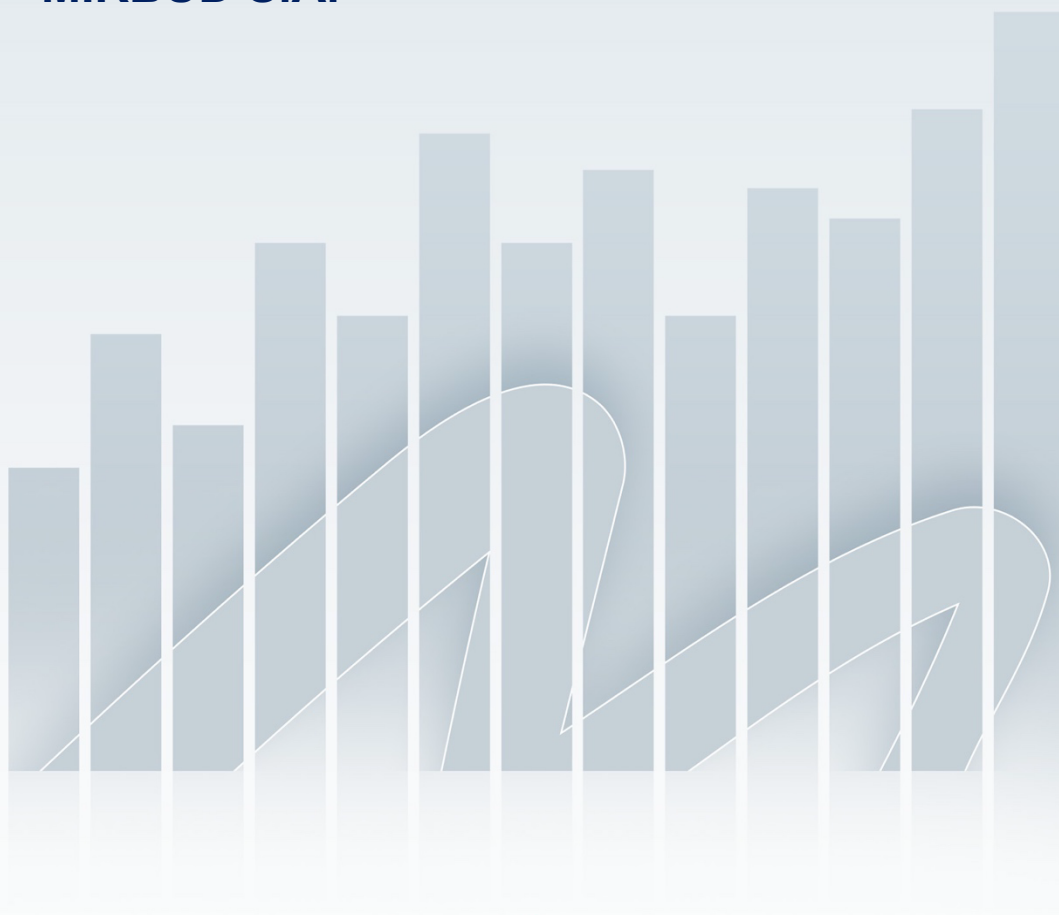




MANAGEMENT BOARD REPORT ON THE ACTIVITIES

for 2024

**MIRBUD S.A.**



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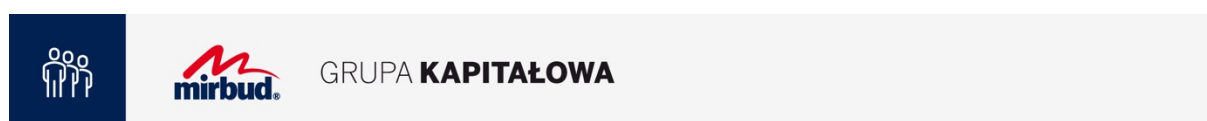


## 1. PRINCIPLES FOR PREPARATION OF FINANCIAL STATEMENTS



The presented financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), in particular in compliance with IAS 27 “Consolidated and Separate Financial Statements” and with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by the issuers of securities, and in accordance with the appropriate accounting standards applicable to the annual financial reporting, as adopted by the European Union, published and binding at the time of preparation of the annual financial statements.

The consolidated financial statements were drawn up on the assumption of continuation of business activities by MIRBUD S.A. and the companies belonging to the Capital Group in the foreseeable future. As of the day of these financial statements’ approval there are no circumstances indicating a threat to the continuation of the Group’s Companies’ activities.



The financial statements have been prepared in PLN thousand (PLN thousand), and all values, unless indicated otherwise, are given in PLN thousand. Any differences between the total amounts and the sum of their components are due to rounding.

The accounting policies adopted in the preparation of the financial statements have been presented in detail in the introduction to the financial statements for the period from 01/01/2024 to 31/12/2024.

## 2. ACTIVITIES OF THE MIRBUD CAPITAL GROUP

### 2.1. Description of the Capital Group and its core activities

The MIRBUD Capital Group employs over 1,000 employees, including highly qualified engineering staff with various specialisations in the construction industry. The Company's advantage is also a well-developed machine park which ensures performance of most of the work on the basis of its own facilities.

Since 2008, **MIRBUD S.A.** has been successively building a stable Capital Group with a diversified range of activities. JHM DEVELOPMENT S.A. carries out investment tasks in the field of housing construction in a development system, while KOBYLARNIA S.A., a company located in Kobylarnia near Bydgoszcz, extends the scope of the Group's activities by road and bridge works, as well as the production of bituminous masses.

Moreover, the MIRBUD Capital Group includes MARYWILSKA 44 Sp. z o.o., which, as at 31/12/2024, owns and manages the Marywilska 44 Shopping Centre.

In terms of investment property rental, the group operates the Warehouse and Logistics Park in Ostróda (owned by MIRBUD S.A.) and a retail facility in Starachowice (owned by JHM DEVELOPMENT S.A.).

In November 2017 the Management Board of MIRBUD S.A. made a decision concerning the establishment of a sole proprietorship company under the name of: МІРБУД Limited liability company (abbreviated name: ТОВ «МІРБУД») with its registered office in Kyiv. The company was registered on 25 January 2018. Currently, the company has no operations in Ukraine.

On 24/07/2021, JHM DEVELOPMENT S.A. purchased shares in HAKAMORE Sp. z o.o. w upadłości with its registered office in Warsaw from the Official Receiver of the Company under the business name STAL-MET Nieczaj Sp. z o.o. w upadłości with its registered office in Słupsk. As of 01/01/2024, the Company was put into liquidation. As at the date of the financial statements, the liquidation of HAKAMORE has been completed. By a decision of the District Court for Łódź Śródmieście in Łódź, 20th Commercial Division of the National Court Register, reference No. LD.XX NS-REJ.KRS/022125/24/918, HAKAMORE Spółka z ograniczoną odpowiedzialnością w likwidacji was deleted from the National Court Register as of 02/08/2024.

In November 2023, the Group was joined by special purpose vehicle PDC Industrial Center 217 sp. z o.o., which owns a property located in Chościszowice, Bolesławiec Municipality, comprising plot No. 75 from section 0004 Chościszowice, with an area of 10.37 ha. In 2024, on the property in question, the Company completed the construction of a hall for lease for logistics and warehousing purposes with an area of approx. 50,000 sq. m. The acquisition of shares in PDC Industrial Center Sp. z o.o. represents another area of the Company's activities in the warehouse and logistics property leasing market.

On 18 December 2024, 92.78% of shares in the share capital and the same number of votes at the meeting of shareholders of Przedsiębiorstwo Budownictwa Specjalistycznego "Transkol" Sp. z o.o. with its registered office in Kielce, were purchased. Upon redemption of own shares held by Transkol, the shares of MIRBUD S.A. will represent 99.8% of Transkol's share capital and 99.8% of the number of votes at the meeting of shareholders. Transkol Sp. z o.o. specialises in the construction, renovation and modernisation of railway stations, routes and sidings.

**MIRBUD S.A.** is the parent company and prepares consolidated financial statements, which include statements of the parent company and subsidiaries – JHM DEVELOPMENT S.A., KOBYLARNIA S.A., MARYWILSKA 44 Sp. z o.o., PDC IC 217 Sp. z o.o. and Przedsiębiorstwo Budownictwa Specjalistycznego "Transkol" Sp. z o.o.

## Basic data of the parent company

**MIRBUD S.A.** was established as a result of transformation of a limited liability company under the name of MIRBUD Spółka z o.o. into a joint-stock company, pursuant to Article 551 et seq. of the Commercial Companies Code. The Company was registered by the District Court for Łódź-Śródmieście in Łódź, 20th Commercial Division of the National Court Register, under the KRS number 0000270385 on 22 December 2006. The Company is established for indefinite term.



Name of the issuer:	MIRBUD S.A.
Issuer's registered office:	Skierniewice
Legal form:	Joint stock company
Country of registered office:	Poland
NIP:	836-170-22-07
REGON:	750772302
Address details:	ul. Unii Europejskiej 18, 96-100 Skierniewice
Telephone – headquarters:	+ 48 (46) 833 98 65
Fax:	+ 48 (46) 833 97 32
E-mail:	sekretariat@mirbud.pl
Website:	www.mirbud.pl

## Subsidiary of MIRBUD S.A. – KOBYLARNIA S.A. (formerly: Przedsiębiorstwo Budowy Dróg i Mostów KOBYLARNIA S.A.)

On 03/10/2011, the District Court in Bydgoszcz, 13th Commercial Division of the National Court Register entered the transformation of Przedsiębiorstwo Budowy Dróg i Mostów Spółki z o.o. – a subsidiary of MIRBUD S.A., into Przedsiębiorstwo Budowy Dróg i Mostów KOBYLARNIA S.A. to the Register of Entrepreneurs of the National Court Register, under the KRS number 0000396760. On 01/07/2020, the name of the Company was changed. Since that date, the Company has operated under the following business name: Kobyłarnia Spółka Akcyjna.





<b>Full name of the entity:</b>	<b>KOBYLARNIA S.A.</b>
<b>Entity's registered office:</b>	Kobylarnia
<b>Legal form:</b>	Joint stock company
<b>NIP:</b>	953-22-34-789
<b>REGON:</b>	091631706
<b>Address details:</b>	ul. Zakole 1, 86-051 Brzoza
<b>phone/fax</b>	+48 (52) 381-06-10
<b>E-mail:</b>	sekretariat@kobylarnia.pl
<b>Website:</b>	www.kobylarnia.pl
<b>Country of registered office:</b>	Poland

### Subsidiary of MIRBUD S.A. – JHM DEVELOPMENT S.A.

The company was established on 27/05/2008 on the basis of the notarial deed Repertory "A" No. 3299/2008, and then transformed on 10/12/2010 into a joint-stock company. JHM DEVELOPMENT S.A. was registered in the Register of Entrepreneurs of the National Court Register under the KRS number 0000372753.



