



## LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD OF RESBUD SE

Ladies and Gentlemen! Dear Shareholders, Customers and Business Partners!

On behalf of the RESBUD SE Group, I present to you the first Consolidated Annual Financial Report of RESBUD SE covering the period from January 1, 2021 to December 31, 2021 and relating to the collective data of all companies within the Group. The report is a summary of all economically important events that took place in the Group's operations in 2021. In addition to the financial data, the report also describes events significant for the Company that may affect the full and objective assessment of the Group's operations.

At the same time, I would like to point out that due to the fact that this is the first consolidated report, it is not possible to compare the data for the previous periods of the Company's activity.

From the beginning of 2021, the Company consistently continued the process of transforming into a holding company operating in such industries as: highway construction, construction works, civil engineering, concrete production and delivery of components for energy construction, initiated by the resolution of the Ordinary General Meeting of September 7, 2020.

The most important event of last year was for RESBUD SE the successful private subscription process, under which agreements were concluded to acquire a total of 218 520 263 new shares of the company with a value of over EUR 32 million, through contributions in the form of shares in LLC Energokomplekt (87.8% directly and 12.2% indirectly) (Russia), Conpol sp. z oo and Uniwersim sp. z oo (Poland). As a result, the company took over 100% of shares (directly or indirectly) in the above-mentioned entities, which allows it to fully control their activities. As a consequence, the share capital of RESBUD SE increased to over EUR 26 million (from EUR 1.991 million previously).

The increase in the share capital and amendments to the company's statute were registered by the Estonian Registry Court on March 9, 2021 - then the formal process of building a holding company was completed, the share capital of which as at the registration date amounted to EUR 26 028 229, and the number of shares: 236 620 263.

In the financial year 2021, the main task of the Management Board was to complete the formation of the holding company and establish the principles of cooperation between its companies. For this reason, the Management Board of RESBUD SA did not conduct direct operating activities at the level of the management company, which resulted in the fact that operating income in this period was marginal. The main source of financing for the parent company is the income generated by the subsidiaries of the holding company.



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Kapitał Akcyjny 26 028 229 EUR (opłacony w całości)

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It is also worth emphasizing that after the first quarter of 2021, RESBUD SE shares were included in four stock exchange indices listed on the Warsaw Stock Exchange: WIG, WIG-Poland, WIG-construction and Investor MS.

However, there were also unfavorable economic factors that had an impact on the Group's financial results and revenues generated in 2021. These factors include: the global COVID pandemic and its impact on rising prices on international markets (especially prices of services and materials), writing down doubtful and uncollectible receivables and writing down expired receivables.

Finally, as a result of the changes made, the Group recorded a significant increase in the level of assets and the market capitalization of shares. With full control of the subsidiaries, it is a promising prospect for the company's development. Owning 100% of the shares of controlled companies instead of minority shares ensures better control over the management of the entire holding and gives wider possibilities of comprehensive implementation of the holding's development plans, and realistically increases the chances of generating profit for both the Group and its Shareholders.

Our goal for the coming years is to strengthen the position of the Group and its development. Possibilities of extending RESBUD SE with other economic entities are also analyzed. I am convinced that RESBUD SE is fully ready for the challenges of the future and prepared to implement ambitious, strategic goals.

I would also like to thank all Shareholders for their trust, and employees and members of the Group's bodies for their support for the activities, commitment and effort put into building our organization. Thanks to them, RESBUD SE becomes a credible and reliable business partner with a more and more established position on the international market.

Kind regards,

**Krzysztof Długosz**

President of the Management Board of RESBUD SE

