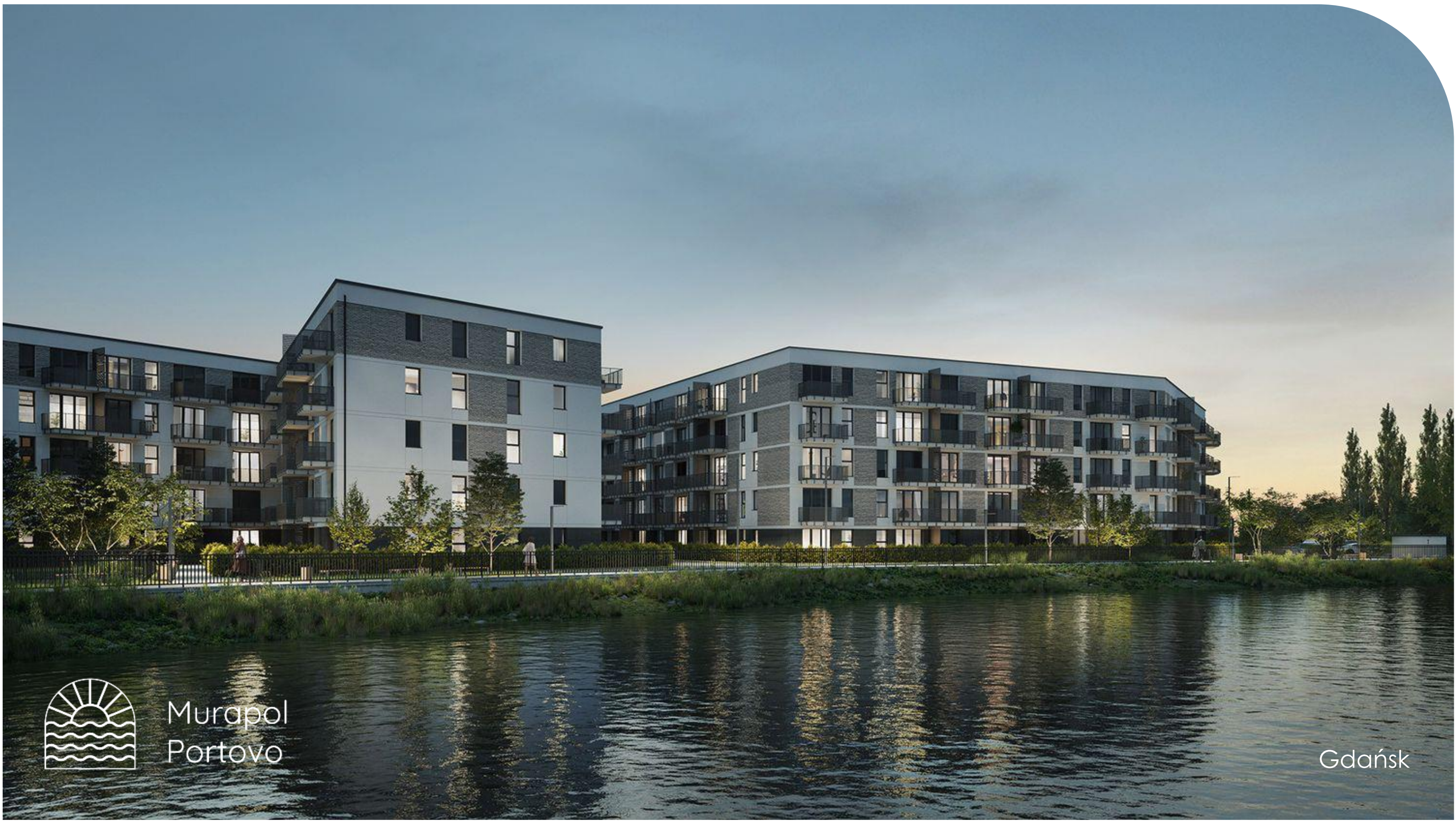
MURAPOL

The Murapol S.A. Group

Consolidated Financial Statements

for the year ended 31 December 2024 prepared in accordance with International Financial Reporting Standards as endorsed by the EU



Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Note	Year ended 31/12/2024	Year ended 31/12/2023
Continuing operations			
Revenue from contracts for the sale of apartments	*11.1*	1,178,085	1,022, 302
Revenue from PRS	*11.1*	144,473	187,157
Sales of goods for resale	*11.1*	1,785	1,210
Other sales	*11.1*	5,871	5,275
Sales revenue		**1,330,214**	**1,215, 944**
Cost of sales	*13.5*	(928,422)	(832,551)
of which capitalised finance costs		(44,850)	(36,953)
Profit/(Loss) on sales		**401,792**	**383,393**
Other operating income	*13.1*	7,381	3,256
Selling costs	*13.5*	(40,998)	(35,555)
General and administrative expenses	*13.5*	(70,385)	(76,423)
Gain/(loss) on impairment of trade and other receivables		423	(916)
Impairment of intangible assets	*20*	(1,434)	(2,000)
Other operating expenses	*13.2*	(3,179)	(5,556)
Operating profit /(loss)		**293,600**	**266,199**
Finance income	*13.3*	12,130	11,805
Finance costs	*13.4*	(3,595)	(3,950)
Profit/(Loss) before tax		**302,135**	**274,054**
Corporate income tax	*15.2*	(60,106)	(54,903)
Net profit /(loss) from continuing operations		**242,029**	**219,151**
Net profit /(loss) from discontinued operations		-	**-**
Net profit/(loss) for the year		**242,029**	**219,151**
Other net comprehensive income	*14*	**(12)**	**(696)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**242,017**	**218,455**
Profit/(loss) attributable to:			
Shareholders of the parent company	*16*	242,001	219,076
Non-controlling interests		28	75
Comprehensive income attributable to:			

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	Note	Year ended 31/12/2024	Year ended 31/12/2023
Shareholders of the parent company		241,989	218,380
Non-controlling interests		28	75
Net earnings per share (not in thousands):			
Basic profit for the year attributable to the shareholders of the parent company	*16*	5.93	5.37
Diluted profit for the year attributable to the shareholders of the parent company		5.93	5.37

Consolidated statement of financial position

as at 31 December 2024

ASSETS	Note	31/12/2024	31/12/2023
Non-current assets		**81,996**	**86,523**
Intangible assets	*20*	3,032	4,629
Property, plant and equipment	*18*	21,021	20,072
Other receivables		1,612	82
Other financial assets	*22.1*	10	80
Non-current hedging derivatives		763	-
Other non-financial assets	*22.2*	437	1,659
Deferred income tax asset	*15.3*	55,121	60,001
Current assets		**2,078,689**	**1,773, 292**
Inventories	*24*	1,641,526	1,399, 763
Costs of obtaining contracts	*11.2*	25,606	23,236
Trade receivables	*25*	38,039	37,781
Deferred tax receivable		1,287	3,548
Other receivables	*25*	47,167	56,825
Construction performance bonds		80	24
Assets relating to the performance of construction contracts		4,144	2,146
Current hedging derivatives		680	-
Other non-financial assets	*22.2*	1,301	1,801
Cash at bank in individual escrow accounts		155,742	65,012
Cash and cash equivalents	*26*	163,117	183,156
TOTAL ASSETS		**2,160, 685**	**1,859, 815**

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EQUITY AND LIABILITIES	Note	31/12/2024	31/12/2023
Equity attributable to equity holders of the parent company	27	**603,399**	**557,960**
Share capital		2,040	2,040
Foreign exchange differences on translation of foreign operations		879	891
Supplementary capital, other reserves, and retained earnings/(accumulated losses)	27.2	358,479	335,953
Net profit/(loss) for the financial year		242,001	219,076
Non-controlling interests	27.3	**-**	**1,425**
Total equity		**603,399**	**559,385**
Long-term liabilities		**632,343**	**454,770**
Loans, borrowings and bonds payable	28	546,286	391,280
Other financial liabilities	29	4,401	-
Non-current hedging derivatives		-	2,952
Lease liabilities	19.1	13,859	13,385
Deferred tax provision	15.3	40,460	27,706
Provisions	31.1	1,547	-
Non-current construction performance bonds	32.2	22,837	19,414
Other liabilities	32.1	2,953	33
Short-term liabilities		**924,943**	**845,660**
Trade payables	32.1	117,575	71,959
Loans, borrowings and bonds payable	28	65,191	63,398
Current hedging derivatives		1,304	4,095
Lease liabilities	19.1	36,609	17,320
Deferred income tax liability		20,266	12,190
Other liabilities	32.1	7,257	8,188
Provisions	31.1	6,447	6,390
Net employee benefit liabilities		7,999	2,481
Construction performance bonds	32.2	44,003	41,108
Liabilities and provisions in respect of long-term contracts	11.2	31,300	31,188
Contract liabilities	11.2	586,992	587,343
Total liabilities		**1,557,286**	**1,300, 430**
EQUITY AND LIABILITIES		**2,160- 685)**	**1,859,815**

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Consolidated statement of cash flows

for the year ended 31 December 2024

	Note	Year ended 31/12/2024	Year ended 31/12/2023
Cash flows from operating activities			
Profit/(Loss) before tax		**302,135**	**274,054**
Adjusted for:		(201,791)	(242,834)
Amortization and depreciation	13.5	5,484	4,665
(Increase)/decrease in receivables		9,698	(18,322)
(Increase)/decrease in inventories	33	(205,659)	(131,360)
(Increase)/decrease in other assets		(1,738)	(192)
Increase/(decrease) in cash on Individual escrow accounts		(90,730)	(25,514)
Increase/(decrease) in liabilities except for loans and borrowings and other financial liabilities	33	59,429	6,442
Incentive bonus costs		2,825	1,900
Finance income		(2,164)	(50)
Finance costs	33	47,985	39,838
Increase/(decrease) in contract liabilities		(2,721)	(67,033)
Increase/(decrease) in provisions		7,122	(33)
Income tax paid		(32,136)	(55,895)
Gain on impairment of financial assets		(422)	916
Goodwill write-down		1,434	2,000
Other		(198)	(196)
Net cash from operating activities		**100,344**	**31,220**
Cash flows from investing activities			
Sale of property, plant and equipment and intangible assets		279	401
Acquisition of property, plant and equipment and intangible assets		(1,167)	(1,567)
Repayment of loans granted		70	75
Net cash from investing activities		**(818)**	**(1,091)**

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	Note	Year ended 31/12/2024	Year ended 31/12/2023
Cash flows from financing activities			
Inflows from loans / borrowings taken out	39.3	71,670	110,500
Proceeds from the issue of bonds		150,000	-
Purchase of non-controlling interests	27.3	(500)	(500)
Repayment of lease liabilities	39.3	(5,023)	(4,416)
Repayment of loans/borrowings	39.3	(64,760)	(64,760)
Dividends paid to shareholders of the parent company	17	(200,328)	(100,000)
Interest and commissions to banks	39.3	(70,624)	(57,319)
Net cash from financing activities		**(119,565)**	**(116,495)**
Net increase/(decrease) in cash and cash equivalents		(20,039)	(86,366)
Cash and cash equivalents as at the beginning of the period		**183,156**	**269,522**
Cash and cash equivalents as at the end of the period		**163,117**	**183,156**
Including restricted cash and cash equivalents	26	5,311	6,065

Consolidated Financial Statements of the Murapol S.A. Group for the year ended 31 December 2024 (in PLN'000)

Consolidated statement of changes in equity

for the year ended 31 December 2024

	Significant shareholders of the parent company						
	Note	Share capital	Exchange differences on translating foreign operations	Supplementary capital, other reserves/retained earnings/accumulated losses and profit or loss for the financial year	Total	Non-controlling interests	Total equity
as at 1 January 2024	*27*	**2,040**	**891**	**555,029**	**557,960**	**1,425**	**559,385**
Net profit/loss for the period	-	-	-	242,001	242,001	28	242,029
Other net comprehensive income for the period	14	-	(12)	-	**(12)**	-	(12)
Total comprehensive income for the period	**-**	**-**	**(12)**	**242,001**	**241,989**	**28**	**242,017**
Other changes in the Group structure	27	-	-	953	953	(1,453)	(500)
Dividends	17, 27	-	-	(200,328)	(200,328)	-	(200,328)
Share-based payments	36.4.1	-	-	2,825	2,825	-	2,825
As at 31 December 2024	**-**	**2,040**	**879**	**600,480**	**603,399**	**-**	**603,399**

Group for the year ended 31 December 2024 (in PLN'000)

for the year ended 31 December 2023

	Significant shareholders of the parent company						
	Note	Share capital	Exchange differences on translating foreign operations	Supplementary capital, other reserves/retained earnings/accumulated losses and profit or loss for the financial year	Total	Non-controlling interests	Total equity
as at 1 January 2023	27	**2,040**	**1,587**	**433,134**	**436,761**	**2,769**	**439,530**
Net profit/loss for the period		-	-	219,076	219,076	75	**219,151**
Other net comprehensive income for the period	14	-	(696)	-	(696)	-	**(696)**
Total comprehensive income for the period		**-**	**(696)**	**219,076**	**218,380**	**75**	**218,455**
Other changes in the Group structure	27	-	-	919	**919**	(1,419)	**(500)**
Dividends	17.27	-	-	(100,000)	**(100,000)**	-	**(100,000)**
Share-based payments	36.4.1	-	-	1,900	**1,900**	-	**1,900**
As at 31 December 2023		**2,040**	**891**	**555,029**	**557,960**	**1,425**	**559,385**

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Accounting policies and additional explanatory notes

1 General information

The Group's consolidated financial statements cover the year ended 31 December 2024 and include comparative data for the year ended 31 December 2023.

The Murapol S.A. Group ("the Group") consists of Murapol Spółka Akcyjna ("the parent company", "the Company") and its subsidiaries (see Note 2).

The parent company is entered in the Register of Businesses of the National Court Register kept by the District Court for Bielsko-Biała, 8th Business Department of the National Court Register with the reference number KRS 0000275523. The parent company was assigned the REGON number 072695687 for statistical purposes. The Company's registered office is in Bielsko-Biała, ul. Dworkowa 4, Poland.

The duration of the parent company and the Group entities is indefinite.

The Group's core business is:

- construction and sale of residential buildings;
- construction work for the erection of residential and non-residential buildings.

The Company is the ultimate parent company of the Murapol S.A. Group. The presentation currency is the Polish zloty (PLN). The financial statements present amounts rounded to the nearest thousand Polish zloty.

2 Composition of the Group

The Group comprises Murapol S.A. and the following subsidiaries. The tables below show the Group's percentage share in the capital of the various entities, broken down into shares held exclusively directly and shares held partly directly and partly indirectly or exclusively indirectly.

Entity	*Registered office*	*31/12/2024*	*31/12/2023*	*Scope of activities*
Murapol S.A.	Poland	n/a	n/a	Holding and financial activities

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Subsidiaries held exclusively directly by Murapol S.A

Entity	*Registered office*	*31/12/2024*	*31/12/2023*	*Scope of activities*
Murapol Real Estate S.A. [1] [2] [3] [4]	Poland	100.00%	100.00%	Holding activities, development activities and sale of apartments in its own name
Locomotive Management Ltd	Cyprus	100.00%	100.00%	Holding activities
Murapol Projekt 59 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Media Deweloper.pl sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 26 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 34 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 37 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 39 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 42 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 43 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 45 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o.	Poland	100.00%	100.00%	Holding activities

Subsidiaries held directly and indirectly by Murapol S.A.

Entity	*Registered office*	*31/12/2024*	*31/12/2023*	*Scope of activities*
Cross Bud S.A. [2][5]	Poland	100.00%	96.40%	Wholesale of building materials
MyMurapol Sp. z o.o.	Poland	100.00%	100.00%	Marketing activities related to the sale of units built by Group companies
MFM Capital 2 Sp. z o.o.	Poland	100.00%	100.00%	Holding activities

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Entity	Registered office	31/12/2024	31/12/2023	Scope of activities
MFM Capital 3 Sp. z o.o.	Poland	100.00%	100.00%	Holding activities
MFM Capital 4 Sp. z o.o.	Poland	100.00%	100.00%	Holding activities
MFM Capital 5 Sp. z o.o.	Poland	100.00%	100.00%	Holding activities
MFM Capital 6 Sp. z o.o.	Poland	100.00%	100.00%	Holding activities
Murager GmbH	Germany	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Architects Drive S.A.	Poland	100.00%	100.00%	Designing activities, land acquisitions for Group companies
Murapol Centrum Usług Wspólnych sp. z o.o.	Poland	100.00%	100.00%	Accounting and administrative services
Murapol Projekt sp. z o.o. Garbarnia sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. GDA S.K.A.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. Nowe Winogrady sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Nowy Złocień 23 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 27 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 35 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. Nowe Czyżyny sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. 12 sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. 23 sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. 3 sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name

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Entity	Registered office	31/12/2024	31/12/2023	Scope of activities
Murapol Projekt sp. z o.o. Deweloper sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Smidowicza sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Westini sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Wola House sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Venture Partner S.A.	Poland	100.00%	100.00%	Construction activities
Petrofox sp. z o.o. [4]	Poland	n/a	100.00%	Holding activities
Polski Deweloperski FIZ [7]	Poland	100.00%	100.00%	Closed investment fund
TP III Capital sp. z o.o.	Poland	100.00%	100.00%	Holding activities
Projekt Częstochowa Kisielewskiego sp. z o.o. [1][3]	Poland	82.50%	-	Development activities and sale of apartments in its own name
Project Kielce Radomska sp. z o.o. [1][3]	Poland	82.50%	-	Development activities and sale of apartments in its own name
Projekt Tychy Bielska sp. z o.o. [1][3]	Poland	82.50%	-	Development activities and sale of apartments in its own name
Project Poznań Szwajcarska sp. z o.o. [1][3]	Poland	82.50%	-	Development activities and sale of apartments in its own name

During the reporting period from 1 January to 31 December 2024, the following changes in the composition of the Group took place:

[1] On 20 March 2024, a subsidiary of Murapol Real Estate S.A. established the following companies based on a notarial deed: 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.

[2] On 25 April 2024, a subsidiary of Murapol Real Estate S.A. acquired 3.6% of the shares in Cross Bud S.A., thereby increasing Murapol S.A.'s indirect share in the capital of that company to 100%; the purchase price amounted to PLN 500 thousand;

[3] On 9 May 2024, a subsidiary of Murapol Real Estate S.A. disposed of 17.5% of its 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., on behalf of EPP N.V., for a total selling price of PLN 5 thousand; On 9 May 2024, a subsidiary of Murapol Real Estate S.A. entered into an option agreement with EPP N.V. for the repurchase of

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the above shares, for a total amount of PLN 12,296 thousand. As a result of an analysis of the option agreements, the Company considers that it has current access to the returns associated with all shares and does not recognize non-controlling interests. The Group recognized the option liability as part of the land purchase price of the above project companies.

[4] On 31 October 2024, the subsidiary Petrofox Sp. z o.o. was merged with Murapol Real Estate S.A.

During the reporting period from 1 January to 31 December 2023, the following changes were made to the composition of the Group:

[5] On 17 April 2023, a subsidiary of Murapol Real Estate S.A. acquired 3.6% of the shares in Cross Bud S.A., thereby increasing Murapol S.A.'s indirect share in the capital of that company to 96.40%; the purchase price amounted to PLN 500 thousand.

[6] On 26 May 2023, in connection with the reorganization process of the Murapol S.A. Group, OTLA 12 Sp. z o.o. was transformed into Murapol Projekt Sp. z o.o., followed by a resolution passed on 5 July 2023 to dissolve the company; the impact of the company's liquidation on the Group's financial data is immaterial.

[7] On 29 September 2023, the subsidiary Polski Deweloperski FIZ redeemed 90 E-series investment certificates of the fund with a total redemption price of PLN 3,100 thousand, and 20 C-series investment certificates of the fund with a total redemption price of PLN 689 thousand on behalf of the fund participant Murapol S.A.

As at 31 December 2024 and 31 December 2023, the Group's share in the total number of votes in its subsidiaries was equal to the Group's share in the capital of these entities.

3 Composition of the parent company's Management Board

As at 31 December 2024, the parent company’s Management Board comprised:

- Nikodem Iskra - President of the Management Board
- Przemysław Kromer - Member of the Management Board
- Iwona Sroka - Member of the Management Board

During the reporting period and up to the date of approval of these consolidated financial statements, there were no changes in the composition of the Company's Management Board.

