

Interim Condensed Consolidated Financial Statements of Murapol S.A.

for the nine-month period ended 30 September 2024
prepared in accordance with International Financial
Reporting Standards as endorsed by the EU



Table of contents

Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of financial position.....	6
Interim condensed consolidated statement of cash flows	8
Interim condensed consolidated statement of changes in equity	10
Additional explanatory notes	12
1 General information	12
2 Changes in the composition of the Group.....	13
3 Basis for the preparation of the interim condensed consolidated financial statements	16
4 Significant accounting policies	16
5 Changes in estimates and corrections of errors	17
6 Seasonality of activities	17
7 Revenue from Contracts with Customers	17
7.1 Revenue by category	17
7.2 Assets and liabilities from contracts with customers.....	19
7.3 Performance obligations	21
8 Information on business segments	22
9 Dividends paid and proposed to be paid.....	24
10 Other operating income and expenses	25
11 Finance income and costs	26
12 Corporate income tax	26
12.1 Tax charges	27
12.2 Reconciliation of the effective tax rate	27
12.3 Deferred income tax.....	27
13 Property, plant and equipment	28
14 Inventories.....	29
15 Other non-financial assets	30
16 Trade and other receivables (current and non-current)	30
17 Equity - shareholders with significant shareholdings.....	31
18 Provisions	32
19 Loans, borrowings and bonds payable	32
20 Other financial liabilities	37
21 Derivative financial instruments	37
22 Trade payables and other liabilities (current and non-current).....	38
22.1 Trade payables and other liabilities	38
22.2 Construction performance bonds.....	39
23 Other significant changes.....	39
23.1 Litigation and administrative proceedings.....	39
23.2 Capital commitments and non-financial sureties and guarantees granted.....	40
23.3 Capital expenditure obligations	41
23.4 Capital management.....	41
23.5 Cash and cash equivalents.....	41
24 Business combinations and acquisitions of non-controlling interests	42

24.1	Acquisition of entities.....	42
24.2	Disposal of entities	42
24.3	Disposal and acquisition of non-controlling interests	42
24.4	Changes in non-controlling interests	42
25	Financial risk management objectives and policies	43
25.1	Interest rate risk.....	43
25.2	Liquidity risk	44
25.3	Credit risk.....	45
26	Financial instruments.....	47
27	Transactions with related entities	48
27.1	Remuneration paid or payable to the members of the Management Board and the members of the Supervisory Board of the Group	50
28	Post balance sheet events	51
	Signatures.....	53

Interim condensed consolidated statement of comprehensive income

	Note	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
Continuing operations					
Revenue from contracts for the sale of apartments	7.1	681,272	169,411	798,982	240,298
Revenue from PRS	7.1	100,419	31,680	163,097	54,392
Sales of goods for resale	7.1	665	227	861	277
Other sales	7.1	3,967	913	3,952	2,143
Sales revenue		786,323	202,231	966,892	297,110
Cost of sales		(550,872)	(144,648)	(656,688)	(214,299)
<i>including capitalized finance costs</i>		<i>(26,264)</i>	<i>(6,736)</i>	<i>(27,792)</i>	<i>(11,438)</i>
Gross profit/(loss) on sales		235,451	57,583	310,204	82,811
Other operating income	10	2,016	120	890	193
Selling costs		(25,175)	(7,197)	(25,494)	(7,909)
General and administrative expenses		(50,128)	(14,339)	(51,422)	(20,421)
Gain/(loss) on impairment of trade and other receivables		454	35	(135)	(430)
Impairment of intangible assets		(1,434)	-	(1,000)	-
Other operating expenses	10	(1,633)	(481)	(4,044)	(1,259)
Operating profit/(loss)		159,551	35,721	228,999	52,985
Finance income	11	8,108	2,513	9,050	1,399
Finance costs	11	(2,905)	(941)	(1,784)	(454)
Profit/(Loss) before tax		164,754	37,293	236,265	53,930
Corporate income tax	12	(32,965)	(7,810)	(46,320)	(10,334)
Net profit/(loss) on continuing operations		131,789	29,483	189,945	43,596
Net profit (loss) on discontinued operations		-	-	-	-
Net profit/loss for the period		131,789	29,483	189,945	43,596
Other net comprehensive income		(12)	(5)	(38)	928
COMPREHENSIVE INCOME FOR THE PERIOD		131,777	29,478	189,907	44,524
Profit/(loss) attributable to:					
Shareholders of the parent company		131,762	29,483	189,853	43,581

Non-controlling interests		27	-	92	15
Comprehensive income attributable to:					
Shareholders of the parent company		131,750	29,478	189,815	44,509
Non-controlling interests		27	-	92	15
Net earnings per share (in PLN per share):					
Basic and diluted from profit for the period attributable to shareholders of the parent company					
Net earnings per share from continuing operations attributable to shareholders of the parent company		3.22	0.72	4.65	1.06
Net profit per share from discontinued operations attributable to shareholders of the parent company (in PLN):		-	-	-	-

Interim condensed consolidated statement of financial position

	Note	30/09/2024 (unaudited)	31/12/2023
ASSETS			
Non-current assets		91,960	86,523
Intangible assets		3,078	4,629
Property, plant and equipment	13	20,979	20,072
Other receivables	16	82	82
Other financial assets		51	80
Other non-financial assets	15	1,967	1,659
Deferred income tax assets	12.3	65,803	60,001
Current assets		2,219,454	1,773,292
Inventories	14	1,738,989	1,399,763
Costs of obtaining contracts	7.2	26,420	23,236
Trade receivables	16	15,307	37,781
Income tax receivable		636	3,548
Other receivables	16	65,052	56,825
Construction performance bonds	7.2	70	24
Assets relating to the performance of construction contracts	7.2	4,170	2,146
Other non-financial assets	15	2,296	1,801
Cash at bank in individual escrow accounts		120,041	65,012
Cash and cash equivalents	23.5	246,473	183,156
TOTAL ASSETS		2,311,414	1,859,815
EQUITY AND LIABILITIES			
Equity (attributable to shareholders of the parent company)		612,162	557,960
Share capital	17	2,040	2,040
Foreign exchange differences on translation of foreign operations		879	891
Supplementary capital, other reserves and retained earnings/(accumulated losses)		477,481	335,953
Profit/(loss) for the period		131,762	219,076
Non-controlling interests	24.4	-	1,425
Total equity		612,162	559,385
Non-current liabilities		641,165	454,770

Loans, borrowings and bonds payable	19	563,659	391,280
Other financial liabilities	20	4,861	-
Non-current hedging derivatives	21	364	2,952
Lease liabilities		13,720	13,385
Deferred income tax provision	12.3	34,687	27,706
Long-term construction performance bonds	22.2	20,960	19,414
Other liabilities	22.1	2,914	33
Short-term liabilities		1,058,087	845,660
Trade payables	22.1	101,576	71,959
Loans, borrowings and bonds payable	19	62,727	63,398
Current hedging derivatives	21	2,494	4,095
Lease liabilities		27,176	17,320
Income tax liabilities		17,533	12,190
Other liabilities	22.1	8,798	8,188
Provisions	18	6,215	6,390
Net employee benefit liabilities		2,782	2,481
Construction performance bonds	22.2	46,336	41,108
Liabilities and provisions in respect of long-term contracts	7.2	37,290	31,188
Liabilities from contracts with customers	7.2	745,160	587,343
Total liabilities		1,699,252	1,300,430
EQUITY AND LIABILITIES		2,311,414	1,859,815

