

# Report of the Supervisory Board of Murapol S.A.

on the assessment of:

- Financial statements of Murapol S.A. for the turnover year ended 31<sup>st</sup> December 2024
- Consolidated financial statements of the Murapol S.A. Capital Group for the turnover year ended 31<sup>st</sup> December 2024
- Reports of the management board on the activities of Murapol S.A. and its capital group in 2024



## **I. ASSESSMENT OF FINANCIAL STATEMENTS AND REPORT ON ACTIVITIES OF THE MANAGEMENT BOARD.**

The Company prepared a management report on its activities and financial statements for 2024, as well as a consolidated report of the Murapol S.A. Capital Group for 2024. Members of the Supervisory Board have read the documents in question and then have assessed them:

- 1) Financial statements of Murapol S.A. for the year ended 31st December 2024, prepared in accordance with the International Financial Reporting Standards adopted by the European Union ('IFRS'), which consists of:
  - The statement of financial position prepared as of 31st December 2024, which discloses the amount of PLN 1 443 652 thousand in respect of the assets and liabilities;
  - Statement of comprehensive income for the twelve-month period ended 31st December 2024, which discloses a net profit of PLN 241 808 thousand;
  - Cash flow statement for the twelve-month period ended 31st December 2024, which discloses the balance of cash and cash equivalents as of 31st December 2024 in the amount of PLN 3 951 thousand;
  - Statement of changes in equity for the twelve-month period ended 31st December 2024, which discloses the equity balance as of 31st December 2024 in the amount of PLN 604 841 thousand;
  - Accounting principles (policies) and additional explanatory notes.
- 2) Consolidated financial statements of the Murapol S.A. Capital Group for the year ended 31st December 2024, prepared in accordance with the IFRS, which consists of:
  - Consolidated statement of financial position prepared as of 31st December 2024, which discloses the amount of PLN 2 160 685 thousand;
  - Consolidated statement of comprehensive income for the twelve-month period ended 31st December 2024, which discloses net comprehensive income in the amount of PLN 242 017 thousand;
  - Consolidated cash flow statement for the twelve-month period ended 31st December 2023, which discloses the balance of cash and cash equivalents as of 31st December 2024 in the amount of PLN 163 117 thousand;
  - Consolidated statement of changes in equity for the twelve-month period ended 31st December 2024, which discloses the equity balance as of 31st December 2024 in the amount of PLN 603 399 thousand;
  - Accounting principles (policies) and additional explanatory notes to the consolidated financial statements.
- 3) Reports of the Management Board on the activities of Murapol S.A. and its Capital Group in 2024.

## **II. AUDIT OF FINANCIAL STATEMENTS.**

The audit of the financial statements of Murapol S.A. and the consolidated financial statements of the Murapol S.A. Capital Group. for the turnover year ended 31st December 2024, was conducted on the basis of a contract concluded between Murapol S.A. and Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw entered into the register of entrepreneurs under the National Court Register (KRS) number: 0000481039. The basis for concluding the contract was the resolution of the Supervisory Board of Murapol S.A. No. B/01/06/2023 of 5 June 2023 and No. B/01/08/2023 of 22 August 2023.

The audit was conducted by a certified auditor in accordance with the provisions of:

- 1) Act of 11 May 2017 on statutory auditors, audit firms and public supervision,
- 2) National Auditing Standards in the wording of the International Auditing Standards, adopted by the resolution No. 2783/52/2015 of the National Council of Statutory Auditors in Poland of 10 February 2015, as amended,
- 3) Regulation No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements for the audit of the financial statements of public-interest entities, repealing Commission Decision 2005/909/EC.