As at 31 December 2023, the parent company’s Management Board comprised:

- Nikodem Iskra - President of the Management Board
- Przemysław Kromer - Member of the Management Board
- Iwona Sroka - Member of the Management Board

There were no changes to the composition of the Company's Management Board in 2023.

4 Composition of the parent company's Supervisory Board

As at 31 December 2024, the composition of the Company's Supervisory Board was as follows:

- John Ruane - Chairman of the Supervisory Board
- Maciej Dyjas - Deputy Chairman of the Supervisory Board
- Piotr Fijołek - Deputy Chairman of the Supervisory Board
- William Twemlow - Deputy Chairman of the Supervisory Board
- Justyna Bauta-Szostak - Member of the Supervisory Board
- Lukas Gradischnig - Member of the Supervisory Board
- Brendan O'Mahony - Member of the Supervisory Board
- Nebil Senman - Member of the Supervisory Board
- Aniela Hejnowska - Member of the Supervisory Board

On 30 April 2024, the above-mentioned persons and a new member of the Supervisory Board were appointed for a joint three-year term of office: Ms Aniela Hejnowska.

Up to the date of publication of these consolidated financial statements, there have been no changes in the composition of the Company's Supervisory Board.

As at 31 December 2023, the composition of the Company's Supervisory Board was as follows:

- John Ruane - Chairman of the Supervisory Board
- Maciej Dyjas - Deputy Chairman of the Supervisory Board
- Piotr Fijołek - Deputy Chairman of the Supervisory Board
- William Twemlow - Deputy Chairman of the Supervisory Board
- Justyna Bauta-Szostak - Member of the Supervisory Board
- Lukas Gradischnig - Member of the Supervisory Board
- Brendan O'Mahony - Member of the Supervisory Board
- Nebil Senman - Member of the Supervisory Board

5 Approval of the financial statements

These consolidated financial statements were approved for publication by the parent company's Management Board on 28 March 2025.

6 Critical accounting estimates and judgements

6.1. Professional judgement

The preparation of the Group's consolidated financial statements requires the parent company's management to make judgements, estimates and assumptions that affect the revenue, expenses, assets and liabilities presented and the related notes and contingent liability disclosures. Uncertainty in these assumptions and estimates could result in significant adjustments to the carrying amounts of assets and liabilities in the future.

In the process of applying the accounting policies, the Management Board has made the following judgements, which have the greatest impact on the reported carrying amounts of assets and liabilities.

Revenue recognition

Sales revenue is recognized by the Group in accordance with IFRS 15 Revenue from Contracts with Customers, i.e. at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the transfer of goods or services to the customer when (or if) the entity satisfies its service obligation by transferring the promised good or service (i.e. asset) to the customer. The asset is transferred when (or if) the customer acquires control over it. The Group has revenue arising from performance obligations satisfied at a point in time as well as those satisfied over time.

Performance obligations that the Group satisfies at a point in time mainly comprise the sale of residential and commercial premises. In the process of applying the accounting policy described above, the Board's judgement is required in determining when control of a residential or commercial property is transferred to a customer. According to the parent company's Management Board, this transfer takes place when a technical acceptance protocol for the apartment is signed by the customer, provided that payment for the apartment has been received and the construction of the property has been substantially completed.

Performance obligations that the Group satisfies over time include construction contracts. The Group's method of measuring the value of goods and services that are transferred to customers over time is based on performance. Under this method, revenue from the performance of construction contracts is determined in line with the stage of completion, measured by direct measurement of the work performed from the date of the contract to the date of determining the revenue. The budgets of the individual contracts are the basic element for measuring sales revenue. Budgets are subject to an update (revision) process based on current information and are approved by the Management Board.

6.2. Uncertainty of estimates and assumptions

The key assumptions about the future and other key sources of uncertainty at the balance sheet date, related to which there is a significant risk of a material adjustment to the carrying amounts of assets and liabilities in the following financial year, are discussed below. The Group has adopted assumptions and made estimates about the future based on its knowledge at the time of preparing the consolidated financial statements. The assumptions adopted and estimates made are subject to change as a result of future events arising from market changes or changes outside the Group's control. Such changes are reflected in the estimates or assumptions at the time of occurrence.

Onerous contracts

When it is likely that the total costs of a construction contract will exceed the total revenue, the expected loss (excess of costs over revenue) is charged to operating expenses and a corresponding provision is set up for onerous contracts (provision for contract losses), in accordance with IAS 37. The amount of the anticipated loss is also updated when budgets are revised and is the best estimate of the costs that Group companies will have to incur to complete a given construction contract. Disclosures are presented in Note 11, under: *Deferred income.*

Impairment of inventories

If a development project is expected to generate a loss, this results in a write-down of inventories to their net realizable value (which means the estimated selling price in the ordinary course of business less the estimated costs of preparing an asset for sale and the estimated costs necessary to bring the sale to fruition), which is recognized immediately in the income statement. The allowance may also apply to properties for which the development process is subject to the risk of significant postponement.

For each development project, budgets are prepared which include both present and future cash flows for each ongoing project.
These budgets are updated at least on a quarterly basis. For the purpose of impairment testing, the expected net realizable value from the sale of apartments in a development project is compared with its current carrying amount. If the margin on the project is positive, then there is no need for an inventory impairment allowance. A negative margin indicates impairment and the need for an allowance.

An impairment allowance is reversed in the cost of sales; the impairment allowance for a particular project may be reversed if the expected margin on that project becomes positive. Disclosures are presented in Note 24.

Impairment of trade receivables

The Group uses a provision matrix to measure the allowance for expected credit losses in respect of trade receivables. In order to determine expected credit losses, trade receivables were grouped based on similarity of credit risk characteristics. The Group uses its historical credit loss data, adjusted where appropriate for the impact of forward-looking information. Disclosures are presented in Note 25.

Deferred income tax asset

The Group recognizes a deferred tax asset based on the assumption that taxable profit will be generated in the future enabling its utilization. Deterioration of taxable profit in the future may result in the assumption becoming unjustified. Disclosures are presented in Note 15.3.

Fair value of financial instruments

The fair value of financial instruments for which there is no active market is determined using appropriate valuation techniques. The Group uses professional judgement in selecting appropriate methods and assumptions. The method for determining the fair value of individual financial instruments is set out in Note 39.1.

Depreciation and amortization rates

The level of depreciation and amortization rates is determined on the basis of anticipated economic useful life of the components of property, plant and equipment and intangible assets. The Group verifies the adopted periods of useful life on an annual basis, taking into account the current estimates.

Lease interest rates

The Group is unable to easily determine the interest rate for leases and therefore uses the lessee's marginal interest rate when measuring the lease liability. This is the rate of interest the Group would have to pay to borrow, over a similar term, in the same currency and with similar collateral, the funds necessary to purchase an asset with a similar value as the right-of-use asset in a similar economic environment.

Contract assets and contract liabilities

Group companies perform the majority of construction contracts as general contractors, making extensive use of subcontractors. The completed construction work is subject to approval by the customer in the process of acceptance of the works by signing the relevant protocol and issuing an invoice. As at each balance sheet date, there is a certain amount of completed but unconfirmed and uninvoiced work by subcontractors that Group companies recognize as contract costs on an accruals basis. The amount of costs for the work carried out but not invoiced is determined by the technical staff on the basis of cost estimates based on contracts with subcontractors. Disclosures are presented in Note 11.2.

Provisions for litigation

Group companies are parties to legal proceedings. The legal departments and the Management Boards of the Group's companies carry out a detailed analysis of the potential risks associated with the proceedings in progress and, on this basis, decide whether it is necessary to recognize the effects of these proceedings in the books of the Group companies' books of account and determine the amount of the provision. Disclosures are presented in Note 31.

Uncertainty related to tax settlements

Regulations on value added tax, corporate income tax and social insurance charges are subject to frequent changes. These frequent changes result in a lack of adequate reference points, moreover, tax settlements may be subject to audits by authorities with the power to impose high penalties and fines, and any additional tax liabilities resulting from the audit must be paid with high interest.

Consequently, the amounts presented and disclosed in the financial statements may change in the future as a result of a final decision by a tax audit authority. Disclosures are presented in Note 35.4.

The Group recognizes and measures current and deferred tax assets or liabilities using the requirements of IAS 12 *Income Taxes* based on taxable profit (tax loss), tax base, unsettled tax losses, unused tax credits and tax rates, taking into account an assessment of the uncertainties associated with tax settlements.

When there is uncertainty as to whether and to what extent the tax authority will accept particular tax settlements of transactions, the Group recognizes such settlements taking into account the assessment of uncertainty.

7 Basis of preparation of the consolidated financial statements

In the opinion of the Management Board of the parent company, as at the date of these consolidated financial statements, there are no material uncertainties relating to events or circumstances that would cast doubt on the Company's and the Group's ability to continue as a going concern. In assessing the ability to continue as a going concern, the Management Board of the parent company also considered the impact of the ongoing armed conflict in Ukraine, the sanctions imposed and the macroeconomic situation, discussed in Note 43, as well as the impact of dividend payments made and potential dividend payments on the financial position and liquidity. Taking into account the above aspects on the outcome of the assessment of the ability to continue as a going concern, the Management Board did not identify any material uncertainties regarding events or circumstances that would cast doubt on the Company's and the Group's ability to continue as a going concern. Accordingly, these annual consolidated financial statements have been prepared on the assumption that the Company and the Group will continue as a going concern for the foreseeable future, i.e. for at least one year from the balance sheet date.

7.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the EU ("EU IFRSs"). As at the date of approval of these consolidated financial statements for publication, given the ongoing process of IFRS implementation in the EU, the IFRSs applicable to these financial statements do not differ from EU IFRSs.

EU IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB").

Certain Group entities maintain their accounting records in accordance with the accounting policies prescribed by the Accounting Act of 29 September 1994 (the "Act"), as amended, and the regulations issued thereunder ("Polish Accounting Standards"). The consolidated financial statements include adjustments not included in the accounting records of Group entities made to bring the financial statements of those entities into conformity with IFRS.

7.2. Functional currency and presentation currency

The Group's consolidated financial statements are presented in PLN, which is also the functional currency of the parent company. A functional currency is determined for each subsidiary and the assets and liabilities of the entity are measured in that functional currency. The Group uses the direct consolidation method and has chosen to account for translation gains or losses in a manner consistent with this method.

8 Significant accounting policies

8.1. Principles of consolidation

These consolidated financial statements comprise the financial statements of Murapol S.A. and the financial statements of its subsidiaries prepared in each case for the year ended 31 December 2024.

The financial statements of subsidiaries, after adjustments to bring them into conformity with IFRS, are prepared for the same reporting period as those of the parent company, using consistent accounting policies, based on uniform accounting policies applied to transactions and economic events of a similar nature. Adjustments are made to eliminate any discrepancies in the accounting policies applied. Where a subsidiary has a reporting period different from that of the parent company, the net profit or loss of that company for the period consistent with that of the parent company, and as at the corresponding balance sheet dates, are recognized for consolidation purposes.

All significant balances and transactions between Group entities, including unrealized gains arising from intercompany transactions, have been fully eliminated. Unrealized losses are eliminated unless they provide evidence of impairment.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which the Group loses control over them. The exercise of control by the parent company occurs when:

• It has power over the entity in question;

• It is exposed to variable returns or has rights to variable returns from its exposure to the entity;

• It has the ability to use its power to affect the level of returns generated.

The Group verifies the fact of control over other entities if a situation has arisen that indicates a change in one or more of the aforementioned control conditions.

Where the Group holds less than a majority of the voting rights in an entity, but the voting rights held are sufficient to unilaterally govern material activities of that entity, this means that the Group has power over that entity. When assessing whether the voting rights in an entity are sufficient to give power, the Group analyses all relevant circumstances, including:

• the size of the voting rights holding compared to the size of the shareholding and the degree of dispersion of voting rights held by other shareholders;

• potential voting rights held by the Group, other shareholders or other parties;

• rights under other contractual arrangements; and

• additional circumstances that may demonstrate that the Group does or does not have the ability to govern significant actions at the time of decision-making, including voting patterns observed at previous shareholder meetings.

Where Group companies hold, other than immaterial, investments in closed-end investment funds (through investment certificates) and, at the same time, where Group companies have the option to change the manager of these funds, the Company assesses that the conditions for consolidation of such investments are met.

Changes in the parent company's ownership interest that do not result in a loss of control over a subsidiary are accounted for as equity transactions. In such cases, the Group adjusts the carrying amount of controlling interests and non-controlling interests to reflect changes in the relative interests in the subsidiary. Any difference between the amount of the non-controlling interest adjustment and the fair value of the amount paid or received is credited to equity and attributed to the owners of the parent company.

8.2. Fair value measurement

All assets and liabilities that are measured at fair value or their fair value is disclosed in the financial statements are classified in the fair value hierarchy as described below based on the lowest level of input that is significant to the fair value measurement taken as a whole:

- Level 1 - Quoted (unadjusted) market prices on an active market for identical assets or liabilities;
- Level 2 - Measurement techniques for which the lowest level of input data that is material to the fair value measurement as a whole is directly or indirectly observable;
- Level 3- Measurement techniques for which the lowest level of input data that is material to the fair value measurement as a whole is unobservable.

For the purpose of disclosing the results of the fair value measurement, the Group has determined the classes of assets and liabilities based on the type, characteristics and risks of each asset and liability and the level in the fair value hierarchy as described above.

8.3. Conversion of items denominated in foreign currencies

Transactions denominated in currencies other than the PLN are converted into PLN using the exchange rate prevailing at the transaction date.

As at the balance sheet date, monetary assets and liabilities denominated in currencies other than the PLN are translated into the Polish zloty using the average exchange rate determined for a given currency by the National Bank of Poland as at the end of the reporting period. The exchange rate differences on translation are recognized in finance income (expenses) as appropriate or, where specified in the accounting policy, capitalized in the value of assets.

The following rates were adopted for the purpose of measurement as at the balance sheet date:

Currency	31/12/2024	31/12/2023
EUR	4.273	4.3480

There are subsidiaries whose functional currency is the euro. As at the balance sheet date, the assets and liabilities of these foreign subsidiaries are translated into the Group's presentation currency at the exchange rate prevailing as at the balance sheet date, and their statements of comprehensive income are translated at the weighted average exchange rate for the financial period. Exchange differences arising from such translation are recognized in other comprehensive income and accumulated in a separate equity item. When a foreign entity is disposed of, the exchange differences accumulated in equity relating to the foreign entity are recognized in profit or loss.

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The weighted average exchange rates for each financial period were as follows:

Currency	31/12/2024	31/12/2023
EUR	4.3042	4.5284

8.4. Property, plant and equipment

Property, plant and equipment items are stated at the cost of purchase/manufacture less accumulated depreciation and impairment. The initial cost of property, plant and equipment comprises their cost (purchase price) plus any costs directly related to purchasing and bringing the asset to its working condition. The cost also comprises the cost of replacing parts of machinery and equipment, recognized when incurred, if the recognition criteria are met. Costs incurred after the date of commissioning a fixed asset for use, such as maintenance and repair costs, are charged to the income statement when incurred.

The cost of property, plant and equipment donated by customers is determined at their fair value at the date of assuming control over these assets.

At the moment of their acquisition, property, plant and equipment items are split into components being items of significant value to which separate economic useful lives can be allocated. Costs of overhauls also constitute such components.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset:

Type	Period (years)
Buildings and structures	10
Plant and machinery	2 - 5
Vehicles	2.5 - 5
Other fixed assets	5 - 10

The residual values, useful lives and depreciation methods of assets are verified annually and adjusted, if necessary, with effect as of the beginning of the subsequent reporting period.

An item of property, plant and equipment may be derecognized on its disposal or when no economic benefits are expected from its continued use. Any gains or losses on derecognition of the asset (calculated as the difference between any net inflows from disposal and the carrying amount of the asset) are recorded in the income statement in the period in which the item was derecognized.

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Assets under construction relate to fixed assets under construction or assembly and are recognized at cost of purchase or manufacture less any impairment allowances. Fixed assets under construction are not depreciated until construction is completed and the asset is commissioned for use.

At each balance sheet date, the Group assesses whether there is any indication that any non-financial non-current asset may be impaired. If such indications exist, or if an annual impairment test is required, the Group estimates the recoverable amount of the asset or cash-generating unit to which the asset belongs.

8.5. Intangible assets

Intangible assets acquired in a separate transaction or generated (if they meet the recognition criteria for development costs) are initially measured at cost of purchase or generation, respectively. The purchase price of intangible assets acquired in a business combination is equal to their fair value at the date of the business combination. After initial recognition intangible assets are stated at cost (purchase price or cost of generation), less accumulated amortization and impairment.
Expenditure incurred on internally generated intangible assets, except for capitalized expenditure incurred on development projects, is not capitalized but is charged to the income statement in the period in which it was incurred.

The Group determines whether the useful life of intangible assets is definite or indefinite. Intangible assets with definite useful lives are amortized over their useful lives and tested for impairment each time there are indications of their impairment, i.e. at the end of each reporting period. The period and method of amortization of intangible assets with definite useful lives are verified at least at the end of each financial year. Changes in the expected useful lives or the expected way of consuming the economic benefits from a given asset are recognized by changing the amortization period or method, accordingly, and treated as changes in accounting estimates. The amortization of intangible assets with definite useful lives is recognized in profit or loss under the category that corresponds to the function of the intangible asset.

Intangible assets with indefinite useful lives and those that are not in use are annually tested for impairment individually or at the level of the cash generating unit. In addition, indications of impairment are reviewed at each balance sheet date. Assets are tested for impairment if there are indications of impairment.

The useful lives are subject to annual verification and if required, adjusted with effect from the beginning of the subsequent reporting period.

The policies applied to the Group's intangible assets are summarized as follows:

	Useful lives	Amortization method used	Internally generated or acquired	Impairment test
Trademark	5-10 years	5-10 years using the straight-line method	Purchased	Assessing whether there are indications of impairment
Costs of completed development projects	5-10 years	5-10 years using the straight-line method	Internally generated	Not yet commissioned for use - annual and when there is an indication of impairment. For others, an assessment of whether there are indications of impairment
Computer software	2-5 years	2-5 years using the straight-line method	Purchased	Assessing whether there are indications of impairment
Licences and patents	5-10 years	5-10 years using the straight-line method	Purchased	Assessing whether there are indications of impairment
Customer relations	2-5 years	2-5 years using the straight-line method	Purchased	Assessing whether there are indications of impairment

Any gains or losses on derecognition of an intangible asset are measured as the difference between any net inflows from disposal and the carrying amount of the asset and recognized in the income statement upon derecognition.

8.6. Leases

The Group as a lessee

At the time of entering into a contract the Group assesses whether the contract is or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a consistent approach to the recognition and measurement of all leases, with the exception of short-term leases and leases of low-value assets. At the inception of a lease, the Group recognizes a right-of-use asset and a lease liability. The Group includes right-of-use assets under the same heading under which the corresponding underlying assets would be presented if they were owned by the Group, and presents lease liabilities separately from other liabilities.

The Group recognizes a right-of-use asset at the inception of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated amortization and impairment, adjusted for any remeasurement of lease liabilities. The cost of a right-of-use asset comprises the amount of the recognized lease liability, the initial direct costs incurred and any lease payments made on or before the commencement date, less any lease incentives received. Unless the Group is reasonably certain that it will obtain title to the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated or amortized on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment testing.

At the inception of the lease, the Group measures the lease liability at the present value of the lease payments that remain to be paid as at that date. Lease payments include fixed payments (including substantially fixed lease payments) less any lease incentives receivable, variable payments that depend on an index or rate and amounts expected to be paid under the guaranteed residual value. Lease payments also include the exercise price of a call option, if the exercise of the call option by the Group can be assumed with reasonable certainty, and payments of lease termination fees, if the terms of the lease include the possibility for the Group to terminate the lease. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition giving rise to the payment occurs. Lease liabilities relating to the right of perpetual usufruct of land on which development projects are carried out are presented as current liabilities, which is consistent with the reporting of the usufruct right in inventories.

