

KOLEJ
DROGI
OBIEKTY  TRAKCJA

1-3Q 2022 results | TRAKCJA GROUP



GENERAL INFORMATION

70 years

of experience in
innovativeness



WHO WE ARE:

Trakcja Group comprises of entities specialized in key sectors of **infrastructure and general construction** in Poland.

We operate in the Baltic Sea area, mainly in **Poland and Lithuania**, but also in Latvia, Germany and Sweden, as well as Belarus and Ukraine.

We deliver contracts in scope of construction of **railway, tram and trolleybus lines**. We specialize in the construction of **roads, bridges, engineering and cubature facilities**, as well as in the field of **environmental engineering**.

We are also active in the **energy industry** as a contractor of cable and overhead power lines and a producer of equipment for the railway and trams power supply systems.

We also provide **design services**.

TRAKCJA GROUP ACTS AS A GENERAL CONTRACTOR IN THE AREA OF RAILWAY AND ROAD CONSTRUCTION



RAILWAY CONSTRUCTION



TRACK WORKS

complex construction and modernization of railway lines: earthworks, drainage works, track bed and surface works, both in traditional and ballastless technology



OVERHEAD LINE WORKS

installation of foundations, poles, installation of the overhead line, disconnectors, renovation and repairs of the existing overhead line, installation of the overhead line of a special design, e.g. in tunnels



SPECIALISTIC SERVICES

- own railway vehicle service center
- our services include P3 level inspections of wagons, locomotives, track machines and special vehicles



ROAD CONSTRUCTION



- construction of express roads, highways and local roads: laying road pavement, construction of engineering facilities, drainage, lighting, sewage systems and infrastructure for pedestrians and cyclists
- production of bituminous masses for own contracts and external customers needs



ENGINEERING FACILITIES



BRIDGES, OVERPASSES, TUNNELS

construction of engineering facilities such as overpasses, railway and road bridges, culverts, tunnels, overground and underground pedestrian crossings



ENERGY CONSTRUCTION



- construction of traction substations for the purposes of supplying railway, tram and trolleybus lines, also as sectional cabins
- installation of lighting, fire protection, lightning protection, railway traffic control and passenger infrastructure, as well as other safety systems for large-volume facilities
- construction of renewable energy sources (RES) installations and energy storage



CUBATURE CONSTRUCTION



- construction of buildings of public utility and objects related to the operation of rail vehicles, e.g. train washes and service halls connected with administrative areas
- real estate activity - incl. detached houses, apartment blocks and housing estates



OTHER ACTIVITIES



INDUSTRIAL PRODUCTION

- production of medium and low voltage switchgears in the field of direct and alternating current
- production of supporting structures for the railway overhead line



ENVIRONMENTAL ENGINEERING

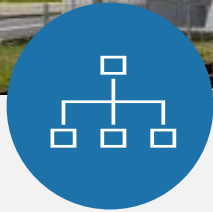
construction of modern water supply networks and collectors, sanitary sewage system, sewage treatment plants and pumping stations as well as reinforced concrete tanks, facilities related to waste management and environmental protection; construction of water supply connections



DESIGN SERVICES

program/spatial concepts, feasibility studies, construction designs, detailed designs, cost estimates and other types of tender and construction documentation

full offer in terms of
infrastructure construction



COMPANIES COMPETENCIES



Trakcja

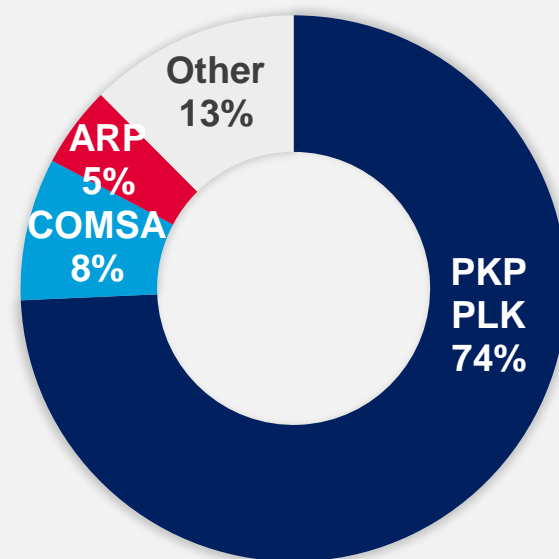
Railway, road, engineering,
energy, cubature
construction, design



Shareholders structure of TRAKCJA S.A.