Interim condensed consolidated statement of cash flows

	Note	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
Cash flows from operating activities					
Profit/(Loss) before tax		164,754	37,293	236,265	53,930
Adjusted for:		(135,388)	(75,496)	(238,519)	(28,258)
Amortization and depreciation		3,942	1,342	3,369	1,139
(Increase)/decrease in receivables		14,654	7,142	(39,251)	2,610
(Increase)/decrease in inventories		(309,317)	(142,028)	(50,350)	(18,565)
(Increase)/decrease in other assets		(2,827)	2,503	868	574
(Increase)/decrease in cash in individual escrow accounts		(55,029)	(33,656)	(15,309)	(7,726)
Increase/(decrease) in liabilities except for loans and borrowings and other financial liabilities		51,314	(8,723)	16,698	10,499
Cost of incentive bonus		1,875	625	1,275	425
Finance income		(1,147)	291	46	46
Finance costs		28,774	7,573	29,382	11,884
Amortization of goodwill		1,434	-	1,000	-
Increase/(decrease) in liabilities from contracts with customers		154,633	96,951	(137,601)	(9,607)
(Increase)/decrease in provisions		126	19	(494)	265
Income tax paid		(23,532)	(7,954)	(47,591)	(21,386)
Gain/loss on impairment of financial assets		(453)	(34)	135	430
Other		165	453	(696)	1,154
Net cash from operating activities		29,366	(38,203)	(2,254)	25,672
Cash flows from investing activities					
Sale of property, plant and equipment and intangible assets		188	128	359	78
Acquisition of property, plant and equipment and intangible assets		(790)	(143)	(936)	(544)
Repayment of loans granted		29	12	59	30

Net cash from investing activities		(573)	(3)	(518)	(436)
Cash flows from financing activities					
Proceeds from loans / borrowings taken out		71,670	-	110,500	-
Proceeds from the issue of bonds		150,000	-	-	-
Purchase of non-controlling interests		(500)	-	(500)	-
Repayment of lease liabilities		(3,733)	(1,142)	(3,286)	(1,048)
Repayment of loans/borrowings		(48,570)	(16,190)	(48,570)	(16,190)
Dividends paid to shareholders of the parent company		(80,376)	-	(100,000)	-
Interest and bank commissions		(53,967)	(19,025)	(44,184)	(14,655)
Net cash from financing activities		34,524	(36,357)	(86,040)	(31,893)
Net increase/(decrease) in cash and cash equivalents		63,317	(74,563)	(88,812)	(6,657)
Net foreign exchange differences on cash and cash equivalents		-	-	-	-
Cash and cash equivalents as at the beginning of the period	23.5	183,156	321,036	269,522	187,367
Cash and cash equivalents at the end of the period	23.5	246,473	246,473	180,710	180,710
<i>Including restricted cash and cash equivalents</i>		2,781	2,781	6,717	6,717

Interim condensed consolidated statement of changes in equity

Attributable to the shareholders of the parent company							
Note	Share capital	Foreign exchange differences on translation of foreign operations	Supplementary capital, other reserves, retained earnings/accumulated losses and profit or loss for the financial year	Total	Non-controlling interests	Total equity	
As at 1 January 2024	2,040	891	555,029	557,960	1,425	559,385	
Net profit/loss for the period	-	-	131,762	131,762	27	131,789	
Other net comprehensive income for the period	-	(12)	-	(12)	-	(12)	
Total income for the period	-	(12)	131,762	131,750	27	131,777	
Other changes in the Group structure	24	-	952	952	(1,452)	(500)	
Dividends	9	-	(80,376)	(80,376)	-	(80,376)	
Share-based payments	27.1	-	1,875	1,875	-	1,875	
As at 30 September 2024 (unaudited)	2,040	879	609,243	612,162	-	612,162	

Attributable to the shareholders of the parent company

Note	Share capital	Foreign exchange differences on translation of foreign operations	Supplementary capital, other reserves, retained earnings/accumulated losses and profit or loss for the financial year	Total	Non-controlling interests	Total equity
As at 1 January 2023	2,040	1,586	433,134	436,760	2,770	439,530
Net profit/loss for the period	-	-	189,853	189,853	92	189,945
Other net comprehensive income for the period	-	(38)	-	(38)	-	(38)
Total income for the period	-	(38)	189,853	189,815	92	189,907
Other changes in the Group structure	24	-	920	920	(1,420)	(500)
Dividends		-	(100,000)	(100,000)	-	(100,000)
Share-based payments	27.1	-	1,275	1,275	-	1,275
As at 30 September 2023 (unaudited)	2,040	1,548	525,182	528,770	1,442	530,212

Additional explanatory notes

1 General information

The Group's interim condensed consolidated financial statements cover the nine-month period ended 30 September 2024 and include the comparative data for the nine-month period ended 30 September 2023 and as at 31 December 2023. The financial statements also include data for the three-month period ended 30 September 2024 and for the three-month period ended 30 September 2023 in relation to the statement of comprehensive income and the statement of cash flows.

The above data have not been audited by a registered auditor.

The Murapol S.A. Group (the "Group") consists of Murapol S.A. (the "parent company", "Company", "Issuer") and its subsidiaries.

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

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

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

The Group's core operations comprise:

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

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

The composition of the parent company's Management Board as at 30 September 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 have been no changes in the composition of the Management Board by the date of publication of these financial statements.

The composition of the parent company's Supervisory Board as at 30 September 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.

There have been no 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 Changes in the composition of the Group

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

Entity	Registered office	30 September 2024	31 December 2023	Scope of activities
Murapol S.A.	Poland	n/a	n/a	Holding and financial activities

Subsidiaries held by Murapol S.A. exclusively directly:

Entity	Registered office	30 September 2024	31 December 2023	Scope of activities
Murapol Real Estate S.A. [1][2][13]	Poland	100.00%	100.00%	Holding activities, development activities and sale of premises in its own name
Locomotive Management Ltd	Cyprus	100.00%	100.00%	Holding activities
Murapol Projekt 59 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of premises in its own name
Media Deweloper.pl sp. z o.o.	Poland	100.00%	100.00%	Marketing services
Murapol Projekt 26 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of premises in its own name
Murapol Projekt 34 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of premises in its own name
Murapol Projekt 37 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of premises in its own name
Murapol Projekt 39 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of premises in its own name
Murapol Projekt 42 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of premises in its own name
Murapol Projekt 43 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of premises in its own name

Entity	Registered office	30 September 2024	31 December 2023	Scope of activities
Murapol Projekt 45 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o.	Poland	100.00%	100.00%	Holding activities

Subsidiaries held by Murapol S.A. directly and indirectly:

Entity	Registered office	30 June 2024	31 December 2023	Scope of activities
Cross Bud S.A. [2]	Poland	100.00%	96.40%	Wholesale of building materials
MyMurapol sp. z o.o.	Poland	100.00%	100.00%	Marketing activities related to the sale of apartments built by the Group companies
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 the Group companies
Murapol Centrum Usług Wspólnych sp. z o.o.	Poland	100.00%	100.00%	Accounting and administrative services
Murapol Projekt sp. z o.o. Garbarnia sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. GDA S.K.A.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. Nowe Winogrody sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Nowy Złocień 23 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 27 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt 35 sp. z o.o.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name
Murapol Projekt sp. z o.o. Nowe Czyżyny sp.j.	Poland	100.00%	100.00%	Development activities and sale of apartments in its own name

Entity	Registered office	30 June 2024	31 December 2023	Scope of activities
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
Projekt Częstochowa Kisielewskiego sp. z o.o. [1] [3]	Poland	82.50%	-	Development activities and sale of apartments in its own name
Project Kielce Radomska sp. z o.o. [1] [3]	Poland	82.50%	-	Development activities and sale of apartments in its own name
Project 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

During the nine months ended 30 September 2024, the following changes were made 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 a notarial deed: Projekt Częstochowa Kisielewskiego sp. z o.o., Projekt Kielce Radomska sp. z o.o., Projekt Poznań Szwajcarska sp. z o.o., Projekt Tychy Bielska sp. z o.o.