Amortization is calculated using the straight-line method over the estimated useful life of the asset:

Type	Period (years)
Right to use office space	2 – 5
Right to use vehicles	2 – 5
Perpetual usufruct of land	80 – 99

When calculating the present value of lease payments, the Group uses the lessee's marginal interest rate at the inception of the lease if the lease rate cannot be readily determined. After the inception of the lease, the amount of the lease liability is increased to reflect interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is subject to remeasurement if there is a change in the lease term, a change in the substantially fixed lease payments or a change in judgement regarding the purchase of the underlying assets.

The Group applies the exemption from short-term lease recognition to its short-term leases (i.e. contracts with a lease term of 12 months or less from the inception date and without a call option). The Group also applies an exemption for the recognition of leases of low-value assets. Lease payments for short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

8.7. Borrowing costs

Borrowing costs are capitalized as part of the cost of finished goods. Borrowing costs consist of interest calculated using the effective interest rate method, finance charges under lease contracts and exchange rate differences arising in connection with external financing up to the amount corresponding to the interest expense adjustment.

Borrowing costs incurred when a development is carried out on the land are capitalized in the period in which the activities associated with the development are undertaken. However, borrowing costs incurred when land acquired for construction purposes is held without any accompanying work for future investment are not capitalized.

8.8. Financial assets

Classification of financial assets

Financial assets are classified into the following measurement categories:

- measured at amortized cost;
- measured at fair value through profit or loss;
- measured at fair value through other comprehensive income.

The Group classifies a financial asset based on the Group's business model for managing financial assets and the characteristics of the contractual cash flows for the financial asset (the so-called “SPPI criterion”). The Group reclassifies investments in debt instruments if, and only if, the management model of these assets changes.

Measurement at initial recognition

With the exception of trade receivables that do not have a significant financing component, on initial recognition the Group measures a financial asset at its fair value, which, in the case of financial assets not measured at fair value through profit or loss, is increased by transaction costs directly attributable to the acquisition of those financial assets.

On initial recognition, the Group measures trade receivables that do not have a significant financing component (determined in accordance with IFRS 15) at their transaction price (as defined in IFRS 15).

Derecognition

Financial assets are derecognized from the accounts when:

- the rights to receive cash flows from the financial assets have expired; or
- the rights to receive cash flows from the financial assets have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement after initial recognition

For the purposes of measurement after initial recognition, financial assets are classified into one of four categories:

- debt instruments stated at amortized cost;
- debt instruments stated at fair value through other comprehensive income;
- equity instruments measured at fair value through profit or loss;
- financial assets measured at fair value through profit or loss.

Debt instruments - financial assets stated at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

a) the financial asset is held in accordance with a business model that seeks to hold the financial asset to earn contractual cash flows; and

b) the contractual terms of the financial asset give rise to cash flows on specified dates that are solely the repayment of principal and interest on the principal outstanding.

The Group classifies the following into the category of financial assets measured at amortized cost:

- trade receivables;
- bonds taken up;
- borrowings that meet the SPPI classification test and which, according to the business model, are reported as held to obtain cash flows;
- cash and cash equivalents.

Interest income is calculated using the effective interest rate method and is shown in the statement of comprehensive income under the heading "Finance income".

Dividends are recognized in the statement of comprehensive income when an entity's entitlement to receive dividends arises.

The Group classifies investment certificates and derivative financial instruments in the category of financial assets at fair value through profit or loss.

On none of the balance sheet dates presented did the Group have any financial assets classified in this category.

8.9. Impairment of financial assets

The Group assesses *expected credit* losses (*"ECL")* associated with debt instruments measured at amortized cost and at fair value through other comprehensive income, regardless of whether there is an indication of impairment.

For trade and other receivables, the Group uses a simplified approach and measures the allowance for expected credit losses at an amount equal to the lifetime expected credit losses using a provision matrix. The Group uses its historical credit loss data, adjusted where appropriate for the impact of forward-looking information.

With respect to other financial assets, the Group measures the allowance for expected credit losses at an amount equal to 12 months of expected credit losses. If the credit risk associated with a financial instrument has increased significantly since initial recognition, the Group measures the allowance for expected credit losses on the financial instrument at an amount equal to the lifetime expected credit losses.

The Group concludes that the credit risk associated with a financial instrument has increased significantly since the date of initial recognition if the delay in repayment exceeds 30 days.

At the same time, the Group concludes that a debtor's *default has* occurred when the delay in repayment exceeds 180 days.

8.10. Derivative financial instruments and hedges

Derivatives are measured at fair value and are recognized as assets when their value is positive and as liabilities when their value is negative.

Gains and losses on changes in the fair value of derivatives that do not meet the conditions for hedge accounting are charged directly to the net profit or loss for the financial year.

The Group does not apply hedge accounting.

8.11. Inventories

Inventories are stated at the lower of cost of purchase or manufacture and net realizable value.

The cost of purchase or manufacture of each inventory item includes all purchase, processing and other costs incurred in bringing the inventory to its current location and condition - both in the current and previous year. In cases where the property associated with a development project is subject to a perpetual usufruct right, the right-of-use asset is recognized in inventories.

Development projects expected to be completed during the Group's normal operating cycle are presented under "Inventories" in current assets.

The value of inventory components is determined as follows:

Materials	at purchase price determined on a first-in-first-out basis
Finished goods and work in progress	detailed identification at individual investment level. Within a given construction project, the cost of direct materials and labour and a corresponding mark-up of indirect production costs, including borrowing costs
Goods for resale	at purchase price determined on a first-in-first-out basis

Net realizable value is understood as the estimated selling price achieved in the course of normal business activities, less the estimated costs necessary to effect the sale.

8.12. Trade and other receivables and contract assets relating to the performance of construction contracts

Trade receivables are recognized and disclosed in the amounts originally invoiced, taking into account the allowance for expected lifetime credit losses.

Where the effect of the time value of money is material, the amount of the receivables is determined by discounting the expected future cash flows to their present value, using the discount rate that reflects current market assessments of the time value of money. If the discounting method was used, the increase in receivables in connection with the passage of time is recognized as finance income.

Receivables from the State Budget are presented in other non-financial assets, with the exception of corporate income tax receivables, which are a separate line item on the balance sheet.

8.13. Construction performance bonds - assets

Construction performance bonds are amounts of the compensation for the construction service retained by the customer to cover the potential costs of rectifying any defects.

8.14. Advances paid for the acquisition of assets

Advance payments are presented in accordance with the nature of the assets to which they relate – accordingly as non-current and current assets. As non-monetary assets, advances are not discounted.

8.15. Cash and cash equivalents

Cash and current deposits shown on the balance sheet include cash at bank and in hand and short-term deposits with an original maturity of three months or less.

8.16. Cash at bank in individual escrow accounts

Within the item cash in individual escrow accounts, the Group presents restricted cash representing cash held in open escrow accounts that will be made available to the Group by the bank once the required stage of development has been reached.

The restriction on the disposal of the aforementioned funds is due to the introduction of regulations requiring the opening of individual escrow accounts for customer advances. Due to restrictions on disposal, cash in individual escrow accounts does not constitute cash and cash equivalents within the meaning of IAS 7.

8.17. Interest-bearing bank loans, borrowings and debt securities

At initial recognition, all bank loans, borrowings and debt securities are recognized at fair value, less costs associated with obtaining the loan or borrowing.

After initial recognition, interest-bearing loans, borrowings and debt securities are measured at amortized cost using the effective interest rate method.

In determining amortized cost, account is taken of the costs associated with obtaining the loan or borrowing and the discounts or premiums received in connection with the liability.

Revenue and expenses are recognized in profit or loss when a liability is derecognized and also as a result of accounting using the effective interest rate method.

The Group derecognizes a financial liability when the liability has expired, i.e. when the contractual obligation has been fulfilled, forgiven or has expired. The replacement of an existing debt instrument with an instrument with substantially different terms between the same entities is recorded by the Group as expiry of the initial financial liability and recognition of a new financial liability.

If the contractual terms of a financial liability are modified without derecognizing the existing liability, the gain or loss is recognized immediately in profit or loss. The gain or loss is calculated as the difference between the present value of the modified and original cash flows, discounted using the original effective interest rate of the liability.

8.18. Trade and other payables

Current trade payables are stated at amounts due.

Other non-financial liabilities include, in particular, liabilities to the tax office other than income tax liabilities, liabilities to the Social Insurance Institution (ZUS). Other non-financial liabilities are stated at amounts due.

8.19. Provisions

Provisions are set up when the Group has a current (legal or constructive) obligation resulting from past events and it is probable that settling the obligation will result in the necessity of an outflow of economic benefits and the amount of the obligation can be reliably estimated. If the Group expects that the costs covered by the provision will be reimbursed, for example, based on an insurance contract, then the reimbursement is recognized as a separate asset, but only if it is it is practically certain that the reimbursement will actually take place Costs relating to a given provision are recognized in the statement of comprehensive income net of any reimbursements.

If the effect of the time value of money is material, the amount of the provision is determined by discounting the expected future cash flows to their present value, using the discount rate that reflects current market assessments of the time value of money. If the discounting method was applied, the increase in provisions in connection with the time flow is recorded as finance costs.

8.20. Construction performance bonds - liabilities

Construction performance bonds are amounts of the compensation for the construction service retained by the customer to cover the potential costs of rectifying any defects.

8.21. Contract revenue

The Group applies IFRS 15 *Revenue from Contracts with Customers* to all contracts with customers, except for leases covered by the scope of IFRS 16 *Leases*, financial instruments and other contractual rights or obligations covered by the scope of IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements,* IFRS 11 *Joint Arrangements,* IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures.*

The basic principle of IFRS 15 is to recognize revenue when goods and services are transferred to the customer, at a value that reflects the price expected by the Group, in exchange for the transfer of those goods and services. These principles are applied using a five-step model:

- a contract with the customer has been identified;
- performance obligations under the contract with the customer have been identified;
- the transaction price has been determined;
- the transaction price has been allocated to individual performance obligations;

- revenue has been recognized when the contractual obligation has been fulfilled.

Core activity - sale of residential and commercial premises

Identification of a contract with a customer;

The Group only recognizes a contract with a customer if all of the following criteria are met:

- the contracting parties have entered into a contract and are obliged to perform their obligations;
- the Group is able to identify the rights of each party regarding the goods or services to be transferred;
- the Group is able to identify payment terms for the goods or services to be transferred;
- the contract has economic substance (i.e. the risk, time distribution or amount of the Group's future cash flows can be expected to change as a result of the contract); and
- it is probable that the Group will receive the consideration to which it is entitled in exchange for the goods or services to be provided to the customer.

The Group enters into contracts for the sale of identifiable premises in writing. Contracts include a payment schedule, of which the last payment is made prior to the handover of the premises.

Identification of performance obligations

At the time of contract conclusion, the Group assesses the goods (residential or commercial premises, parking spaces and storage units) promised in the contract with the customer and identifies any promise to transfer a separately identifiable good (or bundle of goods) to the customer as a performance obligation.
The goods or services promised to the customer are distinct if both of the following conditions are met:

- the customer can benefit from the goods either directly or through a connection to other resources that are readily available to him or her; and
- the Group's obligation to transfer goods to a customer can be identified as separate from the other obligations set out in the contract.

Determining the transaction price

The transaction price is the amount of consideration that the Group expects to receive in exchange for the transfer of the promised goods to the customer. The consideration specified in the contract with the customer includes fixed amounts. The Group's sales contracts do not include a variable consideration element.

Allocation of the transaction price to performance obligations

The Group assigns a transaction price to each performance obligation (i.e. the handover of commercial/residential premises, storage units and parking spaces) in an amount that reflects the amount of consideration that the Group expects to receive in exchange for the transfer of the promised goods or services to the customer.

Meeting the performance obligations

The Group recognizes revenue when the performance obligation is fulfilled, i.e. when the technical acceptance protocol for the premises is signed by the customer, subject to receipt of payment for the premises.

Guarantees

The Group provides guarantees for the products sold, which is the assurance for the customer that the product in question conforms to the specification agreed by the parties. The Group recognizes such guarantees in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.*

The Group does not enter into contracts with customers that include extended warranties as a separate service.

Capitalized contracting costs

The Group recognizes the additional costs of bringing a contract to a customer to conclusion as an asset, under contract acquisition costs, if it expects to recover the costs. Additional costs of bringing a contract to conclusion are costs incurred by the Group to bring a contract with a customer to conclusion that the Group would not have incurred if the contract had not been concluded. Additional costs to bring the deal to a conclusion include commissions for the sales department and commission for third party intermediaries. Costs of bringing a contract to conclusion, whether or not the contract has been concluded, are recognized in cost of sales as an expense when incurred. The asset referred to above is accounted for when the premises are handed over to the customer and the sales revenue is recognized.

Contract liabilities

As part of its obligations under contracts with customers, the Group recognizes the consideration received or receivable from a customer, which involves an obligation to transfer goods to the customer. Contract liabilities reflect the value of customer payments into housing escrow accounts. The liability is reduced by the price of the premises when the premises are handed over to the customer and sales revenue is recognized.

Sales of goods for resale and materials - trading activities

The Group recognizes revenue from sales when control of the asset is transferred, which is usually when the asset is released from a warehouse. Payment term is usually 30 days. The consideration specified in the contract with the customer covers only fixed amounts.

Receivables

Within receivables, the Group recognizes rights to consideration in exchange for goods or services that it has provided to a customer, if the right is unconditional (the only condition for the consideration to become due is that a certain period of time has passed). The Group recognizes the receivable in accordance with IFRS 9 (note 8.8). On initial recognition of a contract receivable, any difference between the measurement of the receivable in accordance with IFRS 9 and the corresponding previously recognized amount of the corresponding revenue is recognized by the Group as an expense (impairment loss).

Contract assets

As part of its contract assets, the Group recognizes rights to consideration in exchange for goods or services it has provided to a customer, if the right is contingent on a condition other than the passage of time (for example, the Group's future services). The Group assesses whether a contract asset is impaired on the same basis as for a financial asset under IFRS 9 (Note 8.9).

Core business - PRS segment

Identification of performance obligations

At the time of contract conclusion, the Group assesses the goods (residential or commercial premises, parking spaces and storage units) promised in the contract with the customer and identifies any promise to transfer separately identifiable goods (or bundle of goods) to the customer as a performance obligation. For transactions in the PRS segment, the Group identifies performance obligations comprising (i) land sales; and (ii) general contracting services.

Determination of the transaction price and allocation to individual performance obligations

The transaction price is the amount of consideration that the Group expects to receive in exchange for the transfer of the promised services to the customer. The consideration specified in the contract with the customer includes fixed amounts. The Group's sales contracts do not include a variable consideration element.
The Group assigns a transaction price to each performance obligation in an amount that reflects the amount of consideration that the Group expects to receive for providing the promised goods or services to the customer.

The sales contracts specify the prices relating to the individual performance obligations, i.e. the sale of the land and the general contractor service. These prices correspond to individual selling prices.

Meeting the performance obligations

For each performance obligation, at the inception of the contract the Group determines whether it will meet the performance obligation over time or at a specific point in time. If an entity does not meet a performance obligation over time, the performance obligation is met at a specific point in time.

Revenue recognized at a specific point in time

The Group recognizes revenue from the sale of land when the sale agreement is signed in the form of a notarial deed. The Group acts as a principal in that it has control over the promised asset (land) prior to its transfer to the customer (it primarily holds the title to that land). Accordingly, it recognizes revenue at the amount of consideration to which it expects to be entitled in exchange for the transfer of the land. Unconditional payment of the land selling price is made in two tranches: (i) payable within 10 working days of the conclusion of the contract; and (ii) within 10 working days of obtaining the final and non-appealable permit for use of the PRS project, but no later than the date specified in the sale contract. In the case of deferred payment, the Group recognizes a significant element of financing. The Group presents interest income separately from contract revenue in the statement of comprehensive income, under finance income.

Deferred income

Deferred income includes construction contracts (general contractor services). The Group's method of measuring the value of goods and services that are transferred to customers over time is based on performance. Under this method, revenue from the performance of construction contracts is determined in line with the stage of completion, measured by direct measurement of the work performed from the date of the contract to the date of determining the revenue. The budgets of the individual contracts are the basic element for measuring sales revenue. Payment terms for general contractor services performed in a given month are customarily 21 days. In the Management Board's view, the recognition of revenue from general contractor services measured by the direct measurement of the work performed reflects the manner in which the transfer of control over the promised goods or services takes place.

Contract assets and contract liabilities

When the revenue determined on the basis of the stage of completion exceeds the level of actual invoicing of the construction contract, the Group recognizes a contract asset at the nominal amount of the difference between these values and presents it under “Assets relating to the performance of construction contracts”. Otherwise, the Group recognizes a contract liability and presents it under the heading "Liabilities and provisions for long-term contracts".

8.21.1. Interest

Interest income is recognized successively as it accrues (taking into account the effective interest rate method, which is the rate that discounts future cash inflows over the estimated life of the financial instruments) in proportion to the net carrying amount of the financial asset.

8.21.2 Dividends

Dividends are recognized at the moment of establishing the shareholders’ right to their receipt.

8.22. Long-term incentive bonuses

The Group recognizes long-term incentive bonuses as share-based payment transactions when (i) they are settled in equity instruments of the Company or another Group entity; or (ii) they are paid in cash or other assets and their value depends on the price (or value) of the Company's or another Group entity's equity instruments.

A share-based payment transaction may be settled by another Group entity or shareholder of the Company.

When the long-term incentive bonus is cash-settled by the Company's parent company, it is recognized as settled in equity and a corresponding increase in equity is recognized as a contribution from the parent company (under "Supplementary capital, other reserves and retained earnings/(accumulated losses)").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date of granting the respective rights. The measurement of equity-settled transactions takes into account market vesting conditions and non-vesting conditions.

The cost of equity-settled transactions together with a corresponding increase in equity is recognized over the period in which the service conditions are fulfilled and ends on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognized for equity-settled transactions as at each balance sheet date up to the vesting date reflects the extent to which the vesting period has expired and the number of bonuses that, in the opinion of the parent company's Management Board as at that date will ultimately vest, based on the best estimate of the number of equity instruments.

8.23. Taxes

The Group recognizes an income tax liability using one of the following two methods, whichever better reflects how the uncertainty may materialize:

- The Group determines the most likely scenario - this is a single amount among possible results; or
- The Group recognizes the expected value - this is the sum of the probability-weighted amounts from among the possible results.

8.23.1. Deferred tax

For financial reporting purposes, deferred income tax is calculated using the liability method in respect of all the temporary differences existing as at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts shown in the financial statements.

A deferred tax provision is recorded in respect of all taxable temporary differences:

- except when a deferred tax provision arises as a result of initial recognition of goodwill or initial recognition of an asset or a liability in a transaction that is not a business combination, which at the moment of its conclusion does not affect either profit/(loss) before tax or taxable income or loss; and

- in the case of taxable temporary differences resulting from investments in subsidiaries or associates and interests in joint ventures – except for the situations where the investor controls the dates of the temporary differences reversing and it is probable that the differences will not be reversed in the foreseeable future.
- The Group does not recognize deferred tax provisions for temporary differences associated with investments in consolidated closed-end investment funds when the conditions in IAS 12 para. 39 including the plans, timing and likelihood of reversal of these differences in the foreseeable future, i.e. for at least 5 years. The amount of the potential deferred tax provision is approximately PLN 128 million.

Deferred income tax assets are recognized in respect of all deductible temporary differences and unused tax reliefs, as well as tax loss carryforwards in amounts in which the utilization of such assets and losses is probable due to achieving taxable income:

- except for situations where a deferred tax asset relating to temporary differences arises as a result of initial recognition of an asset or a liability in a transaction which is not a business combination, which at the moment of its conclusion does not affect either profit/(loss) before tax or taxable income or loss; and
- in the case of deductible temporary differences resulting from investments in subsidiaries or associates and interests in joint ventures, a deferred tax asset is recognized in the balance sheet up to the amount of its being probable that the above-mentioned temporary differences will be reversed in the foreseeable future and taxable income will be earned enabling their deduction.

The carrying amount of a deferred income tax asset is verified at each balance sheet date and is reduced to the extent to which it is no longer probable that sufficient taxable income will be achieved to enable partial or full utilization of the deferred tax asset. A deferred income tax asset which has not been recognized is subject to reassessment at each balance sheet date and it is recognized up to the amount reflecting the probability of generating taxable income in the future which will enable recovering the asset.