### **III. ASSESSMENT OF THE SUPERVISORY BOARD.**

In the opinion of the Supervisory Board:

1. Financial statements of Murapol S.A. for the year ended 31st December 2024:
  - Presents reliably and clearly all information relevant to the assessment of the property and financial situation of Murapol S.A. as of 31st December 2024, as well as its financial result and cash flows for the turnover year from 1 January 2024 until 31st December 2024,
  - Have been drawn up in accordance with the IFRS,
  - Are consistent with the legal provisions governing the preparation of financial statements that affect the form and content of financial statements,
  - Have been drawn up in a manner consistent with the books and documents, as well as with the actual status and legal provisions.
2. Consolidated financial statements of the Murapol S.A. Capital Group for the year ended 31st December 2024:
  - Presents reliably and clearly all information relevant to the assessment of the property and financial situation of the Murapol S.A. Capital Group as of 31st December 2024, as well as its financial result and cash flows for the turnover year from 1st January 2024 until 31st December 2024,
  - Have been drawn up in accordance with the IFRS,
  - Are consistent with the legal provisions governing the drawing up of financial statements that affect the form and content of the consolidated financial statements,
  - Have been drawn up in a manner consistent with the books and documents, as well as with the actual status and legal provisions.
3. Report of the Management Board on the activities of Murapol S.A. and its Capital Group in 2024:

- Is complete within the meaning of Art. 49 of the Accounting Act and the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information submitted by issuers of securities and the conditions for recognising as equivalent information required by the laws of a non-member state,
- The information contained therein is consistent with the information contained in the audited financial statements and the audited consolidated financial statements,
- Has been drawn up in a manner consistent with the books and documents, as well as with the actual status and legal provisions.

#### IV. ASSUMPTION OF THE SITUATION OF MURAPOL S.A.

##### 1. Profit and Loss Statement

in thousands of PLN	2024	2023	Change	Dynamics in %
Revenues from sales	50 718	65 250	(14 532)	(22%)
Gross margin from sales	12 238	14 737	(2 499)	(17%)
Operating expenses including valuation under the equity method	293 043	259 269	33 774	13%
Operating profit	305 278	274 006	31 272	11%
Net profit	241 808	217 126	24 682	11%

The revenues from sales of Murapol S.A. mainly relate to management services to related entities. In 2024, they amounted to PLN 51 million and decreased by PLN 15 million compared to 2023. Gross profit on sales in 2024 was PLN 12 million, down by PLN 2 million compared to 2023. This decrease was due to lower sales in 2024.

The Company uses the equity method of valuation for the purpose of valuing its subsidiary entities. This method is a major component of the financial result of the Issuer. In 2024, the profit on valuation was PLN 295 million, an increase of PLN 34 million compared to 2023.

Operating profit in 2024 amounted to PLN 305 million and increased by PLN 31 million compared to 2023. The increase was due to the profit from equity method valuation described above.

Net profit in 2024 amounted to PLN 242 million and was PLN 25 million higher than in 2023. The increase was due to an increase in operating profit, partially offset by higher tax expenses.

## 2. Balance sheet

	2024	2023	Change	Structure in %	Dynamics in %
<b>ASSETS</b>	<b>1 443 652</b>	<b>1 236 406</b>	<b>207 246</b>	100%	<b>17%</b>
<b>Fixed assets</b>	<b>1 330 626</b>	<b>1 178 401</b>	<b>152 225</b>	92%	<b>13%</b>
Investment in related parties valuated under the equity method	1 219 995	1 101 897	118 098	85%	11%
Other fixed assets	110 631	76 505	34 126	8%	45%
<b>Current assets</b>	<b>113 026</b>	<b>58 005</b>	<b>55 021</b>	8%	<b>95%</b>
<b>Cash</b>	3 951	1 469	2 482	0%	169%
<b>Othe current assets</b>	109 075	56 536	52 539	8%	93%

  

