

Directors' Report on the operations of
Murapol S.A. and its Group
for the year ended 31 December 2024



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1 Basic information about the Company and the Group



Murapol
Matecznia

Kraków

The Murapol Group has been present on the residential property market in Poland since 2001, which makes it one of the most experienced residential developers in the country. Since the beginning of its operations up until 31 December 2024, the Group has completed 92 development projects in 17 cities in Poland as part of which 456 buildings with 31.8 thousand residential units/business premises were constructed. In nearly 24 years of operation, it has sold nearly 31 thousand residential units to retail customers in 19 cities.

Since 15 December 2023, the shares of Murapol S.A. have been listed on the main market of the Warsaw Stock Exchange.

The Murapol Group conducts the most geographically diversified operations among Polish property development companies. Its project map - understood as the cities in which construction projects have historically been completed, as well as those in which there are currently projects under construction or in the pipeline - covers a total of 21 locations in Poland (Bielsko-Biała, Bydgoszcz, Chorzów, Częstochowa, Gdańsk, Gdynia, Gliwice, Katowice, Kielce, Kraków, Lublin, Łódź, Mikołów, Poznań, Siewierz, Sosnowiec, Toruń, Tychy, Warsaw, Wieliczka and Wrocław).

A hallmark of the Murapol Group is its operating model described as "Plug & Play" – it can effectively transfer proven solutions and standardized projects to almost any location. The ability to replicate proven apartment layouts and diagrams quickly ensures the Group's high operational efficiency in any conditions and on different markets. Based on its in-house competence, including the Building Information Modelling (BIM) technology and 3D planning, the Group strives to maximize floor space in buildings and usable floor area (UFA) in residential units/on business premises.

Since the first quarter of 2020, the Murapol Group's leading investors have been entities which belong to the funds managed by Ares Management UK Limited (a subsidiary of Ares Management Corporation), a global alternative investment manager specializing in debt financing, private equity and real estate, which is advised by Griffin Capital Partners.

In 2021, in order to develop its business further and to draw on its experience and competence, the Murapol Group expanded its general contracting activities in new and, as expected, developing and attractive sectors of the Polish real estate market: the PRS (institutional rental of residential properties). In this area, the Group cooperates with AEREF V PL PRS S.à r.l. and its subsidiaries (the project companies PRS and LifeSpot) which belong to the funds managed by Ares Management UK Limited (a subsidiary of Ares Management Corporation - a global alternative investment manager specializing in debt financing, private equity and real estate) which is advised by GCP – one of the largest and fast growing private equity investors in Central and Eastern Europe.

The Murapol Group's consistently implemented strategy and its business model have enabled the Group to achieve growth in recent years and have proven the resilience of the Group's operations in uncertain market conditions. Despite the volatile economic, macroeconomic and geopolitical conditions, the Group maintained a high level of sales of its apartments to retail customers.

Murapol, in taking care of sustainability issues, incorporates environmental, social and corporate governance (ESG) initiatives into its operations. The Group strives to optimize the consumption of raw materials, uses new technologies and implements energy-efficient solutions. The Company also gets involved in various forms of social, charitable or sports activities, supporting both professional sport and projects which promote physical activity among children and young people.

1.1 Group structure

The Murapol Group consists of Murapol S.A. (the **"Parent Company"**, **"Issuer"**, **"Company"**) and its subsidiaries.

The Parent Company is entered in the Register of Businesses of the National Court Register (KRS) maintained by the District Court in Bielsko-Biała in Poland, 8th Business Department of the National Court Register, with the KRS reference number: 0000275523.

The Parent Company has a statistical identification number (REGON): 072695687

and a tax identification number (NIP): 5471932616.

The registered office of the Parent Company is in Bielsko-Biała.

The share capital of the Parent Company is PLN 2,040,000 (fully paid up).

All the entities which belong, indirectly or directly, to the Murapol Group are consolidated by the Parent Company using the acquisition accounting method.

Structure of the Murapol S.A. as at 31 December 2024, presenting the direct and indirect shareholdings of the Parent Company in its subsidiaries:

Company name	Capital amount/ value of contributions	Interest in capital
Murapol Real Estate S.A.	PLN 28,167,522	100% (directly)
Murapol Venture Partner S.A.	PLN 100,000	100% (indirectly)
Murapol Architects Drive S.A.	PLN 100,000	100% (indirectly)
MyMurapol Sp. z o.o.	PLN 10,000	100% (indirectly)
Cross Bud S.A.	PLN 100,000	100% (indirectly)
Murapol Centrum Usług Wspólnych Sp. z o.o.	PLN 5,000	100% (indirectly)
Murapol Projekt Sp. z o.o.	PLN 175,000	100% (directly)
Murapol Nowy Złocień 23 Sp. z o.o.	PLN 20,000	100% (directly and indirectly)
MFM Capital 2 Sp. z o.o.	PLN 5,000,000	100% (directly and indirectly)
MFM Capital 3 Sp. z o.o.	PLN 5,000,000	100% (directly and indirectly)
MFM Capital 4 Sp. z o.o.	PLN 5,000,000	100% (directly and indirectly)
MFM Capital 5 Sp. z o.o.	PLN 5,000,000	100% (directly and indirectly)
MFM Capital 6 Sp. z o.o.	PLN 5,000,000	100% (directly and indirectly)
TP III Capital Sp. z o.o.	PLN 15,000	100% (indirectly)
Murapol Projekt Spółka z ograniczoną odpowiedzialnością 3 Sp.j.	PLN 25,600	100% (directly and indirectly)
Murapol Projekt Spółka z ograniczoną odpowiedzialnością 12 Sp.j.	PLN 10,100	100% (directly and indirectly)
Murapol Projekt 26 Sp. z o.o.	PLN 50,000	100% (directly)

Company name	Capital amount/ value of contributions	Interest in capital
Murapol Projekt 27 Sp. z o.o.	PLN 5,000	100% (directly and indirectly)
Murapol Projekt 34 Sp. z o.o.	PLN 5,000	100% (directly)
Murapol Projekt 35 Sp. z o.o.	PLN 5,000	100% (directly and indirectly)
Murapol Projekt Spółka z ograniczoną odpowiedzialnością Deweloper Sp.j.	PLN 25,600	100% (directly and indirectly)
Murapol Projekt Spółka z ograniczoną odpowiedzialnością Nowe Winogrody Sp.j.	PLN 26,000	100% (directly and indirectly)
Murapol Projekt Spółka z ograniczoną odpowiedzialnością Nowe Czyżyny Sp.j.	PLN 1,000	100% (indirectly)
Murapol Wola House Sp. z o.o.	PLN 500,000	100% (indirectly)
Murapol Projekt Spółka z ograniczoną odpowiedzialnością Garbarnia Sp.j.	PLN 17,580,000	100% (directly and indirectly)
Murapol Projekt Spółka z ograniczoną odpowiedzialnością GDA S.K.A.	PLN 50,100	100% (directly and indirectly)
Murapol Projekt Spółka z ograniczoną odpowiedzialnością 23 Sp.j.	PLN 10,100	100% (indirectly)
Murapol Projekt Spółka z ograniczoną odpowiedzialnością Sp.j.	PLN 18,516,496	100% (directly and indirectly)
Murapol Śmidowicza Sp. z o.o.	PLN 5,000	100% (indirectly)
Murapol Projekt 37 Sp. z o.o.	PLN 5,000	100% (directly)
Murapol Westini Sp. z o.o.	PLN 5,755,250	100% (indirectly)
Murapol Projekt 39 Sp. z o.o.	PLN 5,000	100% (directly)
Murapol Projekt 42 Sp. z o.o.	PLN 5,000	100% (directly)
Murapol Projekt 43 Sp. z o.o.	PLN 5,000	100% (directly)
Murapol Projekt 45 Sp. z o.o.	PLN 5,000	100% (directly)
Media Deweloper.pl Sp. z o.o.	PLN 5,000	100% (directly)
Murapol Projekt 59 Sp. z o.o.	PLN 45,300,150	100% (directly)
Locomotive Management Limited	EUR 73,414	100% (directly)
Murager GmbH	EUR 25,000	100% (indirectly)
Polish Development Closed-End Investment Fund	PLN 1,402,148	100% (directly and indirectly)
Projekt Częstochowa Kisielewskiego sp. z o.o.	PLN 6,000	82,50% (indirectly)
Projekt Kielce Radomska sp. z o.o.	PLN 6,000	82,50% (indirectly)
Projekt Poznań Szwajcarska sp. z o.o.	PLN 6,000	82,50% (indirectly)
Projekt Tychy Bielska sp. z o.o.	PLN 6,000	82,50% (indirectly)

Description of changes in the structure of the Murapol S.A. Group in 2024:

1 March 2024 – change of the business name of Partner S.A. to Murapol Venture Partner S.A.

20 March 2024 – the subsidiary Murapol Real Estate S.A. established the following companies: Projekt Częstochowa Kisielewskiego sp. z o.o., Projekt Kielce Radomska sp. z o.o., Projekt Poznań Szwajcarska sp. z o.o., Projekt Tychy Bielska sp. z o.o.

25 April 2024 – the subsidiary Murapol Real Estate S.A. purchased 3.6% of the shares in Cross Bud S.A., as a result of which Murapol S.A.'s indirect interest in the company's capital increased to 100%; the

purchase price amounted to PLN 500 thousand.

9 May 2024 – the subsidiary Murapol Real Estate S.A. sold 17.5% of the shares in each of the following companies: Projekt Częstochowa Kisielewskiego sp. z o.o., Projekt Kielce Radomska sp. z o.o., Projekt Poznań Szwajcarska sp. z o.o., Projekt Tychy Bielska sp. z o.o. to EPP N.V. for the total sale price of PLN 5 thousand. On 9 May 2024, the subsidiary Murapol Real Estate S.A. concluded an option agreement with EPP N.V. on the repurchase of the above shares for a total of PLN 12,296 thousand.

31 October 2024 – the subsidiary Petrofox Sp. z o.o. was merged with Murapol Real Estate S.A.

1.2 Strategy and business model

The aim of the Murapol Group is to ensure stable development and to maintain its strong position in the development industry in Poland and on financial markets. The Group's vision is to create an organization operating on the basis of a repeatable and optimized business model on the for-sale residential market and for the PRS segment, which responds to the challenges of the market and the competition, using its competence to expand its business model and sales mix by adding solutions and products based on new solutions and technologies, in line with market demand. The objective, in the long run, is for the Group to be seen as an organization with a stable and sustainable development strategy, consistently delivering repeatable operating results.

Utilizing the potential of its land bank to become a leading developer in the residential property market in Poland

Using its competitive advantages, the Murapol Group intends to build its shareholder value consistently through the implementation of its development strategy.

Taking advantage of the growth opportunities which come from the developing PRS market in Poland, based on concluded cooperation agreements and projects in progress

The Murapol Group plans to continue to increase and scale its operations in Poland based on the effective positioning of its product mix in the most receptive popular (affordable) and popular premium (affordable premium) market segments. The Group is constantly seeking new plots of land both in the largest cities, usually in locations outside the city centres but in dynamically developing districts, and in smaller regional cities which, in turn, are characterized by attractive development prospects or a significant shortage of apartments on the primary market. The Company intends to continue pursuing its

strategy of geographic diversification of its operations in Poland and, to this end, plans to acquire new investment sites enabling the implementation of projects also outside the locations in which it currently operates, such as Szczecin, Olsztyn or Rzeszów.

In order to capitalize on the expected development of the PRS market in Poland, in 2021 the Management Board took a strategic decision to begin cooperation with a PRS Investor. This includes the sale of land and design-build general contracting services to private rental and student dormitory sector companies. As part of the PRS cooperation, the Murapol Group's assumption is to create, within the period of being bound by a five-year contract, a portfolio of premises which, during that time, will be: commissioned for use or in progress (under construction), or in the form of secured rights to land (being bound by a preliminary purchase contract), in the largest cities in Poland for rental through the PRS Platform (owned by the funds managed by Ares). The total number of these units is to be approximately 10,000.

Continuation of the land acquisition model in place, based on advances/deposits and conditional preliminary property sale contracts, to further increase flexibility and reduce risk exposure and to further improve capital management

Over the years of its operations, the Group has developed a land acquisition model which is unique to the residential property market in Poland. Under this model, approx. 10-30% of the price of a property is paid as a deposit or down payment at the time of conclusion of the conditional preliminary sales contract and in the course of its performance (or other conditional binding contract), and the remainder (70-90%) at the time of conclusion of the contract

transferring ownership of the property, for the most part upon fulfilment of the conditions precedent indicated in the preliminary contract, among other things, in the form of obtaining certain administrative decisions. The Group intends to continue to acquire land based on the aforementioned adopted business model in order to further optimize the capital structure.

Using the team's specialist and diverse knowledge along the entire development project implementation chain to further improve operational efficiencies and technological solutions

The Murapol Group's growth plan provides for further optimization of the processes, operational efficiency and the technological solutions used, based on the unique know-how developed over the years, which has proven its worth. Within its structure, the Group has the extensive competences necessary to carry out development projects (vertical integration of the business model). Teams of experienced experts work on the preparation and implementation of the Group's projects, covering the entire investment process with their competences, including land acquisition and obtaining administrative decisions, design and architectural-and-engineering work, and general contracting or sales competences.

The Murapol Group takes measures to integrate ESG (environmental, health, social and corporate governance) issues into its operations, which are increasingly relevant to its development activities.

Taking care of environmental, health, social and corporate governance (ESG) issues

The Group intends to continue following the

trends in the ESG area, carry out R&D projects in this regard, analyse available solutions and initiate further environmental and other ESG solutions in its development projects. In response to the growing environmental awareness of society, including future residents of the housing estates under construction, the Group analyses and introduces new technological solutions. In the Company's opinion, the measures taken and solutions proposed will have a positive impact on the end result of its development projects, their usability and their resident-friendly nature, which may positively influence, among other things, the competitiveness of the Group's residential offer and the margins earned.

The Group's business model for conducting development projects is applied by separate teams of specialists dealing with a project at specific procedural stages of its implementation.