Deferred tax assets and provisions are measured using the tax rates which according to expectations will be applicable in the year in which the asset is realized or the provision released, determined on the basis of tax rates (and tax regulations) binding as at the balance sheet date, if it is certain at the balance sheet date that they will be binding in the future.

Income tax relating to items recognized outside profit or loss is recognized outside profit or loss: in other comprehensive income relating to items recognized in other comprehensive income or directly in equity relating to items recognized directly in equity.

The Group offsets deferred income tax assets against deferred income tax provisions when and only when it has a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxpayer and the same tax authority.

The Group recognizes a deferred tax asset to carry forward unused tax losses to the extent that it is probable that future taxable profit will be available against which unused tax losses can be utilized. In assessing whether it is likely that the available future taxable income will be sufficient, the Group considers the nature, origin and timing of such income and ensures that convincing evidence has been gathered.

The Group determines the taxable income (tax loss), tax base, unused tax losses, unused tax reliefs and tax rates taking into account the approach to taxation planned or used in its tax return.

8.23.2 Current income tax expense

Liabilities and receivables in respect of corporate income tax for the current and prior periods are measured at the amounts of the expected payment to the tax authorities (subject to reimbursement from the tax authorities) in accordance with the tax rates and tax regulations which were already legally or effectively binding as at the balance sheet date.

8.23.3 Tax on goods and services (VAT)

Revenues, costs, assets and liabilities are recognized net of value added tax, except:

- where the VAT paid on the purchase of assets or services is not recoverable from the tax authorities, in which case it is recognized as part of the cost of the asset or as part of the expense item, as appropriate; and
- receivables and payables, which are recognized including VAT.

The net amount of VAT recoverable or payable to the tax authorities is included in the statement of financial position as part of receivables or payables.

9 Changes in the applied accounting policies

The accounting policies used in the preparation of these consolidated financial statements are consistent for all periods presented, except for the application of new or revised standards and interpretations effective for annual periods beginning on or after 1 January 2024:

1. Lease liability in a sale and leaseback - Amendments to IFRS 16 Leases

The amendments to IFRS 16 set out the requirements that a seller-lessee is required to apply in measuring a lease liability arising from a sale and leaseback transaction so that it does not recognize a gain or loss associated with a right-of-use that it retains.

These changes have no impact on the Group's consolidated financial statements.

2. Classification of liabilities as current or non-current and non-current liabilities with covenants - Amendments to IAS 1 Presentation of Financial Statements

The amendments to IAS 1 set out the requirements for classifying liabilities as current or non-current. The amendments to IAS 1 clarify:

- the meaning of the right to defer maturity;
- that the right to deferral must exist at the end of the reporting period;
- that classification is not affected by the likelihood of an entity exercising its right to deferral;
- that the settlement of is not taken into account for the purpose of classifying the liability itself as short- or long-term only when the option to settle such a liability by issuing own equity instruments is classified as an equity instrument.

In addition, entities are required to disclose when a liability under a loan agreement is classified as a non-current liability and the entity's right to defer repayment of the liability is conditional on the satisfaction of future covenants within twelve months.

Nevertheless, the amendments had no impact on the classification of the Group's liabilities.

3. Supplier finance arrangements - Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures

The amendments set out the features of supplier financing arrangements and require additional respective disclosures.

Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring.

The disclosure requirements are intended to help users of financial statements understand the impact of supplier finance arrangements on an entity's liabilities, cash flows and liquidity risk exposure.

These amendments have no impact on the Group's consolidated financial statements.

10 New standards and interpretations that have been published but are not yet effective

The following standards and interpretations have been published by the International Accounting Standards Board but are not yet in force:

- IFRS 14 *Regulatory Accruals* (published 30 January 2014) - in accordance with the European Commission's decision, the approval process for the preliminary version of the standard will not be initiated until the final version is published - not endorsed by the EU until the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (published on 11 September 2014) - the work leading to the approval of these amendments has been postponed indefinitely by the EU - the effective date has been postponed indefinitely by the IASB;
- Amendments to IAS 21: *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* (published on 15 August 2023) - not endorsed by the EU at the date of

approval of these financial statements - effective for annual periods beginning on or after 1 January 2025;

- IFRS 18: *Presentation and Disclosure in Financial Statements* (published on 9 April 2024) - not endorsed by the EU up to the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2027;
- IFRS 19: *Subsidiaries without Public Accountability: Disclosures* (published on 09 May 2024) - not endorsed by the EU up to the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2027;
- Amendments to IFRS 9 and IFRS 7: *Amendments to the Classification and Measurement of Financial Instruments* (published on 30 May 2024) - not endorsed by the EU up to the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2026;
- *Annual Improvements to IFRS Accounting Standards - Volume 11* (published on 18 July 2024) - not endorsed by the EU at the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2026;

As at the date of approval of these consolidated financial statements for publication, the Management Board does not expect the new standards and interpretations that are effective for annual periods beginning on or after 1 January 2025 to have a material impact on the Group's accounting policies. The Management Board has not yet completed its work on assessing the impact of the introduction of the other standards and interpretations on the Group's accounting policies in relation to the Group's operations or financial performance.

The effective dates are those resulting from the content of the standards promulgated by the International Accounting Standards Board. The effective dates of the standards in the European Union may differ from the effective dates implied by the content of the standards and are announced at the time of approval for use by the European Union.

11 Revenue from contracts with customers

11.1. Revenue by category

The table below shows contract revenue by category, which reflects how economic factors affect the nature, amount, timing of payment and uncertainty of revenue and cash flows:

	Year ended 31 December 2024			
	Development segment	*PRS segment*	*Other*	*Total*
Type of goods or services:				
Residential and commercial premises	1,178, 085	-	-	1,178, 085
Construction services	-	144,473	-	144,473
Sale of land	-	-	-	-
Other	7,656	-	-	7,656
Total contract revenue	**1,185, 741**	**144,473**	**-**	**1,330, 214**
Date of transfer of goods or services:				
at a specific moment	1,185, 741	-	-	1,190,434
over time	-	144, 4730	-	139,780
Total revenue from contracts with customers	**1,185, 741**	**144,473**	**-**	**1,330, 214**

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	Year ended 31 December 2023			
	Development segment	***PRS segment***	***Other***	***Total***
Type of goods or services:				
Residential and commercial premises	1,022, 302	-	-	1,022, 302
Construction services	-	145,384	-	145,384
Sale of land	-	41,773	-	41,773
Other	6,485	-	-	6,485
Total revenue from contracts with customers	**1,028, 787**	**187,157**	**-**	**1,215, 944**
Date of transfer of goods or services:				
at a specific moment	1,028, 787	41,773	-	1,070, 560
over time	-	145,384	-	145,384
Total contract revenue	**1,028, 787**	**187,157**	**-**	**1,215, 944**

All contract revenue and non-current assets arise exclusively in Poland. The foreign companies in which the Group held interests as at 31 December 2024 and 31 December 2023 (the composition of the Group is presented in Note 2) did not generate contract revenue during the periods presented and had no non-current assets as at 31 December 2024 and 31 December 2023.

11.2. Contract assets and liabilities

The Group recognizes the following contract assets and liabilities:

Revenue recognized at a specific point in time

Costs of obtaining contracts

	Year ended 31/12/2024	***Year ended 31/12/2023***
Opening balance as at 1 January	**23,236**	**20,211**
costs of obtaining contracts capitalized in the period	30,753	26,700
period costs	(28,383)	(23,675)
Closing balance as at 31 December	**25,606**	**23,236**

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Contract liabilities

	Year ended 31/12/2024	Year ended 31/12/2023
Opening balance as at 1 January	**580,005**	**625,439**
payments from customers of the development segment	1,160, 908	976,868
revenue recognized in the period at a specific point in time	(1,178,085)	(1,022,302)
Closing balance as at 31 December	**562,828**	**580,005**

Deferred income

Assets relating to the performance of construction contracts

	Year ended 31/12/2024	Year ended 31/12/2023
Opening balance as at 1 January	**2,146**	**3,131**
change during the period	1,998	(985)
Closing balance as at 31 December	**4,144**	**2,146**

Liabilities and provisions in respect of long-term contracts

	Year ended 31/12/2024	Year ended 31/12/2023
Opening balance as at 1 January	**31,188**	**26,065**
change during the period	112	5,123
Closing balance as at 31 December	**31,300**	**31,188**
of which:		
contract liabilities relating to the performance of construction contracts	**31,300**	**31,188**
provision for onerous contracts	-	-

As at 31 December 2024 and 31 December 2023, non-current contract liabilities and provisions include the Group's liability for subcontractor work performed but not invoiced.

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Contract liabilities

	Year ended 31/12/2024	Year ended 31/12/2023
Opening balance as at 1 January	**7,338**	**25,912**
Payments from PRS customers	19,355	2,504
Settlement of advances	(2,529)	(21,078)
Closing balance as at 31 December	**24,164**	**7,338**

Construction performance bonds - assets

	Year ended 31/12/2024	Year ended 31/12/2023
Opening balance as at 1 January	**24**	**13**
Balance change	56	11
Closing balance as at 31 December	**80**	**24**
of which:		
long-term construction performance bonds	-	-
short-term construction performance bonds	80	24

11.3. Performance obligations

Residential and commercial premises

The performance obligation is fulfilled when control of the premises is transferred. This occurs when the acceptance protocol is signed and the keys are handed over. Customers make payments for the premises according to a predetermined schedule. The handover of the premises does not take place until the full price has been paid and provided that the construction of the property has been substantially completed.

The total revenue to be recognized in the future, resulting from contracts for the sale of residential space signed as at the balance sheet date of 31 December 2024 amounts to PLN 1,010,439 thousand of which the Group received advances of PLN 552,019 thousand by the balance sheet date.

This revenue will be recognized when the property is released to the buyers, once the construction has been completed and the necessary administrative decisions have been obtained, which is approximately one to three months after completion on an average.

The total revenue to be recognized in the future, resulting from contracts for the sale of residential space signed as at the balance sheet date of 31 December 2023 amounts to PLN

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996,139 thousand, of which the Group received advances of PLN 572,274 thousand by the balance sheet date.

Long-term contracts

Performance obligations that the Group satisfies over time include construction contracts. The Group's method of measuring the value of goods and services that are transferred to customers over time is based on performance. Under this method, revenue from the performance of construction contracts is determined in line with the stage of completion, measured by direct measurement of the work performed from the date of the contract to the date of determining the revenue. Payment terms for general contracting services performed in a given month are customarily 21 days.

The total revenue to be recognized in the future, resulting from long-term contracts for the sale of residential space signed as at the balance sheet date of 31 December 2024 amounts to PLN 351,164 thousand, of which PLN 173,415 thousand is due in 2025.

Building materials

The performance obligation is fulfilled when control over the goods is transferred. The payment term for goods delivered is usually 30 days.

12 Operating segments

For management purposes, the Group has been divided into parts based on the products manufactured and services provided. Therefore, there are the following operating segments:

- the development segment is involved in the construction and sale of residential and commercial premises;
- the PRS segment comprises sales of land and design-build general contractor services for the private rental sector (PRS) and Purpose-Built Student Accommodation (PBSA);
- the "other" segment brings together the Group's other activities, particularly those involving real estate brokerage.

None of the Group's operating segments have been combined with another segment to create reportable segments.

The Management Board monitors the operational performance of the segments separately in order to make decisions on the allocation of resources, to assess the effects of this allocation and the results of operations. The basis for assessing the results of operations is profit or loss on sales, which is identical to profit or loss on sales in the consolidated financial statements. General and administrative expenses, the Group's funding costs not capitalized in inventories (including finance costs and income) and income tax are monitored at Group level and are not allocated to segments.

The transaction prices used for transactions between operating segments are set on an arm's length basis similarly to those for transactions with unrelated parties.

Year ended 31 December 2024	*Development segment*	*PRS segment*	*Total activity*
Segment revenues	**1,185, 741**	**144,473**	**1,330, 214**
Profit/(Loss) on sales	**383,793**	**17,999**	**401,792**
of which capitalized finance costs	(44,850)	-	(44,850)
Other operating income	-	-	7,381
Selling costs	-	-	(40,998)
General and administrative expenses	-	-	(70,385)
Gain/(loss) on impairment of trade and other receivables	-	-	423
Impairment of intangible assets	-	-	(1,434)
Other external operating expenses	-	-	(3,179)
Operating profit	-	-	**293,600**

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Year ended 31 December 2023	*Development segment*	*PRS segment*	*Total activity*
Segment revenues	**1,028, 787**	**187,157**	**1,215, 944**
Profit/(Loss) on sales	**365,842**	**17,551**	**383,393**
of which capitalized finance costs	(36,953)	-	(36,953)
Other operating income	-	-	3,256
Selling costs	-	-	(35,555)
General and administrative expenses	-	-	(76,423)
Gain/(loss) on impairment of trade and other receivables	-	-	(916)
Impairment of intangible assets	-	-	(2,000)
Other external operating expenses	-	-	(5,556)
Operating profit	-	-	**266,199**

Total assets and total liabilities for each reportable segment are not presented in this Note as these amounts are analysed collectively by the parent company's Management Board.

13 Income and costs

13.1. Other operating income

	Year ended 31/12/2024	*Year ended 31/12/2023*
Income from contractual penalties	911	1,499
Rental income	29	52
Time-barred security deposits	3,638	1,328
Gain on sale of fixed assets	144	-
Settlement of an advance for the purchase of land	1,029	-
Recalculation of the proportion of VAT	1,104*	-
Damages received	-	73
Other	526	304
Total	**7,381**	**3,256**

*Includes the statistical portion of non-deductible VAT not allocated to a specific cost category.

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13.2. Other operating expenses

	Year ended 31/12/2024	Year ended 31/12/2023
Litigation costs	601	1,226
Damages	56	-
Donations	217	24
Liquidation of companies	254	-
Claims costs	2,051	2,510
Income from sale/scrapping of fixed assets	-	392
Other	-	1,404*
Total	**3,179**	**5,556**

*Includes the statistical portion of non-deductible VAT not allocated to a specific cost category

13.3. Finance income

	Year ended 31/12/2024	Year ended 31/12/2023
Interest on borrowings	-	1
Interest on receivables	125	232
Bank interest	8,746	8,841
Measurement of security deposits and other instruments	3,215	2,681
Foreign exchange gains	-	-
Other	44	50
Total	**12,130**	**11,805**

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13.4. Finance costs

	Year ended 31/12/2024	Year ended 31/12/2023
Interest on liabilities	460	272
Measurement of financial instruments	-	904
Losses on investments in equity instruments	-	-
Interest on leases	2,740	1,704
Security deposit discount	-	-
Foreign exchange losses	226	794
Other	169	276
Total	**3,595**	**3,950**

13.5. Costs by type

	Year ended 31/12/2024	Year ended 31/12/2023
Amortization and depreciation	5,484	4,665
Materials and energy used	544,660	494,698
External services	617,848	512,817
Taxes and fees	7,862	5,474
Employee benefit costs	85,242	66,296
Other costs by type	5,096	5,415
Cost of goods for resale and materials sold	1,875	1,277
Total costs by type, of which:	**1,268,067**	**1,090,642**
Items included in cost of sales	928,421	832,551
Items included in selling costs	40,998	35,555
Items included in general and administrative expenses	70,385	76,423
Change in the balance of finished goods	228,263	146,113

Third-party service costs related to construction subcontracting are mainly presented in costs of external services.

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13.6. Employee benefit costs

	Year ended 31/12/2024	Year ended 31/12/2023
Wages and salaries	67,755	52,806
Social insurance costs	11,767	8,953
Share-based payments (Note 36.4.1)	2,825	1,900
Other employee benefit costs	2,895	2,637
Total costs of employee benefits, of which:	**85,242**	**66,296**
Items included in cost of sales/inventories	56,735	43,371
Items included in selling costs	10,932	8,585
Items included in general and administrative expenses	17,575	14,340

14 Components of other comprehensive income

The components of other comprehensive income are as follows:

	Year ended 31/12/2024	Year ended 31/12/2023
Exchange differences on translation of foreign operations	(12)	(696)
Other net comprehensive income to be reclassified to the income statement in subsequent reporting periods	**(12)**	**(696)**
Other net comprehensive income not to be reclassified to the income statement in subsequent reporting periods	**-**	**-**
	(12)	**(696)**

15 Corporate income tax

On 27 October 2023, an agreement on the establishment of a tax group called the "Murapol Tax Group" was concluded between Murapol S.A. and Murapol Real Estate S.A. The agreement was concluded for three consecutive fiscal years, i.e. from 1 January 2024 to 31 December 2026.

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15.1. Tax charge

	Year ended 31/12/2024	Year ended 31/12/2023
Current income tax	(42,473)	(52,590)
Deferred income tax	(17,633)	(2,313)
Tax charge shown in consolidated profit	**(60,106)**	**(54,903)**
Tax credit/charge recognized in other comprehensive income	**-**	**-**

15.2. Reconciliation of the effective tax rate

The reconciliation of income tax on profit /(loss) before tax at the statutory tax rate to income tax calculated at the Group's effective tax rate for the year ended 31 December 2024 and 31 December 2023 is as follows:

	Year ended 31/12/2024	Year ended 31/12/2023
Profit/(loss) before income tax	**302,135**	**274,054**
Tax at the statutory tax rate applicable in Poland of 19% (2023: 19%)	57,406	52,070
Permanently deductible costs	1,308	1,507
Permanently non-taxable income	(489)	(132)
Permanently non-deductible interest	450	180
Share-based payments	537	361
Recognition of previously unrecognized deferred tax	449	464
Release of deferred tax asset	121	121
Other	324	332
Tax at the effective tax rate of 20% (2023: 20%)	**60,106**	**54,903**
Income tax (charge) recognized in consolidated profit or loss	**60,106**	**54,903**

15.3. Deferred income tax

Deferred income tax results from the following items:

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	Investment properties and land	*Property, plant and equipment and intangible assets*	*Inventori es*	*Financial liabilities*	*Financial assets*	*Services under construction contracts*	*Provisions*	*Impairment write-downs of assets*	*Tax losses*	*Difference due to the timing of recognition of revenue from sales of premises*	*Prepayments /Accruals*	*Other*	*Total*
Net deferred tax asset (provision) as at 1 January 2024	**(1,095)**	**189**	**(3,968)**	**23,373**	**(864)**	**9,797**	**1,685**	**13,035**	**4,833**	**(21,777)**	**7,242**	**(155)**	**32,295**
Tax credit (tax charge):													
- recognized in consolidated profit or loss	**432**	**239**	**(167)**	**(1,304)**	**-**	**(1,489)**	**1,666**	**(1,898)**	**(1,780)**	**(12,816)**	**(941)**	**424**	***(17,634)***
- recognized in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net deferred tax asset (provision) as at 31 December 2024	**(663)**	**428**	**(4,135)**	**22,069**	**(864)**	**8,308**	**3,351**	**11,137**	**3,053**	**(34,593)**	**6,301**	**269**	**14,661**
Net deferred tax asset (provision) as at 1 January 2023	**(2,641)**	**225**	**(734)**	**11,179**	**(864)**	**8,467**	**1,691**	**12,980**	**23,735**	**(29,112)**	**9,358**	**324**	**34,608**
Tax credit (tax charge):													
- recognized in consolidated profit or loss	**1,546**	**(36)**	**(3,234)**	**12,194**	**-**	**1,330**	**(6)**	**55**	**(18,902)**	**7,335**	**(2,116)**	**(479)**	***(2,313)***
- recognized in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Net deferred tax asset (provision) arising from the acquisition/sale of premises (net)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net deferred tax asset (provision) as at 31 December 2023	**(1,095)**	**189**	**(3,968)**	**23,373**	**(864)**	**9,797**	**1,685**	**13,035**	**4,833**	**(21,777)**	**7,242**	**(155)**	**32,295**

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Deferred tax recognized in the consolidated statement of financial position as:

	Year ended 31/12/2024	Year ended 31/12/2023
Deferred tax asset	55,121	60,001
Deferred tax provision	(40,460)	(27,706)
Total	**14,661**	**32,295**

The Group assessed the realization of the deferred tax asset arising on tax losses by analysing forecast future taxable income. As a result, deferred tax assets were recognized for tax losses in property development companies whose forecast future financial results warrant the recognition of this asset. A deferred tax asset arising on deductible temporary differences in these companies has been recognized up to a level that, in the opinion of the Management Board, reflects the probability of realization of the asset.

