

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT

To the General Meeting and Supervisory Board of Murapol S.A.

Audit report on the annual consolidated financial statements

Opinion

We have audited the annual consolidated financial statements of Murapol S.A. Group (the 'Group'), for which the parent company is Murapol S.A. (the 'Parent Company') located in Bielsko-Biała at Dworkowa 4 Street, which comprise the consolidated statement of comprehensive income for the period from 1 January 2024 to 31 December 2024, the consolidated statement of financial position as at 31 December 2024, the consolidated statement of cash flows, the consolidated statement of changes in equity for the period from 1 January 2024 to 31 December 2024 and accounting principles (policies) and additional explanatory notes (the 'consolidated financial statements').

In our opinion, the consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the period from 1 January 2024 to 31 December 2024 in accordance with required applicable rules of International Financial Reporting Standards approved by the European Union and the adopted accounting policies,
- comply in respect of the form and content with laws applicable to the Group and the Parent Company's Statute.

The opinion is consistent with the additional report to the Audit Committee issued on 31 March 2025.

Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing in the version of International Auditing Standards ("NAS") and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the 'Act on Statutory Auditors') and the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the 'Regulation 537/2014'). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), adopted by the National Council of Statutory Auditors and other ethical responsibilities in accordance with required applicable rules of the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. While conducting the audit, the key certified auditor and the audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Statutory Auditors and the EU Regulation 537/2014.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. They include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we have summarized our reaction to these risks and in cases where we deemed it necessary, we presented the most important observations related to these types of risks. We do not provide a separate opinion on these matters.

Key audit matter	How our audit responded to this matter
<p><i>Recognition of revenues from the sale of development projects</i></p> <p>Revenues from the sale of development projects constitute about 89% of the sales revenues of the Group.</p> <p>Revenues from the sale of development projects are recognised by the Group when the obligation to perform the service is fulfilled by transferring the right of use to the property (i.e. asset) to the customer. A transfer of an asset occurs when the client gains control of the asset.</p> <p>The control is considered to have been transferred to the customer when the occupancy permit has been issued, the client has accepted the apartment by signing the protocol of asset transfer and the entire sale price has been paid by the client.</p> <p>Due to the importance of the proper revenue recognition by Group for the consolidated financial statements, we considered the issue of revenue recognition to be key audit matter.</p>	<p><i>Audit strategy</i></p> <p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • understanding and assessing the process of revenue recognition and the application of International Financial Reporting Standard 15 <i>Revenue from Contracts with Customer</i>; • understand and documenting the operation of the identified processes and evaluation of key control related to revenue recognition. For selected controls, we carried out tests of the effectiveness of those controls; • detailed tests of the revenue recognised in the period to verify that all the criteria for the transfer of control are met. On the selected sample, we agreed to the source documentation whether the criteria were met; • carrying out analytical procedures to verify the completeness of revenues recognised in the period and clarifying any discrepancies from our expectations.

<p><i>Reference to disclosure in the consolidated financial statements</i></p> <p>The Group's disclosures concerning key judgments and estimates, as well as revenue recognition accounting principles, are presented in notes 6.1 and 11.1 under "Accounting principles (policies) and additional explanatory notes" to the consolidated financial statements, respectively.</p>	<p>In addition, we assessed the adequacy and completeness of the disclosures on revenues presented in the Group's consolidated financial statements.</p>
Key audit matter	How our audit responded to this matter
<p><i>Inventory Valuation</i></p> <p>Inventories represent about 76% of the total assets of the Group as at 31 December 2024.</p> <p>The inventory consists of the value of completed and ongoing development projects - construction of residential premises with accompanying commercial premises and parking spaces.</p> <p>In accordance with the accounting policy adopted by the Group, the inventories are measured at the lower of: purchase price/cost of construction and possible net realizable value.</p> <p>The achievable net realizable value is calculated based on numerous estimates, such as predictions of the sale price of individual apartments, commercial premises, garages and storage rooms, together with forecast of the investment project realization period, the sales process, as well as estimates of the total investment costs.</p> <p>The Management Board of the Parent Company performs an individual analysis of each of the ongoing development projects and assesses the need for inventories write-off.</p>	<p><i>Audit strategy</i></p> <p>We have familiarized ourselves with the Group's accounting policy on the valuation of inventories, including the adopted policies for recognising inventories write-offs, and assessed the compliance of the policy with the International Financial Reporting Standards adopted by the European Union.</p> <p>Our audit procedures also included, but were not limited to:</p> <ul style="list-style-type: none"> • understanding and evaluating the process of determining the cost of construction and estimating the net realizable value that can be achieved; • assessment of the Parent Company Management Board's judgments with respect to the certain category of costs being capitalized as costs of construction of inventory; • reconciling, on a selected sample, of the capitalized costs as construction ones in inventories to the source documentation; • conducting an analysis of the allocation of financial costs to the value of inventories; • assessment of basis of the Parent Company Management Board's judgments with regard to the need of the inventories write-offs, through an analysis of the selling prices of inventories that can be achieved, as well as other factors and assumptions regarding inventories write offs.

