263
Diluted book value per share (in EUR)	0,2745	0,3275

### INTERIM CONDENSED INCOME STATEMENT AND STATEMENT OF TOTAL PROFIT OR LOSS INCOME

in thousand EUR	state on June 30, 2022 not proven	state on Dec. 31, 2021 not proven
<b>Net revenues from the sale of products, goods and materials, including:</b>	<b>21009</b>	<b>61059</b>
<b>Total costs:</b>	<b>17136</b>	<b>54250</b>
<b>Gross profit (loss) on sales</b>	<b>3873</b>	<b>6809</b>
Costs of sales	0	0
General management expenses	2454	4548
<b>Profit (loss) on sales</b>	<b>1419</b>	<b>2261</b>
Other operating income	257	218
Other operating expenses	1558	2105
<b>Profit (loss) on operating activities</b>	<b>118</b>	<b>374</b>
Financial income	1687	791
Financial costs	398	1259
<b>Gross profit (loss)</b>	<b>1407</b>	<b>(94)</b>
Income tax	141	373
<b>Profit/Loss on continuing operations</b>	<b>1266</b>	<b>(467)</b>
<b>Gains/losses on discontinued operations</b>	<b>0</b>	<b>0</b>
<b>Net profits/losses for the financial period</b>	<b>1266</b>	<b>(467)</b>
<b>Weighted average number of ordinary shares</b>	236 620 263	188 060 205
<b>Profit (loss) per ordinary share (in EUR)</b>	0,0053	(0,0018)
<b>Weighted average diluted number of ordinary shares</b>	236 620 263	188 060 205
<b>Diluted earnings (loss) per ordinary share (in EUR)</b>	0,0053	(0,0018)

## INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

in thousand EUR	01 January 2022- 30 June 2022 not proven	01 January 2021- 31 December 2021
<b>Net profit (loss) for the period</b>	1266	(467)
Other comprehensive income for the period	(2657)	747
Components that will not be transferred to the income statement in subsequent periods	0	0
Components that may be transferred to the profit and loss account at a later date:	(2657)	747
- valuation of financial assets	0	0
- differences in conversion into EUR	(2657)	747
<b>Total income</b>	<b>(1391)</b>	<b>280</b>

### Selected profitability indicators of RESBUD SE:

<i>Indicator</i> [%]	<i>the first half</i> <i>of 2022</i>	<i>2021</i>
Gross margin on sales	0,0670	(0,0015)
Profitability on sales	0,0603	(0,0076)
Profitability from operating activities	0,0056	0,0061
Net profitability	0,0603	(0,0076)
Return on assets – ROA	0,0195	(0,0060)
Return on equity – ROE	0,0385	(0,0139)

### Selected liquidity and debt ratios of RESBUD SE:

<i>Indicator</i>	<i>the first half</i> <i>of 2022</i>	<i>2021</i>
Current liquidity	2,0761	1,8097
Fast liquidity	0,9408	0,9478

<i>Indicator</i>	<i>the first half</i> <i>of 2022</i>	<i>2021</i>
Overall debt ratio	0,9763	1,3008

The indicators presented above are at the correct levels, which indicates that the adopted strategy for the development of the holding is appropriate.

**2. Information on the basic products and services together with their value and quantity and the share of individual products, goods and services (if relevant) or their groups in the issuer's total sales, as well as changes in this respect in a given financial year.**

In the first half of 2022, RESBUD SE continued its activities related to the development of the holding. The subsidiaries continue the previously conducted activities of Conpol Ltd.– infrastructure construction, Uniwersim Ltd.– production and sale of bituminous masses, LLC Energokomplekt – supply of machinery and equipment for the energy industry.

**3. Information on sales markets, including the division into domestic and foreign markets.**

RESBUD SE operated on the Polish, Estonian and Russian markets.

**4. Information on concluded agreements significant for the issuer's business, including agreements concluded between shareholders known to the issuer, insurance, cooperation or cooperation agreements.**

The Issuer on an ongoing basis, through the publication of current reports, provides information on agreements significant for the Issuer's operations concluded by the holding companies.

**5. Assessment of the feasibility of implementing investment plans, including capital investments, in comparison to the amount of funds held, taking into account possible changes in the financing structure of this activity.**

In the next six months, the Company plans to conclude further significant contracts allowing to increase the company's revenues and profits.

**6. Assessment of factors and unusual events affecting the result on operations for the financial period, determining the degree of impact of these factors or unusual events on the achieved result.**

In the Company's opinion, none of the described events that related to the activities of RESBUD SE were of an unusual nature, going beyond the business framework of the conducted activity.

**7. Characteristics of external and internal factors relevant to the development of the issuer's business and a description of the prospects for the development of the issuer's operations at least until the end of the financial year following the financial year for which the financial statements included in the annual report were prepared, taking into account elements of the market strategy developed by it.**

The Management Board analyses the economic consequences of the Russian-Ukrainian conflict on an ongoing basis and tries to minimise their adverse impact on the activities of the holding companies. The adopted sanctions packages against the Russian Federation do not directly affect the subsidiary or its related natural or legal persons.

Regardless of the above, the Management Board of RESBUD SE is conducting advanced talks regarding the sale of the Russian asset – LLC Energokomplekt and the acquisition of a new asset in the form of a company with a similar business profile. This gives grounds for assuming the forecast that the implementation of the intended objectives of the holding will not be disturbed, and all the assumptions made regarding the development strategy of the holding will be maintained.

**8. Changes in the basic principles of management of the issuer's enterprise.**

Currently, the Management Board of the Company is two-person. This situation allows for effective management of the created holding.

Due to the planned change of the Company's registered office, it will be necessary to adapt the principles of enterprise management to the regulations prevailing in Poland, including, m.in, new legal regulations regarding the principles of operation and obligations imposed on the Company's supervisory bodies.

**9. Any agreement entered into between an issuer and managers providing for compensation in the event of their resignation or dismissal without good cause or where their dismissal or dismissal is due to the merger of the issuer by acquisition.**

In 2022 , no contracts of this type were concluded.

**10. Indication of proceedings pending before a court, a body competent for arbitration proceedings or a public administration body.**

As at the date of this report, no proceedings have been pending before the arbitration or public administration body.

**11. Material events that occurred after the balance sheet date.**

An Extraordinary General Meeting of RESBUD SE shareholders was held on September 12, 2022, which decided to transfer the Company's registered office and the seat of the Company's management from Tallinn, Republic of Estonia, to the territory of the Republic of Poland, and to select a home depository for the Company's dematerialized shares after the transfer of the Company's registered office to Poland.

The Articles of Association of the Company were also amended due to the necessity of adjusting the Company's regulations to the laws of the Republic of Poland, to the extent necessary for its proper operation after the change of its registered office.

In addition, the composition of the Supervisory Board was also expanded, which now has 5 members.

Signed

*Krzysztof Długosz – President of the Management Board*

*Joanna Dyja – Member of the Management Board*