

KOLEJ
DROGI
OBIEKTY  TRAKCJA

1H 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



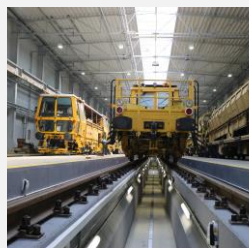
TRACK WORKS

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



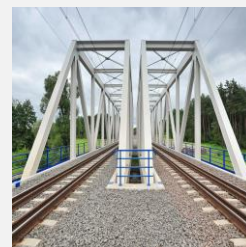
ROAD CONSTRUCTION



- 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

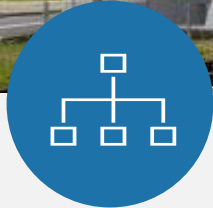
construction of modern water supply networks and collectors, sanitary sewage system, sewage treatment plants and pumping stations as well as reinforced concrete tanks, facilities related to waste management and environmental protection; construction of water supply connections



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

- | | |
|---|--|
|  railways |  trams |
|  roads |  photovoltaics |
|  production |  environmental engineering |
|  energy |  cubature |
|  bridges |  rental of personnel |
|  design | |

Trakcja

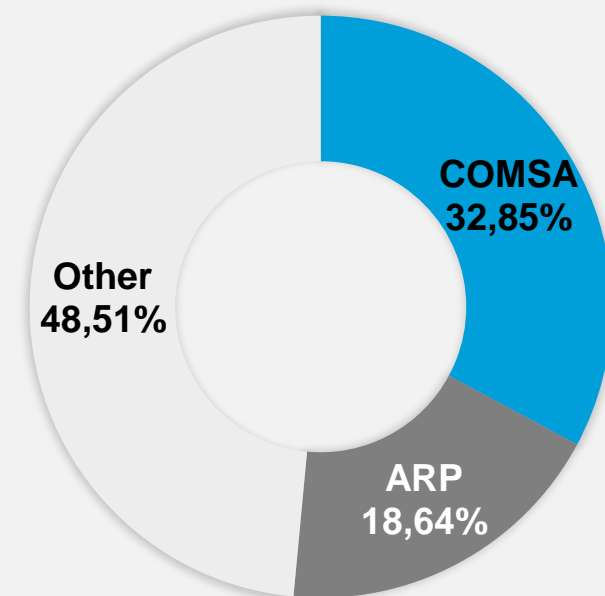
Railway, road, engineering,
energy, cubature
construction, design

- AB Kauno Tiltai (98,09%) Filie
Construction of roads, bridges, railway, energy construction
- 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%) Trakcja Ukraina (100%)
Rental of personnel and equipment Road construction

Shareholders structure of TRAKCJA S.A.

Shareholders with over 5% of share capital as of 30.06.2022

Shareholder	Number of shares
COMSA S.A.U.	28 399 145
Agencja Rozwoju Przemysłu	16 117 647
Other shareholders	41 934 184
Total	86 450 976



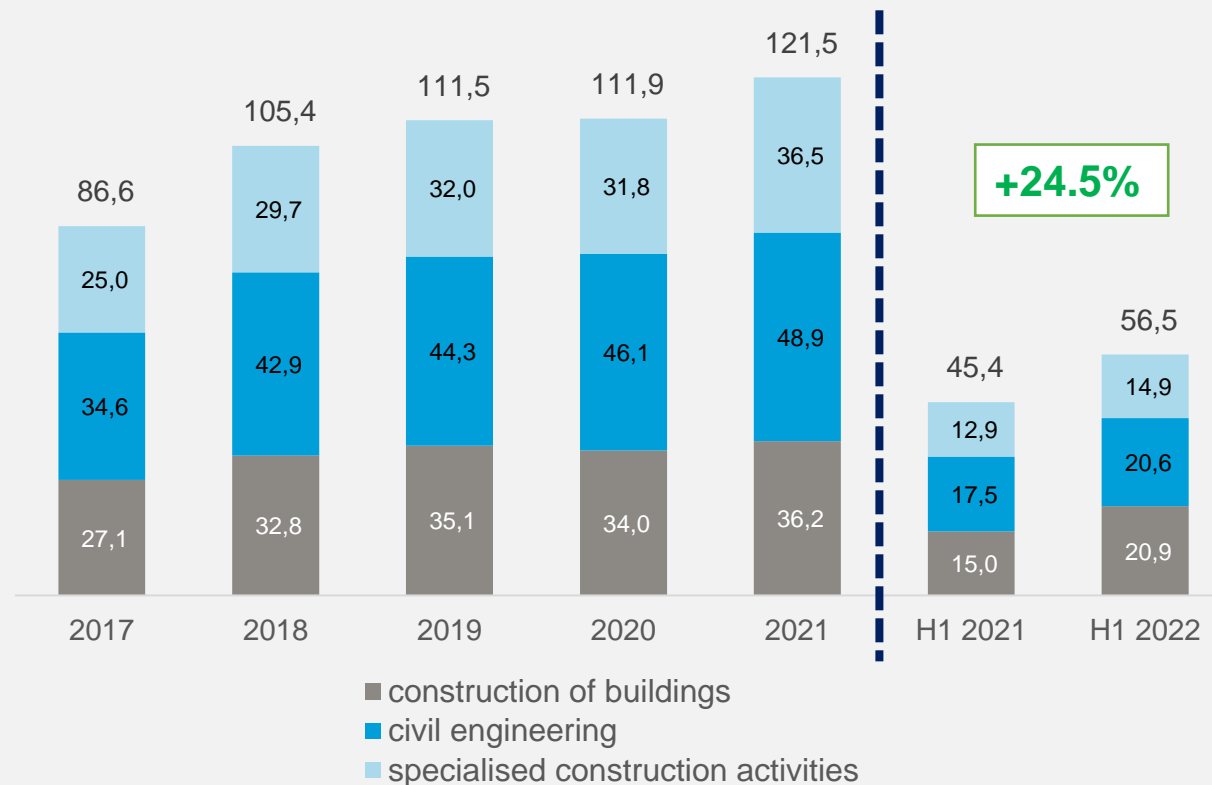
On August 29, 2022, the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, registered an **increase in the share capital of Trakcja S.A.** due to the **acquisition by PKP PLK S.A. 250 million series E ordinary registered shares** at the issue price of 0.80 PLN per share. As at the date of publication of this presentation, PKP PLK S.A. is the parent company controlling the Trakcja Group, with a **74.31% share** in the share capital of Trakcja S.A. and in the number of votes at the General Meeting of Trakcja S.A.



