

**Dear**

**Clients, Investors and Employees of the Budimex Group**

We are pleased to present to you the Financial Report of Budimex Group for the year 2021. It was a period of changes and development. We acquired an external industry investor for the development company Budimex Nieruchomości for PLN 1 billion 513 million. At the same time, we commenced the diversification of our market and geographical activities. Despite difficult market conditions caused by the COVID-19 pandemic, we generated a higher gross profit. It increased within our continuing operations, i.e. construction and service activities, from PLN 427 million in 2020 to PLN 554 million in 2021. We also increased the profitability of the Budimex Group from 5.5% to 7.0%. It is the effect of the improvement in the result of the construction part as well as the settlement of the result from transactions between the construction and development segments in connection with the sale of Budimex Nieruchomości.

The increase in the Group's sales revenue amounted to 2.6% and reached PLN 7.9 billion. For another consecutive year revenue in the service segment noted a double-digit increase, i.e. by 28%, while in the construction segment we recorded a slight decrease by 3%. In the fourth quarter, according to our expectations, revenue in the construction segment was higher by 7% compared to the same period of the previous year.

The Budimex Group finished 2021 with a net cash position of PLN 2.6 billion. In June 2021, we paid a dividend of PLN 426 million. We also paid an advance towards the dividend for 2021 in the amount of over PLN 380 million. It was the thirteenth year in a row when we shared profit with shareholders. The Budimex Group employs 6,939 employees. Our priority is to continuously develop their competences and to maintain a high standard as the employer.

The sales of the Budimex Group's construction segment amounted to PLN 7,282 million, showing an improvement in gross profitability from 4.9% to 5.6%. A lower level of this segment's revenue in 2021 by 3.4% resulted mainly from a smaller number of tenders in the railway construction segment. We hope that the change in sources of financing railway investments and the tenders announced at the beginning of 2022 will fundamentally change this situation. In 2021, we acquired contracts worth over PLN 7 billion. Our priority is, invariably, to ensure the profitability of the order portfolio. We have next orders of the value exceeding PLN 2 billion waiting for signing. At the end of December 2021, the value of the order portfolio reached PLN 13 billion.

The last year was another period of the FBŚerwis Group's intensive growth. The revenue of FBŚerwis, being the key asset in the service segment, was PLN 780 million and increased in comparison with the previous year by 27.9%. The gross profit was PLN 81 million compared to PLN 74 million in 2020. We are working on increasing the economic potential of the FBŚerwis Group, for example by investing in the expansion of existing waste processing facilities and landfills.

The last twelve months were a period of the Budimex Group's intensive development and preparations for geographic expansion. Within the planned activities on the German, Czech and Slovak markets we established special purpose vehicles. On the German market, we signed the first order. The next milestone will be winning a contract on the Czech and Slovak markets, where our main goal covers road and hydrotechnical projects.

In accordance with the chosen direction of the Budimex Group's development, we have consistently been working on projects of photovoltaic and wind farms, both on land and at sea. We have already finalised the purchase transaction of a company implementing the project of construction of a wind farm with a capacity of up to 7 MW. This is the first very important step for us, which means for Budimex entering the segment of electricity generation from renewable energy sources in high-power projects. The new project in the Budimex portfolio provides for the construction of a wind farm consisting of 2 wind turbines with estimated annual production exceeding 25 GWh.

Our goal in the coming year is to maintain the position of a leader in key segments of the construction market. Looking at the current order portfolio, we expect that the next quarters and, as a consequence, the whole year of 2022 should bring the maintenance

of a high level of sales. Last year, we also completed several difficult contracts, which should allow us to achieve profitability above market indicators.

We plan further investments in renewable energy sources (RES) with simultaneous expansion into selected foreign markets in accordance with development directions adopted by the Budimex Group. A high cash position, including cash from the sales of Budimex Nieruchomości, offers broad investment opportunities that will support entry into new areas.

The Budimex Group also invests in innovative solutions, including green technologies, which are aimed at reduction of carbon footprint. We plan to obtain all energy we use from green sources by 2030. We also analyse investments in young technology companies operating in an environmentally-friendly manner. Within the Budimex Startup Challenge competition, we selected 5 companies and undertook to cooperate with them.

The economic environment of our Group has appreciated these efforts. In 2021, our efforts were acknowledged with numerous awards, including in the Sustainable Economy Diamonds competition in the Sustainable Construction Leader category. Budimex is in the top 20 of the 1000 largest industrial companies in Poland, a ranking by Nowy Przemysł and Wirtualny Nowy Przemysł. We were also ranked among the top 10 Polish strongest image brands in Top Marka 2021 of the Press monthly. For a consecutive year, we were also among the largest CIT payers in Poland. Budimex made its debut in the Łukasiewicz INNOVATOR index, created by listed companies that develop their potential in cooperation with the Polish scientific sector.

I would like to thank our Employees, Investors and Clients for this year. For their commitment and contribution to the Budimex Group's development. I invite you to read our Financial Report for the year 2021.

Artur Popko

President of the Management Board