- **Acquisition of land** – seeking and selecting business-attractive plots of land for a project and their detailed analysis. The planning of future development projects involves the conclusion of preliminary contracts for the sale of plots of land or conditional contracts committing to the sale of plots of land under which the Company/Subsidiary has the right to purchase a property in the future from its owner.
- **Architectural and engineering design** – comprehensive project design with regard to architecture, installations and construction, carried out in our own design and architectural office. It takes place using the engineering solutions developed over the years, drawing and design standards, details, building specifications and guidelines for creating optimal layouts for interiors and common areas. In doing so, the standardized solutions allow costs to be reduced, while maintaining the optimum quality of apartments.
- **Budgeting** – the Group uses modern technologies, including Building Information Modelling (BIM), to create optimum project budgets which are a breakdown of the costs of all the work required to carry out a project in a comprehensive manner, from the start of designing to obtaining an occupancy permit for the project. A ready-made project budget is a confirmation of the optimality of the construction project, as well as a controlling element of the costs of individual project stages. In addition, the project budget is the basis for making strategic decisions about the selling prices of apartments in a given location.
- **General contracting for construction and supply of materials** – in carrying out development projects, the Group acts as the general contractor for a project, i.e. it is responsible for constructing the development project in accordance with the architectural design, with specific parameters and quality, and according to the specified schedule. Furthermore, the Group itself is responsible for the procurement of key construction materials, among other things, concrete/cement, mortar/plaster/gypsum, bricks/blocks, steel and other, leaving it to subcontractors and third-party suppliers to select materials which are less important in terms of value or which do not affect the aesthetics of projects. Adopting such a procurement model ensures cost optimization for the Group (the large scale of orders, obtaining competitive commercial terms, a good price to quality ratio of materials purchased). The Murapol Group's development process is divided into 94 standardized tasks (batches) (the so-called Unit94), which enables high efficiency of budgeting and

precise planning on the basis of “94 batches” which are universal for each project.

- **Investor supervision** – consists of, among other things, controlling the construction process, which includes ensuring that the construction is carried out in accordance with the previously prepared design (and technical documentation, the building permit, legal regulations, etc.), checking and accepting construction works, testing and accepting technical equipment installations, coordination with the construction manager, controlling the settlement of construction costs.

Sales and marketing activities – sales are made based on: (i) the Group's own sales channel (with support through the Lead Centre Group), in the form of a website and sales offices located in each of the Group's markets; and (ii) external sales channels. Sales activities are complemented by marketing and PR activities covering a broad range of promotional and communication tools tailored to customer profile and the products offered, carried out in full by the Group's own resources. Sales and marketing activities are not applicable to the Group's operations in the PRS sector due to the contractual guarantee of LifeSpot taking up the premises developed in the PRS sector.



2 Description of the activities of the Company and the Group in 2024 and non-financial key performance indicators



2.1 Basic products, goods and services

The Murapol Group offers apartments in the most receptive segment of the residential property market which, in the opinion of the Management Board, is relatively resistant to fluctuations in macroeconomic factors and performs well even in difficult times. The Murapol Group's offer covers the popular and affordable premium segments and is dominated by 2- and 3-room apartments, with floor areas ranging from 35 to 55 sq. m. The Group observes that, in the previous year, in line with the market as a whole, it is indeed 2- and 3-room apartments that customers most often purchased from its offer. Premises with such parameters are of the greatest interest on the market, both among individual customers purchasing apartments for their own needs and investment buyers who purchase them to rent them out or as a means of maintaining the value of their savings. This offer is complemented by studios and 4-room apartments with larger floor areas, as well as the possibility of combining apartments.

Thanks to the characteristics of its operating activities and product profile, Murapol reaches a wide range of customers and takes advantage of development opportunities not only on the largest but also regional residential markets.

Murapol also has a second line of business - it builds residential units under the design&build formula, which are purchased regularly by the LifeSpot platform. The PRS sector is, in principle, complementary to the residential sector, these projects are developed on land earmarked for different use than the Group's core activities. The cooperation consists of searching for land which, in the investor's opinion, can be used to carry out development projects in the PRS segment, and then designing and constructing premises for the PRS platform – this is the LifeSpot platform owned by the funds managed by the Ares Group which is a significant investor of the Murapol Group.

2.2 Information about sales markets

The Group's offer is available nearly all over Poland. Murapol has development projects under construction and in the pipeline in 19 cities - both in Poland's largest agglomerations, including Warsaw, Kraków, Wrocław, the Tri-City, the Silesian Agglomeration, Poznań and Łódź, as well as in smaller regional cities such as Bydgoszcz, Częstochowa or Kielce.

A geographically diversified project map and a unique, vertically integrated business model, which assumes the concentration of all the competences necessary for carrying out property projects within the Group, ensure the Group's sustainable

development and high margins on its projects.

Within the PRS segment, the Murapol Group cooperates with one customer, the LifeSpot Group (the subsidiaries of Ares) for which it carries out or has carried out projects in Warsaw, Gdynia, Wrocław, Łódź, Katowice and Kraków. Sales to the LifeSpot Group companies account for approx. 11% of the revenue earned in 2024.

The Group cooperates with a large number of subcontractors none of which provide supplies whose value exceeds 10% of its revenue.

2.3 Description of significant achievements and a list of key events

In 2024, the Murapol Group recorded highly satisfactory operating results in every area of activity, including sales, handovers, construction of apartments, design preparation and land acquisition.

2.3.1 Sales of apartments

In 2024, the Murapol Group signed 2,914 development and preliminary contracts compared with 2,889 contracts concluded a year before.

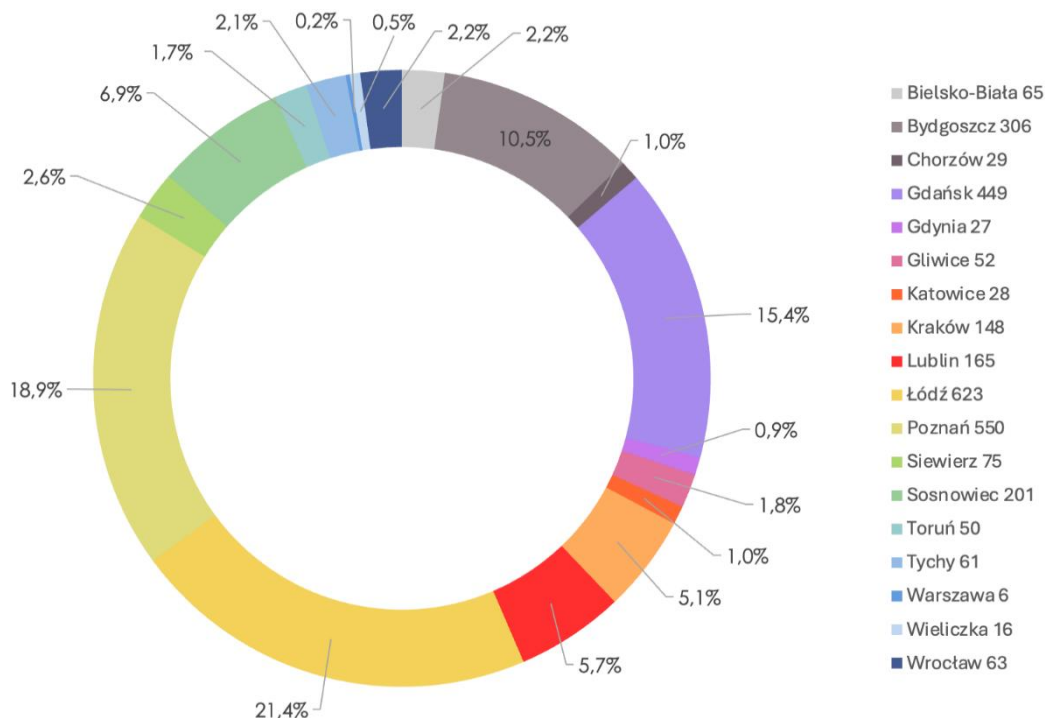
The locations in which the apartments from the Murapol Group's offer enjoyed the greatest interest are Łódź, where 623 apartments were sold and Poznań, with 550 apartments sold. The cities in which the Group's results were significant also include: Gdańsk – 449 apartments, Bydgoszcz – 306 apartments and Sosnowiec – 201 apartments. In Lublin, the developer sold 165 apartments and in Kraków – 148 apartments.

Moreover, as at the end of 2024 the Group had 161 paid reservation contracts (after eliminating cancellations) compared with 142 as at the end of 2023.

The total net sales to the retail customers of the Murapol Group, made in 2024, amounted to 3,075 apartments (development contracts, preliminary contracts and paid reservation contracts, after eliminating cancellations) (3,031 in 2023).

During the analysed period, the developer also sold 948 apartments in the PRS segment (for institutional rental of apartments) under the design&build formula (compared with 693 in 2023).

To summarize, in 2024, the total net sales to retail customers and to the PRS segment amounted to 4,023 apartments compared with 3,724 in 2023.



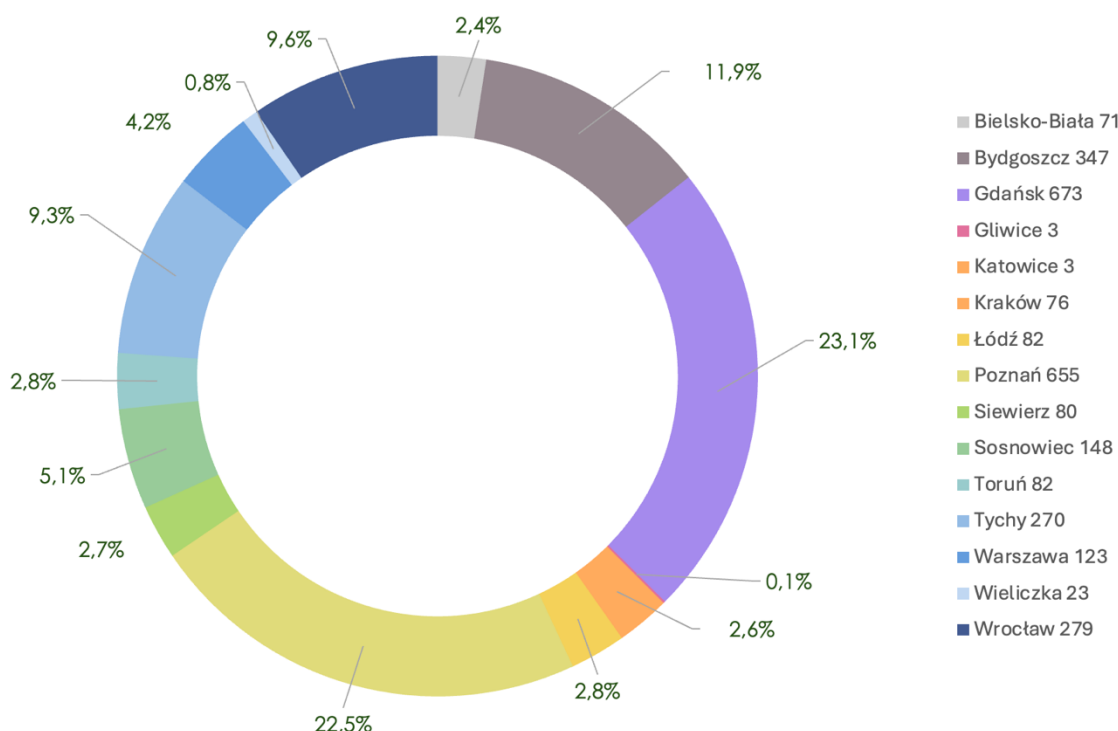
Sales of apartments to retail customers (development and preliminary contracts) by geographical area

2.3.2 Handover of apartments

Last year, the Murapol Group handed over the keys to 2,915 residential units compared with 2,801 units handed over to owners in 2023.

In 2024, the most apartments were handed over to customers in Gdańsk – 673, Poznań – 655, Bydgoszcz – 347, Wrocław – 279 and in Tychy – 270. Moreover, 148 customers in

Sosnowiec, 123 customers in Warsaw and 82 customers in Toruń received the keys to their apartments.



Apartments handed over to retail customers by geographical area

2.3.3 Projects put on sale

In 2024, Murapol offered a total of 3,911 new apartments to its customers compared with 3,770 a year before. The apartments put on sale are being built in 13 cities, both on the main national residential markets, i.e.

in Kraków, Poznań, Łódź, Wrocław and Gdańsk, and in smaller locations such as Bielsko-Biała, Toruń, Bydgoszcz, Gliwice or Sosnowiec.

Location	Apartments put on sale in 1Q 2024	Apartments put on sale in 2Q 2024	Apartments put on sale in 3Q 2024	Apartments put on sale in 4Q 2024	Total
Bielsko-Biała	-	-	-	136	136
Bydgoszcz	-	85	123	-	208
Gdynia	-	-	228	-	228
Gdańsk	-	173	336	384	893
Gliwice	180	-	-	-	180
Kraków	-	-	222	-	222
Katowice	-	-	-	197	197
Lublin	332	-	-	-	332
Łódź	514	-	-	-	514
Poznań	243	-	-	-	243
Sosnowiec	305	-	-	-	305
Toruń	-	134	-	-	134
Wrocław	319	-	-	-	319
Total	1,893	392	909	717	3,911

2.3.4 Projects under construction

As at the end of 2024, the portfolio of projects in progress included 7,756 apartments with a total floor area of nearly 318.5 thousand sq. m, being constructed in 101 buildings being erected as part of

28 projects in 14 cities. The largest number of new apartments is being built in Gdańsk – 2,132 apartments and Łódź – 1,556 apartments. In Kraków and Poznań, 953 and 709 residential units and investment apartments are being built, respectively.

