

Interim Condensed Financial Statements of Murapol S.A.

for the three-month period ended 31 March 2024

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



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Interim condensed statement of comprehensive income

| | Note | Three-month period ended | |
|--|------|------------------------------|------------------------------|
| | | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| Continuing operations | | | |
| Sales revenue | 7.1 | 14 678 | 11 996 |
| Sales revenue | | 14 678 | 11 996 |
| Cost of sales | | (11 363) | (9 676) |
| Profit/(Loss) on sales | | 3 315 | 2 320 |
| Other operating income | 10 | 1 402 | 697 |
| Selling costs | | - | - |
| General and administrative expenses | | (625) | (767) |
| Gain/loss on impairment of trade and other receivables | | (193) | - |
| Other operating expenses | 10 | (172) | (1 721) |
| Measurement of shares using the equity method | 14 | 73 044 | 113 912 |
| Operating profit/(loss) | | 76 771 | 114 441 |
| Finance income | 11 | 1 454 | 1 953 |
| Finance costs | 11 | (17 441) | (17 419) |
| Profit/(Loss) before tax | | 60 784 | 98 975 |
| Income tax | 12 | 277 | 2 048 |
| Net profit/(loss) on continuing operations | | 61 061 | 101 023 |
| Discontinued operations | | | |
| Net profit/(loss) on discontinued operations | | - | - |
| Net profit/(loss) for the year | | 61 061 | 101 023 |
| Other net comprehensive income | | | |
| | | - | - |
| COMPREHENSIVE INCOME FOR THE PERIOD | | 61 061 | 101 023 |
| Net profit/(loss) per share (in PLN per share): | | | |
| - Basic and diluted from profit for the year | | 1,50 | 2,48 |

Interim condensed statement of financial position

| | Note | 31 March 2024 (unaudited) | 31 December 2023 |
|---|------|------------------------------|---------------------|
| ASSETS | | | |
| Non-current assets | | 1 250 464 | 1 178 401 |
| Intangible assets | | 2 062 | 1 942 |
| Property, plant and equipment | 13 | 14 224 | 14 506 |
| Investments in subsidiaries accounted for under the equity method | | 1 175 037 | 1 101 897 |
| Other financial assets | | 26 050 | 28 449 |
| Other non-financial assets | 16 | 1 250 | 1 192 |
| Deferred income tax assets | 12.3 | 31 841 | 30 415 |
| Current assets | | 93 785 | 58 005 |
| Inventories | 15 | 989 | 989 |
| Trade receivables | 17 | 28 275 | 21 493 |
| Deferred tax receivable | | - | 1 611 |
| Other receivables | 17 | 33 215 | 30 911 |
| Other non-financial assets | 16 | 2 232 | 1 532 |
| Cash and cash equivalents | 22.5 | 29 074 | 1 469 |
| TOTAL ASSETS | | 1 344 249 | 1 236 406 |
| EQUITY AND LIABILITIES | | | |
| Equity | | 622 222 | 560 536 |
| Share capital | 18 | 2 040 | 2 040 |
| Retained earnings/(Accumulated losses) | | 559 121 | 341 370 |
| Net profit/(loss) for the financial year | | 61 061 | 217 126 |
| Non-current liabilities | | 635 696 | 573 982 |
| Interest-bearing loans and borrowings | 20 | 618 859 | 555 088 |
| Other financial liabilities | 20 | 967 | 2 952 |
| Other non-financial liabilities | 21 | 4 309 | 4 609 |
| Lease liabilities | | 11 561 | 11 333 |
| Current liabilities | | 86 331 | 101 888 |
| Trade payables | 21 | 6 879 | 17 098 |
| Current portion of interest-bearing loans and borrowings | 20 | 61 847 | 66 491 |
| Other financial liabilities | 20 | 3 294 | 5 563 |
| Lease liabilities | | 2 166 | 2 466 |
| Income tax liabilities | | 1 663 | - |
| Other non-financial liabilities | 21 | 2 925 | 2 809 |

| | | | |
|--|----|------------------|------------------|
| Provisions | 19 | 4 443 | 4 438 |
| Provision for losses in entities accounted for under the equity method | | 2 953 | 2 856 |
| Accruals and deferred income | 21 | 161 | 167 |
| Total liabilities | | 722 027 | 675 870 |
| EQUITY AND LIABILITIES | | 1 344 249 | 1 236 406 |

