

Interim Condensed Financial Statements of Murapol S.A.

for the six-month period ended 30 June 2024

Prepared in accordance with International Financial
Reporting Standards as endorsed by the EU



Murapol
Portovo

Gdańsk

Table of contents

Interim condensed statement of comprehensive income	4
Interim condensed statement of financial position	5
Interim condensed statement of cash flows	7
Interim condensed statement of changes in equity	9
Additional explanatory notes	10
1 General information	10
2 The Company's investments.....	11
3 Basis for the preparation of the interim condensed financial statements.....	14
4 Significant accounting policies	14
5 Changes in estimates and corrections of errors	14
6 Seasonality of activities	15
7 Revenue from contracts with customers	15
7.1 Revenue by category	15
7.2 Assets and liabilities from contracts with customers.....	16
7.3 Performance obligations	16
8 Information on business segments	16
9 Dividends paid and proposed to be paid.....	16
10 Other operating income and expenses	16
11 Finance income and costs	17
12 Income tax.....	18
12.1 Tax charges	18
12.2 Reconciliation of the effective tax rate	18
12.3 Deferred income tax.....	19
13 Property, plant and equipment	20
14 Investments in subsidiaries accounted for using the equity method.	20
15 Inventories.....	22
16 Other non-financial assets	22
17 Trade, dividend and other receivables (current and non-current)	23
18 Equity - shareholders with significant shareholdings.....	24
19 Provisions	24
20 Interest-bearing loans, borrowings and other financial liabilities.....	25
21 Derivative financial instruments	29
22 Trade payables, other liabilities and accruals (current and non-current)	31
23 Other significant changes.....	31
23.1 Litigation and administrative proceedings.....	31
23.2 Capital commitments and non-financial sureties and guarantees granted.....	32
23.3 Capital expenditure obligations	33
23.4 Capital management.....	33
23.5 Cash and cash equivalents.....	33
24 Financial risk management objectives and policies	33
24.1 Interest rate risk.....	33
24.2 Liquidity risk	35

24.3 Credit risk.....	36
25 Financial instruments.....	37
26 Transactions with related entities	39
26.1 Remuneration paid or payable to the members of the Management Board and the members of the Supervisory Board of the Group	40
27 Post balance sheet events	41
Signatures.....	42

Interim condensed statement of comprehensive income

	Note	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Continuing operations					
Sales revenue	7.1	26,775	12,097	25,395	13,399
Sales revenue	7.1	26,775	12,097	25,395	13,399
Cost of sales		(20,575)	(9,212)	(19,981)	(10,305)
Gross profit/(loss) on sales		6,200	2,885	5,414	3,094
Other operating income	10	1,414	12	1,044	856
General and administrative expenses		(1,250)	(625)	(850)	(83)
Gain/loss on impairment of trade and other receivables		(455)	(262)	48	48
Other operating expenses	10	(62)	110	(1,197)	15
Measurement of shares using the equity method	14	124,343	51,299	167,690	53,778
Operating profit/(loss)		130,190	53,419	172,149	57,708
Finance income	11	10,843	6,006	3,882	1,929
Finance costs	11	(38,906)	(18,082)	(34,881)	(17,462)
Profit/(Loss) before tax		102,127	41,343	141,150	42,175
Income tax	12	(93)	(370)	4,094	2,046
Net profit/(loss) on continuing operations		102,034	40,973	145,244	44,221
Discontinued operations					
Net profit/(loss) on discontinued operations		-	-	-	-
Net profit/(loss) for the year		102,034	40,973	145,244	44,221
Other net comprehensive income		-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD		102,034	40,973	145,244	44,221
Net profit/(loss) per share (in PLN per share)					
- Basic and diluted from profit for the year		2.50	1.00	3.57	1.08

Interim condensed statement of financial position

	Note	30 June 2024 (unaudited)	31 December 2023
ASSETS			
Non-current assets		1,169,643	1,178,401
Intangible assets		1,953	1,942
Property, plant and equipment	13	15,349	14,506
Investments in subsidiaries accounted for under the equity method		1,092,546	1,101,897
Other financial assets		26,395	28,449
Long-term derivatives	21	568	-
Other non-financial assets	16	1,273	1,192
Deferred income tax assets	12.3	31,559	30,415
Current assets		268,480	58,005
Inventories	15	989	989
Trade receivables	17	39,447	21,493
Income tax receivables		-	1,611
Dividend and other receivables	17	105,439	30,911
Short-term derivatives	21	344	-
Other non-financial assets	16	2,342	1,532
Cash and cash equivalents	23.5	119,919	1,469
TOTAL ASSETS		1,438,123	1,236,406
EQUITY AND LIABILITIES			
Equity		583,444	560,536
Share capital	18	2,040	2,040
Retained earnings/(Accumulated losses)		479,370	341,370
Net profit/(loss) for the year		102,034	217,126
Non-current liabilities		763,307	573,982
Loans, borrowings and bonds	20	746,777	555,088
Other financial liabilities	20	4,309	-
Long-term derivatives	21	-	2,952
Other non-current liabilities		-	4,609
Lease liabilities		12,221	11,333
Current liabilities		91,372	101,888
Trade payables	22	4,960	17,098
Loans, borrowings and bonds	20	63,294	66,491
Other financial liabilities	20	3,713	1,467
Short-term derivatives	21	3,078	4,096

Lease liabilities		2,543	2,466
Income tax liabilities		5,225	-
Other non-financial liabilities	22	679	2,809
Provisions	19	4,443	4,438
Provision for losses in entities accounted for under the equity method		3,277	2,856
Accruals and deferred income	22	160	167
Total liabilities		854,679	675,870
EQUITY AND LIABILITIES		1,438,123	1,236,406

Interim condensed statement of cash flows

	Note	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Cash flows from operating activities					
Profit/(Loss) before tax		102,127	41,343	141,150	42,175
Adjusted for:		(123,738)	(50,334)	(165,420)	(53,905)
Amortization and depreciation		1,584	802	1,467	654
(Increase)/Decrease in receivables		(18,296)	(11,627)	(18,203)	(6,650)
(Increase)/Decrease in inventories		-	-	(7)	(7)
(Increase)/Decrease in other assets		(890)	(133)	(1,236)	(900)
Increase /(Decrease) in liabilities except for loans and borrowings and other financial liabilities		(12,667)	(2,264)	(5,771)	(3,247)
Incentive bonus costs		1,250	625	850	425
Finance income		(10,159)	(5,561)	(1,392)	(1,087)
Finance costs		38,906	18,083	34,881	17,416
Share in profits of entities accounted for under the equity method		(124,343)	(51,299)	(167,690)	(53,778)
Loss on impairment of trade and other receivables		455	262	(48)	(48)
Change in prepayments and accruals		(7)	(1)	-	-
Increase/(Decrease) in provisions		5	-	(509)	-
Income tax paid		444	721	(7,923)	(7,245)
Other		(20)	58	161	562
Net cash from operating activities		(21,611)	(8,991)	(24,270)	(11,730)
Cash flows from investing activities					
Sale of property, plant and equipment and intangible assets		59	59	155	155
Acquisition of property, plant and equipment and intangible assets		(189)	(80)	(359)	(345)
Acquisition of shares		(300)	-	-	-
Dividends received		64,611	64,611	81,575	81,575

