



MANAGEMENT BOARD  
REPORT

RESBUD SE

YEAR 2018

Tallinn - Cracow, June 2019

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**Dear Ladies and Gentlemen, dear shareholders, clients and business partners**

On behalf of the RESBUD SE Management Board, I am passing you the Annual Report of the RESBUD SE Company covering the period from 01/01/2018 to 31/12/2018, which is a summary of all significant economic events that took place in the Company's operations this year, as well as events significant for the Company at the end of the financial year, and which events - in the opinion of the RESBUD SE Management Board - have an impact on the full and objective assessment of the activities conducted by the Company.

On behalf of the Company, the Report presents currently the President of the Management Board of RESBUD SE, Bartosz Stradomski, 48 years old, lawyer by education.

Bartosz Stradomski has been professionally involved with the broadly defined financial area for over 25 years as a person who practices tax advisor and manager supervising the area of taxation and compliance in various business entities. Bartosz Stradomski for most of his professional career was associated with the banking (financial) sector, advising the largest Polish banks. Also at the request of entities from the banking sector, he was a manager running projects in the area of investment banking and TFI.

The change to the position of the President of RESBUD SE was made on March 28, 2019, by the appointment of Mr. Bartosz Stradomski by the Supervisory Board of the Company to the post of President, with the simultaneous dismissal of Anna Kajkowska from this function. After the change in the position of the President of the Company, the Supervisory Board also resigned - individual Board members submitted their resignation from the position held to the Company. Until the preparation of this Management Report, i.e. until June 9, 2019, the new Supervisory Board has not been appointed.

Changes in the scope of the Management Board and the Supervisory Board are the beginning of fundamental changes in the operations of the RESBUD SE Company made by a leading shareholder, the Estonian company AP Energobau OU.

In accordance with the plans already published regarding the future of the Company, the shareholders of Resbud SE intend to make a significant increase in the share capital with a simultaneous change in the nature of the Company. Ultimately, the company is to be transformed into a holding company, grouping entities from various countries, both EU and non-EU, from the construction industry and the energy industry. On the other hand, the Company itself will also conduct financial activities in addition to holding a holding business.

The Management Board of the Company was obliged to develop a new strategy of the Company in the shortest possible time. Due to a significant delay in the preparation and publication of the financial statements for 2018, the planned date of announcing the new strategy of the Company was postponed to the end of the third quarter of 2019 (Q32019).

The Management Board of the Company would also like to emphasize that in the last months preceding the conclusion of the investment agreement as a result of which the change of the Company's leading shareholder took place, ie before 28 March 2019, RESBUD SE no longer engaged in an active business activity but only performed agreed economic operations aimed at ordering the state and the structure of assets and liabilities in accordance with the intentions of the outgoing and entering shareholders, i.e. sellers and acquire the key stake of the Company.

It should also be borne in mind that in the investment contract itself there was a provision on how to pay the

price for the block of shares sold, according to this provision part of the price for the block of shares sold was paid by transferring to the buyer a block of shares to repay the loan taken by the seller action. Before the loan repayment deadline, the Company received a proposal from the debtor to repay the loan by transferring the Company's Russian law ENERGOKOMPLEKT OOO (Russian registration number 1136670023071) to the Company, which fulfills the intentions of the Company's shareholders to change the type of activity towards holding activities. At the same time, the change in the loan repayment method will change the structure of the Company's revenue generation, i.e. instead of interest income, there will be dividend income.

Ladies and Gentlemen, the circumstances described above relate to events that occurred after the closing of the financial year, nevertheless they make it possible to understand the circumstances in which the financial statements for 2018 were prepared and presented, including the delay in the publication of the financial statements.

At present, the financial statements of RESBUD SE have been published by the current Management Board of the Company, based on the verified financial data prepared by the previous Management Board of the Company.

Due to the fact that RESBUD SE has changed its home state, the presentation of data in the financial statements has also changed so as to comply with the financial reporting requirements applicable both in Poland and in Estonia.

On November 30, 2018, the seat and place of business changed from the previous address: Płock Padlewskiego 17c, Poland to the new address Tallinn, Narva 5 Mnt, Estonia. At the same time, Estonia was indicated as the country of the registered office of the Company.

On November 30, 2018, the company moved its registered office to Estonia, which was announced in current report No. 50/2018 of 30 November 2018.

The effect of moving the registered office to Estonia was to change the home state within the meaning of art. 2 of Directive 2004/109 / EC of the European Parliament and of the Council of 15 December 2004 (in line with the amendments to Directive 2013/50 / EU of the European Parliament and of the Council of 22 October 2013), which the company reported in current reports. This means that from 1 December 2018, the applicable law defining the legal framework for the Company's business operations was Estonian law.

As a result of these changes, the Company had to revise its obligations related to the preparation and presentation of the financial statements and change the presentation of data in the financial statements, which considerably extended the date of verification of data in the financial statements and the date of its publication.

Ladies and Gentlemen, Bearing in mind all the above-mentioned circumstances, I would like to emphasize that the Company is opening a new chapter in the history of its operations, which gives hope for the Company's high income and, consequently, a greater return on investment in RESBUD SE shares.

Yours faithfully  
Bartosz Stradomski  
Chairman of the Board

**DECLARATION OF THE MANAGEMENT BOARD REGARDING THE ENTITY AUTHORIZED TO AUDIT A SEPARATE FIELDING REPORT OF THE RESBUD COMPANY OF THE EUROPEAN COMPANY FOR 2018 YEAR.**

The Management Board of RESBUD SE declares that the entity authorized to audit the annual financial statement of RESBUD SE for 2018 Lahendused Pluss KV OÜ Register Code 11894377 Pärnu mnt 142, 11317 Tallinn has been selected in accordance with the law and that this entity and the auditor performing the audit the report met the conditions for expressing an impartial and independent opinion on the examination, in accordance with the relevant provisions of national law.

Bartosz Stradomski  
Chairman of the Management Board  
RESBUD SE

## Statement of Management Board of the Financial Statement for 2018.

The Management Board of RESBUD SE declares that to the best of its knowledge, the annual financial statements and comparative data have been prepared in accordance with the applicable accounting principles and that they reflect in a true and reliable manner the property and financial position of RESBUD SE and its financial result, and that the financial statements the annual Management Board contains a true picture of the development and achievements and situation of RESBUD SE.

Due to the fact that the financial report was prepared and published by the Management Board in the composition resulting from the appointment of the Management Board after the end of the financial year, ie on March 28, 2019. the financial report has been prepared on the basis of financial data prepared by the previous Management Board, which data has been accepted and verified by the current Management Board.

The financial statements have been presented in such a version to fulfill the obligations resulting from the provisions governing the principles of publication of financial statements and the examination of these statements in force in Poland and Estonia.

The Management Board of RESBUD SE would like to point out that information about all significant events that occurred in 2018 and played a significant role for the Company was published through the Current and Periodic Reports submitted to the Polish Financial Supervision Authority, the Stock Exchange and the information agency indicated by KNF - it is the Polish Press Agency SA, and after December 1, 2018 also via NASDAQ CSD.

In the light of the above, the Management Board of RESBUD SE presents below with due diligence and accuracy the Report of the Management Board on the activities of SE for 2018.

Bartosz Stradomski  
Chairman of the Management Board  
RESBUD SE

### 1. Rules for the management of financial statements.

Accounting principles adopted in the preparation of the financial statements have been presented in detail in the introduction to the financial statements, which is attached to the report for 2018.

### 2. Basic Economic and Financial size, disclosed in the annual financial statements.

SELECTED FINANCIAL DATA	in Thousand euros Eur	
	For the period from 2018-01-01 to 2018-12-31	For the period from 2017-01-01 to 2017-12-31
Net revenues from sales of products, goods and materials	124	48
Profit (loss) from operations	298	-106
profit (loss) Gross	89	-14
Net profit (loss)	89	-25
Net cash flow from operating activities	-51	320
Net cash flow from investing activities	-1 039	-770
Net cash flow from financing activities	802	770
Net cash flow, total	-288	320
Total assets	2 012	1 882
Liabilities and provisions for liabilities	164	67
Long-term liabilities	4	2
Current liabilities	160	65
Equity capital	1 848	1 815

Share capital	1 430	1 558
Number of shares (in pcs)	13 000 000	13 000 000
Net profit (loss) per ordinary share (in EUR)	0.01	-0.01
Diluted net profit (loss) per ordinary share (in EUR)	0.01	-0.01
Book value per share (in EUR)	0.14	0.14
Diluted book value per share (in EUR)	0.14	0.14
Dividend per share declared or paid (in EUR)	0	0

The Statement of financial position

Assets	Note	in Thousand euros Eur	
		Status on 2018-12-31	Status at 2017-12-31 tested The data has been transformed*
<b>ASSET LASTSE</b>		<b>4</b>	<b>437</b>
Tangible assets laste	1		2
Intangible assets	2		2
Investment still	4		426
Youshouldhave the	5		5
Income tax and other assets	7	4	2
<b>CURRENT ASSETS</b>		<b>2 008</b>	<b>1 445</b>
Receivables due to deliveries and services and other receivables	10	942	86
Public-law receivables	10	7	20
Short-term financial assets	11	991	968
Cash and cash equivalents	12	65	363
Short-term prepayments	13	3	8
<b>TOTAL ASSETS</b>		<b>2 012</b>	<b>1 882</b>

Liabilities	Note	in Thousand euros Eur	
		Status on 2018-12-31	Status at 2017-12-31 tested The data has been transformed*
<b>EQUITY CAPITAL</b>		<b>1 848</b>	<b>1 815</b>
Basic capital	16	1 430	1 558
Supplementary capital (fund)	17	1 919	1 850
Reserve capital	18	69	71
Revaluation reserve	19	422	435
Differences from conversion to Euro		-43	
Capital from the merger of units		-4	-3
Undivided result of previous years	20	-2 033	-2 070



Profit (loss)	20	88	-26
LONG-TERM LIABILITIES		4	2
Deferred income tax	22	4	2
CURRENT LIABILITIES		160	65
Other short-term provisions	26	26	30
Liabilities for deliveries and services	28	20	9
Liabilities due to taxes, social and health insurance	28	0	2
Liabilities due to employee benefits	28	1	2
Other short-term liabilities	28	113	22
SUM OF LIABILITIES		2 012	1 882
Book value	21	1 848	1 815
Number of actions	21	13 000 000	13 000 000
Book value per share (in EUR)	21	0.14	0.14
Diluted number of shares	21	13 000 000	13 000 000
Diluted book value per share	21	0.14	0.14

An analysis of the structure of the balance sheet leads to the following conclusions:

- an increase in the balance sheet total has been observed,
- The company recorded an increase in revenues, operating profit, gross profit and net profit
- long-term liabilities fell.