The time schedule for the realization of the deferred tax asset arising on tax losses as at 31 December 2024, is as follows:

- up to 2025: PLN 79 thousand

- up to 2026: PLN 272 thousand

- up to 2027: PLN 95 thousand

- up to 2028: PLN 150 thousand PLN

- up to 2029: PLN 1,988 thousand

The period shown above represents the maximum date by which the Group is obliged to settle tax losses, however the Group, relying on internal reports, anticipates realizing this asset in earlier periods.

16 Earnings/loss per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period adjusted by the weighted average number of ordinary shares that would have been issued on conversion of all dilutive potential equity instruments into ordinary shares (adjusted for the effect of dilutive options).

The data on the profit on continuing operations and shares used to calculate basic and diluted earnings per share is shown below:

for the year ended 31 December 2024 (in PLN'000) 58

	Year ended 31/12/2024	Year ended 31/12/2023
Basic/diluted earnings per share from continuing operations		
Net profit attributable to ordinary shareholders of the parent company adopted for the calculation of earnings per share (in PLN '000)	242,001	219,076
Weighted average number of ordinary shares used to calculate basic earnings per share	40,800,000	40,800,000
Basic/diluted earnings per share from continuing operations (PLN per share)	**5.93**	**5.37**
Basic/diluted earnings per share from discontinued operations		
Net profit attributable to ordinary shareholders of the parent company adopted for the calculation of earnings per share	-	-
Weighted average number of ordinary shares used to calculate diluted earnings per share	40,800,000	40,800,000
Basic/diluted earnings per share from discontinued operations (PLN per share)	**-**	**-**

There were no other transactions in ordinary shares or potential ordinary shares between the balance sheet date and the date of these consolidated financial statements.

17 Dividends paid and proposed to be paid

In the year ended 31 December 2024, the Company paid dividend for the year 2023 of PLN 80,376 thousand (PLN 1.97 per share).

Based on the decision of the Management Board dated 1 October 2024, the Company paid interim dividend for 2024 of PLN 119,952 thousand (PLN 2.94 per share). The interim dividend was paid on 6 November 2024.

In the year ended 31 December 2023, the Company paid dividend for the year 2022 of PLN 100,000 thousand (PLN 2.45 per share).

18 Property, plant and equipment

Year ended 31 December 2024	Land and buildings	Plant and machinery	Vehicles	Other	Fixed assets under construction	Total
Opening balance as at 1 January	**20,004**	**2,723**	**2,414**	**5,892**	**91**	**31,124**
Purchases	1,723	596	1,663	1,299	44	5,325
Sales	-	-	(97)	-	-	(97)
Scrapping	(1,694)	(200)	(524)	(656)	-	(3,074)
Revaluation	465	-	-	24	-	489
Reclassification	-	(671)	-	671	-	-
Commissioning of a fixed asset under construction	-	113	-	-	(113)	-
Gross amount as at 31 December	**20,498**	**2,561**	**3,456**	**7,230**	**22**	**33,767**
Accumulated depreciation and impairment as at 1 January	**(3,082)**	**(2,132)**	**(1,170)**	**(4,668)**	**-**	**(11,052)**
Depreciation charge for the period	(2,595)	(377)	(672)	(1,047)	-	(4,691)
- sale	-	-	42	-	-	42
Scrapping	1,623	200	524	608	-	2,955
Reclassification	-	220	-	(220)	-	-
Accumulated depreciation and impairment as at 31 December	**(4,054)**	**(2,089)**	**(1,276)**	**(5,327)**	**-**	**(12,746)**
Gross amount as at 1 January 2024	16,922	591	1,244	1,224	91	20,072
Gross amount as at 31 December 2024	16,444	472	2,180	1,903	22	21,021

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Year ended 31 December 2023	Land and buildings	Plant and machinery	Vehicles	Other	Fixed assets under construction	Total
Opening balance as at 1 January	**10,345**	**2,429**	**1,714**	**5,325**	-	**19,813**
Purchases	16,315	571	1,139	886	91	19,002
Sales	-	(65)	(245)	-	-	(310)
Scrapping	(6,829)	(212)	(194)	(324)	-	(7,559)
Other	173	-	-	5.	-	178
Gross amount as at 31 December	**20,004**	**2,723**	**2,414**	**5,892**	**91**	**31,124**
Accumulated depreciation and impairment as at 1 January	**(6,627)**	**(2,202)**	**(1,035)**	**(4,051)**	**-**	**(13,915)**
Depreciation charge for the period	(2,581)	(205)	(490)	(834)	-	(4,110)
- sale	-	63	161	-	-	224
Scrapping	6,126	212	194	217	-	6,749
Accumulated depreciation and impairment as at 31 December	**(3,082)**	**(2,132)**	**(1,170)**	**(4,668)**	**-**	**(11,052)**
Gross amount as at 1 January 2023	3,718	227	679	1,274	-	5,898
Gross amount as at 31 December 2023	**16,922**	**591**	**1,244**	**1,224**	**91**	**20,072**

The Group has not identified any indications of impairment of property, plant and equipment as at any of the balance sheet dates covered by the consolidated financial statements.

The carrying amounts of the right-of-use assets included in property, plant and equipment and their changes during the reporting period are shown below:

Year ended 31 December 2024	Land and buildings	Plant and machinery	Vehicles	Other	Total
As at 1 January	**15,468**	**-**	**1,137**	**345**	**16,950**
Additions (new leases)	1,710	-	1,024	742	3,476
Remeasurement	468	-	1	156	625
Depreciation	(2,503)	-	(495)	(725)	(3,723)
Decreases	(71)	-	-	(19)	(90)
Net amount as at 31 December 2024	**15,072**	**-**	**1,667**	**499**	**17,238**

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Year ended 31 December 2023	Land and buildings	Plant and machinery	Vehicles	Other	Total
As at 1 January	**1,994**	**22**	**455**	**317**	**2,788**
Additions (new leases)	16,056	-	1,139	410	17,605
Remeasurement	180	28	-	33	241
Depreciation	(2,406)	(50)	(457)	(400)	(3,313)
Decreases	(356)	-	-	(15)	(371)
Net amount as at 31 December 2023	**15,468**	**-**	**1,137**	**345**	**16,950**

19 Leases

19.1. Lease liabilities

The carrying amounts of the lease liabilities and their changes during the reporting period are shown below.

	Year ended 31/12/2024	Year ended 31/12/2023
As at 1 January	**30,705**	**13,701**
Capital and interest repayments	(6,164)	(5,395)
New leases	23,480	21,862
Interest accrued	2,606	2,111
Transfer of obligation related to the release of apartments to customers	(159)	(1,574)
As at 31 December	**50,468**	**30,705**
Short-term	36,609	17,320
Long-term	13,859	13,385

The Group has not recognized costs of short-term leases and leases of low-value assets due to the absence of such contracts.

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20 Intangible assets

Year ended 31 December 2024	Goodwill	Other*	Total
Gross carrying amount as at 1 January	**16,497**	**5,013**	**21,510**
Increases	-	351	351
Scrapping	-	(965)	(965)
Revaluation	(1,433)	-	(1,433)
Gross carrying amount as at 31 December	**15,064**	**4,399**	**19,463**
Accumulated amortization and impairment as at 1 January	**(13,951)**	**(2,930)**	**(16,881)**
Accumulated amortization	-	(515)	(515)
Scrapping	-	965	965
Accumulated amortization as at 31 December	**(13,951)**	**(2,480)**	**(16,431)**
Net carrying amount as at 1 January	2,546	2,083	4,629
Net carrying amount as at 31 December	**1,113**	**1,919**	**3,032**

*the "other" category includes, among other things, the value of software and computer applications.

Year ended 31 December 2023	Goodwill	Other*	Total
Gross carrying amount as at 1 January	**18,497**	**4,609**	**23,106**
Increases	-	444	444
Scrapping	-	(40)	(40)
Revaluation	(2,000)	-	(2,000)
Gross carrying amount as at 31 December	**16,497**	**5,013**	**21,510**
Accumulated amortization and impairment as at 1 January	**(13,951)**	**(2,634)**	**(16,585)**
Accumulated amortization	-	(336)	(336)
Scrapping	-	40	40
Accumulated amortization as at 31 December	**(13,951)**	**(2,930)**	**(16,881)**
Net carrying amount as at 1 January	**4,546**	**1,975**	**6,521**
Net carrying amount as at 31 December	**2,546**	**2,083**	**4,629**

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*the "other" category includes, among other things, the value of software and computer applications.

In 2023 - 2024, the Group did not incur any costs of research work that would be recognized as an expense of the period.

Intangible assets did not serve as collateral for the Group's liabilities.

The following changes in goodwill occurred during the period ended 31 December 2024 and 31 December 2023:

	Year ended 31/12/2024	*Year ended 31/12/2023*
Goodwill as at the beginning of the period	2,546	4,546
Decreases in goodwill due to write-downs	(1,434)	(2,000)
	1,112	**2,546**

Goodwill arising from the acquisition of entities has been allocated to the following cash-generating units:

- Murapol Real Estate S.A.
- Residential real estate brokerage

Goodwill as at:	31/12/2024	31/12/2023
Murapol Real Estate S.A.	1,112	1,112
Residential real estate brokerage	-	1,434
	1,112	**2,546**

As at each balance sheet date, goodwill was tested for impairment by comparing the carrying amount to the recoverable amount of the cash-generating units to which the goodwill had been allocated.

Recoverable amounts were determined on the basis of value in use calculated from cash flow projections based on financial budgets covering a five-year period and a residual period.

The main assumptions adopted to determine value in use are as follows:

- profit/loss on sales;
- cash flows from operating activities;
- discount rate;
- increase over the residual value period.

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The amounts allocated to each of the above parameters reflect the Group's experience adjusted for expected changes during the period under analysis.

Murapol Real Estate S.A.

No impairment of goodwill was identified in relation to the assets of Murapol Real Estate S.A. The assumptions used for the test, i.e. a discount rate of 9.89% and an increase over the residual value period of 0.5%, reflect the Management Board's current assessment of the expected cash flows generated by the cash-generating unit to which the goodwill has been allocated.

Real estate brokerage

In 2024, an impairment test resulted in the recognition of goodwill impairment of PLN 1,434 thousand. The assumptions used for the test, i.e. a discount rate of 9.89% and an increase over the residual value period of 0.5%, reflect the Management Board's current assessment of the expected cash flows generated by the cash-generating unit to which the goodwill has been allocated.

After taking into account the write-down, the goodwill in respect of the real estate brokerage business amounts to PLN 0.

21 Business combinations and acquisitions of non-controlling interests

There were no business combinations within the meaning of IFRS 3 in the reporting period or in the comparative period. Acquisitions of non-controlling interests are described in Note 27.3.

22 Other assets

22.1. Other financial assets (current and non-current)

	31/12/2024	31/12/2023
Loans to employees	10	80
Total	**10**	**80**
- current	-	-
- non-current	10	80

22.2. Other non-financial assets (current and non-current)

	31/12/2024	31/12/2023
Group general liability policy	357	722

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Guarantees, security deposits	-	1,462
Overpaid costs for HR, IT services	159	240
Licences	1,016	788
Other prepayments	206	248
Total	**1,738**	**3,460**
- current	1,301	1,801
- non-current	437	1,659

23 Employee benefits

The Group has long-term incentive bonus schemes for the Company's executives, including the members of the Management Board of Murapol S.A. for the years 2021-2024 and 2024-2028, as described in Note 36.4.1

Other than this, the Group did not maintain any employee share schemes.

24 Inventories

	31/12/2024	31/12/2023
Materials	5,918	3,141
Semi-finished goods and work in progress	1,248,071	1,091, 039
Advances for land	83,775	129,866
Finished goods:	303,762	175,717
Total inventories, at the lower of cost and net realizable value	**1,641, 526**	**1,399, 763**

The item "semi-finished goods and work in progress" reflects the value of the Group's development projects - the construction of apartments with associated commercial premises and parking spaces, comprising the costs of land and capital expenditure incurred by the Group (labour, construction materials and finance costs). For development projects, the Group estimates that the normal operating cycle is approximately 3.5 years.

Finished goods primarily comprise capital expenditure incurred on completed residential and commercial premises, together with their associated share of land and parking spaces.

The value of finished goods at cost as at 31 December 2024 amounted to PLN 323,037 thousand, and as at 31 December 2023: PLN 195,434 thousand.

The value of work in progress at cost amounted to PLN 1,249,990 thousand as at 31 December 2024, and PLN 1,097,873 thousand as at 31 December 2023.

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During the year ended 31 December 2024, the Group reversed a write-down of inventories to net recoverable value of PLN 14 thousand. During the year ended 31 December 2023, the Group recognized a write-down of inventories in the amount of PLN 362 thousand. The write-down included inventories of finished goods and work in progress and resulted from indications that these assets were impaired.

As part of inventories, land comprising a right-of-use asset was recognized. The following movements occurred in this item during the year:

	Year ended 31/12/2024			Year ended 31/12/2023		
	Work in progress	Finished goods	Total	Work in progress	Finished goods	Total
Opening balance as at 1 January	12,675	454	13,129	10,168	448	10,616
Purchases	19,488	-	19,488	3,453	-	3,453
Amortization of the right of use	(235)	(45)	(280)	(177)	(43)	(220)
Transfer between categories	(2,927)	2,927	-	(769)	769	-
Releases to customers	-	(959)	(959)	-	(720)	(720)
Closing balance as at 31 December	**29,001**	**2,377**	**31,378**	**12,675**	**454**	**13,129**

In 2024, in cost of sales the Company recognized costs previously capitalized in inventories of PLN 928,422 thousand (in 2023: PLN 832,551 thousand).

Capitalized borrowing costs amounted to, respectively:

	31/12/2024	31/12/2023
Capitalized borrowing costs (cumulatively))	94,855	77,003

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	Year ended 31/12/2024	Year ended 31/12/2023
Borrowing costs capitalized in inventories	62,703	58,953
Borrowing costs released in cost of sales	(44,850)	(36,953)
Capitalized borrowing costs during the period	17,852	22,000

The capitalization rate in 2024 was 11.7% (in 2023: 13.6%).

25 Trade and other receivables(current and non-current)

	31/12/2024	31/12/2023
Trade receivables	38,039	37,781
Other receivables, including:	48,779	56,907
Statutory settlements	34,668	41,808
Security deposits, guarantees	1,530	-
Security deposits for lease of premises	8	80
Settlements with a shareholder-related entity	11,723	11,723
Receivable	298	2,997
Other	552	299
Total net receivables	**86,818**	**94,688**
Write-downs of receivables	11,570	13,181
Total gross receivables	**98,388**	**107,869**
- current	85,206	94,606
- non-current	1,612	82

Trade receivables are non-interest bearing and usually mature between 14 and 90 days; they relate mainly to the PRS segment.

The change in the item "Statutory settlements" relates to withholding tax paid in connection with the dividend paid in 2023.

In the opinion of the parent company's Management Board the net book value of trade receivables approximates their fair value, due to the current nature of trade receivables and the fact that an expected credit loss has been taken into account.

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Settlements with a shareholder-related entity comprise other receivables from a shareholder-related entity. The Group considers the expected credit loss on these receivables to be immaterial.

The item "receivable" includes a receivable in respect of settlements with a counterparty.

Changes in the write-downs of receivables are as follows:

	Year ended 31/12/2024	Year ended 31/12/2023
As at 1 January	**13,181**	**12,724**
Increases	315	1,718
Decreases	1,926	1,261
As at 31 December	**11,570**	**13,181**
- trade receivables	11,157	13,124
- other	413	57

26 Cash and cash equivalents

	31/12/2024	31/12/2023
Cash at bank and in hand	163,117	183,156
Including restricted cash and cash equivalents	*5,311*	*6,065*

Restricted cash includes cash held in VAT accounts which, in the opinion of the parent company's Management Board, meets the definition of cash and cash equivalents.

27 Equity

27.1. Share capital

27.1.1. Nominal value of shares

	31/12/2024	*31/12/2023*
Number of shares in thousands	40,800	40,800
Nominal value of shares (PLN/share)	0.05	0.05
Carrying amount at the end of the period	**2,040**	**2,040**

All shares issued have a nominal value of PLN 0.05 and have been fully paid up.

27.1.2. Shareholders' rights / Structure of share capital

Structure of share capital as at 31/12/2024:

Series/issue breakdown	Type of shares	Type of restriction of rights to shares	Number of shares (not in thousands)	Value of series/issue at nominal value
Series A1 shares	bearer	ordinary	8,200,000	410
Series A2 shares	bearer	ordinary	2,000,000	100
Series B shares	bearer	ordinary	9,800,000	490
Series C1 shares	bearer	ordinary	16,000,000	800
Series C2 shares	bearer	ordinary	4,000,000	200
Series D shares	bearer	ordinary	800,000	40
Total	**-**	**-**	**40,800,000**	**2,040**

As at the balance sheet date of 31 December 2024, all shareholders have equal rights and there are no preference shares preferred as to voting or dividend. There is one vote per share at the Company's General Meeting.

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

To the Company's knowledge, as at the date of these financial statements, the 2,040,000 shares in the Company owned by Hampont sp. z o.o. have restrictions on the transfer of their ownership rights arising from a lock-up agreement, described in paragraph 17.3 "Lock-up Agreements" 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", while 533,334 of the Company's shares have a restriction on the transfer of their ownership rights resulting from a resolution of the District Court dated 31 August 2020. (ref. No. IX GCo 110/20) to secure the claim prior to the commencement of proceedings.

Structure of share capital as at 31/12/2023:

Series/issue breakdown	***Type of shares***	***Type of restriction of rights to shares***	***Number of shares (not in thousands)***	***Value of series/issue at nominal value***
Series A1 shares	bearer	ordinary	8,200,000	410
Series A2 shares	bearer	ordinary	2,000,000	100
Series B shares	bearer	ordinary	9,800,000	490
Series C1 shares	bearer	ordinary	16,000,000	800
Series C2 shares	bearer	ordinary	4,000,000	200
Series D shares	bearer	ordinary	800,000	40
Total	**-**	**-**	**40,800,000**	**2,040**

In the comparative period ended 31 December 2023, all shareholders have equal rights and there are no shares preferred as to voting or dividend. There is one vote per share at the Company's General Meeting.

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

To the Company's knowledge, as at 31 December 2023, 30,243,939 shares had restrictions on the transfer of their ownership rights arising from a lock-up agreement, described in paragraph 17.3 " Lock-up Agreements" 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", while 533,334 of the Company's shares had a restriction on the transfer of their ownership rights resulting from an order of the District Court dated 31 August 2020. (ref. No. IX GCo 110/20) on securing the claim prior to the commencement of proceedings.

27.1.3. Share issue

No new shares were issued in 2024 and 2023.

27.1.4. Shareholders with significant shareholdings

Shareholders holding more than 5% of votes at the AGM as at 31/12/2024 and as at the date of publication of the financial statements

Full name	*Number of preference shares*	*Number of ordinary shares*	*Number of votes*	*% of votes at the AGM*
AEREF V PL Inwestycje sp. z o.o.*	-	27,760,000	27,760,000	68.04%
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.**	-	2,960,000	2,960,000	7.25%
Hampont sp. z o.o.	-	2,040,000	2,040,000	5.00%
Other	-	8,040,000	8,040,000	19.71%
Total	**-**	**40,800,000**	**40,800,000**	**100%**

* 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 all of its shares in the Company, i.e. 27,760,000 shares and all rights attached to them to AEREF V PL Inwestycje sp. z o.o.