Interest received		504	-	-	-
Repayment of loans granted		2,296	-	-	-
Loans granted		-	-	(34,858)	(34,858)
Net cash from investing activities		66,981	64,590	46,513	46,527
Cash flows from financing activities					
Cash inflows from loans / borrowings taken out		71,670	-	110,500	-
Repayment of lease liabilities		(1,749)	(1,059)	(1,496)	(795)
Cash inflows from issue of bonds		150,000	150,000	-	-
Repayment of loans/borrowings		(32,380)	(16,190)	(53,779)	(26,288)
Dividends paid		(80,376)	(80,376)	(100,000)	(100,000)
Interest and bank commissions		(34,085)	(17,129)	(34,619)	(16,673)
Net cash from financing activities		73,080	35,246	(79,394)	(143,756)
Net increase/(decrease) in cash and cash equivalents		118,450	90,845	(57,151)	(108,959)
Cash and cash equivalents as at the beginning of the period	23.5	1,469	29,074	60,997	112,805
Cash and cash equivalents at the end of the period	23.5	119,919	119,919	3,846	3,846

Interim condensed statement of changes in equity

	Note	Share capital	Retained earnings / (Accumulated losses)	Net profit/(loss) for the year	Total equity
As at 1 January 2024		2,040	558,496	-	560,536
Net profit/(loss) for the period		-	-	102,034	102,034
Other net comprehensive income for the year		-	-	-	-
Comprehensive income for the period		-	-	102,034	102,034
Share-based payments	26.1	-	1,250	-	1,250
Dividends	9	-	(80,376)	-	(80,376)
As at 30 June 2024 (unaudited)		2,040	479,370	102,034	583,444

	Note	Share capital	Retained earnings / (Accumulated losses)	Net profit/(loss) for the year	Total equity
As at 1 January 2023		2,040	439,470	-	441,510
Net profit/(loss) for the period		-	-	145,244	145,244
Other net comprehensive income for the year		-	-	-	-
Comprehensive income for the period		-	-	145,244	145,244
Share-based payments	26.1	-	850	-	850
Dividends	9	-	(100,000)	-	(100,000)
As at 30 June 2023 (unaudited)		2,040	340,320	145,244	487,604

Additional explanatory notes

1 General information

The interim condensed financial statements of Murapol S.A. cover the period of 6 months of 2024 ended 30 June 2024 and include comparative data for the period of 6 months of 2023 ended 30 June 2023 and as at 31 December 2023. The financial statements also include data for the 3 months ended 30 June 2024 and the 3 months ended 30 June 2023 in respect of the statement of comprehensive income and the statement of cash flows.

The financial statements for the six-month period ended 2024 were reviewed by the registered auditor. The review report is published together with these financial statements.

Murapol S.A. ("the Company", "the Entity") was established by a Notarial Deed dated 5 January 2001.

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

The Company is the ultimate parent company of the Murapol S.A. Group ("the Group").

The shares of Murapol S.A. are listed on the Warsaw Stock Exchange with the ISIN code PLMURPL00190.

The duration of the Company is unlimited.

The Company's core activities comprise:

- holding activities involving the supervision over the Group companies;
- managing the process of preparing development projects and carrying out work related to investments carried out by the Group companies.

The composition of the Company's Management Board as at 30 June 2024 is as follows:

- 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 in the composition of the Management Board by the date of publication of these financial statements.

The composition of the Company's Supervisory Board as at 30 June 2024 is 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.

During the reporting period, there were changes in the composition of the Supervisory Board. On 30 April 2024, the above-mentioned persons and a new member of the Supervisory Board, Ms. Aniela Hejnowska, were appointed for a joint three-year term.

2 The Company's investments

The Company has investments in the following subsidiaries:

Entity	Registered office	Group's percentage share in capital (held directly and indirectly)		Scope of activities
		30 June 2024	31 December 2023	
Murapol S.A.	Poland	n/a	n/a	Holding and financial activities
Murapol Real Estate S.A. [1] [2] [3]	Poland	100.00%	100.00%	Holding activities, development activities and sale of premises in its own name
Cross Bud S.A. [2]	Poland	100.00%	96.40%	Wholesale of building materials
Murapol Projekt 59 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of premises in its own name
MyMurapol sp. z o.o.	Poland	100.00%	100.00%	Marketing activities related to the sale of apartments built by Group companies
Locomotive Management Ltd	Cyprus	100.00%	100.00%	Holding activities
Media Deweloper.pl sp. z o.o.	Poland	100.00%	100.00%	Marketing services
MFM Capital 2 sp. z o.o.	Poland	100.00%	100.00%	Holding 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%	Design activities, land acquisition for Group companies
Murapol Centrum Usług Wspólnych sp. z o.o.	Poland	100.00%	100.00%	Accounting and administrative services
Murapol Garbarnia sp. z o.o. sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name

Entity	Registered office	Group's percentage share in capital (held directly and indirectly)		Scope of activities
		30 June 2024	31 December 2023	
Murapol Invest sp. z o.o. GDA S.K.A.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Nowe Winogrody sp. z o.o. 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 26 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 34 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 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
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. & S-ka 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
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.	Poland	100.00%	100.00%	Holding activities

Entity	Registered office	Group's percentage share in capital (held directly and indirectly)		Scope of activities
		30 June 2024	31 December 2023	
Polski Deweloperski FIZ	Poland	100.00%	100.00%	Closed-end Investment Fund
TP III Capital sp. z o.o.	Poland	100.00%	100.00%	Holding activities
Otla 12 sp. z o.o.	Poland	n/a	100.00%	Development activities and sale of apartments in its own name
Projekt Kielce Radomska sp. z o.o. [1] [3]	Poland	82.50%	-	Development activities and sale of apartments in its own name
Projekt Poznań Szwajcarska 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
Projekt Częstochowa Kisielewskiego sp. z o.o. [1] [3]	Poland	82.50%	-	Development activities and sale of apartments in its own name

As at 30 June 2024 and as at 31 December 2023, the share of total voting rights held by the Company in the investments is equal to the Company's share in the capital of these entities.