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

[3] On 9 May 2024, a subsidiary Murapol Real Estate S.A. disposed of 17.5% of its shares in each of the following companies: Projekt Częstochowa Kisielewskiego sp. z o.o., Projekt Kielce Radomska sp. z o.o., Projekt Poznań Szwajcarska sp. z o.o., Projekt Tychy Bielska sp. z o.o., on behalf of EPP N.V., for a total selling price of PLN 5 thousand. On 9 May 2024, a subsidiary Murapol Real Estate S.A. entered into an option agreement with EPP N.V. for the repurchase of the above shares, for a total amount of PLN 12,296 thousand. As a result of an analysis of the

option agreements, the Company considers that it has current access to the returns associated with all shares and does not recognize any non-controlling interests. The Group recognized the option liability as part of the cost of purchase of land by the above project companies.

3 Basis for the preparation of the interim condensed consolidated financial statements

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

These interim condensed consolidated financial statements were approved for publication on 19 November 2024.

In the opinion of the parent company's Management Board, as at the date of preparation of these interim condensed consolidated 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 from the balance sheet date.

4 Significant accounting policies

The accounting policies applied in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial statements do not include all the information and disclosures required in annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Murapol S.A. Group 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 impact on the Group's interim condensed consolidated financial statements.

5 Changes in estimates and corrections of errors

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

- estimates for inventory write-downs are presented in Note 14;
- estimates and assumptions for allowances for receivables are presented in Note 16;
- estimates for provisions and accruals are presented in Note 18;
- estimates for deferred tax assets/provisions are presented in Note 12;
- estimates for the measurement of managerial options are presented in Note 27.1;
- estimates for the recognition of non-controlling interests are presented in Note 24.3;
- estimates for the impairment of assets are presented in the consolidated financial statements for 2023;
- estimates for assessing the exercise of control or influence over other entities are presented in the consolidated financial statements for 2023.

A detailed description of the assumptions made in each area of estimation is presented in the consolidated financial statements for 2023. During the nine months ended 30 September 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 error corrections in the current period.

6 Seasonality of activities

The Group'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:

	9-month period ended 30 September 2024 (unaudited)		
	Development segment	PRS segment	Total
<i>Type of goods or services:</i>			
Residential and commercial premises	681,272	-	681,272
Construction services	-	100,419	100,419
Other	4,632	-	4,632
Total revenue from contracts with customers	685,904	100,419	786,323
<i>Date of transfer of goods or services:</i>			
at a specific moment	685,904	-	685,904
over time	-	100,419	100,419
Total revenue from contracts with customers	685,904	100,419	786,323

The lower revenue in the PRS segment is due to capital project schedules and construction work schedules.

	3-month period ended 30 September 2024 (unaudited)		
	Development segment	PRS segment	Total
<i>Type of goods or services:</i>			
Residential and commercial premises	169,411	-	169,411
Construction services	-	31,680	31,680
Other	1,140	-	1,140
Total revenue from contracts with customers	170,551	31,680	202,231
<i>Date of transfer of goods or services:</i>			
at a specific moment	170,551	-	170,551
over time	-	31,680	31,680
Total revenue from contracts with customers	170,551	31,680	202,231

	9-month period ended 30 September 2023 (unaudited)		
	Development segment	PRS segment	Total
<i>Type of goods or services:</i>			
Residential and commercial premises	798,982	-	798,982
Construction services	-	121,324	121,324
Sale of land	-	41,773	41,773
Other	4,813	-	4,813
Total revenue from contracts with customers	803,795	163,097	966,892
<i>Date of transfer of goods or services:</i>			
at a specific moment	803,795	41,773	845,568
over time	-	121,324	121,324
Total revenue from contracts with customers	803,795	163,097	966,892

	3-month period ended 30 September 2023 (unaudited)		
	Development segment	PRS segment	Total
<i>Type of goods or services:</i>			
Residential and commercial premises	240,298	-	240,298
Construction services	-	31,897	31,897
Sale of land	-	22,495	22,495
Other	2,420	-	2,420
Total revenue from contracts with customers	242,718	54,392	297,110
<i>Date of transfer of goods or services:</i>			
at a specific moment	242,718	22,495	265,213
over time	-	31,897	31,897
Total revenue from contracts with customers	242,718	54,392	297,110

7.2 Assets and liabilities from contracts with customers

The Group recognizes the following assets and liabilities from contracts with customers:

Revenue recognized at a specific moment

Costs of obtaining contracts

	9-month period ended	
	30 September 2024 (unaudited)	30 September 2023 (unaudited)
Opening balance as at 1 January	23,236	20,211
contracting costs capitalized during the period	19,652	18,484
period costs	(16,468)	(17,700)
Closing balance as at 30 September	26,420	20,994

Liabilities from contracts with customers

	9-month period ended	
	30 September 2024 (unaudited)	30 September 2023 (unaudited)
Opening balance as at 1 January	580,005	625,439
payments from customers of the development segment	839,089	679,314
revenue recognized in the period at a specific moment	(681,272)	(798,982)
Closing balance as at 30 September	737,822	505,771

Revenue recognized over time

Assets relating to the performance of construction contracts

	9-month period ended	
	30 September 2024 (unaudited)	30 September 2023 (unaudited)
Opening balance as at 1 January	2,146	3,131
change in the period	2,024	(2,199)
Closing balance as at 30 September	4,170	932

Liabilities and provisions in respect of long-term contracts

	9-month period ended	
	30 September 2024 (unaudited)	30 September 2023 (unaudited)
Opening balance as at 1 January	31,188	26,065
change in the period	6,102	4,218
Closing balance as at 30 September	37,290	30,283

As at 30 September 2024, non-current contract liabilities and provisions include the Group's liability for subcontractor work performed but not invoiced.

