

WE TURN
VISION
INTO
REALITY

1H 2021 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

Trakcja Group acts as a general contractor in the area of railway and road construction



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

8 COMPANIES

full offer in terms of
infrastructure construction



COMPANIES COMPETENCIES



railways



trams



roads



photovoltaics



production



environmental
engineering



energy



cubature



bridges



rental of personnel



design

Trakcja

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

AB Kauno Tiltai (98,09%)

Construction of roads, bridges, railway, energy construction

..... Filie

BTW sp. z o.o. (100%)

Tracks, welding works, equipment services

PEUIM sp. z o.o. (99,7%)

Construction of roads and bridges

TORPROJEKT sp. z o.o. (82,35 %)

Design activity

PRK 7 Nieruchomości sp. z o.o. (100%)

Real-estate development activity

Dalba sp. z o.o. (100%)

Environmental engineering

PDM S.A. (94,62%)

Rental of personnel and equipment

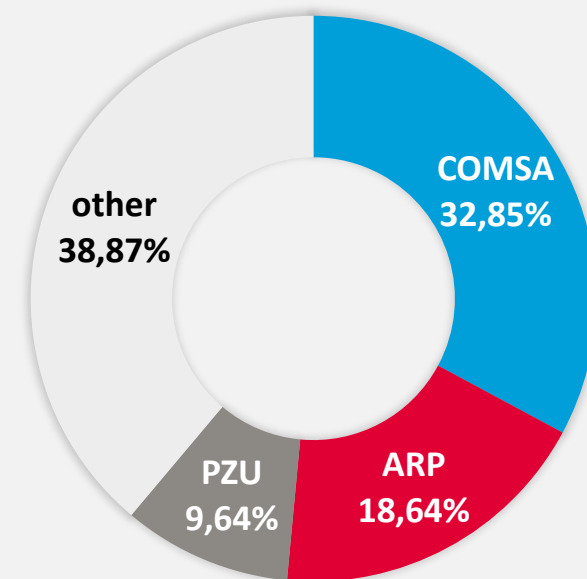
..... Trakcja Ukraina (100%)

Road construction

Shareholders structure of TRAKCJA S.A.

Shareholders with over 5% of share capital

Shareholder	Number of shares
COMSA S.A.	28 399 145
Agencja Rozwoju Przemysłu*	16 117 647
OFE PZU "Złota Jesień"***	8 332 694
Other shareholders	33 601 490
Total	86 450 976



* Under an agreement concluded between Agencja Rozwoju Przemysłu (ARP) and PKP Polskie Linie Kolejowe S.A. (PKP PLK), ARP, in a way agreed with PKP PLK, executes voting right from the shares held in the share capital of Trakcja S.A. (in accordance with the information released by Trakcja S.A. in the Current Report 12/21 from May 24, 2021).

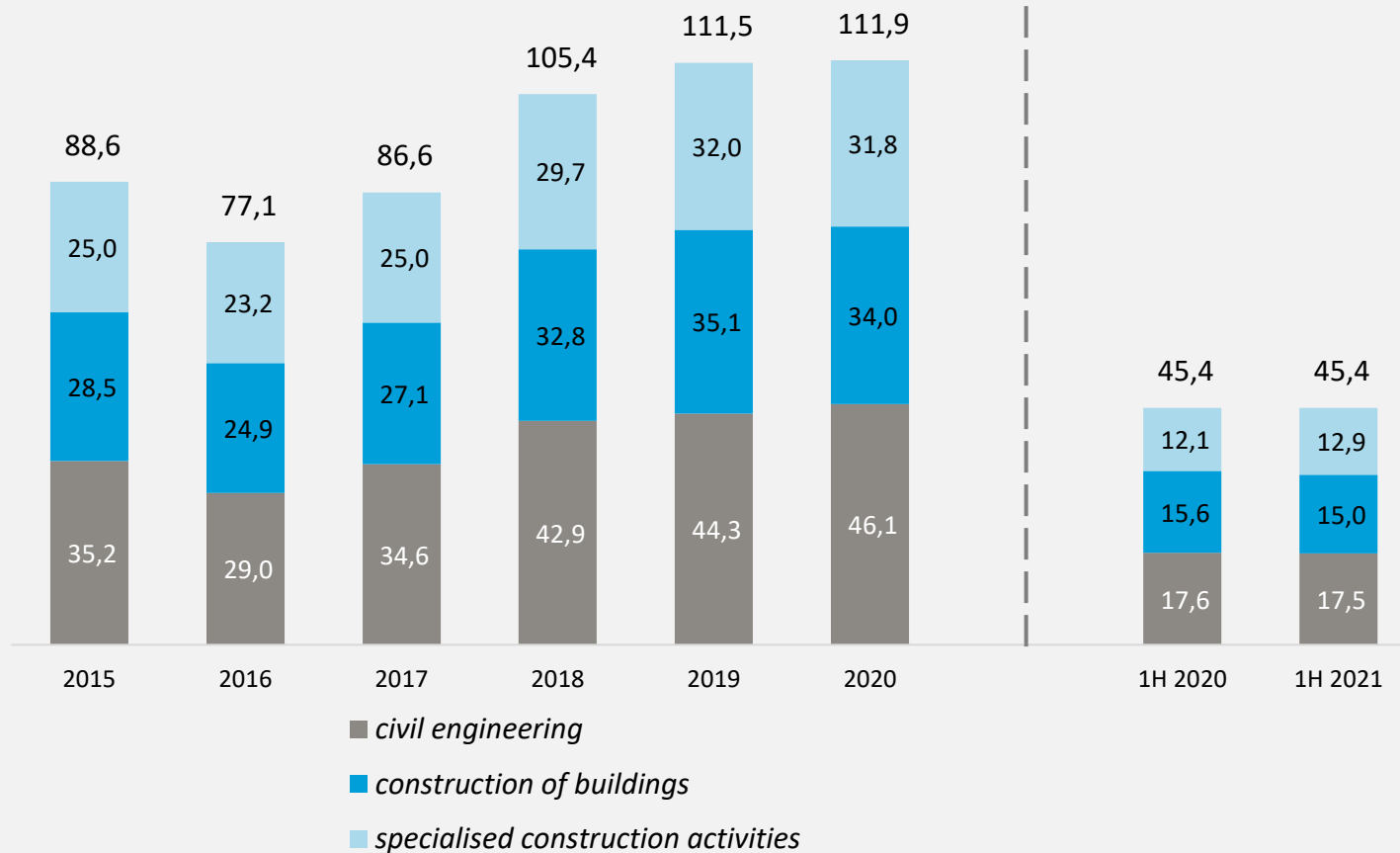
** Represented by Powszechne Towarzystwo Emerytalne PZU S.A.