<b>Full name of the entity:</b>	<b>JHM DEVELOPMENT S.A.</b>
<b>Entity's registered office:</b>	Skierniewice
<b>Legal form:</b>	Joint stock company
<b>NIP:</b>	836-181-24-27
<b>REGON:</b>	100522155
<b>Address details:</b>	ul. Unii Europejskiej 18A, 96-100 Skierniewice
<b>phone/fax</b>	+48 (46) 833-61-28
<b>E-mail:</b>	sekretariat@jhmdevelopment.pl
<b>Website:</b>	www.jhmdevelopment.pl
<b>Country of registered office:</b>	Poland

### Subsidiary of MIRBUD S.A. and JHM DEVELOPMENT S.A. – MARYWILSKA 44 Sp. z o.o.

The Company was established on 15/06/2010 based on the notarial deed Repertory "A" No. 6480/2010. The Company was entered in the National Court Register kept by the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under the KRS number 0000359265, on 23/06/2010.

In 2021, as a result of issuing 1,565,000 new shares by MARYWILSKA 44 Sp. z o.o. with a nominal value of PLN 78,250 thousand and their acquisition by MIRBUD S.A., the share of JHM DEVELOPMENT S.A. in the share capital of MARYWILSKA 44 Sp. z o.o. declined to 46.12%. As a result, as of 01/07/2021, JHM DEVELOPMENT S.A. lost control over MARYWILSKA 44, while MIRBUD S.A. took

direct control over that entity. It was agreed that the date on which JHM DEVELOPMENT S.A. loses direct control over Marywilka 44 Sp. z o.o. shall be 30 June 2021.

On 22/07/2024, MIRBUD S.A. sold 905,100 shares in the share capital of Marywilka 44 Sp. z o.o. to Marywilka 44 Sp. z o.o. to redeem them for remuneration of PLN 90,510 thousand.

On 02/04/2025, MIRBUD S.A. sold 905,100 shares in the share capital of Marywilka 44 Sp. z o.o. to Marywilka 44 Sp. z o.o. to redeem them for remuneration of PLN 90,510 thousand.

The redemption of 1,810,200 own shares with a total nominal value of PLN 90.51 million pursuant to Resolution No. 2/12/2024 of 18/12/2024 of the Extraordinary Meeting of Shareholders will take place pursuant to Article 199 § 1 in connection with Article 263 § 1 of the Commercial Companies Code and in connection with the provision of § 12 para 2 of the Company's Articles of Association: the planned redemption of own shares acquired by the Company is combined with a reduction in the Company's share capital from PLN 157.5 million by PLN 90.51 million to PLN 66.99 million. The redemption will take place in accordance with Article 199 § 7 of the Commercial Companies Code upon registration of the share capital reduction.

After redemption, there will remain 1,339,800 equal and undivided shares in the share capital of the Company, with a value of PLN 50 per share and a total nominal value of PLN 66.99 million, of which JHM DEVELOPMENT S.A. is the sole holder.

As at the date of publication of this report, the reduced share capital had not been registered.



<b>Full name of the entity:</b>	<b>MARYWILSKA 44 Sp. z o.o.</b>
<b>Entity's registered office:</b>	Warsaw
<b>Legal form:</b>	spółka z ograniczoną odpowiedzialnością [limited liability company]
<b>NIP:</b>	524-271-14-28
<b>REGON:</b>	142434636
<b>Address details:</b>	ul. Marywilka 44, 03-042 Warsaw
<b>phone/fax</b>	+48 (22) 423-10-00
<b>E-mail:</b>	sekretariat@marywilka44.com
<b>Website:</b>	www.marywilka44.com
<b>Country of registered office:</b>	Poland

### Subsidiary of MIRBUD S.A. – ТОВ «МІРБУД»

The ТОВ «МІРБУД» Company was entered into the Uniform National Register of Enterprises and Organisations of Ukraine on 25 January 2018 under number 41887344.

The Company conducts business activities in Ukraine in the area of, among others, construction of residential and non-residential buildings, construction of roads, performance of specialist construction works, finishing and architectural works. Currently, the Company has no active operations in Ukraine.



<b>Full name of the entity:</b>	<b>ТОВАРИСТВО З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ «МІРБУД» (MIRBUD sp. z o.o.)</b>
<b>Entity's registered office:</b>	Kyiv
<b>Legal form:</b>	spółka z ograniczoną odpowiedzialnością [limited liability company]
<b>NIP:</b>	418873426552
<b>REGON (ЄДРПОУ Code):</b>	41887344
<b>Address details:</b>	ul. Bratislavskaya Street, 02156 Kyiv
<b>Country of registered office:</b>	Ukraine

### Subsidiary of MIRBUD S.A. – PBS Transkol Sp. z o.o.

Przedsiębiorstwo Budownictwa Specjalistycznego TRANSKOL Sp. z o.o. was established in 1991. The company specialises in the construction, renovation and modernisation of railway stations, routes and sidings. The company is registered by the District Court in Kielce, 10th Commercial Division of the National Court Register, KRS no.: 0000073833.



<b>Full name of the entity:</b>	<b>PRZEDSIĘBIORSTWO BUDOWNICTWA SPECJALISTYCZNEGO "TRANSKOL" Sp. z o.o.</b>
<b>Entity's registered office:</b>	Kielce
<b>Legal form:</b>	spółka z ograniczoną odpowiedzialnością [limited liability company]
<b>NIP:</b>	959-11-83-438
<b>REGON:</b>	290840123
<b>Address details:</b>	ul. Długa 29, 25-650 Kielce
<b>phone/fax</b>	+48(41) 345 34 75
<b>E-mail:</b>	sekretariat@transkol.eu
<b>Website:</b>	www.transkol.eu
<b>Country of registered office:</b>	Poland

### Subsidiary of MIRBUD S.A. – PDC Industrial Center 217 sp. z o.o.

<b>Full name of the entity:</b>	<b>PDC INDUSTRIAL CENTER 217 sp. z o.o.</b>
<b>Entity's registered office:</b>	Warsaw
<b>Legal form:</b>	spółka z ograniczoną odpowiedzialnością [limited liability company]
<b>NIP:</b>	525-286-46-71
<b>REGON:</b>	389097185
<b>Address details:</b>	ul. Marywińska 44, 03-042 Warsaw
<b>phone/fax</b>	+48 (22) 423-10-00

<b>E-mail:</b>	sekretariat@marywilka44.com
<b>Website:</b>	www.marywilka44.com
<b>Country of registered office:</b>	Poland

The company was established on 08/04/2021 and on the basis of a notarial deed, Repertory A No. 10305/2021. It was entered in the National Court Register kept by the District Court for the capital city of Warsaw, 14th Commercial Division of the National Court Register, under the KRS number 0000359265, on 27/05/2021.

On 29 November 2023, Marywilka 44 sp. z o.o. acquired 50.12% of shares in the share capital of PDC Industrial Center 217 sp. z o.o. Under the same agreement, MIRBUD S.A. became the owner of 49.88% of shares in PDC Industrial Center 217 sp. z o.o.

On 9 February 2024, MIRBUD S.A. sold 6,148 shares in the share capital of PDC Industrial Center 217 Sp. z o.o. to PG DUTCH HOLDING I B.V. The nominal value of the shares was PLN 50 each, giving a value of PLN 307 thousand, representing 14.81% of the share capital of PDC Industrial Center 217 Sp. z o.o.

On 12 July 2024, MIRBUD S.A. completed the acquisition 50.12% shares in the share capital of PDC Industrial Center 217 sp. z o.o. from its subsidiary, Marywilka 44 sp. z o.o.

As at 31 December 2024, MIRBUD S.A. held a total of 85.19% of the shares in the share capital of PDC Industrial Center 217 Sp. z o.o.

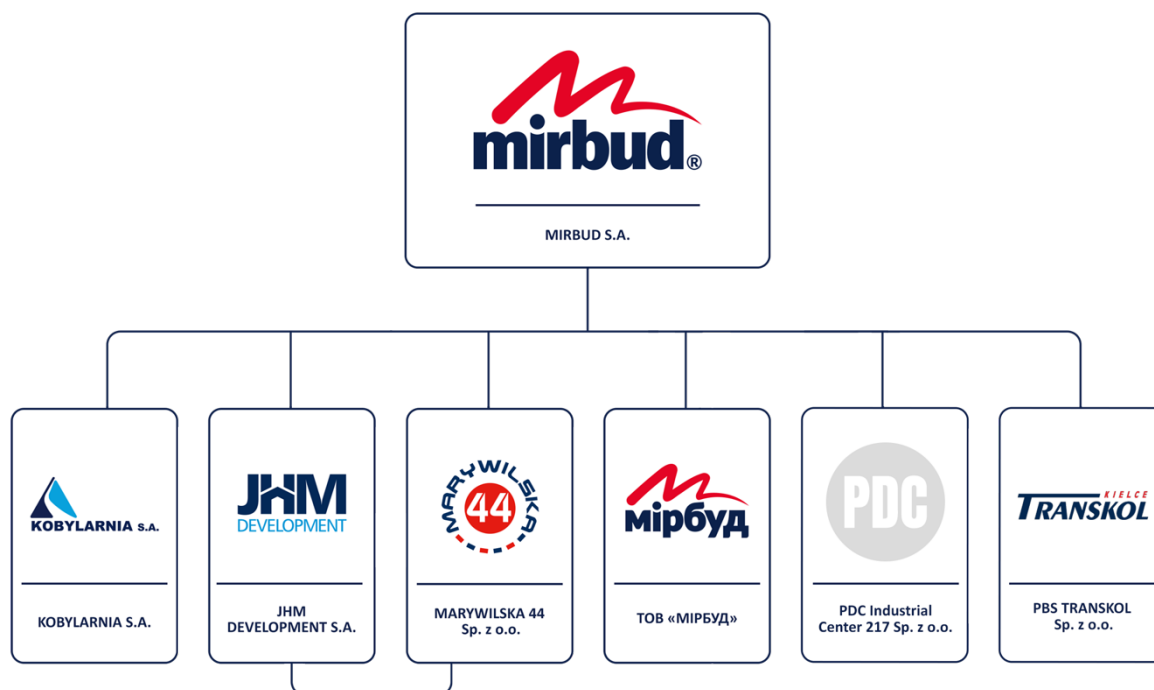
### **Subsidiary of JHM DEVELOPEMENT S.A. – HAKAMORE sp. z o.o.**

On 24/07/2021, JHM DEVELOPMENT S.A. purchased shares in HAKAMORE Sp. z o.o. w upadłości with its registered office in Warsaw (currently – Skierniewice) from the Official Receiver of the Company under the business name STAL-MET Nieczaj Sp. z o.o. w upadłości with its registered office in Słupsk. By decision of 1 July 2022, the District Court for the capital city of Warsaw, 18th Commercial Division for bankruptcy and restructuring cases, discontinued the bankruptcy proceedings of HAKAMORE Sp. z o.o. w upadłości with its registered office in Warsaw. The District Court of Warsaw has declared this decision valid as of 17 November 2023.

The Extraordinary Meeting of Shareholders of HAKAMORE Sp. z o.o. with its registered office in Skierniewice decided, by way of Resolution No. 1 of 28 December 2023, to dissolve the Company on 1 January 2024 and put it into liquidation.