MARKET INFORMATION

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

bn PLN

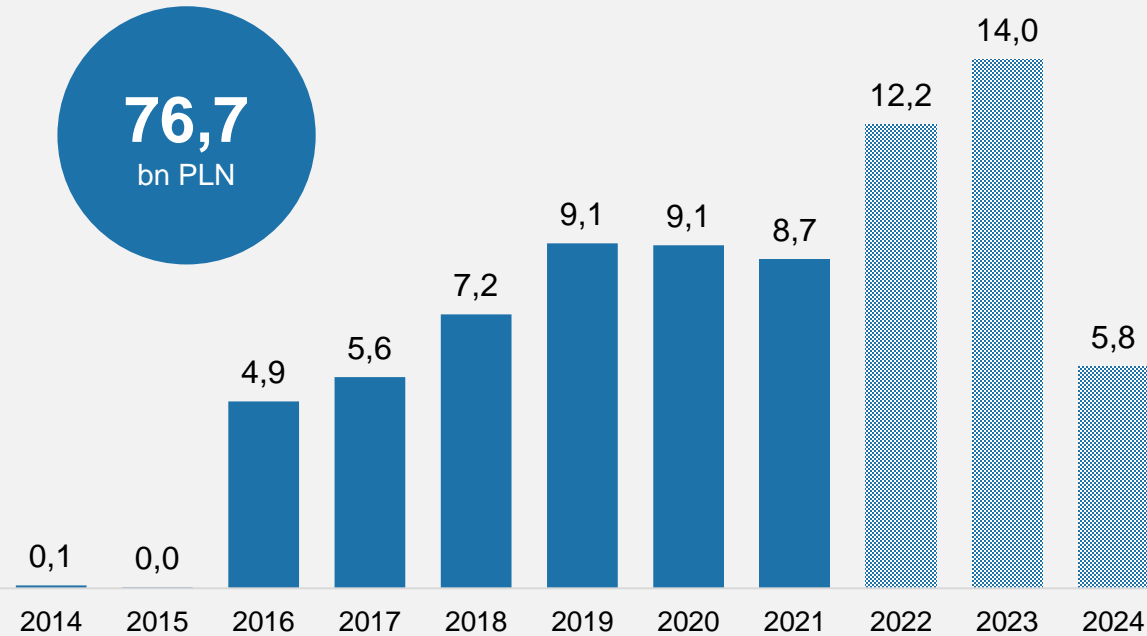


The domestic construction and assembly production market in the first half of 2022 was 24.5% higher than in the first half of 2021.

The increase was recorded in all sectors, with the largest increase in works related to the construction of buildings (+5.9 bn PLN, ie 39% h/h).

Actual and planned expenditures for the National Railway Programme

(bn PLN)



source: KPK Programme update from June 30, 2022

The National Railway Program (KPK)

According to the last update of the National Railway Program of June 30, 2022, the schedule of spending funds under the KPK has been **extended until 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), the spending of which is to end in 2026. The value of expenditure on KPO projects is 11.2 bn PLN.