MARKET INFORMATION

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

bn PLN

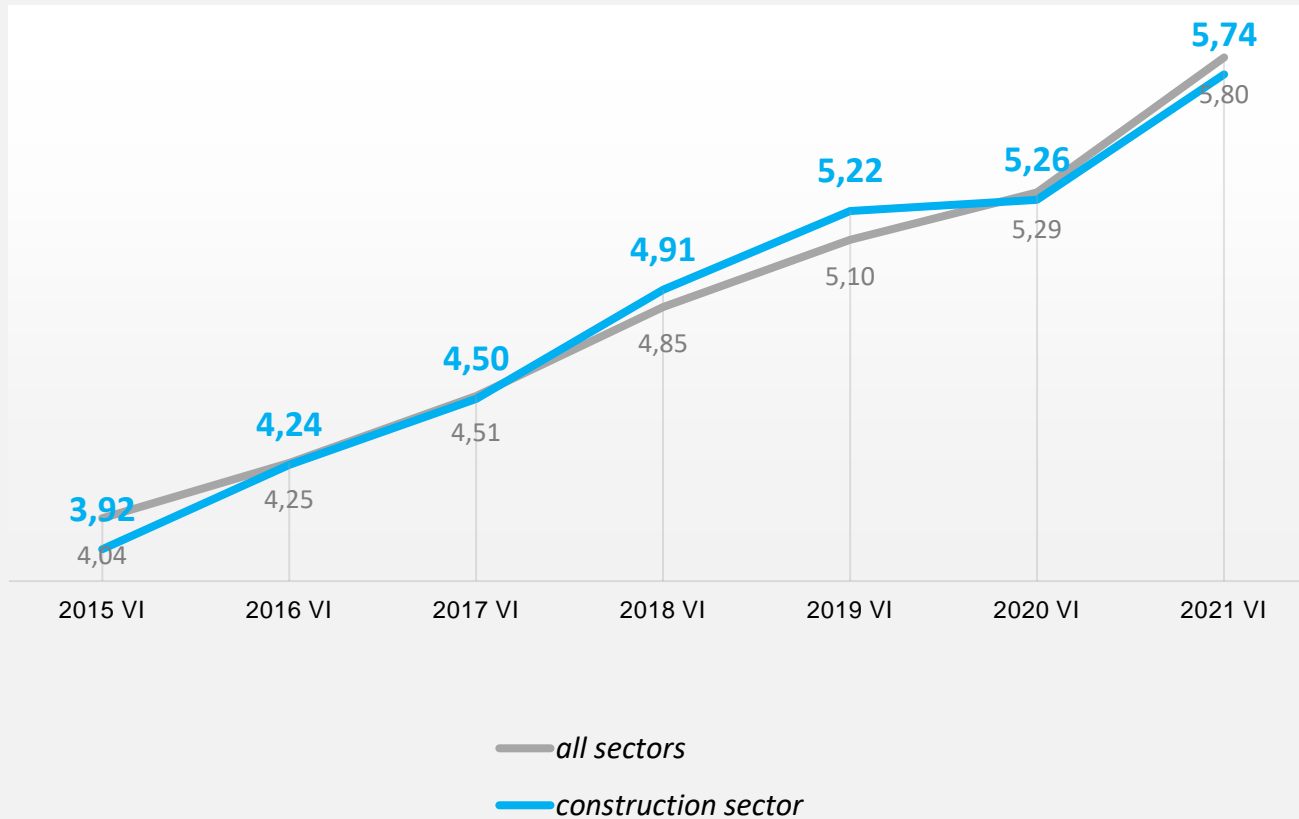


The domestic market of construction and assembly production in the first half of 2021 was the same level as in the corresponding period of 2020. Despite the Covid-19 pandemic, the value of sales on the construction market at the end of 2020 reached a similar level as in 2019.