**3. Information about basic products and services, including their value and quantity determination and the share of individual products, goods and services (if relevant) or their groups in the total sale of the issuer, as well as changes in this area in a given financial year.**

As part of its operations, RESBUD SE generated revenues from the rental of an office building and interest on loans, including loans to related entities, i.e. to Patro Invest Sp. z o.o with an annual interest rate of 6%.

**4. Information on sales markets, including the division into domestic and foreign markets, and information about the sources of supply of materials for production, goods and services, determining the dependence on one or more recipients and suppliers, and if the share of one recipient or supplier it achieves at least 10% of total sales revenues - the name (business name) of the supplier or recipient, its share in sales or supplies and its formal links with the issuer.**

RESBUD conducted operations on the domestic market defined in 2018 as the Polish market.

Description of significant events, achievements or failures of the Issuer in the period covered by the report, together with a list of the most important events related to them.

In the reporting period, RESBUD S.E. disclosed to the public information about the following significant contracts and important events:

On 3.01.2018, the Extraordinary General Meeting of Shareholders adopted resolutions regarding:

- Reduction of the share capital through the reduction of the nominal value of all shares of the Company and the change in the Articles of Association of the Company,
- Establishment of reserve capital,
- Amendments to resolution No. 17 of the Ordinary General Meeting of June 26, 2017. and changes to the Company's Articles of Association,
- Amendments to the Company Statute,
- Łączka RESBUD Spółka Akcyjna with its registered office in Płock, Poland (the Acquiring Company) with a

subsidiary of the Czech law RESBUD1 Polska Akciová společnost with its registered office in Ostrava, Czech Republic (the Acquired Company) in the mode of art. 2 para. 1 in connection with art. 17 sec. 2 lit. a) in conjunction from art. 31 of the Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) (Official Journal No. 294, page 1 as amended) to accept the legal form by the Acquirer European Company (SE).

F. Adoption of the uniform text of the Statute of the European Company.

On 21/02/2018 the merger of the Issuer previously operating as a joint-stock company under the Polish law under the business name RESBUD SPÓŁKA AKCYJNA with registered office in Płock at ul. Padlewskiego 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register maintained by the District Court for the capital city of Warsaw in Warsaw, 14th Commercial Division under KRS number 0000090954, NIP 8130267303, REGON 690294174, with RESBUD1 Polska Akciová společnost with its registered office in Ostrava address: Poděbradova 2738/16, Moravská Ostrava, 702 00 Ostrava, Czech Republic entered in the commercial register kept by the District Court in Ostrava, section B under number 10978, identification number 06502440. (Next: Acquired Company). As a result of registration by the District Court for the Capital City of Warsaw in Warsaw, the merger of the Issuer took the legal form of the European Company and currently operates under the name RESBUD SE with its registered office in Płock at ul. Padlewskiego 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number KRS 0000719570.

On 2.03.2018. on the basis of data obtained from the National Depository of Securities system, the Issuer learned about the issue by the Operational Department of the National Depository for Securities S.A. in Warsaw, Declaration No. 142/2018 of 27/02/2018 concerning the registration of 870,900 series B shares of the company Resbud S.E. under the ISIN code PLRESBD00016.

On 09/04/2018 on the basis of data obtained from the National Depository of Securities system, the Issuer learned about the issue by the Management Board of the National Depository for Securities S.A. in Warsaw, Resolutions No. 209/2018 of 04/04/2012 concerning the conversion of the share capital and the nominal value of the company's shares into the euro, without changing the total number of shares. The Management Board of the National Depository, after examining the application of RESBUD SE, decided on 9 April 2018 in the deposit system to change the nominal value of the shares of the company marked PLRESBD00016 from PLN 0.50 (fifty groszy) for EUR 0.11 (eleven eurocents) each.

On 30/05/2018 the Ordinary General Meeting of Shareholders adopted the resolutions included in the agenda, including important resolutions regarding:

A. approval of the Management Board's Report on the Company's operations for 2017.

B. approval of the Company's Financial Statements for 2017 for the period from January 1, 2017 to December 31, 2017.

C. approval of the Report of the Company's Supervisory Board for 2017.

D. approval of the Report of the Company's Supervisory Board on the assessment of the Report of the Company's Management Board on the Company's operations in 2017 and the Company's financial report for 2017.

E. coverage of the Company's loss for 2017, for the period from January 1, 2017 to December 31, 2017.

F. grant the Management Board members discharge in respect of their duties in 2017.

G. granting discharge to the Members of the Supervisory Board for the performance of duties in 2017.

H. agreeing to be mortgaged, transferred to security, sale of real estate located in Rzeszów at Al. Okulickiego 18

I. transfer of the registered office of the Company to Estonia and change of the Statute of the Company.

J. to maintain the listing of the company's shares on the regulated market of the Warsaw Stock Exchange and to choose a home deposit for dematerialized shares of the Company after the Company's registered office is moved to Estonia.

K. adaptation to the law of Estonia.

L. authorizing the Management Board of the Company to perform activities related to the transfer of the Company's registered office to Estonia.

M. adoption of the uniform text of the Articles of Association of the Company.

N. changes in the manner of preparation of financial statements that has been in force so far in the Company.

O. changes in the composition of the Supervisory Board.

P. changes in the remuneration of Members of the Supervisory Board.

Detailed information on the General Meeting was included in the contents of the current report dated 30/05/2018 No. 18/2018.

Ordinary General Meeting of May 30, 2018 in connection with the expiration of the term of office of the current composition of the Company's Supervisory Board, appointed the next term of office to the Supervisory Board: - Mr. Damian Patrowicz - Mrs. Małgorzata Patrowicz - Mrs. Martyna Patrowicz - Mr. Jacek Koralewski - Mr. Wojciech Hetkowski

On 07.06.2018. the Supervisory Board of the RESBUD S.E. as follows: Mr Damian Patrowicz - Chairman of the Supervisory Board Mr Wojciech Hetkowski- Vice-Chairman of the Supervisory Board Mr Jacek Koralewski- Secretary of the Supervisory Board Ms. Małgorzata Patrowicz - Member of the Supervisory Board Mrs. Martyna Patrowicz - Member of the Supervisory Board

On 07.06.2018. The Supervisory Board of the RESBUD S.E. decided to establish the Audit Committee in the following composition: Mr Wojciech Hetkowski - Chairman of the Audit Committee Mr. Jacek Koralewski - Member of the Audit Committee, Mrs. Małgorzata Patrowicz - Member of the Audit Committee.

On 07.06.2018. The Supervisory Board of the Company adopted a resolution regarding the appointment of Ms. Anna Kajkowska, the current President of the Management Board, to hold the function of President of the Management Board for the next 3-year term from 07.06.2018.

**5. Information on concluded agreements significant for the issuer's activity, including agreements known to the issuer concluded between shareholders (partners), insurance contracts, cooperation or cooperation.**

On 25.06.2018 R. The issuer has concluded as a borrower with the company ELKOP S.A. in Chorzów (KRS 0000176582) as a lender annex to the loan agreement of 07.03.2018 R. The issuer has informed the current Report No 8/2018r. of 07.03.2018 R. Under the annex of 25.06.2018 R. The parties have amended the content of the loan agreement of 07.03.2018 R. That the period for repayment of the loan amount fixed at 30.06.2018 R was extended. to 31.08.2018 R. At the Same time, the issuer informs that, on 25.06.2018 R., in connection with the borrowing of an additional loan FROM Elkop S.A. in Chorzów (KRS 0000176582) in the amount of 950.000, 00 zł, as the issuer informs the separate report, the issuer has GRANTED Elkop S.A. in Chorzów Additional collateral to return the loan of 07.03.2018 R. In the form of overappropriation for the security of Buildings built office building in Rzeszow with a value of 3.457.583, 00 zł. The property overappropriated by the issuer secures the claims of ELKOP S.A. against RESBUD SE in Płock under the loan agreement of 07.03.2018 R. PLN 2.500.000 and the loan agreement of 25.06.2018 R. For the amount of 950.000, 00 zł, ie. Total amount of 3.450.000, 00 zł. The Reappropriation agreement provides that in the event of the issuer's failure to pay the loan and interest due from the agreement to the loan of 25.06.2018 R. ELKOP S.A. in Chorzów will be entitled to satisfy itself by taking ownership of the property in accordance with its market value.