	2024	2023	Change	Structure in %	Dynamics in %
<b>LIABILITIES</b>	<b>1 443 652</b>	<b>1 236 406</b>	<b>207 246</b>	100%	<b>17%</b>
<b>Equity</b>	<b>604 841</b>	<b>560 536</b>	<b>44 305</b>	42%	<b>8%</b>
<b>Liabilities</b>	<b>838 811</b>	<b>675 870</b>	<b>162 941</b>	58%	<b>24%</b>
<b>Long-term liabilities</b>	<b>691 726</b>	<b>573 983</b>	<b>117 743</b>	48%	<b>21%</b>
Interest-bearing credits and loans	673 246	558 041	115 205	47%	21%
Other long-term liabilities	18 480	15 942	2 538	1%	16%
<b>Short-term liabilities</b>	<b>147 085</b>	<b>101 888</b>	<b>45 197</b>	10%	<b>44%</b>
Interest-bearing credits and loans	111 863	70 587	41 276	8%	58%
Other short-term liabilities	35 222	31 302	3 920	2%	13%

The balance sheet total of the Company as of 31st December 2024 amounted to PLN 1 444 million and increased by PLN 207 million compared to 31st December 2023. The main growth factor were Investments in subsidiary companies using the equity method, which increased by PLN 118 million and resulted from profits realised by subsidiary companies. This item is also the most important component of the assets of the Issuer.

The equity as of 31st December 2024 amounted to PLN 605 million and increased by PLN 44 million compared to 31 December 2023. The increase was mainly due to an increase in retained earnings of PLN 242 million net less dividends paid of PLN 200 million.

In case of liabilities, the largest item was the total long-term and short-term liabilities for interest-bearing credits and loans, bonds and derivatives, which amounted to PLN 785 million and increased by PLN 156 million compared to 31st December 2023. This was mainly due to the disbursing of a loan tranche of PLN 72 million, the issuance of bonds of PLN 150 million, less scheduled loan repayments of PLN 65 million.

### 3. Cash flows

	2024	2023
in thousands of PLN		
Cash flows from operating activities	(3 304)	(10 353)
Cash flows from investment activities	121 405	77 794
Cash flows from financial activities	(115 619)	(126 969)

Flows from investing activities resulted from dividends received from subsidiaries and IC loans granted related to the refinancing of the financial structure of the Group.

### 4. Ratio analysis

		2024	2023	Change in percentage points
Gross margin on sales	Gross margin on sales / sales	24.1%	22.6%	1.5
Operating profit margin	Operating profit / sales	601.9%	419.9%	182.0
Net profit margin	Net profit / sales	476.8%	332.8%	144.0
ROE	Net profit / equity	40.0%	38.7%	1.3

The margin on sales in 2024 was of 24.1% and increased by 1.5 percentage points compared to 2023.

The operating profit margin in 2024 was of 601.9% and increased by 182.0 percentage points compared to 2023. The corresponding net profit margin was 476.8% and increased by 144.0 percentage points. The percentage margins above 100 percent are due to the inclusion of equity method valuation gains at the level of operating expenses and income, and therefore below sales.

ROE amounted to 40.0% in 2024 and registered an increase of 1.3 percentage points compared to 2023. The increase was due to higher net profit in 2024.

		2024	2023
<b>Inventory turnover</b>	inventory / sales revenue × 365 days	7	6
<b>Receivables turnover</b>	trade receivables / revenue from sales × 365 days	226	120
<b>Liabilities turnover</b>	trade payables / revenue from sales × 365 days	36	96

<b>Debt ratio</b>	liabilities / total assets	58.10%	54.66%
<b>Short-term debt ratio</b>	short-term liabilities / total assets	10.19%	8.24%
<b>Long-term debt ratio</b>	long-term liabilities / total assets	47.92%	46.42%
<b>Current ratio</b>	current assets / short-term liabilities	0.8	0.6
<b>Quick ratio</b>	(current assets – inventory) / short-term liabilities	0.8	0.6

The inventory turnover ratio remained at a similar level as in 2023. The receivables turnover ratio recorded an increase in the cycle of 106 days, due to an increase in trade receivables. The liabilities turnover ratio recorded a shortening of the cycle by 60 days, as a result of a decrease in the balance of trade liabilities.