As at the date of the financial statements, the liquidation of HAKAMORE has been completed. By a decision of the District Court for Łódź Śródmieście in Łódź, 20th Commercial Division of the National Court Register, reference No. LD.XX NS-REJ.KRS/022125/24/918, HAKAMORE Spółka z ograniczoną odpowiedzialnością w likwidacji was deleted from the National Court Register as of 02/08/2024.

Diagram: MIRBUD Capital Group structure as at 31/12/2024



MIRBUD S.A. is not affiliated with other entities in terms of organisation or capital.

*Table: Structure of shares of MIRBUD S.A. in subsidiaries as at 31/12/2024*

Name of the entity	Share capital	Share of MIRBUD S.A. in the share capital
<b>JHM DEVELOPMENT S.A.</b>	PLN 173,000,000	<b>100%</b>
<b>KOBYLARNIA S.A.</b>	PLN 30,000,000	<b>100%</b>
<b>MARYWILSKA 44 Sp. z o.o.</b>	PLN 45,255,000	<b>28.73%</b>
<b>TOB «МІРБУД»</b>	UAH 2,377,752.81	<b>100%</b>
<b>PDC INDUSTRIAL CENTER 217 sp. z o.o.</b>	PLN 1,767,600.00	<b>85.19%</b>
<b>PBS TRANSKOL sp. z o.o.</b>	PLN 2,832,000.00	<b>92.78%</b>

The share capital of TOB «МІРБУД» is UAH 2,377,752.81 (according to the average exchange rate of the National Bank of Poland as at 31 December 2024, PLN 232,068.67). The sole partner of the company is MIRBUD S.A. As of 31 December 2024, the value of the contributed capital amounted to PLN 330,877.09.

*Table: Structure of shares of JHM DEVELOPMENT S.A. in subsidiaries and related entities as of 31/12/2024*

Name of the entity	Share capital	Share of JHM DEVELOPMENT S.A. in the share capital
MARYWILSKA 44 Spółka z o.o.	PLN 157,500,000	42.54%



## Subject of activity

### MIRBUD S.A.

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**MIRBUD S.A.** operates primarily as a general contractor in all segments of construction.

The Company's trademark is its thirty years' experience and over 1,000 completed investment projects, most of which are prestigious construction contracts in the field of:

- **industrial construction** (manufacturing, retail and service buildings);
- **public utility construction** (sports halls, stadiums, hospitals, public administration offices);
- **commercial construction** (shopping centres, large-area shops, exhibition and fair halls);
- **engineering and road infrastructure construction** (motorways, national, voivodeship and county roads, elements of the urban transport infrastructure, bridges and railway sidings);
- **housing construction** (single-family, terraced and multi-family residential buildings).

**MIRBUD S.A.** guarantees the highest quality of services, efficient organisation, fast pace of work based on the highest standards and professional technical staff. The entity's core business in accordance with its Articles of Association and the entry in the National Court Register is as follows:

- general construction and civil engineering;
- freight transport by road;
- lease of construction and demolition equipment with operator service;
- advertising and publishing activities;
- lease of premises for own account;
- wholesale of materials for the construction industry.

## KOBYLARNIA S.A.



**KOBYLARNIA S.A. (formerly: Przedsiębiorstwo Budowy Dróg i Mostów KOBYLARNIA S.A.)** is a subsidiary of MIRBUD S.A., specialising in the comprehensive execution of road and bridge works. It is also a producer of mineral-bituminous and concrete mass, owning modern asphalt mixing plants in:

- Kobyłarnia near Bydgoszcz – the Amman Universal 240 RAH 60 + RAC production plant with the capacity of 240 Mg/h;
- Miękinia near Wrocław – the Amman Universal production plant with a capacity of 240 mg/h;
- Bogusławice near Włocławek – the Teltomat 160 production plant with the capacity of 200 Mg/h;
- Bierkowo near Słupsk – the Teltomat 120 production plant with the capacity of 160Mg/h (currently being installed);
- Żukowo near Gdańsk – the Benninghoven ECO 3000 plus PD 180 production plant with the capacity of 240 Mg/h (currently being installed);
- Skarżysko Kamienna – the Benninghoven ECO 3000 plus PD 180 production plant with the capacity of 240 Mg/h (planned installation in 2025).

According to the Polish Classification of Businesses, the core activities of **KOBYLARNIA S.A.** are:

- execution of road and bridge works;
- production of mineral-bituminous and concrete masses;
- construction equipment lease.



## JHM DEVELOPMENT S.A.



**JHM DEVELOPMENT S.A.** executes projects in the construction and sale of single-family and multi-family residential buildings. The Company's activities also include purchase and sale of property on its own account, as well as the lease and management of property. The establishment of the Company in 2008 initiated the process of building the MIRBUD Capital Group.

According to the Polish Classification of Businesses, the core activities of the subsidiary **JHM DEVELOPMENT S.A.** are:

- the implementation of building projects related to erection of buildings;
- construction works related to erection of residential and non-residential buildings;
- buying and selling of property on own account;
- lease and management of property.

## PBS TRANSKOL Sp. z o.o.

**PBS TRANSKOL Sp. z o.o.** is a subsidiary of MIRBUD S.A. The company's core activities include the design and comprehensive execution of refurbishments and modernisations of: stations, railway and tramway lines, together with associated infrastructure. In addition, the company also carries out rail freight transport and provides traction services on the basis of obtained rail operator licences.

According to the Polish Classification of Businesses, the core activity of the subsidiary **PBS TRANSKOL Sp. z o.o.** is:

- railway and underground railway construction works.

### **MARYWILSKA 44 Sp. z o.o.**

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According to the Polish Classification of Businesses, the core activities of the subsidiary **Marywilska 44 Sp. z o.o.** are:

- the implementation of building projects related to erection of buildings;
- lease and management of own or leased property.

### **ТОВ «МІРБУД»**

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According to the Polish Classification of Businesses, the core activities of the subsidiary **ТОВ «МІРБУД»** are:

- general construction and civil engineering.

The Company was established for the purpose of conducting business activity in Ukraine. The Company analysed the market potential, participated in tenders and recognised the possibility of establishing cooperation with potential subcontractors and suppliers of materials for works carried out in Poland and Ukraine. At present, due to the military conflict, the Company's operations are suspended. Not subject to consolidation. The Company had no active operations in Ukraine in 2023.

### **PDC INDUSTRIAL CENTER 217 sp. z o.o.**

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According to the Polish Classification of Businesses, the core activities of the subsidiary **PDC INDUSTRIAL CENTER 217 sp. z o.o.** are:

- lease and management of own or leased property.

Figure: Geographical structure of the MIRBUD Capital Group in Poland.



### 3. FINANCIAL POSITION OF MIRBUD S.A.

#### 3.1. Discussion of selected items of the consolidated financial statements of MIRBUD S.A. as at 31/12/2024 and 31/12/2023

Table: Selected items of the MIRBUD S.A.'s assets as at 31 December 2024 and 31 December 2023 in PLN thousand.

Item	31/12/2024	% share in total assets	31/12/2023	% share in total assets	Change in PLN thousand	Change in %
<b>Fixed assets, including:</b>	<b>918,692</b>	<b>58%</b>	<b>706,996</b>	<b>49%</b>	<b>211,696</b>	<b>30%</b>
Tangible fixed assets	93,290	6%	73,610	5%	19,680	27%
Investment properties	148,842	9%		0%	148,842	0%
Intangible assets	36	0%	17	0%	19	112%
Long-term financial assets (excluding trading receivables, assets measured according to equity method and cash and cash equivalents)	662,337	42%	606,165	42%	56,172	9%
Investments measured using the equity method	0	0%	0	0%	0	0%
Long-term trading and other receivables	0	0%	0	0%	0	0%
biological assets	0	0%	0	0%	0	0%
Deferred income tax assets	11,879	1%	24,932	2%	- 13,053	- 52%
Other fixed assets not elsewhere classified (including prepayments and accruals)	2,307	0%	2,271	0%	36	2%
<b>Current assets, including:</b>	<b>670,567</b>	<b>42%</b>	<b>727,226</b>	<b>51%</b>	<b>- 56,659</b>	<b>- 8%</b>
Inventory	679	0%	2,098	0%	- 1,419	- 68%
Income tax receivables	28,873	2%	20,056	1%	8,817	0%
Trade receivables and other receivables	463,335	29%	475,390	33%	- 12,055	- 3%
Short-term financial assets (excluding trade receivables, assets measured according to equity method and cash and cash equivalents)	0	0%	0	0%	0	0%!
Cash and cash equivalents	177,680	11%	229,682	16%	- 52,002	- 23%
Other current assets n.e.c.	0	0%	0	0%	0	0
fixed assets held for sale	0	0%	0	0%	0	0
<b>Total assets</b>	<b>1,589,259</b>	<b>100%</b>	<b>1,434,222</b>	<b>100%</b>	<b>155,037</b>	<b>11%</b>

As at 31/12/2024, compared to the end of 2023, the value of the balance sheet total of the MIRBUD S.A. has not changed significantly. The Company's asset structure has also changed.

Fixed assets which, as at 31/12/2024, comprise 58% of the Company's total assets (increase in the share of fixed assets in the balance sheet total by 9 p.p. compared to the end of 2023) constitute the dominating value.

Fixed assets comprise mainly long-term financial assets (which are mainly capital investments in subsidiaries: JHM DEVELOPMENT S.A., KOBYLARNIA S.A., Marywilska 44 sp. z o.o., PDC IC 217 sp. z o.o., PBS TRANSKOL sp. z o.o., TORPOL S.A.) accounting for 42% of total assets (share unchanged compared to 2023).

Current assets account for 42 percent of total assets (a 9 p.p. decrease in the share of current assets in the balance sheet total). Current assets consist primarily of trade and other receivables representing 29% of total assets (a 4 p.p. decrease in share of total assets).

The changes in the structure of assets were mainly caused by:

- the purchase from its subsidiary Marywilska 44 sp. z o.o. of a property located in Ostróda at the S7 expressway. (The facility consists of 6 halls with a total usable area of 56,200 sq. m) at a price of PLN 148 million.
- The sale of 6,148 shares in the share capital of PDC Industrial Center 217 Sp. z o.o. to PG DUTCH HOLDING I B.V., representing 14.81% for PLN 6.9 million;
- the purchase of 17,450 shares (representing 100% of shares in the share capital at the date of this report ) in Przedsiębiorstwo Budownictwa Specjalistycznego Transkol sp. z o.o. for PLN 77.5 million
- the sale of 905,100 shares in the share capital of Marywilska 44 Sp. z o.o. to Marywilska 44 Sp. z o.o. to redeem them for remuneration in the amount of PLN 90.5 million
- granting a loan to PDC INDUSTRIAL CENTER 217 sp. z o.o. in the maximum amount of PLN 120 million to finance the construction of a warehouse, logistics and production centre located in Chościszowice, Bolesławiec Municipality and conducting day-to-day business operations. As at 31 December 2024, the loan debt including the measurement amounted to PLN 111,8 PLN million;
- valuation of long-term contracts taking into account approx. 30% of the amount of the claim submitted to the General Directorate for National Roads and Motorways (GDDKiA) in connection with the execution of the contract titled "Construction of the S1 (formerly S69) Bielsko-Biała – Żywiec – Zwardoń expressway, Przybędza – Milówka section (Węgierska Górka bypass)", resulting from different geological conditions than those indicated by the Employer in the tender documentation and the extended time of its execution;
- settlement of receivables from contracts in the industrial and warehouse segment concluded with Panattoni Group Companies;
- successive settlement of advances received for the performance of construction contracts – settlement in the amount of PLN 66 million, (the value of unsettled advances for construction works as at 31/12/2024 was PLN 28 million);
- purchase by MIRBUD S.A. means of transport and leased machinery and equipment for the amount of almost PLN 4.8 million;

Table: Selected items of liabilities as of 31 December 2024 and 31 December 2023 in PLN thousand.