** Shareholdings of Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. are stated in accordance with the notice of 18 December 2023 and include shares held by Nationale-Nederlanden Otwarty Fundusz Emerytalny

Shareholders holding more than 5% of votes at the AGM as at 31/12/2023

Full name	*Number of preference shares*	*Number of ordinary shares*	*Number of votes*	*% of votes at the AGM*
AEREF V PL INVESTMENT S.A.R.L.*	-	27,760,000	27,760,000	68.04%
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.	-	2,960,000	2,960,000	7.25%
Hampont sp. z o.o.	-	2,040,000	2,040,000	5.00%
Other	-	8,040,000	8,040,000	19.71%
Total	**-**	**40,800,000**	**40,800,000**	**100%**

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27.2. Supplementary capital, other reserves, retained earnings/(accumulated losses) and a limitation in the distribution of dividend

The structure of the supplementary capital, other reserves and retained earnings/(accumulated losses) is as follows:

	Supplementary capital	*Other reserves*	*Capital from share-based payment transactions*	*Retained earnings/(accumulated losses)*	*Total reserves and retained earnings/(accumulated losses)*
Aa at 1 January 2024	**213,771**	**112,759**	**6,575**	**2,848**	**335,953**
net profit/(loss) for 2023	-	-	-	219,076	**219,076**
share-based payments*	-	-	2,825	-	**2,825**
purchase of non-controlling interests	-	953	-	-	**952**
dividend	-	(119,952)		(80,376)	**(200,328)**
transfer between capitals	116,750	20,000	-	(136,750)	**-**
As at 31 December 2024	**330,521**	**13,760**	**9,400**	**4,798**	**358,479**
As at 1 January 2023	**452,508**	**11,840**	**4,675**	**(247,721)**	**221,302**
profit/(loss) for 2022	-	-	-	211,832	**211,832**
share-based payments*	-	-	1,900	-	**1,900**
purchase of non-controlling interests	-	919	-	-	**919**
dividend	-	-		(100,000)	**(100,000)**
transfer between capitals	(238,737)	100,000	-	138,737	**-**
As at 31 December 2023	**213,771**	**112,759**	**6,575**	**2,848**	**335,953**

*share-based payments relate to the incentive bonuses described in Note 35.4.1.

The net profit/(loss) for the previous year is presented as a change in the period. If presented in supplementary capital and retained earnings/(accumulated losses) in the opening balance, the total supplementary capital would be PLN 555 029 thousand as at 1 January 2024 and PLN 433,134 thousand as at 1 January 2023.

Supplementary capital was created from profits earned in previous years.

Other reserves comprise capital earmarked for the payment of interim dividend or dividend, taking into account the provisions of the Commercial Companies Code.

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Dividends are paid in accordance with the provisions of the Commercial Companies Code based on the separate financial statements of Murapol S.A. prepared in accordance with IFRS.

In addition, the item "supplementary capital, other reserves and retained earnings/accumulated losses" also includes amounts that are not distributable, i.e. cannot be paid out as dividends; these comprise in particular:

- amounts recognized in connection with the settlement of transactions in non-controlling interests that do not result in a loss of control of the relevant Group company,

Information on dividends paid and proposed to be paid is presented in Note 17.

Information on long-term incentive bonuses is presented in Note 36.4.1.

27.3. Non-controlling interests

	Year ended 31/12/2024	Year ended 31/12/2023
At the beginning of the period	**1,425**	**2,769**
Dividends paid by subsidiaries	-	-
Sale of a company	-	-
Changes in the shareholder structure of subsidiaries	(1,453)	(1,419)
Share in profits/(losses) of subsidiaries	28	75
As at the end of the period	**-**	**1,425**

Details of subsidiaries holding non-controlling interests:

Entity	Percentage of shares and voting rights held by non-controlling shareholders		Profit/loss allocated to non-controlling interests		Accumulated value of non-controlling interests	
	31/12/2024	31/12/2023	2024	2023	31/12/2024	31/12/2023
Cross Bud S.A.	-	3.60%	28	75	-	1,425
Total	-	-	**28**	**75**	**-**	**1,425**

28 Loans, borrowings and bonds payable

	31/12/2024	31/12/2023
Current	**65,191**	**63,398**
Loans	63,855	63,398

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Total interest-bearing loans and borrowings	**63,855**	**63,398**
Bonds	1,336	-
Total bonds	**1,336**	**-**
Long-term	**546,286**	**391,280**
Loans	400,549	391,280
Total interest-bearing loans and borrowings	**400,549**	**391,280**
Bonds	145,737	-
Total bonds	**145,737**	**-**
Total	**611,477**	**454,678**

Loans

On 31 December 2024, the Group was party to a loan agreement entered into in September 2022 with a banking syndicate. The Group was provided with (i) a term loan facility up to a maximum of PLN 500,000 thousand; (ii) a working capital loan not exceeding PLN 50,000 thousand. The loan was fully drawn down. The purpose of the loan was to refinance the Group's existing debt as well as to provide funds for general corporate purposes and working capital. On 21 December 2023, an annex to the loan agreement was concluded, according to which the term of the loans was extended to 30 June 2026. Under the annex, the loan tranche was also increased by a maximum of PLN 71,700 thousand, which reflected the loan repayments made to date in accordance with the schedule. It was fully drawn down on 18 January 2024. The term loan is being repaid in accordance with the adopted repayment schedule, of which EUR 371,910 thousand will be repaid on a one-off basis no later than by 30 June 2026.

The interest rate applicable to each loan for each interest period is an annual interest rate which is the sum of a margin and the WIBOR rate.

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Loan agreements granted to Murapol Group entities as at 31 December 2024:

Bank	Borrower	Maximum loan amount	Current use of loan	Final repayment deadline	Interest rate
PEKAO S.A. / Santander Bank S.A. / Alior Bank S.A.	Murapol S.A.	550,000	550,000	30 June 2026	WIBOR 3M + margin

Main collateral for loans as at 31/12/2024:

Security in the form of mortgages:

1. Joint mortgage up to PLN 825,000,000 as collateral under the loan agreement of 14/09/2022, set up on the properties of the Murapol Group, in favour of the mortgage administrator Bank Polska Kasa Opieki S.A.

Other collateral:

1. agreements for setting up registered pledges and financial pledges over rights to bank accounts concluded between the borrower and each company acceding to the debt as pledgers and Bank Polska Kasa Opieki S.A. as pledgee and administrator of the registered pledge, and Santander Bank Polska S.A. as pledgee;

2. agreements for setting up registered pledges and financial pledges on the shares of Murapol S.A., Murapol Real Estate S.A., Cross Bud S.A. and Partner S.A. concluded between the shareholders as pledgers and Bank Polska Kasa Opieki S.A. as pledgee and administrator of the registered pledge, and Santander Bank Polska S.A. as pledgee;

3. agreements for the establishment of registered pledges and financial pledges over shares in the companies acceding to the debt (which are limited liability companies) concluded between the shareholders as pledgers and Bank Polska Kasa Opieki S.A. as pledgee and administrator of the registered pledge, and Santander Bank Polska S.A as pledgee;

4. agreements for the establishment of registered pledges and financial pledges over the receivables of partners in partnerships acceding to the debt (which are general partnerships - spółka jawna) concluded between the partners as pledgers and Bank Polska Kasa Opieki S.A. as pledgee and administrator of the registered pledge, and Santander Bank Polska S.A. as pledgee;

5. agreement on the establishment of a registered pledge on a set of goods and rights concluded between the borrower as pledgor and Bank Polska Kasa Opieki S.A. as administrator of the registered pledge;

6. agreements for the establishment of registered pledges and financial pledges over the rights protecting trademarks concluded between the borrower as pledgor and Bank Polska Kasa Opieki S.A. as pledgee and administrator of the registered pledge, and Santander Bank Polska S.A as pledgee;

7. subordination and subordinated debt transfer agreement concluded between the borrower and each company acceding to the debt as borrower, the subordinated creditors and Bank Polska Kasa Opieki S.A. as bank;

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8. receivables transfer agreement of 27 September 2022 between Murapol S.A., Murapol Real Estate S.A., Murapol Projekt spółka z ograniczoną odpowiedzialnością 23 sp.j., Murapol Projekt 43 sp. z o.o. and Murapol Projekt 59 sp. z o.o., as assignors and Bank Polska Kasa Opieki S.A. as assignee;

9. declaration by the borrower on submission to enforcement pursuant to Article 777(1)(5) of the Code of Civil Procedure in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

10. declaration by each company acceding to the debt on submission to enforcement pursuant to Article 777(1)(5) of the Code of Civil Procedure in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A., and Alior Bank S.A. as lenders;

11. statements of the shareholders/partners (being at the same time a borrower or a company acceding to the debt) of the companies acceding to the debt on submission to enforcement on the basis of Article 777(1)(5) of the Code of Civil Procedure, in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A., and Alior Bank S.A. as lenders;

12. statements of the of shareholders/partners (not being at the same time a borrower or a company acceding to the debt) on submission to enforcement pursuant to Article 777 (1)(6) of the Code of Civil Procedure made to Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. and Alior Bank S.A. as lenders;

13. agreements for the establishment of financial pledges over rights to bank accounts concluded between the borrower and each company acceding to the debt as pledgers and Alior Bank S.A. as pledgee;

14. agreements for the establishment of financial pledges on the shares of Murapol Real Estate S.A., Cross Bud S.A. and Murapol Venture Partner S.A. concluded between the shareholders as pledgers and Alior Bank S.A. as pledgee;

15. agreements for the establishment of financial pledges on the shares in the companies acceding to the debt (which are limited liability companies) concluded between the shareholders as pledgers and Alior Bank S.A. as pledgee;

16. agreements for the establishment of ordinary pledges on the monetary receivables of the partners in companies acceding to the debt (being general partnerships) concluded between the partners as pledgers and Alior Bank S.A. as pledgee;

17. agreement for the establishment of an ordinary pledge on trademark protection rights concluded between the borrower as pledgor and Alior Bank S.A. as pledgee.

Loan agreements granted to Murapol Group entities as at 31/12/2023:

Bank	Borrower	Maximum loan amount	Current utilization of loan	Final repayment deadline	Interest rate
PEKAO S.A./ Santander Bank S.A.	Murapol S.A.	550,000	478,300	30 June 2026	WIBOR 3M + margin

Main collateral for loans as at 31/12/2023:

Security in the form of mortgages:

1. Joint mortgage up to PLN 825,000,000 as collateral under the loan agreement of 14/09/2022, established on the properties of the Murapol Group, in favour of the mortgage administrator Bank Polska Kasa Opieki S.A.

Other security:

1. agreements for setting up registered pledges and financial pledges over rights to bank accounts concluded between the borrower and each company acceding to the debt as pledgers and Bank Polska Kasa Opieki S.A. as pledgee and administrator of the registered pledge, and Santander Bank Polska S.A. as pledgee;

2. agreements for setting up registered pledges and financial pledges on the shares of Murapol S.A., Murapol Real Estate S.A., Cross Bud S.A. and Partner S.A. concluded between the shareholders as pledgers and Bank Polska Kasa Opieki S.A. as pledgee and administrator of the registered pledge, and Santander Bank Polska S.A. as pledgee;

3. agreements for the establishment of registered pledges and financial pledges over shares in the companies acceding to the debt (which are limited liability companies) concluded between the shareholders as pledgers and Bank Polska Kasa Opieki S.A. as pledgee and administrator of the registered pledge, and Santander Bank Polska S.A as pledgee;

4. agreements for the establishment of registered pledges and financial pledges over the receivables of partners in partnerships acceding to the debt (which are general partnerships - spółka jawna) concluded between the partners as pledgers and Bank Polska Kasa Opieki S.A. as pledgee and administrator of the registered pledge, and Santander Bank Polska S.A. as pledgee;

5. agreement on the establishment of a registered pledge on a set of goods and rights concluded between the borrower as pledgor and Bank Polska Kasa Opieki S.A. as administrator of the registered pledge;

6. agreements for the establishment of registered pledges and financial pledges over the rights protecting trademarks concluded between the borrower as pledgor and Bank Polska Kasa Opieki S.A. as pledgee and administrator of the registered pledge, and Santander Bank Polska S.A as pledgee;

7. subordination and subordinated debt transfer agreement concluded between the borrower and each company acceding to the debt as borrower, the subordinated creditors and Bank Polska Kasa Opieki S.A. as bank;

8. receivables transfer agreement of 27 September 2022 between Murapol S.A., Murapol Real Estate S.A., Murapol Projekt spółka z ograniczoną odpowiedzialnością 23 sp.j., Murapol Projekt

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43 sp. z o.o. and Murapol Projekt 59 sp. z o.o., as assignors and Bank Polska Kasa Opieki S.A. as assignee;

9. statement of Murapol Real Estate S.A., Murapol Projekt 43 sp. z o.o., Murapol Projekt 59 sp. z o.o., Murapol Projekt spółka z ograniczoną odpowiedzialnością 23 sp.j. and Murapol Projekt spółka z ograniczoną odpowiedzialnością Garbarnia sp.j.;

10. declaration by the borrower on submission to enforcement pursuant to Article 777(1)(5) of the Code of Civil Procedure in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

11. declaration by each of the companies acceding to the debt on submission to enforcement pursuant to Article 777(1)(5) of the Code of Civil Procedure in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

12. statements of the shareholders/partners (being at the same time borrowers or companies acceding to the debt) of the companies acceding to the debt on submission to enforcement on the basis of Article 777 (1)(5) of the Code of Civil Procedure, in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

13. declarations of the partners/shareholders (who are not at the same time borrowers or companies acceding to the debt) of the companies acceding to the debt on submission to enforcement pursuant to Article 777 (1) (6) of the Code of Civil Procedure, made in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders.

14. declaration by Murapol Projekt spółka z ograniczoną odpowiedzialnością Garbarnia sp.j. on submission to enforcement (from mortgaged real estate) pursuant to Article 777 (1)(6) of the Code of Civil Procedure, in favour of Bank Polska Kasa Opieki S.A. as the mortgage administrator.

Bonds

On 28 May 2024, Murapol S.A. issued 1,500 1/2024 series unsecured ordinary bearer bonds with a nominal value of PLN 100,000 each and a total nominal value of PLN 150,000,000. The issue price of the bonds is equal to their nominal value. The bonds bear interest at a floating rate of WIBOR 3M plus a margin of 4.00% per annum. The redemption date for the bonds is 28 May 2027.

29 Other financial liabilities

Other financial liabilities comprise mainly bonds measured at PLN 4,319 thousand, On 9 May 2024, the Issuer's subsidiary Murapol Real Estate S.A. disposed of 17.5 % of its shares in each of the four Subsidiaries to EPP N.V. Next, Murapol Real Estate S.A. entered into option agreements with EPP N.V. regarding the shares held by EPP N.V. in the Subsidiaries pursuant to which, under the terms and conditions specified in those agreements, Murapol Real Estate S.A. will have the right to purchase from EPP N.V. all of shares (call option), and EPP N.V. will have the right to sell to Murapol Real Estate S.A. all of its shares (put option)._The Issuer's Management Board anticipates that the options will be settled over a period of three to five years.

30 Derivative financial instruments

	31/12/2024	31/12/2023
Assets	**1,443**	**-**
Non-current hedging derivatives	**763**	**-**
IRS pricing	763	-
Current hedging derivatives	**680**	**-**
IRS pricing	680	-

	31/12/2024	31/12/2023
Liabilities	**1,304**	**7,047**
Non-current derivatives	**-**	**2,952**
IRS pricing	-	2,952
Current hedging derivatives	**1,304**	**4,095**
IRS pricing	1,304	4,095

IRS

In 2022, as part of a loan agreement, the Group entered into an interest rate swap (IRS) contract, so that half of the loan was hedged against changes in interest rates. In 2023, following the drawdown of a subsequent tranche of the loan, the Company entered into an interest rate swap contract to hedge half of the drawdown. In May 2023, the IRS hedge was increased to 75% of the loan exposure. In January 2024, in conjunction with the increase in the loan, the company entered into a new IRS contract so that the collateral represents 75% of the loan exposure.

Security in the form of mortgages:

1. Joint mortgage up to PLN 15,000,000 as security following from the IRS contract, established on the properties of the Murapol Group, in favour of the lender Santander Bank Polska S.A.

2. Joint mortgage up to PLN 24,000,000 as security following from the IRS contract, established on the properties of the Murapol Group, in favour of the lender Santander Bank Polska S.A.

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31 Provisions

31.1. Increase/(decrease) in provisions

	Provisions for guarantee repairs	*Provisions for litigation*	*Other provisions*	*Total*
As at 1 January 2024	**-**	**6,291**	**99**	**6,390**
Set up during the financial year	1,610	372	874	2,856
Utilized	-	-	-	-
Released	-	(361)	(891)	(1,252)
Aa at 31 December 2024	**1,610**	**6,302**	**82**	**7,994**
Current as at 31 December 2024	63	6,302	82	6,447
Non-current as at 31 December 2024	1,547	-	-	1,547

	Provisions for guarantee repairs	*Provisions for litigation*	*Other provisions*	*Total*
As at 1 January 2023	**-**	**6,307**	**87**	**6,394**
Set up during the financial year	-	566	659	**1,225**
Utilized	-	-	-	**-**
Released	-	(582)	(647)	**(1,229)**
As at 31 December 2023	**-**	**6,291**	**99**	**6,390**
Current as at 31 December 2023	-	6,291	99	**6,390**
Non-current as at 31 December 2023	-	-	-	**-**

Provisions for litigation are described in Note 35.2.

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32 Trade and other payables (current and non-current)

32.1. Trade and other payables

	31/12/2024	31/12/2023
Trade payables	117,575	71,959
Other liabilities, including:	10,210	8,221
Statutory settlements	6,620	4,850
Wages and salaries settlements	-	2,753
Performance bonds	30	47
Land purchase	2,922	-
Other	638	571
TOTAL, including:	**127,785**	**80,180**
Non-current	2,953	33
Current	124,832	80,147

The parent company's s Management Board believes that the book value of trade payables approximates their fair value due to their current nature. Trade payables are non-interest bearing and usually have a payment term of between 7 and 90 days.

32.2. Construction performance bonds

	Year ended 31/12/2024	Year ended 31/12/2023
Opening balance as at 1 January	**60,522**	**56,783**
Balance change	6,318	3,739
Closing balance as at 31 December	**66,840**	**60,522**
including:		
Non-current construction performance bonds	22,837	19,414
Current construction performance bonds	44,003	41,108

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33 Reasons for differences between changes of certain items arising from the statement of financial position and from the statement of cash flows

The reasons for the differences between the changes arising from the statement of financial position and from the statement of cash flows are shown in the tables below:

	Year ended 31/12/2024	Year ended 31/12/2023
Change in the balance of inventories in the statement of financial position	(241,763)	(155,904)
Change in the balance due to recognition of the right of use	18,249	2,513
Change in inventories due to capitalization of finance and other costs	17,855	22,031
Change in the balance of inventories in the statement of cash flows	**(205,659)**	**(131,360)**
Change in liabilities excluding borrowings and other financial liabilities in the statement of financial position	54,035	6,501
Adjustment of unpaid liabilities in respect of the acquisition of fixed assets	-	(59)
Adjustment of option liabilities and measurement liabilities	5,394	-
Change in liabilities excluding borrowings and other financial liabilities in the statement of cash flows	**59,429**	**6,442**
Finance costs in the statement of comprehensive income	3,595	3,950
Finance costs from operating activities	(460)	(1,065)
Capitalized finance costs in cost of sales	44,850	36,953
Finance costs in the statement of cash flows	**47,985**	**39,838**

34 Capital expenditure commitments

As at 31 December 2024 (and 31 December 2023) the Group had no contractual commitments for capital expenditure on property, plant and equipment, leases and investment properties. As at 31 December 2024 (and 31 December 2023), the Group had no contractual commitments for capital expenditure on intangible assets.