On 25.06.2018 R. As a borrower, the company entered into a loan agreement with ELKOP S.A. in Chorzów as a lender. The subject of the loan agreement of 25.06.2018 R. is a cash loan in the amount of 950.000, 00 zł. The parties have decided that repayment of the loan will be effected by 31.08.2018 R. The interest rate on the loan was set at 3.00% on a yearly basis. Interest will be charged on a monthly basis, the payment of interest shall occur once at the end of the loan period. The contract is not concluded subject to a condition or deadline. Payment of the loan amount occurred on the date of conclusion of the loan agreement. The repayment of the loan by the issuer has been secured by the transfer of ownership of the property owned by the issuer to the lender. The object of Overappropriation is the property built-in office building located in Rzeszow with a value of 3.457.583, 00 zł. The Reappropriation agreement provides that in the event of the issuer's failure to pay the loan and interest due from the agreement to the loan of 25.06.2018 R. The lender will be entitled to meet by taking ownership of the property. The issuer also, in connection with the current report no 8/2018 of 07.03.2018 R. and current Report No 31/2018r. of 25.06.2018 R. concluded on 25.06.2018 R. The reappropriation agreement shall safeguard the repayment of the loan and the interest resulting from the agreement of 25.06.2018 R. For the amount of 950.000, 00 zł referred to above, and the repayment of the loan and the interest resulting from the loan agreement of 07.03.2018 R. For the amount of 2.500.000, 00 zł ie. Total amount of 3.450.000, 00 zł. The issuer informs that at the date of publication of the current report, the issuer, in addition to the loan described above, has enlisted from Elkop S.A. in Chorzów a cash loan in the amount of 2.500.000, 00 zł under the loan agreement of 07.03.2018 R. -the issuer informs the current report no 8/2018 of

07.03.2018 R. and current Report No 31/2018r. of 25.06.2018 R. The total value of loans incurred by the issuer from ELKOP S.A. in Chorzów is 3.450.000, 00 zł. The issuer also pointed out that there are capital and personal ties between the issuer and the lender. The Chairman of the Board of the lender acts as a member of the supervisory board of the issuer, in addition four members of the issuer's supervisory board simultaneously acts as the supervisory board of the borrower. The issuer has reported that a significant shareholder of the issuer Patro Invest Oü Holding the shares of the issuer representing 33% of the share capital and the total number of votes at the general meeting of the issuer is also a significant shareholder of the lender with 33% of the share capital and the total number of votes at the general meeting of the lender. On 25.06.2018 R. It was decided to update the company's development strategy. The Management Board having regard to the main developments of the issuer's company, i.e. Activities in the field of works and the production of electricity from renewable energy sources notes that both directions of development do not produce the expected results in the form of a dynamic increase in the company's revenues. The management board of the issuer pointed out that due to the situation in the construction market and in particular the difficulties in the labour market appearing in the shortcomings of the necessary qualified staff, the activities of the issuer in the construction industry Limited time to carry out maintenance works. In the area of renewable electricity, in particular, the regulations in force in Poland prevent the company from taking commercially reasonable measures in this segment despite a number of advanced Preparatory work of the issuer. The Management board pointed out that the two main lines of action of the company due to the prevailing economic prosperity do not provide in the assessment of the Management board the necessary dynamics of development of the company, and therefore the issuer's board of 25.06.2018 has undertaken a strategic Decide to take action to conduct a business in the financial sector by the company. The company intends to develop in addition to its existing activities a financial activity consisting in the granting of money loans to selected entities.

The supervisory board of the issuer, on the basis of a recommendation issued by the Audit committee of RESBUD SE at its meeting on 02.07.2018, selected the entity Marcin Grzywacz Audit Consultancy training, with headquarters at UL. Domaniewskiej 35 Lok. 89, 02-672 Warsaw, the company entitled to audit the financial statements No. 3872, registered in the central registration and information about the economic activities of the Republic of Poland, NIP 7962397464, REGON 146897770, to Conducting a review of the company's half-yearly financial statements for the first half of 2018. And the company's unit financial statements for the year 2018. Marcin Grzywacz Audit Advisory Training is an entity authorised to audit financial statements entered on the list of statutory auditors carried out by the National Chamber of Experts Auditors under the number 3872. The issuer informs that Mr Marcin Grzywacz, statutory Auditor no 11769, as a key statutory auditor conducting a survey on behalf of Ground Frost euro in audit Sp. z O.O. of the entity empowered to examine the reports No 68, conducted a survey of the issuer's accounts for the financial year 2014 and 2015 and an overview of the condensed interim financial statements covering the period of the first semester of 2014 years, the period of the first Half-year 2015, the first half of 2016. In addition, the issuer informs that Mr Marcin Grzywacz, statutory Auditor no 11769, as a key statutory auditor conducting a survey on behalf of Marcin Grzywacz Audit Advisory Training, the entity authorized to audit financial statements no 3872, Conducted a study of the issuer's financial statements for the 2016 financial year and a review of the condensed interim financial statements covering the period of the first half of 2017 and the examination of the financial statements The issuer for the year 2017. The contract with the selected entity was concluded for the duration of its implementation.

On 03.09.2018 R. Issuers short-circuit as lender a monetary loan agreement WITH PATRO INVEST OU in Tallinn (Estonia) as a borrower. The subject of the loan agreement of 03.09.2018 R. is a cash loan in the amount of 850.000, 00 zł. The parties have decided that repayment of the loan will be effected by 31.03.2019 R. The interest rate on the loan was set at 4% on a yearly basis and will be payable on the loan's total repayment date. Payment of the loan amount occurred in one tranche on the date of conclusion of the loan agreement. Repayment of the loan was secured by the borrower by issuing a bill in a blank with a declaration to the lender. The contract is not concluded subject to a condition or deadline. The total amount of loans granted is 4.150.000 zł. The issuer also reported that there are personal links between the issuer and the borrower. The only member of the board and the sole shareholder of the borrower is the member of the supervisory board of the issuer.

The board of RESBUD SE with its registered office in Płock in connection with the current report no 33/2018 of 25.06.2018 R. On the update of the company's development strategy, in relation to current reports no 8/2018 of 07.03.2018 R. And no 31/2018 of the Council of 25.06.2018 R. And in current Report no 32/2018 of

25.06.2018 R. On the issue concluded by the issuer as a borrower of loan agreements with ELKOP S.A. in Płock (KRS 0000176582) as a lender, reported that, notwithstanding the expiry of the period set at 31.08.2018 R, the issuer's repayment date was not made Repayment of borrowings. The amount of the issuer's non-repayable liabilities for loans to the lender is the amount of 3.450.000, 00 zł, which increase the non-repaid contractual interest and the lender's interest in the delay. Issuer informed that the lack of repayment of loans incurred by the issuer does not arise from the current financial situation of the company nor the issuer's liquidity. The management board of RESBUD SE explained that the financial condition of the company is good, as confirmed by the issuer's periodic reports and the issuer maintains the necessary level of liquidity. At the same time, the issuer explained that the company provided collateral for the lender's claims arising from the borrowing contracts by making a reappropriation of its property to the lender, what the issuer has informed the current report no 31/2018 of 25.06.2018 R. The issuer has allocated the company's assets, which is a property safeguarding the repayment of obligations under both loan agreements to satisfy all claims of the issuer and the lender exhausting them in full. At the same time, the issuer explains that this is dictated by the implementation of the issuer's development strategy for financial activities (RB no 33/2018). The issuer has said that such a solution would allow the company to satisfy the chargeable claims of the lender and, at the same time, not to diminish the company's ability to operate in the financial sector and to allow the company to further develop Segment. In addition, the issuer reported that capital and personal ties are occurring between the ISSUER AND lender Elkop S.A.. Chairman of the Board of Directors of ELKOP S.A. acts as a member of the supervisory board of the issuer, in addition four members of the issuer's supervisory board simultaneously acts in the Council of ELKOP S.A. the issuer informs that the issuer's significant shareholder Patro Invest OÜ, Estonia holding the shares of the issuer representing 33.10% of the share capital and the total number of votes at the general meeting of the issuer is also a significant shareholder of the lender possessing 35.40% of the share of the capital Total number of votes at the general meeting of the borrower.

Due to the borrowing made by the issuer on the basis of loan agreements concluded with the company Elkop S.A. in Płock (KRS 0000176582) as a lender, the issuer on 13.09.2018 received a declaration ELKOP S.A. on the acquisition of ownership of a property which has been appropriated on ELKOP S.A. to secure the claims of that company under the loan agreement of 07.03.2018 R. and the loan agreement of 25.06.2018 R. The provisions of the reappropriation agreement of 25.06.2018 R. On the conclusion of which the issuer has informed the current report no 31/2018, the issuer has made a reappropriation for collateral to Elkop S.A. immovable property Land of 0, 1214ha and planted on this property office building with an area of 1025.70 m<sup>2</sup> located in Rzeszow. Under the contract of expropriation, ELKOP S.A. was entitled to take over the ownership of the company's immovable property in the event that the issuer failed to fulfil its obligations under the borrowing agreements within the agreed deadlines. The issuer reported that, according to the current report no 33/2018 on the update of the company's development strategy and the current report no 40/2018, the issuer decided to allocate the company's assets to the company's property in Satisfaction of Elkop S.A. 's claims under the loan agreement of 07.03.2018 R. and the loan agreement of 25.06.2018 R. Due to the effect of ELKOP S.A. in Płock on 13.09.2018 R. Statements about the acquisition of immovable property occurred to satisfy the claims of ELKOP S.A. under the loan agreement of 07.03.2018 R. and the loan agreement of 25.06.2018 R. And the definitive transfer of property to ELKOP S.A.

On 30.11.2018 R. Applicable to the law of Estonia, the register of commercial companies (Ariregister) has registered the transfer of the registered office of the issuer to Estonia pursuant to the provisions of the transfer plan of 19.03.2018 published in the current report No 11/2018 of 19.03.2017 R. And the resolutions of the ordinary general meeting of 30.05.2018 R. Published in the current Report no 18/2018 of 30.05.2018 R. And the resolutions of the extraordinary General Meeting of 19.11.2018 R. Published current Report no 47/2018 in view of the above, the company's current seat is Tallinn, Estonia. The address of the company's registered office after its transfer in 2018 was : Narva mnt 5, 10117, Tallinn, Estonia. E-mail: [resbud@resbud.pl](mailto:resbud@resbud.pl), <http://resbud.pl/>, address to Service in 2018 is the address of the company, i.e. Narvamnt5, 10117, Tallinn, Estonia. At the same time, together with the registration of the company's registered office, the relevant register of Estonian law registered amendments to the company statute.