Other Railway Development Programs:

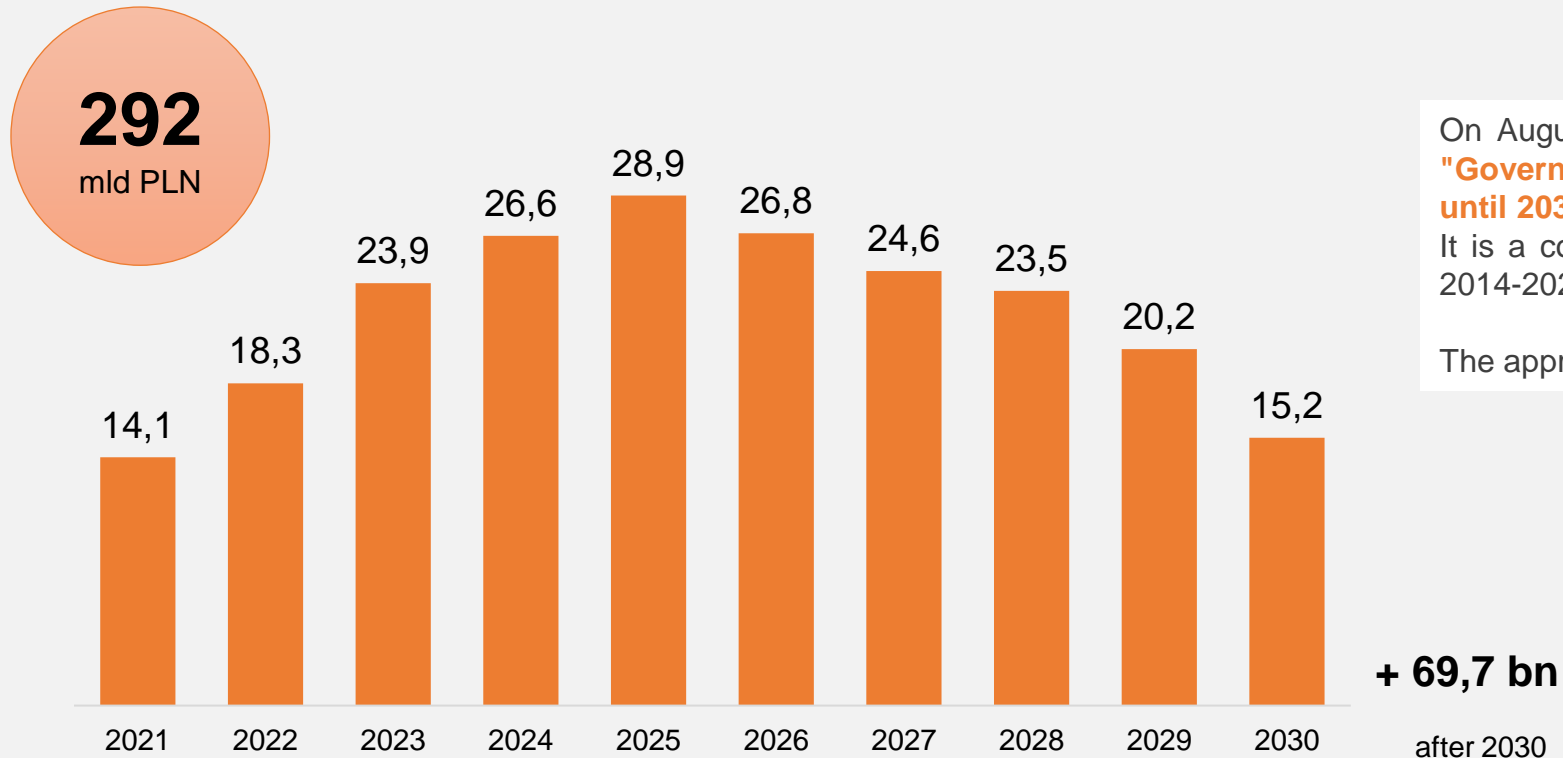
1. Aid in financing the costs of managing railway infrastructure, including maintenance and repairs until 2023 - **23.8 bn PLN**
2. Railway Stations Investments Program for 2016 - 2023 - **1.8 bn PLN**
3. Program for Supplementing the Local and Regional Railway Infrastructure „Railway +” until 2028 - **11 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

(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 bn PLN**.

source: RPBDK



FINANCIAL DATA

SUMMARY OF 1 HALF OF 2022



Contracts signed in H1 2022

275
mPLN

Order backlog as of
30.06.2022

2 098
mPLN

Consolidated sales revenues

555
mPLN

Consolidated gross
profit (loss) on sales

-128
mPLN

Consolidated EBITDA

-146
mPLN

Consolidated net
profit (loss)

-230
mPLN

Consolidated Profit & Loss for the 1st half of 2022

(mPLN)

	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
Sales revenues	555	534
Gross profit (loss) on sales	-128	-9
<i>Gross profit margin on sales</i>	<i>-23,0%</i>	<i>-1,6%</i>
SG&A	-34	-31
Other operating activity (balance)	-2	5
Operating profit (loss)	-226	-35
<i>Operating profit margin</i>	<i>-40,8%</i>	<i>-6,5%</i>
Financial activity (balance)	-17	-7
Gross profit (loss)	-244	-42
Net profit (loss)	-230	-38
<i>Net profit margin</i>	<i>-41,3%</i>	<i>-7,1%</i>
EBITDA	-146	-16
<i>EBITDA margin</i>	<i>-26,2%</i>	<i>-2,9%</i>

In the first half of 2022, the Trakcja Group generated sales revenues of 555 mPLN, which increased by 21 mPLN compared to the corresponding period of 2021. The Group ended the first 6 months of 2022 with a gross loss on sales in the amount of 128 mPLN, which is a decrease of 119 mPLN compared to the period ended June 30, 2021.