<p>Due to the significant value of this balance sheet item and the estimates of its valuation (net realizable value), the valuation of inventories was a key audit matter for us.</p> <p><i>Reference to disclosure in the consolidated financial statements</i></p> <p>Disclosures relating to key judgments and estimates, as well as accounting principles relating to inventories, are included in notes 6.2, 8.11 and 24 of "Accounting principles (policies) and additional explanatory notes" to the consolidated financial statements.</p>	<p>In addition, we assessed the adequacy and completeness of the related disclosures in the Group's consolidated financial statements.</p>
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Responsibilities of the Parent Company's Management Board and members of the Supervisory Board for the consolidated financial statements

The Parent Company's Management Board is responsible for the preparation the consolidated financial statements that give a true and fair view of the consolidated financial position and the consolidated financial performance in accordance with applicable International Financial Reporting Standards adopted by the European Union, the applied accounting policies, other applicable laws, as well as the Parent Company's Statute, and is also responsible for such internal control as the Parent Company's Management Board determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company's Management Board is responsible for assessing the Group's (the parent company and significant components) ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Parent Company's Management Board either intends to liquidate the Group (the parent company or significant components) or to cease operations, or has no realistic alternative but to do so.

The Parent Company's Management Board and the members of the Parent Company's Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act dated 29 September 1994 (the 'Accounting Act'). The members of the Parent Company's Supervisory Board are responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with NAS will always detect material misstatement when it exists. Misstatements may arise as a result of fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

The concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report. Hence all auditor's opinions and statements contained in the auditor's report are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgment.

The scope of the audit does not include assurance on the future profitability of the Group nor efficiency or effectiveness of conducting business matters now and in the future by the Parent Company's Management Board.

As part of an audit in accordance with NAS, we exercise professional judgment and maintain professional skepticism and we also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control,
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control,
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's Management Board,
- conclude on the appropriateness of the Parent Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report, however, future events or conditions may cause the Group to cease to continue as a going concern,
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation,
- we obtain sufficient appropriate audit evidence regarding the financial information of entities and business activities within the Group for the purpose of expressing an opinion on the consolidated financial statements. We are solely responsible for the direction, supervision and performance of the audit of the Group and we remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including the Directors' Report

The Other information comprises the Director's Report on the operations of the Company and its Group for the period from 1 January 2024 to 31 December 2024 („Directors' Report") together with the statement on corporate governance, which is a separate section of the Directors' Report and other documents comprising the consolidated annual financial report for the financial year ended 31 December 2024 ('Consolidated Annual Report') excluding the consolidated financial statements and the independent auditor's report on the audit ('Other Information').

Responsibilities of the Parent Company's Management Board and members of the Supervisory Board

Parent Company's Management Board is responsible for the preparation of the Other Information in accordance with the law.

The Parent Company's Management Board and members of the Parent Company's Supervisory Board are required to ensure that the Directors' Report with separate elements meets the requirements of the Accounting Act.

Auditor's responsibilities

Our opinion on the consolidated financial statements does not include the Other Information. In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other information, we are required to report that fact in our independent auditor's report. Our responsibility in accordance with the Act on Statutory Auditors is also to issue an opinion on whether the Directors' Report was prepared in accordance with relevant laws excluding the requirements on sustainability reporting and that it is consistent with the information contained in the consolidated financial statements.

In addition, we are required to issue an opinion on whether the Parent Company has included the required information in the consolidated statement on corporate governance.

Opinion on the Directors' Report

Based on the work performed during our audit, in our opinion, the Directors' Report:

- has been prepared in accordance with the article 49 of the Accounting Act and paragraph 71 of the Decree of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (the 'Decree on current and periodic information'),
- is consistent with the information contained in the consolidated financial statements.

Statement on Other information

Based on our knowledge of the Group and its environment obtained during our audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report with respect to the remaining Other information.

Opinion on the corporate governance statement

In our opinion, in the representation on application of corporate governance, the Group has included information stipulated in paragraph 70, section 6, point 5 of the Decree on current and periodic information.

Moreover, in our opinion, the information stipulated in paragraph 70, section 6, point 5 letter c-f, h and i of the Decree included in the consolidated statement on corporate governance is in accordance with applicable laws and information included in the consolidated financial statements.

Report on other legal and regulatory requirements

Opinion on the compliance of marking up of the consolidated financial statements prepared in the single electronic reporting format with the requirements of the regulation on technical standards on the specification of a single electronic reporting format

As part of our audit of the consolidated financial statements we were engaged to perform a reasonable assurance engagement to express an opinion on whether the consolidated financial statements of the Group as at and for the year ended 31 December 2024, prepared in the single electronic reporting format, included in the file named „murapolsa-2024-12-31-0-pl.zip" ('consolidated financial statements in ESEF format'), was marked up in accordance with the requirements stipulated in the Commission Delegated Regulation (EU) of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the 'ESEF Regulations').

Identification of the applicable criteria and description of the subject matter

The consolidated financial statements in ESEF format were prepared by the Parent Company's Management Board in order to meet the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulations.