Interim condensed statement of cash flows

| | Three-month period ended | | |
|--|--------------------------|------------------------------|------------------------------|
| | Note | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| Cash flows from operating activities | | | |
| Profit/(Loss) before tax | | 60 784 | 98 975 |
| Adjusted for: | | (73 404) | (111 515) |
| Amortization and depreciation | | 782 | 812 |
| (Increase)/Decrease in receivables | | (6 669) | (11 554) |
| (Increase)/Decrease in other assets | | (757) | (336) |
| Increase/(Decrease) in liabilities except for loans and borrowings and other financial liabilities | | (10 403) | (2 524) |
| Incentive bonus costs | | 625 | 425 |
| Finance income | | (1 215) | (305) |
| Finance costs | | 17 441 | 17 465 |
| Share in profits of entities accounted for under the equity method | | (73 044) | (113 912) |
| Loss on impairment of trade and other receivables | | 193 | - |
| Change in prepayments and accruals | | (6) | - |
| Increase/(Decrease) in provisions | | 5 | (509) |
| Income tax paid | | (277) | (678) |
| Other | | (79) | (399) |
| Net cash from operating activities | | (12 620) | (12 540) |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment and intangible assets | | (109) | (14) |
| Acquisition of shares | | (300) | - |
| Interest received | | 504 | - |
| Repayment of loans granted | | 2 296 | - |
| Net cash from investing activities | | 2 391 | (14) |

| | | | |
|--|------|---------------|----------------|
| Cash flows from financing activities | | | |
| Cash inflows from loans / borrowings taken out | | 71 670 | 110 500 |
| Repayment of lease liabilities | | (690) | (701) |
| Repayment of loans/borrowings | | (16 190) | (27 491) |
| Interest and bank commissions | | (16 956) | (17 946) |
| Net cash from financing activities | | 37 834 | 64 362 |
| Net increase/(decrease) in cash and cash equivalents | | 27 605 | 51 808 |
| Cash and cash equivalents as at the beginning of the period | 22.5 | 1 469 | 60 997 |
| Cash and cash equivalents as at the end of the period | 22.5 | 29 074 | 112 805 |

Interim condensed statement of changes in equity

| | Note | Share capital | Retained earnings / (accumulated losses) | Net profit/(loss) for the financial year | Total equity |
|---|------|---------------|---|---|----------------|
| As at 1 January 2024 | | 2 040 | 558 496 | - | 560 536 |
| Net profit/(loss) for the period | | - | - | 61 061 | 61 061 |
| Other net comprehensive income for the year | | - | - | - | - |
| Total income for the period | | - | - | 61 061 | 61 061 |
| Share-based payments | 25.1 | - | 625 | - | 625 |
| Dividends | 9 | - | - | - | - |
| As at 31 March 2024 (unaudited) | | 2 040 | 559 121 | 61 061 | 622 222 |

| | Note | Share capital | Retained earnings / (accumulated losses) | Net profit/(loss) for the financial year | Total equity |
|---|------|---------------|---|---|----------------|
| As at 1 January 2023 (restated) | | 2 040 | 439 045 | - | 441 085 |
| Net profit/(loss) for the period | | - | - | 101 448 | 101 448 |
| Other net comprehensive income for the year | | - | - | - | - |
| Total income for the period | | - | - | 101 448 | 101 448 |
| Share-based payments | 25.1 | - | 425 | - | 425 |
| Dividends | 9 | - | - | - | - |
| As at 31 March 2023 (unaudited) | | 2 040 | 439 470 | 101 448 | 542 958 |

Additional explanatory notes

1 General information

The interim condensed financial statements of Murapol S.A. cover the period of 3 months of 2024 ended 31 March 2024 and include comparative data for the period of 3 months of 2023 ended 31 March 2023 and as at 31 December 2023.

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 the 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 S.A. 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 31 March 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 up to the date of publication of these financial statements.

The composition of the Company's Supervisory Board as at 31 March 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.

There were changes in the composition of the Supervisory Board by the date of publication of these financial statements. 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 |
|--|-------------------|--|------------------|---|
| | | 31 March 2024 | 31 December 2023 | |
| Murapol S.A. | Poland | n/a | n/a | Holding and financial activities |
| Murapol Real Estate S.A. [1] | Poland | 100.00% | 100.00% | Holding activities, development activities and sale of premises in its own name |
| Cross Bud S.A. | Poland | 96.40% | 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 Developer.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 acquisitions 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 |
| 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 |

| Entity | Registered office | Group's percentage share in capital (held directly and indirectly) | | Scope of activities |
|--|-------------------|--|------------------|---|
| | | 31 March 2024 | 31 December 2023 | |
| 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 |
| 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 |