The gross profit margin on sales in the first half of 2022 decreased by 21.4 pp. and was -23%.

The Group ended the first half of 2022 with an operating loss in the amount of 226 mPLN, which means an increase in loss by 192 mPLN compared to the first half 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 six-month period of 2022, the Group recorded a net loss of 230 mPLN, which is a decrease of 192 mPLN compared to the period ended June 30, 2021.

EBITDA at the end of the first half of 2022 amounted to -146 mPLN and was 130 mPLN lower than in the corresponding period of 2021. The EBITDA margin decreased by 23.3 pp, reaching -26.2%.

Consolidated Balance Sheet as of 30.06.2022 (mPLN)

ASSETS	30.06.2022	31.12.2021	EQUITY AND LIABILITIES	30.06.2022	31.12.2021
Non-current assets	510	561	Equity	94	320
Tangible non-current assets	263	266	Long-term liabilities	321	356
Intangible assets	5	4	Loans and borrowings	269	302
Goodwill	121	182	Bonds	29	28
Investment properties	35	35	Other	24	26
Other	86	74	Short-term liabilities	830	702
Current assets	736	818	Loans and borrowings	172	92
Inventory	150	107	Provisions	70	37
Trade and other receivables	376	331	Trade and other liabilities	413	370
Assets under contracts with customers	165	197	Liabilities under contracts with customers	156	181
Cash	15	127	Other	20	21
Other	30	55			
Total Assets	1 246	1 379	Total Equity & Liabilities	1 246	1 379

As of June 30, 2022, the balance sheet total of the Trakcja Group reached 1,246 mPLN and decreased by 133 mPLN, i.e. 9.7% compared to the end of 2021.

Fixed assets as of June 30, 2022 amounted to 510 mPLN and decreased by 51 mPLN. Current assets as of June 30, 2022 amounted to 736 mPLN and decreased by 82 mPLN compared to the end of 2021.

At the end of the first half of 2022, the value of total equity decreased by 226 mPLN compared to the level on December 31, 2021 and reached the level of 94 mPLN.

Long-term liabilities as of June 30, 2022 amounted to 321 mPLN, which means a decrease by 9.8%. Short-term liabilities as of June 30, 2022 amounted to 830 mPLN and increased by 128 mPLN compared to the end of the previous year.

Stand-alone Profit & Loss for the 1st half of 2022

(mPLN)

	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
Sales revenues	280	317
Gross profit (loss) on sales	-98	-11
<i>Gross profit margin on sales</i>	<i>-34,9%</i>	<i>-3,3%</i>
SG&A	-17	-15
Other operating activity (balance)	-4	2
Operating profit (loss)	-119	-24
<i>Operating profit margin</i>	<i>-42,6%</i>	<i>-7,5%</i>
Financial activity (balance)	-110	-5
Gross profit (loss)	-229	-29
Net profit (loss)	-220	-26
<i>Net profit margin</i>	<i>-78,7%</i>	<i>-8,3%</i>
EBITDA	-109	-14
<i>EBITDA margin</i>	<i>-39,1%</i>	<i>-4,3%</i>

In the first half of 2022, Trakcja S.A. achieved sales revenues in the amount of 280 mPLN, which is a decrease by 38 mPLN, i.e. 12% compared to the corresponding period of 2021.

The gross profit margin on sales for the six-month period of 2022 was -34.9% and decreased by 31.6 pp. compared to the margin in the first half of 2021.

In the six-month period of 2022, the Company generated an operating loss of 119 mPLN, with a 24 mPLN operating loss for the six-month period of 2021.

The balance of the company's financial activities in the period from January to June 2022 was negative and amounted to -110 mPLN, which was largely due to the write-off on investments in subsidiaries in the amount of 94 mPLN and an the write-off of a loan granted to a subsidiary in the amount of 5.6 mPLN.

The company ended the first half of 2022 with a net loss of 220 mPLN, which means a decrease by 194 mPLN compared to the result achieved in the first half of 2021.

EBITDA in the six-month period of 2022 amounted to -109 mPLN and was 96 mPLN lower than in the corresponding period of 2021. The EBITDA margin decreased by 34.8 pp, reaching the level of -39.1%.