The subject matter of our assurance engagement is the compliance of marking up of consolidated financial statements in ESEF format with the requirements of the ESEF Regulations, while the requirements specified in these regulations represent, in our opinion, applicable criteria for us to express an opinion.

Responsibilities of the Parent Company's Management Board and members of the Supervisory Board

The Company's Management Board is responsible for the preparation of the consolidated financial statements in ESEF format in accordance with the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulations. Such responsibility includes the selection and application of appropriate XBRL tags using the taxonomy specified in these regulations.

The responsibility of the Company's Management Board also includes the design, implementation and maintenance of such internal control as Management determines is necessary to enable the preparation of the consolidated financial statements in ESEF format that are free from any material incompliance with the ESEF Regulations.

The members of the Parent Company's Supervisory Board are responsible for overseeing the financial reporting process, which include also the preparation of financial statements in the format required by applicable regulations.

Auditor's responsibilities

Our objective is to express an opinion, based on the performed reasonable assurance engagement, that the consolidated financial statements in ESEF format have been tagged in accordance with ESEF Regulations.

We have performed our assurance engagement in accordance with the National Standard on Assurance Engagements Other than Audit and Review 3001 PL on audit of financial statement prepared in the single electronic reporting format ('NSAE 3001PL') and when applicable in accordance with National Standard on Assurance Engagements Other than Audit and Review 3000 (R) in the form of the International Standard on Assurance Engagements 3000 (revised) - 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' ('NSAE 3000 (R)').

The standard requires us to design and perform procedures to obtain reasonable assurance that the consolidated financial statements in ESEF format have been prepared in accordance with the applicable criteria.

Reasonable assurance is a high level of assurance, but it is not a guarantee that the assurance engagement conducted in accordance with NSAE 3001PL and, when appropriate, in accordance with NSAE 3000 (R), will always detect material misstatement when it exists.

The selection of procedures depends on the auditor's professional judgment, including the auditor's assessment of risks of material misstatements, whether due to fraud or error. When performing risk assessment the auditor takes account of internal controls related to preparation of the consolidated financial statements in ESEF format, to design procedures responsive to those risks in order to obtain evidence that is sufficient and appropriate. The assessment of internal control was not performed for the purpose of expressing an opinion on its operational effectiveness.

Summary of work performed

Procedures that were designed and performed by us included among others:

- obtaining an understanding of the process of preparation of the consolidated financial statements in ESEF format, including the process of selection and application of XBRL markups and maintaining compliance with the ESEF Regulations, as well as obtaining an understanding of internal controls related to this process;
- reconciling the tagged information in consolidated financial statements in ESEF format to the audited consolidated financial statements;
- assessment of the compliance with the technical standards on the specification of a single electronic reporting format with the use of specialistic IT tools and IT expert;
- assessment of the completeness of tagging of information in the consolidated financial statements in ESEF format with XBRL tags with the use of specialistic IT tools;
- assessment whether XBRL tags from the taxonomy specified by the ESEF Regulations have been applied appropriately and whether extension taxonomy elements have been used when there are no appropriate elements in the core taxonomy specified in the ESEF Regulations;
- evaluating of the anchoring of the extension taxonomy elements to the core taxonomy elements specified by the ESEF Regulations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the compliance of marking up with ESEF Regulations.

Ethical requirements, including independence

While performing the assurance engagement, the key statutory auditor and the audit firm have complied with the independence and other ethical requirements as specified by the IESBA Code. The IESBA Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have also complied with other independence and ethical requirements applicable to this assurance engagement in Poland.

Quality control requirements

The audit firm applies National Standard of Quality Control 1 in the wording of International Standard on Quality Management (PL) 1 - 'Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements', which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion on compliance with the ESEF Regulations

Our opinion has been formed on the basis of the matters outlined in this report and therefore should be read in conjunction with these matters.

In our opinion, the consolidated financial statements in ESEF format have been marked up, in all material respects, in accordance with the requirements of the ESEF Regulations.

Statement on the provision of non-audit services

To the best of our knowledge and belief, we represent that services, which we have provided to the Group, are compliant with the laws and regulations applicable in Poland, and that non-audit service, which are prohibited under article 5 item 1 of Regulation 537/2014 and article 136 of the Act on Statutory Auditors, were not provided. The non-audit services, which we have provided to the Group in the audited period, have been disclosed in the Directors' Report.

Appointment of the audit firm

We were appointed for the audit of the Group's consolidated financial statements initially based on the resolution of Supervisory Board from 7 December 2018 and reappointed based on the resolution from 5 June 2023 and the resolution from 22 August 2023. The consolidated financial statements of the Group have been audited by us uninterruptedly starting from the financial year ended on 31 December 2018, i.e. for the past 7 consecutive years.

Warsaw, 31 March 2025

Key Certified Auditor

Jerzy Buzek

Certified auditor

no in the register: 10870

on behalf of:

Ernst & Young Audyt Polska
spółka z ograniczoną odpowiedzialnością sp. k.

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