| Entity | Registered office | Group's percentage share in capital (held directly and indirectly) | | Scope of activities |
|---|-------------------|--|------------------|---|
| | | 31 March 2024 | 31 December 2023 | |
| 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] | Poland | 100.00% | - | Development activities and sale of apartments in its own name |
| Projekt Poznań Szwajcarska sp. z o.o. [1] | Poland | 100.00% | - | Development activities and sale of apartments in its own name |
| Projekt Tychy Bielska sp. z o.o. [1] | Poland | 100.00% | - | Development activities and sale of apartments in its own name |
| Projekt Częstochowa Kisielewskiego sp. z o.o. [1] | Poland | 100.00% | - | Development activities and sale of apartments in its own name |

As at 31 March 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 three-month period ended 31 March 2024, there were the following changes in the composition of the Group:

[1] On 20 March 2024, a subsidiary of 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.

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 21 May 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 and the Group's ability to continue as going concerns in the foreseeable future, i.e. for at least one year as of 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

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

- estimates for inventory write-downs are presented in Note 15;
- 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 inventory write-downs are presented in Note 25.1;
- 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;
- 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 three-month period ended 31 March 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.

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:

| | Three-month period ended | |
|---|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2024 (unaudited) |
| <i>Type of goods or services:</i> | | |
| Revenue from sales of services | 14 678 | 11 996 |
| Total revenue from contracts with customers | 14 678 | 11 996 |
| <i>Date of transfer of goods or services: over time</i> | 14 678 | 11 996 |
| Total revenue from contracts with customers | 14 678 | 11 996 |

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 means 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 operating segments.

9 Dividends paid and proposed to be paid

The profit for the first quarter of the year is not distributable.

On 30 April 2024, the Company's Management Board adopted Resolution No. 7 on the distribution of the net profit for 2023 and the allocation of EUR 80,376 thousand (PLN 1.97 per share) for 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

| | Three-month period ended | |
|---|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| Other operating income | | |
| Provisions | - | 509 |
| Rental | - | 188 |
| Income from sale/scraping of fixed assets | 22 | - |
| Other | 1 380* | - |
| Total other operating income | 1 402 | 697 |

| | Three-month period ended | |
|---------------------------------------|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| Other operating expenses | | |
| Provisions | 4 | - |
| Litigation costs | 3 | 614 |
| Damages | 7 | - |
| Other | 158 | 1 107* |
| Total other operating expenses | 172 | 1 721 |

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

11 Finance income and costs

| | Three-month period ended | |
|---|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| Finance income | | |
| Bank interest | 238 | 1 434 |
| Interest on borrowings | 345 | 302 |
| Interest on receivables and other interest | - | 215 |
| Measurement of sureties and guarantees granted* | 871 | - |
| Other finance income | - | 2 |
| Total finance income | 1 454 | 1 953 |

*Guarantees and sureties are presented in Notes 20 and 22.2.

| | Three-month period ended | |
|--|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| Finance costs | | |
| Interest and commissions on loans and borrowings | 16 695 | 16 544 |
| Interest on liabilities | 1 | 45 |
| Interest on leases | 251 | 4 |
| Valuation of financial instruments | 430 | 741 |
| Foreign exchange losses | 26 | 38 |
| Other finance costs | 38 | 47 |
| Total finance costs | 17 441 | 17 419 |

12 Income tax

12.1 Tax charges

| | Three-month period ended | |
|--|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| Consolidated statement of comprehensive income | | |
| Current income tax | (1 150) | (66) |
| Deferred income tax | 1 427 | 2 114 |
| Tax charge shown in the consolidated profit | 277 | 2 048 |
| Other comprehensive income | - | - |
| Tax benefit/charge recognized in other comprehensive income | - | - |

12.2 Reconciliation of the effective tax rate

Reconciliation of income tax on the profit (loss) before tax at the statutory tax rate to income tax calculated at the Group's effective tax rate is as follows:

| | Three-month period ended | |
|--|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| Profit/(loss) before tax | 60 784 | 98 975 |
| Tax at the statutory tax rate in Poland of 19% | 11 549 | 18 805 |
| Permanently non-deductible costs | 180 | 174 |
| Permanently non-taxable income | (1) | (3) |
| Share in profits of entities accounted for under the equity method | (13 878) | (21 643) |
| Deferred tax asset used in accounting for tax within the tax group | 1 883 | - |
| Other (including prior year adjustments) | (10) | 619 |
| Tax at an effective tax rate of 0.4% (2023: 3.7%) | (277) | (2 048) |
| Income tax (charge) recognized in the consolidated profit or loss | (277) | (2 048) |

