



Letter of the President of the Management Board of Murapol S.A.

Ladies and Gentlemen,

I am proud to present to you the first Annual Report of the Murapol Group after the Group's listing on the Warsaw Stock Exchange. We are very pleased that, as one of the largest and most experienced residential developers in Poland, we have joined the elite group of companies listed on the Warsaw Stock Exchange.

For more than 23 years the Murapol Group has been contributing successfully to the Polish residential market. With the IPO in 2023, we have begun a new phase in our development. We find it particularly important that we will be writing the next chapters of our company's history with the support of many new shareholders for whom we intend to be a long-term, stable and trustworthy partner. Our commitment is not only to ensure the best possible results but also top quality communication with investors - both institutional and individual. Good investor relations are, in our view, an essential element of ESG, an area that is extremely important to our company in every

aspect of its operations and which we intend to develop systematically.

Our first post-IPO annual operating and financial results confirm that we are a company with solid foundations, a secure financing structure, and good prospects. The Murapol Group recorded highly satisfactory operating results in 2023, in every field of activity, including sales, apartment handovers, on-going construction of apartments, designing and land acquisition.

We also assess that the Group achieved excellent financial results in 2023, in line with the expectations. Sales increased by 21% year-on-year and amounted to more than PLN 1.2 billion. This very good result was mainly due to larger handover volumes and higher transaction prices in the development segment. In 2023, the Group handed over 2,801 apartments compared with 2,653 in 2022. In 2023, the average price of a handed-over apartment was PLN 365 thousand, whereas in the previous year it was PLN 326 thousand. In 2023, the Group's net profit was PLN 219 million, up PLN 6 million year-on-year.

I would like to take this opportunity to introduce ourselves more broadly to stock market investors and to highlight a few aspects of the Group's operations and business model that distinguishes us from other residential developers. The Murapol Group's operations are the most geographically diversified among Polish property development companies. In its 23 years of operations, the Group has built 28,500 apartments and was present (completed projects, projects under construction and in the pipeline) in 19 cities.

Moreover, our Group also operates in a second - highly complementary - segment, which is general contracting activities in new, developing and attractive sectors of the Polish property market: PRS (private rented sector) and PBSA (purpose built student accommodation). In the case of the second business segment, we build apartments according to the design&build formula, and the Group's leading investor is our regular customer in this segment. In the PRS segment, revenue increased by more than PLN 53.4 million in 2023, to PLN 187 million.

It is the Group's consistently pursued strategy and business model that have enabled us to achieve growth in recent years and proved that our business is resilient to volatile market conditions. We should emphasize that despite the deterioration of the macroeconomic and geopolitical conditions in 2022 due to the war in

Ukraine, high interest rates and high inflation, the Group maintained a high level of sales of its apartments to retail customers compared with the drops in sales recorded by many players in the development industry. Therefore, the base for the 2023 results was quite high in our case.

It should also be noted that the Murapol Group's offer is located in the broadest and most receptive segments of the residential property market - the popular and premium popular segments, and is dominated by 2- and 3-room apartments, with floor areas ranging from 35 to 55 sq. m. Premises with such parameters are of the greatest interest to the market, both among individual customers purchasing apartments for their own needs, and investment buyers.

In 2023, the Group's positive condition was also influenced by domestic external factors, which have been steadily improving over the past few months. Above all, the interest rate cuts and the easing of the PFSA's prudential buffer were conducive to the customers' better creditworthiness and had a positive impact on the mortgage market. The implementation of the government programme of subsidized fixed-rate loans (the Safe 2% Mortgage) proved to be an additional favourable factor for the residential sector. Economic factors such as inflation, the unemployment rate and wage levels also improved during the analysed period.

We want to share our success with our Shareholders. Therefore, the Management Board intends to recommend to the General Meeting or the Supervisory Board that a dividend be paid and to continue to consistently implement the adopted development policy, with a view to the systematic rebuilding of the land bank which, at the end of 2023, comprised more than 21,000 apartments in 17 cities. Our portfolio of projects in progress included 6,238 apartments with a total floor area of up to 256 thousand sq. m in 54 buildings being erected as part of 24 development projects in 14 cities (as at the end of 2023). The largest number of new apartments is being constructed in Łódź - over 1.3 thousand, Kraków - 1.28 thousand and Gdańsk - over 1 thousand.

In addition, in the near future we intend to expand into new and promising markets such as Lublin, where we are about to launch our first investment project. We believe that our internal advantages - including a proven business model and high competence and many years of experience - will continue to be further supported by external factors in 2024. The

market has an invariably strong demand for apartments - above all in the popular segment. There is also a high national housing deficit. In addition, another government programme is in the pipeline, and wages in Poland are steadily rising.

All in all, we have had an extremely successful year which was accompanied by a lot of positive energy and excitement - both in terms of achievement of our operational objectives and our IPO on the WSE. We also look to the next periods with optimism, knowing that there are months of hard work lying ahead.

I believe that the combination of our business model, the favourable economic climate, the potential associated with the Group's land bank, as well as the high competence of our staff team provide solid foundations for this year's performance. We will do our utmost to ensure that, in a year's time, another Group report presenting satisfactory results and further ambitious targets and plans will be presented to our Shareholders.

Yours faithfully,

Nikodem Iskra

President of the Management Board
of Murapol Group