Project location	Project	Number of residential (RP) and business (BP) premises	UFA (RP and BP sq. m)
Bielsko-Biała	Murapol Trzy Lipki II (buildings 2, 3)	136	7,306
Bydgoszcz	Murapol Rivo (building 1)	123	5,491
Chorzów	Murapol Osiedle Wolka (buildings 1, 2, 3)	135	6,571
Gdynia	Murapol Osiedle Dynamia (buildings 1, 2, 3, 4)	228	10,409
Gdańsk	Murapol Osiedle Zen II (buildings 1, 3, 5)	173	7,825
Gdańsk	Murapol Scarpa (buildings 1, 2)	291	14,010
Gdańsk	Murapol Portovo (building 1)	384	11,885
Gdańsk	Śląska (building 1) [PRS]	583	16,800
Gdańsk	Twarda (building 1) [PRS]	365	11,521
Gdańsk	Murapol Stoczniova (building 3)	336	11,332
Gliwice	Murapol Osiedle Szafirove (buildings 1, 2)	180	8,786
Gliwice	Murapol Osiedle Szafirove (buildings 6, 7)	188	9,937

Project location	Project	Number of residential (RP) and business (BP) premises	UFA (RP and BP sq. m)
Kraków	Murapol Matecznia III (building 4)	38	1,803
Kraków	Lipska (buildings 1, 2) [PRS]	249	7,185
Kraków	Okulickiego (building 1) [PRS]	444	13,275
Kraków	Murapol Prado (buildings 1, 2)	222	10,524
Lublin	Murapol Primo (buildings 1, 2)	332	15,091
Łódź	Murapol Agosto (buildings 1, 2, 3)	442	20,304
Łódź	Murapol Osiedle Faktoria (buildings 1, 2)	269	9,868
Łódź	Murapol Forum (buildings 1, 2)	514	21,809
Łódź	Murapol Osiedle Filo (building 1)	143	6,376
Łódź	Murapol Osiedle Filo II (building 2)	188	8,508
Poznań	Murapol Havelia (buildings 1, 2)	326	14,409
Poznań	Murapol Osiedle Verde III (building 3)	243	11,308
Poznań	Murapol Zielony Żurawiniec III (building 6, 7)	140	6,202
Siewierz	Murapol Siewierz Jeziora (buildings 15-16)	60	3,023
Sosnowiec	Murapol Apartamenty Na Wzgórzu IV (buildings 4, 5)	305	14,707
Toruń	Murapol Aviator (building 1)	170	5,650
Toruń	Murapol Helio (buildings 2, 3)	134	6,223
Wrocław	Murapol Osiedle Ferrovia (buildings 1-12)	24	2,244
Wrocław	Murapol Osiedle Ferrovia II (buildings 13-21)	18	1,622
Wrocław	Murapol Osiedle Ferrovia III (buildings 22-30)	18	1,622
Wrocław	Murapol Osiedle Ferrovia IV (buildings 31-42)	24	2,141
Wrocław	Murapol Osiedle Ferrovia V (buildings 43-48)	12	1,109
Wrocław	Murapol Motivo (building 1)	319	11,626
		7,756	318,502

2.3.5 Projects in the pipeline

continuity of its operations for the next few years.

As at 31/12/2024, the Murapol Group's land bank included a portfolio of projects in the pipeline, comprising approx. 13.23 thousand premises with a total floor area of 571.85 thousand sq. m, ensuring the

Branch	Planned UFA	Planned number of apartments
	sq. m	units
Bielsko-Biała	8,882	200
Bydgoszcz	31,308	690
Częstochowa	17,413	380
Gdańsk	12,685	414
Gliwice	26,953	572

Branch	Planned UFA	Planned number of apartments
Katowice	43,259	1,031
Kielce	16,611	369
Kraków	20,992	448
Lublin	20,385	456
Łódź	63,301	1,427
Poznań	63,491	1,472
Siewierz	17,109	352
Toruń	42,267	998
Tychy	32,581	719
Warsaw	144,209	3,446
Wrocław	10,401	255
Total	571,848	13,229

As at 31 December 2024, the Murapol Group had an active land bank for the construction of more than 19 thousand

apartments with a total floor area of approx. 841.6 thousand sq. m.

2.4 Contracts material to the Group's operations

Development segment

In 2024, the Murapol Group concluded the following contracts for the expansion of its active land bank.

Preliminary contracts

Date	City	UFA in sq. m	No. of apts.
13/02/2024	Łódź	13,045	290
20/02/2024	Warsaw	7,068	215
20/02/2024	Toruń	10,746	238
04/04/2024	Bydgoszcz	30,628	679
05/04/2024	Warsaw	9,768	193
09/05/2024	Tychy	32,581	705
09/05/2024	Kielce	16,611	369
09/05/2024	Częstochowa	17,260	378
09/05/2024	Poznań	43,338	963
02/07/2024	Lublin	6,940	154

Date	City	UFA in sq. m	No. of apts.
04/07/2024	Bielsko-Biała	9,011	183
01/10/2024	Łódź	19,817	432
12/11/2024	Lublin	3,360	80
19/11/2024	Warsaw	11,026	342
05/12/2024	Wrocław	950	25
17/12/2024	Katowice	20,900	447
20/12/2024	Lublin	10,157	221

Purchase/ownership transfer contracts

Date	City	UFA in sq. m	No. of apts.
02/02/2024	Wrocław	11,168	320
07/02/2024	Kraków	11,375	252
29/02/2024	Lublin	14,871	331
26/04/2024	Toruń	10,746	238
13/05/2024	Katowice	11,810	340
23/07/2024	Bydgoszcz	5,828	127
23/08/2024	Gdańsk	23,962	750
13/08/2024	Gdynia	10,221	214
03/10/2024	Katowice	9,113	196
10/10/2024	Siewierz	16,576	352
11/12/2024	Łódź	7,528	176

PRS segment

On 18 October 2024, the Company concluded:

1) an annex to the Framework Agreement of 19 July 2021 concluded by and between the Company and AEREF V PL PRS S.à r.l., on the basis of which:

The principle of exclusivity according to which AEREF V PL PRS S.à r.l. was to be presented with properties which may be earmarked for the purposes of projects carried out as part of the PRS platform was excluded, which enabled the Framework Agreement 2 (defined below) to be concluded;

2) a framework cooperation agreement concerning the PRS sector between the Company and a company in the PRS sector (the so-called "Private Rental Sector – institutional rental") - AEREF VI PL PRS S.a r.l. (hereinafter called the "Framework Agreement 2"), based on which the Company agreed, in accordance with the rules similar to those set out in the Framework Agreement of 19 July 2021, to carry out projects for AEREF VI PL PRS S.a r.l. as part of Design & Build construction and development services. On 8 November

2024, Murapol Projekt 59 Sp. z o.o. concluded a contract for the construction of a PRS building in Gdańsk at ul. Twarda for a building with 365 apartments for a consideration of approx. PLN 119.6 million.

On 8 November 2024, Murapol Projekt 59 Sp. z o.o. concluded a contract for carrying out a PRS project in Gdańsk at ul. Twarda for a building with 365 apartments for a consideration of approx. PLN 119.6 million.

On 15 November 2024, Murapol Projekt 59 Sp. z o.o. concluded a contract for carrying out a PRS project in Gdańsk at ul. Śląska for a building with 583 apartments for approx. PLN 142.5 million.

Financing contracts

On 7 October 2024, the Company concluded an annex with ING Bank Śląski S.A. to a multi-product agreement for a bank guarantee line of PLN 11.91 million with a period of availability to 3 October 2025.

On 28 May 2024, the Company issued 1,500 unsecured ordinary bearer 1/2024 series bonds with a nominal value and an issue price of PLN 100,000 each and the total nominal value of PLN 150,000,000 with a redemption date of 28 May 2027 (the "Bonds"), issued under a programme to issue bonds up to the total nominal value of bonds issued and not redeemed amounting to PLN 500,000,000. The bonds bear a variable interest rate of WIBOR 3M plus a margin of 4.00% p.a.

2.5 Factors material to the development of the Company and the Group

As regards the characteristics of the factors material to the Group's development, the key ones which occurred in the 2024 reporting period and at the time of finalizing this Report include:

Economic situation in Poland

The Murapol Group operates exclusively in Poland. Therefore, the macroeconomic conditions in Poland which, in turn, are influenced by the economic environment in the region and the global economy, have a significant impact on its operations and financial performance. Any significant or sudden changes in macroeconomic conditions, such as GDP, the unemployment rate, wages (including the statutory minimum wage), disposable income, private consumption, the state family policy and social policy, consumer confidence indices, interest rates and inflation/deflation rates and the exchange rate of the Polish zloty, have an impact on the general wealth of society, consumer purchasing power and consumer inclinations, including the decision to purchase a residential unit. In addition, important factors shaping demand in the residential real estate sector also include: the housing policy and regulatory changes in the sector, the monetary policy, the scale of banks' lending activities and the general availability of mortgage loans, including related costs (e.g. interest rates), as well as the scale of acquisition of residential properties for investment purposes (for rent). The above factors also affect the selling prices of apartments and business premises, the prices of land acquisitions and some of the Group's operating expenses and, therefore, have a significant impact on the Murapol Group's financial results.

In 2024, Poland's macroeconomic situation was improving steadily – the analysed period saw a 2.9% increase in GDP, which exceeded market expectations. A factor

which had an adverse effect on the operations of the housing sector was the absence of a decision regarding the continuation or termination of the government programme of subsidized mortgage loans (e.g. "Kredyt na Start"). This situation caused growing uncertainty among some of prospective buyers and may have led to putting a decision to purchase an apartment on hold.

Competitive environment and situation of the residential real estate sector in Poland

The residential real estate market and the development industry in Poland are highly competitive due to the presence and continuous development of large development companies and the high demand for their products. The situation on the real estate market is fostered, among other things, by a huge deficit of apartments in Poland which, according to the JLL Market Report, is approx. 1.5 million apartments in 2023 and one of the lowest ratios of the number of apartments per 1,000 inhabitants, compared with other European Union countries. In addition, the impact on the demand for residential properties in Poland translates into a high interest in the most attractive plots of land, consequently representing one of the main areas where developers compete with each other. The Murapol Group continuously monitors, among other things, the projects carried out and planned by its competitors, the architectural, technological and eco-friendly solutions implemented, the prices and promotions offered by its competitors in order to respond appropriately to changes in the market environment and changes in customer behaviour and, to a commercially justified extent, to adjust its offer. The increased level of competition may, among other things, raise the cost of acquisition of plots of land, the selling prices of apartments or the level of marketing

costs, affecting the Group's profitability in the future.

Interest rate level and inflation

In 2024, the prices of consumer goods and services increased by a total of 3.6%, i.e. just above the NBP inflation target. However, the NBP forecasts assume that inflation will rise to approx. 4.3% in 2025 and drop to approx. 3.3% in 2026.

In 2024, the NBP interest rates did not change compared with 31 December 2023. Due to the expected increase in inflation and according to the announcements by the NBP President [the discussion] about cuts in interest rates will begin in the fourth quarter of 2025. And the cuts themselves are not to be expected before 2026.

Demand for the properties offered by the Murapol Group and its revenue are significantly dependent on the availability of mortgage loans and the ability to service them. A potential economic slowdown may have an adverse effect on the liquidity and financial position of apartment buyers, which, in turn, may result in weaker demand for the properties offered by the Group and a decrease in the revenue it earns.

Legal and regulatory environment

The Group's activities are subject to numerous laws and regulations, including, among other things, those relating to planning and land development, construction law, requirements for trading in real estate, consumer protection and vendor liability, as well as restrictions on the manner in which land is used. Over the past dozen or so years, a process of frequent changes in real estate law can be observed, which has a significant impact on the sector in which the Murapol Group operates.

One of the important legal regulations which affect the Murapol Group is the Developers Act. The most important provisions of this act include: (i) provisions establishing a Developers Guarantee Fund whose task is to guarantee the refund of the

funds paid by buyers of residential units in the event of bankruptcy of the developer or the bank maintaining the escrow account; (ii) provisions obliging developers to pay compensation for non-performance or malperformance of the contract; (iii) provisions increasing the rationing and formalization of the pre-sale processes for apartments; (iv) provisions specifying the acceptance of apartments by their buyers, and (v) the developer's obligation to present a ready-made prospectus already at the stage of concluding a reservation contract.

With the commencement of the listing of Murapol S.A.'s shares on the Warsaw Stock Exchange, the Company became subject to additional provisions and regulations imposing a number of obligations on it, the non-performance or malperformance of which carries a risk of high fines. The Company has implemented a number of internal procedures aimed to fulfil the obligations imposed in a fair and timely manner, the proper circulation of stock exchange information, as well as the ongoing monitoring of Murapol S.A.'s activities paying attention to its information obligations.

Extraordinary events

The most important factor affecting the economy since 2022 was the outbreak of war in Ukraine, initiated by the Russian invasion on 24 February 2022. The war caused an abrupt increase in the prices of energy resources and construction materials and led to disruptions in supplies in international trade. Although the Group is not in a position to determine the extent of the impact of the war in Ukraine on its operating activities, financial results and development prospects, given the dynamics of the situation in Ukraine, the emergence of new risk factors having such an impact in the future cannot be ruled out. Among other things, the war has had and may continue to have serious consequences for the Polish economy, and the construction industry may find itself in a particularly difficult situation, e.g. due to

rising energy, fuel or gas costs which may increase the costs of workmanship as well as construction materials. It cannot be ruled out, either, that, with the end of the war, many workers of Ukrainian origin will leave Poland. The Murapol Group has not recorded the materialization of this risk, given the significant improvement in the situation in the real estate sector in Poland and the increasing scale of development projects carried out on the market, however, it cannot rule out that the risk of an insufficient number of workers at its subcontractors' will not materialize in the future and will not have a material adverse effect on the completion schedules of its development projects.

Subcontractors

As part of the process of implementation of development projects, the Murapol Group acts as a general contractor, entrusting the provision of construction services to many subcontractors some of which employ foreign workers, including, to a significant extent, Ukrainian citizens. The Company does not have any detailed information about the scale of this phenomenon in the case of its subcontractors. In 2024, the Company did not record an increased scale of delays in the schedules of completion of its development projects by its subcontractors.

Human capital

The Management Board believes that the competence and experience of the

management team, as well as the knowledge and commitment of the employees are an important factor in the success of the Murapol Group, which has contributed to it achieving its leading position on the residential property market in Poland and which provides solid foundations necessary for further growth.

Over more than two decades of operations, the Group has managed to attract high-calibre specialists equipped with the knowledge and experience in managing all stages of development projects. The Group's competence in managing and carrying out projects is implemented by a specialized team of designers, architects, engineers, constructors, lawyers, experts, statutory auditors, as well as a marketing and sales team.

The implementation of development programmes, providing the employees with opportunities for promotion and development within the Company's structure and building a friendly organizational culture significantly counteract the risk associated with retaining and attracting employees for the Company.

Other financial risks such as credit risk and liquidity risk and financial risk management objectives and methods are discussed in the consolidated financial statements, in Note 38.

2.6 Major achievements in research and development

Development and construction activities affect the natural environment, therefore, the Group is committed to ensuring that its development projects are carried out and exploited in a conscious manner reducing their negative impact on the environment.