During the six-month period ended 30 June 2024, there were the following changes in the composition of the Group:

[1] On 20 March 2024, a subsidiary Murapol Real Estate S.A. established the following companies based on an agreement: Projekt Częstochowa Kisielewskiego sp. z o.o., Projekt Kielce Radomska sp. z o.o., Projekt Poznań Szwajcarska sp. z o.o., and Projekt Tychy Bielska sp. z o.o.

[2] On 25 April 2024, a subsidiary 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 was PLN 500 thousand.

[3] On 9 May 2024, a subsidiary Murapol Real Estate S.A. sold 17.5% of the shares in each of the following companies: Projekt Częstochowa Kisielewskiego sp. z o.o., Projekt Kielce Radomska sp. z o.o., Projekt Poznań Szwajcarska sp. z o.o., and Projekt Tychy Bielska sp. z o.o. to EPP N.V. for the total price of PLN 5 thousand. On 9 May 2024, a subsidiary Murapol Real Estate S.A. entered into a repurchase option agreement with EPP N.V. with respect to the above-mentioned shares, for a total amount of PLN 12,296 thousand.

3 Basis for the preparation of the interim condensed financial statements

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the European Union ("IAS 34").

These interim condensed financial statements are presented in Polish zlotys ("PLN"), and all amounts are given in thousands of PLN, unless otherwise indicated.

These interim condensed financial statements were approved for publication on 25 September 2024.

In the opinion of the Company's Management Board, as at the date of preparation of these interim condensed financial statements, there are no material uncertainties relating to events or circumstances that might cast doubt on the Company's ability to continue as a going concern in the foreseeable future, i.e. for at least one year from the balance sheet date.

4 Significant accounting policies

The accounting policies applied in the preparation of the interim condensed financial statements are consistent with those applied in the preparation of the Company's financial statements for the year ended 3 December 2023.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of Murapol S.A. for the year ended 31 December 2023, which were published on 3 April 2024.

New or amended standards and interpretations that apply for the first time in 2024 have no material effect on the Company's interim condensed financial statements.

5 Changes in estimates and corrections of errors

The main accounting estimates are presented in the relevant notes to the interim condensed financial statements:

- estimates and assumptions for allowances for receivables are presented in Note 17;
- estimates for provisions and accruals are presented in Note 19;
- estimates for the deferred tax asset/provisions are presented in Note 12;

- estimates for the valuation of management options are presented in Note 26.1;
- estimates for investments in subsidiaries accounted for using the equity method and provisions for losses accounted for using the equity method are presented in Note 14;
- estimates for the valuation of derivatives are presented in Note 21;
- asset impairment estimates are presented in the financial statements for 2023.

A detailed description of the assumptions made in each area of estimation is presented in the financial statements for 2023. During the six-month period ended 30 June 2024, there were no significant changes in assumptions and estimates compared to 2023.

Apart from the changes described above, there were no other changes in estimates during the reporting period.

There were no corrections of errors in the reporting period.

6 Seasonality of activities

The Company's activities are not seasonal.

7 Revenue from contracts with customers

7.1 Revenue by category

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

	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Type of goods or services:				
Revenue from sales of services	26,775	12,097	25,395	13,399
Total revenue from contracts with customers	26,775	12,097	25,395	13,399
Date of transfer of goods or services: over time	26,775	12,097	25,395	13,399
Total revenue from contracts with customers	26,775	12,097	25,395	13,399

All revenue from contracts with customers is earned in Poland.

7.2 Assets and liabilities from contracts with customers

The Company did not recognize any assets or liabilities from contracts with customers.

7.3 Performance obligations

Revenue from sales of management services

The Company's obligations to provide management services are fulfilled during the term of the contract. The nature and cyclicity of the services provided mean that the client simultaneously receives and benefits from them. The Company determines revenue from the provision of management services on a monthly basis to the extent that it is entitled to receive payment for the services provided. Payment terms for services provided are usually 90 days.

8 Information on business segments

The Company does not separate any operating segments.

9 Dividends paid and proposed to be paid

On 30 April 2024, the General Shareholders' Meeting adopted Resolution No. 7 on the distribution of the net profit for 2023 and the allocation of PLN 80,376 thousand (PLN 1.97 per share) to the payment of a dividend to the Company's shareholders. The dividend was paid on 8 May 2024.

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

10 Other operating income and expenses

	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Other operating income				
Provisions	-	-	-	
Rental	-	-	798	610
Income from sale of fixed assets	23	1	-	
Other	1,391*	11	246	246
Total other operating income	1,414	12	1,044	856

	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Other operating expenses				
Provisions	4	-	-	
Litigation costs	51	48	150	44
Damages	7	-	-	
Costs of scrapping fixed assets			99	(3)
Other	-	(158)	948*	(56)
Total other operating expenses	62	(110)	1,197	(15)

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

11 Finance income and costs

	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Finance income				
Bank interest	685	447	2,275	841
Interest on borrowings	687	342	1,388	1,086
Interest on receivables and other interest	-	-	215	-
Measurement of sureties and guarantees granted*	730	(141)	-	-
Measurement of derivatives	4,881	1,498	-	-
Measurement of loan modifications**	3,806	3,806	-	-
Foreign exchange gains	44	44	-	-
Other finance income	10	10	4	2
Total finance income	10,843	6,006	3,882	1,929

* Guarantees and sureties are presented in Notes 20 and 23.2.

** In the first half of 2024, based on concluded annexes to loan agreements extending the repayment deadlines, the Company measured the impact of this modification on the result for the period.

	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Finance costs				
Interest and commission on loans and borrowings	33,287	16,592	33,289	16,745

Interest on bonds	1,477	1,477	-	-
Interest on liabilities	1	-	2	(43)
Interest on leases	514	263	465	461
Valuation of borrowings and other financial instruments*	3,581	(232)	1,006	264
Foreign exchange differences	-	(26)	18	(19)
Other finance costs	46	8	101	54
Total finance costs	38,906	18,082	34,881	17,462

* the item mainly contains the valuation of a loan.