Resbud S.E., based in Tallinn on 06.12.2018, received resolution no 722/2018 of the board of Directors of the National Deposit of securities S.A. of 06.12.2018 on the conditional registration of shares of the issuer. Pursuant to § 40 (2) and (6) and § 2 (1) and (4) of the Rules of procedure of the National depository of securities, after

considering the application OF RESBUD SE, in connection with the transfer of the company's headquarters to Estonia and the decision of that company to change the parent deposit National deposit of Securities S.A. at NASDAQ CSD SE branch in Estonia and change ISIN code, the Board of the National deposit decides to register in the National Securities Depository under the Code EE3100142985 to 8.710.000 (eight million seven hundred Ten thousand) of the ordinary registered shares of Resbud SE without a specified nominal value, registered in the National securities depositories as a depositing Under Code PLRESBD00016, subject to the registration of these shares by the NASDAQ CSD SE branch in Estonia under the EE3100142985 code of the National deposit account.

On 10.12.2018 R. Resbud entered into assignment of the company's debts. The Company has transferred its receivables to DAMF Sp. z o.o. with its registered office in Płock (KRS no 0000653491) under the loan agreement of the day of 21.11.2017, from which the issuer is entitled to claims in the amount of 740.000, 00 zł for the repayment of the principal loan and the 44.375, 67 zł as capital interest and the assignment of claims under the loan agreement of 31.01.2018 R. of which it is entitled to claim an amount of 1.190.000, 00 zł for the principal loan and 58.352, 38 zł as capital interest. Deadline for repayment of the loan of 21.11.2017 R. is 31.12.2018 R., the deadline for repayment of the loan of 31.01.2018 R. is 31.12.2019 R. The sale of claims described above TO DAMF KSIĘGICITY Sp. z o.o. with its registered office in Płock was established in favour OF ATLANTIS SE with its registered office in Płock (KRS 0000728463) for a total price of 840.000, 00 zł. With a payment deadline of 7 days. In addition, on 10.12.2018 R. The company has transferred its receivables to ATLANTIS SE with its registered office in Płock (KRS no 0000653491) under the loan agreement of 29.03.2017 R. of which the issuer is entitled to claim in the amount of 200,000, 00 zł for the principal loan and 22.201, 35 zł as a capital interest and the assignment of claims arising from the cession agreement described above of 10.12.2018 R. In respect of a claim for payment of a price of 840.000, 00 zł. Deadline for repayment of the loan of 29.03.2017 R. is 31.12.2018 R., On the other hand, the time limit for payment of the price from the contract of 10.12.2018 with THE ATLANTIS SE is 7 working days. The sale of claims described above TO ATLANTIS SE was made TO PATRO INVEST OÜ based in Tallinn, Estonia for a total price of 1.062.201, 35 zł with a maturity of up to 30 days. In addition, on 10.12.2018 R. The company has transferred its claims to the company PATRO INVEST Sp. z o.o. with its registered office in Płock (KRS No: 0000657016) under the loan agreement of 14.09.2017 R., from which it is entitled to receivables in the amount of 2.300.000, 00 zł the principal loan receivable and 49.864, 66 zł as capital interest. Deadline for repayment of the loan of 31.03.2018 R. is 31.03.2019 R. The Sale of the claims described above has been made TO PATRO INVEST OÜ based in Tallinn, Estonia for the total price of 2.349.864, 66 zł with a payment deadline of up to 30 days. Accordingly, as a result of the assignment of the receivables of 10.12.2018 R. PATRO INVEST OÜ, established in Tallinn, Estonia, obliged to pay to the issuer the total amount of 3.412.066, PLN 01 within 30 days from 10.12.2018 R. The Purpose of the above steps was organizing a portfolio of foreign receivables.

On 11 January 2019, the company received a written resignation of Mr Damiana Patrowicz from acting in the supervisory board of the company on January 11, 2019. The reason for the cancellation is not indicated.

RESBUD SE is obliged in accordance with (i) art. 2 of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (as amended by Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013) and (ii) § 1844 para. 1 of the Estonian Securities Market Act, has made the choice of a Contracting State as the State of the Home Republic of Estonia. Therefore, the Republic of Poland is the contracting State of the host. Resbud SE was registered in the Estonian Commercial Register on 30th November 2018, under the registration number: 14617750 with the official address Harju County, Tallinn, City Centre District, Narva Road 5, 10117, Estonia.

On 12.02.2019 R. The company has disposed of its cash claims against ABM SOLID SA in liquidation bankruptcy. With headquarters in Tarnów in the amount of 2.492.707, 84 zł. The sale of a claim described above by the issuer was made to PATRO INWESTYCJE SP. z oo. With its registered office in Płock, for a total price of 100,000, 00 zł with a maturity of up to 7 days. The purpose of the above operations was to organise the portfolio of foreign receivables and the price obtained in the resbud Assessment reflects its market value.

On 25.02.2019 R. Resbud has concluded with the company Patro Invest OÜ based in Tallinn, Estonia Agreement on the conclusion of the agreement merging the loan agreement granted to the company Patro Invest OÜ based in Tallinn, Estonia. According to the Provisions of this Agreement, To merge the loan amount of 2.400.000, 00 zł together with the interest due, on the loan agreement of 08.03.2018 R. On the conclusion of which reported The Current Report no 9/2018 of 08.03.2018, merged the loan amount of 900.000, 00 zł with the interest due, on the loan agreement of 07.06.2018 R. On the conclusion of which Resbud He informed the current report no 25/2018 of 07.06.2018 R., merged the loan amount of 850.000, 00 zł together with the interest due, under the loan agreement of 03.09.2018 R. On the conclusion of which Resbud He informed the current report no 39/2018 of 03.09.2018 R., merged the claim in the amount of 3.412.066, 01zł resulting from the agreements with the company Patro Invest OÜ in Tallinn, Estonia cession contracts in accordance with The Current Report no 53/2018 of 10.12.2018, merged the loan amount of 180.000, 00 zł together with the interest due, under the loan agreement of 20.02.2019 R., to merge the loan amount of 360.000, 00 zł together with the due Interest, under the loan agreement of 22.02.2019 R. Resbud reported that, as a result of the agreement on the merging of loan agreements, the total value of the debts owed to the issuer by patro Invest oü based in Tallinn, Estonia is 8.300.000 PLN including interest accrued to the repayment date. The deadline for repayment of the obligations arising from the Agreement concluded by the parties was agreed on 31.05.2019 R. The repayment of the obligations arising from the Agreement in full shall be exhausted by Resbud SE's claim against Patro Invest oü based in Tallinn. Board OF RESBUD to conclude the agreement-Agreement of the merging loan agreement obtained on 25.02.2019 R. Approval of the supervisory board of the company.

- On 26 March 2019, Resbud concluded WITH the company patro Invest OU with its registered office in Tallinn, annex No 1 to the merging agreement on loans from 25.02.2019 R. of which he informed the current report No 5 /2019 of 25.02.2019 year. In accordance with the wording of annex No 1, claims amounting to PLN 8.300.000 have been reinvested in euros and are 1.920.000, 00 euro. The maturity of the claim has not changed and falls on the day of 31.05.2019 year.

- On 27 March 2019, the INVESTMENT AGREEMENT BETWEEN AP ENERGOBAU Oü and its headquarters in Tallinn and Patro Invest oü with its registered office in Tallinn, with the participation of the issuer, was concluded with the participation of the Resbud. In the once the entry into force of the investment agreement has changed the debtor of the contract of the merging of claims to conclude which the issuer has informed the current report no5/2019 and no7/2019 EUR 1.920.000, 00 EURO. The new debator Resbud in accordance with the provisions of the AGREEMENT AND THE ESTABLISHED communication became AP Energobau Oü with its headquarters in Tallinn. Resbud informs that the agreement was concluded on 27 March 2019, with effect from 28 March 2019, 2009. On the The date of conclusion of the investment Agreement Resbud AND PATRO INVEST OÜ has overlapping capital ties.

On 28 March 2019, The Management Board of Resbud SE reported that it had received the company's repatriation with effect on that day of all members of the supervisory board of the issuer, ie: Martyna Patrowicz, Małgorzata Patrowicz, Wojciech Hetkowski and Jacek Koralewski.

- On 29.03.2019 the company received two notifications informing about indirect reduction and direct involvement in the company from Mr Damian Patrowicz and the company Patro Invest OU.

- On 01.04.2019 year the company received a notice informing about increased involvement in the company from the COMPANY AP Energobau OU.

- On 01.04.2019 year the company received a notice informing about an indirect increase in the company's engagement with Anna Joemts.

**6. Determining the main domestic and foreign investments of the issuer (securities, financial instruments, intangible assets and real estate), including capital investments made outside its group of related entities and a description of their financing methods.**

Not applicable.

## **7. Information on connections between the managing persons and the Company.**

A detailed list of transactions with related entities is presented in the financial statements.

### I. Personal connections. Board:

Anna Kajkowska is the President of the Management Board of Atlantis SA and the President of the Management Board of RESBUD SE, and a Member of the Supervisory Board of Investment Friends SE

### II. Personal connections. The Supervisory Board:

1. Wojciech Hetkowski - Member of the Supervisory Board - Elkop S.A, Damf Inwestycje S.A., FON S.A., ATLANTIS S.A. RESBUD SE, Investment Friends SE, Investment Friends Capital SE

2. Małgorzata Patrowicz - Member of the Supervisory Board: Atlantis S.A, Investment Friends Capital SE, Elkop S.A. , Damf Inwestycje S.A, FON S.A., RESBUD SE, Investment Friends SE, President of the Board DAMF INVEST S.A, Member of the Board IFERIA S.A, President of the Board Patro Invest Sp. O.o ..

3. Marianna Patrowicz - Member of the Supervisory Board: Atlantis S.A, Elkop S.A, Damf Inwestycje S.A., FON S.A., RESBUD SE, Investment Friends Capital SE, Member of the Supervisory Board IFERIA S.A., Damf Invest S.A.