Liabilities from contracts with customers

	9-month period ended	
	30 September 2024 (unaudited)	30 September 2023 (unaudited)
Opening balance as at 1 January	7,338	25,912
Payments from customers (PRS segment)	-	3,929
Settlement of advances	-	(21,078)
Closing balance as at 30 September	7,338	8,763

Construction performance bonds - assets

	9-month period ended	
	30 September 2024 (unaudited)	30 September 2023 (unaudited)
Opening balance as at 1 January	24	13
Change	46	6
Closing balance as at 30 September	70	19
including:		
Non-current construction performance bonds	-	-
Current construction performance bonds	70	19

7.3 Performance obligations

Residential and commercial premises

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

The total revenue to be recognized in the future, resulting from contracts for the sale of residential space signed as at the balance sheet date of 30 September 2024, amounts to PLN 1,152,878 thousand (as at 31 December 2023: PLN 996,139 thousand) of which the Group had received advances of PLN 726,630 thousand by the balance sheet date (as at 31 December 2023: PLN 572,274 thousand).

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

Long-term contracts

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

The total revenue to be recognized in the future, resulting from non-current contracts for the sale of residential space signed as at the balance sheet date of 30 September 2024, amounts to PLN 132,237 thousand, of which PLN 33,878 thousand is due in 2024.

Building materials

The performance obligation is fulfilled, when control of the goods is transferred to the buyer. The payment terms for goods delivered are usually 30 days.

8 Information on business segments

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

- the development segment is involved in the construction and sale of residential and commercial premises;
- the PRS comprises sales of land and general contracting services for the design-build and private rental sector companies.

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

The Management Board monitors the operational performance of the segments separately in order to make decisions on the allocation of resources, to assess the effects of this allocation and the performance of the business. The basis for assessing performance is the profit or loss on sales which is identical to the profit or loss on sales in the consolidated financial statements. General and administrative expenses, Group financing not capitalized in inventories (including finance costs and income) and income tax are monitored at Group level and there is no allocation to segments.

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

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

9-month period ended 30 September 2024 <i>(unaudited)</i>	Development segment	PRS	Total activities
Segment revenues	685,904	100,419	786,323
Gross profit/(loss) on sales	223,978	11,473	235,451
<i>including capitalized finance costs</i>	<i>(26,264)</i>	-	<i>(26,264)</i>
Other operating income	-	-	2,016
Selling costs	-	-	(25,175)
General and administrative expenses	-	-	(50,128)
Gain/(loss) on impairment of trade and other receivables	-	-	454
Impairment of intangible assets	-	-	(1,434)
Other external operating expenses	-	-	(1,633)
Operating profit	-	-	159,551

3-month period ended 30 September 2024 <i>(unaudited)</i>	Development segment	PRS	Total activities
Segment revenues	170,551	31,680	202,231
Gross profit/(loss) on sales	54,441	3,142	57,583
<i>including capitalized finance costs</i>	<i>(6,736)</i>	-	<i>(6,736)</i>
Other operating income	-	-	120
Selling costs	-	-	(7,197)
General and administrative expenses	-	-	(14,339)
Gain/(loss) on impairment of trade and other receivables	-	-	35
Impairment of intangible assets	-	-	-
Other external operating expenses	-	-	(481)
Operating profit	-	-	35,721

9-month period ended 30 September 2023 <i>(unaudited)</i>	Development segment	PRS	Total activities
Segment revenues	803,795	163,097	966,892
Gross profit/(loss) on sales	293,334	16,870	310,204
<i>including capitalized finance costs</i>	<i>(27,792)</i>	-	<i>(27,792)</i>
Other operating income	-	-	890
Selling costs	-	-	(25,494)
General and administrative expenses	-	-	(51,422)
Gain/(loss) on impairment of trade and other receivables	-	-	(135)
Impairment of intangible assets	-	-	(1,000)
Other external operating expenses	-	-	(4,044)
Operating profit	-	-	228,999

3-month period ended 30 September 2023 <i>(unaudited)</i>	Development segment	PRS	Total activities
Segment revenues	242,718	54,392	297,110
Gross profit/(loss) on sales	77,487	5,324	82,811
<i>including capitalized finance costs</i>	<i>(11,438)</i>	-	<i>(11,438)</i>
Other operating income	-	-	193
Selling costs	-	-	(7,909)
General and administrative expenses	-	-	(20,421)
Gain/(loss) on impairment of trade and other receivables	-	-	(430)
Impairment of intangible assets	-	-	-
Other external operating expenses	-	-	(1,259)
Operating profit	-	-	52,985

9 Dividends paid and proposed to be paid

On 30 April 2024, the General 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) 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 2022 of PLN 100,000 thousand (PLN 2.45 per share).

On 1 October 2024, the Management Board of Murapol S.A. decided to pay an interim dividend for 2024 in the amount of EUR 119,952 thousand to its shareholders (PLN 2.94 per share). The Management Board set the date on which the interim dividend for 2024 is to be vested as 6 November 2024 and the date on which the interim dividend for 2024 will be paid as 12 November 2024.

10 Other operating income and expenses

	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
Other operating income				
Revenue from contractual penalties	568	5	488	205
Rental	18	6	41	29
Provisions	-	-	-	(360)
Income from sale of fixed assets	139	116	-	-
Compensation income	-	-	56	54
Other	1,291*	(7)	305	265
Total other operating income	2,016	120	890	193

	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
Other operating expenses				
Donations	211	105	15	5
Costs of scrapping fixed assets	-	-	30	(29)
Litigation costs	348	188	976	379
Damages	71	(4)	-	-
Complaint costs	1,003	192	1,869	700
Other	-	-	1,154*	204
Total other operating expenses	1,633	481	4,044	1,259

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

11 Finance income and costs

	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
Finance income				
Bank interest	6,872	2,797	7,430	1,378
Interest on receivables and other interest	88	5	138	(94)
Measurement of the IRS contract	281	(321)	-	-
Measurement of options, deposits and other instruments	693	(43)	1,434	112
Other finance income	174	75	48	3
Total finance income	8,108	2,513	9,050	1,399

	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
Finance costs				
Interest on liabilities	281	96	55	15
Interest on tax arrears	115	9	139	2
Interest on leases	2,191	755	1,511	461
Gains / Losses on investments in equity instruments	-	-	1	-
Foreign exchange differences	184	68	-	(29)
Other finance costs	134	13	78	5.
Total finance costs	2,905	941	1,784	454

12 Corporate income tax

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

12.1 Tax charges

	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
Consolidated statement of comprehensive income				
Current income tax	(31,787)	(13,933)	(43,959)	(21,813)
Deferred income tax	(1,178)	6,123	(2,361)	11,479
Tax charge shown in the consolidated profit	(32,965)	(7,810)	(46,320)	(10,334)
Other comprehensive income	-	-	-	-
Tax benefit/charge recognized in other comprehensive income	-	-	-	-

12.2 Reconciliation of the effective tax rate

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

	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
Profit/(loss) before tax	164,754	37,293	236,265	53,930
Tax at the statutory tax rate applicable in Poland of 19%	31,303	7,085	44,890	10,246
Permanently non-deductible costs	957	326	1,237	285
Permanently non-taxable income	(289)	(264)	(109)	(17)
Share-based payments	356	118	242	81
Reversal of deferred tax assets	75	32	-	-
Other	563	513	60	(261)
Tax at the effective tax rate of 20% (2023: 20%)	32,965	7,810	46,320	10,334
Income tax (charge) recognized in the consolidated profit or loss	32,965	7,810	46,320	10,334

12.3 Deferred income tax

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

	30 September 2024 (unaudited)	31 December 2023
Deferred income tax assets	65,803	60,001
Deferred income tax provisions	(34,687)	(27,706)

During the nine months ended 30 September 2024, the main changes in the deferred tax asset were as follows: the deferred tax asset in respect of tax losses and the assets in respect of accruals and deferred income were reduced, whereas the deferred asset in respect of construction contracts was increased.