12 Income tax

12.1 Tax charges

	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Statement of comprehensive income				
Current income tax	(1,236)	(86)	(937)	(871)
Deferred income tax	1,143	(284)	5,031	2,917
Tax charge shown in profit	(93)	(370)	4,094	2,046
Other comprehensive income	-	-	-	-
Tax benefit/charge recognized in other comprehensive income	-	-	-	-

12.2 Reconciliation of the effective tax rate

The reconciliation of income tax on the profit (loss) before tax at the statutory tax rate to income tax calculated at the effective tax rate is as follows:

	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Profit/(loss) before tax	102,127	41,343	141,150	42,175
Tax at the statutory tax rate applicable in Poland (19%)	19,404	7,855	26,819	8,013
Permanently non-deductible costs	431	251	478	304
Permanently non-taxable income	(9)	(8)	(3)	-

	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Share in profits of entities accounted for under the equity method	(23,625)	(9,747)	(31,861)	(10,218)
Adjustments as part of the Tax Group*	4,026	2,143	-	-
Other (including prior year adjustments)	(134)	(124)	473	(145)
Tax at an effective tax rate of 0.6% (2023: 2.9%)	93	370	(4,094)	(2,046)
Income tax (charge) recognized in the profit or loss	93	370	(4,094)	(2,046)

* In the tax year of 2024, Murapol S.A., together with its subsidiary Murapol Real Estate S.A., accounts for the income tax charge as part of the Tax Group. The tax expense of PLN 4,026 thousand mainly relates to the utilization, in a joint tax settlement, of the deferred tax asset on the limit on debt financing costs.

12.3 Deferred income tax

Deferred tax shown in the statement of financial position as:

	30 June 2024 (unaudited)	31 December 2023
Deferred income tax assets	34,552	35,165
Deferred income tax provisions	(2,993)	(4,750)
	31,559	30,415

During the six-month period ended 30 June 2024, the main changes to the deferred income tax asset were as follows: the deferred tax asset on the measurement of financial instruments (guarantees, IRS) was reduced, whereas the deferred tax asset on unpaid interest on borrowings received was increased.

The decrease in the deferred tax provision is mainly due to a decrease in the provision for temporary differences resulting from the different timing of the recognition of estimated income from the provision of services in the financial statements and for tax purposes.

13 Property, plant and equipment

Purchase and sale

During the six-month period ended 30 June 2024, the Company acquired property, plant and equipment with a value of PLN 1,908 thousand. During the six-month period ended 30 June 2023, the Company acquired property, plant and equipment with a value of PLN 14,158 thousand and recognized a right-of-use asset (a lease) of an office in Bielsko-Biała with a value of PLN 13,839 thousand.

During the three-month period ended 30 June 2024, the Company acquired property, plant and equipment with a value of PLN 1,886 thousand. During the three-month period ended 30 June 2023, the Company acquired property, plant and equipment with a value of PLN 3,868 thousand and recognized a right-of-use asset (a lease) of an office in Bielsko-Biała with a value of PLN 3,855 thousand.

During the six-month period ended 30 June 2024, the Company sold/scrapped property, plant and equipment with a gross value of PLN 1,908 thousand and with a gross value of PLN 5,714 thousand in the comparative period ended 30 June 2023, including a right-of-use asset of PLN 5,389 thousand.

During the three-month period ended 30 June 2024, the Company sold/scrapped property, plant and equipment with a gross value of PLN 1,649 thousand and with a gross value of PLN 883 thousand during the three-month period ended 30 June 2023, including a right-of-use asset of PLN 170 thousand.

Impairment allowances

During the period ended 30 June 2024 and in the comparative period ended 30 June 2023, the Company did not recognize any impairment allowances for fixed assets.

14 Investments in subsidiaries accounted for using the equity method

<i>Investments in subsidiaries</i>	<i>Measurement under the equity method as at 30 June 2024 (unaudited)</i>	<i>Measurement under the equity method as at 31 December 2023</i>
Locomotive Management Limited	249,277	244,262
Polski Deweloperski FIZ	367,396	359,739
Murapol Real Estate S.A.	373,444	352,514
Murapol Projekt Sp. z o.o. Deweloper Sp. J.	61	64
Murapol Garbarnia Sp. z o.o. Sp. J.	68	68

<i>Investments in subsidiaries</i>	<i>Measurement under the equity method as at 30 June 2024 (unaudited)</i>	<i>Measurement under the equity method as at 31 December 2023</i>
Murapol Invest Sp. z o.o. GDA S.K.A.	6,114	6,009
Murapol Projekt 59 sp. z o.o.	34,185	33,376
Murapol Nowe Winogrody Sp. z o.o. Sp. J.	91	91
Murapol Projekt Sp. z o.o. 3 Sp. J.	152	147
Murapol Projekt Sp. z o.o. 12 Sp. J.	93	92
Murapol Projekt 26 Sp. z o.o.	1,354	9,774
Murapol Projekt 27 Sp. z o.o.	1	1
Murapol Projekt 34 Sp. z o.o.	849	4,099
Murapol Projekt 35 Sp. z o.o.	91	624
Murapol Projekt 37 Sp. z o.o.	2,444	1,888
Murapol Projekt 39 Sp. z o.o.	3,331	4,784
Murapol Projekt 42 Sp. z o.o.	831	807
Murapol Projekt 43 Sp. z o.o.	3,215	30,339
Murapol Projekt 45 Sp. z o.o.	20,574	25,007
Murapol Projekt Sp. z o.o. Sp. J.	7,086	7,147
Media Deweloper.pl sp. z o.o.	(886)	(855)
Murapol Projekt Sp. z o.o.	(2,391)	(2,001)
MFM Capital 2 Sp. z o.o.	12,546	12,036
MFM Capital 3 Sp. z o.o.	117	114
MFM Capital 4 Sp. z o.o.	117	114
MFM Capital 5 Sp. z o.o.	117	114
MFM Capital 6 Sp. z o.o.	116	114
Murapol Nowy Złocień 23 Sp. z o.o.	8,876	8,573
Total - investments in entities accounted for under the equity method	1,092 546	1,101 897
Total – provision for losses in entities accounted for under the equity method	(3,277)	(2,856)

For companies for which the valuation as at the balance sheet date is negative, the Company has, in accordance with IAS 28, recognized a liability to cover losses to the extent that the Company believes it has a constructive obligation to cover those losses.

The statement of comprehensive income for the three-month period ended 30 June 2024 presents an amount of PLN 124,343 thousand, PLN 51,299 thousand for the tree-month period ended 30 June 2024 (in the comparative period of six months ended 30 June 2023, the amount presented was PLN 167,690 thousand, in the tree-month period ended 30 June 2023, the amount presented was PLN 53,778 thousand) for the measurement of shares held in subsidiaries using the equity method.

Changes in assets in the balance sheet: Investments in subsidiaries accounted for using the equity method for the six-month period ended 30 June 2024 comprise the above valuation less dividends received of **PLN** 134,114.

The Company has not identified any indications of impairment of its investments in subsidiaries.

15 Inventories

	30 June 2024 (unaudited)	31 December 2023
Goods for resale (at cost of purchase)	155	155
Finished goods:		
- at cost of manufacture	2,266	2,266
- at net realizable value	834	834
Total inventories at the lower of the cost of purchase (manufacture) and the net realizable value	989	989

During the six-month period ended 30 June 2024 and the comparative period ended 30 June 2023, the Company did not increase the inventory allowances.