Shareholders with over 5% of share capital as of 30.09.2022

| Shareholder | No. of shares |
|---------------------------|--------------------|
| PKP PLK S.A. | 250 000 000 |
| COMSA S.A. | 28 399 145 |
| Agencja Rozwoju Przemysłu | 16 117 647 |
| Other shareholders | 41 934 184 |
| Total | 336 450 976 |



Shareholders with over 5% of share capital as of 24.11.2022

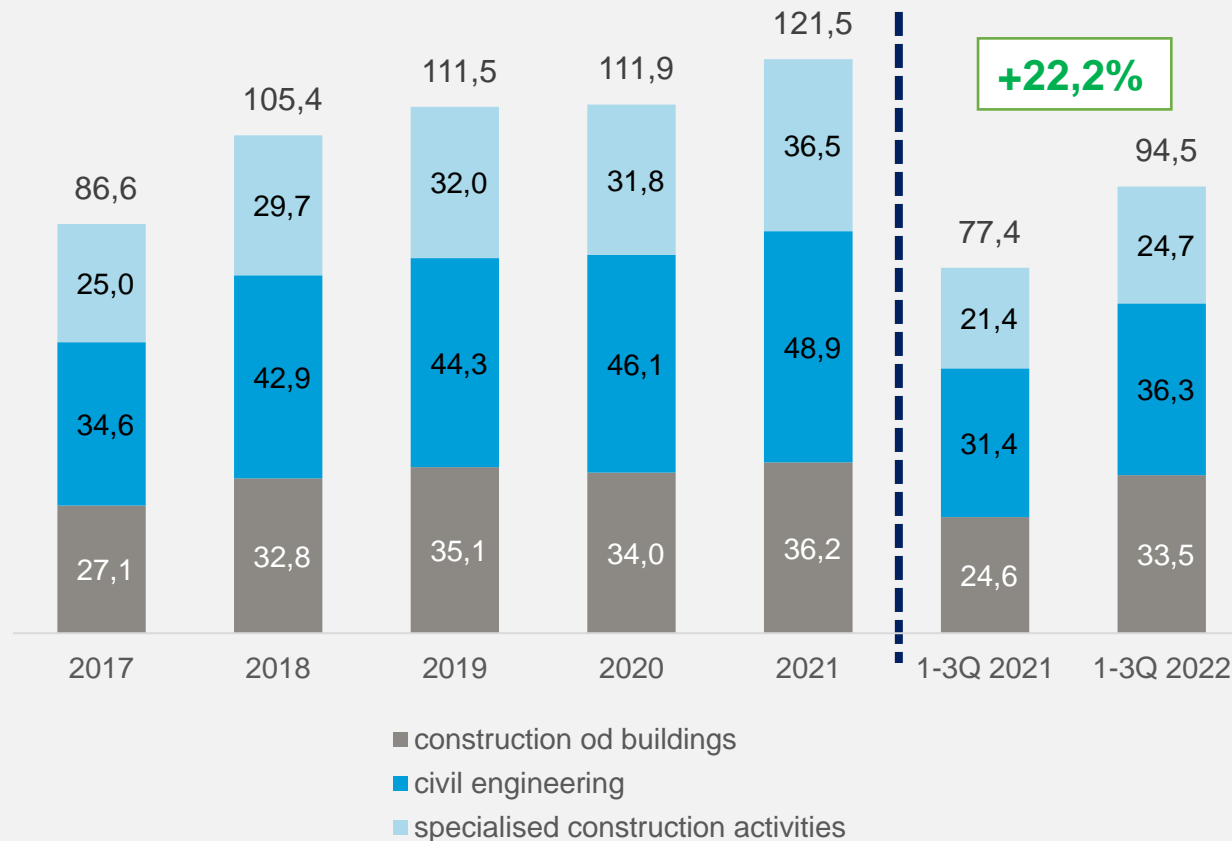
| Shareholder | No. of shares | % share in the share capital |
|---------------------------|--------------------|------------------------------|
| PKP PLK S.A. | 250 000 000 | 74,31% |
| Agencja Rozwoju Przemysłu | 54 132 851 | 16,09% |
| Other shareholders | 32 318 125 | 9,60% |
| Total | 336 450 976 | 100% |



MARKET INFORMATION

Sales value of construction and assembly production by PKD divisions (current prices)