source: Central statistics office

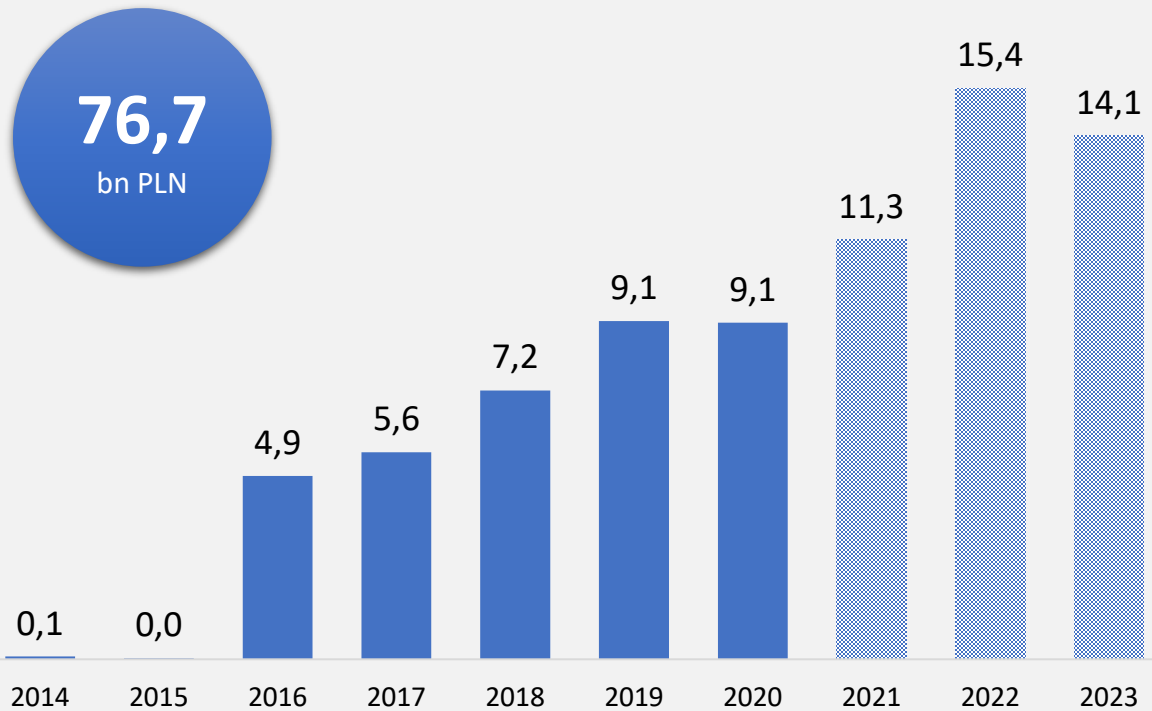
WAGES IN CONSTRUCTION SECTOR

Average monthly gross wages and salaries kPLN



Wages and salaries in the construction industry have been systematically growing YoY in recent years. In mid-2020, the trend was temporarily suspended due to the outbreak of the Covid-19 pandemic. At the end of the 1H of 2021, the increase in the average monthly gross salary returned to the growth path resulting from the pre-pandemic trend.

Actual and planned expenditures for the National Railway Programme (bn PLN)



source: report on the implementation of the NRP for 2020, July 20, 2021.

*The National Railway Program until 2023 (KPK) is a long-term government program implementing national development strategies for the construction and modernization of railway infrastructure. According to the last update from July 2021, the planned **expenditure for the years 2021-2023** will amount to 40,7 bnPLN.*

Other Railway Development Programs:

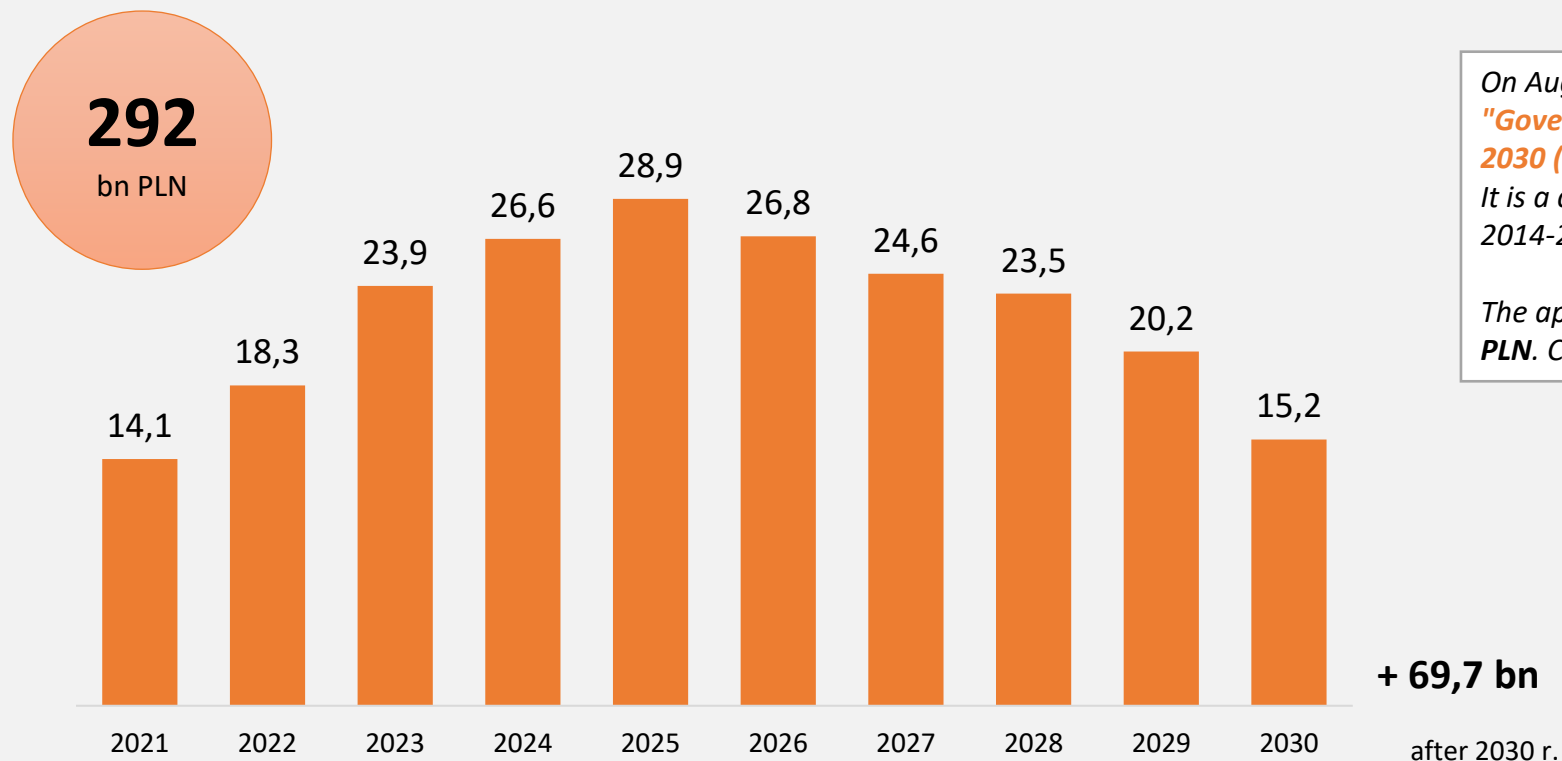
1. Aid in financing the costs of managing railway infrastructure, including maintenance and repairs until 2023 - **23.8 bnPLN**
2. Railway Stations Investments Program for 2016 - 2023 - **1.6 bnPLN**
3. Program for Supplementing the Local and Regional Railway Infrastructure ,Railway +' until 2028 - **6.6 bnPLN**
4. The government program for the construction or modernization of railway stops for the years 2021–2025 - **1 bnPLN**

*The railway component within the CPK project – it assumes the **construction of 1,800 km of new lines by 2034**. As part of the project, 12 new railway routes will be built, including 10 so-called „spokes" leading to the new ,Solidarity Airport' and Warsaw. 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

(bn PLN)



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 billion PLN**. Currently the project is under public consultations.

source: RPBDK



FINANCIAL DATA

SUMMARY OF

I HALF OF 2021



Contracts signed in 1H 2021

412
mIn PLN

Order backlog as of
30.06.2021

2 527
mIn PLN

Consolidated sales revenues

534
mIn PLN

Consolidated gross
profit (loss) on sales

-9
mIn PLN

Consolidated EBITDA

-16
mIn PLN

Consolidated net
profit (loss)

-38
mIn PLN

Consolidated Profit & Loss for the 1st half of 2021

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020 <i>Modified*</i>
Sales revenues	534	558
Gross profit (loss) on sales	-9	1
<i>Gross profit margin on sales</i>	<i>-1,6%</i>	<i>0,1%</i>
SG&A	-31	-32
Other operating activity (balance)	5	1
Operating profit (loss)	-35	-30
<i>Operating profit margin</i>	<i>-6,5%</i>	<i>-5,4%</i>
Financial activity (balance)	-7	-14
Gross profit (loss)	-42	-44
Net profit (loss)	-38	-38
<i>Net profit margin</i>	<i>-7,1%</i>	<i>-6,8%</i>
EBITDA	-16	-11
<i>EBITDA margin</i>	<i>-2,9%</i>	<i>-2,0%</i>

In H1 2021, the Trakcja Group's sales revenues were at PLN 534 million and decreased by 4% as compared to the corresponding period of the preceding year. The Group's gross profit on sales for H1 2021 was at PLN 8,6 million and was lower by PLN 9,5 million in comparison to H1 2020. In the analysed period, the gross profit margin on sales was -1,6% and by 1,7 p.p. lower than in the corresponding period of 2020.

The Group ended H1 2021 with a loss on operations amounting to PLN 34,5 million, which means an increase of the loss on operations by PLN 4,5 million in comparison to the comparable period of the preceding year.