16 Other non-financial assets

	30 June 2024 (unaudited)	31 December 2023
Policies, insurance	347	502
Overpaid costs for HR, IT services	152	193
Guarantees, security deposits	1,141	1,051
Licences	1,783	831
Overpaid sponsorship costs	-	7
Other prepayments and accruals	192	140
Total	3,615	2,724
current	2,342	1,532
non-current	1,273	1,192

17 Trade, dividend and other receivables (current and non-current)

	30 June 2024 (unaudited)	31 December 2023
Trade receivables	39,447	21,493
Dividend and other receivables, including:	105,439	30,911
Public law settlements	18,628	18,628
Security deposits for lease of premises	2	69
Settlements with shareholders	11,651	11,685
Settlements with companies in the Group	514	521
Dividends receivable	69,504	-
Receivables related to the tax group	5,139	-
Other	1	8
Total net receivables	144,886	52,404
Write-downs of receivables	1,197	810
Total gross receivables	146,083	53,214
- current	146,083	53,214
- non-current	-	-

Trade receivables are non-interest bearing and are normally due within 14 to 90 days.

Public law settlements relate to withholding tax in relation to the dividend paid in 2023.

The Company's Management Board believes that 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.

The settlements with shareholders represent the remaining receivables from the shareholders which have been deferred until 31 December 2024 based on an agreement (with a subsequent annex) between the shareholders and the Company.

Changes in the allowance for impairment of receivables are as follows:

	30 June 2024 (unaudited)	30 June 2023 (unaudited)
As at 1 January	810	828
Increases	413	874
Decreases	(26)	(42)
As at 30 June	1,197	1,660

18 Equity - shareholders with significant shareholdings

As at 30 June 2024, the shareholding structure is as follows:

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%

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

During the six-month period ended 30 June 2024, there was a change in the ownership structure. 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.

19 Provisions

During the six-month period ended 30 June 2024, provisions increased by PLN 5 thousand to PLN 4,443 thousand (in the comparative period ended 30 June 2023, provisions of PLN 509 thousand were released and the balance amounted to PLN 4,242 thousand). The item mainly includes provisions for litigation.

During the three-month period ended 30 June 2024, the balance of provisions did not change (no change in the balance of provisions in the comparative period ended 30 June 2023).

20 Interest-bearing loans, borrowings and other financial liabilities

	30 June 2024 (unaudited)	31 December 2023
Current	67,007	67,959
Loans	61,958	63,398
Borrowings	-	3,093
Bonds	1,336	-
Total loans, borrowings and bonds payable	63,294	66,491
Measurement of sureties, collateral, and guarantees granted	738	1,468
Other financial instruments	2,975	-
Total other financial liabilities	3,713	1,468
Long-term	751,086	555,088
Loans	434,344	391,451
Loans and borrowings	167,426	163,637
Bonds	145,007	-
Total loans, borrowings and bonds payable	746,777	555,088
Other financial instruments	4,309	-
Total other financial liabilities	4,309	-
Total	818,093	623,047

Loans

On 30 June 2024, the Company was a party to a loan agreement entered into in September 2022 with a banking syndicate. The Company was provided with (i) a term loan facility of 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 Company's existing debt as well as to finance general corporate purposes and to finance working capital. On 21 December 2023, an annex to the loan agreement was concluded, according to which the repayment deadline for 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 disbursed on 18 January 2024. The term loan is being repaid in accordance with the adopted repayment schedule, of which PLN 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 the margin and the WIBOR rate.

Loan agreements granted as at 30 June 2024:

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

Main collateral for loans as at 30 June 2024:

Security in the form of mortgages:

1. Joint mortgage of up to PLN 825,000,000 as collateral under the loan agreement of 14 September 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 the establishment of registered pledges and financial pledges on rights to bank accounts, concluded by and between the borrower and each company acceding to the debt as pledgors, and Bank Polska Kasa Opieki S.A. as a pledgee and administrator of the registered pledge and Santander Bank Polska S.A. as a pledgee;

2. Agreements for the establishment of registered pledges and financial pledges on the shares of Murapol Real Estate S.A., Cross Bud S.A. and Murapol Venture Partner S.A., concluded by and between the shareholders as pledgors and Bank Polska Kasa Opieki S.A. as a pledgee and administrator of the registered pledge and Santander Bank Polska S.A. as a pledgee;

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

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

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

6. Agreement for the establishment of civil pledges and a registered pledge on the rights protecting trademarks, concluded by and between the borrower as a pledgor and Bank Polska Kasa Opieki S.A. as a pledgee and administrator of the registered pledge and Santander Bank Polska S.A. as a pledgee;

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

8. Receivables transfer agreement of 27 September 2022 by and 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 an assignee;

9. Declaration by the borrower on submission to enforcement proceedings pursuant to Article 777 § 1, item 5 of the Code of Civil Procedure, made 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 proceedings on the basis of Article 777 § 1, item 5 of the Code of Civil Procedure, made in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

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

12. Declarations by the partners (who are not, at the same time, borrowers or partnerships or companies acceding to the debt) of the partnerships or companies acceding to the debt on submission to enforcement proceedings 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.

Loan agreements granted as at 31 December 2023:

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

Main collateral for loans as at 31 December 2023:

1. Joint mortgage of up to PLN 825,000,000;

2. Agreements for the establishment of registered pledges and financial pledges over rights to bank accounts, concluded by and between the borrower and each company acceding to the debt as pledgors and Bank Polska Kasa Opieki S.A. as a pledgee and administrator of the registered pledge and Santander Bank Polska S.A. as a pledgee;