The overall debt ratio shows an increase in debt of 3.4 percentage points. Which is mainly due to an increase in long-term term debt. The increase in the ratios is mainly due to the issuance of bonds.

Liquidity ratios increased by 0.2 points compared to 2023. The Issuer manages liquidity collectively for the entire Group. As a result, the cash level of the Company may fluctuate, irrespective of the financial situation of the Group as a whole.

## V. ASSUMPTION OF THE SITUATION OF THE CAPITAL GROUP OF MURAPOL S.A.

### 1. Profit and loss statement

in thousands of PLN	2024	2023	Change	Dynamics in %
Revenues from sales	1 330 214	1 215 944	114 270	9%
Including R4S	1 185 741	1 028 787	156 954	15%
Including PRS	144 473	187 157	(42 684)	(23%)
Gross margin from sales	401 792	383 393	18 399	5%
Operating profit	293 600	266 199	27 401	10%
Net profit	242 029	219 151	22 878	10%

In the opinion of the Supervisory Board, the Murapol S.A. Group achieved very good financial results in 2024. Sales revenue increased by 9% and amounted to PLN 1 330 million. The increase was due to a higher volume of residential sales and a higher transaction price in the development segment. In 2024, 2915 units were handed over compared to 2801 premises in 2023. In 2024, the average price of premises handed

over was PLN 404 thousand and PLN 365 thousand in 2023. Revenues in the PRS segment decreased by PLN 42.7 million and amounted to PLN 144 million.

Gross profit on sales amounted to PLN 402 million in 2024 and increased by PLN 18 million i.e. by 5%.

Operating profit amounted to PLN 294 million in 2024 and increased by PLN 27 million, i.e. 10%, compared with 2023. Net profit amounted to PLN 242 million in 2024 and increased compared to 2023 by PLN 23 million i.e. 10%. The results were in line with expectations.

## 2. Balance sheet

	2024	2023	Change	Structure in %	Dynamics in %
<b>ASSETS</b>	<b>2 160 685</b>	<b>1 859 815</b>	<b>300 190</b>	100%	<b>16%</b>
<b>Fixed assets</b>	<b>81 996</b>	<b>86 523</b>	<b>(4 527)</b>	4%	<b>(5%)</b>
<b>Current assets</b>	<b>2 078 689</b>	<b>1 773 292</b>	<b>304 717</b>	96%	<b>17%</b>
Inventory	1 641 526	1 399 763	241 763	76%	17%
Trade receivables and others	86 493	98 154	(11 661)	4%	(12%)
Other current assets	31 131	27 207	3 924	1%	14%
Cash and cash equivalents and cash in trust accounts	318 859	248 168	70 691	15%	28%

	2024	2023	Change	Structure in %	Dynamics in %
<b>LIABILITIES</b>	<b>2 160 685</b>	<b>1 859 815</b>	<b>300 870</b>	100%	<b>16%</b>
<b>Equity</b>	<b>603 399</b>	<b>559 385</b>	<b>44 014</b>	28%	<b>8%</b>
<b>Liabilities</b>	<b>1 557 286</b>	<b>1 300 430</b>	<b>256 856</b>	72%	<b>20%</b>
<b>Long-term liabilities</b>	<b>632 343</b>	<b>454 770</b>	<b>177 573</b>	29%	<b>39%</b>
Credits, loans, bonds and derivatives	546 286	394 232	152 054	25%	39%
Other long-term liabilities	86 057	60 538	25 519	4%	42%
<b>Short-term liabilities</b>	<b>924 943</b>	<b>845 660</b>	<b>79 283</b>	43%	<b>9%</b>
Credits, loans, bonds and derivatives	66 495	67 493	(998)	3%	(1%)
Trade liabilities and others	145 098	92 337	52 761	7%	57%
Liabilities under contracts with customers	586 992	587 343	(351)	27%	0%
Other short-term liabilities	126 358	98 487	27 871	6%	28%