For this purpose, the Group has a Research and Development Department in place which is responsible for optimizing technical

issues. The solutions incorporated in buildings are aimed to lead to optimizing the consumption of raw materials and water and to reduce the amount of waste produced and the consumption of energy at the project implementation stage as well as at a later stage of using the apartments. The Group takes measures to ensure that the solutions being introduced are innovative and energy-saving. At the

project design stage, we analyse the possibility of using modern construction materials manufactured with the participation of green energy and recycled raw materials. As part of its strategy, the Group intends to continue the trend it began in 2019 consisting of introducing and developing smart and eco solutions on its projects, working on further eco-friendly and innovative solutions, analysing, in particular, the following solutions:

- photovoltaic systems built on our projects become a source of power for the common areas which have full LED lighting;
- proprietary infrastructure and installation Home Management System enables smart home – Appartme systems to be installed in apartments, which allows utilities (electricity, heating, lighting) to be controlled in a precise manner in the apartments;
- anti-smog package based on an innovative nanomaterial reduces the amount of harmful substances which get into residential interiors with the air, e.g. anti-smog paving stones based on high-tech cement or anti-smog façade plaster used in the ETICS building insulation system;
- in selected project areas, charging stations for electric vehicles are installed;
- systems for parking bicycles and stations for repairing them;
- technological solutions for treating utility water by filtering and softening it, which contributes to a reduction in scale depositing in appliances such as, e.g., washing machines or central heating systems, which, in turn, contributes to a reduction in demand for energy while they are running due to there being no scale on the elements of these appliances, e.g. heaters;
- smart solutions in common use areas, e.g. benches in playgrounds with smart solutions;
- recycling of rainwater and improving the microclimate by creating rain gardens and green roofs on selected projects;
- remote reading and analysis of the consumption of utilities in individual apartments which, thanks to monitoring on a real time basis, enables leaks, damage and failure of installations to be reduced;
- ecological heat source solutions for buildings, e.g. heat pumps or recuperation systems;
- possibility of introducing prefabricated elements such as, e.g., solutions for prefabricated steel frame walls or modular bathroom solutions;
- tronsole-based systems eliminating sound bridges in staircases and corridors.



3 Discussion of the financial position of the Company and the Group



3.1 Discussion of financial results

3.1.1 Discussion of the Group's financial results

in PLN'000	2024	2023	Change	Growth rate in %
Sales revenue	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 profit on 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%

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

In the opinion of the Management Board of Murapol S.A., the Group achieved very good financial results in 2024. Sales revenue increased by 9% and amounted to PLN 1,330 million. This increase was due to a higher volume of sales of apartments and a higher transaction price in the development segment. In 2024, 2,915 apartments were handed over compared with 2,801 apartments in 2023. In 2024, the average price of an apartment handed over was PLN 404 thousand and in 2023 – PLN 365 thousand. The revenue in the PRS segment dropped by PLN 42.7 million and amounted to PLN 144 million.

In 2024, the gross profit on sales amounted to PLN 402 million and increased by PLN 18 million, i.e. by 5%.

In 2024, the operating profit amounted to PLN 294 million and increased by PLN 27 million, i.e. 10%, compared with 2023. In 2024, the net profit amounted to PLN 242

million and increased by PLN 23 million, i.e. 10%, compared with 2023. The results were in line with the Management Board's expectations.

In 2024, the gross margin on sales amounted to 30.2% and dropped by 1.3 percentage points compared with 2023. The slight drop in the sales margin in terms of percentage resulted from the structure of handovers of apartments, mainly in the first quarters of 2024.

In 2024, the operating profit margin amounted to 22.1% and increased by 0.2 percentage point compared with 2023. The corresponding net profit margin amounted to 18.2% and increased by 0.2 percentage point.

In 2024, ROE amounted to 40.1% and recorded an increase of 0.9 percentage point compared with 2023. The increase was due to the higher net profit in 2024.

3.1.2 Discussion of Murapol S.A.'s financial results

in PLN'000	2024	2023	Change	Growth rate in %
Sales revenue	50,718	65,250	(14,532)	(22%)
Gross profit on sales	12,238	14,737	(2,499)	(17%)
Operating income and expenses, including measurement 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%

		2024	2023	Change in p.p.
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

Murapol S.A.'s sales revenue mainly relates to management services for related entities. In 2024, it amounted to PLN 51 million and dropped by PLN 15 million compared with 2023. The drop in the revenue resulted mainly from lower consultancy costs in 2024, incurred at Company level and re invoiced to the subsidiaries.

In 2024, the gross profit on sales amounted to PLN 12 million, which represented a drop of PLN 2 million compared with 2023. The drop resulted from the lower sales in 2024.

The Company measures the value of its subsidiaries under the equity method. This method is the main component of the Issuer's financial result. In 2024, the gain on valuation amounted to PLN 295 million and was PLN 34 million higher than in 2023.

In 2024, the operating profit amounted to PLN 305 million and increased by PLN 31 million compared with 2023. The increase resulted from the above-mentioned gain on the valuation under the equity method.

In 2024, the net profit amounted to PLN 242 million and was PLN 25 million higher compared with 2023. The increase was due to the increase in the operating profit, partly offset by higher tax charges.

In 2024, the gross margin on sales amounted to 24.1% and increased by 1.5 percentage points compared with 2023.

In 2024, the operating profit margin amounted to 601.9% and increased by 182.0 percentage points compared with 2023. The corresponding net profit margin amounted to 476.8% and increased by 144.0 percentage points. The percentage margins above 100% are due to the inclusion of gains on valuation under the equity method at the cost level and operating income level, i.e. below the sales level.

In 2024, ROE amounted to 40.0% and recorded an increase of 1.3 percentage points compared with 2023. The increase was due to the higher net profit in 2024.

In 2024, there were no extraordinary events which had a significant impact on the Company's performance.

3.2 Assets and liabilities

3.2.1 Discussion of the Group's assets and liabilities

	2024	2023	Change	Structure in %	Growth rate in %
ASSETS	2,160,685	1,859,815	300,190	100%	16%
Non-current assets	81,996	86,523	(4,527)	4%	(5%)
Current assets	2,078,689	1,773,292	304,717	96%	17%
Inventory	1,641,526	1,399,763	241,763	76%	17%
Trade and other receivables	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 escrow accounts	318,859	248,168	70,691	15%	28%

	2024	2023	Change	Structure in %	Growth rate in %
EQUITY AND LIABILITIES	2,160,685	1,859,815	300,870	100%	16%
Equity	603,399	559,385	44,014	28%	8%
Liabilities	1,557,286	1,300,430	256,856	72%	20%
Non-current liabilities	632,343	454,770	177,573	29%	39%
Loans, borrowings, bonds and derivative instruments	546,286	394,232	152,054	25%	39%
Other non-current liabilities	86,057	60,538	25,519	4%	42%
Current liabilities	924,943	845,660	79,283	43%	9%
Loans, borrowings, bonds and derivative instruments	66,495	67,493	(998)	3%	(1%)
Trade and other payables	145,098	92,337	52,761	7%	57%
Contract liabilities	586,992	587,343	(351)	27%	0%
Other current liabilities	126,358	98,487	27,871	6%	28%

As at 31 December 2024, the Group's total assets amounted to PLN 2,161 million and increased by PLN 301 million compared with 31 December 2023. The main component of the assets was inventory whose value amounted to PLN 1,642 million

as at 31 December 2024, which represents an increase of PLN 242 million. This increase is due to the development of the Murapol Group and its growing offer and work in progress. As at 31 December 2024, there were 7,756 apartments under construction,

with a total floor area of 318.5 thousand sq. m compared with 6,238 apartments with a floor area of 256 thousand sq. m as at the end of 2023. The second largest asset category was cash at bank and in escrow accounts. As at 31 December 2024, it amounted to PLN 319 million, which represents an increase of PLN 71 million compared with 31 December 2023. It should be noted that the Group has maintained a high and safe level of cash despite the payment of a dividend of PLN 80 million and an interim dividend of PLN 120 million.

As at 31 December 2024, equity amounted to PLN 603 million and increased by PLN 44 million compared with 31 December 2023. The increase was mainly due to a net profit being generated of PLN 242 million, less the distribution of dividend for 2023 in the

amount of PLN 80 million and interim dividend for 2024 in the amount of PLN 120 million.

In the case of liabilities, the largest item was total non-current and current liabilities in respect of interest-bearing loans, borrowings, bonds and derivative instruments. They amounted to PLN 613 million and increased by PLN 151 million compared with 31 December 2023. This was mainly due to the drawdown of a loan tranche of PLN 72 million and the issue of bonds of PLN 150 million, less scheduled loan repayments of PLN 65 million. The changes are described in more detail in Chapter 3.4. The second largest item of liabilities was contract liabilities which amounted to PLN 587 million and remained at a level similar to that of 2023.

		2024	2023
Inventory turnover	inventory / sales revenue × 365 days	450	420
Receivables turnover	trade receivables / sales revenue × 365 days	10	11
Payables turnover	trade payables / sales revenue × 365 days	32	22
Overall debt ratio	liabilities / total assets	72.07%	69.92%
Short-term debt ratio	current liabilities / total assets	42.81%	45.47%
Long-term debt ratio	non-current liabilities / total assets	29.27%	24.45%
Current ratio	current assets / current liabilities	2.2	2.1
Quick ratio	(current assets - inventory) / current liabilities	0.5	0.4

The inventory turnover ratio recorded the extension of the cycle by 30 days compared with the previous year, respectively.

This was the result of an increase in the value of inventory of PLN 242 million. The receivables turnover ratio remained at

a level similar to that of the previous year. The payables turnover ratio recorded the extension of the cycle by 11 days. This was the result of an increase in trade payables of PLN 45 million.

The overall debt ratio shows an increase of 2.2 percentage points. This is mainly due to

an increase in long-term debt. The increase in the values of the ratios is mainly due to the bond issue described in more detail in Chapter 3.4. The debt still remains at a safe level.

The liquidity ratios are typical of companies in the development industry which is characterized by a long production cycle and high inventory levels. The liquidity ratios remain at levels similar to those of 2023.

3.2.2 Discussion of Murapol S.A.'s assets and liabilities

	2024	2023	Change	Structure in %	Growth rate in %
ASSETS	1,443,652	1,236,406	207,246	100%	17%
Non-current assets	1,330,626	1,178,401	152,225	92%	13%
Investments in subsidiaries measured under the equity method	1,219,995	1,101,897	118,098	85%	11%
Other non-current assets	110,631	76,505	34,126	8%	45%
Current assets	113,026	58,005	55,021	8%	95%
Cash and cash equivalents	3,951	1,469	2,482	0%	169%
Other current assets	109,075	56,536	52,539	8%	93%

	2024	2023	Change	Structure in %	Growth rate in %
EQUITY AND LIABILITIES	1,443,652	1,236,406	207,246	100%	17%
Equity	604,841	560,536	44,305	42%	8%
Liabilities	838,811	675,870	162,941	58%	24%
Non-current liabilities	691,726	573,983	117,743	48%	21%
Loans, borrowings, bonds and derivative instruments	673,246	558,041	115,205	47%	21%
Other non-current liabilities	18,480	15,942	2,538	1%	16%
Current liabilities	147,085	101,888	45,197	10%	44%
Loans, borrowings, bonds and derivative instruments	111,863	70,587	41,276	8%	58%
Other current liabilities	35,222	31,302	3,920	2%	13%

As at 31 December 2024, the Issuer's total assets amounted to PLN 1,444 million and increased by PLN 207 million compared with 31 December 2023. The main driver of the increase were investments in subsidiaries measured under the equity

method, which increased by PLN 118 million and resulted from the profits earned by the subsidiaries. This item is also the Issuer's most important asset.

As at 31 December 2024, equity amounted to PLN 605 million and increased by PLN 44 million compared with 31 December 2023. The increase was mainly due to a net profit being generated of PLN 242 million, less the distribution of dividend for 2023 in the amount of PLN 80 million and interim dividend for 2024 in the amount of PLN 120 million.

In the case of liabilities, the largest item was total non-current and current liabilities in

respect of interest-bearing loans, borrowings, bonds and derivative instruments which amounted to PLN 785 million and increased by PLN 156 million compared with 31 December 2023. This was mainly due to the drawdown of a loan tranche of PLN 72 million and the issue of bonds of PLN 150 million, less scheduled loan repayments of PLN 65 million. The changes are described in more detail in Chapter 3.4.

		2024	2023
Inventory turnover	inventory / sales revenue × 365 days	7	6
Receivables turnover	trade receivables / sales revenue × 365 days	226	120
Payables turnover	trade payables / sales revenue × 365 days	36	96
Overall debt ratio	liabilities / total assets	58.10%	54.66%
Short-term debt ratio	current liabilities / total assets	10.19%	8.24%
Long-term debt ratio	non-current liabilities / total assets	47.92%	46.42%
Current ratio	current assets / current liabilities	0.8	0.6
Quick ratio	(current assets - inventory) / current liabilities	0.8	0.6

The inventory turnover ratio remained at a level similar to that of 2023. The receivables turnover ratio recorded the extension of the cycle by 106 days, which is due to an increase in the balance of trade receivables. The payables turnover ratio recorded the shortening of the cycle by 60 days, which is due to a drop in the balance of trade payables.

The overall debt ratio shows an increase in debt of 3.4 percentage points, which is

mainly due to an increase in long-term debt. The increase in the values of the ratios is mainly the result of the bond issue described in more detail in Chapter 3.4.

The liquidity ratios increased by 0.2 percentage point compared with 2023. The Issuer manages liquidity collectively for the entire Group. Because of this, the Company's cash levels may fluctuate independently of the financial position of the whole Group.

3.3 Cash flows

3.3.1 The Group's cash flows

in PLN'000	2024	2023
Cash flows from operating activities	100,344	31,220
Cash flows from investing activities	(818)	(1,091)
Cash flows from financing activities	(119,565)	(116,495)

The increase in cash flows from operating activities is the result of the higher profit before tax and positive changes in the working capital.

The cash flows from financing activities are the result of the dividend and interim dividend paid in 2024 and the cash flows related to the loan agreement and the bond issue described in Chapter 3.4.

3.3.2 Murapol S.A.'s cash flows

in PLN'000	2024	2023
Cash flows from operating activities	(3 304)	(10 353)
Cash flows from investing activities	121 405	77 794
Cash flows from financing activities	(115 619)	(126 969)

The cash flows from investing activities resulted from the dividends received from the subsidiaries and the IC borrowings

granted, related to the refinancing of the Group's financial structure.