The increase in the deferred tax provision is mainly due to an increase in the provision for temporary differences resulting from the different timing of the recognition of revenue from the sale of apartments in the financial statements and for tax purposes.

13 Property, plant and equipment

Purchase and sale

During the nine-month period ended 30 September 2024, the Group acquired property, plant and equipment with a value of PLN 4,039 thousand. During the nine-month period ended 30 September 2023, the Group acquired property, plant and equipment with a value of PLN 15,888 thousand and recognized a right-of-use asset (lease) of an office in Bielsko-Biała with a value of PLN 13,839 thousand. During the three-month period ended 30 September 2024, the Group acquired property, plant and equipment with a value of PLN 559 thousand. During the three-month period ended 30 September 2023, the Group acquired property, plant and equipment with a value of PLN 1,217 thousand and did not recognize a right-of-use asset (lease) of an office leased in Bielsko-Biała.

During the nine-month period ended 30 September 2024, the Group disposed of property, plant and equipment with a gross value of PLN 2,734 thousand, and during the nine-month period ended 30 September 2023 – with a gross value of PLN 6,240 thousand, including a right-of-use asset (lease) of an office in Bielsko-Biała with a value of PLN 4,318 thousand. During the three-month period ended 30 September 2024, the Group disposed of property, plant and equipment with a gross value of PLN 299 thousand, and during the three-month period ended 30 September 2023 – with a value of PLN 303 thousand, including a right-of-use asset (lease) of an office in Bielsko-Biała with a gross value of PLN 222 thousand.

Impairment allowances

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

14 Inventories

	30 September 2024 (unaudited)	31 December 2023
Materials	6,333	3,141
Semi-finished goods and work in progress	1,525,516	1,091,039
Advance payments for land	83,634	129,866
Finished goods	123,506	175,717
Total inventories at the lower of the cost of purchase (manufacture) and the net realizable value	1,738,989	1,399,763

In the nine-month period ended 30 September 2024, the Group recognized the costs previously capitalized in inventories in the cost of sales of PLN 548,829 thousand (PLN 654,267 thousand in the comparative period).

In the nine-month period ended 30 September 2024, the Group recognized allowances for inventories of PLN 2,660 thousand (PLN 4,062 thousand in the comparative period).

The value of capitalized borrowing costs amounted to, respectively:

	30 September 2024 (unaudited)	31 December 2023
Capitalized borrowing costs (cumulatively)	98,023	77,003

	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
Borrowing costs capitalized in inventories	47,284	19,477	42,171	13,146
Borrowing costs recognized in cost of sales	(26,264)	(6,736)	(27,792)	(11,438)
Capitalized borrowing costs during the period	21,020	12,741	14,379	1,708

During the nine-month period ended 30 September 2024, the capitalization rate amounted to 8.7% (during the nine-month period ended 30 September 2023: 9.53%).

15 Other non-financial assets

	30 September 2024 (unaudited)	31 December 2023
Group liability insurance policies	585	722
Overpaid costs of HR, IT services	222	240
Guarantees, security deposits	1,505	1,462
Licences	1,648	788
Other prepayments and deferred costs	303	248
Total	4,263	3,460
current	2,296	1,801
non-current	1,967	1,659

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

	30 September 2024 (unaudited)	31 December 2023
Trade receivables	15,307	37,781
Other receivables, including:	65,134	56,907
Public law settlements	51,751	41,808
Security deposits for lease of premises	13	80
Settlements with a shareholder-related entity	11,723	11,723
Receivable	1,252	2,997
Other	395	299
Total net receivables	80,441	94,688
Write-downs of receivables	11,819	13,181
Total gross receivables	92,260	107,869
Current	80,359	94,606
Non-current	82	82

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

The parent 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 public law settlements relate to the VAT receivables and the withholding tax paid in relation to the dividend paid in 2023.

Settlements with a shareholder-related entity represent the remaining receivables from a shareholder-related entity which have been deferred until 31 December 2024 based on an agreement (with a subsequent annex) between the shareholder-related entity and the Company.

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

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

	30 September 2024 (unaudited)	30 September 2023 (unaudited)
As at 1 January	13,181	12,724
Increases	106	950
Decreases	1,468	1,278
Total	11,819	12,396
trade receivables	11,668	12,352
other	151	44

17 Equity - shareholders with significant shareholdings

As at 30 September 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 nine months ended 30 September 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.

18 Provisions

During the nine-month period ended 30 September 2024, provisions decreased by PLN 175 thousand to PLN 6,215 thousand. Provisions of PLN 193 thousand, including provisions for litigation of PLN 181 thousand, were released and provisions for litigation of PLN 18 thousand were set up. During the nine-month period ended 30 September 2023, provisions decreased by PLN 189 thousand to PLN 6,205 thousand. Provisions of PLN 941 thousand were released and provisions of PLN 752 thousand were set up.

During the three-month period ended 30 September 2024, provisions decreased by PLN 19 thousand to PLN 6,215 thousand. Other provisions of PLN 19 thousand were set up. No provisions were released. During the three-month period ended 30 September 2023, provisions increased by PLN 265 thousand to PLN 6,205 thousand. Provisions of PLN 215 thousand were released and provisions of PLN 480 thousand were set up.

19 Loans, borrowings and bonds payable

	30 September 2024 (unaudited)	31 December 2023
Current	62,727	63,398
Loans	61,392	63,398
Total interest-bearing loans and borrowings	61,392	63,398
Bonds	1,335	-
Total bonds	1,335	-
Non-current	563,659	391,280
Loans	418,306	391,280
Total interest-bearing loans and borrowings	418,306	391,280
Bonds	145,353	-
Total bonds	145,353	-
Total	626,386	454,678

Loans

On 30 September 2024, the Group was a party to a loan agreement concluded in September 2022 with a banking syndicate. The Group 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 Group's existing debt as well as to fund general corporate purposes and 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 up to PLN 71,700 thousand, which reflected the loan repayments made to date in accordance with the schedule. It was fully drawn down on 18 January 2024. The term loan is being repaid in accordance with the adopted repayment schedule, of which EUR 371,910 thousand will be repaid on a one-off basis no later than by 30 June 2026.

On 24 September 2024, an agreement was signed by and between Alior Bank S.A. and Bank Santander S.A., on the basis of which Alior Bank S.A. took over a part of the debt from Bank Santander S.A., while joining the banking syndicate. This did not affect the size of the loan or change the repayment schedule.