bn PLN

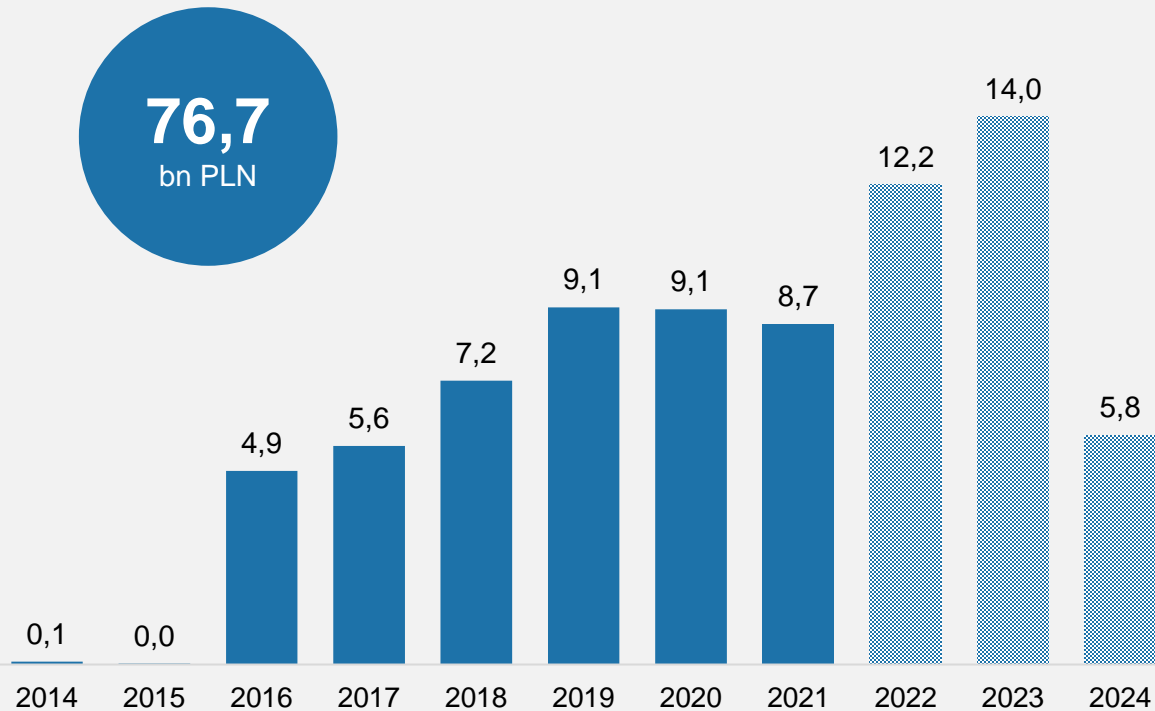


The domestic construction and assembly production market after three quarters of 2022 was 22,2% higher than in the corresponding period of 2021.

The increase was recorded in all sectors, with the largest increase in works related to the construction of buildings (+8,9 bn PLN, ie 36%).

Actual and planned expenditures for the National Railway Programme

(bn PLN)



source: KPK Programme update from June 30, 2022

The National Railway Program (KPK)

In accordance with the latest update of the National Railway Program of June 30, 2022, the schedule of spending funds under the KPK was **extended to 2024**, due to the planned extension of the eligibility period for projects covered by the CEF instrument. In addition, the KPK was supplemented with a list of projects covered by the National Reconstruction Plan (KPO), from which the disbursement of funds is to end in 2026. The value of outlays for projects under the KPO is PLN 11.2 billion.

Other Railway Development Programs:

1. Aid in financing the costs of managing railway infrastructure, including maintenance and repairs until 2023 - **23.8 bn PLN**
2. Railway Stations Investments Program for 2016 - 2023 - **1.8 bn PLN**
3. Program for Supplementing the Local and Regional Railway Infrastructure „Railway +” until 2028 - **13 bn PLN**
4. The government program for the construction or modernization of railway stops for the years 2021–2025 - **1 bn PLN**

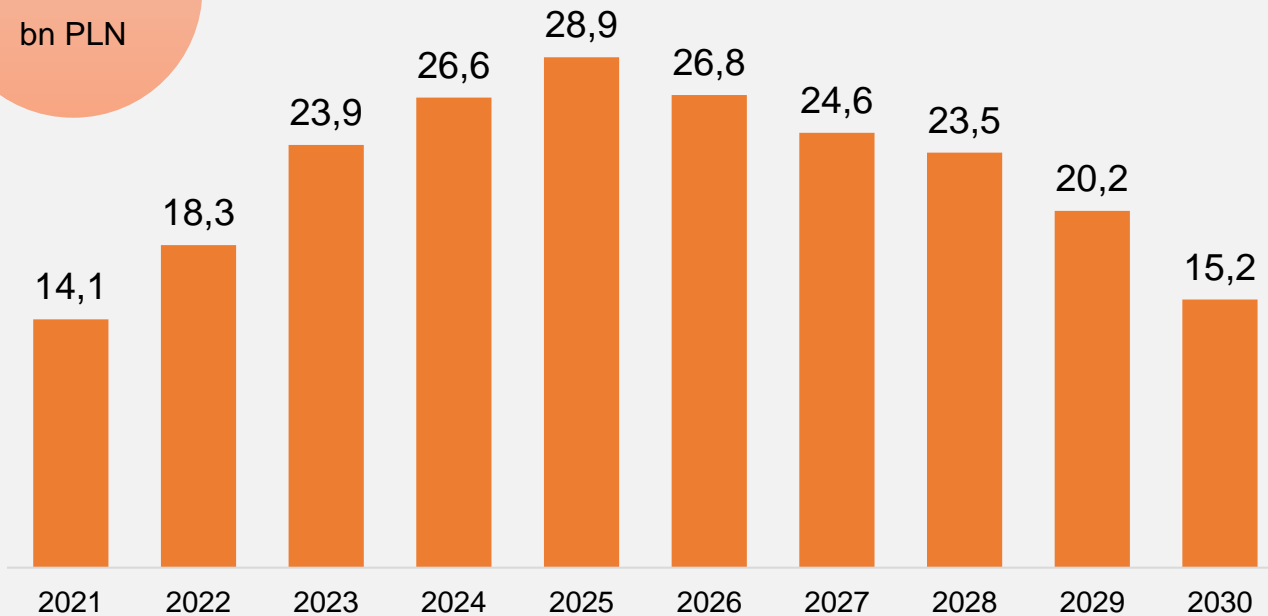
The railway component within the CPK project

– it assumes the **construction of 1,800 km of new lines by 2034**. The cost of the railway component is estimated at **8-9 bn PLN**. The first construction works are to start in 2023.

source: gov.pl, CPK.pl

Planned expenditures for national roads in the period 2021-2030 and after 2030

292
bn PLN



+ 69,7 bn PLN

after 2030

source: RPBDK

On August 9, 2021, the government announced the project of the "**Government Program for the Construction of National Roads until 2030 (with a perspective until 2033)**".