3.4 Financial liabilities

3.4.1 Bank loans

As at 1 January 2024, Murapol S.A. was a party to a loan agreement of 14 September 2022 with a syndicate of banks, covering a term loan up to the maximum amount of PLN 500 million and a working capital loan not exceeding PLN 50 million.

On 21 December 2023, Murapol S.A. concluded an annex to the loan agreement, under which the repayment deadline was extended to 30 June 2026 and the loan amount was increased by PLN 71.7 million. The value of the principal outstanding as at 1 January 2024 amounted to PLN 462 million.

On 18 January 2024, the above tranche of PLN 71.7 million was paid out.

In 2024, the Company repaid PLN 64.8 million worth of the principal of the above loan, in accordance with the schedule.

As at 31 December 2024, the value of the principal outstanding amounts to PLN 469 million.

The loan bears interest at WIBOR 3M plus a margin.

75% of the loan is hedged against changes in interest rate with an interest rate swap.

3.4.2 Bonds

On 28 May 2024, the Company issued ordinary bearer bonds with a total value of PLN 150 million, with a redemption date of 28 May 2027. The bonds bear a variable

interest rate of WIBOR 3M plus a margin of 4.00% p.a.

3.4.3 Intercompany borrowings

As at 1 January 2024, the balance of the intercompany borrowings received by Murapol S.A. amounted to PLN 167 million. As at 31 December 2024, the balance increased to PLN 172 million. This change is mainly due to interest accrued and valuations.

As at 1 January 2024, the balance of the intercompany borrowings granted by Murapol S.A. amounted to PLN 28 million. As at 31 December 2024, the balance increased to PLN 88 million. During the year, the Issuer granted borrowings of PLN 57 million and received PLN 3 million in repayment of the borrowings granted.

3.5 Assessment of the adopted financial risk management policies

The Group is financed with a single syndicated loan and corporate bonds. This is open-ended, non-project financing which the Group may use to finance its general corporate objectives and working capital. The loan matures in June 2026 and the bonds in May 2027. As part of the loan agreement, interest rate swaps were concluded, so that 75% of the loan amount bears a hedged fixed interest rate. This allows future finance costs and cash flows related to servicing the debt to be forecast with a low margin of error.

Based on the current levels of fulfilment of the covenants in the loan agreement and the terms of issue of the bonds, as well as the

sensitivity analyses performed internally, the situation related to financing the Group can be assessed as being stable.

The debt incurred was in line with the expectations.

The Group's debt remains at a safe level and, at the same time, provides financing for its current operations and investment needs.

3.6 Description of off-balance sheet liabilities

Off-balance sheet liabilities consist of:

- collateral for loans described in the consolidated financial statements, in Note 28;
- contingent liabilities described in the consolidated financial statements, in Note 35;
- contingent liabilities, including guarantees granted, described in the separate financial statements in Note 31.

3.7 Discussion of differences between financial results and forecasts

Due to the issue of bonds in May 2024, the Issuer published forecasts for financial liabilities as at 31/12/2024. The difference between the actuals vs. forecast as regards loans and borrowings is mainly the result of

the level of utilization of the revolving credit facility as at the balance sheet date.

The Issuer did not publish any other forecasts.

Separate data (Murapol S.A.)	Forecast	Percentage share in total equity and liabilities	Actual	Percentage share in total equity and liabilities
Intercompany loans and borrowings	603	43.10%	636.2	44.07%
Debt securities	150	10.70%	147	10.18%
Leases	0	0.00%	0	0.00%
Consolidated data (Murapol S.A. Group)				
Loans	427	20.30%	464.3	21.49%
Debt securities	150	7.10%	147	6.80%
Leases	1	0.00%	1	0.05%



4 Corporate Governance



Murapol
Osiedle Szafirove

Gliwice

4.1 Corporate governance statement

Since the admission of the Company's shares to trading on the main market of the Warsaw Stock Exchange pursuant to Resolution No. 1359/2023 of the Warsaw Stock Exchange of 14 December 2023, Murapol S.A. has been subject to the set of principles adopted by the Council of the Warsaw Stock Exchange on 29 March 2021 by Resolution No. 13/1834/2021, i.e. the "Best Practice for GPW Listed Companies 2021" ("DPSN 2021").

The Management Board has applied all the corporate governance principles in accordance with DPSN 2021, except for the following:

- Principle 2.1 - Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board or the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The Company strives to ensure that the composition of the management board and the supervisory board is versatile and diverse in terms of gender, education, expertise, age and professional experience. The balanced participation of women and men in the above-mentioned bodies has not been fully implemented. The Company supports the implementation of the diversity policy, however, in deciding whether to appoint or employ a particular person, it first and foremost takes into account their competences, relevant professional experience and education, regardless of the gender of such a person.

- Principle 2.2 – Decisions to elect members of the management board or the supervisory board of

companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

According to the explanation to Principle 2.1, the Company indicates that it does not apply the above principle with regard to ensuring the minimum participation of the minority group in terms of gender at 30%.

- Principle 3.1 – Listed companies maintain efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their functioning.

The Company indicates that it does not apply the above principle with respect to maintaining an internal audit function. The Company does not have a separate internal audit unit or a separate internal auditor.

- Principle 3.2 – Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.

The Company indicates that it does not apply the above principle to the extent to which, in its opinion, this is not reasonable due to the size or type of the Company's activity. In the Company's view, due to its size or type of activity the optimal solution in its case, e.g. in the area of compliance, internal control or risk management, is to disperse certain tasks, systems or functions among different units within the organizational structure, taking into account the type of business activity of the companies or the area of activity of individual operating departments.

- Principle 3.3 – Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.

The Company does not apply the above principle with respect to the appointment of an internal auditor to head the internal audit function. Internal audit functions are carried out as part of the processes set apart within the Group: sales, purchasing and production, employment and payroll, and the closure of the books of account and preparation of financial statements.

- Principle 3.5 – Persons responsible for risk and compliance management report directly to the president or other member of the management board.

The Company indicates that it does not apply the above principle with regard to the persons responsible for risk and compliance management directly to the President of the Management Board or another member of the Company's Management Board. The persons responsible for risk and compliance management within the Company's

structure do not report directly to the President of the Company's Management Board or other member of the Company's Management Board.

- Principle 3.6 – The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

The Company does not apply the above principle with respect to the appointment of an internal auditor to head the internal audit function or setting apart an internal audit function.

- Principle 6.4 – As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.

The Company indicates that it does not apply the above principle to the six members of the Supervisory Board whose remuneration for their functions on the Supervisory Board depends on the number of meetings held, and it does not take into account additional remuneration for work in the committees of the Supervisory Board (the Supervisory Board members related to Ares or GCP).

The set of principles of the "Best Practice for GPW Listed Companies 2021" is available at: https://www.gpw.pl/pub/GPW/files/PDF/dobre_praktyki/DPSN21_BROSZURA.pdf

The Company has posted information on the status of the Company's application of the recommendations and principles contained in DPSN 2021 at:

<https://murapol.pl/relacje-inwestorskie/spolka/lad-korporacyjny/dobre-praktyki-spolek-notowanych-na-gpw>

4.2 Shareholders

As at 31 December 2024 and as at the date of publication of these financial statements, the shareholding structure was as follows:

Shareholder name	Number of shares	% of shares in the share capital and % of votes at the General Meeting
AEREF V PL Inwestycje sp. z o.o.*	27,760,000	68.04
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.**	2,960,000	7.25
Hampont sp. z o.o.***	2,040,000	5.00
Other shareholders	8,040,000	19.71
Total	40,800,000	100.00

* On 1 March 2024, AEREF V PL Investment S.à r.l. and AEREF V PL Inwestycje sp. z o.o. entered into a contribution-in-kind agreement on the basis of which AEREF V PL Investment S.à r.l. transferred to AEREF V PL Inwestycje sp. z o.o. all of its shares in the Company, i.e. 27,760,000 shares and all rights attached to them.

** The number of shares held by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. is given in accordance with the notice of 18 December 2023 and includes the shares held by Nationale-Nederlanden Otwarty Fundusz Emerytalny (*Open Pension Fund*).

*** Hampont sp. z o.o. is a company jointly controlled by Nebil Şenman (directly) and Maciej Dyjas (indirectly) – members of the Supervisory Board of Murapol S.A.

The Company has not issued any shares carrying any special control rights.

There are the following restrictions on the transfer of ownership of the issuer's securities:

To the best of the Company's knowledge, as at the date of preparation of this Report, 2,040,000 shares of the company which are owned by Hampont sp. z o.o. have restrictions on the transfer of their ownership arising from the lock-up agreement concluded, which is described in section 17.3 "Lock-up Agreement" of the Company's prospectus approved on 27 November 2023 by the Polish Financial Supervision Authority and published on the Company's website www.murapol.pl under "Investor Relations", whereas 533,334 shares of the company have a restriction on the transfer of their ownership arising from the ruling of the Regional Court dated 31 August 2020 (ref. no. IX GCo 110/20) on securing the claim prior to the commencement of the proceedings.

In addition, there are the following agreements which may result in changes in the interests held by the existing shareholders and bondholders in the future:

Nikodem Iskra has an agreement concluded with AEREF V PL INVESTMENT S.à r.l. with its registered office in Luxembourg, which is described in section 12.8 "Shares or rights to Shares held by members of the Management Board and members of the Supervisory Board" of the Company's prospectus approved on 27 November 2023 by the Polish Financial Supervision Authority and published on the Company's website www.murapol.pl under "Investor Relations", which may result in a change in the interests held by the existing shareholders in the future.

In October 2024, the members of the Company's Management Board concluded "MANAGEMENT INCENTIVE PROGRAM AGREEMENTS" with the company, the performance of which may result in a change in the interests held by the existing shareholders in the future.

Total number and nominal value of all shares in the Group entities held by the Company's management and supervisory officers:

Management Board	Number of the Company's Shares	Nominal value of the Company's shares in PLN
Nikodem Iskra	327,272	16,363.60
Iwona Sroka	12,121	606.05
Przemysław Kromer	9,091	454.55

Supervisory Board	Number of the Company's Shares	Nominal value of the Company's shares in PLN
John Ruane	-	-
Maciej Dyjas*	-	-
William Twemlow	-	-
Piotr Fijotek	95,455	4,772.75
Lukas Gradischnig	-	-
Nebil Şenman*	-	-
Justyna Bauta-Szostak	-	-
Brendan O'Mahony	-	-
Aniela Hejnowska	-	-

* Hampont sp. z o.o. which holds 2,040,000 shares of the Company (with a nominal value of PLN 102,000) is a company jointly controlled by Nebil Şenman (directly) and Maciej Dyjas (indirectly) – members of the Supervisory Board of Murapol S.A.

The members of the Company's Management Board and Supervisory Board did not hold any shares in any other entities of the Murapol Group with the exception of Murapol S.A.

4.3 General shareholders' meeting

The General Meeting of the Company acts on the basis of the provisions of the Commercial Companies Code, the provisions of the Company's Articles of Association, the open and publicly available Regulations of the General Meeting of Murapol S.A., and the Regulations setting out the principles of participation in the General Meeting of Murapol S.A. using means of electronic communication.

In particular, the following matters, apart from those reserved for the General Meeting in the provisions of the Commercial Companies Code and other generally applicable laws, require resolutions of the General Meeting: 1) appointing and dismissing members of

the Supervisory Board, subject to the exceptions provided for in the Articles of Association; 2) considering and approving the report of the Management Board on the Company's operations and the financial statements for the previous financial year; 3) acknowledging the performance of duties by the members of the Management Board and the Supervisory Board; 4) making decisions concerning claims for the rectification of damage caused when establishing the Company or when exercising management or supervision; 5) selling and leasing out the enterprise or a business unit and establishing a limited right in rem thereon; 6) issuing convertible or priority bonds and issuing subscription warrants;

7) distributing profits and covering losses; and 8) creating capital reserves and other equity items or specific funds and liquidating them.

Resolutions of the General Meeting are adopted by an absolute majority of votes, unless otherwise provided by law or the provisions of these Articles of Association.

The General Meeting may be held using electronic means of communication, pursuant to the Regulations setting out the principles of participation in the General Meeting of Murapol S.A.

Pursuant to the provisions of the Commercial Companies Code, the General Meeting is authorized to set the date on which the list of shareholders entitled to receive dividends for a given financial year (the Record Date) and the

date of payment of the dividends is determined.

Persons who are Shareholders on the Participation Registration Date are entitled to attend the General Meeting.

The list of holders of shares and pledgees and users with voting rights, entitled to attend the Company's General Meeting, is determined by the Company on the basis of a list drawn up by the Central Securities Depository of Poland (KDPW).

A shareholder may chair a General Meeting.

The Company's shares are freely transferable. The Company's shares are equal and indivisible. There are no restrictions on the exercise of voting rights.

4.4 Information on the Issuer's management and supervisory officers

4.4.1 Principles of the Management Board's activities

The Management Board consists of 2 (two) to 5 (five) members appointed and dismissed by the Supervisory Board. The number of members of the Management Board is determined by the Supervisory Board.

In addition, as long as the Eligible Shareholder within the meaning of the Company's Articles of Association holds at least 33.34% of the total number of votes at the Company's General Meeting, in the event of election of the members of the Supervisory Board by way of voting in separate groups, the Eligible Shareholder has a personal right to appoint one member of the Company's Management Board.

The Supervisory Board may indicate the functions to be performed by individual members of the Management Board.

Members of the Management Board are appointed for a joint term of office of five years.

All members of the Management Board are obliged and entitled to manage the Company's affairs jointly. To the extent not requiring a resolution of the Management Board, individual members of the Management Board may manage the Company's affairs independently, to the extent specified in the Regulations of the Management Board.

All matters relating to the management of the Company's affairs not reserved by law or the Articles of Association for the General Meeting or the Supervisory Board are the responsibility of the Management Board.