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 to Murapol Group entities as at 30/09/2024:

Bank	Borrower	Maximum loan amount	Final repayment deadline	Interest rate
PEKAO S.A./ Santander Bank S.A./ Alior S.A.	Murapol S.A.	550,000	30/06/2026	WIBOR 3M + margin

Main collateral for loans as at 30/09/2024:

Security in the form of mortgages:

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

Other security:

1. agreements for the establishment of registered 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 the 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 the 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 on the shares in the companies acceding to the debt (which are limited liability companies), concluded by and between the shareholders as pledgors and Bank Polska Kasa Opieki S.A. as a pledgee and the administrator of the registered pledge and Santander Bank Polska S.A. as a pledgee;

4. agreements for the establishment of registered pledges and ordinary pledges on the monetary receivables of 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 the 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 the pledgor and Bank Polska Kasa Opieki S.A. as the administrator of the registered pledge;

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

7. debt 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. debt assignment 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;

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

10. statement 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 to Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

11. statements by the partners/shareholders (who are, at the same time, the borrower or a partnership/company acceding to the debt) of the partnerships/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 to Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

12. statements by the partners (who are not, at the same time, the borrower or a partnership acceding to the debt) of the partnerships acceding to the debt on submission to enforcement proceedings pursuant to Article 777 § 1 item 6 of the Code of Civil Procedure, made to Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

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

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

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

16. agreements for the establishment of ordinary pledges on the monetary receivables of the partners in the partnerships acceding to the debt (which are general partnerships), concluded by and between the partners as pledgors and Alior Bank S.A. as a pledgee;

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

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

Bank	Borrower	Maximum loan amount	Final repayment deadline	Interest rate
PEKAO S.A./ Santander Bank S.A.	Murapol S.A.	550,000	30/06/2026	WIBOR 3M + margin

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

Security in the form of mortgages:

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

Other security:

1. agreements for the establishment of registered 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 the 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 the 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 on the shares in the companies acceding to the debt (which are limited liability companies), concluded by and between the shareholders as pledgors and Bank Polska Kasa Opieki S.A. as a pledgee and the administrator of the registered pledge and Santander Bank Polska S.A. as a pledgee;

4. agreements for the establishment of registered pledges and ordinary pledges on the monetary 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 the 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 the pledgor and Bank Polska Kasa Opieki S.A. as the administrator of the registered pledge;

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

7. debt 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. debt assignment 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. an assignee;

9. 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.;

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

11. statement 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 to Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

12. statements by the partners/shareholders (being, at the same time, the borrower or a partnership/company acceding to the debt) of the partnerships/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 to Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

13. statements by the partners (who are not, at the same time, the borrower or a partnership acceding to the debt) of the partnerships acceding to the debt on submission to enforcement proceedings pursuant to Article 777 § 1 item 6 of the Code of Civil Procedure, made in favour of Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as lenders;

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

20 Other financial liabilities

The main item of other financial liabilities, in the amount of PLN 4,861 thousand, is the valuation of options. On 9 May 2024, the Issuer's subsidiary, Murapol Real Estate S.A., disposed of 17.5% of its shares in each of its four Subsidiaries to EPP N.V. 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, Murapol Real Estate S.A. will have the right to purchase from EPP N.V. all of its shares in a given Subsidiary (a call option), and EPP N.V. will have the right to sell to Murapol Real Estate S.A. all of its shares (a put option). The Issuer's Management Board expects that the options will be settled over a period of three to five years.

21 Derivative financial instruments

	30 September 2024 (unaudited)	31 December 2023
Liabilities	2,858	7,047
Non-current hedging derivatives	364	2,952
IRS pricing	364	2,952
Current hedging derivatives	2,494	4,095
IRS pricing	2,494	4,095

IRS

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

Security in the form of mortgages:

1. Joint mortgage 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 and other liabilities (current and non-current)

22.1 Trade payables and other liabilities

	30 September 2024 (unaudited)	31 December 2023
Trade payables	101,576	71,959
Other liabilities, including:	11,712	8,221
Public law settlements	3,999	4,375
VAT settlements with the tax authorities in respect of bad debts	465	475
Settlements in respect of wages and salaries	3,498	2,753
Security deposits withheld	46	47
Land purchase	2,883	-
Other	821	571
Total, including:	113,288	80,180
Non-current	2,914	33
Current	110,374	80,147

The parent 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 mature within 7 to 90 days.

22.2 Construction performance bonds

	30 September 2024 (unaudited)	31 December 2023
Opening balance as at 1 January	60,522	56,783
Change	6,774	3,739
Closing balance	67,296	60,522
including:		
Non-current construction performance bonds	20,960	19,414
Current construction performance bonds	46,336	41,108

23 Other significant changes

23.1 Litigation and administrative proceedings

During the nine-month period ended 30 September 2024, there were no significant changes in the area of administrative matters to which the Group companies are parties compared to the matters described in the consolidated financial statements for the year ended 31 December 2023. On 22 April 2024, the Company was served a notice of authorization to carry out a customs and tax inspection with regard to the correctness and reliability of the fulfilment of its obligations as a payer of flat-rate corporate income tax on the payment of dues in the period from 1 January 2022 to 31 December 2022. The risk of the Company's liability to pay withholding tax for 2022 of PLN 51.8 million resulting from a potential disregard by the Polish tax authority of a domestic exemption or one resulting from a double taxation treaty is covered by the insurance policies held by the Company.

As at 30 September 2024, the amount of contingent liabilities relating to litigation not covered by the provision is PLN 18.9 million (as at 31 December 2023, it was PLN 17.5 million).

The value of litigation covered by the provision as at 30 September 2024 is PLN 6.1 million (as at 31 December 2023, it was PLN 6.3 million).

The Group has not identified any other contingent liabilities apart from those described above and those mentioned in section 23.2.

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	2019/05/13	indefinite
Murapol S.A.	Leier Polska S.A.	Trade payables	2,000	2020/10/08	2028/12/31
Murapol S.A.	Sopockie Towarzystwo Ubezpieczeń ERGO HESTIA S.A.	Trade payables	250	2019/05/28	2025/06/30
Murapol Real Estate S.A.	Research and implementation company "Hydro-Pomp"	Surety agreement	250	2020/12/15	2024/12/31
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	2028/12/31	2028/12/31
Murapol S.A.	Stena Sp. z o.o.	Surety agreement	141,209	2025/06/30	2033/06/30
Murapol S.A.	Stena Sp. z o.o.	Surety agreement	48,678	2024/12/31	2032/12/18
Murapol S.A.	Stena Sp. z o.o.	Surety agreement	32,074	2025/12/31	2032/05/20
Murapol S.A.	Aceno Sp. z o.o.	Surety agreement	51,406	2028/12/31	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
Murapol S.A.	ING Bank Śląski S.A.	Bank guarantee	4,767	2023/10/05	2024/10/04
Murapol Real Estate S.A.	ING Bank Śląski S.A.	Bank guarantee	4,606	2023/10/05	2025/09/30
Murapol Real Estate S.A.	ING Bank Śląski S.A.	Bank guarantee	273	2023/10/05	2025/02/15
Murapol Real Estate S.A.	ING Bank Śląski S.A.	Bank guarantee	2,264	2024/05/20	2025/09/30
Murapol S.A.	EPP RETAIL - POWERPARK TYCHY Sp. z o.o. with its registered office in Warsaw	Surety agreement	30,996	2024/05/09	2039/05/09

<i>Guarantor</i>	<i>Beneficiary</i>	<i>Subject of the guarantee</i>	<i>Up to</i>	<i>From</i>	<i>To</i>
Murapol S.A.	EPP RETAIL - M1 POZNAŃ Sp. z o.o. with its registered office in Warsaw	Surety agreement	90,479	2024/05/09	2039/05/09
Murapol S.A.	EPP RETAIL - M1 CZĘSTOCHOWA Sp. z o.o. with its registered office in Warsaw	Surety agreement	12,989	2024/05/09	2039/05/09
Murapol S.A.	EPP RETAIL - POWERPARK KIELCE Sp. z o.o. with its registered office in Warsaw	Surety agreement	21,992	2024/05/09	2039/05/09
Murapol S.A.	EPP N.V.	Option agreement	6,207	2024/05/09	2028/01/07
Murapol S.A.	EPP N.V.	Option agreement	3,448	2024/05/09	2029/01/07
Murapol S.A.	EPP N.V.	Option agreement	862	2024/05/09	2029/01/07
Murapol S.A.	EPP N.V.	Option agreement	86	2024/05/09	2028/01/07
Cross Bud S.A.	Bruk Bet Sp. z o.o.	Trade payables	400	2015/08/13	indefinite

23.3 Capital expenditure obligations

As at 30 September 2024 (and as at 31 December 2023), the Group did not have any contractual obligations concerning expenditure on property, plant and equipment or intangible assets.