The balance sheet total of the Company as of 31 December 2024 amounted to PLN 2,161million, up by PLN 301 million from 31 December 2023. The main asset was inventories, whose value as of 31st December 2024 was of PLN 1, 642 million, an increase of PLN 242 million. This increase is due to the growth of the Murapol Capital Group and increased spending on the commencement of new development projects. As of 31st December 2024, there were 7,756 residential units under construction with a total area of 318,500sqm, compared to 6,238 residential units with an area of 256sqm at the end of 2023. The second largest asset category was cash in bank and trust accounts. As of 31st December 2024, these amounted to PLN 319 million, an increase of PLN 71 million compared to 31st December 2023. It should be noted that the Group maintained a high and safe level of cash despite the payment of a 200 million dividend.

Equity as of 31st December 2024 amounted to PLN 603 million and increased by PLN 44 million compared to 31 December 2023. The increase was mainly due to net profit of PLN 242 million less dividends paid of PLN 200 million.

In terms of liabilities, the largest item was the total long-term and short-term liabilities for interest-bearing loans, bond borrowings and derivatives. These amounted to PLN 613 million and increased by PLN 151 million compared to 31st December 2023. This was mainly due to the disbursing of the tranche of the loan in the amount of PLN 72 million, the issuance of bonds in the amount of 150, less the scheduled repayments of the loan in the amount of PLN 65 million. The second largest item of liabilities were liabilities under contracts with customers, which amounted to PLN 587 million and remained at a similar level as in 2023.

### 3. Cash flows

in thousands of PLN	2024	2023
Cash flows from operating activities	100 344	31 220
Cash flows from investment activities	(818)	(1 091)
Cash flows from financial activities	(119 565)	(116 495)

The increase in flows from operating activities is due to higher gross profit and positive changes in working capital.

Flows from financing activities result from the dividend paid in 2024 and flows related to the loan agreement and the bond issuance.

### 4. Ratio analysis

		2024	2023	Change in percentage points
Gross margin on sales	Gross margin on sales / sales	30.2%	31.5%	(1.3)
Operating profit margin	Operating profit / sales	22.1%	21.9%	0.2
Net profit margin	Net profit / sales	18.2%	18.0%	0.2
ROE	Net profit / equity	40.1%	39.2%	0.9

The gross margin on sales in 2024 amounted to 30.2 and decreased by 1.3 percentage points compared to 2023. The slight decrease in the sales margin in percentage terms was due to the structure of unit handovers, mainly in the first quarters of 2024.

The operating profit margin in 2024 was at 22.1%, and increased by 0.2 percentage points compared to 2023. Accordingly, the net profit margin amounted to 18.2% and increased by 0.2 percentage points.

ROE reached 40.1% in 2024 and showed an increase of 0.9 percentage points compared to 2023. The increase was due to higher net profit in 2024.

		2024	2023
<b>Inventory turnover</b>	inventory / sales revenue × 365 days	450	420
<b>Receivables turnover</b>	trade receivables / revenue from sales × 365 days	10	11
<b>Liabilities turnover</b>	trade payables / revenue from sales × 365 days	32	22
<b>Debt ratio</b>	liabilities / total assets	72.07%	69.92%
<b>Short-term debt ratio</b>	short-term liabilities / total assets	42.81%	45.47%
<b>Long-term debt ratio</b>	long-term liabilities / total assets	29.27%	24.45%
<b>Current ratio</b>	current assets / short-term liabilities	2.2	2.1
<b>Quick ratio</b>	(current assets – inventory) / short-term liabilities	0.5	0.4

Inventory turnover ratios showed an extension of the cycle compared to the previous year by 30 days respectively.