The responsibilities of the Management Board include, in particular: a) managing the Company's affairs; b) making and receiving declarations of intent on behalf of the Company; c) purchase and sale of real estate (shares in real estate) and the right of perpetual usufruct (a share in this right) without the consent of the General Meeting; d) encumbering real estate with limited rights in rem without the consent of the General Meeting; e) issuing organizational regulations governing the principles of functioning of the Company, in

particular: (i) the internal organization of the Company; (ii) the adoption and approval of management standards; (iii) the accounting policies; (iv) the scope of powers, duties and responsibilities of the employees in individual positions; (f) ensuring the stable and dynamic development of the Company; (g) making amendments to the Regulations of the Management Board; however, in order for the amendments to become effective, they must be approved by the competent bodies of the Company, in accordance with the provisions of the Articles of Association; (h) other tasks not reserved by law or the Company's Articles of Association for its other bodies.

In accordance with the rules set out in the provisions of the Commercial Companies Code, the Company's Management Board is authorized to pay an advance towards a dividend expected as at the end of a financial year (an interim dividend) to the shareholders, provided that the Company has sufficient funds to make such payments. The payment of an interim dividend requires the consent of the Supervisory Board in the form of a resolution adopted in accordance with the provisions of these Articles of Association.

The Management Board is not authorized to increase the Company's share capital by issuing new shares, nor does it decide about buying back shares.

The Management Board acts on the basis of the provisions of the Commercial Companies Code, the provisions of the Company's Articles of Association, and the open and publicly available Regulations of the Management Board approved by a resolution of the Supervisory Board.

If the Management Board is composed of more than one person, two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are required to make representations on behalf of the Company.

Performing functions in the Company's Management Board is the main area of the

professional activity of a Member of the Management Board. A Member of the Management Board should not undertake any additional professional activity if the time dedicated to such an activity prevents him/her from performing his/her duties at the Company diligently.

The performance of functions by the Members of the Company's Management Board in the bodies of entities from outside the Company's Group requires the consent of the Supervisory Board.

The Members of the Management Board take part in the General Meeting, either at the place of the meeting or by means of two-way electronic communication in real time, in such a composition as to be able to comment on the matters being dealt with at the General Meeting and to provide substantive answers to the questions asked in the course of the General Meeting.

Meetings of the Management Board are held as often as the proper functioning of the Company requires. Every member of the Management Board has a right to convene a meeting of the Management Board.

Resolutions of the Management Board may be adopted if all members of the Management Board have been notified of the date of the meeting.

Resolutions are adopted by a simple majority of the votes of the Management Board Members present at the meeting of the Management Board, with the exception of a resolution on the appointment of a proxy, which requires the consent of all.

4.4.2 Composition of the Management Board

In the period from 1 January 2024 to 31 December 2024 and as at the date of preparation of the Directors' Report on the operations, the composition of the Management Board was as follows:

1. **Nikodem Iskra – President of the Management Board;**
2. **Przemysław Kromer – Member of the Management Board;**
3. **Iwona Sroka – Member of the Management Board.**

4.4.3 Principles of appointment and dismissal of the Supervisory Board

The Supervisory Board consists of 7 (seven) to 9 (nine) members appointed and dismissed for a joint term of office of three years.

The number of members of the Supervisory Board within the limits indicated above is determined by the General Meeting.

Within the Supervisory Board, the Chairman of the Supervisory Board and 1 (one) to 3 (three) Deputy Chairmen of the Supervisory Board are appointed.

The Chairman of the Supervisory Board and the Deputy Chairmen of the Supervisory Board are elected by the Supervisory Board from among its members.

An Eligible Shareholder within the meaning of the Company's Articles of Association has a personal right to appoint members of the Supervisory Board as follows: 1) as long as the Eligible Shareholder holds at least 33.34% of the total number of votes at the General Meeting, the Eligible Shareholder will have a personal right to appoint and dismiss 4 (four) members of the Supervisory Board (where the Supervisory Board consists of seven members) and 5 (five) members of the Supervisory Board (where the Supervisory Board consists of eight and nine members) from among whom the Eligible Shareholder will indicate the Chairman of the Supervisory Board.

The other members of the Supervisory Board are appointed by the General Meeting, except that the voting right of an Eligible Shareholder in electing one Independent Member is excluded for as long as he/she

holds at least 33.34% of the total number of votes at the General Meeting.

4.4.4 Composition of the Supervisory Board

In the period from 1 January 2024 to 30 April 2024, the composition of the Supervisory Board was as follows:

1. **John Ruane – Chairman of the Supervisory Board;**
2. **Maciej Dyjas – Deputy Chairman of the Supervisory Board;**
3. **Piotr Fijołek – Deputy Chairman of the Supervisory Board;**
4. **William Twemlow – Deputy Chairman of the Supervisory Board;**
5. **Justyna Bauta-Szostak – Member of the Supervisory Board;**
6. **Lukas Gradischnig – Member of the Supervisory Board;**
7. **Brendan O'Mahony – Member of the Supervisory Board;**
8. **Nebil Şenman – Member of the Supervisory Board.**

The Annual General Meeting of the Company, which was held on 30 April 2024, determined the number of the Members of the Supervisory Board for a new term of office as 9 persons and, on 30 April 2024, appointed the following persons to the Supervisory Board for a joint three-year term of office beginning on 30 April 2024:

1. John Ruane, entrusting him with the function of Member of the Supervisory Board;
2. William Twemlow, entrusting him with the function of Member of the Supervisory Board;
3. Maciej Dyjas, entrusting him with the function of Member of the Supervisory Board;
4. Piotr Fijołek, entrusting him with the function of Member of the Supervisory Board;

5. Lukas Gradischnig, entrusting him with the function of Member of the Supervisory Board;

6. Nebil Şenman, entrusting him with the function of Member of the Supervisory Board;

7. Brendan O'Mahony, entrusting him with the function of the independent Member of the Supervisory Board referred to in Article 18(1) of the Company's Articles of Association;

8. Justyna Bauta-Szostak, entrusting her with the function of the independent Member of the Supervisory Board referred to in Article 18(1) of the Company's Articles of Association;

9. Aniela Hejnowska, entrusting her with the function of the independent Member of the Supervisory Board referred to in Article 18(1) and (3) of the Company's Articles of Association.

On 3 June 2024, an Eligible Shareholder within the meaning of the Company's Articles of Association made a statement that it considers the following members of the Company's Supervisory Board to be appointed in exercising its personal right described in Article 17(7) of the Company's Articles of Association:

John Ruane;
William Twemlow;
Lukas Gradischnig;
Nebil Şenman;
Maciej Dyjas.

Moreover, the Eligible Shareholder indicated Mr. John Ruane as Chairman of the Company's Supervisory Board.

On 7 June 2024, the Company's Supervisory Board adopted a resolution on determining the number of deputy chairmen of the Supervisory Board as: three persons. Moreover, as from 7 June 2024 the Supervisory Board appointed the following persons to perform the functions of Deputy Chairmen of the Supervisory Board: Mr. Maciej Dyjas, Mr. William Twemlow and Mr. Piotr Fijołek.

In the period from 30 April 2024 to 31 December 2024, as well as at the date of preparation of the Directors' Report on the operations, the composition of the Supervisory Board was as follows:

1. **John Ruane – Member of the Supervisory Board (however, he took up the position of Chairman based on the statement of 3 June 2024);**
2. **Maciej Dyjas – Member of the Supervisory Board (however, he took up the position of Deputy Chairman based on the resolution adopted on 7 June 2024);**
3. **Piotr Fijołek – Member of the Supervisory Board (however, he took up the position of Deputy Chairman based on the resolution adopted on 7 June 2024);**
4. **William Twemlow – Member of the Supervisory Board (however, he took up the position of Deputy Chairman based on the resolution adopted on 7 June 2024);**
5. **Justyna Bauta-Szostak – Member of the Supervisory Board;**
6. **Lukas Gradischnig – Member of the Supervisory Board;**
7. **Brendan O'Mahony – Member of the Supervisory Board;**
8. **Nebil Şenman – Member of the Supervisory Board;**
9. **Aniela Hejnowska – Member of the Supervisory Board.**

4.4.5 Principles of the Supervisory Board's activities

The Company's Supervisory Board acts on the basis of the provisions of the Commercial Companies Code, the provisions of the Company's Articles of Association, and the open and publicly available Regulations of the Supervisory Board.

The Supervisory Board adopts resolutions if at least one half of its members are present at the meeting, and all members have been invited to the meeting.

Resolutions of the Supervisory Board are adopted by an absolute majority of votes. In the event of a tied vote, the Chairman of the Supervisory Board has the casting vote.

Members of the Supervisory Board may participate in adopting resolutions of the Supervisory Board by casting their votes in writing through another member of the Supervisory Board.

The Supervisory Board may adopt resolutions in writing or by means of remote direct communication, subject to the mandatorily applicable laws.

The Supervisory Board is authorized to adopt the Regulations of the Supervisory Board which define its organization and the manner in which it carries out its activities.

The Supervisory Board establishes an Audit Committee. The Audit Committee is composed of at least 3 (three) members appointed by the Supervisory Board.

The Supervisory Board has also established an Investment Committee whose task is to express opinions on planned asset purchases and sales, financing plans, the implementation of the asset sale strategy and the implementation of investment plans based on the approved Annual Budget.

The Supervisory Board has also established an Appointments and Remuneration Committee whose task is to analyse and handle matters relating to appointments (in particular the election of the members of the Management Board) and remuneration (of the members of the Management Board).

4.4.6 Information about the Audit Committee

The Audit Committee acts on the basis of the generally applicable laws, the Articles of Association, the Regulations of the Supervisory Board and the Regulations of the Audit Committee.

The Committee's resolutions are adopted by a simple majority of votes.

The Committee should submit annual reports on its activities to the Supervisory Board, which will be made available to the shareholders by the Management Board.

The Committee's tasks are carried out by presenting the Supervisory Board with conclusions, opinions and reports on the scope of its tasks, in the form of resolutions adopted by the Committee.

The Audit Committee is composed of at least three members. Most of the members of the Audit Committee, including its Chairman, meet the independence criteria set out in the Act of 11 May 2017 on statutory auditors, audit firms and public oversight.

The basic task of the Audit Committee is to advise the Supervisory Board on the proper implementation and control of the Company's financial reporting processes, the effectiveness of internal control and risk management systems, and to cooperate with statutory auditors.

The Audit Committee may, without any duty of intermediation on the part of the Supervisory Board in this respect, request the provision of information and explanations and the transfer of documents necessary for the performance of its tasks, including the provision of certain information on accounting, finance, internal control, internal audit and the risk management system by the Management Board.

In the period from 1 January 2024 to 30 April 2024, the composition of the Audit Committee was as follows:

1. **William Twemlow;**
2. **Justyna Bauta-Szostak;**
3. **Brendan O'Mahony.**

Due to the fact that, on 30 April 2024, the General Meeting adopted resolutions on the appointment of members of the Supervisory Board for a joint three-year term of office, by resolution of 7 June 2024 the Company's Supervisory Board decided to establish an Audit Committee.

In the period from 7 June 2024 to 31 December 2024 and as at the date of preparation of the Directors' Report on the operations, the composition of the Audit Committee is as follows:

1. **William Twemlow;**
2. **Aniela Hejnowska;**
3. **Brendan O'Mahony.**

In 2024, the Audit Committee was composed of three independent members of the Supervisory Board: Justyna Bauta-Szostak, Brendan O'Mahony and Aniela Hejnowska, who, according to the declarations they submitted, meet the independence criteria set out in the Act on Statutory Auditors and in section 2.3 of the Best Practice for GPW Listed Companies. Moreover, Brendan O'Mahony has a knowledge of and skills in accounting or auditing financial statements. The Audit Committee Member William Twemlow has expertise in the industry in which the Murapol Group operates, i.e. real estate and development. At the meeting on 23 September 2024, the Audit Committee appointed its chairman, Brendan O'Mahony.

In 2024, two meetings of the Audit Committee were held.

4.4.7 Information about the Investment Committee

The Investment Committee acts on the basis of the generally applicable laws, the Articles of Association, the Regulations of the Supervisory Board of Murapol S.A. and the Regulations of the Investment Committee.

The task of the Investment Committee is to express opinions on planned asset purchases and sales, financing plans, the implementation of the asset sale strategy and the implementation of investment plans based on the approved Annual Budget.

The Committee's resolutions are adopted by a simple majority of votes.

The Committee should submit annual reports on its activities to the Supervisory Board, which will be made available to the shareholders by the Management Board.

The Investment Committee is composed of at least two members appointed by the Supervisory Board from among its members.

In the period from 1 January 2024 to 30 April 2024, the composition of the Investment Committee was as follows:

1. **Maciej Dyjas – Member of the Investment Committee;**
2. **John Ruane – Member of the Investment Committee;**
3. **William Twemlow – Member of the Investment Committee;**
4. **Piotr Fijołek – Member of the Investment Committee.**

Due to the fact that, on 30 April 2024, the General Meeting adopted resolutions on the appointment of members of the Supervisory Board for a joint three-year term of office, by resolution of 7 June 2024 the Company's Supervisory Board decided to establish an Investment Committee.

In the period from 7 June 2024 to 31 December 2024 and as at the date of preparation of the Directors' Report on the operations, the composition of the Investment Committee is as follows:

1. **Maciej Dyjas – Member of the Investment Committee;**
2. **John Ruane – Member of the Investment Committee;**
3. **William Twemlow – Member of the Investment Committee;**
4. **Piotr Fijołek – Member of the Investment Committee;**
5. **Nebil Şenman – Member of the Investment Committee.**

4.4.8 Information about the Appointments and Remuneration Committee

The Investment Committee acts on the basis of the generally applicable laws, the Articles of Association, the Regulations of

the Supervisory Board of Murapol S.A. and the Regulations of the Appointments and Remuneration Committee.

The tasks of the Appointments and Remuneration Committee is to analyse and handle matters relating to appointments (in particular the election of the members of the Management Board) and remuneration (of the members of the Management Board).

The Committee's resolutions are adopted by an absolute majority of votes.

The Committee should submit annual reports on its activities to the Supervisory Board, which will be made available to the shareholders by the Management Board.

The Appointments and Remuneration Committee is composed of at least two members appointed by the Supervisory Board from among its members.

By resolution of 7 June 2024, the Company's Supervisory Board decided to establish an Appointments and Remuneration Committee.