23.4 Capital management

During the nine-month period ended 30 September 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 consolidated statement of financial position and the consolidated statement of cash flows consists of the following items:

	30 September 2024 (unaudited)	31 December 2023
Cash at bank and in hand	246,473	183,156
<i>including restricted cash and cash equivalents</i>	2,781	6,065

Restricted cash includes cash held in VAT accounts.

24 Business combinations and acquisitions of non-controlling interests

24.1 Acquisition of entities

There were no acquisitions of entities in the current reporting period or in the comparative period.

24.2 Disposal of entities

No entities were sold in the current reporting period or in the comparative period.

24.3 Disposal and acquisition of non-controlling interests

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 amounted to PLN 500 thousand.

On 9 May 2024, the Issuer's subsidiary Murapol Real Estate disposed of 17.5% of its shares in each of the four Subsidiaries to EPP N.V. It subsequently entered into options to repurchase the shares described above. As a result of an analysis of the option agreements, the Group considers that it has current access to the returns associated with all the shares and does not recognize any non-controlling interests. Details are described in Note 2.3 and in Note 20.

24.4 Changes in non-controlling interests

	9-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)
As at the beginning of the period	1,425	2,770
Dividends paid by subsidiaries	-	-
Changes in the shareholding structure of subsidiaries	(1,452)	(1,420)
Share in profits/losses of subsidiaries	27	92
As at the end of the period	-	1,442

The changes in the shareholding structure of the subsidiaries are related to the buy-out of the minority interests in the subsidiary Cross Bud S.A. Details are described in Note 2.2.

25 Financial risk management objectives and policies

25.1 Interest rate risk

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

The Group manages 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 impact on the Group's equity or total comprehensive income is shown.

	<i>Increase/decrease in percentage points</i>	<i>Effect on profit or loss before tax</i>
9-month period ended 30 September 2024 (unaudited)		
PLN	+ 5%	(31,462)
PLN	- 5%	31,462
Year ended 31 December 2023		
PLN	+ 5%	(23,086)
PLN	- 5%	23,086

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

As at 30 September 2024 (unaudited)

Variable interest rate

	< 1 year	1-2 years	2-3 years	3-4 years	> 4 years	Total
Cash in individual escrow accounts	120,041	-	-	-	-	120,041
Cash and cash equivalents	246,473	-	-	-	-	246,473
Bank loans	61,392	418,306	-	-	-	479,698
Bonds	1,335	-	145,353	-	-	146,688
IRS contract (liabilities)	2,494	364	-	-	-	2,858

31 December 2023

Variable interest rate

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

25.2 Liquidity risk

The Group 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 Group'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 September 2024 and 31 December 2023 was immaterial, mainly relating to purchases from suppliers of materials, energy providers and subcontractors, and were 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 30 September 2024 and as at 31 December 2023 by maturity date based on contractual non-discounted payments.

30 September 2024 (unaudited)	Carrying amount	Past payment deadline	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Loans, borrowings and bonds payable	626,386	-	31,989	93,081	626,237	-	751,307
Derivatives	2,858	-	624	1,871	364	-	2,859
Other financial liabilities	4,861	-	-	-	4,861	-	4,861
Leases	40,896	-	1,524	4,573	18,718	92,306	117,121
Trade payables	101,576	1,121	91,427	9,019	9	-	101,576
Security deposits	67,296	-	32,142	14,260	21,699	-	68,101
Total	843,873	1,121	157,706	122,804	671,888	92,306	1,045,825

31 December 2023	Carrying amount	Past payment deadline	Less than 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Interest-bearing loans and borrowings	454,678	-	28,762	85,975	490,452	-	605,189
Derivatives	7,047	-	1,024	3,072	2,952	-	7,047
Leases	30,705	-	1,215	3,489	15,200	69,730	89,634
Trade payables	71,959	1,362	73,122	241	34	-	74,759
Security deposits	60,522	-	27,088	14,050	20,092	-	61,230
Total	624,911	1,362	131,211	106,827	528,730	69,730	837,859

25.3 Credit risk

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

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

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

	30 September 2024 (unaudited)	31 December 2023
Borrowings granted	51	80
Trade receivables	15,307	37,781
Other receivables*	13,383	15,099
Cash in individual escrow accounts	120,041	65,012
Cash at bank and in hand	246,473	183,156
Total	395,255	301,128

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

The Group's main credit risk is primarily related to trade receivables. The amounts presented in the balance sheet are net of impairment allowances estimated by the Group management based on past experience and an assessment of the current economic situation.

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

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

The table below shows the ageing structure of trade receivables:

Range	30 September 2024 (unaudited)	31 December 2023
Current	14,981	34,186
1-30	108	3,218
31-60	11	6
61-90	89	51
91-180	118	320
>180	-	-
Total	15,307	37,781

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

The table below presents 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	0.73%	75%-100%
overdue up to 30	14.66%	75%-100%
overdue 31-60	38.34%	75%-100%
overdue 61-90	55.92%	75%-100%
overdue 91-180	69.74%	75%-100%
overdue from 181*	100.00%	75%-100%

*With the exception of counterparties for which the Group has made an individual assessment of expected credit losses, taking into account the security held.

26 Financial instruments

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

	Category according to IFRS 9	Carrying amount		Fair value	
		30 September 2024 (unaudited)	31 December 2023	30 September 2024 (unaudited)	31 December 2023
Financial assets					
Borrowings granted (non-current and current)	AFWwZK	51	80	51	80
Trade receivables	AFWwZK	15,307	37,781	15,307	37,781
Other current and non-current receivables	AFWwZK	13,383	16,561	13,383	16,561
Construction performance bonds	AFWwZK	70	24	70	24
Balance of individual escrow accounts	AFWwZK	120,041	65,012	120,041	65,012
Cash and cash equivalents	AFWwZK	246,473	183,156	246,473	183,156
		395,325	302,614	395,325	302,614
Financial liabilities					
Lease liabilities	ZFWwZK	40,896	30,705	40,896	30,705
Loans, borrowings and bonds payable	ZFWwZK	626,386	454,678	626,386	454,678
Derivatives	IPPdO	2,858	7,047	2,858	7,047
Other financial liabilities	ZFWwZK	4,861	-	4,861	-
Trade payables	ZFWwZK	101,576	71,959	101,576	71,959
Other liabilities	ZFWwZK	7,248	3,338	7,248	3,338
Construction performance bonds	ZFWwZK	67,296	60,522	67,296	60,522
		851,121	628,249	851,121	628,249

AFWwZK – Financial assets measured at amortized cost
ZFWwZK – Financial liabilities measured at amortized cost
IPPdO – Derivative instruments at fair value through profit or loss

The level of the value hierarchy for all instruments is classified as Level 2, i.e. valuation techniques for which the lowest level of input data that is relevant 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:

- cash and current deposits, the balance of individual escrow accounts, trade receivables, other receivables, trade payables and other current liabilities show fair values close to their carrying amounts, mainly due to the short maturity of these instruments;
- the fair value of interest-bearing debt instruments (including lease liabilities, bank loans, bonds 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.