12.3 Deferred income tax

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

| | 31 March 2024 (unaudited) | 31 December 2023 |
|--------------------------------|------------------------------|------------------|
| Deferred income tax assets | 34 658 | 35 165 |
| Deferred income tax provisions | (2 817) | (4 750) |
| | 31 841 | 30 415 |

During the three-month period ended 31 March 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 granted 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

Buying and selling

During the three-month period ended 31 March 2024, the Company acquired property, plant and equipment with a value of PLN 22 thousand. During the three-month period ended 31 March 2023, the Group acquired property, plant and equipment with a value of PLN 10,290 thousand and recognized a right-of-use asset (a lease) of an office in Bielsko-Biała with a value of PLN 9,984 thousand. During the three-month period ended 31 March 2024, the Company disposed of property, plant and equipment with a value of PLN 259 thousand and PLN 4,831 thousand in the comparative period, including a right-of-use asset of PLN 3,926 thousand.

Impairment allowances

During the period ended 31 March 2024 and in the comparative period, 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 31 March 2024 (unaudited)</i> | <i>Measurement under the equity method as at 31/12/2023</i> |
|---|--|---|
| Locomotive Management Limited | 247 347 | 244 262 |
| Polski Deweloperski FIZ | 364 427 | 359 739 |
| Murapol Real Estate S.A. | 412 945 | 352 514 |
| Murapol Projekt Sp. z o.o. Deweloper Sp. J. | 65 | 64 |
| Murapol Garbarnia Sp. z o.o. Sp. J. | 68 | 68 |
| Murapol Invest sp. z o.o. GDA S.K.A. | 6 062 | 6 009 |
| Murapol Projekt 59 sp. z o.o. | 34 491 | 33 376 |
| Murapol Nowe Winogrady Sp. z o.o. Sp. J. | 91 | 91 |
| Murapol Projekt Sp. z o.o. 3 Sp. J. | 150 | 147 |
| Murapol Projekt Sp. z o.o. 12 Sp. J. | 92 | 92 |
| Murapol Projekt 26 sp. z o.o. | 10 168 | 9 774 |
| Murapol Projekt 27 sp. z o.o. | 2 | 1 |
| Murapol Projekt 34 sp. z o.o. | 4 379 | 4 099 |
| Murapol Projekt 35 sp. z o.o. | 701 | 624 |
| Murapol Projekt 37 sp. z o.o. | 2 262 | 1 888 |
| Murapol Projekt 39 sp. z o.o. | 4 800 | 4 784 |
| Murapol Projekt 42 sp. z o.o. | 860 | 807 |
| Murapol Projekt 43 sp. z o.o. | 32 293 | 30 339 |
| Murapol Projekt 45 sp. z o.o. | 25 249 | 25 007 |
| Murapol Projekt Sp. z o.o. Sp. J. | 7 146 | 7 147 |
| Media Deweloper.pl sp. z o.o. | (869) | (855) |
| Murapol Projekt Sp. z o.o. | (2 084) | (2 001) |
| MFM Capital 2 Sp. z o.o. | 12 188 | 12 036 |
| MFM Capital 3 Sp. z o.o. | 116 | 114 |
| MFM Capital 4 Sp. z o.o. | 116 | 114 |
| MFM Capital 5 Sp. z o.o. | 116 | 114 |
| MFM Capital 6 Sp. z o.o. | 116 | 114 |
| Murapol Nowy Złocień 23 Sp. z o.o. | 8 787 | 8 573 |
| Total - investments in entities accounted for under the equity method | 1 175 037 | 1 101 897 |
| Total – provision for losses in entities accounted for under the equity method | (2 953) | (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.

In the statement of comprehensive income for the three-month period ended 31 March 2024, an amount of PLN 73,044 was presented (PLN 113,912 thousand was presented in the comparative three-month period ended 31 March 2023) 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 three-month period ended 31 March 2024 comprise only their measurement.

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

15 Inventories

| | 31 March 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 cost of purchase (manufacture) and net realizable value | 989 | 989 |

During the three-month period ended 31 March 2024 and the comparative period ended 31 March 2023, the Company did not increase inventory allowances.