Stand-alone Balance Sheet as of 30.06.2022

(mPLN)

ASSETS	30.06.2022	31.12.2021	EQUITY AND LIABILITIES	30.06.2022	31.12.2021
Non-current assets	488	586	Equity	64	284
Tangible non-current assets	136	144	Long-term liabilities	309	335
Intangible assets	52	51	Loans and borrowings	276	304
Investments in subsidiaries	195	289	Bonds	29	28
Investment properties	25	25	Other	3	3
Other	80	77	Short-term liabilities	552	435
Current assets	437	467	Loans and borrowings	109	78
Inventory	74	52	Provisions	45	24
Trade and other receivables	248	231	Trade and other liabilities	305	245
Assets under contracts with customers	92	153	Liabilities under contracts with customers	83	77
Cash	5	17	Other	10	11
Other	17	15			
Total Assets	924	1 054	Total Equity & Liabilities	924	1 054

The balance sheet total as of June 30, 2022 amounted to 924 mPLN and was lower by 129 mPLN than at the end of 2021.

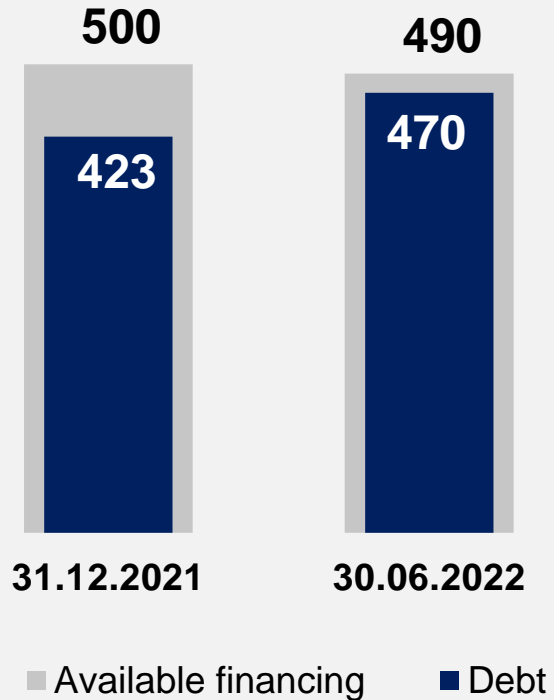
The value of non-current assets as of June 30, 2022 was 488 mPLN and decreased by 17% compared to December 31, 2021. Current assets at the end of June 2022 amounted to 437 mPLN compared to 467 mPLN as of December 31, 2021.

The Equity as of June 30, 2022 amounted to 64 mPLN and decreased by 220 mPLN compared to December 31, 2021.

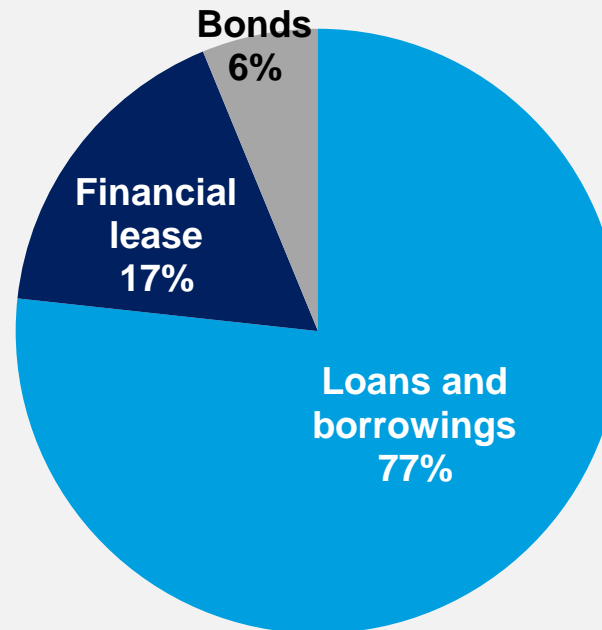
Long-term liabilities at the end of 1st half of 2022 amounted to 309 mPLN and decreased by 8% compared to the value as of December 31, 2021. Short-term liabilities amounted to 552 mPLN and increased by 117 mPLN, compared to the end of the previous year.