The Group ended H1 2021 with a net loss of PLN 37,6 million, in the corresponding period of the preceding year, the Group incurred a net loss of PLN 38,2 million. EBITDA for H1 2021 was at PLN -15,6 million, which means decrease by PLN 4,5 million in comparison to H1 2020. In H1 2021, the EBITDA margin reached -2,9%, meaning a drop by 0,9 p.p in comparison to H1 2020.

* The restatement in 1H 2020 relates to the reclassification of costs between costs of sale, marketing and distribution as well as general management and administrative costs on one hand and own cost of sales on the other hand.

Consolidated Balance Sheet as of 30.06.2021

ASSETS	30.06.2021	31.12.2020	EQUITY AND LIABILITIES	30.06.2021	31.12.2020
Non-current assets	567	581	Equity	289	337
Tangible non-current assets	276	285	Long-term liabilities	397	341
Intangible assets	53	52	Loans and borrowings	341	281
Goodwill	131	139	Bonds	28	28
Investment properties	27	27	Other	28	32
Other	80	79	Short-term liabilities	737	800
Current assets	857	896	Loans and borrowings	81	86
Inventory	112	113	Provisions	55	54
Trade receivables	401	420	Trade liabilities	405	437
Assets under contracts with customers	240	203	Liabilities under contracts with customers	167	201
Cash	75	136	Other	29	23
Other	28	24			
Total Assets	1 423	1 478	Total Equity & Liabilities	1 423	1 478

As at June 30, 2021, the balance sheet total of Trakcja Group was at PLN 1 423 million and decreased by PLN 54,5 million i.e. 4% in comparison with its balance as at the end of 2020.

As at June 30, 2021, non-current assets were at PLN 566,6 million and decreased by PLN 14,7 million. Current assets were at PLN 856,6 million and decreased by PLN 39,8 million in comparison with its balance as at the end of 2020.

In H1 2021, the total equity decreased by PLN 48 million, in comparison with the balance as at December 31, 2020 and reached PLN 289,2 million as at June 30, 2021.

As at June 30, 2021, long-term liabilities were at PLN 397,3 million, meaning an increase by 17%. Short-term liabilities reached PLN 736,8 million and decreased by PLN 63 million in comparison with the balance as at the end of the preceding year.

Profit & Loss for the 1st half of 2021

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020 <i>Modified*</i>
Sales revenues	317	316
Gross profit (loss) on sales	-11	-3
<i>Gross profit margin on sales</i>	<i>-3,3%</i>	<i>-0,9%</i>
SG&A	-15	-15
Other operating activity (balance)	2	0
Operating profit (loss)	-24	-18
<i>Operating profit margin</i>	<i>-7,5%</i>	<i>-5,7%</i>
Financial activity (balance)	-5	-9
Gross profit (loss)	-29	-27
Net profit (loss)	-26	-23
<i>Net profit margin</i>	<i>-8,3%</i>	<i>-7,3%</i>
EBITDA	-14	-8
<i>EBITDA margin</i>	<i>-4,3%</i>	<i>-2,6%</i>

In H1 2021, Trakcja S.A. generated sales revenues at PLN 317,4 million, which increased by 0,5% as compared to the corresponding period of the preceding year.

In the analysed period, the gross profit margin on sales was -3,3% and decreased by 2,46 p.p. in comparison to the comparable period.

The Company's operating loss for the 6 months 2021 amounted to PLN 23,9 million, in comparison with a loss of PLN 18,1 million in H1 2020.

The Company's net loss for H1 2021 was at PLN 26,4 million and was lower by PLN 3,4 million than the result generated in H1 2020.

EBITDA for H1 2021 was at PLN -13,6 million, which means decrease by PLN 5,5 million in comparison to H1 2020. In H1 2021, the EBITDA margin reached -4,3%, meaning a drop by 1,7 p.p in comparison to H1 2020.

* The restatement in 1H 2020 relates to the reclassification of costs between costs of sale, marketing and distribution as well as general management and administrative costs on one hand and own cost of sales on the other hand.

Stand-alone Balance Sheet as of 30.06.2021

ASSETS	30.06.2021	31.12.2020	EQUITY AND LIABILITIES	30.06.2021	31.12.2020
Non-current assets	615	614	Equity	253	280
Tangible non-current assets	152	159	Long-term liabilities	385	294
Intangible assets	51	51	Loans and borrowings	353	264
Investments in subsidiaries	307	307	Bonds	28	28
Investment properties	24	24	Other	3	3
Other	80	72	Short-term liabilities	462	560
Current assets	485	521	Loans and borrowings	68	95
Inventory	41	46	Provisions	46	42
Trade receivables	263	308	Trade liabilities	268	302
Assets under contracts with customers	154	137	Liabilities under contracts with customers	75	111
Cash	7	7	Other	6	11
Other	20	22			
Total Assets	1 100	1 135	Total Equity & Liabilities	1 100	1 135