16 Other non-financial assets

| | 31 March 2024 (unaudited) | 31 December 2023 |
|------------------------------------|------------------------------|---------------------|
| Policies, insurance | 376 | 502 |
| Overpaid costs for HR, IT services | 182 | 193 |
| Guarantees, security deposits | 1 114 | 1 051 |
| Licences | 1 616 | 831 |
| Overpaid sponsorship costs | 4 | 7 |
| Other prepayments and accruals | 190 | 140 |
| Total | 3 482 | 2 724 |
| current | 2 232 | 1 532 |
| non-current | 1 250 | 1 192 |

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

| | 31 March 2024 (unaudited) | 31 December 2023 |
|---|------------------------------|------------------|
| Trade receivables | 28 275 | 21 493 |
| Other receivables, including: | 33 215 | 30 911 |
| Public law settlements | 18 628 | 18 628 |
| Security deposits for lease of premises | 2 | 69 |
| Settlements with shareholders | 11 711 | 11 685 |
| Settlements with companies in the Group | 2 873 | 521 |
| Other | 1 | 8 |
| Total net receivables | 61 490 | 52 404 |
| Write-downs of receivables | 935 | 810 |
| Total gross receivables | 62 425 | 53 214 |
| - current | 61 490 | 52 404 |
| - non-current | - | - |

Trade receivables are non-interest bearing and usually mature within 14 to 90 days.

The public law settlements relate to the withholding tax paid 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:

| | Three-month period ended | |
|------------------------|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| As at 1 January | 810 | 828 |
| Increases | 151 | - |
| Decreases | (26) | (18) |
| As at 31 March | 935 | 810 |

18 Equity - shareholders with significant shareholdings

As at 31 March 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 three-month period ended 31 March 2024, there was a change in the ownership structure of the Group. On 1 March 2024, AEREF V PL Investment S.à r.l and AEREF V PL Inwestycje sp. z o.o. entered into a contribution-in-kind agreement on the basis of which AEREF V PL Investment S.à r.l transferred to AEREF V PL Inwestycje sp. z o.o. all of its shares in the Company, i.e. 27,760,000 shares and all rights attached to them.

19 Provisions

During the three-month period ended 31 March 2024, provisions decreased by PLN 5 thousand to PLN 4,443 thousand (in the comparative period ended 31 March 2023, provisions of PLN 509 thousand were released and the balance amounted to PLN 4,242 thousand). The item mainly includes provisions for litigation.

20 Interest-bearing bank loans, borrowings and other financial liabilities

| | 31 March 2024 (unaudited) | 31 December 2023 |
|---|------------------------------|------------------|
| Current | 65 141 | 72 054 |
| Loans | 61 847 | 63 398 |
| Borrowings | - | 3 093 |
| Total current portion of interest-bearing loans and borrowings | 61 847 | 66 491 |
| Measurement of sureties, collateral, and guarantees granted | 596 | 1 468 |
| Measurement of a derivative instrument - IRS | 2 698 | 4 095 |
| Total other financial liabilities | 3 294 | 5 563 |
| Non-current | 619 826 | 558 040 |
| Loans | 449 878 | 391 452 |
| Borrowings | 168 981 | 163 636 |
| Total interest-bearing loans and borrowings | 618 859 | 555 088 |
| Measurement of a derivative instrument - IRS | 967 | 2 952 |
| Total other financial liabilities | 967 | 2 952 |
| Total | 684 967 | 630 094 |

Loans

On 31 March 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 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 disbursed on 18 January 2024. The term loan is being repaid in accordance with the adopted repayment schedule, of which EUR 397,711 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 31 March 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 31/03/2024:

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 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;

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 financial 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 on 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. Agreements for the establishment of registered pledges and financial pledges over 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 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.

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, IRS security was increased to 75% of the loan exposure and is maintained at this level.

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.

21 Trade payables and other liabilities (current and non-current)

| | 31 March 2024 (unaudited) | 31 December 2023 |
|--|------------------------------|------------------|
| Trade payables | 6 879 | 17 098 |
| Other liabilities, including: | 7 395 | 7 585 |
| Public law settlements | 906 | 717 |
| Wage and salary settlements | 186 | 202 |
| Intercompany liabilities in respect of property development projects | 1 002 | 1 057 |
| Security deposits withheld | 228 | 228 |
| Liability in respect of the purchase of shares | 4 908 | 5 208 |
| Other | 165 | 173 |
| Total, including: | 14 274 | 24 683 |
| Non-current | 4 309 | 4 609 |
| Current | 9 965 | 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 usually have a payment term of 7 to 90 days.

The share purchase liability item relates to the purchase of shares in MFM Capital 2 Sp. z o.o. by Murapol S.A., where the final payment date is 29 March 2027.

