

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

I am pleased to present the Budimex Group Annual Report for 2023.

In the previous year we continued our strategy of diversifying our services and developing Budimex offer on foreign markets. The measures we undertook are reflected in contractual and financial results.

In the past year, the Budimex Group generated a net profit more than 38 per cent higher than in 2022 – PLN 738 million. This is the result of more effective cost management, a larger portfolio of construction contracts and effective use of synergies of experience and competences within our organisation. First revenues from foreign markets also played a significant part in its achievement. This ensures that we have a strong foundation for further work and a guarantee of utilisation of our capacities in the next two years.

In 2023, we recorded double-digit growth in the Group's sales revenues, both in the construction segment (+13.8%) and in the services one (+13.5%). Sales of the construction segment amounted to PLN 8.9 billion, while recording an increase in both operating profitability (from 6.0 to 8.0%) and gross profitability (from 7.1 to 9.7%). The profitability improvement was made possible, among other things, by a diversified order book and the stabilisation of prices of key construction materials such as steel and asphalt. Profitability at the gross profit level was supported by the positive result achieved on financing activities from interest on bank deposits. We ended the year 2023 with a high net cash position, exceeding PLN 3.8 billion.

The order portfolio of the Budimex Group at the end of last year amounted to PLN 13.1 billion. The value of contracts waiting to be signed, in which we took the first place in tender proceedings, is currently close to PLN 13 billion. More than PLN 7 billion are investments in foreign markets – in the Czech Republic and Latvia. In terms of sales, we have also recorded growth in most areas of construction activity in Poland.

Revenues of the FBSeis Group, which is a key entity within the services segment, amounted to PLN 924.1 million and were 11% higher compared to the previous year.

The return of the Budimex Group to the stock index WIG20 after a 20-year break serves as confirmation of its position on the domestic stock market. Joining this group is not only prestigious, but also presents new challenges and opportunities. We are convinced that our presence in the WIG20 stock index will grant us additional visibility to domestic and foreign investors. It is also a responsibility and obligation for the development of the Polish capital market and economy, of which we are an important part.

#### **New contracts: Czech Republic and Latvia**

In 2023, Budimex acquired contracts worth PLN 8.3 billion. These included investments such as: Zabierzów ring road along the DK 79, railway line 104 Chabówka-Rabka Zaryte, A1 Rusocin-Czerniewice motorway renovation, S8 Wrocław-Kłodzko zad.3 Jordanów Śląski or the contract for comprehensive construction works covering rail and road infrastructure on the Tychy-Most Wisła section.

At the end of the year, in a consortium with Eiffage Genie Civil and Rizzani de Eccher S.p.A., we signed a contract for the implementation of the first stage of works for the construction of the Rail Baltica main railway line in Latvia. The share of Budimex SA in the consortium is more than 30%. The value of the work under the first order is approximately EUR 200 million and the budget of the entire contract is estimated at nearly EUR 3.7 billion. The implementation of the investment, which is strategic for the region and the development of European mobility, will take several years. For Budimex, it is an opportunity to significantly increase its competence in the railway area and develop the potential of the Group's operations in the Central and Eastern European market.

#### **Renewable energy and electromobility**

Last year was exceptional for the Budimex Group in terms of new business branches, namely renewable energy and electromobility. In spring 2023, BXF Energia was established to develop, build and operate RES projects. The company focuses on photovoltaic and wind installations. Currently, it has projects in the early stages of development with a capacity of several hundred MW in its portfolio. At the same time, in September 2023, the first wind farm acquired by Budimex under the ready-to-build formula was put into operation.

In 2026, 100 per cent of the electricity consumed for the Budimex Group's day-to-day needs is to come from renewable energy sources.

The Group is successively building its potential in the area of electromobility. Budimex Mobility is one of the largest players in the area of domestic electric vehicle charging infrastructure. It currently possesses over 160 publicly available chargers, and internal plans call for the installation of 230 chargers by the end of 2024.

#### **ESG – more responsibility**

Budimex Group prepared and announced in 2023 an ESG Strategy for 2023–2026 based on three areas: environment, social responsibility and corporate governance. Each of them has been carefully analysed and translated into specific actions based, among other things, on the Sustainable Development Goals set out in the UN Agenda 2030.

We want to achieve climate neutrality by 2050. On the track to zero-carbon, we plan to further invest in the development of renewable energy, reduction of CO<sub>2</sub> emissions and successive implementation of closed-loop economy principles throughout the construction process.

From 2024, the company will recycle around 70 per cent of soil and land and non-hazardous waste. It will also be one of the first in Poland to measure its water footprint.

## Trust and community involvement

In 2023, we continued to implement our flagship social programmes, including Hello ICE – our road safety campaign, and the Parent Zone – an initiative to support children's wards in hospitals across Poland. The last one was established in Elk in June last year. As part of Hello ICE, a total of more than 20,000 children from school establishments participated in meetings with our educators, police and fire brigade representatives in 2023. At Budimex, we also launched the third edition of the Dom z Serca (Home from the Heart) campaign. We also continued to run the apprenticeship programme for students of construction technicians. We have established cooperation with more than 40 technical schools and universities in this regard.

Budimex Group's realisations in 2023 have been recognised and awarded by the industry. Planetarium in Chorzów was awarded the title of Modernisation of the Year 2023 in the 27th edition of the "Modernisation of the Year & Construction of the 21st Century competition". The contract, which is being carried out by Budimex between 2019 and 2022, was rated highest by the jury in the category of public buildings. More than 500 investments were submitted for the competition, from which the best 20 were selected. In this year's edition of the "Construction of the Year" competition, organised by the Polish Association of Construction Engineers and Technicians, 'the "Construction Oscars" were awarded to the construction of Trasa Łagiewnicka in Krakow and the modernisation of the Institute of Thermal Engineering at the Warsaw University of Technology. In both cases Budimex was entrusted with the role of general contractor of the investments.

Our company was also ranked among the top ten construction companies in the Financial Times – Diversity Leaders 2024 ranking, scoring 71.6 out of a possible 100 points ahead of many leading international players. The recognition is the result of a consistent policy of supporting diversity and our efforts to promote the professional development of women.

I would like to express my gratitude to our investors and clients for the year we have had together and the trust placed in us. A huge thank you to all our Employees. I am full of appreciation for Your daily commitment and contribution to the development of the Budimex Group.

I am proud to emphasise that our team already consists of 7,300 people. I am part of a vast network connecting business and social partners to whom we feel a deep responsibility. All this motivates us to continuously develop, improve our performance and carry out investments and projects that improve people's quality of life.

Feel free to read on.

Yours faithfully,

Artur Popko  
Chief Executive Officer  
Budimex SA