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35 Contingent liabilities

35.1. Non-financial sureties and guarantees granted

As at 31 December 2024:

Guarantor	Beneficiary	Subject of the guarantee	Up to	From	To
Murapol S.A.	Leier Polska S.A.	Trade payables	2,000	08/10/2020	31/12/2028
Murapol S.A.	Biuro Inwestycji Kapitałowych Sosnowiec 2 Sp. z o.o.	Trade payables	700	13/05/2019	indefinite
Murapol Real Estate S.A.	Research and implementation company "Hydro-Pomp"	Warranty agreement	250	15/12/2020	31/12/2024
Murapol S.A.	Student Depot Łódź 2 Sp. z o.o.	Warranty agreement	6,500	31/05/2021	31/12/2025
Murapol S.A.	Student Depot Łódź 2 Sp. z o.o.	Warranty agreement	1,967	30/11/2021	31/12/2028
Murapol S.A.	Stena Sp. z o.o.	Warranty agreement	32,074	2/11/2021	20/05/2032
Murapol S.A.	Stena Sp. z o.o.	Warranty agreement	141,209	2/11/2021	30/06/2033
Murapol S.A.	Stena Sp. z o.o.	Warranty agreement	48,678	2/11/2021	18/12/2032
Murapol S.A.	Aceno Sp. z o.o.	Warranty agreement	51,406	2/11/2021	22/07/2032
Murapol S.A.	Stena Sp. z o.o. Samaki Sp. z o. o., Soro Ltd, Moeda Sp. z o. o., Bank Pekao S.A.	Guarantee agreement	33,500	28/10/2021	31/12/2027
Cross Bud S.A.	Bruk Bet Sp. z o.o.	Trade payables	400	13/08/2015	indefinite
Murapol S.A.	Santander Bank Polska S.A. Aceno Sp. z o.o.	Guarantee agreement	5,462	3/02/2022	31/12/2032
Murapol S.A.	Santander Bank Polska S.A Life Spot Sp. z o.o.	Guarantee agreement	22,000	7/02/2023	31/12/2033
Murapol S.A.	Bank Pekao S.A.	Guarantee agreement	28,848	23/02/2024	31/12/2034
Murapol S.A.	Life Spot Katowice Graniczna Sp. z o.o.	Warranty agreement	62,591	05/01/2023	22/01/2035
Murapol S.A.	Life Spot Kraków Czerwone Maki Sp. z o.o.	Warranty agreement	93,402	01/02/2023	10/04/2035
Murapol S.A.	Life Spot Kraków Lipska Sp. z o.o.	Warranty agreement	59,690	09/01/2024	12/03/2036
Murapol S.A.	Life Spot Projekt 11 Sp. z o.o.	Warranty agreement	112,521	08/01/2024	31/05/2036
Murapol S.A.	SCG Spółka z ograniczoną odpowiedzialnością Sp. k.	Warranty agreement	21,500	27/06/2023	31/12/2026

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Guarantor	Beneficiary	Subject of the guarantee	Up to	From	To
Murapol S.A.	ING Bank Śląski S.A.	Bank guarantee	4,767	05/10/2023	03/10/2025
Murapol Real Estate S.A.	ING Bank Śląski S.A.	Bank guarantee	4,606	05/10/2023	30/09/2024
Murapol Real Estate S.A.	ING Bank Śląski S.A.	Bank guarantee	2,264	20/05/2024	30/09/2025
Murapol S.A.	EPP RETAIL - POWERPARK TYCHY Sp. z o.o. with its registered office in Warsaw	Warranty agreement	30,996	9/05/2024	09/05/2039
Murapol S.A.	EPP RETAIL - M1 POZNAŃ Sp. z o.o. with its registered office in Warsaw	Warranty agreement	90,479	9/05/2024	09/05/2039
Murapol S.A.	EPP RETAIL - M1 CZĘSTOCHOWA Sp. z o.o. with its registered office in Warsaw	Warranty agreement	12,989	09/05/2024	09/05/2039
Murapol S.A.	EPP RETAIL - POWERPARK KIELCE Sp. z o.o. with its registered office in Warsaw	Warranty agreement	21,992	09/05/2024	09/05/2039
Murapol S.A.	EPP N.V.	Warranty agreement	6,207	09/05/2024	07/01/2028
Murapol S.A.	EPP N.V.	Warranty agreement	3,448	09/05/2024	07/01/2029
Murapol S.A.	EPP N.V.	Warranty agreement	862	09/05/2024	07/01/2029
Murapol S.A.	EPP N.V.	Warranty agreement	86	9/05/2024	7/01/2028
Murapol S.A.	Twarda S.A R.L.	Warranty agreement	119,575	21/11/2024	11/07/2037
Murapol S.A.	Śląska S.A R.L.	Warranty agreement	142,509	21/11/2024	18/11/2037

As at 31 December 2023:

Guarantor	Beneficiary	Subject of the guarantee	Up to	From	To
Murapol S.A.	Biuro Inwestycji Kapitałowych Sosnowiec 2 Sp. z o.o.	Trade payables	700	13/05/2019	indefinite
Murapol S.A.	Leier Polska S.A.	Trade payables	2,000	8/10/2020	31/12/2023
Murapol S.A.	Zakład Górniczo-Hutniczy "Bolesław" SA.	Trade payables	703	19/07/2019	31/08/2024
Murapol S.A.	Sopockie Towarzystwo Ubezpieczeń ERGO HESTIA S.A.	Trade payables	650	28/05/2019	24/09/2024
Murapol Real Estate S.A.	Research and implementation company "Hydro-Pomp"	Warranty agreement	250	15/12/2020	31/12/2024
Murapol S.A.	Student Depot Łódź 2 Sp. z o.o.	Warranty agreement	6,500	31/05/2021	31/12/2025
Murapol S.A.	Student Depot Łódź 2 Sp. z o.o.	Warranty agreement	1,967	30/11/2021	31/12/2028

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Guarantor	Beneficiary	Subject of the guarantee	Up to	From	To
Murapol S.A.	Stena Sp. z o.o.	Warranty agreement	32,074	02/11/2021	20/05/2032
Murapol S.A.	Stena Sp. z o.o.	Warranty agreement	141,209	02/11/2021	30/06/2033
Murapol S.A.	Stena Sp. z o.o.	Warranty agreement	48,678	02/11/2021	18/12/2032
Murapol S.A.	Aceno Sp. z o.o.	Warranty agreement	51,406	02/11/2021	22/07/2032
Murapol S.A.	Stena Sp. z o.o. Samaki Sp. z o. o., Soro Ltd, Moeda Sp. z o. o., Bank Pekao S.A.	Guarantee agreement	33,500	28/10/2021	31/12/2027
Cross Bud S.A.	Bruk Bet Sp. z o.o.	Trade payables	400	13/08/2015	indefinite
Murapol S.A.	mBank S.A.	Bill of exchange warranty	10,000	19/05/2021	30/06/2026
Murapol S.A.	Santander Bank Polska S.A Aceno Sp. z o.o.	Guarantee agreement	5,462	3/02/2022	31/12/2032
Murapol S.A.	Santander Bank Polska S.A Life Spot Sp. z o.o.	Guarantee agreement	22,000	07/02/2023	31/12/2033
Murapol S.A.	Life Spot Katowice Graniczna Sp. z o.o.	Warranty agreement	62,591	5/01/2023	22/01/2035
Murapol S.A.	Life Spot Kraków Czerwone Maki Sp. z o.o.	Warranty agreement	93,402	01/02/2023	10/04/2035
Murapol S.A.	SCG Spółka z ograniczoną odpowiedzialnością Sp. k.	Warranty agreement	21,500	27/06/2023	31/12/2026
Murapol S.A.	ING Bank Śląski S.A.	Bank guarantee	2,421	05/10/2023	05/10/2024
Murapol Real Estate S.A.	ING Bank Śląski S.A.	Bank guarantee	4,606	5/10/2023	02/12/2024
Murapol Real Estate S.A.	ING Bank Śląski S.A.	Bank guarantee	273	05/10/2023	01/04/2024

Guarantees provided by the Group to secure bank loans are detailed in Note 28 to these consolidated financial statements. These guarantees are given internally within the Group.

35.2. Litigation

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As at 31 December 2024, the total value of proceedings pending before the courts relating to the Group's potential liabilities was approximately PLN 24.9 million. These disputes mainly concern claims for damages from customers and claims for payment from subcontractors. Provisions totalling approximately PLN 6.3 million were set up in respect of claims that the Group considered to be valid. The provisions set up relate to many cases, the five largest of which amount to a total of PLN 4.6 million.

As at 31 December 2023, the total value of proceedings pending before the courts relating to the Group's potential liabilities was approximately PLN 23.8 million. These disputes mainly concern claims for damages from customers and claims for payment from subcontractors. Provisions totalling approximately PLN 6.3 million were set up in respect of claims that the Group considered to be valid. The provisions set up relate to many cases, the five largest of which amount to a total of PLN 4.6 million.

Provisions for litigation are made when the estimated risk of losing a case and awarding an amount to the plaintiff exceeds 50% (losing the case is likely). For disputes for which the Company has not set aside a provision, the probability of losing was estimated to be less than 50%. The unit value of these disputes is negligible.

The value of contingent liabilities relating to court cases not covered by the provision as at 31 December 2024 amounts to PLN 18.6 million.

The value of contingent liabilities relating to court cases not covered by the provision as at 31 December 2023 amounts to PLN 17.5 million.

As at 31 December 2024, the total value of disputed receivables in respect of which proceedings are pending before the courts amounted to approximately PLN 17.1 million, of which approximately PLN 11.6 million is covered by an impairment write-down.

As at 31 December 2023, the total value of disputed receivables pending before the courts was approximately PLN 15.9 million, of which approximately PLN 13.1 million is covered by an impairment write-down.

35.3. Administrative proceedings

On 30 April 2019, the Office of the Polish Financial Supervision Authority initiated administrative proceedings to impose a monetary penalty on Murapol S.A. on the basis of Article 97 (1) (5) of the Public Offering Act and on the basis of Article 97 (1a) (2) or (1b) of the Public Offering Act in connection with a suspected breach of Article 69 in connection with Article 87 (1) (3) (a) and Article 73 (2) in connection with Article 87 (1) (3) (a) of the Public Offering Act of 29 July 2005 (Journal of Laws of 2019, item 623) in connection with transactions on shares of Skarbiec Holding S.A. in 2017-2018. Sanction proceedings conducted by the PFSA against Murapol S.A. on account of a suspected administrative tort, consisting of Murapol S.A.'s use of the so-called parking of shares in Skarbiec Holding S.A. with third parties. On 20 August 2019, the Polish Financial Supervision Authority imposed two fines on Murapol S.A. In the total amount of EUR 10,400 thousand, for which provisions were set up in 2019.

A penalty of PLN 9,900 thousand was imposed for what in the opinion of the Polish Financial Supervision Authority was a breach of the obligation to announce the so-called follow-up call to subscribe for the sale or exchange of shares, which took place in 2017, in a number resulting in reaching 66% of the total number of votes in Skarbiec Holding S.A. in connection with exceeding by Murapol S.A. together with Venture Fundusz Inwestycyjny Zamknięty managed by Trigon TFI S.A. (now Lartiq TFI S.A.) 33% of the total number of votes in Skarbiec Holding S.A. or failure to dispose, within that period, of a number of Skarbiec Holding S.A. shares to ensure that no more than 33% of the total number of votes is held in the company (within 3 months of exceeding 33% of the total number of votes).

A penalty of PLN 500 thousand was imposed for what in the opinion of the Polish Financial Supervision Authority were four violations of notification obligations concerning significant blocks of shares in Skarbiec Holding S.A. in connection with "share parking" in the period 2017-2018.

On 10 September 2019, an application for reconsideration of the decision regarding Murapol S.A.'s violation of the Public Offering Act was submitted to the Polish Financial Supervision Authority. In its application, Murapol S.A. presented its position on the incorrectness of the aforementioned decision and its reliance on an incorrect interpretation of the provisions of the Public Offering Act regarding the so-called share parking. The Company also raised numerous allegations of violations of the rules of procedure by the PFSA S.A., adoption of numerous factual presumptions to the detriment of Murapol S.A., obtaining some of the evidence outside the course of the administrative proceedings without ensuring the Company the right to actively participate in these evidentiary proceedings, and dismissing almost all of Murapol S.A.'s motions for evidence concerning issues of fundamental importance to the case. Murapol S.A. also drew attention to the PFSA's violation of the principles of proportionality in determining the penalty, as well as the incorrect application of the premises conditioning its amount.

On 26 February 2021, the Polish Financial Supervision Authority revoked the decision of 20 August 2019 in its entirety. At the same time, the Commission imposed a fine on Murapol S.A. in the total amount of EUR 9,137 thousand in relation to the issues described above, which was paid in March 2021.

The Company's Management Board, upholding the allegations formulated in the application for reconsideration of the PFSA's decision described above, filed a complaint against the PFSA's decision with the Provincial Administrative Court in Warsaw in April 2021. The complaint was dismissed by the Regional Administrative Court in June 2021. On 26 August 2021, the Company filed a cassation appeal with the Supreme Administrative Court against the decision of the Provincial Administrative Court dismissing the complaint. As at 31 December 2024, the entire fine had been paid and therefore the Group had no contingent liability related to the above matter.

Since 2021, the President of the Office of Competition and Consumer Protection has conducted a total of three preliminary investigations to determine whether there have been any infringements justifying the initiation of proceedings for recognizing the provisions of a template contract as prohibited or proceedings concerning practices infringing the collective interests of consumers (which included market research into the use of so-called indexation clauses by developers).

No preliminary investigations are in progress against any entity, but they could result in the initiation of one of the aforementioned proceedings against the entity whose activities the preliminary investigation concerned.

In addition, the President of the Office of Competition and Consumer Protection, in the course of activities undertaken as part of his statutory competences involving collecting information and data on market activities of entrepreneurs in relation to consumers, addressed questions to the Company in matters relating to competition and consumer protection cases, without initiating proceedings in February 2021.

With regard to most of the aforementioned proceedings, to the Company's knowledge, no further formal steps are being taken by the President of the Office of Competition and Consumer Protection (OCCP).

On 18 April 2023. The President of the Office of Competition and Consumer Protection initiated proceedings to declare the provisions of the template contract as prohibited (ref. DOZIK-1.611.3.2023.PL) in relation to the application of certain contractual provisions by Murapol S.A. The last letter to the President of the OCCP was sent on 13 February 2025. To date, no further information has been received in communication with the OCCP regarding the further course of action.

If, in the case of initiation of proceedings for declaring the provisions of the template contract prohibited or proceedings for practices infringing the collective interests of consumers as a result of an inquiry, the President of the Office of Competition and Consumer Protection finds that an entity, even unintentionally, used practices infringing the collective interests of consumers or prohibited provisions of a template contract in connection with consumer trading, then the President of the Office of Competition and Consumer Protection may, respectively, issue a decision declaring such practice unlawful and ordering it to be discontinued, if at the moment of issuing the decision the practice in question has not been discontinued, or declare the provisions of the template contract to be prohibited and prohibit its use. If a practice is deemed to infringe the collective interests of consumers or the provisions of the template contract are deemed to be unauthorized, the President of the Office of Competition and Consumer Protection may also: (i) specify measures to remedy the ongoing effects of the infringement; and (ii) impose a fine on the entity of up to 10% of the turnover achieved by the entity in the financial year preceding the year in which the fine is imposed. In addition, the President of the Office of Competition and Consumer Protection may also impose a fine of up to PLN 2,000,000 on a manager if that person, in the exercise of his or her function at the time of the established infringement, intentionally permitted such an infringement by his or her action or omission. However, if an entity, prior to the issuance of a decision determining an infringement, undertakes to take or abandon certain actions aimed at ending the alleged infringement or removing the effects of that infringement, instead of issuing a decision determining an infringement, the President of the Office of Competition and Consumer

Protection may issue a decision obliging that entity to fulfil those obligations (in such a case, the President of the Office of Competition and Consumer Protection does not impose a penalty).

The Group did not recognize a provision for the above proceedings as the Group's estimate of the probability of a penalty being imposed by the President of the Office of Competition and Consumer Protection is less than 50% and represents a contingent liability. Due to the current stage of the proceedings, as mentioned above, the Group is unable to estimate the amount of this contingent liability.

On 22 April 2024, the Company was served a notice of authorization to carry out a customs and tax inspection with regard to the correctness and reliability in fulfilling its obligations as a payer of flat-rate corporate income tax on payments of dues listed in Article 22(1) of the Corporate Income Tax Act for the period from 01/01/2022 to 31/12/2022. The fact-finding activities of the inspection authorities are currently under way and the Company is fulfilling all its obligations under the inspection procedure. The Company has an insurance policy covering the risk of its liability to pay withholding tax (WHT) resulting from a potential failure by the Polish tax authority to take into account a domestic exemption or an exemption resulting from a double taxation treaty applicable to the dividends paid.

35.4. Tax settlements

Tax settlements and other regulated areas of activity are subject to scrutiny by administrative authorities, which have the power to impose penalties or sanctions.

Due to the dynamically changing legal system, there can be differences of opinion as to the legal interpretation of tax laws both within state bodies and between state bodies and enterprises, creating areas of uncertainty and conflict.

Tax settlements can be subject to inspection for a period of the last five years starting from the end of the year in which the tax was paid. In the Management Board's opinion, the Group's tax settlements are made correctly.

In 2022, Group paid dividend as described in Note 17. Based on legal and tax analyses and documentation in its possession, the Company is of the opinion that this payment was not subject to withholding tax.

36 Information about related parties

36.1. The parent company of Murapol S.A.

The direct parent company of Murapol S.A. is AEREF V PL S.A.R.L., which holds 68.04% of votes at the AGM and of shares in the share capital.

36.2. The ultimate parent company

The ultimate parent company is Ares Partners HoldCo LLC.

36.3. Transactions with related entities

All transactions with related parties of the Murapol S.A. Group within the meaning of IAS 24 were concluded on an arm's length basis.

36.4. Remuneration of the Group's senior executives

36.4.1. Remuneration paid or payable to members of the Management Board and members of the Group's Supervisory Board

	Year ended 31/12/2024	*Year ended 31/12/2023*
Management Board		
Short-term employee benefits from Murapol S.A.	3,758	4,731
Short-term employee benefits from other Group companies	4,485	4,557
Incentive bonuses	2,825	1,900
Supervisory Board		
Short-term employee benefits from Murapol S.A.	487	366
Short-term employee benefits from other Group companies	-	-
	11,555	**11,554**

On 17 November 2021, a long-term incentive bonus scheme was concluded by and between certain Management Board members of Murapol S.A. and AEREF V PL Investment S.a.r.l. and AEREF V PL Master S.a.r.l. (i.e. the entity directly controlling AEREF V PL Investment S.a.r.l). The amount of the bonus depends on the return on investment in the Group for AEREF V PL Investment S.a.r.l. and AEREF V PL Master S.a.r.l. (i.e. the entity directly controlling AEREF V PL Investment S.a.r.l.) (hereinafter jointly referred to as "AEREF V PL"). The bonus will be paid in cash by AEREF V PL, in an amount determined separately for each participant as a percentage

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of the net inflows of AEREF V PL from its investment in Murapol S.A. exceeding the 10% threshold. Bonus entitlements vest over the period ending 31 December 2024; if the management contracts are terminated before this date, participants lose their bonus entitlement (so-called service-related vesting condition).

In the Group's view, the amount of the bonus is effectively linked to the value of the Company's equity instruments and therefore the bonus represents a share-based payment. As the bonus is accounted for by AEREF V PL, i.e. the parent company of the Company, it is recognized as equity-settled and the corresponding increase in equity is recognized as a contribution from the parent company to the Company.

The vesting date, i.e. the date on which the share-based payment agreement is entered into, is 17 November 2021; however, participants in the scheme were informed that they would be covered by the scheme and were made aware of the key terms of the scheme as early as April 2020 - therefore this date has been adopted as the start of the vesting period in which the cost of the scheme is recognized.

The fair value of the scheme as at the vesting date was PLN 9 million and was based on the expected rate of return on the investment.

By 31 December 2024, the cumulative cost of the scheme to the Group amounts to PLN 9 million and was recognized in correspondence with "Supplementary capital, other reserves and retained earnings/(accumulated losses)".

On 31 October 2024, the Company entered into the following management incentive agreements with the members of the Management Board and selected members of senior management as part of the Company's long-term management incentive scheme for the period 2024-2028, which was approved by the Supervisory Board in a resolution dated 1 October 2024 after consultation with the Remuneration and Nomination Committee of the Supervisory Board in which the detailed terms and conditions of the scheme were specified. Under this incentive scheme, the entitled persons will be entitled to subscribe for shares in the Company, for which a resolution of the Company's General Meeting will be required, failing which the entitlement to subscribe for shares will be converted into a cash equivalent.

Bonus entitlements vest by 31 December 2028; if the management contracts are terminated before this date, participants lose their bonus entitlement (so-called service-related vesting condition).

In the Group's view, the bonus is effectively linked to the value of the Company's equity instruments and therefore it represents a share-based payment transaction. The company recognizes this transaction as equity-settled.

The fair value of the scheme as at the date of granting was PLN 8.1 million and was based on the expected rate of return on the capital expenditure project; members of the Management Board are entitled to a share of PLN 6.6 million.

By 31 December 2024, the cost of the Group's scheme incrementally amounts to PLN 325 thousand, of which PLN 266 thousand is allocated to the members of the Management Board of the Company. The cost was recognized in correspondence with "Supplementary capital, other reserves and retained earnings/(accumulated losses)".