It is a continuation of the National Road Construction Program for 2014-2023 (with a perspective until 2025) from September 8, 2015.

The approximate total value of the program amounts to **292 bn PLN**. Currently the project is under public consultations.



FINANCIAL DATA

SUMMARY OF 1-3Q 2022



Contracts signed in 1-3Q
2022

726
mPLN

Order backlog as of
30.09.2022

2 356
mPLN

Consolidated sales revenues

971
mPLN

Consolidated gross
profit (loss) on sales

-176
mPLN

Consolidated EBITDA

-203
mPLN

Consolidated net
profit (loss)

-289
mPLN

Consolidated Profit & Loss for the 1-3Q 2022

(mPLN)

| | 01.01.2022 - 30.09.2022 | 01.01.2021 - 30.09.2021 |
|-------------------------------------|----------------------------|----------------------------|
| Sales revenues | 971 | 968 |
| Gross profit (loss) on sales | -176 | 29 |
| <i>Gross profit margin on sales</i> | <i>-18,1%</i> | <i>3,0%</i> |
| SG&A | -51 | -48 |
| Other operating activity (balance) | -4 | 4 |
| Goodwill impairment | -62 | 0 |
| Operating profit (loss) | -294 | -15 |
| <i>Operating profit margin</i> | <i>-30,2%</i> | <i>-1,5%</i> |
| Financial activity (balance) | -28 | -15 |
| Gross profit (loss) | -321 | -30 |
| Net profit (loss) | -289 | -30 |
| <i>Net profit margin</i> | <i>-29,8%</i> | <i>-3,1%</i> |
| EBITDA | -203 | 13 |
| <i>EBITDA margin</i> | <i>-20,9%</i> | <i>1,4%</i> |

In the 3 quarters of 2022, the Trakcja Group generated sales revenues of 971 mPLN, which increased by 3 mPLM compared to the corresponding period of 2021. The Group ended the third quarter of 2022 with a gross loss on sales in the amount of 176 mPLN, which is a decrease of 205 mPLN compared to the period ended September 30, 2021.

The gross profit margin on sales for 3 quarters of 2022 decreased by 21.1 pp. and was -18.1%.

The Group ended the 3 quarters of 2022 with an operating loss in the amount of 294 mPLN, which is an increase in loss by 279 mPLN compared to the 3 quarters of 2021. The increase in the loss was influenced, among others, by recognition of an impairment loss on "Goodwill" in the consolidated balance sheet of the Trakcja Group in the amount of 62 mPLN.

In the nine-month period of 2022, the Group recorded a net loss of 289 mPLN, which is a decrease of 259 mPLN compared to the period ended September 30, 2021.

EBITDA for 3 quarters of 2022 amounted to -203 mPLN and was 216 mPLN lower than in the corresponding period of 2021. The EBITDA margin decreased by 22.2 pp, reaching -20.9%.

Consolidated Balance Sheet as of 30.09.2022 (mPLN)

| ASSETS | 30.09.2022 | 31.12.2021 | EQUITY AND LIABILITIES | 30.09.2022 | 31.12.2021 |
|---------------------------------------|--------------|--------------|--|--------------|--------------|
| Non-current assets | 527 | 561 | Equity | 241 | 320 |
| Tangible non-current assets | 260 | 266 | Long-term liabilities | 242 | 356 |
| Intangible assets | 4 | 4 | Loans and borrowings | 187 | 302 |
| Goodwill | 125 | 182 | Bonds | 29 | 28 |
| Investment properties | 35 | 35 | Other | 26 | 26 |
| Other | 102 | 74 | Short-term liabilities | 875 | 702 |
| Current assets | 831 | 818 | Loans and borrowings | 162 | 92 |
| Inventory | 137 | 107 | Provisions | 124 | 37 |
| Trade and other receivables | 348 | 331 | Trade and other liabilities | 379 | 370 |
| Assets under contracts with customers | 188 | 197 | Liabilities under contracts with customers | 190 | 181 |
| Cash | 133 | 127 | Other | 19 | 21 |
| Other | 25 | 55 | | | |
| Total Assets | 1 357 | 1 379 | Total Equity & Liabilities | 1 357 | 1 379 |

As of September 30, 2022, the balance sheet total of the Trakcja Group reached 1,357 mPLN and decreased by 21 mPLN, i.e. 1.5% compared to the end of 2021.

Fixed assets as of September 30, 2022 amounted to 527 mPLN and decreased by 34 mPLN. Current assets as of September 30, 2022 amounted to 831 mPLN and increased by 13 mPLN compared to the end of 2021.