Item	31/12/2024	% share of total liabilities	31/12/2023	% share of total liabilities	Change in PLN thousand	Change in %
<b>Equity</b>	<b>816,844</b>	<b>51%</b>	<b>540,827</b>	<b>38%</b>	<b>276,017</b>	<b>51%</b>
<b>Long-term liabilities and provisions for liabilities</b>	<b>197,702</b>	<b>12%</b>	<b>166,342</b>	<b>12%</b>	<b>31,360</b>	<b>19%</b>
- provisions under deferred income tax	63,497	4%	34,006	2%	29,491	87%
- other provisions for long-term liabilities	557	0%	644	0%	-87	-14%
- long-term financial liabilities, except for trading liabilities and other liabilities	67,372	4%	75,375	5%	-8,003	-11%
- long-term trading and other liabilities	66,276	4%	56,316	4%	9,960	18%
- other long-term liabilities and provisions n.e.c.	0	0%	0	0%	0	0%
<b>Short-term liabilities and provisions for liabilities</b>	<b>574,713</b>	<b>37%</b>	<b>727,053</b>	<b>51%</b>	<b>-152,340</b>	<b>-21%</b>
- provisions for short-term liabilities	2,442	0%	2,372	0%	70	3%
- short-term financial liabilities, except for provisions, trading liabilities and other liabilities	63,404	4%	57,389	4%	6,015	10%
- trade and other liabilities	503,469	32%	666,658	46%	-163,189	-24%
- liabilities under deferred income tax	0	0%	0	0%	0	0%
other long-term liabilities and provisions n.e.c.	5,398	0%	634	0%	4,764	0%
Liabilities directly related to fixed assets classified as held for sale	0	0%	0	0%	0	0%
<b>Total liabilities</b>	<b>1,589,259</b>	<b>100%</b>	<b>1,434,222</b>	<b>100%</b>	<b>155,037</b>	<b>11%</b>

The structure of liabilities has changed in 2024. The operations of MIRBUD S.A. are financed in 51% from own funds, and in 49% from external capital. The share of long-term liabilities in financing remained unchanged at 12%, and the share of short-term liabilities decreased by 14 p.p. compared to 2023 and stood at 37%.

The change in the structure of liabilities resulted mainly from:

- the Company issuing 18,348,800 ordinary L series shares which allowed raising PLN near 200 million of capital;
- partial repayment of a loan in ARP S.A.
- the lease purchase by MIRBUD S.A. of vehicles and machinery and equipment for over PLN 4.8 million; - an increase in long-term and short-term financial liabilities;
- successive settlement of advances received for the execution of construction contracts by MIRBUD (the value of settled advances for construction works in 2024 amounted to PLN 66 million, the value of unsettled advances for road works amounted to PLN 28 million);



- purchase of 17,450 shares (representing 100% of shares in the share capital at the date of the report) in Przedsiębiorstwo Budownictwa Specjalistycznego Transkol sp. z o.o. – the second payment instalment of PLN 47.5 million under the contract took place on 14/02/2025
- the maturity in 2025 of working capital credits taken out with PEKAO S.A., mBank S.A., PKO BP S.A. and BOŚ S.A. for a total amount of PLN 66 million; (the Issuer plans to roll over the liabilities for successive periods)
- partial repayment of trade liabilities as a result of full repayment of outstanding receivables by Panattoni Group Companies.

Table: Selected items of the Group's statements of comprehensive income for the period from 01/01/2024 to 31/12/2024 and 01/01/2023 to 31/12/2023 in PLN thousand

Item	Period from 01/01/2024 to 31/12/2024	Profitability	Period from 01/01/2023 to 31/12/2023	Profitability	Change in PLN thousand	Change in %
<b>Revenue from sales</b>	1,706,001	-----	2,157,409	-----	-451,408	-21%
<b>Profit from sales</b>	115,167	6.75%	184,128	8.53%	-68,961	-37%
<b>Operating profit EBIT</b>	79,486	4.66%	128,384	5.95%	-48,898	-38%
<b>Profit before tax</b>	110,128	6.46%	118,425	5.49%	-8,297	-7%
<b>Net profit</b>	95,919	5.62%	97,320	4.51%	-1,401	-1%

In 2024, the Company achieved revenue 21 percent lower than in the 2023 period, and a 1.78 p.p. lower sales profitability. Net profitability over the period, compared to 2023, increased by 1.09 p.p.

The level of revenue of MIRBUD S.A. in 2024 was influenced by:

- delay in issuing the decision permitting the execution of the road investment (the ZRID) for the contract for the construction of a section of the S-74 expressway (the ZRID decision was received in November 2024 instead of August 2023)
- suspension in 2023 and the first half of 2024 of tendering procedures by public entities in anticipation of NRP funds;
- cooling of the warehousing storage construction market
- suspension of the Electromobility Poland S.A. project;
- realisation of part of the revenue from road contracts performed in a consortium by the subsidiary KOBYLARNIA.S.A.

The MIRBUD S.A.'s profitability in 2024 was impacted by:

- stabilisation and price drops in certain ranges of construction materials and services;
- a decrease in profitability in the engineering and road works segment as a result of accounting for the additional costs incurred in the execution of the contract for S-1 Węgierska Górka bypass resulting from different geological conditions;
- obtaining indexation for the contracts for construction of the football stadium in Płock and the construction of the Administrative Court building in Wrocław, totalling approx. PLN 20 million;
- receipt of dividends from subsidiaries in the total amount of PLN 39 million;
- receipt of a dividend from TORPOL S.A. in the amount of PLN 3.4 million;

- exchange rate differences (arising mainly on repaid outstanding receivables from Panattoni Group companies) – PLN 11.4 million.

### 3.2. Assessment of financial resources and liquidity management

The management of the MIRBUD Group's financial resources assumes basing the Group's financing structure on long-term sources of financing. The Group Companies finance their operations in 55% based on foreign capital through:

- credits;
- loans;
- issue of bonds;
- advances;
- leasing;
- factoring.

The Companies make efforts to diversify their third-party financing, both in terms of the financing institution and the financial products used.

The Parent Company's Management Board is responsible for managing financial liquidity in the Group. The main objectives of the Group's financial resources and liquidity management are as follows:

- ensuring stable and effective financing of the Group's operations;
- continuous monitoring of the Group's debt level,
- effective management of working capital;
- the Parent Company's coordination of liquidity management processes at the Group Companies.

The above goals are implemented in response to changing economic and business conditions through effective management of credit, interest rate and currency.

In the coming years the Group's strategy provides for a further gradual exchange of short-term debt financing individual construction contracts for long-term debt financing with particular consideration of advances from the Employer for infrastructural contracts and for a gradual reduction of debt in the long-term perspective.

Monitoring of the effectiveness of financial resources management is carried out, among others, using the following ratios:

Table: MIRBUD S.A. debt ratios

Item	31/12/2024	31/12/2023
<b>Total debt ratio</b> <b>Total liabilities / Assets</b>	0.49	0.62
<b>Long-term debt ratio</b> <b>Long-term liabilities / Assets</b>	0.12	0.12
<b>Short-term debt ratio</b> <b>Short-term liabilities / Assets</b>	0.37	0.51
<b>Debt to equity ratio</b> <b>Liabilities / Equity</b>	0.95	1.65

In the reporting period, the Company's level of debt dropped by 13% and its structure changed (the share of short-term debt decreased by 15 p.p.), which was the result of:



- the Company issuing 18,348,800 ordinary L series shares which allowed raising PLN 200 million of capital;
- the maturity in 2025 of working capital credits taken out with PEKAO S.A., mBank S.A., PKO BP S.A. and BOŚ S.A. for a total amount of PLN 66 million; (the Issuer plans to roll over the liabilities for successive periods);
- partial repayment of a long-term loan;
- successive settlement of advances received for the execution of construction contracts by MIRBUD (the value of settled advances for construction works in 2024 amounted to PLN 66 million, the value of unsettled advances for road works amounted to PLN 28 million);
- changes in market conditions for the supply of materials forcing early payment or advance payments, which resulted in increased use of available working capital credits;
- the lease purchase by MIRBUD S.A. of vehicles and machinery and equipment for over PLN 4.8 million; - an increase in long-term and short-term financial liabilities;
- partial repayment of trade liabilities as a result of full repayment of outstanding receivables by Panattoni Group Companies.

The level and structure of the MIRBUD S.A.'s indebtedness in the 2025 perspective will be influenced by:

- the period of rolling over financial liabilities arising from working capital credits;
- timeliness of payment of receivables by Investors;
- the contracting and utilisation of working capital credits to finance the implementation of contracts in the Polish Order programme;
- the value of investments in property, plant and equipment;
- the ability to obtain bank guarantees to pursue a strategy of financing major road contracts from advances from the Employer.

Table: Liquidity ratios of MIRBUD S.A.

Item	31/12/2024	31/12/2023
<b>Current liquidity ratio</b>		
<b>Current assets / Short-term liabilities</b>	1.167	1.00
<b>Accelerated liquidity ratio</b>		
<b>(Current assets – Inventory – Short-term prepayments and accruals) / Current liabilities</b>	1.17	1.00
<b>Cash liquidity ratio</b>		
<b>Cash / Short-term liabilities</b>	0.31	0.32

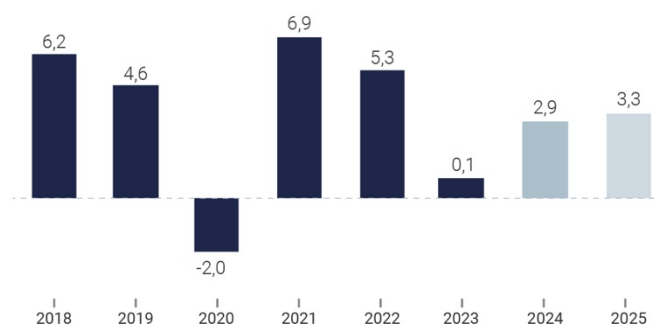
The liquidity of MIRBUD S.A. as at 31/12/2024 compared to 31/12/2023 has improved significantly and remains at a high level.