-
3. Agreements for the establishment of a registered pledge and financial pledges on the shares of Murapol S.A., Murapol Real Estate S.A., Cross Bud S.A. and Partner S.A., concluded by and between the shareholders as pledgors and Bank Polska Kasa Opieki S.A. as a pledgee and administrator of the registered pledge and Santander Bank Polska S.A. as a pledgee;
 4. Agreement for the establishment of a registered pledge and financial pledges on the shares in the companies acceding to the debt (which are limited liability companies), concluded by and between the partners as pledgors and Bank Polska Kasa Opieki S.A. as a pledgee and administrator of the registered pledge and Santander Bank Polska S.A. as a pledgee;
 5. Agreement for the establishment of registered pledges and civil pledges on the receivables of the partners in the partnerships acceding to the debt (which are general partnerships - *spółka jawna*), concluded by and between the partners as pledgors and Bank Polska Kasa Opieki S.A. as a pledgee and administrator of the registered pledge and Santander Bank Polska S.A. as a pledgee;
 6. Agreement for the establishment of a registered pledge on a set of goods and rights concluded by and between the borrower as a pledgor and Bank Polska Kasa Opieki S.A. as the administrator of the registered pledge;
 7. Agreement for the establishment of civil pledges and a registered pledge on the rights protecting trademarks, concluded by and between the borrower as a pledgor and Bank Polska Kasa Opieki S.A. as a pledgee and administrator of the registered pledge and Santander Bank Polska S.A. as a pledgee;
 8. Subordination and subordinated debt transfer agreement concluded by and between the borrower and each company acceding to the debt as a borrower, the subordinated creditors and Bank Polska Kasa Opieki S.A. as the bank;
 9. Receivables transfer agreement concluded on 27 September 2022 by and 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 an assignee;
 10. Statement by 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.;
 11. Declaration by the borrower on submission to enforcement proceedings pursuant to Article 777 § 1, item 5 of the Code of Civil Procedure, made in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;
 12. Declaration by each company acceding to the debt on submission to enforcement proceedings on the basis of Article 777 § 1, item 5 of the Code of Civil Procedure, made in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;
-

13. Declarations by the shareholders/partners (being, at the same time, the borrower or the company acceding to the debt) of the companies acceding to the debt on submission to enforcement proceedings on the basis of Article 777 § 1, item 5 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. Declarations by the partners (who are not, at the same time, borrowers or partnerships or companies acceding to the debt) of the partnerships or companies acceding to the debt on submission to enforcement proceedings 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;

15. Declarations by Murapol Projekt spółka z ograniczoną odpowiedzialnością Garbarnia sp.j. on submission to enforcement proceedings (against mortgaged real estate) pursuant to Article 777 § 1, item 6 of the Code of Civil Procedure, made to Bank Polska Kasa Opieki S.A. as the mortgage administrator.

Bonds

On 28 May 2024, 1,500 unsecured ordinary bearer 1/2024 series bonds with a nominal value of PLN 100,000 each and a total nominal value of PLN 150,000,000 were issued. The issue price of the bonds was 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 of the bonds is 28 May 2027.

Other financial instruments

The main item of other financial liabilities is the liability for the purchase of shares in MFM Capital 2 Sp. z o.o. in the amount of PLN 4,908 thousand, with the final repayment deadline on 29 March 2027. As at 30 June 2024, this liability was reclassified from other non-financial liabilities. Other items include: an unpaid dealer commission, liabilities to companies within the Group in connection with the implementation of development projects.

21 Derivative financial instruments

	30 June 2024 (unaudited)	31 December 2023
Assets	912	-
Non-current derivatives	568	-
IRS valuation	568	-
Current derivatives	344	-
IRS valuation	344	-
	30 June 2024 (unaudited)	31 December 2023
Liabilities	3,078	7,048

Non-current derivatives	-	2,952
IRS valuation	-	2,952
Current derivatives	3,078	4,096
IRS valuation	3,078	4,096

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 Group entered into an interest rate swap contract to hedge half of the drawdown. In May 2023, the IRS security was increased to 75% of the loan exposure. In January 2024, along 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 of up to PLN 15,000,000 as security arising 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 of up to PLN 24,000,000 as security arising from the IRS contract, established on the properties of the Murapol Group, in favour of the lender Santander Bank Polska S.A.

22 Trade payables, other liabilities and accruals (current and non-current)

	30 June 2024 (unaudited)	31 December 2023
Trade payables	4,960	17,098
Other liabilities, including:	839	7,585
Public law settlements	250	717
Wage and salary settlements	196	202
Intercompany liabilities in respect of property development projects	-	1,057
Security deposits withheld	228	228
Liability in respect of the purchase of shares	-	5,208
Other	165	171
Total, including:	5,799	24,683
Non-current	-	4,609
Current	5,799	20,074

The Company'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 are normally due within 7 to 90 days.

In the comparative period, the liability in respect of the purchase of shares relates to the purchase by Murapol S.A. of shares in MFM Capital 2 Sp. z o.o., with the final repayment deadline on 29 March 2027. As at 30 June 2024, this liability was reclassified to other financial liabilities.

23 Other significant changes

23.1 Litigation and administrative proceedings

During the six-month period ended 30 June 2024, there were no significant changes in the area of administrative matters to which Murapol S.A. is a party, compared to the matters described in the financial statements for the year ended 31 December 2023. On 22 April 2024, the Company was served with a notice of authorization to carry out a customs and tax inspection with regard to the true and fair fulfilment of its obligations as a payer of flat-rate corporate income tax on the disbursement of dues mentioned in Article 22, clause 1 of the Corporate Income Tax Act in the period from 1 January 2022 to 31 December 2022. The Company has an insurance policy covering the risk of the Company's liability to pay withholding tax (WHT) resulting from a potential disregard by the Polish tax authority of a domestic exemption or one resulting from a double taxation treaty applicable to the dividends paid.

The amount of contingent liabilities relating to litigation not covered by the provision as at 30 June 2024 is PLN 12.3 million (as at 31 December 2023, it was PLN 7.2 million).

The value of litigation covered by the provision as at 30 June 2024 is PLN 4.3 million (as at 31 December 2023, it was PLN 4.5 million).

The Company has not identified any other contingent liabilities apart from those described above and those mentioned in section 22.2.

23.2 Capital commitments and non-financial sureties and guarantees granted

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	08/10/2020	31/12/2028
Murapol S.A.	Zakład Górniczo-Hutniczy "Bolesław" S.A.	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 S.A.	Cross Bud S.A.	Trade payables	8,000	18/07/2019	indefinitely
Murapol S.A.	Student Depot Łódź 2 Sp. z o.o.	Surety agreement	6,500	31/05/2021	31/12/2025
Murapol S.A.	Student Depot Łódź 2 Sp. z o.o.	Surety agreement	1,967	30/11/2021	31/12/2028
Murapol S.A.	Stena Sp. z o.o.	Surety agreement	141,209	02/11/2021	30/06/2033
Murapol S.A.	Stena Sp. z o.o.	Surety agreement	48,678	02/11/2021	18/12/2032
Murapol S.A.	Stena Sp. z o.o.	Surety agreement	32,074	02/11/2021	20/05/2032
Murapol S.A.	Aceno Sp. z o.o.	Surety agreement	51,406	02/11/2021	22/07/2032
Murapol S.A.	Stena Sp. z o.o., Samaki Sp. z o. o., Soro Sp. z o. o., Moeda Sp. z o.o., Bank Pekao S.A.	Guarantee agreement	33,500	28/10/2021	31/12/2027
Murapol S.A.	Santander Bank Polska S.A. Aceno Sp. z o.o.	Guarantee agreement	5,462	03/02/2022	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.	Bank Pekao S.A.	Guarantee agreement	28,843	23/02/2024	31/12/2034
Murapol S.A.	Life Spot Katowice Graniczna Sp. z o.o.	Surety agreement	62,591	05/01/2023	22/01/2035
Murapol S.A.	Life Spot Kraków Czerwone Maki Sp. z o.o.	Surety agreement	93,402	01/02/2023	10/04/2035
Murapol S.A.	Life Spot Kraków Lipska Sp. z o.o.	Surety agreement	59,690	09/01/2024	12/03/2036
Murapol S.A.	Life Spot Projekt 11 Sp. z o.o.	Surety agreement	112,521	08/01/2024	31/05/2036
Murapol S.A.	SCG Spółka z ograniczoną odpowiedzialnością Sp. k.	Surety agreement	21,500	27/06/2023	31/12/2026