4. Jacek Koralewski - Member of the Supervisory Board: Damf Inwestycje S.A., FON S.A., Atlantis S.A. , RESBUD SE, Investment Friends Capital SE, Investment Friends SE, President of the Management Board - Ekop S.A.

5. Damian Patrowicz - Member of the Supervisory Board: Atlantis S.A, Elkop S.A, Damf Inwestycje S.A., FON S.A., RESBUD SE, Investment Friends Capital SE, Investment Friends SE, Shareholder Damf Invest S.A., p.o. President of the Management Board of FON S.A, Member of the Supervisory Board of IFERIA S.A., Damf Invest S.A.

6. Martyna Patrowicz - Member of the Supervisory Board: Atlantis S.A, Elkop S.A, Damf Inwestycje S.A., FON S.A., RESBUD SE, Investment Friends Capital SE, Damf Invest S.A. , IFERIA S.A ..

Detailed information on transactions with related entities is presented in the transaction description in point 6.

## **8. Information about loans taken, loan agreements, including their maturity dates, and sureties and guarantees granted.**

Information on transactions is included in the transaction description in item 6.

## **9. Information on loans granted, including due dates, as well as sureties and guarantees granted, with particular emphasis on loans, sureties and guarantees granted to related entities of the issuer.**

On 29/03/2018 The company concluded a loan agreement with the company ATLANTIS S.A. as a lender. as a borrower. The subject of the Loan Agreement was a cash loan in the amount of PLN 200,000.00. The parties, in accordance with the annex, decided that the loan will be repaid by December 31, 2018. The interest on the loan amount has been set at 6.0% per annum. The interest was payable along with the return of the loan amount. The repayment of the loan was secured by the borrower by issuing a blank promissory note together with a declaration for the Issuer.

On 10/04/2012 the company concluded a loan agreement with the company PATRO INVEST Sp. z o.o. as a borrower. The subject of the Loan Agreement was a cash loan in the amount of PLN 2,900,000.00. The parties have decided that the loan will be repaid by December 31, 2018. The interest on the loan amount has been set at 6.0% per annum. The interest was payable along with the return of the loan amount. The payment of the loan amount took place in one tranche on the day the Loan Agreement was concluded. The repayment of the loan was secured by the borrower by issuing a blank promissory note together with a declaration for the Issuer. On 22/05/2018 the loan with interest has been repaid.



On 14.09.2018. The Issuer as the Lender entered into a Money Loan Agreement with Patro Invest Sp. z o.o. as a Borrower. Under the Agreement, the Issuer granted the Borrower a loan in the amount of PLN 3,000,000.00 for the period to 31/03/2018. The loan was paid in tranches. The loan was interest-bearing at a fixed interest rate of 5.7% per annum. The parties agreed that the interest on the granted loan will be payable once, along with the repayment of the loan principal until 31/03/2018. The Borrower secured the repayment of the loan together with interest and any other claims of the Issuer that may arise under the Agreement by issuing the Issuer's blank promissory note together with a promissory note declaration.

On 02/10/2018 The company concluded a loan agreement with the company ATLANTIS S.A. as a lender. as a borrower. The subject of the Loan Agreement is a cash loan in the amount of PLN 32,000.00. According to the annex, the parties agreed that the loan will be repaid by 08.02.2018. The interest on the loan amount has been set at 6.0% per annum. The interest was payable along with the return of the loan amount. The repayment of the loan was secured by the borrower by issuing a blank promissory note together with a declaration for the Issuer.

On 30/09/2016, the Issuer granted a cash loan to Damf Invest S.A. with registered office in Płock (KRS 00000392143) in the amount of PLN 1,000,000.00. The parties have agreed interest rates of 10% on an annual basis. The return of the loan along with the interest rate was set as at 31/05/2018. On 22/05/2018, the borrower repaid the loan with interest due.

On 31.01.2018. The Issuer as the Lender entered into a Cash Loan Agreement with Damf Księgowość Sp. z o.o. in Płock (KRS 0000653491, NIP: 7743232007, Regon: 366133909) as a Borrower. Pursuant to the Agreement of January 31, 2018 The Issuer granted the Borrower a loan in the amount of PLN 1,190,000.00 (one million one hundred and ninety thousand zlotys) for the period up to 31.01.2019. The loan was interest-bearing at a fixed interest rate of 5.7% per annum. The parties agreed that interest on the granted loan will be payable together with the return of the capital of the loan granted to the Issuer by 31.01.2019. The parties to the loan agreement agreed that the Borrower is entitled to an early return of all or part of the capital of the loan granted. In accordance with the terms of the Loan Agreement, the loan was disbursed on the day of its conclusion, ie on 31/01/2018. The Borrower secured the repayment of the loan together with interest and any other claims of the Issuer that may arise under the Agreement by issuing the Issuer's blank promissory note together with a promissory note declaration.

On 08/03/2018 The Issuer concluded as a Lender a cash loan agreement with PATRO INVEST OU in Tallinn (Estonia) as a Borrower. Subject of the Loan Agreement of 08/03/2018 there was a cash loan in the amount of PLN 2,400,000.00. The parties have decided that the loan will be repaid by December 31, 2018. The interest on the loan amount has been set at 4% per annum, payable on the date of the loan's full repayment. The payment of the loan amount took place in one tranche on the day the Loan Agreement was concluded. The loan repayment was secured by the Borrower by issuing a blank promissory note together with a declaration for the Lender. The contract has not been concluded and subject to a condition or deadline.

#### **10. In the case of issuing securities during the period covered by the report - a description of the issuer's use of proceeds from the issue.**

RESBUD SA Management Board in the presented period, it issued securities.

Pursuant to the resolution of 30/03/2018 RESBUD SA Management Board decided to increase the Company's share capital from PLN 4,355,000.00 (in words: four million three hundred and fifty five thousand zlotys) to PLN 6,500,000.00 (in words: six million five hundred thousand zlotys), that is by the amount of PLN 2,145,000 PLN 0.00 (say: two million one hundred and forty five thousand zlotys), by way of issue 4,290,000 (in words: four million two hundred ninety thousand) ordinary bearer series B shares with a nominal value of PLN 0.50 (fifty grosz) each.

Series B shares issued pursuant to the Resolution of the Management Board of 30/03/2018 were offered through a private subscription addressed to individual recipients, excluding the pre-emptive right of the existing shareholders.

The issue price of series B shares was determined by the Management Board with the consent of the

Supervisory Board at PLN 0.88 (eighty eight grosz) each share, ie the total issue value of PLN 4,299,000 (in words: four million two hundred ninety thousand) series B shares was 3,775 PLN 200 (three million, seven hundred and seventy-five thousand, two hundred zlotys).

The Supervisory Board of the Company by resolution of 30/03/2018 pursuant to Article 9B para. 7 of the Statutes of the Company has agreed to exclude the pre-emptive right to series B shares in the interest of the Company and the nominal price of series B shares.

After the registration of the share capital increase in the National Court Register on 11/05/2018, in accordance with the resolution of 30/03/2018. the share capital of the Company was PLN 6,500,000.00 (six million five hundred thousand zloty) and was divided into 13,000,000 (thirteen million) shares with a nominal value of PLN 0.50. (in words: fifty groszy) each share.

The funds raised from the issue in the long-term will serve to develop the company and improve its financial situation. In the short-term, the funds were subject to cash loans that were repaid with interest generating profits for the company.

**11. Explanation of differences between the financial results disclosed in the annual report and the previously published forecasts of results for a given year.**

The company did not publish forecasts for 2018.

**12. Assessment, together with its justification, regarding the management of financial resources, with particular emphasis on the ability to meet the obligations incurred, and a description of significant risk factors, threats and actions that the issuer has taken or intends to take to address these threats, including the determination the issuer is exposed to them.**

The company regulates its current liabilities on time. By granting cash loans, the company demands collateral for funds and at the same time verifies the borrower's ability to settle the obligation. If the loans are not repaid, the possible risk is the limitation of the financial liquidity of the Company and its financial capacity.

**13. Assessment of the feasibility of investment plans, including capital investments, compared to the amount of funds held, including possible changes in the financing structure of this activity.**

The company is not planning significant investments in the nearest quarter.

**14. Assessment of factors and unusual events affecting the result of operations for the financial period, with the determination of the degree of influence of these factors or unusual events on the achieved result.**

On 21/02/2018 The Registry Court registered the merger of the Issuer previously acting as a joint-stock company under the Polish law under the business name RESBUD SPÓŁKA AKCYJNA with its registered office in Płock at ul. Padlewskiego 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register maintained by the District Court for the capital city of Warsaw in Warsaw, 14th Commercial Division under KRS number 0000090954, NIP 8130267303, REGON 690294174, with RESBUD1 Polska Akciová společnost with its registered office in Ostrava address: Poděbradova 2738/16, Moravská Ostrava, 702 00 Ostrava, Czech Republic entered in the commercial register kept by the District Court in Ostrava, section B under number 10978, identification number 06502440. (Next: Acquired Company). The company taking over RESBUD S.A. (currently RESBUD SE) operates in the construction industry, while RESBUD 1 Polska Akciová společnost operates in the industry of production, trade and other services in accordance with the subject of activity disclosed in the relevant register, where RESBUD1 Polska Akciová společnost is a special purpose entity.

As a result of registration by the District Court for the Capital City of Warsaw in Warsaw, the merger of the Issuer took the legal form of the European Company and currently operates under the name RESBUD SE with its registered office in Płock at ul. Padlewskiego 18C, Poland, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division, under the number KRS 0000719570.

The merger took place on the terms specified in the Merger Plan of 30/11/2017. made available free of charge to the public on the websites of the merging companies, respectively, at RESBUD S.A. - <http://www.resbud.pl/> and RESBUD1 Polska Akciová společnost - <http://resbudas.eu> and the current report RESBUD S.A. ESPI No. 30/2017 on November 30, 2017

The merger took place through the takeover by RESBUD S.A. RESBUD1 Polska Akciová společnost, in accordance with the provisions of Article 2 para. 1 in connection with article 17 par. 2 letter a) and 18 of the Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) of 8 October 2001 (Official Journal No. 294, p. 1) (Next: SE Regulation). The merger was approved by the General Meeting of the Issuer on January 3, 2018. with Resolution No. 9, published to the public in the current report ESPI No. 1/2018 on January 3, 2018.