## 4. ACTIVITIES OF THE MIRBUD CAPITAL GROUP AND PROSPECTS FOR DEVELOPMENT

### 4.1. Specificity of the market

According to the preliminary estimate, in 2024 gross domestic product increased by 2.9% in real terms, compared to an increase of 0.1% in 2023. Based on preliminary data, gross value added in the national economy in 2024 increased by 2.1% compared to 2023, while the construction sector decreased by 6.7%, with an increase of 0.4% in 2023.

Chart: Gross GDP growth y/y (%)



Source: CSO, forecasts by BOŚ Bank

Current forecasts indicate that Poland's GDP growth rate will accelerate to as much as 3.3% in 2025. Consumption is to remain the main pillar of economic growth, with gross fixed capital formation being the second.<sup>1</sup> They are forecast to grow by 8%, driven by the intensification of projects under the National Reconstruction Plan (NRP) and the use of EU cohesion funds. Development could contribute 1.5 percentage points to GDP growth, almost equalling consumption, according to PIE estimates.<sup>2</sup>

According to the "Long-Term State Financial Plan 2024-2027", Poland's GDP growth in 2025-2027 will be respectively: 3.7%, 3.4% and 3.0%. This is also confirmed by the World Bank's forecast, according to which the next few years look positive for the Polish economy. The next decade will see average annual economic growth of 3.1%, with Poland becoming the 18th largest economy in the world by 2035.

According to an OECD forecast from last December, Poland's economy will grow by 2.8% in 2025 with real wage growth and fiscal policy support. GDP should increase to 3.4% in 2025 and then decline to 3% in 2026. The current year should be a period of increased capital expenditure, supported by an activation in the disbursement of funds from the National Reconstruction Plan. It can be assumed that the current year will be a period of greater economic recovery.

Inflation is expected to be higher in 2025 than in 2024 – particularly in the first half of the year. Consequently, the expected decline in interest rates is likely to occur in the second half of 2025. The OECD estimates that inflation will rise to 5% in 2025 and fall to 3.9% in 2026. At the end of next year, experts expect inflation to approach the upper limit of the inflation target of 3.5%. Continued high wage growth may lead to strong consumption growth and support inflation growth, while the economy will continue to be negatively affected by the war in Ukraine.

<sup>1</sup> BOŚ Bank

<sup>2</sup> Trade.gov – PIE forecasts

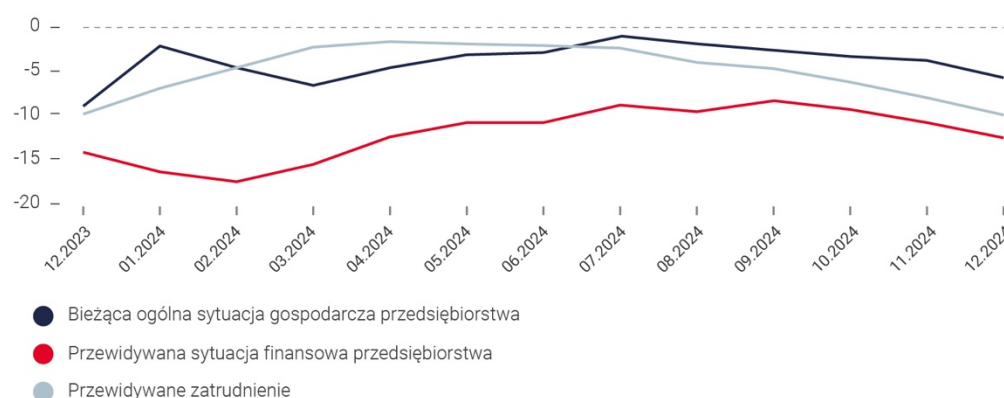
According to the Ministry of Development Funds and Regional Policy<sup>3</sup>, around PLN 90 billion worth of Development is planned in 2025 from the NIP and an additional around PLN 30 billion from the Cohesion Policy, due to declared investments that are currently underway.

According to Bank Pekao's experts, a breakthrough cannot be counted on in case of investments by private companies. Relatively high interest rates, very high geopolitical and market uncertainty, which is exacerbated by the uncertainty of the political situation in Germany, remain a constraint on potential investments.

In 2025, the Monetary Policy Council can be expected to cut interest rates. The baseline scenario assumes that interest rates in Poland will fall by 1.0-1.25 percentage points by the end of next year.<sup>4</sup>

In 2024, the level of the nationwide general business climate index (R-BCI) reflected pessimistic sentiment in the construction sector. The indicator remained below the neutral limit throughout the period, reaching its lowest value of (-)10.6 at the end of 2024.

Chart: General business climate index in construction



Source: CSO

In all regions of the country, construction entrepreneurs signalled a decline in the number of orders and in construction and assembly production in the domestic market. In 2024, construction companies predicted a decline in employment – the rate was below zero throughout the year. Nationally, the value of the predicted employment index declined steadily in the last months of last year, consequently reaching a value of (-)9.8 in December (the lowest in 2024).

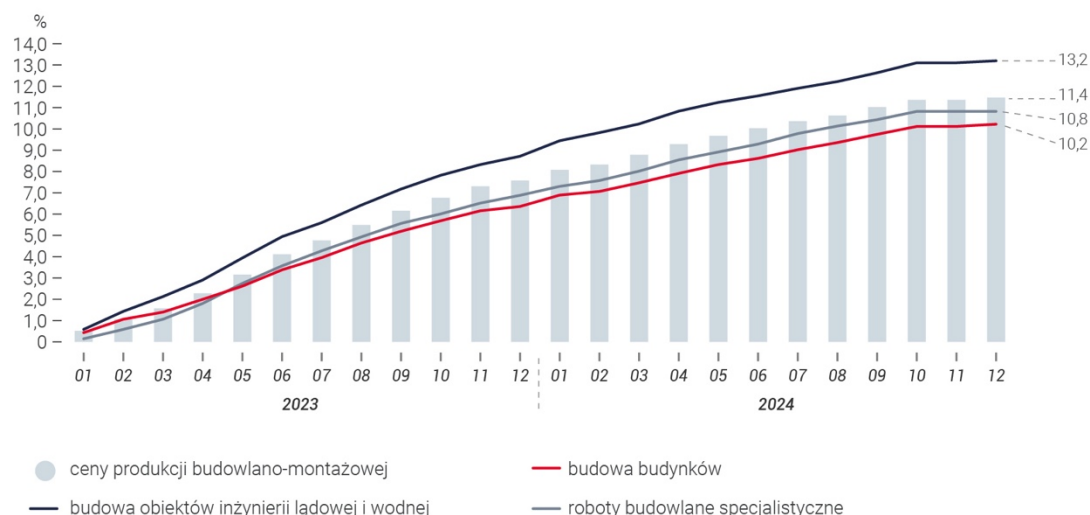
In December 2024, more than 64% of companies considered the financial situation to be a decisive factor influencing salary levels. More than half of the respondents (around 54%) pointed to the need to adjust wages to meet rising inflation.

At the end of December 2024, the number of registered unemployed in Poland stood at 786.2 thousand, 11.7 thousand higher than at the end of November and 2 thousand lower than a year ago, which should be treated as a seasonal increase.

Chart: Changes in prices of construction and assembly production by GDP division in 2023-2024 compared to December 2022.

<sup>3</sup> Ministry of Development Funds and Regional Policy

<sup>4</sup> BOŚ Bank



Source: CSO

### Construction and assembly production

According to preliminary data from the Central Statistical Office (GUS - CSO), in December 2024, the prices of construction and assembly production increased by 3.9% compared to the same month of the previous year. In December 2024, there was a 0.1% increase in the price of building construction and civil engineering works compared to November 2024, while the price of specialised construction works remained at a level similar to that recorded in the previous month. Compared to December 2023, the prices of civil engineering (up by 4.2%), specialised construction works (up by 4%) and construction of buildings (up by 3.8%) were increased.<sup>5</sup>

In December 2024, average employment in the business sector was 0.6% lower than in the same period last year, at 6,453.7 thousand FTEs. Average monthly wages in the business sector in December 2024 year-on-year increased nominally by 9.8% and amounted to PLN 8,821.25 gross.

<sup>5</sup> CSO

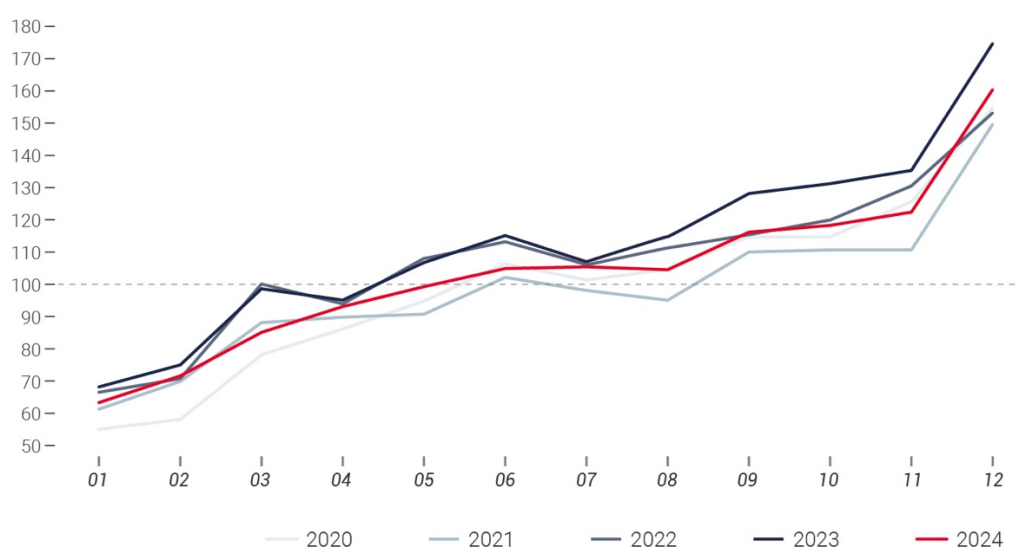
Table: Construction and assembly production price indices for November and December 2024

Wyszczególnienie	01-12 2024		01-12/2024
	11/2024=100	12/2023=100	01-12/2023=100
Ogółem	130,6	92,0	92,3
Budowa budynków	115,5	80,0	93,7
Budowa obiektów inżynierii lądowej i wodnej	141,0	99,3	93,3
Roboty budowlane specjalistyczne	126,2	90,8	90,2

Source: CSO

In 2024, we saw a decline in construction and assembly production in all construction divisions. At the end of the year, the production of civil engineering structures recorded a decline of -0.7%, in specialised construction the decline was -9.2% and for the building construction segment it was as high as -20%. There was a rebound in construction production at the end of the year, with construction production increasing by 30.6% month-on-month in December. The increase in production concerned all construction divisions, with the largest increase recorded for construction and assembly production (up by 41%). Companies carrying out specialised works increased production by 26.2%. and those involved in the erection of buildings by 15.5%.