mPLN

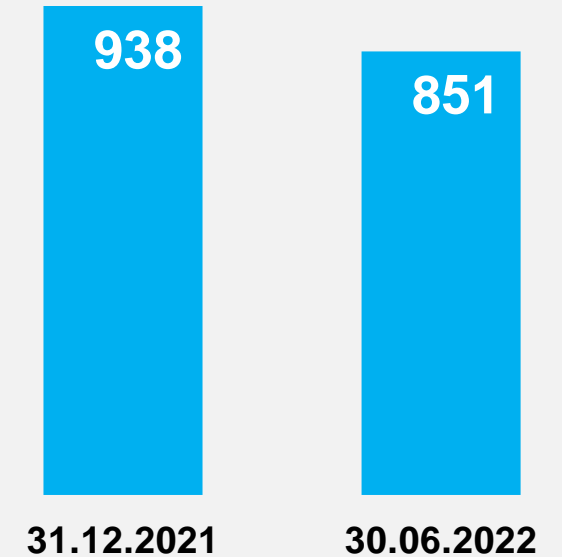
Available financing



Financing sources in Trakcja Group as of 30.06.2022



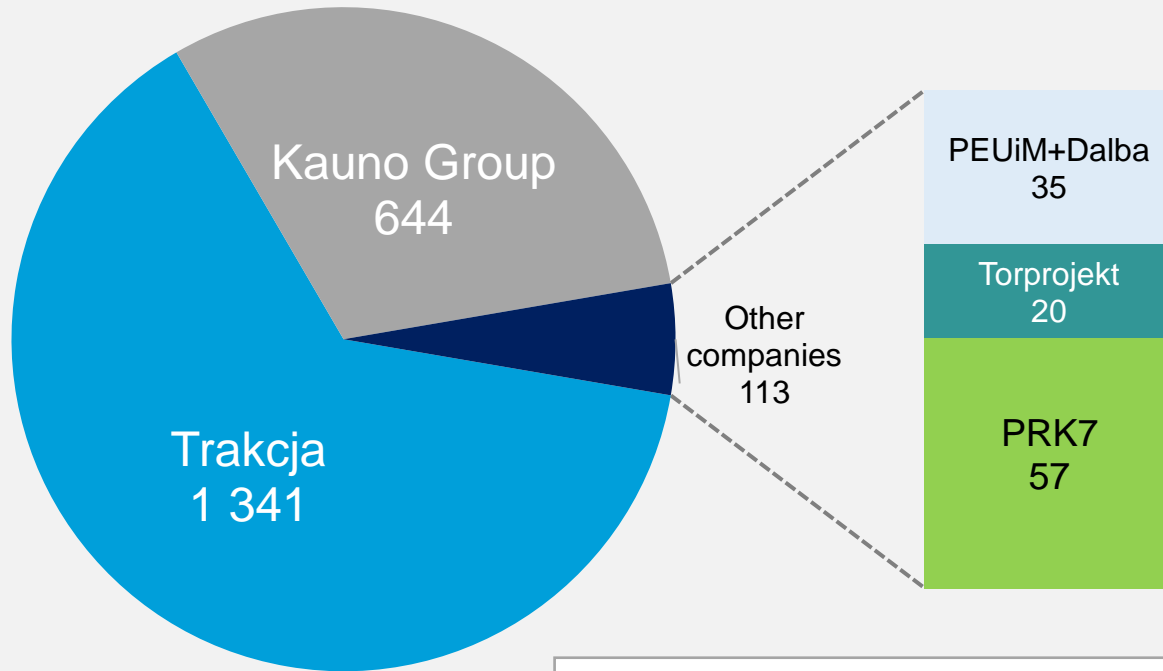
Use of guarantee lines





PROJECTS

Order backlog of Trakcja Group as of 30.06.2022

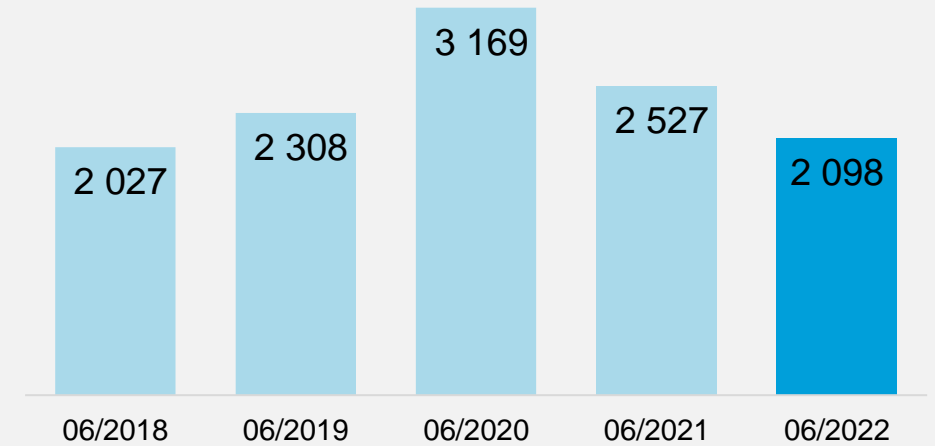


Trakcja Group Order Backlog
as of 30.06.2022