At the end of the third quarter of 2022, the value of total equity decreased by 79 mPLN compared to the level on December 31, 2021 and reached the level of 241 mPLN.

Long-term liabilities as of September 30, 2022 amounted to 242 mPLN, which means a decrease by 32,1%. Short-term liabilities as of September 30, 2022 amounted to 875 mPLN and decreased by 173 mPLN compared to the end of the previous year.

Stand-alone Profit & Loss for the 1-3Q 2022

(mPLN)

| | 01.01.2022 - 30.09.2022 | 01.01.2021 - 30.09.2021 |
|-------------------------------------|----------------------------|----------------------------|
| Sales revenues | 494 | 543 |
| Gross profit (loss) on sales | -153 | 7 |
| <i>Gross profit margin on sales</i> | <i>-30,9%</i> | <i>1,4%</i> |
| SG&A | -26 | -24 |
| Other operating activity (balance) | -7 | 1 |
| Operating profit (loss) | -185 | -15 |
| <i>Operating profit margin</i> | <i>-37,4%</i> | <i>-2,8%</i> |
| Financial activity (balance) | -117 | -12 |
| Gross profit (loss) | -302 | -27 |
| Net profit (loss) | -276 | -28 |
| <i>Net profit margin</i> | <i>-55,9%</i> | <i>-5,1%</i> |
| EBITDA | -169 | 0 |
| <i>EBITDA margin</i> | <i>-34,3%</i> | <i>-0,1%</i> |

In the 3 quarters of 2022, Trakcja S.A. achieved sales revenues in the amount of 494 mPLN, which is a decrease by 49mPLN i.e. 10% compared to the corresponding period of 2021.

The gross profit margin on sales for the nine-month period of 2022 was -30.9% and decreased by 32.3 pp. compared to the margin for the 3 quarters of 2021.

In the nine-month period of 2022, the Company generated an operating loss of 185 mPLN, with a 15 mPLN operating loss for the nine-month period of 2021.

The balance of the Company's financial activities in the period from January to September 2022 was negative and amounted to -117 mPLN, which was largely due to the write-off on investments in subsidiaries in the amount of 94 mPLN and the write-off of a loan granted to a subsidiary in the amount of 5.6 mPLN.

The company ended the 3 quarters of 2022 with a net loss of 276 mPLN, which means a decrease by 248 mPLN compared to the result achieved in the 3 quarters of 2021.

EBITDA in the nine-month period of 2022 amounted to -169 mPLN and was 169 mPLN lower than in the corresponding period of 2021. The EBITDA margin decreased by 34.2 pp, reaching the level of -34.3%.

Stand-alone Balance Sheet as of 30.09.2022 (mPLN)

| ASSETS | 30.09.2022 | 31.12.2021 | EQUITY AND LIABILITIES | 30.09.2022 | 31.12.2021 |
|---------------------------------------|--------------|--------------|--|--------------|--------------|
| Non-current assets | 498 | 586 | Equity | 207 | 284 |
| Tangible non-current assets | 131 | 144 | Long-term liabilities | 226 | 335 |
| Intangible assets | 52 | 51 | Loans and borrowings | 192 | 304 |
| Investments in subsidiaries | 195 | 289 | Bonds | 29 | 28 |
| Investment properties | 25 | 25 | Other | 5 | 3 |
| Other | 95 | 77 | Short-term liabilities | 583 | 435 |
| Current assets | 517 | 467 | Loans and borrowings | 125 | 78 |
| Inventory | 68 | 52 | Provisions | 100 | 24 |
| Trade and other receivables | 195 | 231 | Trade and other liabilities | 234 | 245 |
| Assets under contracts with customers | 120 | 153 | Liabilities under contracts with customers | 115 | 77 |
| Cash | 117 | 17 | Other | 9 | 11 |
| Other | 17 | 15 | | | |
| Total Assets | 1 015 | 1 054 | Total Equity & Liabilities | 1 015 | 1 054 |

The balance sheet total as of September 30, 2022 amounted to 1 015 mPLN and was lower by 38 mPLN than at the end of 2021.

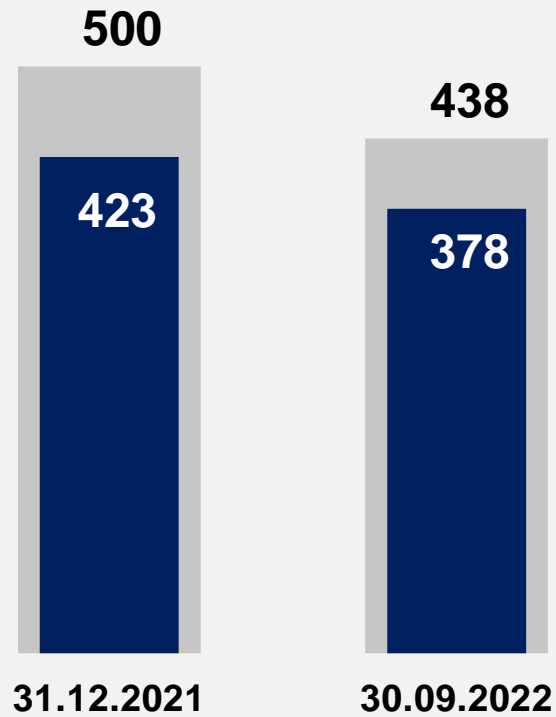
The value of non-current assets as of September 30, 2022 was 498 mPLN and decreased by 15% compared to December 31, 2021. Current assets at the end of September 2022 amounted to 517 mPLN compared to 467 mPLN as of December 31, 2021.