In the period from 7 June 2024 to 31 December 2024 and as at the date of preparation of the Directors' Report on the operations, the composition of the Appointments and Remuneration Committee is as follows:

1. **Justyna Bauta-Szostak – Member of the Appointments and Remuneration Committee;**
2. **Piotr Fijolek – Member of the Appointments and Remuneration Committee;**
3. **William Twemlow – Member of the Appointments and Remuneration Committee.**

4.4.9 Remuneration of the Issuer's management and supervisory officers

In 2024, the remuneration of the Members of the Company's Management Board was as follows:

in PLN'000	Fixed remuneration	Variable remuneration
<i>from Murapol S.A.</i>		
Nikodem Iskra	767	1,200
Przemysław Kromer	300	-
Iwona Sroka	691	800
<i>from the subsidiaries</i>		
Nikodem Iskra	959	2,054
Przemysław Kromer	514	910
Iwona Sroka	48	-

In addition, the Company has long-term incentive bonus schemes for the members of the Company's management, including the Members of the Management Board, for the years 2021-2024 and 2024-2028, as described in Note 36.4.1 to the Consolidated Financial Statements for 2024. The cost of these schemes amounted to PLN 2,825 thousand.

In 2024, the remuneration of the Members of the Supervisory Board was as follows:

in PLN'000	Fixed remuneration
John Ruane*	1
William Twemlow*	1
Maciej Dyjas	1
Piotr Fijotek	1
Lukas Gradischnig*	1
Nebil Şenman	1
Justyna Bauta-Szostak	180
Brendan O'Mahony	180
Aniela Hejnowska	121

* Mr. Lukas Gradischnig, Mr. John Ruane and Mr. William Twemlow donated their remuneration to charity. The Company made a direct payment to the Children's Foundation "Zdążyć z Pomocą" (KRS 0000037904).

The Group does not have any liabilities arising from pensions and similar benefits for former members of the management, supervisory or administrative bodies.

4.4.10 Contracts between the Issuer and its managers providing for compensation in the event of their resignation or dismissal from the position held

For certain members of the Company's Management Board, the Supervisory Board has provided for additional one-time remuneration as compensation in the event of their dismissal and/or resignation. Such remuneration is not due if, at the same time, the managerial contract of a given Management Board Member is terminated without notice for reasons set out in the resolutions of the Supervisory Board.

4.5 Internal control system

Murapol maintains the following systems:

- a. internal control system;
- b. risk management system and
- c. compliance system

to the extent related to its size, structure and scale of operations.

Their operations are the responsibility of the Company's Management Board.

The oversight over the functioning and effectiveness of internal control and over financial reporting within the Group is exercised by the Supervisory Board (of the Company) and the Audit Committee.

The Management Board presents to and discusses with the Supervisory Board monthly, quarterly and annual business and financial results, as well as current matters indicated by the Supervisory Board members. In addition, the Management Board presents to and discusses with the Supervisory Board the implementation of the business plan and the budget, as well as certain key performance parameters.

The Audit Committee's responsibilities with regard to the financial reporting process include, in particular: (i) monitoring the effectiveness of the internal control and risk management systems, including the

financial reporting process mainly with regard to the interim (quarterly, semi-annual) and annual separate and consolidated financial statements of the Company and the Group); (ii) discussing, with the Company's auditor, the key issues arising from the audit or review of the interim or annual separate and consolidated financial statements of the Company and the Group, expressed in the auditor's reports, as well as discussing the issues raised by the auditor in the additional report for the Audit Committee; (iii) informing the Supervisory Board of the audit findings and explaining how the audit contributed to the fairness of financial reporting in the Company, as well as what the role of the Audit Committee was in the audit process; and (iv) formulating the necessary recommendations and developing internal policies for the appointment of the audit firm and the provision of permitted services by it.

The preparation of financial statements is the responsibility of the reporting department. Isolating the reporting department, including, above all, separating it from the accounting department responsible for the recognition and grouping of business transactions, has made it possible to focus and build competence in reporting standards (Polish and international) and the control functions performed on accounting data.

The preparation and coordination of separate and consolidated financial statements is the responsibility of the Reporting Department.

The proper control and management of the risk posed by this process takes place both horizontally and vertically.

With regard to horizontal control, an important role is played by the support from individual departments, i.e. the Accounting Department with regard to examining source accounting documents and their correctness in terms of form and accounting, the Operating Departments in terms of evaluating individual events and their correct recognition in the financial

statements, the Tax Department which ensures the consistency of tax events with balance sheet events, and the Legal Department in cases requiring a specific legal analysis of a particular issue.

Vertical control takes place on several levels and is carried out by the Management Board, the Audit Committee and the Supervisory Board.

Such segregation of competences and responsibilities makes it possible to develop mechanisms of mutual control of individual participants in the process of preparation of the financial statements to ensure their compliance with the applicable regulations and a fair reflection of business events and the company's financial position.

Internal control functions are carried out by area: (i) controlling the process of purchasing materials or services of a general nature; (ii) construction controlling responsible for supervising the process of purchasing materials and services directly for a development project (construction work); (iii) controlling the process of sale of apartments, storage units and parking spaces; and (iv) financial controlling responsible, among other things, for verifying compliance with covenants in financial agreements, financial planning and issues related to insurance of the Group's activities.

Risk management comprises the management of financial risk (within the financial controlling team), liquidity risk (in the long term and short term) and the management of operational risks identified within separate business processes, monitored as part of the competences of the Group's individual departments and units.

The Group's compliance functions are dispersed throughout the Group's organizational structure, taking into account the type of business activity of the companies or the area of activity of the individual operating departments. The compliance functions are performed by

approximately 20 lawyers - specialists in specific areas assigned to the relevant business areas.

4.6 Information about the control system for employee share schemes

The Company has long-term incentive bonus schemes in place for the members of the Company's management, including the Members of the Management Board,

for the years 2021-2024 and 2024-2028, described in Note 36.4.1. Apart from that, the Group did not run any other employee share schemes.

4.7 Description of the rules for amending the Issuer's Articles of Association

Amendments to the Company's Articles of Association take place in accordance with the rules provided for in the generally

applicable laws, including the provisions of the Commercial Companies Code.

4.8 Information about the purchase of Treasury shares

In the financial year 2024, the Company did not hold any Treasury shares.

4.9 Use of proceeds from issue of new shares

The Company did not issue any new shares in 2024.

4.10 Auditor

4.10.1 Fees of the audit firm

The table below shows the audit firm's fees paid or payable for the year ended 31 December 2024 and 31 December 2023 by type of service:

Type of service	year ended 31 December 2024	year ended 31 December 2023
Statutory audit of annual separate and consolidated financial statements	460	530
Other services	334**	1,145*
	794	1,675

*relates to assurance services performed mainly for IPO purposes in 2023

**relates to other assurance services

***The Group has not used the services of other companies from the Ernst & Young network

The fees do not include the costs of audit services with respect to the financial statements of the Group companies,

provided by auditors other than Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k.

By Resolution No. A/05/03/2024 of 25 March 2024 the Audit Committee gave its consent to the provision of permitted non-audit services to the Company by Ernst & Young Audył Polska spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw, i.e.:

- 1) an assurance service providing reasonable assurance, carried out in connection with the audit of the annual consolidated financial statements, concerning tagging these financial statements in accordance with the requirements of the ESEF Regulation for the purpose of issuing the opinion referred to in Article 83(6) of the Act on Statutory Auditors;
- 2) a semi-annual review of the interim condensed separate and consolidated financial statements for the years 2023 – 2025;
- 3) an assurance service providing reasonable assurance regarding the Report on the remuneration of the Management Board and the Supervisory Board for the year ended 31 December 2023;
- 4) performing agreed-upon procedures regarding financial information as at 31 December 2023, specified in the loan agreement of 14 September 2022 concluded by and between the Company and Santander Bank Polska S.A. and Bank Polska Kasa Opieki S.A.

Moreover, by Resolution No. A/01/09/2024 of 4 September 2024 the Audit Committee gave its consent to the provision of permitted non-audit services to the Company by Ernst & Young Audył Polska spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw, i.e.:

- 1) an assurance service providing reasonable assurance regarding the Report on the remuneration of the Management Board and the Supervisory Board for the year ended 31 December 2024;

- 2) performing agreed-upon procedures regarding financial information as at 31 December 2024, specified in the loan agreement of 14 September 2022 concluded by and between the Company and Santander Bank Polska S.A. and Bank Polska Kasa Opieki S.A.

4.10.2 Audit firm appointment policy

The key assumptions of the policy developed for appointing an audit firm to audit financial statements and the policy for the provision of permitted non-audit services by the audit firm which conducts an audit, by the entities related to that audit firm and by a member of the audit firm's network.

The Company has its semi-annual separate and consolidated financial statements reviewed and its annual separate and consolidated financial statements audited by an audit firm.

The Company has in place (i) a Policy for appointing an audit firm to audit the financial statements and consolidated financial statements of Murapol S.A. and (ii) a Procedure for the appointment of an audit firm by Murapol S.A.

An audit firm is appointed by the Supervisory Board. The appointment is made taking into account the recommendations of the Audit Committee.

The maximum uninterrupted duration of engagements (i.e. the first engagement including any renewed engagements) for the statutory audits of the Company's financial statements carried out by the same audit firm or an audit firm related to that audit firm or any member of the network operating in the European Union Member States to which those audit firms belong – is 10 years.

No audit firm which, since the commencement of the audited period, has provided non-audit services to Murapol S.A. other than the Permitted Services specified in the Policy for the provision of permitted non-audit services to Murapol S.A. by an

audit firm which conducts an audit, by the entities related to that audit firm and by a member of the audit firm's network may be appointed to audit the Company's financial statements, and on terms consistent with that Policy.

No audit firm which, after the beginning of the financial year immediately preceding the period to be audited, provided services to Murapol S.A. for the development and implementation of internal control procedures or risk management procedures related to the preparation or control of financial information or the development and implementation of technological systems relating to financial information may be appointed to audit the financial statements of Murapol S.A.

The Audit Committee recommends the appointment, and the Supervisory Board may only appoint an audit firm which, to the best knowledge of the members of the Supervisory Board and in accordance with the representations made to Murapol S.A., meets the independence requirements referred to in Articles 69-73 of the Act on Statutory Auditors.

4.10.3 Appointment of the audit firm

The Company acquired the status of a public company within the meaning of Article 4(20) of the Act on public offering and the conditions for introducing financial instruments into the organized trading system and on public companies of 29 July 2005 (Journal of Laws No. 184, item 1539, as amended), when the audit firm for the years 2023-2025 had already been appointed.

On 28 November 2023, the Company signed a contract with Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k. for the audit of the separate and consolidated financial statements for the years 2023 – 2025.

The appointed audit firm meets all the requirements and standards required by the generally applicable laws and the Policy for appointing an audit firm to audit the separate and consolidated financial statements of Murapol S.A.

According to a statement by the Company's Supervisory Board, the Company's Management Board informs that:

- a) the audit firm to audit the annual consolidated and separate financial statements for 2024 was appointed in accordance with the regulations, including the regulations on the appointment and the procedure for appointing an audit firm based on a request to submit proposals;
- b) the audit firm and the members of the audit team fulfilled the conditions for the preparation of an impartial and independent audit report on the annual consolidated and separate financial statements in accordance with the applicable regulations, professional standards and principles of professional ethics;
- c) the applicable regulations relating to the rotation of the audit firm and the key statutory auditor and the mandatory grace periods are complied with;
- d) the Company has a policy in place for appointing an audit firm and a policy for the provision to the Company by an audit firm, an entity related to the audit firm or the members of its network of additional non-audit services, including services conditionally exempt from the prohibition on providing by an audit firm.

5 Statement on non-financial information



The Group is not required to publish a statement on non-financial information pursuant to Article 49b(1) of the Accounting Act of 29 September 1994 (Journal of Laws of 1994, No. 121, item 591, as amended) due to the contents of Article 14(5) of the Act of 6 December 2024 on the amendment of the Accounting Act, the Act on Statutory Auditors, Audit Firms and Public Oversight and certain other acts and due to failing to meet the criteria referred to in Article 49b(1) and Article 55(2b) of the Accounting Act of 29 September 1994. The following information is published on a voluntary basis to better meet the requirements and expectations of the capital market.

The Group incorporates sustainability initiatives into its business activities. The key areas of sustainability are environmental, social and corporate governance (ESG) activities. Each of these areas covers a number of different aspects such as the way in which the Group uses renewable and non-renewable resources or the types of measures taken out of care and concern for the natural environment - in the case of environmental factors or the impact of the Group's activities on its social environment - employees, customers or the local community - in the case of social factors. Whereas corporate governance means the Group's internal supervision system and refers to the procedures, standards and mechanisms implemented in order to ensure effective management, improve decision-making processes, compliance with the law, etc.

In 2024, the Murapol Group developed a draft sustainability strategy of the Murapol Group for the years 2025-2027. The document contains a list of strategic priorities and measures in the area of sustainability. The document sets out a list of topics material in the context of the

sustainability of the Murapol Group prepared on the basis of four pillars: (i) sustainable and modern construction; (ii) a responsible strategic partner; (iii) a sustainable working environment and (iv) a responsible organization. The list formed the basis for defining ESRS indicators which will measure selected areas of the sustainability of the Murapol Group. On the basis of it, the data necessary to calculate the indicators arising from the ESRS were identified, and the process for collecting them was designed.

Moreover, in 2024 the Murapol Group conducted a detailed analysis, including a selected facility as an example, of the possibility of tailoring its activities to the requirements of the Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment). The Murapol Group also calculated its carbon footprint in Scope 1 (i.e. the one covering direct greenhouse gas emissions), in Scope 2 (i.e. the one covering indirect emissions) for 2023 and in Scope 3 (covering emissions from the Group's value chain). The Murapol Group's GHG report was prepared in accordance with the requirements of the standards "Greenhouse Gas Protocol. A Corporate Accounting and Reporting Standard" and "GHG Protocol Scope 2 Guidance Amendment to the GHG Protocol Corporate Standard". On the basis of the calculations made in the reporting period the Murapol Group also developed assumptions for a decarbonization strategy and analysed the application of sustainability aspects by its key suppliers along with a draft Supplier Code. Moreover, the Murapol Group developed an internal document concerning sustainability for the previous year as an element of preparation for mandatory reporting in the future.

5.1 Environmental measures

Development and construction activities affect the natural environment, so the

Group is committed to ensuring that its development projects are managed in

a conscious manner reducing their negative impact on the environment. The Group attaches great importance to carrying out all site work in accordance with technical and environmental requirements. For this purpose, the Group has a research and development department which is responsible for optimizing technical issues. Among other things, the Group takes steps to optimize the consumption of raw materials and water and to reduce waste production on its projects. In particular, the Group takes steps to ensure that basic waste materials are disposed of in accordance with legal standards, including, depending on their type, recycling by specialized entities.