Chart: Dynamics of construction and assembly production (constant prices; monthly average 2021=100)



Source: CSO

## Road and railway construction

Road construction accounts for the largest share of civil engineering construction in Poland – approx. 38%. The General Directorate of National Roads and Motorways has opened 155 km of new roads in 2024. As part of the Government's National Roads Construction Programme (NRCP) and the 100 Bypasses Construction Programme (PCP100), 123 tasks with a total length of nearly 1,600 km are currently being implemented. At the tendering stage, there are 20 tasks from the NRCP with a length of

191.3 km, 15 bypasses from the PCP100 with a length of more than 136 km and 2 tasks for a new national road to Poland's first nuclear power plant (length 26 km).

As of January 2024, the General Directorate for National Roads and Motorways has signed 36 contracts for the construction of roads with a total length of over 456 km and a value of approx. PLN 18.9 billion. Of these, 28 contracts are for tasks from the NRCP with a total length of 403 km and a value of PLN 17.7 billion, and eight are for bypasses from the PCP100 with a length of over 53 km and a value of approx. PLN 1.2 billion. During the period under review, applications were submitted for decision permitting the execution of the road investment (the ZRID) from the NRCP and PCP100 for 22 tasks. The ZRID decisions have also been obtained for 19 projects from these two programmes.

The capital expenditure of the General Directorate for National Roads and Motorways as at the end of November 2024 was record-breaking PLN 15.4 billion. This is more than 10% higher than in the same period last year. It is also the highest result in the last seven years. The projected capital expenditure at the end of 2024 should be around PLN 19 billion.

The railway construction market in Poland is characterised by high volatility in the volume of orders and is dependent on the investment activity of a single employer – PKP PLK. This entity carries out investment tasks mainly within the framework of the following programmes: The National Railway Plan, the National Reconstruction Plan and the Kolej+ programme. According to information provided by the Ministry of Infrastructure in February this year. The National Railway Plan envisages the construction of approx. 4.2 thousand km of track worth a total of around PLN 80 billion between 2021 and 2027, while 680 km of track worth PLN 11.5 billion will be built under the NRP. The Kolej+ programme envisages the construction of 860 km of tracks, platforms and the reconstruction of railway stations worth around PLN 13.2 billion, noting that work is currently underway to optimise this plan and adapt its assumptions to actual needs. It may therefore turn out that some of the funds hitherto earmarked for oversized projects (e.g. platforms that are too long in relation to needs) will be freed up to be used for further expansion of the track system in Poland.

According to the adopted assumptions, 11 tenders with a total value of PLN 17.1 billion have been announced within the National Railway Plan in 2024, while in 2025 PKP PLK plans to launch tender proceedings with a total value of approx. PLN 15 billion, whose scope of works will cover 1,300 km, including:

#### **Q1 2025**

- reconstruction of the Białystok – Elk section (PLN 6 billion);
- reconstruction of the Skierniewice – Czachówek Wschodni section (PLN 1.4 billion);
- construction of the Podłęże – Gdów section and the Podłęże Balachówka – Podłęże section (PLN 2.3 billion);
- reconstruction of the Tymbark – Limanowa section (PLN 1.3 billion).

#### **Q2 2025**

- construction of the Biała Rawska station (approx. PLN 0.13 billion).

#### **Q3 2025**

- construction works at the Wierzchucin – Lipowa Tucholska section (PLN 1.3 billion);
- construction works at the Maksymilianowo – Wierzchucin section (PLN 1.2 billion);



- construction works at the Lębork – Łeba section and the construction of the Łeba – Elektrownia Jądrowa – Choczewo section line (approx. PLN 1.2 billion);
- construction works on the Gdańsk Osowa – Gdynia Główna section (PLN 1.2 billion).

#### **Q4 2025**

- reconstruction of the Warszawa Wschodnia station (PLN 3.3 billion);
- construction works on the Lipowa Tucholska – Kościerzyna section (PLN 1.3 billion);
- construction works on the Czarnków – Rogoźno – Wągrowiec section (PLN 0.4 billion).

PKP PLK's biggest projects to be carried out in the coming years as part of the National Railway Programme to 2030 are:

- Modernisation of railway line no. 201 Maksymilianowo – Kościerzyna – Gdynia, value: PLN 9.25 billion,
- modernisation of the E 65 route between Będzin and Katowice and Zebrzydowice (including Katowice interchange), value: PLN 7.29 billion,
- works on railway line no. 202 on the Gdynia Chylonia – Słupsk section; value: PLN 5.42 billion,
- construction of the Podłęże – Tymbark/Mszana Dolna railway line and modernisation of railway line 104 Chabówka – Nowy Sącz, value: PLN 14 billion
- modernisation of the E 75 (Rail Baltica) railway line between Białystok – Elk, value: PLN 5.86 billion,
- modernisation of the Warszawa Wschodnia station, value: PLN 3.3 billion.

In the infrastructure construction segment, the plans of the company of the same name set up to build the Central Transport Hub, which reports directly to the Ministry of Infrastructure, are also gaining importance. According to the Multi-Year Programme for the Central Transport Hub, adopted by the Council of Ministers in December 2024, PLN 131.7 billion will be allocated for rail, airport, complementary airport and road development.

#### **Energy and hydrotechnical engineering construction**

In the field of hydrotechnical engineering, the main employer is Państwowe Gospodarstwo Wodne Wody Polskie. There are currently 300 projects in progress, worth PLN 20 billion. Their objectives include the modernisation of inland transport routes and the expansion and strengthening of the country's flood embankment network.

New projects are being prepared in the energy construction sector in Poland with a view to adapting the power grid to transmit large volumes of electricity. To ensure the security of electricity supply for consumers throughout Poland, Polskie Sieci Elektroenergetyczne S.A., as the Transmission System Operator, is tasked with creating conditions for the connection to the transmission grid and the derivation of power from new power plants and RES plants, as well as developing cross-border connections. Successful implementation of these tasks requires an efficient and well-developed grid infrastructure – modern power lines and substations. This area of investments related to transmission infrastructure is considered strategic for the country. In implementing Poland's Energy Policy, PSE is directing its investment activities mainly towards the development of 400 kV lines which are characterised by high transmission capacities with low energy losses. The existing 220 kV networks are thus gradually being replaced by 400 kV structures.

## Property development segment

According to the CSO's preliminary data, 199.9 thousand units were completed in 2024, i.e. 9.6% less than a year earlier, of which developers handed 124.3 thousand units which is 9.6% less than a year ago. The floor area of newly built units amounted to 17.8 million sq. m, i.e. 10.3% less than in the previous year, and its average value for 1 unit was 89.2 sq. m. In 2024, construction of 233.8 thousand units started, i.e. 23.7% more than a year ago. Developers started the construction of 152.5 thousand units (up by 33.2% y/y).<sup>6</sup>

Chart: Number of units built in Poland over the years (in thousands)



Source: CSO

2024 has proven to be a difficult time in the housing market, especially after the end of the “2% Secure Credit” programme. The suspension of credit support had a direct impact on the number of property transactions, especially in cities such as Warsaw, Kraków, Wrocław and Poznań, where sales fell by almost a third compared to the previous year.

In 2024, the property market has seen a significant increase in the number of residential sales offers. Otodom Analytics data shows that developers have put about 56 thousand flats on the market, an increase by 58% compared to 2023. At the same time, the number of active listings in November 2024 was almost 470 thousand, up 40% year-on-year. The largest increase in the number of adverts was recorded in Warsaw (+61%), Kraków (+55%), Rzeszów (+54%) and Lublin (+53%). In 2024, 16 capital market developers will have sold an estimated 20.8 thousand flats which is 14.2% less than in the previous year.

Year-on-year sales declines in the Q4 are the result of a high base influenced by “Secure Credit”.<sup>7</sup> The last quarter of last year generally brought a slight improvement compared to Q3, which was influenced, among other things, by developers supporting sales with various promotions. It should be noted that the lack of government support in the form of preferential credits (vide: “2% Secure Credit”) has resulted in housing prices in the country gradually stabilising and even falling in some locations.

<sup>6</sup> CSO “Housing construction1 between January and December 2024”.

<sup>7</sup> DM BDM



## Lease of commercial space

According to data from the Polish Chamber of Commercial Real Estate (PINK), the office space market in the eight main regional markets in Poland (Kraków, Wrocław, Tri-City, Katowice, Poznań, Łódź, Lublin, Szczecin) for Q4 2024 amounted to 6,781 thousand sq. m. Invariably, Kraków (1,831,400 sq. m.), Wrocław (1,375,900 sq. m.) and Tri-City (1,067,000 sq. m.) remained the largest office markets in Poland (after Warsaw).

In Q4 2024 alone, facilities with a total area of 47.1 thousand sq. m. were put into service. At the end of December 2024, approx. 1,204.5 thousand sq. m. office space was available for lease in the eight main regional markets, corresponding to a vacancy rate of 17.8% (an increase of 0.5 p.p. q/q and an increase of 0.3 p.p. compared to the corresponding period in 2023). The highest vacancy rate was recorded in Katowice with 23.2% and the lowest in Szczecin with 7.7%.

The total volume of lease transactions registered in Q4 2024 amounted to just under 220 thousand sq. m., which is 4% higher than in the previous quarter and 5% higher than in the corresponding quarter of 2023. Most office space was leased in Kraków (98.3 thousand sq. m.), Wrocław (50.5 thousand sq. m.) and the Tri-City (25.2 thousand sq. m.).

In Q4 2024, renewals of existing leases accounted for the largest share of transaction volume and accounted for 47, new contracts accounted for 45%, expansions 2%, while transactions for lessee owners accounted for 6% of total tenant activity.

## Warehouse properties

In 2024, gross rental demand for warehouse space in the Polish market will reach 5.8 million sq. m., up 4% after falling from a peak of 7 million sq. m. in 2022-2023, when there was a pandemic-related surge in demand for warehouse space in 2021. There is currently a return of investment activity in this area to natural levels. At the end of Q3 2024, there was 1.9 million sq. m. of warehouse space under construction. Last year, new warehouse facilities with a total area of 2.8 million sq. m. were added to the market, and the stock of modern warehouse space in Poland reached 34.6 million sq. m.

The estimated share of vacancy in the warehouse market at the end of 2024 was 8% compared to 7.3% at the end of 2023, a level above the EU average (5%).