36.5. Other transactions with related entities

	Year ended 31/12/2024	Year ended 31/12/2023
purchase of services by:		
Murapol S.A. from:		
- companies, partnerships and individuals related to shareholders	8,582	9,043
Group companies from:		
- companies, partnerships and individuals related to shareholders	934	867
sales of finished goods, materials and services by:		
Murapol S.A. to:		
- companies, partnerships and individuals related to shareholders	-	-
Group companies to:		
- companies, partnerships and individuals related to shareholders	146,310	187,079
interest on a borrowing granted by:		
Murapol S.A. from:		
- companies, partnerships and individuals related to shareholders	-	-
Group companies to:		
interest on the borrowing granted by:		
Murapol S.A. from:		
- companies, partnerships and individuals related to shareholders	-	-
Group companies to:		
- companies, partnerships and individuals related to shareholders	-	-
Total	**155,826**	**196,989**

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	31/12/2024	31/12/2023
Receivables from related entities:	**36,078**	**46,450**
Trade receivables	***24,289***	***34,687***
Murapol S.A. from		
- companies, partnerships and individuals related to shareholders	-	-
Group companies to:		
- companies, partnerships and individuals related to shareholders	24,289	34,687
Receivables in respect of borrowings	**-**	**-**
Murapol S.A. from		
- companies, partnerships and individuals related to shareholders	**-**	**-**
Group companies to:		
- companies, partnerships and individuals related to shareholders	**-**	**-**
Other receivables	***11,789***	***11,763***
Murapol S.A. from		
- companies, partnerships and individuals related to shareholders	*11,785*	*11,761*
Group companies to:		
- companies, partnerships and individuals related to shareholders	4	2
Liabilities to related entities:	**26,926**	**10,412**
Lease liabilities	***2,762***	***2,798***
Murapol S.A. to:		
- companies, partnerships and individuals related to shareholders	2,622	2,661
Group companies to:		
- companies, partnerships and individuals related to shareholders	140	137
Other liabilities	**-**	***1***
Murapol S.A. to:		
- companies, partnerships and individuals related to shareholders	-	1
Liabilities from contracts with customers	***24,164***	***7,613***
Group companies to:		
- companies, partnerships and individuals related to shareholders	24,164	7,613

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37 Information about the fee of the independent registered auditor or audit company authorized to audit the financial statements

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 31/12/2024***	***Year ended 31/12/2023***
Statutory audit of separate and consolidated annual financial statements	460	530
Other services	334**	1,145*
	794	**1,675**

*Refers to assurance services performed mainly for the 2023 IPO

** Refers to other assurance services

The fees do not include the costs of audit services for the financial statements of Group companies by auditors other than Ernst & Young Audyt Polska sp. z o.o. sp.k.

38 Financial risk management objectives and policies

The main financial instruments used by the Group include bank loans, leases, which are described in Note 28, and cash and short-term deposits. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group also has other financial instruments, such as trade receivables and payables, which arise directly in the course of its business.

The Group's policy currently and throughout the period covered by these financial statements is not to trade in financial instruments.

The main risks arising from the Group's financial instruments include interest rate risk, liquidity risk, currency risk and credit risk. The Management Board of Murapol S.A. reviews and agrees policies for managing each of these risks - these policies are briefly discussed below. The Group also monitors market price risk relating to all financial instruments it holds. The Group's accounting policy for derivatives is discussed in Note 8.10.

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38.1. Interest rate risk

The Group's exposure to risk caused by changes in interest rates relates primarily to non-current financial liabilities.

The Group manages its interest expense by using both fixed-rate and variable-rate liabilities.

The table below shows the sensitivity of the profit (loss) before tax to reasonable potential changes in interest rates, assuming that other factors remain unchanged (with respect to variable interest rate bearing liabilities). No impact on the Group's equity or total comprehensive income is shown.

	Increase/decrease by percentage points	Impact on profit or loss before tax
Year ended 31 December 2024		
PLN	+ 5%	(30,639)
PLN	- 5%	30,639
Year ended 31 December 2023		
PLN	+ 5%	(23,086)
PLN	- 5%	23,086

In 2022, as part of a loan agreement, the Group entered into an interest rate swap (IRS) contract, so that half of the loan was hedged against changes in interest rates. In 2023, following the drawdown of a subsequent tranche of the loan, the Company entered into an interest rate swap contract to hedge half of the drawdown. In May 2023, IRS hedge was increased to 75% of the loan exposure. In January 2024, in conjunction with the increase in the loan, the company entered into a new IRS contract so that the collateral represents 75% of the loan exposure.

The following table shows the carrying amount of the Group's financial instruments exposed to interest rate risk, broken down by age category.

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31 December 2024

Variable interest rate

	< 1 year	1– 2 years	2-3 years	3-4 years	> 4 years	Total
Cash at bank in individual escrow accounts	155,742	-	-	-	-	155,742
Cash and cash equivalents	163,117	-	-	-	-	163,117
IRS contracts (assets)	680	763	-	-	-	1,443
Bank loans	63,855	400,549	-	-	-	464,404
Bonds	1,336	-	145,737	-	-	147,072
IRS contract (liabilities)	1,304	-	-	-	-	1,304

31 December 2023

Variable interest rate

	< 1 year	1– 2 years	2-3 years	3-4 years	> 4 years	Total
Cash at bank in individual escrow accounts	65,012	-	-	-	-	65,012
Cash and cash equivalents	183,156	-	-	-	-	183,156
Bank loans	63,398	63,909	327,371	-	-	454,678
IRS contract (liabilities)	4,095	2,952	-	-	-	7,047

Loans granted bear a fixed interest rate.

38.2. Currency risk

The Group has no significant financial instruments in foreign currencies. Consequently, exposure to currency risk is limited.

38.3. Credit risk

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The main financial assets held by the Group are: cash in bank accounts, trade and other receivables, which expose the Group to the maximum credit risk in connection with its financial assets. The Group only transacts in the PRS segment with reputable companies with good creditworthiness, and in the property development segment with individual customers. Receivables in the Group's core business (property development segment) are realized in accordance with the Act on the Protection of the Rights of the Buyers of Residential Units or Single-Family Houses (advance payments into residential escrow accounts). All customers who wish to use trade credit are subject to initial verification procedures. In addition, the Group's exposure to the risk of uncollectible receivables is negligible thanks to the ongoing monitoring of receivable balances.

In respect of the Group's other financial assets, such as cash and cash equivalents and borrowings granted, the Group's credit risk arises from the inability of the other contracting party to pay, and the maximum exposure to this risk is equal to the carrying amount of these instruments.

The table below shows the items that make up the credit risk exposure:

	Year ended 31/12/2024	***Year ended 31/12/2023***
Borrowings granted	10	80
Trade receivables	38,039	37,781
Other receivables*	14,111	15,099
Cash at bank in individual escrow accounts	155,742	65,012
Cash at bank and in hand	163,117	183,156
Total	**371,019**	**301,128**

* Other receivables include receivables from AEREF V PL Investment S.a.r.l. in respect of the refund of interim dividend.

The Group's main credit risk relates primarily to trade receivables. The amounts presented in the balance sheet are net of allowances for expected credit losses estimated by the Group's management based on past experience and an assessment of the current economic situation, pursuant to the accounting policies described in Note 8.9.

With respect to other financial assets, the Group measures the allowance for expected credit losses at an amount equal to 12 months of expected credit losses. Financial assets are grouped on the basis of their nature (categories), the length of time they have been overdue (where possible) and then impairment allowance amounts are estimated collectively for each group. The assumptions used in the model are based on historical data taking into account information available to the Group that may affect future credit losses. If the credit risk associated with a financial instrument has increased significantly since initial recognition, the Group measures the allowance for expected credit losses on the financial instrument at an amount equal to the lifetime expected credit losses.

The concentration of credit risk in the Group is relatively low, due to the distribution of credit exposure over a large number of customers.

The table below shows the ageing structure of trade receivables:

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Range	*Year ended 31/12/2024*	*Year ended 31/12/2023*
Not overdue	34,806	34,186
overdue up to 30	2,041	3,218
overdue 31-60	1,192	6
overdue 61-90	-	51
overdue 91-180	-	320
overdue from 181	-	-
	38,039	**37,781**

Credit risk relating to cash is limited as the Group's counterparties are banks with high credit ratings from international rating agencies.

The table below shows the assumptions adopted in the impairment model for trade receivables as at 31 December 2024 and 31 December 2023:

	Counterparty probability of default (PD)	Credit exposure that will be lost in the event of counterparty insolvency (LGD)
Not overdue	0.05-2.60%	75%-100%
overdue up to 30	1.01-7.99%	75%-100%
overdue 31-60	6.66-34.47%	75%-100%
overdue 61-90	14.68-50.82%	75%-100%
overdue 91-180	27.52,-61.00%	75%-100%
overdue from 181*	100.00%	75%-100%

*) Except for counterparties for which the Group has made an individual assessment of expected credit losses, taking into account the collateral held.

38.4. Liquidity risk

The Group monitors the risk of a lack of funds using a periodic liquidity planning tool. This tool takes into account the maturities of both investments and financial assets (e.g. receivables, other financial assets) and projected cash flows from operating activities and potential dividend payments.

The Group's aim is to maintain a balance between continuity and flexibility of funding, by using a variety of funding sources, such as overdrafts, bank loans and lease contracts.

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The balance of overdue trade payables as at 31 December 2024 and 31 December 2023 was immaterial, and related mainly to purchases of materials from suppliers, energy providers and subcontractors, and the amounts were promptly paid upon confirmation of the outstanding payables balance and completion of missing documentation. There were no overdue balances for the other classes of financial liabilities.

As at the balance sheet date of 31 December 2024, the Group had utilized the entire credit limit.

The tables below show the Group's financial liabilities as at 31 December 2024 and 31 December 2023 by maturity date based on contractual undiscounted payments.

31 December 2024	Carrying amount	Past due	Less than 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
Interest-bearing bank loans, borrowings and bonds	611,477	-	31,325	92,108	595,820	-	719,253
Derivatives	1,304	-	326	978	-	-	1,304
Other financial liabilities	4,401	-	-	-	4,401	-	4,401
Leases	50,469	-	1,627	4,898	21,433	128,384	156,342
Trade payables and other liabilities	117,575	757	103,879	12,922	17	-	117,575
Security deposits	66,840	-	30,760	13,316	24,830	**-**	68,906
Total	**852,066**	**757**	**167,917**	**124,222**	**646,501**	**128,384**	**1,067, 781**

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31 December 2023	Carrying amount	Past payment deadline	Less than 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	*454,678*	-	28,762	85,975	490,452	-	605,189
Derivatives	*7,047*	-	1,024	3,072	2,952	-	7,047
Leases	*30,075*	-	1,215	3,489	15,200	69,730	89,634
Trade payables	*71,959*	1,362	73,122	241	34	-	74,759
Security deposits	*60,522*	-	27,088	14,050	20,092	-	61,230
Total	***627,711***	**1,362**	**131,211**	**106,827**	**528,730**	**69,730**	**837,859**

39 Financial instruments

39.1. Fair values of individual classes of financial instruments

The table below compares the carrying amounts and fair values of all the Group's financial instruments, by class and category of assets and liabilities:

Financial assets	*Category according to IFRS 9*	***Carrying amount***		***Fair value***	
		31/12/2024	***31/12/2023***	***31/12/2024***	***31/12/2023***
Borrowings granted (non-current and current)	*AFWwZK*	10	80	10	80
Derivatives	*IPPdO*	1,443	-	1,443	-
Trade receivables	*AFWwZK*	38,039	37,781	38,039	37,781
Other current and non-current receivables	*AFWwZK*	14,111	16,561	14,111	16,561
Construction performance bonds	*AFWwZK*	80	24	80	24
Balance of individual escrow accounts	*AFWwZK*	155,742	65,012	155,742	65,012
Cash and cash equivalents	*AFWwZK*	163,117	183,156	163,117	183,156
Total		**372,542**	**302,614**	**372,542**	**302,614**

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Financial liabilities	Category according to IFRS 9	Carrying amount		Fair value	
		31/12/2024	31/12/2023	31/12/2024	31/12/2023
Lease liabilities	ZFWwZK	50,469	30,705	50,469	30,705
Loans, borrowings and bonds payable	ZFWwZK	611,477	454,678	611,477	454,678
Derivatives	IPPdO	1,304	7,047	1,304	7,047
Other financial liabilities	ZFWwZK	4,401	-	4,401	-
Trade payables	ZFWwZK	117,575	71,959	117,575	71,959
Other liabilities	ZFWwZK	30	3,338	30	3,338
Construction performance bonds	ZFWwZK	66,840	60,522	66,840	60,522
Total	-	**852,096**	**628,249**	**852,096**	**628,249**

AFWwWGWF – financial assets measured at fair value through profit or loss

AFWWZK-Financial assets measured at amortized cost

ZFWwZK- Financial liabilities measured at amortized cost

The fair value of financial assets and liabilities is stated at the amount for which the instrument could be exchanged in a current transaction between interested parties, except for a forced or liquidation sale.

The following methods and assumptions were used in estimating fair value:

- cash and current deposits, the balance of individual escrow accounts, trade receivables, other receivables, trade payables and other current liabilities show fair values close to their carrying amounts, mainly due to the short maturities of these instruments;
- The fair value of interest-bearing debt instruments (including lease liabilities, bank loans and borrowings) and borrowings granted approximates their carrying amount mainly due to the fact that interest rates and margins on these instruments are at market levels.

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39.2. Items of income, expenses, gains and losses recognized in the statement of comprehensive income by category of financial instruments

Year ended 31 December 2024	*Cost of sales*	*Finance income*	*Finance costs*	*Gain/loss on impairment of trade and other receivables*
Financial liabilities measured at amortized cost	(44,850)	2,169	(3,200)	-
Financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial assets measured at amortized cost	-	8,842	-	423
Financial assets measured at fair value through profit or loss	-	1,045	-	-
Total	**(44,850)**	**12,056**	**(3,200)**	**423**

Year ended 31 December 2023	*Cost of sales*	*Finance income*	*Finance costs*	*Gain/loss on impairment of trade and other receivables*
Financial liabilities measured at amortized cost	(36,953)	-	(1,810)	-
Financial liabilities measured at fair value through profit or loss	-	-	(904)	-
Financial assets measured at amortized cost	-	11,755	-	(916)
Total	**(36,953)**	**11,755**	**(2,714)**	**(916)**

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39.3. Changes in liabilities arising from financing activities

Year ended 31 December 2024	1 January	Changes resulting from cash flows from financing activities	New lease contracts	Measurement at amortized cost	Other	31 December
Loans, borrowings and bonds payable	454,678	87,860	-	63,862	5,077*	611,477
Derivative financial instruments	7,047	-	-	(5,743)	-	1,304
Lease liabilities	30,705	(6,597)	23,480	2,880	-	50,468
Changes in liabilities resulting from financing activities	**492,430**	**81,263**	**23,480**	**60,999**	**5,077**	**663,249**

*relates to commission on loan granted and bond issue costs

Year ended 31 December 2023	1 January	Changes resulting from cash flows from financing activities	New lease contracts	Measurement at amortized cost	Other	31 December
Loans, borrowings and bonds payable	412,172	(10,310)	-	49,829	2,987*	454,678
Derivative financial instruments	-	-	-		7,047	7,047
Lease liabilities	13,701	(5,685)	21,862	827	-	30,705
Changes in liabilities resulting from financing activities	**425,873**	**(15,995)**	**21,862**	**50,656**	**10,034**	**492,430**

*applies to loan origination commissions

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39.4. Hedges

The Company entered into an interest rate swap contract, so that 75% of the loan exposure is hedged against changes in interest rates. The value of the hedging instrument is presented in Note 30.

40 Capital management

The main objective of the Group's capital management is to maintain a good credit rating and safe capital ratios to support the Group's operations and enhance shareholder value.

The Group manages and changes its capital structure in response to changes in economic conditions. In order to maintain or adjust the capital structure, shareholders may decide to pay dividends, return capital or issue additional shares.

The Group analyses many ratios, including the following debt ratios:

- Net debt / EBITDA,

- Net debt / equity.

The values of the aforementioned ratios as at 31 December 2024 and 31 December 2023 are within the ranges required by the Group's funding agreements. EBITDA is defined as operating profit (loss) plus depreciation, amortization and capitalized finance costs included in cost of sales.

41 Non-current assets classified as held for sale

The Group has not classified non-current assets as held for sale in the reporting period or in the comparative periods.

42 Employment structure

The Group's average number of employees for the year ended 31 December 2024 and 31 December 2023 was as follows:

	Year ended 31/12/2024	Year ended 31/12/2023
Management Board of the parent company	3	3
Employees	556	484
Total	**559**	**487**

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43 Impact of the macroeconomic conditions, the armed conflict in Ukraine and climate issues on the financial statements

Due to the ongoing armed conflict in Ukraine and the sanctions imposed in connection with this conflict, various types of tension are being identified in both the domestic and global economies, including disruptions to the supply of materials and the provision of services by subcontractors, which may, among other things, be the result of reduced availability of workers in the construction sector. The above risks did not have a material impact on the Group's operations.

During the reporting period, NBP interest rates remained at a high level, which had a direct impact on limiting the availability of mortgages and the resulting changes in customer behaviour, which resulted, among other things, in declines in the sale of apartments on the Polish market, increases in the cost of funding operations, inhibiting supply and reducing the number of commenced construction projects. Up to the date of approval of these consolidated financial statements, the Management Board has not identified any significant negative impact of the current market conditions on the Group's operations. These risks do not have a material impact on the measurement and presentation issues in these consolidated financial statements.

The parent company's Management Board monitors the impact of the factors described in the paragraphs above and other potential negative economic factors on the Group's business and results on an ongoing basis. In particular, current market conditions relating to apartment prices, costs required to complete construction projects and finance costs capitalized in the value of inventories are accounted for in the analysis of the value of inventories and estimation of their net selling price. Details of inventory write-down are shown in Note 25.

The Group has no capital expenditure projects in Ukraine, Russia or Belarus, nor does it have any other assets located in countries of armed conflict.

The Group is noticing increasing interest from investors, financial institutions, regulators and other users of financial statements in climate-related issues and their potential impact on the financial position and performance of companies.

The Group is exposed to climate risk, including:

- physical risks (e.g. risks arising from more frequent/more severe weather events that may affect the work schedule of ongoing development projects);
- risks associated with the economic transition to a less polluting and low carbon economy, including the closed loop economy and decarbonization processes;
- legal risks associated with the need to adapt to changing sustainability legislation in the environmental, social and governance fields.

These risks have not materialized to an extent that could have a significant impact on the financial data presented in these consolidated financial statements. In the Group's view, the above risks, in particular those related to the economic transition and regulatory risks, are likely to have an impact on the Group's business in the medium and long term. The Group will take appropriate measures to adapt to the changing environment. However, currently the changes do not translate into issues of realizability of assets or measurement of liabilities presented in these consolidated financial statements. Inventories comprise assets of significant value, both those in completed development projects and those in progress, where at the moment no climatic events have occurred that would require to be taken into account in the measurement of inventories. With respect to financial liabilities as at the date of this document and other balance sheet dates, there were no climate-related clauses or climate commitments in these contracts.

Moreover, climate-related issues do not pose a threat to the Group's ability to continue as a going concern in the 12 months following the date of approval of the consolidated financial statements for publication by the Management Board.

44 Post balance sheet events

On 11 February 2024, a subsidiary of the Issuer was served with a statement of claim for an obligation to make a declaration of intent to purchase a property located in Warsaw for a total net price of PLN 66.7 million (increased by indexation in the part relating to the amount of PLN 63.7 million) and payment of the price, together with an adjudication of PLN 53.8 million with interest as specified in the statement of claim, as (predominantly) compensation for lost profits. At the same time, in the event that the court does not grant the above claims of the Claimant, the Claimant requests to be awarded PLN 191.6 million, together with interest as specified in the Statement of Claim from the Respondent as (for the most part) compensation for lost profits. The Issuer's Management Board assesses the lawsuit in its entirety as unfounded.

Signatures

Signature of the person preparing the consolidated financial statements

Grzegorz Ryguła Director of Reporting	Signature

Signatures of 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

Bielsko-Biała, 28 March 2024

MURAPOL

Bielsko-Biała, 28 March 2024