In addition, the Group seeks to limit or minimize the negative impact of projects in progress on the surrounding area and the neighbourhood, such as, e.g., noise or other construction nuisances. Prior to embarking on a project, the Group examines the external aspects of the site works in detail so as to protect the neighbouring flora and fauna, and it seeks to manage the access roads to the site in such a way as to minimize dust and noise.

In order to reduce the consumption of non-renewable fossil fuels and, consequently, to reduce its carbon footprint, the Group aims to use energy efficiently and to reduce gas emissions which are responsible for global climate change. To this end, the Group makes efforts to introduce energy-saving solutions on all of its new projects, such as, e.g., full LED lighting or HMS systems (a proprietary infrastructure and installation Home Management System which allows *smart home - Murapol Appartme* solutions to be installed on the premises), which enables precise control of utilities (electricity, heating, lighting) in individual apartments. Energy-saving solutions, including HMS systems, allow noticeable energy savings. In an attempt to find a compromise in the technologies used, bearing in mind their impact on the environment at the time of application, but also taking into account the duration of their operation and the period associated

with their disposal once their operation has ended, the Group also introduces solutions such as photovoltaic panels or heat pumps on selected projects. In addition, the Murapol Group is looking into the possibility of implementing further solutions such as solar thermal collectors or recuperation systems. An anti-smog package, i.e. a system based on an innovative nanomaterial which reduces the amount of harmful substances that get into residential units with the air, has also been introduced as a standard feature in Murapol Group apartments.

As part of its ESG measures, the Group intends to continue the trend started in 2019 consisting of introducing and developing smart and eco solutions on its projects, working on further eco-friendly and innovative solutions, analysing, in particular, the following solutions:

- **development of the HMS by adding new functionalities;**
- **photovoltaic systems used for lighting common areas in buildings;**
- **anti-smog building materials such as anti-smog paving stones based on high-tech cement or anti-smog façade plaster used in the ETICS building insulation system;**
- **smart solutions in common areas, e.g. benches in playgrounds with mobile phone charging functions, integrated with bike racks and bike repair stations;**
- **rainwater recycling;**
- **eco-friendly heat source solutions for buildings, e.g. heat pumps, solar thermal collectors or recuperation systems;**
- **introduction of prefabricated elements such as, e.g., system solutions for prefabricated steel frame walls or modular bathroom solutions.**

The Group also constructs buildings on previously disused land, e.g. post-factory or post-military sites. In many cases, the restoration of these sites to redevelopment involves remediation, i.e. the removal or neutralization of factors that have previously prevented development. During remediation work, all waste is disposed of, and entities with appropriate expertise and competence are selected to carry out the work.

With the aim of improving the environmental parameters of its projects continuously, the Murapol Group organizes regular training for its engineering staff in technology, introduction of innovative material solutions or technological solutions. The purpose of the training

courses organized is, above all, to seek solutions aimed at optimizing the use of materials, reducing the amount of waste by laying it out in the optimum way in the construction process, as well as reducing the carbon footprint. The training also enhances the knowledge of the engineering staff in terms of responsibility for the natural environment.

In addition, the Murapol Group participates actively in the public discourse on the application of the ESG principles in the real estate industry, engaging in debates dedicated to sustainable construction issues.

5.2 Social activities

Responsibility for the employee

The Murapol Group's employees are one of its most important resources. The Group appreciates their diverse experience, competence, education, way of working and individual approach to their tasks. The Murapol Group's team consists of designers and design support staff (approx. 25% of the staff), construction staff and project support staff (approx. 30% of the staff), sales specialists and those supporting customer service and sales processes (approx. 25% of the staff) and specialists in areas such as accounting, finance, marketing, PR, lawyers, HR, IT and others (approx. 20% of the staff) (Company data as at 31 December 2024).

The Group aims to provide equal rights and development opportunities for all. Thanks to a transparent organizational structure, hierarchy and job descriptions, the Group's employees are ensured the creation of clear career paths, having the possibility of both promotions within individual Group companies or departments, but also through migration among them if they wish to develop their skills in a new field. As at 31 December 2024, the Company's senior management (approx. 55 people) consists

mostly of people promoted internally, i.e. those who began their careers in entry-level positions in the hierarchy before moving to higher positions as they gained experience and specialist knowledge. In addition, the Group is committed to increasing the proportion of women in leadership positions throughout the organization as it values competence and experience regardless of gender. As at 31 December 2024, women represented 54% of the Murapol Group's management team, of which 47% are directors and 60% are managers and executives.

The Group strives to recruit for work the best specialists from the market but, at the same time, it seeks to continuously develop the competences of those already employed. Thanks to numerous training programmes in both hard and soft skills, the Group strengthens its team and expands the group of internal experts. The Murapol Group also organizes annual training and team building trips to strengthen the bonds between the employees and managers and the sense of belonging to the organization. In addition, employee surveys and job satisfaction surveys are carried out to ensure ongoing dialogue between the management team and the employees,

especially in territorially dispersed teams. The findings of these surveys provide the managers with information about employee needs and set directions for changes in building and motivating teams.

All Group employees and collaborators have access to employee benefits such as private medical care, group insurance fully funded by the Group or sports cards 60% of the cost of which is financed by the Group.

The Murapol Group's activities for its employees have been recognized several times by the juries of the Best Quality Employer, Good Employer or Good Company programmes.

Creating good space for living and leisure activities

The Group's aim is to create good space for living and leisure activities. The Group supports the community by building the necessary infrastructure or useful solutions for residents as part of its development projects. As part of its obligations to local authorities, which are undertaken on the basis of investment agreements, the Group, among other things, reconstructs or modernizes the existing road networks, builds or repairs pavements, builds new access roads aimed at providing better comfort for residents, plants trees or organizes green areas. Although these projects are directly or indirectly linked to development projects in progress, they also serve the local community. In selected project areas, the Murapol Group provides recreation zones, including outdoor gyms, which are not only a place for relaxation but which also foster closer neighbourly ties among the residents of the estates.

Supporting charitable initiatives and cultural and sports projects

The Group undertakes several initiatives for the local communities for which it carries out its construction projects. Since its incorporation, it has carried out various forms of social, charitable or sports activities. For more than a decade, each of the Company's branches in Poland has

been involved in the "Szlachetna Paczka" project during the holiday season (a wide-ranging social project in which volunteers search for families in need who meet specific criteria, and donors prepare Christmas parcels for them). In the years 2021-2024, the Group's employees, by riding thousands of kilometres on their bicycles, provided financial support to those in need looked after by the Good Initiatives Foundation on the "All4Kids Charity Race 2024" project. Last year, the Group got involved in the campaigns of the Polish Association of Real Estate Developers (PZFD), supporting the victims of the flood as well as the Association of the Łódź Hospice for Children - Łupkowa in this way.

An important area of the Group's non-business activities is its involvement in sport, both professional sport and initiatives promoting activity among children and young people. The brand ambassador is Andrzej Bargiel (a Polish alpine skier and mountaineer) whom the Group supports in his expeditions, in 2024 as part of the Andes&Patagonia Ski Expedition project. Since 2017 the Group has been collaborating with the Widzew Łódź football team, with the Murapol Group acting as the main sponsor for the 2023/2024 and 2024/2025 seasons. As an active promotor of the spirit of sport, the Murapol Group has been a partner for all 12 editions of the Murapol Cup - a football tournament for young players. It also supports the Orkan Sochaczew rugby team and is also involved in the development of the Infinitas Hockey Club KTH in Krynica-Zdrój. Since the beginning the Murapol Group has been involved in the construction of the mountain bike trails of the Enduro Trails Bielsko-Biała complex. In May 2024, in Bielsko-Biała and Szczyrk, it was a partner for the UCI MTB World Series, a regular mountain bike competition organized by the International Cycling Union. The Group's team includes the Murapol Football Team which takes part in the matches of the Beskidy Business League (BLB). In 2024, for a second year in a row, the Murapol Group was a partner for the

Golder Tour Bielsko-Biała, a tournament with the participation of football teams which are members of the BLB.

As regards the initiatives for the benefit of local communities, the Murapol Group supported, among other things, the Summer Łódź Festival, the Cabaret Festival "Fermenty" in Bielsko-Biała, the Winter Wilanów or Shakespeare in the Wilanów Park. Other events in which the Murapol Group engaged in 2024 were: the Running 360 Degrees conference in Zakopane, the Cavatina Guitar Festival in Bielsko-Biała or the Podbeskidzie Regional Congress of Women.

Regulatory and educational activities

The Group is actively involved in expert work. As a representative of the business organization the Employers of Poland (in the organization's council), the Group's representative is a member of the Social Dialogue Council. The Group and its representative are also an active member of the management board of the Polish Association of Real Estate Developers.

Bearing in mind its past and future activities on the financial markets, the Company is a member of the Association of Stock Exchange Issuers.



6 Additional information



Murapol
Aviator

Toruń

6.1 Material court and administrative proceedings

In April 2023, the President of the Office of Competition and Consumer Protection (OCCP) initiated proceedings against the Company for declaring the provisions of the model contract prohibited. The provisions questioned by the OCCP President concern, among other things, the Company indicating the notarial office in which contracts with consumers will be concluded, giving consent to using a property for construction purposes, incurring costs and charges related to premises from the moment they are made available or granting a power of attorney to represent them in administrative proceedings and to change the amount of shares in a common property. The Company submitted respective explanations in which it indicated, among other things, that it had ceased to apply some of the provisions under investigation, as well as presented proposed changes to its model contracts for future use which are to meet the expectations of the OCCP President. The Company's actions taken as part of the proceedings are aimed at minimizing the risk of the OCCP President imposing a fine which may amount to a maximum of 10% of the turnover achieved by the Company in the financial year preceding the year in which the fine is imposed.

Since 2021, cassation proceedings have been pending before the Supreme Administrative Court, concerning an administrative penalty imposed on the Company by the PFSA for violations of the requirements for significant blocks of shares in public companies provided for in the Act on Public Offering in connection with the Company's transactions in the shares of a public company listed on the main market of the WSE - Skarbiec Holding S.A., conducted in 2017-2018. The fine was imposed following the administrative proceedings conducted by the PFSA against the Company, which concerned a suspected administrative tort boiling down to the Company practising the so-

called parking of Skarbiec Holding S.A.'s shares in third parties at the time. In April 2021, the Company filed a complaint with the Voivodeship Administrative Court in Warsaw against the PFSA's decision, upholding the objections raised at an earlier stage of the administrative proceedings before the PFSA; the complaint was dismissed by the Voivodeship Administrative Court in June 2021, against which the Company filed a cassation appeal with the Supreme Administrative Court. As at the date of preparation of this Report, the Supreme Administrative Court has not issued a judgment in the above case.

On 22 April 2024, the Company was served with an authorization for conducting a customs and fiscal inspection regarding the correctness and fairness of meeting the obligations of a remitter of flat rate corporate income tax on the payment of the consideration listed in Article 22(1) of the Act on Corporate Income Tax in the period from 01/01/2022 to 31/12/2022. At present, fact-finding activities are being carried out by the inspection authorities, and the Company is fulfilling all of its obligations as part of the inspection proceedings. The Company has an insurance policy covering the risk of the Company being required to pay withholding tax (WHT) arising from the fact that the Polish tax authority may refuse to recognize a domestic exemption or an exemption arising from the double taxation treaty applicable to dividend paid.

As at 31 December 2024, neither the Company nor its subsidiaries were a party (before a court, an authority competent for arbitration proceedings or a public administration body) to any other proceedings concerning liabilities or receivables of the Company or its subsidiaries, the one-time or aggregate value of which would represent at least 10% of the Company's equity.

6.2 Diversity policy

In the opinion of the Company's Management Board, the composition of the Management Board and the Supervisory Board ensures the diversity of gender, age, education and professional experience necessary to achieve a broad perspective to support the Company's operations and supervision over them.

The diversity principles are, therefore, applied regardless of the fact that there is no specific diversity policy applicable to the Issuer's administrative, management and supervisory bodies. The selection of managers is based on the Company's natural needs and the predisposition of individuals of a specific gender, age, education and experience to meet those needs.

In 2024, there were two men and a woman on the Company's Management Board. These individuals have diverse educational backgrounds and a wealth of experience both inside the development industry itself and outside it. The qualities of the individual members of the Management Board complement each other and ensure a strong team of highly qualified managers managing the Company.

In 2024, there were seven men and two women on the Company's Supervisory Board. They are people of different ages, with different predispositions and with extensive, varied experience and educational backgrounds in finance, real estate, audit, investment banking and law.

6.3 Significant events affecting the Group's operations which occurred after the end of the reporting period

On 11 February 2024, a subsidiary of the Issuer was served with a summons to make a declaration of intent to purchase a property located in Warsaw for a total net price of PLN 66.7 million (plus the indexation regarding PLN 63.7 million) and to pay the price along with an order to pay PLN 53.8 million with the interest specified in the summons, as (for the most part)

compensation for lost profits. Furthermore, if the court should refuse to recognize the above claims of the Plaintiff, the Plaintiff requests that the Defendant be ordered to pay PLN 191.6 million with the interest specified in the summons, as (for the most part) compensation for lost profits. The Issuer's Management Board has assessed the entire summons as being groundless.

6.4 The Company's branches

The Company does not have any branches.

6.5 Transactions with related entities

Transactions with related entities are described in the consolidated financial statements, in Note 36.

We hereby represent that, to the best of our knowledge, the annual consolidated financial statements of Murapol S.A. as at 31 December 2024 and the comparative data have been prepared in accordance with the applicable accounting policies and give a true, fair and clear view of the Issuer's financial position and results of operations.

We hereby represent that, to the best of our knowledge, the annual separate financial statements of Murapol S.A. as at 31 December 2024 and the comparative data have been prepared in accordance with the applicable accounting policies and give a true, fair and clear view of the Issuer's financial position and results of operations.

The Company's Management Board represents that this Directors' Report on the operations of Murapol S.A. and its Group in 2024 gives a true view of the development, achievements and position of the Company and the Group, including a description of the basic threats and risks.

Signatures of the Management Board Members

Nikodem Iskra

President of the Management Board

Signature

Przemysław Kromer

Member of the Management Board

Signature

Iwona Sroka

Member of the Management Board

Signature