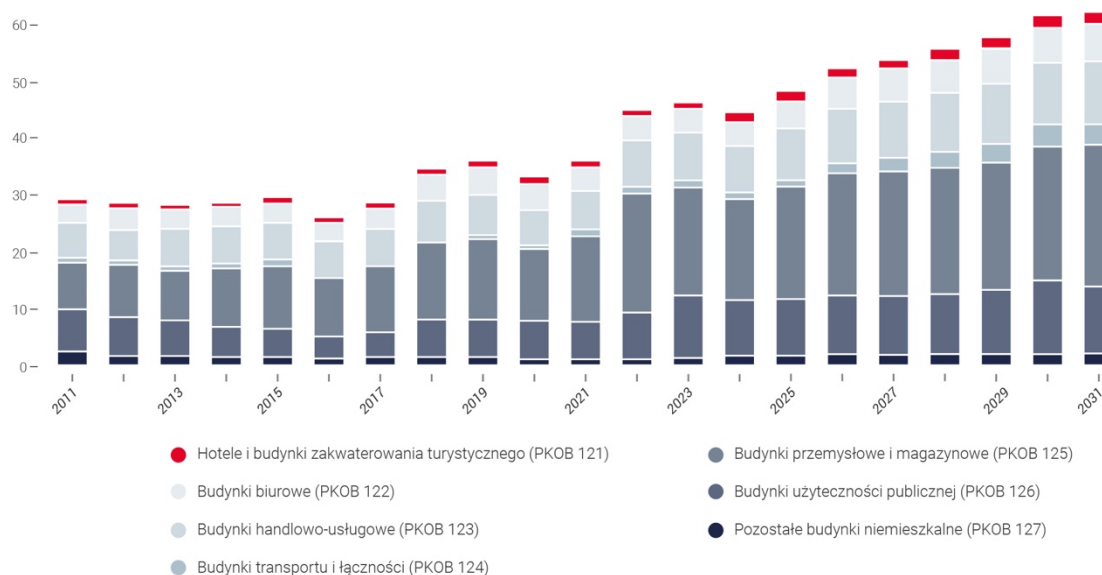
## 4.2. Market prospects

### Construction and assembly segment

The biggest threat to the construction sector is uncertainty and the lack of clear economic rules. Uncertainty is generated both by the geopolitical situation (the aftermath of the war in Ukraine) as well as by the lack of stable market rules and the paucity of comprehensive solutions from those in power (this is particularly true of the property market). The situation in the infrastructure construction market is also complicated by uncontrolled access to this market for companies of Asian origin, which are not subject to the restrictive regulations of the European Union, but have unlimited access to capital secured by the governments of their countries of origin, as a result of which such companies are competing more and more aggressively with companies of Polish or, more broadly, European origin, without bringing economic benefits to Poland. At the end of 2024, the value of the involvement of Chinese, Turkish and other companies not covered by reciprocal trade agreements in the construction of expressways and motorways in Poland was already approx. 25%. Continued inaction on the part of the government in addressing the urgent need to protect the Polish market from unfair competition will have undesirable effects on economies in the years to come.

Bad monetary policy is also a limiting factor for banks' growth and lending policies. The lack of availability of raw and construction materials and unpredictable price levels are destabilising. Another element is the increase in labour and energy costs. Looking more broadly, the instability of the global economic system and financial crises are exacerbating social and economic stratification, and contemporary social policy trends are increasingly seen as inefficient. This poses a threat to the public's purchasing power.

Chart: Construction and assembly production by type of building (PLN billion)



Source: Spectis based on CSO data, 2024-2031, forecast

In the opinion of BOŚ experts, at the beginning of 2025, the dynamics of construction and assembly production will jump to around 0% y/y, even assuming a corrective monthly decline. This volatility in the data at the turn of the year will only be due to the reference bases (i.e. the January 2024 production bump).

Stronger increases in production are expected in H2 2025, however, it is crucial for this forecast to materialise if the assumption is met that the scale of infrastructure projects, including energy transition investments, will increase during 2025. Projects such as these should revitalise public infrastructure investment and that of the largest state-owned companies, which has weakened in 2024. An additional prerequisite is also the maintenance of a stable economic climate and the avoidance of a cyclical scenario of a deep decline in capital expenditure by private companies and the housing market.<sup>8</sup>

According to Spectis expert, after two years of real declines, the construction market will return to growth from 2025 onwards. However, these will not be high increases (within 4-5%), which will increase the value of the market to more than PLN 400 billion in 2025. As projects in the 2021-2027 budget will be implemented until the end of 2030, it is realistic to maintain the high value of the market in this timeframe. Experts expect that after several years of steady growth in capital expenditure, the next deeper adjustment in the construction industry could come in 2031.

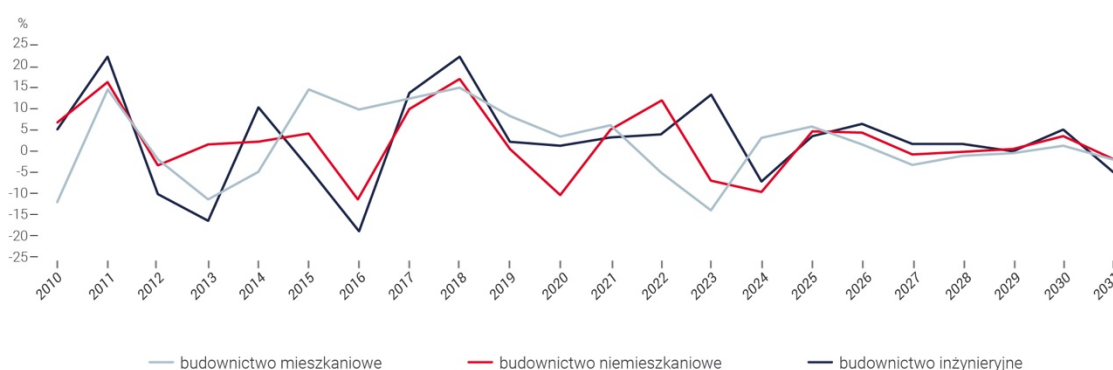
GDDKiA and PKP PLK investments, as well as investments in the broader energy sector, will be a major boost to the engineering industry in the coming years.

For the whole of 2025, approx. 8% nominal wage growth in the economy (up from 13% in 2024) and around 7% growth in construction is projected. The current average of the 2026-2027 projections assumes around 6% nominal growth in the average wage in the economy.

The outflow of tens of thousands of Ukrainian workers observed from 2022 onwards has overlapped with a period of significant correction in housing construction. We expect that when the construction industry recovers (from 2025 onwards), the shortage of skilled workers will again be a significant market barrier for construction companies.

It is estimated that the unemployment rate could fall to a record low of 4.8% by the end of 2025. In contrast, it is expected to stabilise at around 4.8%-4.9% between 2026 and 2027.

Chart: Real growth of construction and assembly manufacturing by segments (% , y/y), companies employing more than 9 persons



Source: Spectis based on CSO and Eurostat data

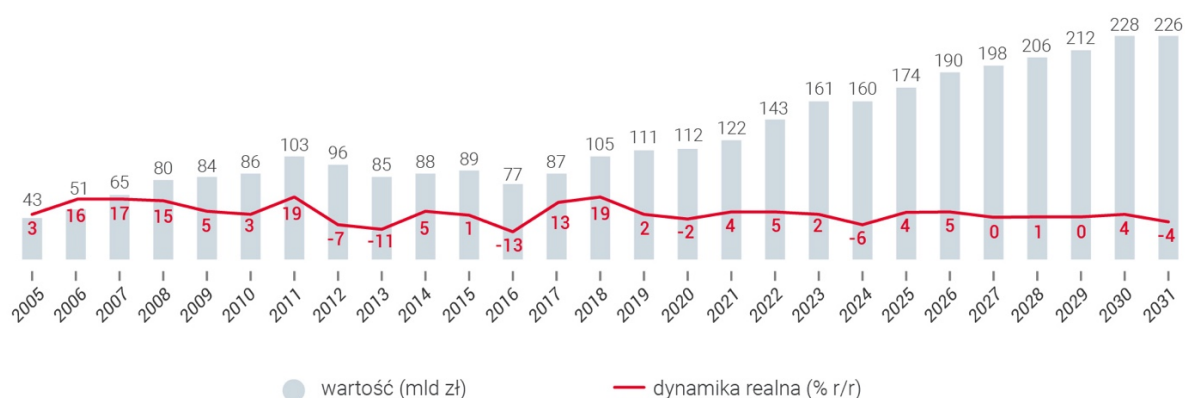
GDDKiA and PKP PLK investments, as well as investments in the energy sector will continue to account for the largest share of the engineering construction sector. Local governments will continue to make an important contribution to the value of the engineering market, despite rising public debt. Hydrotechnical

<sup>8</sup> BOŚ BANK SA

engineering construction segment may speed up, which will be the result of planned investments in the coastal strip and the need to improve water management throughout the country.

In the coming years, investments financed through the EU's Recovery and Resilience Facility (possibly as much as EUR 58 billion in grants and loans available to Poland) and the EU's seven-year budget for 2021-2027, under which Poland can count on approx. EUR 72 billion in grants, should be an important element in stimulating economic growth. The European Commission's unblocking of NRP funds for Poland at the beginning of 2024 will generate pressure for the funds to be spent quickly by the end of 2026, which should influence a dynamic recovery in the value of the engineering market between 2025 and 2026.

Chart: Construction and assembly manufacturing, construction companies employing more than 9 persons



Source: Spectis based on CSO data

Next year, the construction industry's growth should again be driven by infrastructure investments, which will kick off using the new wave of EU funds. The medium-term outlook for the industry (for the second half of the decade) is also favourable. The residential segment also has a large growth potential up to 2030, related to the high needs of Poles, their migration to large cities and the increase in purchasing power, as well as the normalisation of interest rates. There is also considerable potential in some other areas of building construction such as warehouses and hotels.

Table: Summary of the largest Polish projects already under construction or at the design stage<sup>9</sup>.

LP.	Opis projektu	Planowany budżet (mld PLN)	Planowane lata budowy
1	CPK – port lotniczy w Baranowie	51	2026–2032
2	CPK – koleje dużych prędkości (480 km)	80	2026–2032
3	Elektrownia jądrowa w Choczewie (3,75 GW)	150	2028–2039 (2035 pierwszy blok)
4	Elektrownia jądrowa Pątnów (2,8 GW)	45	2028–2035
5	Farma wiatrowa Baltic Power (1,2 GW)	21,4	2024–2026
6	S6 Zachodnia Obwodnica Szczecina (50 km)	5,4	2025–2031
7	Intel – fabryka półprzewodników	21,4	2024–2027
8	Izera – fabryka samochodów elektrycznych	5	Projekt wstrzymany
9	Odbudowa Pałacu Saskiego	2,5	2026–2030
10	Droga wodna Gdańsk – Warszawa	31,5	2018–2030
11	Głębokowodny terminal kontenerowy w Świnoujściu	7,3	2023–2029
12	Olefiny III	25	2021–2027

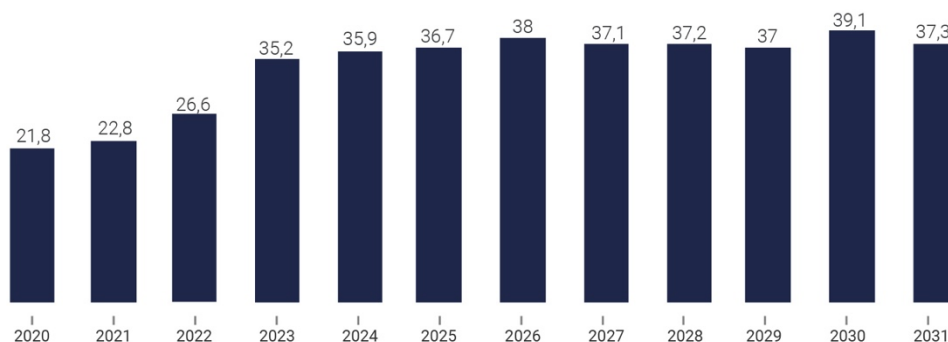
The total value of the projects amounts to PLN 445.5 million. This amount, alongside other public spending on road and energy infrastructure, will allow general contracting order portfolios to be filled for the coming years. Among the most important risks associated with the execution of the aforementioned projects are legal regulations, uncertain external financing, administrative and environmental decisions, political decisions and increases in input prices.