27 Transactions with related entities

The following tables show the total amounts of transactions entered into with related entities during the nine months ended 30 September 2024 and 30 September 2023 or as at 31 December 2023:

	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
purchase of services by:	7,237	2,368	7,605	2,381
Murapol S.A. from:				
- companies, partnerships and individuals related to shareholders	6,451	2,140	6,879	2,303
Group companies from:				
- companies, partnerships and individuals related to shareholders	786	228	726	78
sales of finished goods, materials and services by:	100,453	32,339	163,158	54,427
Murapol S.A. to:				
- companies, partnerships and individuals related to shareholders	-	-	-	-
Group companies to:				
- companies, partnerships and individuals related to shareholders	100,453	32,339	163,158	54,427
interest on a borrowing received	-	-	-	-
interest on a borrowing granted by:	-	-	-	-

	30 September 2024 (unaudited)	31 December 2023
Receivables from related entities:	20,330	46,450
Trade receivables	8,571	34,687
<i>Group companies from:</i>		
- companies, partnerships and individuals related to shareholders	8,571	34,687
Other receivables	11,759	11,763
<i>Murapol S.A. from:</i>		
- companies, partnerships and individuals related to shareholders	11,755	11,761
<i>Group companies from:</i>		
- companies, partnerships and individuals related to shareholders	4	2
Liabilities to related entities:	10,112	10,412
Trade payables	2,774	2,798
<i>Murapol S.A. to:</i>		
- companies, partnerships and individuals related to shareholders	2,632	2,661
<i>Group companies to:</i>		
- companies, partnerships and individuals related to shareholders	142	137
Other liabilities	-	1
<i>Murapol S.A. to:</i>		
- companies, partnerships and individuals related to shareholders	-	1
Liabilities from contracts with customers	7,338	7,613
<i>Group companies to:</i>		
- companies, partnerships and individuals related to shareholders	7,338	7,613

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

	9-month period ended 30/09/2024 (unaudited)	3-month period ended 30/09/2024 (unaudited)	9-month period ended 30/09/2023 (unaudited)	3-month period ended 30/09/2023 (unaudited)
Management Board				
Current employee benefits from Murapol S.A.	3,318	439	2,727	326
Current employee benefits from other Group companies	4,104	380	3,232	386
Incentive bonus	1,875	625	1,275	425
Supervisory Board				
Current employee benefits from Murapol S.A.	346	135	231	51
	9,643	1,579	7,465	1,188

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.à r.l. and AEREF V PL Master S.à r.l. (i.e. the entity directly controlling AEREF V PL Investment S.à r.l.). The amount of the bonus depends on the return on investments in the Group for AEREF V PL Investment S.à r.l. or AEREF V PL Master S.à r.l. (i.e. the entity directly controlling AEREF V PL Investment S.à 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 inflows 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 Group's view, the bonus is effectively related to the value of the Company's equity instruments and, therefore, the premium represents a share-based payment transaction. As the bonus is accounted for by AEREF V PL, i.e. the parent company of the Company, it is recognized as accounted for in equity and the corresponding increase in equity is recognized as a contribution from the parent company to the Company.

The vesting date, i.e. the date on which the share-based payment agreement is entered into, is 17 November 2021; however, participants in the scheme were informed that they would be covered and were made aware of the key terms of the scheme as early as April 2020 – therefore, this date has been taken 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 September 2024, the cost of the Group's non-current incentive bonus scheme incrementally amounts to PLN 8,450 thousand. The table above shows the cost of the scheme recognized in the reported periods.

28 Post balance sheet events

On 1 October 2024, the Management Board of Murapol S.A. decided to pay an interim dividend for 2024 in the amount of PLN 119,952 thousand to its shareholders (PLN 2.94 per share). The Management Board set the date on which the interim dividend for 2024 is to be vested as 6 November 2024 and the date on which the interim dividend for 2024 will be paid as 12 November 2024.

On 18 October 2024, the Company concluded an annex to the Framework Agreement on Cooperation in the PRS Sector with AEREF V PL PRS S.à r.l. dated 19 July 2021 (hereinafter referred to as "Framework Agreement 1"), pursuant to which:

- the principle of the exclusive presentation to AEREF V EN PRS S.à r.l. of the real estate that can be used for the purposes of project implementation under the PRS platform is excluded;
- the maximum level of the cost overrun guarantee issued by the Company in each case in favour of the institution financing the implementation or acquisition of a given PRS project was increased from an amount representing 10% of the budget for a given PRS project to an amount representing 15% of the budget for a given PRS project.

On 18 October 2024, the Company entered into a framework agreement with AEREF VI PL PRS S.à r.l. for cooperation in the PRS, pursuant to which the Company undertook (i) to search for and identify suitable land for PRS development in Poland; (ii) to secure the right to purchase such land for the PRS platform (by, among other things, entering into preliminary agreements for the acquisition of real estate) and (iii) to provide - through its Group companies - Design & Build construction and development services, whereas AEREF VI PL PRS S.à r.l. is to provide financing for the individual PRS projects presented by the Company for approval, in accordance with the procedure provided for in the Framework Agreement, as well as for the subsequent management and commercialization (rental) of the PRS projects - on substantially the same terms as those of Framework Agreement 1, taking into account the amendments referred to in the Annex, with the proviso that the Company's margin has been set at the lower of 20% or 1,400 to the usable residential area (PUM). Framework Agreement 2 was concluded for a period of 5 years (until October 2029).

On 31 October 2024, the Company concluded managerial incentive agreements with members of the Management Board as part of the long-term incentive program for the Company's managers for the years 2024-2028, which was approved by the Supervisory Board

in a resolution of 1 October 2024 after seeking the opinion of the Remuneration and Nomination Committee of the Supervisory Board, specifying the detailed conditions of the program. Under this incentive program, persons covered by it will be entitled to take up shares of the Company, which will require a resolution of the General Meeting of the Company, failing which the right to take up shares will be converted into a cash equivalent.

On 8 November 2024, a subsidiary of the Issuer entered into a general contracting agreement with a subsidiary of AEREF VI PL PRS S.à r.l. for a total net consideration of PLN 119.6 million. The subject of the agreement is the design and construction, with finishing, of 365 apartments in Gdańsk.

On 15 November 2024, a subsidiary of the Issuer entered into a general contracting agreement with a subsidiary of AEREF VI PL PRS S.à r.l. for a total net consideration of PLN 142.5 million. The subject of the agreement is the design and construction, with finishing, of 583 apartments in Gdańsk.

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