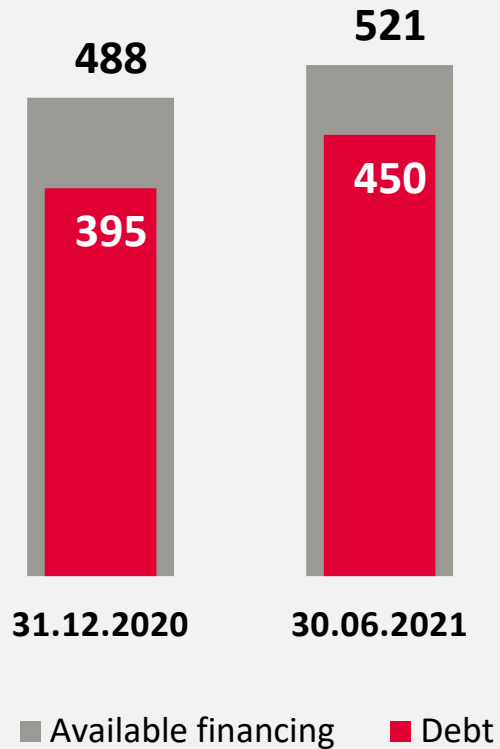
As at June 30, 2021, the balance sheet total of Trakcja S.A. was at PLN 1 100 million and decreased by PLN 34,5 million in comparison with its balance as at the end of 2020.

The value of non-current assets as at June 30, 2021 amounted to PLN 614,9 million, and increased by 0,1% in comparison to the balance of non-current assets as at December 31, 2020. The Company's current assets decreased by PLN 35,3 million, meaning 6,8% in comparison with the balance as at December 31, 2020, and reached PLN 485,2 million.

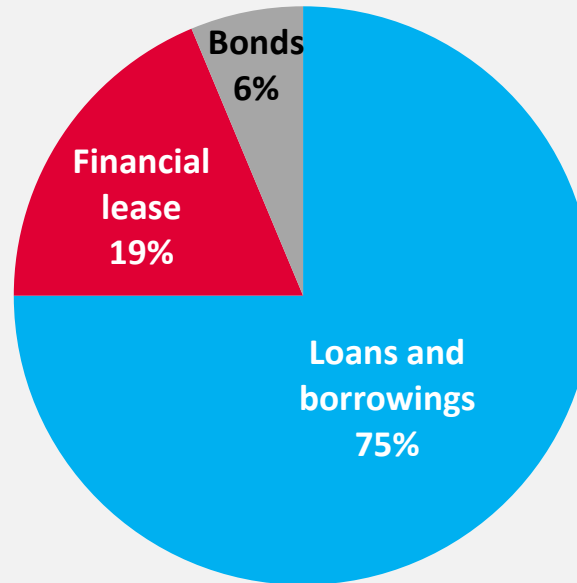
As at June 30, 2021, the Company's equity was at PLN 253,2 million and decreased by PLN 26,4 million, i.e. by 9,4%, in comparison with the balance as at December 31, 2020.

As at June 30, 2021, long-term liabilities reached PLN 384,7 million and increased by PLN 90,1 million, i.e. by 30,6% in comparison with the balance as at December 31, 2020. Short-term liabilities were at PLN 462,2 million and dropped by PLN 98,2 million, i.e. by 17,5%, in comparison with the balance as at the end of the previous year.