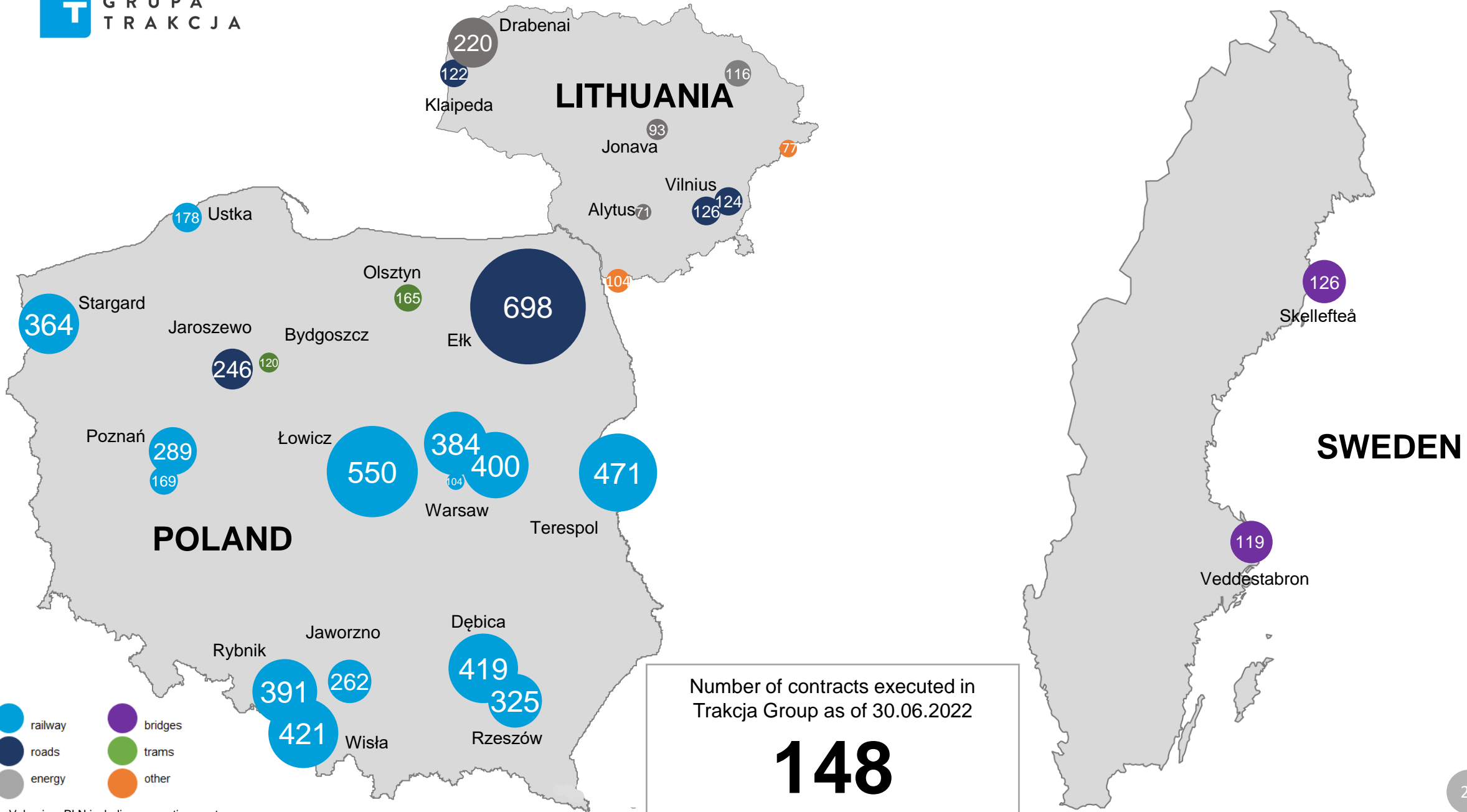
2 098 mPLN

excluding consortium partners

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

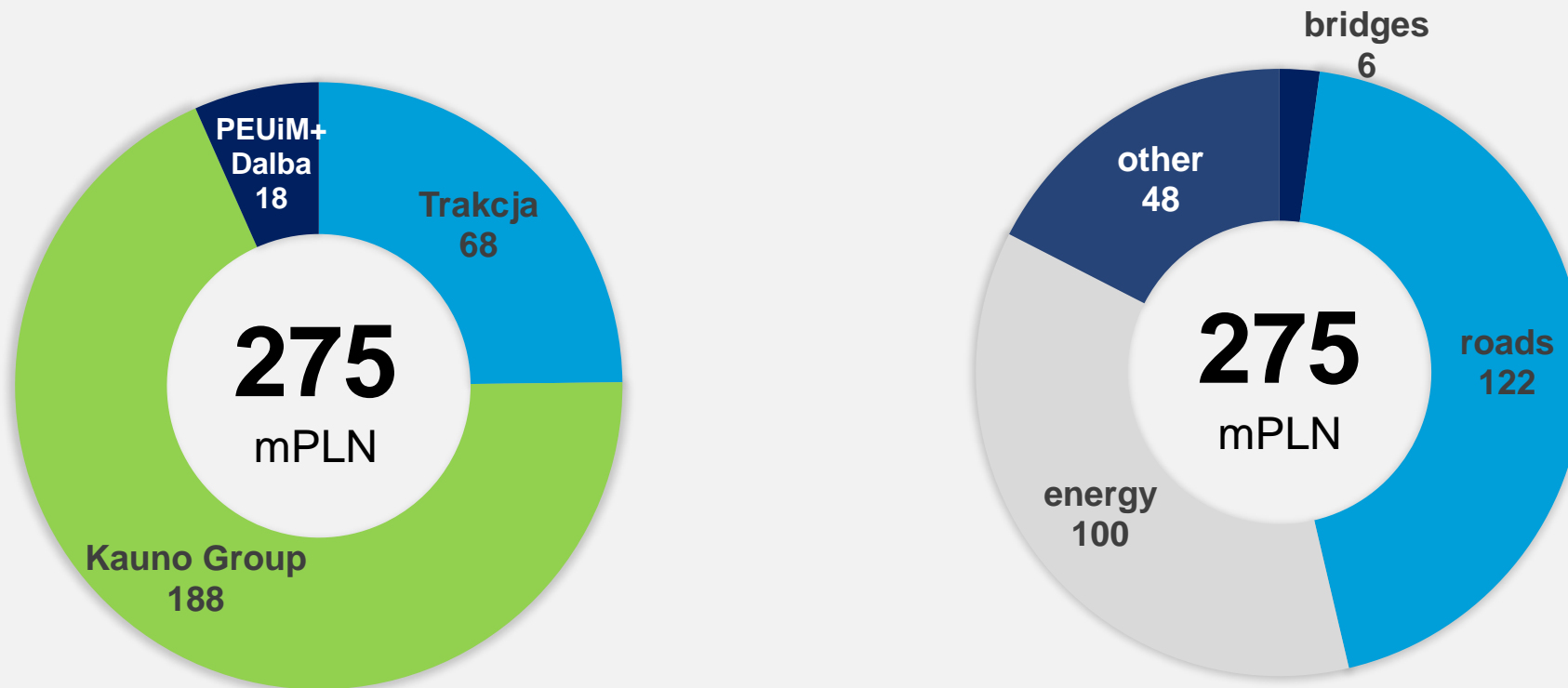


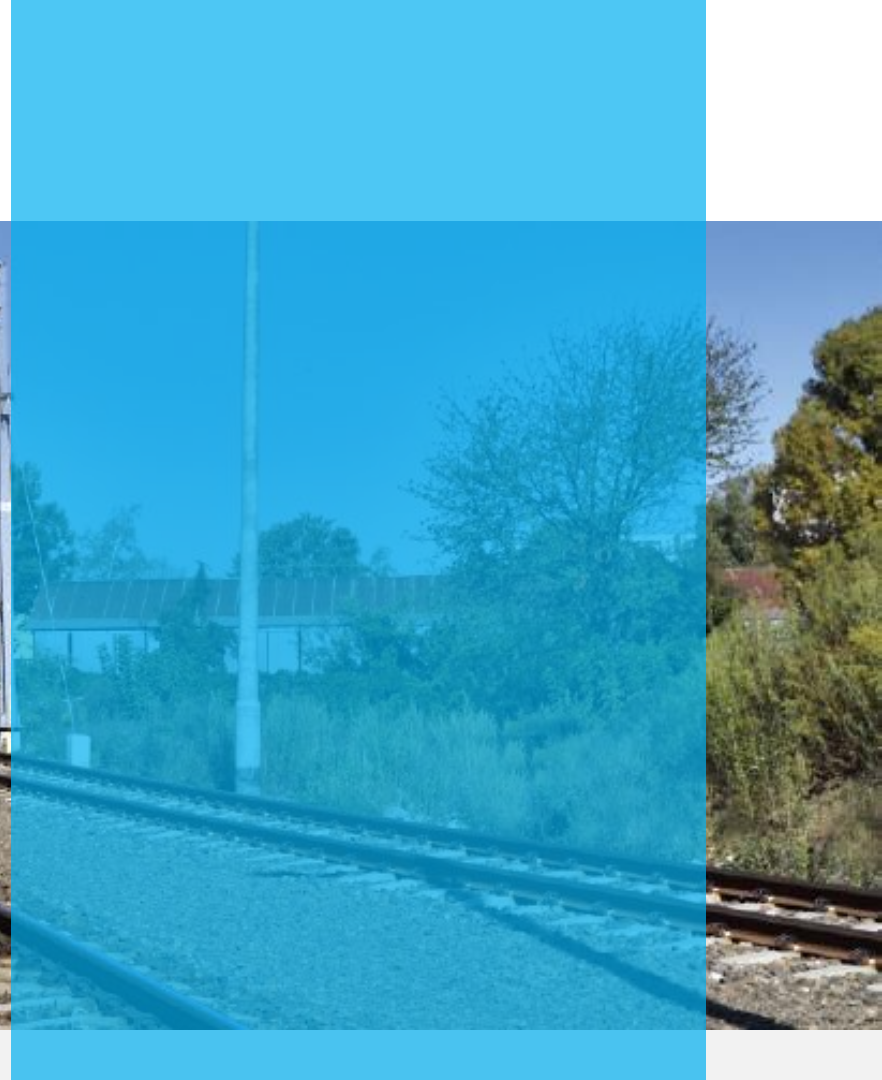
Key contracts executed in Trakcja Group as of 30.06.2022



Value in mPLN including consortium partners

Value of contracts signed in Trakcja Group in H1 2022 (mPLN)





OTHER INFORMATION



INVESTORS CALENDAR

Dates of upcoming General Meeting

	Date
The Extraordinary General Meeting	12.10.2022

Publication dates of interim reports

	Date
Quarterly report for the 3rd quarter of 2022	24.11.2022



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