The Equity as of September 30, 2022 amounted to 207 mPLN and decreased by 77 mPLN compared to December 31, 2021.

Long-term liabilities at the end of third quarter of 2022 amounted to 226 mPLN and decreased by 33% compared to the value as of December 31, 2021. Short-term liabilities amounted to 582 mPLN and increased by 148 mPLN, compared to the end of the previous year.

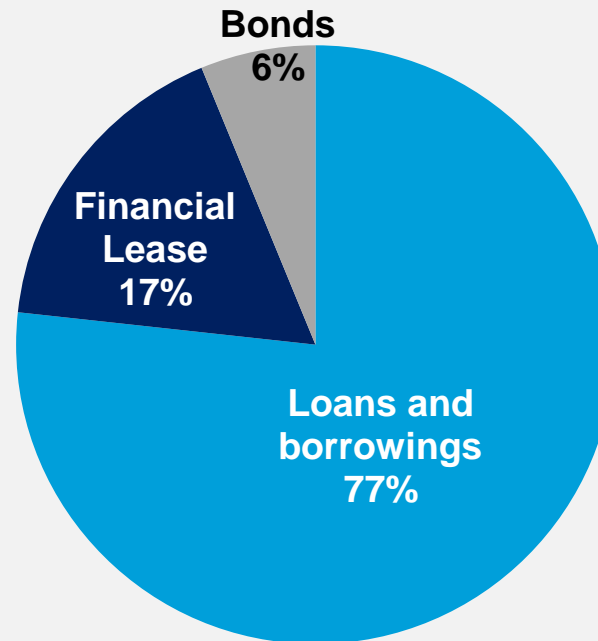
mPLN

Available financing

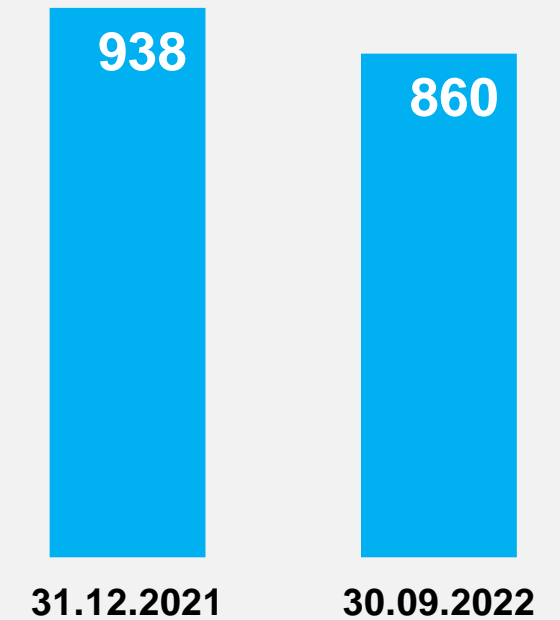


■ Available financing ■ Debt

Financing sources in Trakcja Group as of 30.09.2022



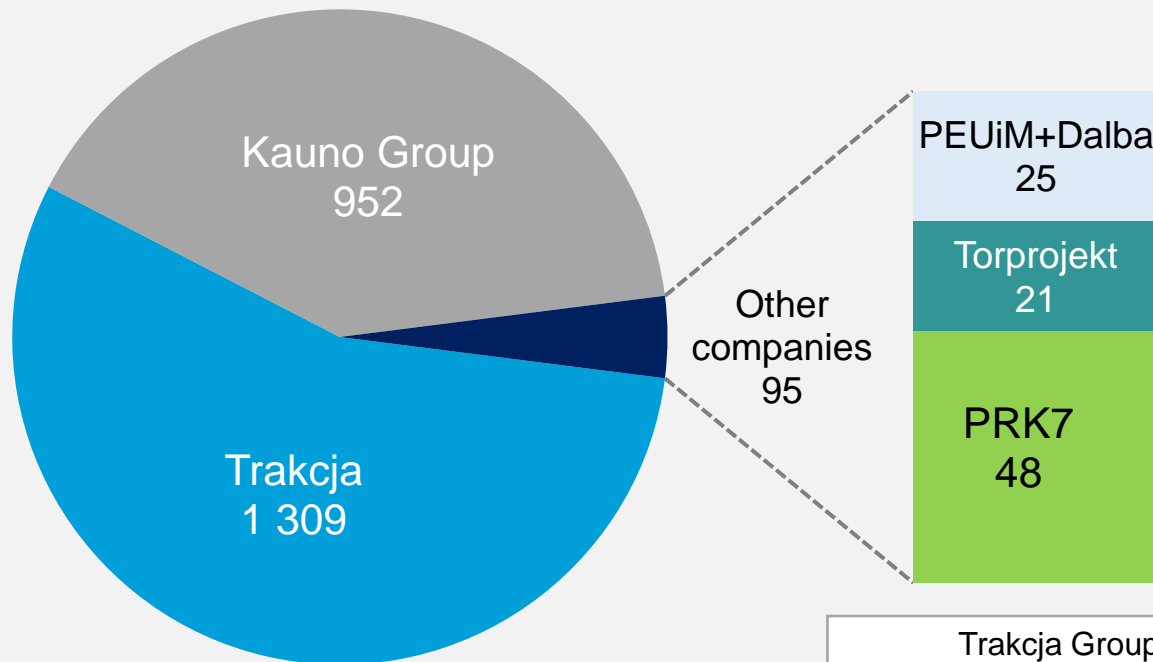
Use of guarantee lines



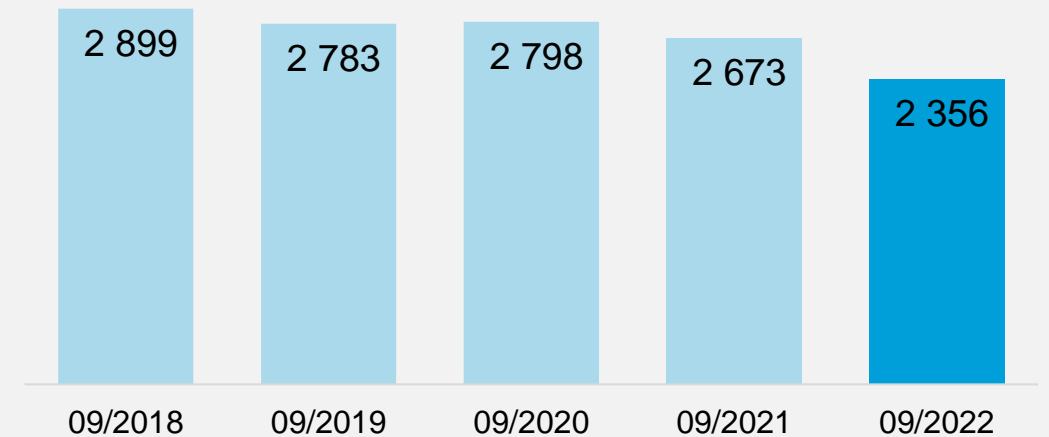


PROJECTS

Order backlog of Trakcja Group as of 30.09.2022



Trakcja Group Order Backlog as of 30th September in 2018-2022 (mPLN)