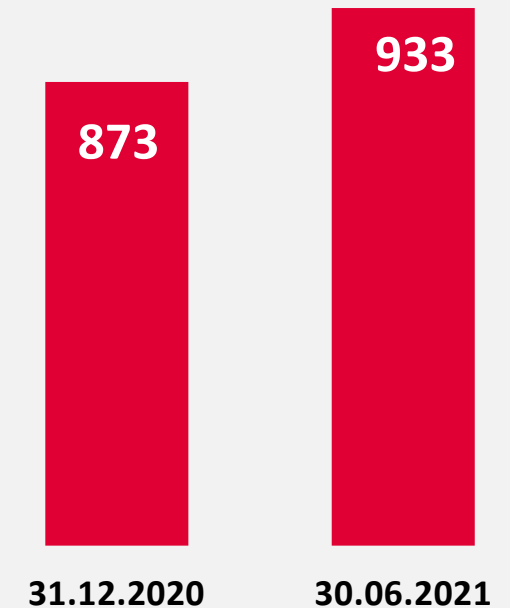
Available financing



Financing sources in Trakcja Group
as of 30.06.2021



Use of guarantee lines

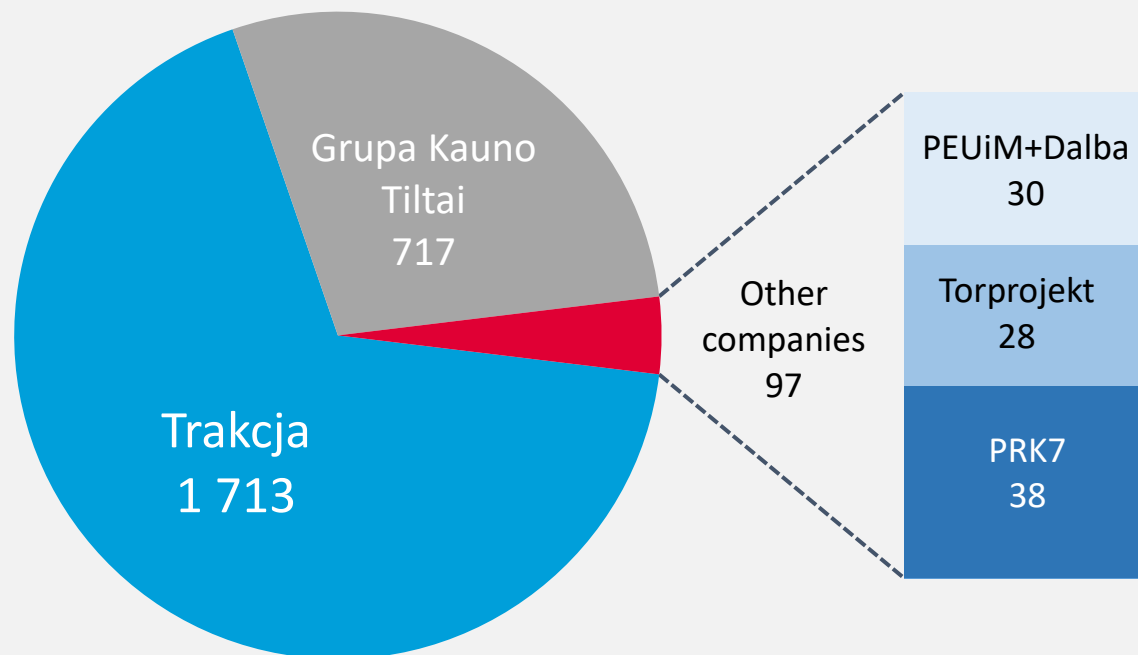




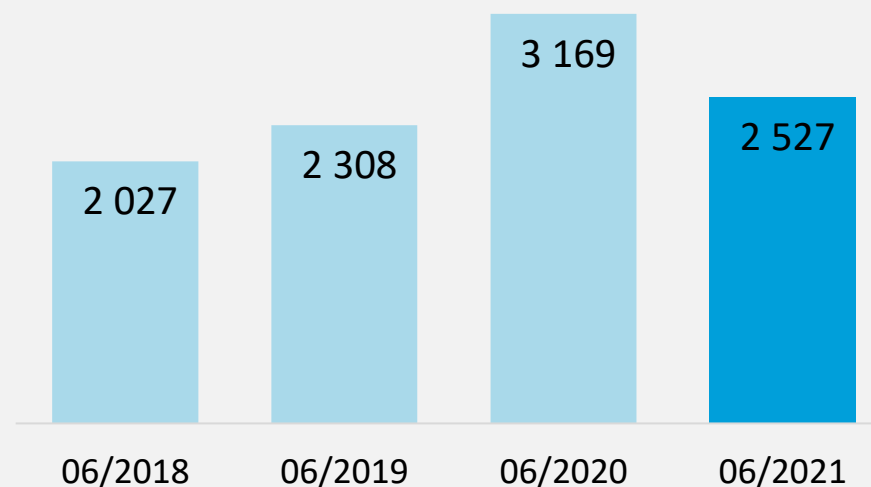
PROJECTS

ORDER BACKLOG

Order backlog of Trakcja Group as of 30.06.2021



Trakcja Group Order Backlog in 1H in 2018-2021 (mln PLN)