The share capital of the Company is expressed in EURO and amounts to: 1.430.000,00 EURO (in words: one million four hundred thirty thousand EURO 00/100) and is divided into 13,000,000 (thirteen million) shares with a nominal value of 0.11 EURO ( say: eleven euro cents), that is 8,710,000 series A bearer shares with a nominal value of EUR 0.11 (in words: eleven euro cents) and 4,290,000 (four million two hundred ninety thousand) series B bearer shares with a nominal value 0.11 EURO (say: eleven euro cents). Along with the registration of the merger, changes were made to the Articles of Association resulting from the resolutions of the Extraordinary General Meeting of Shareholders of January 3, 2018.

The Issuer also explains that due to the adoption of the legal form of the European Company there were no changes in the composition of the Issuer's bodies, there were no changes in the rights of shareholders from the Company's shares except for the change in the nominal value of shares (expression in EURO) and the Company continues its legal existence and activity in the form of a European Company.

**15. Characteristics of external and internal factors significant for the issuer's business development and a description of the issuer's development prospects at least until the end of the financial year following the financial year for which the financial statements included in the annual report have been prepared, taking into account elements of the market strategy developed by the issuer.**

The changes that took place in the Company were aimed at changing the main profile of the Company's operations, influenced the achieved results and the economic and financial indicators of RESBUD.

At the same time, as part of the Issuer's division process, the Issuer separated its assets and liabilities, cleaned up the internal structure of the Company, and streamlined and concentrated the Company's internal processes on the main profile of its operations.

The company has fixed assets necessary to continue its business operations in the current scope as well as financial resources obtained from the issue of shares, which, by investing them in cash loans, have an impact on the interest income.

Change of the legal form of the Issuer to the European Company, submitting the motion of the Shareholder regarding the transfer of the registered office of the Company to the Republic of Estonia will affect the legal and economic situation of the Issuer.

Legal and economic aspects. As at the date of publication of this report, the Management Board recognized and communicated to the Shareholders the following aspects:

a. Legal issues

As a result of the Transfer procedure, the Company will maintain legal continuity and maintain the legal form of the European Company, which means that the Company will continue its operations in the current scope. The existing provisions of the SE Regulation will continue to apply to the operation of the Company to the extent not regulated in the SE Regulation. The law of Estonia will apply to the operation of the Company.

In accordance with the Transfer Plan, the Company's Articles of Association will also be amended, therefore the Company's shareholders and its bodies will be subject to new Statutory regulations.

As a result of the Transfer procedure, there were no changes in the listing of the Company's shares on the regulated market operated by the Warsaw Stock Exchange. in Warsaw. The legal regulations of the capital market allow the listing of shares of companies with registered offices in other European Union countries.

b. Economic issues

The transfer of the Company's registered office to Estonia allowed for a greater synergy of the Company's business operations and opened the Company wider access to the markets of all European Union countries.

In the opinion of the Issuer, Estonia is a country that allows you to run a large-scale business activity in a flexible manner throughout the European Union with the use of innovative solutions provided for by the law of Estonia.

Thanks to the relocation of the place of business to Estonia, the Company will be able to fully use modern forms of concluding contracts at a distance, and an efficient court apparatus will allow for their effective enforcement.

Consequences of Transfer

a. for the Company's shareholders

The Management Board of the Company indicates that the transfer of the registered office of the Company to Estonia in the opinion of the Management Board will not have a material impact on the situation of the Company's shareholders.

The Management Board explains that the transfer of the registered office of the Company will involve a change in the Company's statute and, furthermore, the Company will be subject to the provisions of the law of Estonia not regulated in the SE Regulation. The Management Board indicates, however, that the change in the registered office of the Company will not affect the total number of shares in the company and the total number of votes at the General Meeting.

In addition, the Management Board informed that in accordance with the applicable provisions, in particular in accordance with the provisions of the law of Estonia, it allowed shareholders to participate in General Meetings at a distance using electronic means.

The scope of information that the Issuer will provide will be similar to the existing scope, in particular due to the fact that participation in the Issuer's shares on the stock exchange on the Stock Exchange SAA in Warsaw, it will oblige the Company to fulfill its disclosure obligations in accordance with the provisions of the WSE Rules of Procedure. in Warsaw. The company will still be subject to regulations of MAR Regulation (Market Abuse Regulation).

In addition, the Issuer intends to fulfill information obligations either in Polish as the main language or in another permissible language in accordance with Estonian law with a translation into Polish, within a minimum of 5 years from the transfer of the seat, the scope of information which the Issuer communicates to the Shareholders required by the law of Estonia is similar to that required by Polish law. In addition, the Management Board in the aforementioned period will accept any statements of will from shareholders, including notifications in Polish, without the need to translate them into Estonian. Shareholders of the company have similar rights and obligations to those held by shareholders of Polish companies. Differences that exist in Polish law and es concerning the rights of shareholders are not material.

b. for the Company's creditors

The Management Board of the Company indicates that in its opinion the Transfer did not affect the situation of the creditors. The Transfer procedure did not affect the content of the legal relations binding on the Company and the state of the Company's assets.

c. for the employees of the Company

The transfer of the registered office of the Company will not affect the participation of the Company's employees.

**16. Changes in the basic rules of managing the issuer's enterprise.**

In 2018, there were no changes in the basic management rules in RESBUD. The mandate of the Management Board and Supervisory Board has been renewed for the next period.

**17. Any agreements concluded between the issuer and the managing persons, providing for compensation in the event of their resignation or dismissal from the position held without a valid reason or if their recall or dismissal occurs due to the merger of the issuer by acquisition.**

In 2018, no such agreements were concluded.

**18. The value of remuneration, bonuses or benefits, including those resulting from incentive or bonus schemes based on the issuer's capital, including programs based on priority bonds, convertible bonds, subscription warrants (in cash, in kind or any other form), paid out, due or potentially due, separately for each person managing and supervising the issuer in the issuer's enterprise, regardless of whether they were properly included in costs or whether they resulted from the distribution of profit. if the issuer is a parent entity or a significant investor - separately information about the value of remuneration and bonuses received for performing functions in the authorities of subordinated entities. if the relevant information is presented in the financial statements - the obligation is considered fulfilled by indicating the place of their inclusion in the financial statements.**

Managers and supervisors did not receive any other benefits apart from their remuneration.

Remuneration of the Management Board and Supervisory Board.

Remuneration of the Management Board and Supervisory Board (in PLN)

The remuneration of the persons managing and supervising	01-01.2018-31.12.2018
Members of the Supervisory Board	6 100
Management	27 759

The remuneration of the persons managing and supervising	01-01.2018-31.12.2018
<b>Management</b>	<b>27759.00</b>
-Kajkowska Anna	27759.00
<b>Supervisory Board</b>	<b>6100.00</b>
- Hetkowski Wojciech	1300.00
-Koralewski Jacek	1200.00
-Patrowicz Damian	1600.00
-Patrowicz haszgorzata	1000.00
-Patrowicz Martyna	1000.00

The remuneration of the persons managing and supervising	01-01.2017-31.12.2017
Members of the Supervisory Board	12 200
Management	24 000

The remuneration of the persons managing and supervising	01-01.2017-31.12.2017
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<b>Management</b>	<b>24000.00</b>
-Kajkowska Anna	24000.00
<b>Supervisory Board</b>	<b>12200.00</b>
- Hetkowski Wojciech	2600.00
-Koralewski Jacek	2400.00
-Patrowicz Damian	3200.00
-Patrowicz Małgorzata	2000.00
-Patrowicz Marianna	1445.65
-Patrowicz Martyna	554.35

**19. In the case of limited liability companies - determination of the total number and face value of all shares (shares) of the issuer and shares in related entities of the issuer, being in the possession of managing and supervising persons (for each person separately).**

According to the knowledge possessed by RESBUD SE, at the end of the financial year, none of the persons holding a position in the Management Board or the Supervisory Board had any RESBUD SE shares.

People in charge:

Anna Kajkowska-President of the Management Board did not own shares of the Issuer.

Supervising persons:

1. Damian Patrowicz
2. Wojciech Hetkowski
3. Małgorzata Patrowicz
4. Jacek Koralewski
5. Marianna Patrowicz
6. Martyna Patrowicz

they did not have direct shares of the Issuer.

According to data resulting from the statement, Mr. Damian Patrowicz at the end of the financial year had indirectly through the company Damf Invest S.A holding 100% stake in Patro Invest Sp. z o.o. 4,290,000 Issuer's shares constituting 33% of the share capital and votes at the AGM, while as at December 31, 2018, he did not hold any shares in Resbud.

**20. Information on contracts known to the issuer (including those concluded after the balance sheet date), as a result of which changes may occur in the future in the proportions of shares held by current shareholders and bondholders.**

The Management Board of RESBUD SE with its registered office in Tallinn, Estonia hereby informs that on 10/12/2018 concluded agreements for the assignment of receivables due to the Company.

The Issuer informs that on 10/12/2018. The company has assigned its receivables to DAMF KSIĘGOWOŚĆ Sp. z o.o. with its registered office in Płock (KRS No. 0000653491) arising from the Loan Agreement dated 21/11/2017 of which the Issuer is entitled to receivables in the amount of PLN 740,000.00 as a refund of the main loan principal and PLN 44,375,67 as a capital interest and the assignment of receivables under the Loan Agreement of 31/01/2018. under which the Issuer is entitled to receivables of PLN 1,190,000.00 as principal and PLN 58.352.38 as principal interest. The date of return of the loan from November 21, 2017 on 31/12/2018, the date of return of the loan from 31/01/2018. December 31, 2014

Sale of receivables described above due to the Issuer towards DAMF KSIĘGOWOŚĆ Sp. z o.o. with its registered

office in Płock took place for the benefit of ATLANTS SE with the registered office in Płock (KRS 0000728463) for a total price of PLN 840,000.00. with a payment period of 7 days.