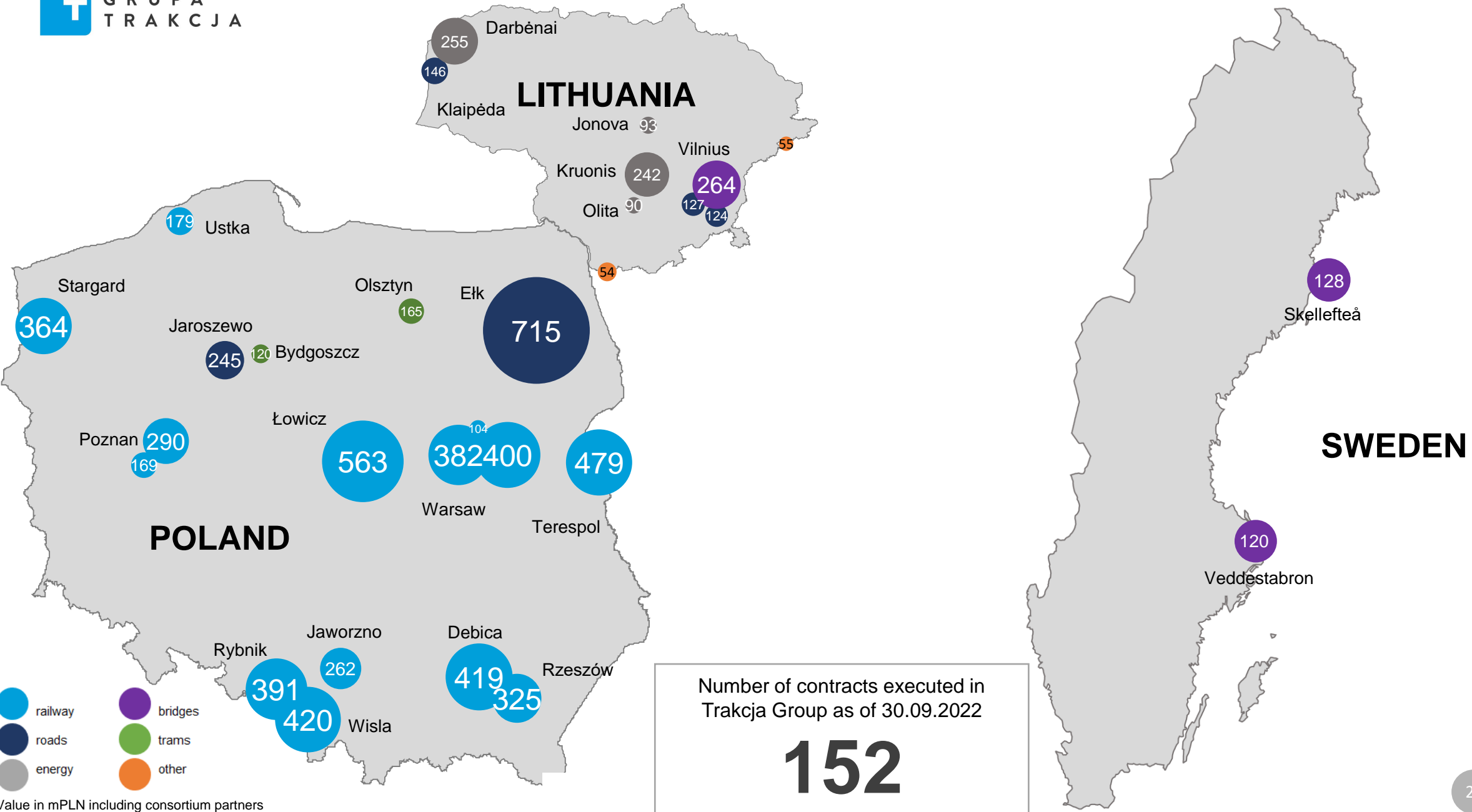


Trakcja Group Order Backlog
as of 30.09.2022

2 356 mPLN

excluding consortium partners

Key contracts executed in Trakcja Group as of 30.09.2022

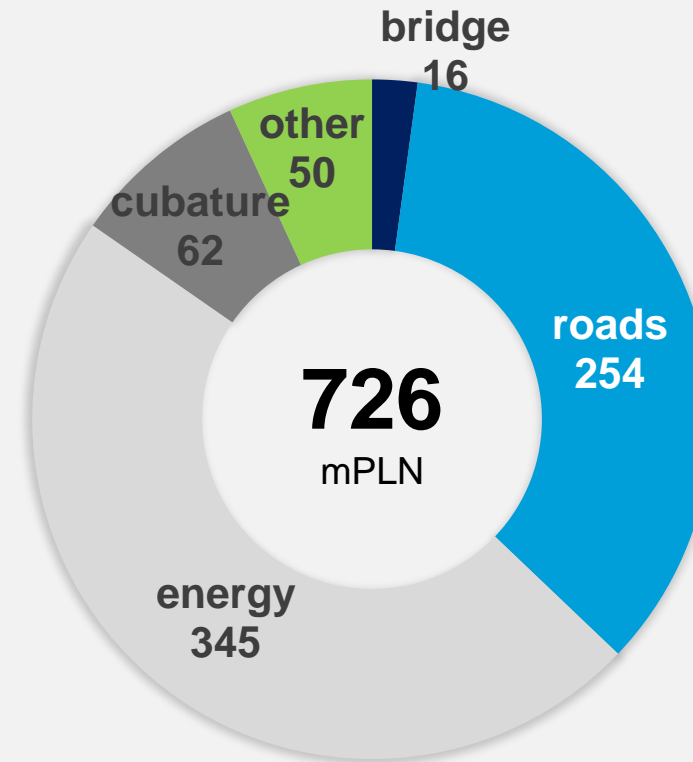
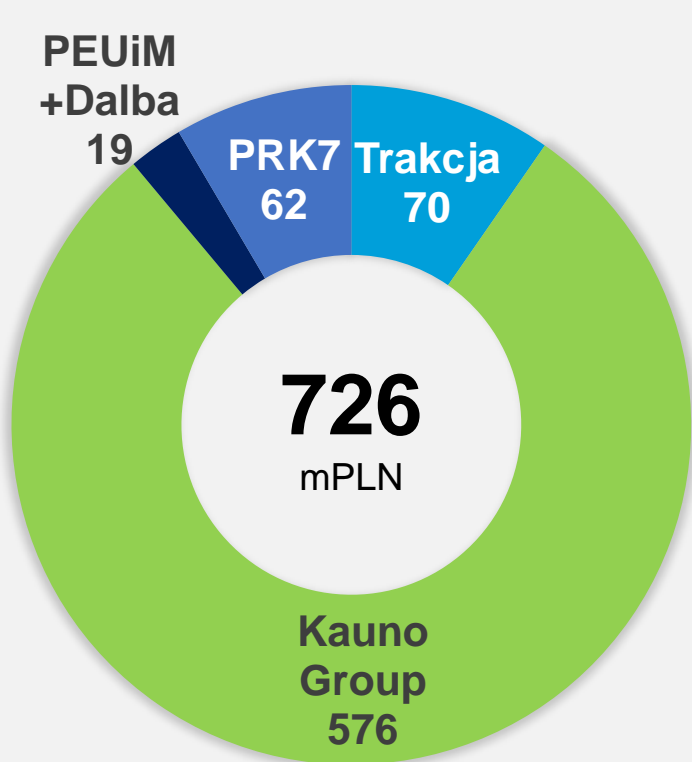


Number of contracts executed in Trakcja Group as of 30.09.2022

152

Value in mPLN including consortium partners

Value of contracts signed in Trakcja Group in 1-3Q 2022 (mPLN)





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