22 Other significant changes

22.1 Litigation and administrative proceedings

During the three-month period ended 31 March 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 authorisation to carry out a customs and tax inspection with regard to the correctness and reliability of the fulfilment of its obligations as a payer of flat-rate corporate income tax on the disbursement of dues in the period from 1 January 2022 to 31 December 2022. The scope of the insurance policies held by the Company covers, up to the maximum amount indicated therein, the risk of the Company's liability to pay withholding tax 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 dividend paid (the total sum insured is EUR 20.5 million).

The amount of contingent liabilities relating to litigation not covered by the provision as at 31 March 2024 is PLN 11.2 million (as at 31 December 2023, it was PLN 7.2 million).

The value of litigation covered by the provision as at 31 March 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.

22.2 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 | 2019/05/13 | indefinite |
| Murapol S.A. | Leier Polska S.A. | Trade payables | 2 000 | 2020/10/08 | 2028/12/31 |
| Murapol S.A. | Zakład Górniczo-Hutniczy "Bolestaw" S.A. | Trade payables | 703 | 2019/07/19 | 2024/08/31 |
| Murapol S.A. | Sopockie Towarzystwo Ubezpieczeń ERGO HESTIA S.A. | Trade payables | 650 | 2019/05/28 | 2024/09/24 |
| Murapol S.A. | Cross Bud S.A. | Trade payables | 8 000 | 2019/07/18 | indefinite |
| Murapol S.A. | Student Depot Łódź 2 Sp. z o.o. | Surety agreement | 6 500 | 2021/05/31 | 2025/12/31 |
| Murapol S.A. | Student Depot Łódź 2 Sp. z o.o. | Surety agreement | 1 967 | 2021/11/30 | 2028/12/31 |
| Murapol S.A. | Stena Sp. z o.o. | Surety agreement | 141 209 | 2021/11/02 | 2033/06/30 |
| Murapol S.A. | Stena Sp. z o.o. | Surety agreement | 48 678 | 2021/11/02 | 2032/12/18 |
| Murapol S.A. | Stena Sp. z o.o. | Surety agreement | 32 074 | 2021/11/02 | 2032/05/20 |
| Murapol S.A. | Aceno Sp. z o.o. | Surety agreement | 51 406 | 2021/11/02 | 2032/07/22 |
| 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 | 2021/10/28 | 2027/12/31 |
| Murapol S.A. | Santander Bank Polska S.A. Aceno Sp. z o.o. | Guarantee agreement | 5 462 | 2022/02/03 | 2032/12/31 |
| Murapol S.A. | Santander Bank Polska S.A. Life Spot Sp. z o.o. | Guarantee agreement | 22 000 | 2023/02/07 | 2033/12/31 |
| Murapol S.A. | Bank Pekao S.A. | Guarantee agreement | 28 843 | 2024/02/23 | 2034/12/31 |
| Murapol S.A. | Life Spot Katowice Graniczna Sp. z o.o. | Surety agreement | 62 591 | 2023/01/05 | 2035/01/22 |
| Murapol S.A. | Life Spot Kraków Czerwone Maki Sp. z o.o. | Surety agreement | 93 402 | 2023/02/01 | 2035/04/10 |
| Murapol S.A. | Life Spot Kraków Lipska Sp. z o.o. | Surety agreement | 59 690 | 2024/01/09 | 2036/03/12 |
| Murapol S.A. | Life Spot Projekt 11 Sp. z o.o. | Surety agreement | 112 521 | 2024/01/08 | 2036/05/31 |
| Murapol S.A. | SCG Spółka z ograniczoną odpowiedzialnością Sp. k. | Surety agreement | 21 500 | 2023/06/27 | 2026/12/31 |

| Guarantor | Beneficiary | Subject of the guarantee | Up to | From | To |
|--------------|----------------------|--------------------------|-------|------------|------------|
| Murapol S.A. | ING Bank Śląski S.A. | Bank guarantee | 2 421 | 2023/10/05 | 2024/10/04 |
| Murapol S.A. | mBank S.A. | Bill of exchange surety | 2 926 | 2021/05/19 | 2026/06/30 |

22.3 Capital expenditure obligations

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

22.4 Capital management

During the three-month period ended 31 March 2024, there were no significant changes in the goals, principles and procedures of capital management.

22.5 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:

| | 31 March 2024 (unaudited) | 31 December 2023 |
|---|------------------------------|------------------|
| Cash at bank and in hand | 29 074 | 1 469 |
| <i>including restricted cash and cash equivalents</i> | - | - |

23 Financial risk management objectives and policies

23.1 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> |
|---|---|--|
| 3-month period ended 31 March 2024 (unaudited) | | |
| PLN | + 5% | (25 769) |
| PLN | - 5% | 25 769 |
| Year ended 31 December 2023 | | |
| PLN | + 5% | (23 095) |
| PLN | - 5% | 23 095 |

In 2022, as part of a loan agreement, the Company 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 security was increased to 75% of the loan exposure and is maintained at this level.