Guarantor	Beneficiary	Subject of the guarantee	Up to	From	To
Murapol S.A.	ING Bank Śląski S.A.	Bank guarantee	6,457	05/10/2023	04/10/2024
Murapol S.A.	EPP RETAIL - POWERPARK TYCHY Sp. z o.o. with its registered office in Warsaw	Surety agreement	30,996	09/05/2024	09/05/2039
Murapol S.A.	EPP RETAIL - M1 POZNAŃ Sp. z o.o. with its registered office in Warsaw	Surety agreement	90,479	09/05/2024	09/05/2039
Murapol S.A.	EPP RETAIL - M1 CZĘSTOCHOWA Sp. z o.o. with its registered office in Warsaw	Surety 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	Surety agreement	21,992	09/05/2024	09/05/2039
Murapol S.A.	EPP N.V.	Option agreement	6,207	09/05/2024	07/01/2028
Murapol S.A.	EPP N.V.	Option agreement	3,448	09/05/2024	07/01/2029
Murapol S.A.	EPP N.V.	Option agreement	862	09/05/2024	07/01/2029
Murapol S.A.	EPP N.V.	Option agreement	86	09/05/2024	07/01/2028

23.3 Capital expenditure obligations

As at 30 June 2024 (and as at 31 December 2023), the Company did not have any contractual obligations for expenditures on property, plant and equipment or intangible assets.

23.4 Capital management

During the six-month period ended 30 June 2024, there were no significant changes in the goals, principles and procedures of capital management.

23.5 Cash and cash equivalents

The balance of cash and cash equivalents in the statement of financial position and the statement of cash flows consists of the following items:

	30 June 2024 (unaudited)	31 December 2023
Cash in hand and at bank	119,919	1,469
<i>including restricted cash and cash equivalents</i>	1	-

24 Financial risk management objectives and policies

24.1 Interest rate risk

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

The Company manages 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 liabilities bearing variable interest rates). No effect on the Company's equity or total comprehensive income is shown.

	<i>Increase/decrease in percentage points</i>	<i>Effect on profit or loss before tax</i>
Six-month period ended 30 June 2024 (unaudited)		
PLN	+ 5%	(32,241)
PLN	- 5%	32,241
Year ended 31 December 2023		
PLN	+ 5%	(23,095)
PLN	- 5%	23,095

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 security was increased to 75% of the loan exposure. In January 2024, along with the drawdown discussed in Note 20, 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 Company's financial instruments exposed to interest rate risk, broken down by age category.

30 June 2024

Variable interest rate

	<1 year	1-2 years	2-3 years	3-4 years	>4 years	Total
Cash and cash equivalents	119,919	-	-	-	-	119,919
IRS contracts (assets)	344	568				912
Bank loans	61,958	434,344	-	-	-	496,302
Bonds	1,336	-	145,007	-	-	146,343
IRS contract (liabilities)	3,078	-	-	-	-	3,078

31 December 2023

Variable interest rate

	<1 year	1-2 years	2-3 years	3-4 years	>4 years	Total
Cash and cash equivalents	1,469	-	-	-	-	1,469
Loans granted	-	-	-	-	-	-
Bank loans	63,398	63,909	327,543	-	-	454,850

IRS contract liabilities	4,095	2,952	-	-	-	7,047
--------------------------	-------	-------	---	---	---	-------

Loans granted bear fixed interest rates.

24.2 Liquidity risk

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

The Company's aim is to maintain a balance between the continuity and flexibility of funding through the use of various sources of funding, such as overdrafts, bank loans, bonds and lease contracts.

The balance of overdue trade payables as at 30 June 2024 and 31 December 2023 was immaterial, mainly relating to purchases from suppliers of materials and energy providers, and it was promptly paid upon confirmation of the outstanding balance and completion of missing documentation. There were no overdue balances for the other classes of financial liabilities.

The tables below show the Company's financial liabilities as at 30 June 2024 and 31 December 2023 by maturity date, based on contractual non-discounted payments.

30 June 2024 (unaudited)	Carrying amount	Past payment deadline	Less than 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Total
Loans, borrowings and bonds	810,071	-	32,387	94,275	828,265	-	954,925
Other financial liabilities	8,022	1,057	1,618	1,038	4,309	-	8,022
Derivatives	3,078	-	770	2,309	-	-	3,078
Lease liabilities	14,763	-	573	1,720	9,016	7,774	19,083
Trade payables	4,960	1,668	3,292	-	-	-	4,960
Other liabilities	424	-	124	300	-	-	424
Total	841,318	2,725	38,764	99,642	841,590	7,774	990,492

31 December 2023	Carrying amounts	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	621,579	-	28,762	89,068	654,054	-	771,884
Derivatives	7,047	-	1,024	3,072	2,952	-	7,047
Lease liabilities	13,799	-	545	1,479	7,692	8,391	18,107
Trade payables	17,098	821	11,519	4,758	-	-	17,098
Other liabilities	6,695	-	1,787	299	4,609	-	6,695
Total	666,217	821	43,637	98,677	669,308	8,391	820,832

24.3 Credit risk

The key financial assets held by the Company are cash in bank accounts, trade and other receivables exposed to the maximum credit risk to which the Company is exposed in relation to its financial assets.

In respect of the Company's other financial assets such as cash and cash equivalents and loans granted, the Company'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:

	30 June 2024 (unaudited)	31 December 2023
Trade receivables	39,447	21,493
Other receivables*	17,307	12,283
Dividends receivable	69,504	-
Other financial assets	26,395	28,449
Cash in hand and at bank	119,919	1,469
Total	272,572	63,694

*Other receivables mainly include receivables from AEREF V PL Investment S.a.r.l. for the refund of an interim dividend in the amount of PLN 11,723 thousand.

The Company's main credit risk is primarily related to trade receivables and borrowings, presented as other non-current financial assets. The amounts presented in the balance sheet are net of impairment losses estimated by the Company's Management Board based on past experience and an assessment of the current economic situation.