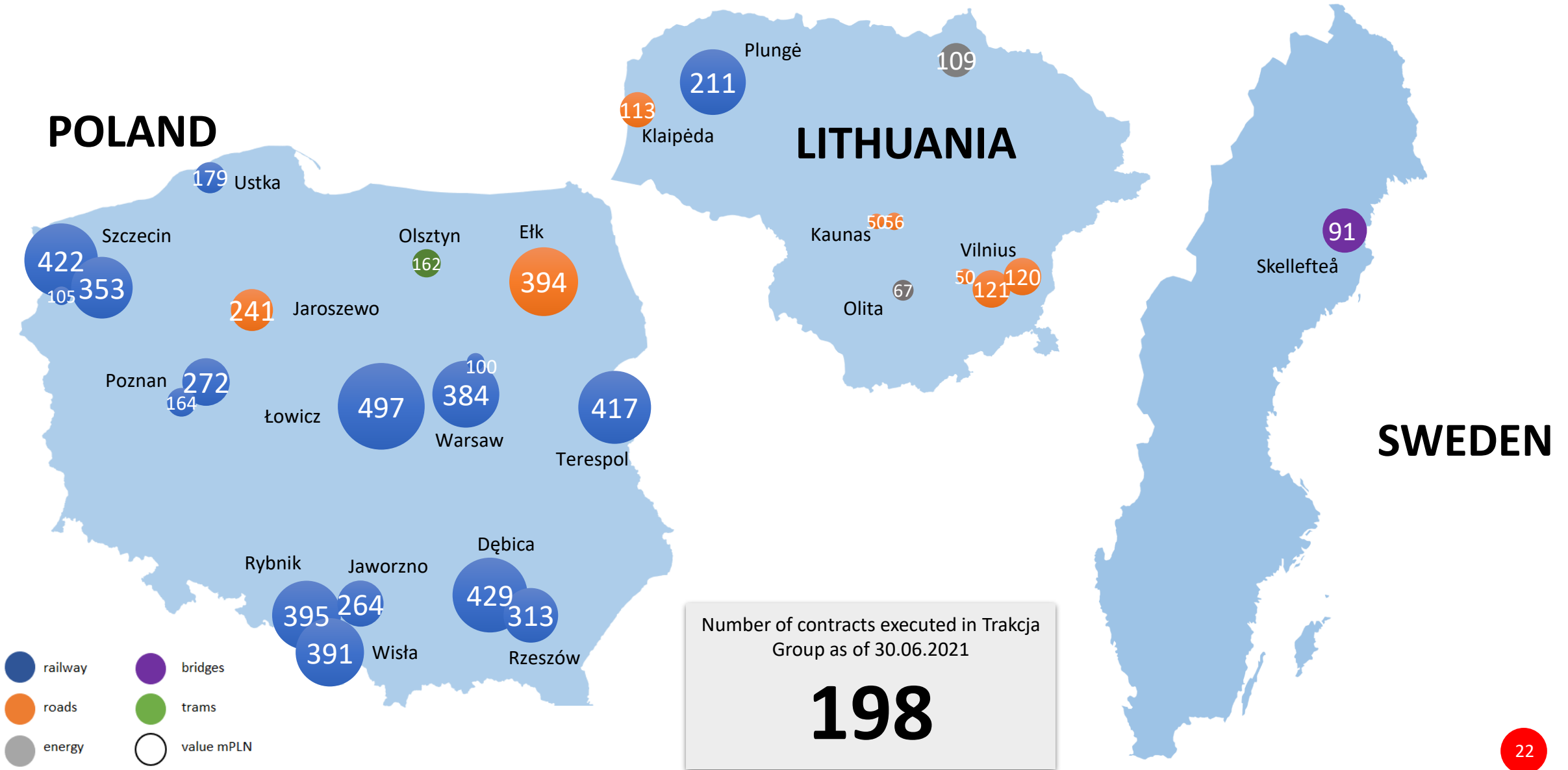


Trakcja Group Order Backlog
as of 30.06.2021

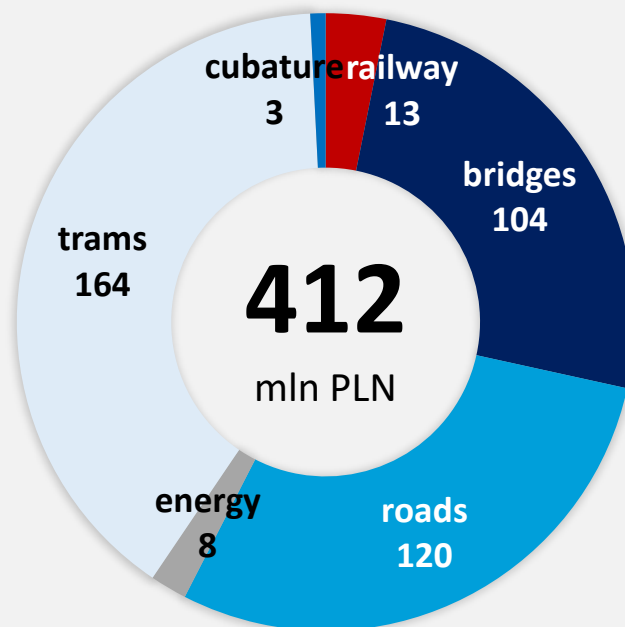
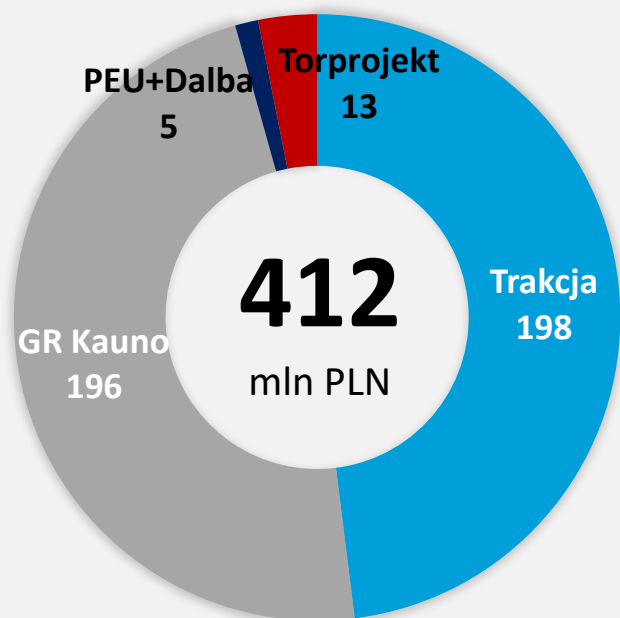
2 527 mln PLN

excluding consortium partners

Key contracts executed in Trakcja Group as of 30.06.2021



Value of contracts signed in Trakcja Group in 1st half of 2021 (mPLN)



Key contracts signed by Trakcja S.A. after balance sheet date	Value
Reconstruction of the railway line Warszawa Wschodnia - Wawer	422 mPLN
Construction of the tram line in Bydgoszcz	125 mPLN



OTHER INFORMATION



INVESTORS'
CALENDAR

The date of publication of the next periodic report

Quarterly reports

Date

Consolidated quarterly report for the IIIrd quarter of 2021

24.11.2021



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