In addition, the Issuer informs that on 10/12/2018. The company has assigned its receivables to ATLANTIS SE with its registered office in Płock (KRS No. 0000653491) under the Loan Agreement of 29/03/2017. of which the Issuer is entitled to receivables in the amount of PLN 200,000.00 as the main loan principal and PLN 22,200.35 as principal interest and assignment of receivables under the Assignment Agreement described above, of 10/12/2018. within the scope of the claim due to the Issuer due to the payment of the price in the amount of PLN 840,000.00. The deadline for the return of the loan from 29/03/2017. this is December 31, 2018 while the date of payment of the price from the Agreement for the assignment of receivables from 10/12/2018. concluded with ATLANTIS SE is 7 business days.

The sale of the aforementioned receivables due to the Issuer towards ATLANTS SE took place for the benefit of the company PATRO INVEST OÜ based in Tallinn, Estonia for a total price of 1.062.201.35 PLN with a payment deadline of up to 30 days.

In addition, the Issuer informs that on 10/12/2018. The company has assigned its receivables to PATRO INVEST Sp. z o.o. with its registered office in Płock (KRS No. 0000657016) under the Loan Agreement dated 14/09/2017, from which the Issuer is entitled to receivables in the amount of PLN 2,300,000.00 as the main loan principal and PLN 49,864.66 as the capital interest. The deadline for the return of the loan from 31/03/2018. then 31/03/2019

The sale of receivables described above due to the Issuer took place for the benefit of the company PATRO INVEST OÜ based in Tallinn, Estonia for a total price of PLN 2,349,864.66 with a payment deadline of up to 30 days.

In view of the above, the Issuer informs that as a result of the assignment of receivables from December 10, 2012. PATRO INVEST OÜ with its registered office in Tallinn, Estonia was obliged to pay to the Issuer the total amount of PLN 3,416,066.01, within 30 days from December 10, 2018. The purpose of the above activities was to organize the portfolio of foreign receivables.

Agreement consolidating liabilities with Patro Invest OU. Closed on February 25, 2019. Information in the report 5/2019 dated February 25, 2019.

On 25/02/2017 The Issuer concluded with Patro Invest OÜ with its registered office in Tallinn, Estonia Agreement on the conclusion of the Agreement to consolidate the loan agreement granted to Patro Invest OÜ with its registered office in Tallinn, Estonia. The Issuer has merged the loan amount in the amount of PLN 2,400,000.00 together with interest due to the Issuer under the Loan Agreement of 08/03/2018. about the conclusion, which the Issuer informed in the current report No. 9/2018 of 08/03/2018, has merged the loan amount in the amount of PLN 900,000.00 together with interest due to the Issuer under the Loan Agreement of 07.06.2018. about the conclusion, which the Issuer informed in current report No. 25/2018 of 07.06.2018, made a loan of PLN 850,000.00 with interest due to the Issuer due to the loan agreement of September 3, 2018. about the conclusion, which the Issuer informed in Current Report No. 39/2018 of 03/09/2018, consolidated the receivables in the amount of PLN 3.412.066,01 resulting from the assignment agreements signed by the Issuer with Patro Invest OÜ in Tallinn, Estonia, about which the Issuer informed in a report report No. 53/2018 dated 10/12/2018, has consolidated the loan amount in the amount of PLN 180,000.00 together with interest due to the Issuer, under the Loan Agreement dated 20/02/2019, he has merged the loan amount in the amount of PLN 360,000.00 together with interest due to the Issuer, under the Loan Agreement of 22/02/2017

As a result of the Agreement on the merge of loan agreements, the total value of receivables due to the Issuer from Patro Invest OÜ based in Tallinn, Estonia amounted to PLN 8,300,000 including interest accrued until the repayment date Agreement and the established transfer became się AP ENERGOBAU OÜ with its registered office in Tallinn.

The subject Agreement was concluded on March 27, 2019, with effect from 28 March 2019.

As at the date of concluding the Investment Agreement, there were capital ties between the Issuer and PATRO INVEST OÜ. PATRO INVEST OÜ was a significant shareholder of the Issuer with shares giving the right to

surrender 33.08% of votes at the Issuer's General Meeting.

#### **21. Information on the system of controlling employee share programs.**

In 2018. The company did not implement the employee share program and at the same time did not implement a system of their control.

#### **22. Major achievements in the field of research and development.**

The Issuer does not carry out such activities.

#### **23. Indication of proceedings pending before a court, a competent arbitration authority or a public administration body.**

In 2018, proceedings were pending which the RESBUD reported in previous reporting periods:

On July 27, 2012 ABM SOLID SA was declared bankrupt. in Tarnów. The Issuer filed claims in the bankruptcy proceedings in the amount of PLN 2,037,237.71. A total of PLN 1,661,651.73 was recognized on the list of receivables. On 29.01.2014, the Issuer objected to the refusal to recognize the amount of PLN 639,585.98.

On 21.07.2015 to Resbud SA as plaintiff - a provision was granted on securing the action of RESBUD SA up to the amount of 312,704,51 on 4 potential claims Eko - Wamax for the return of security deposits, with the sum of collateral calculated at PLN 417,901. On 17.02. .2016 - SO in Krakow called EKO - WAMAX Sp. z o.o. to document the lack of management in the defendant company as a result of the resignation of the function by the sole board member. SO in Krakow did not set the date of the next hearing.

#### **24. Information on contracts concluded with the statutory auditor**

At the meeting on November 16, 2016 The Supervisory Board of the Company, as an entity authorized to select the auditors of the Company, decided to select a statutory auditor Marcin Grzywacz running a business under the name of Marcin Grzywacz Audyt Doradztwo Szkolenia, ul. Domaniewska 35 lok.89, 02-672 Warsaw (NIP: 7962397464, REGON: 146897770) entered in the list of statutory auditors under number 3872 as the entity authorized to audit the unitary financial statements of the Company for the fiscal year 2017 and review of the unitary statement of the company for the period from on 01/01/2018 until 30/06/2018

The Issuer informs that Mr Marcin Grzywacz, statutory auditor No. 11769, as the key certified auditor conducting the audit on behalf of Ground Frost Euroin Audyt Sp. z o.o. the entity authorized to audit financial statements No. 68, audited the Issuer's financial statements for the financial year 2014 and financial year 2015, and reviewed the condensed interim separate financial statements for the first half of 2014 and the first half of 2015 and the first half of 2016.

The parties in the contract agreed remuneration:

- for the review of the unitary report of the interim financial statements for the half-year period ending on 30/06/2018 in the amount of PLN 4,000.00 net.

The contract was concluded on November 29, 2016.

The Supervisory Board of the Company selected the auditor to audit the company's financial statements for 2018 in the person of the statutory auditor Marcin Grzywacz running a business under the name of Marcin Grzywacz Audyt Doradztwo Szkolenia, ul. Domaniewska 35 lok.89, 02-672 Warsaw (NIP: 7962397464, REGON: 146897770) entered in the list of statutory auditors under number 3872 as the entity authorized to audit the unit financial report of the Company. The remuneration was set at PLN 10,000 net.

On May 14, 2019. the Company's e-mail address received the termination of the contract from the statutory auditor Marcin Grzywacz.



On May 17, 2019, the Extraordinary General Assembly of the RESBUD adopted a resolution regarding the election of Lahendus Pluss KV OÜ based in Tallinn, Estonia as a company established to audit the financial statements for 2018 and 2019 and to present a Report on the audit and evaluation of the RESBUD financial statements.

As a result of the implementation of this Resolution, the Extraordinary General Assembly of Shareholders of RESBUD May 20, 2019. The Management Board of RESBUD concluded an agreement for the audit of the financial statements for the financial year 2018 and 2019 with the company Lahendus Pluss KV OÜ based in Tallinn, Estonia.

## **25. Significant events that occurred after the balance sheet date.**

On January 11, 2019, the Company received a written resignation from Mr. Damian Patrowicz from his post in the Supervisory Board of the Company on January 11, 2019. The reason for the resignation was not indicated.

On 12/02/2017 The company sold its receivables to ABM SOLID SA in liquidation bankruptcy. based in Tarnów in the amount of PLN 2,492,770.84. The sale of the claim described above to the Issuer was made for the benefit of PATRO INWESTYCJE SP. z o o. based in Płock, for a total price of PLN 100,000.00 with a payment deadline of up to seven days. The purpose of the above activities was to organize the portfolio of foreign receivables, and the obtained price in the RESBUD's assessment reflects its market value.

On 25/02/2017 RESBUD concluded with the company Patro Invest OÜ based in Tallinn, Estonia Agreement on the conclusion of the Agreement to consolidate the loan agreement granted to Patro Invest OÜ with its registered office in Tallinn, Estonia. Pursuant to the provisions of this agreement, the loan amount in the amount of PLN 2,400,000.00, including interest due, was repaid under the Loan Agreement of 08/03/2018. about the conclusion, which was informed in the current report No. 9/2018 of 08/03/2018, made the loan amount in the amount of PLN 900,000.00 together with interest due under the Loan Agreement of 07.06.2018. on the conclusion of which RESBUD informed in current report No. 25/2018 of 07.06.2018, has merged the loan amount in the amount of PLN 850,000.00 together with interest due, under the Loan Agreement of September 3, 2018. on conclusion, which RESBUD informed in Current Report No. 39/2018 of 03/09/2018, consolidated the receivables in the amount of PLN 3.412.066,01 resulting from the agreements concluded with Patro Invest OÜ in Tallinn, Estonia of assignment agreements in accordance with current report No. 53 / 2018 of 10/12/2018, has made the consolidation of the loan in the amount of PLN 180,000.00 together with interest due, under the Loan Agreement of 20/02/2019, made a loan of PLN 360,000.00 together with interest due, under the Loan Agreement of 22/02/2017 RESBUD reported that as a result of the Agreement on the merge of loan agreements, the total value of receivables due to the Issuer from Patro Invest OÜ based in Tallinn, Estonia amounts to PLN 8,300,000 including interest accrued until the repayment date. The date of repayment of obligations under the concluded Agreement was agreed by the parties as at 31/05/2017. The payment of obligations under the Agreement in its entirety exhausts the claims of Resbud SE against Patro Invest OÜ based in Tallinn. The Management Board of RESBUD for the conclusion of the Agreement - a contract consolidating the loan agreement was granted on 25/02/2017. consent of the Supervisory Board of the Company.