This was due to an increase in inventories of PLN 242 million. The receivables turnover ratio remained at a similar level to the previous year. The liabilities turnover ratio recorded an extension of the cycle by 11 days. This was due to an increase in trade liabilities by PLN 45 million.

The total debt ratio shows an increase of 2.2 percentage points. Which is mainly due to the increase in long-term term debt. The increase in the ratios is mainly due to the bond issue. The debt continues to remain at a safe level.

Liquidity ratios are typical of enterprises in the property development industry, characterised by long production cycles and high inventory levels. Liquidity ratios remain at similar levels as at the end of 2023.

## **5. Summary**

On the basis of the financial statements for the turnover year 2024, the consolidated financial statements of the Murapol Group for 2024 and the report of the Management Board on the activities of the Company and its Capital Group for the turnover year 2023, the Supervisory Board assesses 2024 as a very good year for Murapol S.A. The Group has dealt with negative factors affecting the development market in Poland, including, inter alia, the effects of the armed conflict in Ukraine, limited customer access to mortgage financing and problems in the supply chains of construction materials, and the availability of skilled labour.

In 2024, the activities of the Company and the Group generated significant profits comparable to 2023, as disclosed in the profit and loss account. Having analysed the financial statements for 2024, the consolidated financial statements of the Murapol S.A. Group for 2024 and the report of Management Board on the activities of Murapol S.A. and its Capital Group in 2024, the Supervisory Board estimates that the financial situation of Murapol S.A. at the end of 2024 was good and constitutes a solid basis for the continued development of the Company. This opinion results from both an analysis of the current operating activities and financial situation of the Company, as well as an analysis of the actions taken by the Management Board and their effectiveness

## **VI. REQUESTS TO THE ORDINARY GENERAL MEETING OF MURAPOL S.A.**

As a result of the assessment of the submitted reporting documentation for the turnover year 2024, the Supervisory Board gives a positive assessment and recommends to the Ordinary Meeting of the Company the approval of:

- 1) Financial statements of Murapol S.A. for the turnover year ended 31st December 2024.
- 2) Report of the Management Board on the activities of Murapol S.A. and Murapol S.A. Capital Group in the turnover year 2024.
- 3) Consolidated financial statements of the Murapol S.A. Capital Group for the turnover year ended 31st December 2024.

## **VII. DECLARATIONS MADE BY THE SUPERVISORY BOARD.**

The Supervisory Board of Murapol S.A. with its registered office in Bielsko-Biała declares that:

A selection of the audit firm auditing the annual financial statements of Murapol S.A. for 2023 and the annual consolidated financial report of the Murapol S.A. Capital Group for 2024, i.e. Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw, has been made in accordance with the provisions of the law, including those regarding the selection and procedure for selecting an audit company.

The audit company, i.e. Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw, and members of the team auditing the annual financial statements of Murapol S.A. for 2024 and the annual consolidated financial report of the Murapol S.A. Capital Group for 2024 have met the conditions for preparing an impartial and independent report on the audit of the annual separate and consolidated financial statements according to the applicable provisions of law, professional standards and principles of professional ethics.

At Murapol S.A. applicable regulations related to the turnover of the audit company and the key statutory auditor and mandatory grace periods are adhered.

Murapol S.A. has a policy regarding the selection of an audit company and a policy regarding providing services to Murapol S.A. by an audit company, an entity related to an audit company or a member of its network of additional non-audit services.

At Murapol S.A. the regulations regarding the appointment, composition and functioning of the Audit Committee are complied with, including the principles related to independence and the requirements concerning knowledge and skills in the industry in which Murapol S.A. operates, and in the field of accounting or auditing of financial statements.

The Audit Committee operating at Murapol S.A. has performed the tasks of the audit committee provided for in the applicable legal provisions.

This report was adopted by the Supervisory Board of Murapol S.A. on March 31, 2025.

on 31st March 2025