Financial assets are grouped on the basis of their nature (categories), the period 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 Company that may affect future credit losses. If the credit risk associated with a financial instrument has increased significantly since initial recognition, the Company measures the allowance for expected credit losses on the financial instrument at an amount equal to the lifetime expected credit losses.

The table below shows the ageing structure of trade receivables:

Range	30 June 2024 (unaudited)	31 December 2023
Current	39,412	21,252
1-30	35	108
31-60	-	68
61-90	-	65
91-180	-	-
>180	-	-
Total	39,447	21,493

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

The table below shows the assumptions used in the impairment model for receivables:

	Counterparty probability of default (PD)	Credit exposure that will be lost in the event of counterparty insolvency (LGD)
Not overdue	1.27%	100%
overdue up to 30	4.46%	100%
overdue up to 31-60	16.84%	100%
overdue up to 61-90	28.53%	100%
overdue up to 91-180	37.68%	100%
overdue from 181	100.00%	100%

For other financial assets, the Company measures the allowance for expected credit losses at an amount equal to 12 months of expected credit losses (PD of 0.11%). Apart from this, the Company carries out an individual analysis of each borrowing.

25 Financial instruments

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

	Category according to IFRS 9	Carrying amount		Fair value	
		As at 30 June 2024 (unaudited)	31 December 2023	As at 30 June 2024 (unaudited)	31 December 2023
Financial assets					
Other financial assets	FAAC	26,395	28,449	26,395	28,449
IRS derivatives	DsFVPL	912	-	912	-
Trade receivables / Other receivables	FAAC	126,258	34,827	126,258	34,827
Cash and cash equivalents	FAAC	119,919	1,469	119,919	1,469
		273,484	64,745	273,484	64,745

Financial liabilities					
Lease liabilities	FLAC	14,764	13,799	14,764	13,799
IRS derivatives	DsFVPL	3,078	7,048	3,078	7,048
Interest-bearing bank loans, borrowings and bonds	FLAC	810,071	621,579	810,071	621,579
Other financial liabilities	FLAC	8,022	1,467	8,022	1,467
Trade and other payables	FLAC	5,384	23,799	5,384	23,799
		841,319	667,691	841,319	667,691
FAAC - Financial assets measured at amortized cost					

FLAC - Financial liabilities measured at amortized cost
DsFVPL - Derivative instruments at fair value through profit or loss

All instruments were classified to Level 2 of the value hierarchy, i.e. 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.

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 in a forced or liquidation sale.

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

- the fair values of cash and current deposits, trade receivables, other receivables, trade payables and other current liabilities approximate 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.

26 Transactions with related entities

The following tables show the total amounts of transactions entered into with related entities during the six-month period ended 30 June 2024 and 30 June 2023 or as at 31 December 2023:

	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
purchase of services by:	4,732	2,373	4,916	2,336
<i>Murapol S.A. from:</i>				
- companies and individuals related to shareholders and Management Board members	4,311	2,151	4,576	2,221
- subsidiaries	421	222	340	115
sales of finished goods, materials and services by:	26,645	13,318	25,911	13,632
<i>Murapol S.A. to:</i>				
- subsidiaries	26,645	13,318	25,911	13,632
interest on borrowings received by:	4,503	2,251	4,156	1,987
<i>Murapol S.A. from:</i>				
- subsidiaries	4,503	2,251	4,156	1,987
interest on borrowings granted by:	687	342	1,301	1,034
<i>Murapol S.A. to:</i>				
- subsidiaries	687	342	1,301	1,034

	30 June 2024 (unaudited)	31 December 2023
Receivables from related entities	153,124	61,611
Trade receivables	39,833	20,913
<i>Murapol S.A. to:</i>		
- subsidiaries	39,833	20,913
Other receivables	86,922	12,274
<i>Murapol S.A. to:</i>		
- companies and individuals related to shareholders and Management Board members*	11,766	11,761
- subsidiaries	75,156	513
Receivables in respect of borrowings	26,369	28,424
<i>Murapol S.A. to:</i>		
- subsidiaries	26,369	28,424
Liabilities to related entities:	180,669	178,406
Trade payables	3,526	5,411

Murapol S.A. to:		
- companies and individuals related to the shareholders and Management Board members	2,646	2,661
- subsidiaries	880	2,750
Other liabilities	5,910	6,266
Murapol S.A. to:		
- companies and individuals related to the shareholders and Management Board members		1
- subsidiaries	5,910	6,265
Liabilities in respect of borrowings	171,233	166,729
Murapol S.A. to:		
- subsidiaries	171,233	166,729

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

26.1 Remuneration paid or payable to the members of the Management Board and the members of the Supervisory Board of the Group

	Six-month period ended 30 June 2024 (unaudited)	Three-month period ended 30 June 2024 (unaudited)	Six-month period ended 30 June 2023 (unaudited)	Three-month period ended 30 June 2023 (unaudited)
Management Board				
Current employee benefits	2,879	439	2,401	439
Incentive bonus	1,250	625	850	425
Supervisory Board				
Short-term employee benefits	211	121	180	90
	4,340	1,185	3,431	954

On 17 November 2021, a long-term incentive bonus scheme agreement was signed by and between certain members of the Management Board 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 investments in the Group for AEREF V PL Investment S.a.r.l. or AEREF V PL Master S.a.r.l. (i.e. the entity directly controlling AEREF V PL Investment S.a.r.l.) (hereinafter referred to jointly 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 of the net proceeds of AEREF V PL from its investment in Murapol S.A. exceeding the 10% threshold. Bonus entitlements vest until 31 December 2024; if the management contracts are terminated before this date, participants forfeit their bonus entitlement (the so-called service-related vesting condition).

In the Company'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, the participants in the scheme were informed that they would be covered 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 date of granting was PLN 9 million and was based on the expected rate of return on the investment.

By 30 June 2024, the cost of the Company's long-term incentive bonus scheme is PLN 7,825 thousand, cumulatively. The table above shows the cost of the scheme recognized in the reported periods.

27 Post balance sheet events

On 19 July 2024, the Company signed an annex to the loan agreement with a consortium of lending banks, under which Bank Pekao S.A. will release a guarantee line of up to PLN 20 million. The release of the guarantee line in question will not increase the amount of the original loan or extend the collateral provided to date.

Signatures

Signature of the preparer of the financial statements

Grzegorz Ryguła
Director of Reporting

Signature

Signatures of the Management Board Members

Nikodem Iskra
President of the Management Board

Signature

Przemysław Kromer
Member of the Management Board

Signature

Iwona Sroka
Member of the Management Board

Signature