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

31 March 2024

Variable interest rate

| | <i>< 1 year</i> | <i>1-2 years</i> | <i>2-3 years</i> | <i>3-4 years</i> | <i>> 4 years</i> | <i>Total</i> |
|---------------------------|--------------------|------------------|------------------|------------------|---------------------|--------------|
| Cash and cash equivalents | 29 074 | - | - | - | - | 29 074 |
| Borrowings granted | - | - | - | - | - | - |
| Bank loans | 61 847 | 62 311 | 387 567 | - | - | 511 725 |
| IRS contract | 2 698 | 1 098 | (131) | - | - | 3 665 |

31 December 2023

Variable interest rate

| | <i>< 1 year</i> | <i>1-2 years</i> | <i>2-3 years</i> | <i>3-4 years</i> | <i>> 4 years</i> | <i>Total</i> |
|---------------------------|--------------------|------------------|------------------|------------------|---------------------|--------------|
| Cash and cash equivalents | 1 469 | - | - | - | - | 1 469 |
| Borrowings granted | - | - | - | - | - | - |
| Bank loans | 63 398 | 63 909 | 327 543 | - | - | 454 850 |
| IRS contract | 4 095 | 2 952 | - | - | - | 7 047 |

Loans granted bear fixed interest rates.

23.2 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 31 March 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 Group's financial liabilities as at 31 March 2024 and as at 31 December 2023 by maturity date based on contractual non-discounted payments.

| 31 March 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 |
|---------------------------------------|------------------------|------------------------------|---------------------------|----------------------------|--------------------------|--------------------------|----------------|
| Interest-bearing loans and borrowings | 680 706 | - | 28 959 | 84 649 | 674 139 | - | 787 747 |
| Derivatives | 3 665 | - | 674 | 2 024 | 967 | - | 3 665 |
| Lease liabilities | 13 727 | - | 539 | 1 618 | 7 656 | 7 888 | 17 701 |
| Trade payables | 6 879 | 68 | 4 932 | 1 880 | - | - | 6 880 |
| Other liabilities | 6 324 | - | 1 715 | 300 | 4 309 | - | 6 324 |
| Total | 711 301 | 68 | 36 819 | 90 471 | 687 071 | 7 888 | 822 317 |

| 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 |

23.3 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:

| | 31 March 2024 (unaudited) | 31 December 2023 |
|--------------------------|------------------------------|------------------|
| Trade receivables | 28 275 | 21 493 |
| Other receivables* | 14 587 | 12 283 |
| Other financial assets | 26 050 | 28 449 |
| Cash at bank and in hand | 29 074 | 1 469 |
| Total | 97 986 | 63 694 |

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

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 | 31 March 2024 (unaudited) | 31 December 2023 |
|--------------|------------------------------|------------------|
| Current | 28 231 | 21 252 |
| 1-30 | 33 | 108 |
| 31-60 | 11 | 68 |
| 61-90 | - | 65 |
| 91-180 | - | - |
| >180 | - | - |
| Total | 28 275 | 21 493 |

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 | 1.42% | 100% |
| overdue by up to 30 | 4.27% | 100% |
| overdue 31-60 | 17.59% | 100% |
| overdue 61-90 | 31.22% | 100% |
| overdue 91-180 | 42.26% | 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.

24 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 31 March 2024 (unaudited) | 31 December 2023 | As at 31 March 2024 (unaudited) | 31 December 2023 |
| Financial assets | | | | | |
| Other financial assets | AFWwZK | 26 050 | 28 449 | 26 050 | 28 449 |
| Trade receivables / Other receivables | AFWwZK | 42 862 | 34 827 | 42 862 | 34 827 |
| Cash and cash equivalents | AFWwZK | 29 074 | 1 469 | 29 074 | 1 469 |
| | | 97 986 | 64 745 | 97 986 | 64 745 |
| Financial liabilities | | | | | |
| Lease liabilities | ZFWwZK | 13 727 | 13 799 | 13 727 | 13 799 |
| Measurement of the IRS contract | IPPdO | 3 665 | 7 047 | 3 665 | 7 047 |
| Other financial liabilities | ZFWwZK | 596 | 1 468 | 596 | 1 468 |
| Interest-bearing bank loans and borrowings | ZFWwZK | 680 706 | 621 579 | 680 706 | 621 579 |
| Trade and other payables | ZFWwZK | 13 207 | 23 799 | 13 207 | 23 799 |
| | | 711 901 | 667 692 | 711 901 | 667 692 |

AFWwZK – Financial assets measured at amortized cost
ZFWwZK – Financial liabilities measured at amortized cost
IPPdO – 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.