On 26 March 2019, RESBUD SE concluded with Patro Invest OU with its registered office in Tallinn, Annex No. 1 to the Agreement consolidating receivables under loan agreements of 25/02/2019. about which he informed in current report No. 5/2019 from 25/02/2019. Pursuant to the contents of Annex No. 1, receivables in the amount of PLN 8,300,000 have been converted into EUR and amount to EUR 1,920,000.00. The deadline for repayment of the debt has not changed and falls on 31/05/2019.

On March 27, 2019. was concluded with the participation of RESBUD SE Investment Agreement between AP ENERGOBAU OÜ based in Tallinn and Patro Invest OÜ based in Tallinn, with the participation of the Issuer. With the entry into force of the Investment Agreement, the debtor specified in the Debt Consolidation Agreement has been changed, which the Issuer reported in its current report No. 5/2019 and No. 7/2019 in the amount of EUR 1,920,000.00. The new debtor of the RESBUD in accordance with the provisions of the Agreement and the established transfer has become AP ENERGOBAU OÜ with its registered office in Tallinn. RESBUD informs that the Agreement was concluded on March 27, 2019, with effect from 28 March 2019. As at the date of concluding the Investment Agreement between RESBUD and PATRO INVEST OÜ, there were capital connections.

On March 28, 2019, the Management Board of Resbud SE announced that the company resigned from this day all members of the Issuer's Supervisory Board, ie Martyna Patrowicz, Małgorzata Patrowicz, Wojciech Hetkowski and Jacek Koralewski.

On March 28, 2019, there was a change in the position of the President of RESBUD SE by appointing the Supervisory Board President Bartosz Stradomski to the position of the President, with the simultaneous dismissal of Anna Kajkowska from this function.

On 29/03/2019, the Company received two notifications informing about indirect reduction and direct involvement in the company from Mr. Marek Patrowicz and Patro Invest OU.

On 01/04/2019, the Company received a notification informing about increasing the involvement in RESBUD SE by AP Energobau OU.

On 01/04/2019, the Company received a notification informing about an indirect increase in the exposure to the RESBUD SE company by Ms. Anna Joemets.

On 24/04/2019, the Company received a notification informing about an indirect decrease in the exposure of RESBUD SE by Mrs. Anna Joemets.

On 24/04/2019, the Company received a notification informing about indirect increase of the involvement in the RESBUD SE company by Mr. Alexei Pietrov.

On 31/05/2019, the RESBUD SE Management Board with its registered office in Tallinn received an offer from a significant shareholder of AP ENERGOBA OÜ based in Tallinn Estonia, regarding the repayment of significant debts of the issuer. Information on significant receivables to which the AP ENERGOBAU OÜ offer has been submitted in current reports No. 5/2019, 7/2019 and 8/2019. Shareholder of AP ENERGOBAU OÜ on 28 March 2019 took over the liability of PATRO INVEST OÜ with its registered office in Tallinn in relation to the issuer for EUR 1,920,000.

The repayment date of this liability was 31 May 2019. In accordance with the offer submitted on 31 May 2019, the shareholder proposed that the debt taken over be repaid by means of shares in the company incorporated under Russian law ENERGO KOMPLEKT OOO (Russian registration number 1136670023071). The offer is binding until June 28, 2019. Bearing in mind that the approval of the RESBUD SE Supervisory Board in accordance with para. 6.8.2 and 6.8.4 of the Articles of Association of the Company, the reply to the offer will be granted after the appointment of the new Supervisory Board of RESBUD SE.

**26. Information on any liabilities arising from pensions and similar benefits for former managers, supervisors or former members of administrative bodies and on liabilities incurred in connection with these pensions, with an indication of the total amount for each category of body; if the relevant information is presented in the financial statements - the obligation is considered fulfilled by indicating the place of their inclusion in the financial statement.**

Liabilities of this type do not occur in the Company.

**27. information about own shares**

During the reporting period, the company did not have any own shares.

**28. information about the branches of the Company**

The company has no branches

**29. information about financial instruments in the field**

a) the risk of: changes in prices, credit, significant distortions of cash flows and loss of financial liquidity to which the entity is exposed,

b) financial risk management objectives and methods adopted by the entity, including methods of securing significant types of planned transactions for which hedge accounting is applied

The company does not have a formal financial risk management system. Decisions on the use of hedging instruments for planned transactions are made on the basis of a current analysis of the situation of the Company and its environment.

#### Goals and principles of financial risk management

The main financial instruments used by the Company are receivables and liabilities for deliveries and services that arise directly in the course of its business.

The company does not enter into any transactions involving derivative instruments.

The main types of risk resulting from the Company's financial instruments include: interest rate risk, liquidity risk, credit risk and risk related to financial collateral.

The Management Board is responsible for establishing the risk management principles in the Company and supervising their compliance.

The risk management principles of the Company are aimed at identifying and analyzing the risks to which the Company is exposed, determining appropriate limits and controls, as well as monitoring the risk and the degree of matching the limits.

#### Credit risk.

Credit risk is the risk of financial loss by the Company in a situation where the client or the other party to the contract fails to meet the obligations arising from the contract. Credit risk is primarily related to receivables. The Company's exposure to credit risk results mainly from the individual characteristics of each client.

The company monitors its receivables on an ongoing basis. Due to the limitation of construction and assembly activities, the level of credit risk has significantly decreased in recent months.

The company creates revaluation write-offs for impairment, which correspond to the estimated value of incurred losses on trade receivables, other receivables and on investments.

The purpose of the credit policy pursued by the Company is to maintain financial liquidity ratios at a safe and high level, timely settlement of liabilities to suppliers and minimization of costs related to servicing bank liabilities. The policy of managing liabilities and receivables towards suppliers and recipients also minimizes the use of bank loans and related financial costs. Its aim is to reconcile the terms of mutual payments so that, in compliance with the principle of timely fulfillment of own liabilities, also use trade credit.

#### Liquidity risk.

The liquidity risk management process consists in monitoring the projected cash flows and then adjusting the maturity of assets and liabilities, analyzing working capital and maintaining access to various sources of financing.

The company's goal is to maintain a balance between continuity and flexibility of financing, through the use of financing sources such as loans, overdrafts and financial leasing contracts.

#### The risk of exchange rate fluctuations and limited liquidity

The immanent feature of stock exchange trading are fluctuations in stock prices and short-term fluctuations in turnover. This may result in the possible sale or purchase of a larger block of Issuer's shares being associated with the need to accept a much cheaper price than the reference price. It is also not possible to exclude temporary significant liquidity restrictions, which may prevent or significantly hinder the sale or purchase of Issuer's shares.

#### Risk of instability of the Polish legal system

Frequent amendments, incoherence and lack of uniform interpretation of law, in particular tax law, and legal regulations to which the Issuer is a public company carry significant risks related to the legal environment in which the Issuer operates, eg Risk associated with the recognition of the company as an alternative investment company in the meaning of the Act on investment funds and management of alternative funds with investment ears of May 27, 2004 (ie, October 19, 2016, Journal of Laws of 2016, item 1896) The analysis of applicable law and business activity conducted by the Company shows that the Company does not meet statutory criteria necessary to qualify as ASI within the meaning of the Act on investment funds. However, bearing in mind the position of the Polish Financial Supervision Authority, it can not be ruled out that the Company will be recognized by the Polish Financial Supervision Authority as ASI. It should be pointed out that if the Company is recognized as having ASI status under the Investment Funds Act, failure to obtain a proper permit or registration raises the risk of criminal and financial liability.

Amendments to the law may have a direct or indirect impact on the Issuer's operations and the financial results it achieves.

After moving the registered office to Estonia, the risk described above does not occur.

#### Risk related to the Issuer's dependence on recipients

There is a risk of impact on the results achieved by the Issuer from entities related to the Issuer with contracts for the rental of office space. The untimely settlement of receivables due to concluded agreements has an impact on the current financial liquidity. In this case, real estate lease agreements should be treated as a permanent contractual dependence on the recipients.

From September 13, 2018, ie from the date of ELKOP's acquisition of the company's real estate to repay the debt, this risk does not occur.

The position of the management body together with the opinion of the issuer's supervisory body referring to reservations expressed by the entity authorized to audit financial statements in the review report or refusal to issue a report on the review of the semi-annual financial statements, and in case the semi-annual condensed financial statements were audited by an entity authorized to audit financial statements financial - to a qualified opinion issued by an entity authorized to audit financial statements, a negative opinion or refusal to express an opinion on a half-year condensed financial report, containing in particular:

- a) an indication of the impact, in terms of quantity and quality, of the object of reservation or refusal to issue a report on the review, and in the case where the semi-annual condensed financial statements were audited by an entity authorized to audit financial statements - subject to objection, negative opinion or refusal of opinion, semi-annual reports financial statements, including results and other financial data, presenting in each case a materiality assessment,
- b) presentation of actions taken or planned by the issuer in connection with the situation.

Such a situation did not occur in the Company.

### **30. Corporate governance**

The document describing the organization and execution of Corporate Governance in the Company is attached to this Report of the RESBUD SE Management Board.

Bartosz Stradomski  
Chairman of the Management Board  
RESBUD SE