25 Transactions with related entities

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

| | Three-month period ended | |
|---|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| purchase of services by: | 2 359 | 2 581 |
| <i>Murapol S.A. from:</i> | | |
| - companies and individuals related to the shareholders and Management Board members | 2 160 | 2 355 |
| - subsidiaries | 199 | 226 |
| sales of finished goods, materials and services by: | 13 327 | 12 279 |
| <i>Murapol S.A. to:</i> | | |
| - subsidiaries | 13 327 | 12 279 |
| interest on borrowings received by: | 2 252 | 2 169 |
| <i>Murapol S.A. from:</i> | | |
| - subsidiaries | 2 252 | 2 169 |
| interest on borrowings granted by: | 345 | 267 |
| <i>Murapol S.A. to:</i> | | |
| - subsidiaries | 345 | 267 |
| | | |
| | 31 March 2024 (unaudited) | 31 December 2023 |
| Receivables from related entities: | 67 741 | 61 611 |
| Trade receivables | 27 082 | 20 913 |
| <i>Murapol S.A. to:</i> | | |
| - subsidiaries | 27 082 | 20 913 |
| Other receivables | 14 634 | 12 274 |
| <i>Murapol S.A. to:</i> | | |
| - companies and individuals related to the shareholders and Management Board members* | 11 771 | 11 761 |
| - subsidiaries | 2 863 | 513 |
| Receivables in respect of borrowings | 26 025 | 28 424 |
| <i>Murapol S.A. to:</i> | | |
| - subsidiaries | 26 025 | 28 424 |
| Liabilities to related entities: | 178 842 | 178 406 |
| Lease liabilities | 3 951 | 5 411 |
| <i>Murapol S.A. to:</i> | | |
| - companies and individuals related to the shareholders and Management Board members | 2 657 | 2 661 |
| - subsidiaries | 1 294 | 2 750 |
| Liabilities in respect of borrowings | 168 981 | 166 729 |
| <i>Murapol S.A. to:</i> | | |
| - subsidiaries | 168 981 | 166 729 |

| | Three-month period ended | |
|--|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| Other liabilities | 5 910 | 6 266 |
| <i>Murapol S.A. to:</i> | | |
| - companies and individuals related to the shareholders and Management Board members | - | 1 |
| - subsidiaries | 5 910 | 6 265 |

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

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

| | Three-month period ended | |
|---------------------------|------------------------------|------------------------------|
| | 31 March 2024 (unaudited) | 31 March 2023 (unaudited) |
| Management Board | | |
| Current employee benefits | 2 440 | 1 962 |
| Incentive bonus | 625 | 425 |
| Supervisory Board | | |
| Current employee benefits | 90 | 90 |
| | 3 155 | 2 477 |

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 31 March 2024, the cost of the Company's long-term incentive bonus scheme incrementally amounts to PLN 7,200 thousand. The table above shows the cost of the scheme recognized in the reported periods.

26 Post balance sheet events

On 24 April 2024, the Issuer's Management Board approved the establishment by the Company of a scheme for the issue of Murapol S.A. bonds with an aggregate nominal value of the issued and unredeemed bonds not exceeding PLN 500 million. As at the date of publication of the condensed interim financial statements, Murapol S.A. did not issue any bonds under the scheme described.

On 9 May 2024, four of the Issuer's subsidiaries (hereinafter called the "Subsidiaries") entered into preliminary agreements to acquire the ownership rights to four properties (hereinafter called the "Properties") from the subsidiaries of Horse Group S.a r. l., unrelated to the Issuer. The final deadline for the conclusion of the final agreements is between 36 and 48 months. The total purchase price of the Properties is PLN 106 million and may be increased in the event that a development project with a larger residential floor area than that specified in the agreements is possible. At the same time, the Issuer's subsidiary, Murapol Real Estate S.A., sold 17.5% of its shares in each of the Subsidiaries to EPP N.V., an entity unrelated to the Issuer. At the same time, 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, upon execution of the agreement transferring the ownership of the respective Property, Murapol Real Estate S.A. will have the right to purchase from EPP N.V. all of its shares in a given Subsidiary, and EPP N.V. will have the right to sell to Murapol Real Estate S.A. all of its shares in a given Subsidiary.

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