### Road engineering construction

Roads will continue to be the largest segment of civil engineering construction in the coming years, despite a gradual decline in their share of construction output. The key programmes driving road construction will be: The National Roads Construction Programme (PLN 292 billion until 2033), the 100 Bypasses Construction Programme (PLN 28 billion until 2029) and the Local Government Roads Fund (PLN 36 billion until 2028). The General Directorate for National Roads and Motorways assumes that, by 2033, Poland's expressway network will include some 8 thousand km of roads, including 2.1 thousand km of motorways. The coming decade will see a reversal in the proportion of road spending and a shift in the burden of investments from new roads to the existing network, which wears out with each passing year.

Chart: Construction and assembly production according to the Polish Classification of Types of Constructions (PLN billion)  
Motorways, expressways, streets and other roads (PKOB 211)

<sup>9</sup> Contract Advisory Services "Report on construction industry costs", July 2024



Source: Spectis

According to information from the Ministry of Infrastructure, in 2025 the GDDKiA is planning capital expenditure of approx. PLN 20 billion, with the intention of maintaining this level for the next five years, until 2030. As part of the Government's National Roads Construction Programme and the construction of new bypasses, the GDDKiA plans to issue tenders for 392 km of roads in 2025 and for another 500 km of roads in 2026.

There are still many projects in the initial planning stages, which means that the long-term potential of the road construction industry still looks very positive. Given the above information, the investor's order portfolio and the secured funds, there is a stable outlook for this sector of the construction industry, provided that the government's attitude to the need to protect the domestic construction market from uncontrolled access to this market by companies not covered by mutual trade agreements changes.

### Railway construction

The prospects for railway construction in the period from 2024 to 2030 may be significantly affected by the execution of a section of the so-called railway component accompanying the potential realisation of the Central Transport Hub.

A realistic timetable assumes that the CPK Airport and the High Speed Rail between Warsaw, CPK and Łódź will be operational by the end of 2032, as well as advancing construction work on the HSR sections to Wrocław and Poznań. Rail tasks are the largest part of the CPK Programme in terms of value. As part of this project, more than 480 km of the high-speed Y railway line is in design: Warszawa – CPK – Łódź – Poznań / Wrocław.

In December 2024, the Council of Ministers adopted the CPK Multi-Annual Programme for 2024-2032, thus providing funding for the programme in the amount of PLN 131.7 billion, including PLN 76.8 billion for rail investments, PLN 42.7 billion for airport projects and PLN 2.5 billion for roads. These amounts will allow, among others, the continuation of design work, the acquisition of properties and the execution of the actual construction work.

In January this year, PKP PLK announced the largest single tender in its history, the reconstruction of the Białystok – Elk section, which will be part of the future Rail Baltica main line, worth PLN 6 billion. Still in the first quarter, three more proceedings are to be announced with a total value of PLN 5 billion. In the next quarters of 2025, further tenders of more than PLN 10 billion are foreseen.

In the following years, the largest rail investments will be financed under the National Railway Programme. These include:

- Modernisation of the E 65 line between Będzin – Katowice – Zebrzydowice (including the Katowice interchange), worth PLN 7.29 billion;



- works on railway line no. 202 between Gdynia Chylonia and Słupsk worth PLN 5.42 billion;
- modernisation of railway line no. 201 Maksymilianowo – Kościerzyna – Gdynia worth PLN 9.25 billion, construction of railway line Podłęże – Tymbark/Mszana Dolna and modernisation of railway line No. 104 Chabówka – Nowy Sącz worth PLN 14 billion;
- modernisation of the E 75 (Rail Baltica) railway line between Białystok – Ełk worth PLN 5.86 billion;
- modernisation of the Warszawa Wschodnia station, worth PLN 3.3 billion.

After 2026, PKP PKL plans to focus on local investments under the Kolej+ programme. Provision of PLN 10 billion has been made for tenders under this programme for the years 2026-2027. The programme is aimed at the local government units. Approx. PLN 13.2 billion has been earmarked for its implementation. Approx. PLN 11.2 billion will come from a capital injection from PKP Polskie Linie Kolejowe S.A.; approx. PLN 2 billion is to be contributed by local government units (e.g. bonds, credits).

### **Energy and hydrotechnical engineering construction**

In the case of the transmission construction segment, its value, between 2025 and 2031, will increase to an average level of approx. PLN 18-19 billion. The main driver for the sector will be the need for an energy transformation of the Polish economy, which will also be accompanied by significant investment in transmission networks.

According to the assumptions of Poland's Energy Policy until 2040, network investments necessary to ensure the viability of the generation capacity structure presented in that document may reach PLN 500 billion by 2040. The plans of PSE include, among others: connecting new generation sources and energy storage facilities, derivation of power from Polish wind farms in the Baltic Sea, derivation of power from nuclear power plants, integration of onshore RES sources with the National Power System, increasing the potential of national grids to transport energy through Poland as a transit hub, supplying electricity to new industrial consumers, including in special economic zones, supporting the development of electromobility and electrification of the heating sector, and supplying power to CPK, including high-speed railway.

PSE plans to invest almost PLN 64 billion in the development of the national networks between 2025 and 2034. The Transmission Network Development Plan envisages 252 network investment tasks, the construction of 5,225 km of tracks of 400 kV lines and 775 km of HVDC lines, as well as the construction of 27 new and the modernisation of 110 substations.

In terms of hydrological projects, current government strategies involve multi-billion dollar investments on the Oder and Vistula. However, in the opinion of experts, a possible acceleration in this area is not to be expected for the time being. More likely to be implemented, are hydrotechnical investments along the coastal strip. The total value of these projects amounts to PLN 445.5 million. The implementation of the programme for the development of Polish seaports by 2030 alone is worth PLN 40 billion.

The government's plans for the coming years in this sector are:

- the Water Shortage Prevention Programme (WSPP) for the years 2022-2027 with an outlook to 2030. The programme aims to increase water retention to 15%. The total cost of its implementation is estimated at PLN 41 billion,
- the Drought Prevention Programme (DPP) for the years 2021-2027, which aims to ensure adequate water quantity and quality; a total of 314 investments have been planned at a cost of approx. PLN 13 billion,
- the multi-annual "Development of the Lower Vistula" programme, which assumes the financing of the construction of a barrage on the Vistula (Siarzewo), with the planned construction of a reservoir with

a capacity of 135 million m<sup>3</sup> and a hydroelectric power station with a capacity of approx. 80 MW; the estimated total cost of implementation is more than PLN 7.5 billion.

### Property development segment

Currently, the housing market is waiting for reforms that may affect the supply of land for development. Draft development plans are expected to be passed by municipalities by the end of 2025, and these changes may speed up the development investment process, which in turn may affect the availability of properties. There is also the possibility that land could be made available more quickly through a “supply” act, a project of which is expected to reach the Council of Ministers later in the first half of 2025.

The current market situation is forcing developers to offer more and more frequent promotions to attract buyers. According to CBRE experts, despite the drop in sales, prices will not be subject to dramatic reductions. The risk of falling prices will be influenced in real terms by the absence of interest rate cuts in 2025, which will have an impact on the volume of credits granted for the purchase of flats. Trends may also be exacerbated by uncertainty about the expected new government programme.

In 2025, the property market will feel the effects of the record level of construction investments started in the years 2023-2024, which will translate into a significant increase in completed flats. The influx of new listings may exacerbate competition among sellers, creating room for price negotiations, especially for buyers ready for quick deals. The increased supply will also affect the rental market, where the greater availability of new units may favour the stabilisation of rents in popular locations.

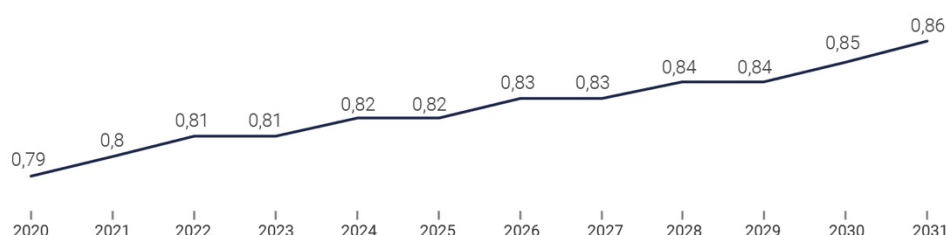
According to Spectis experts, the housing market is expected to gradually recover between 2025 and 2027. The market is expected to stabilise at around 200 thousand of completed units in 2025, i.e. above 2018 levels.

In addition to the retail sale of flats, developers will gradually move towards the rental market in the coming years, either by selling entire buildings to PRS funds or by investing in their own institutional rental companies. Currently, institutional leasing account for less than 1% of the market.

An important challenge for the coming years will be the large-panel block segment, which is home to around 12 million people. According to expert opinion, some of these buildings need extensive and costly modernisation, and the oldest ones should even be demolished. Indeed, their age reaches sixty years, while the lifespan of these buildings was planned to be 50-70 years. According to the Polish Association of Property Developers, in order to replace the large-panel buildings, around 60 thousand new flats would have to be built annually over the next 80 years.

The decline in demand for housing and mortgage credits due to a deterioration or fear of a deterioration in the financial situation of households, a significant increase in the cost of development or a growing shortage of building land are having a negative impact on the development of this sector.

Chart: Evolution of the number of existing flats and houses per 1,000 inhabitants in Poland compared to the EU average



Source: Spectis (2024-2031, forecast)



The structural shortage of housing stock in Poland, especially compared to the EU average, is at the same time generating a long-term demand for new units. A long-term trend of a wealthier population and a desire for better housing conditions is also evident. The development of this construction sector is facilitated by the strong performance potential in the residential construction area, both on the part of construction companies and building material manufacturers.

### **Residential, office and commercial construction**

In 2024, Poland has strengthened its position as Central and Eastern Europe's leader in the modern industrial and logistics space sector. The sector's optimism index has reached its highest level in five years and, according to the "Confidence Index" research, an index value of 52.2 means that almost 6 out of 10 industry representatives rate the current business conditions as better or the same as a year ago.

According to experts, the vacancy rate in 2025 will be further compressed. Lessee interest continues to be strongest in energy-efficient, sustainable and high-tech warehouses.

A high proportion of renegotiations and stable development activity will result in the vacancy rate maintaining or falling gently. The e-commerce sector, which is growing rapidly in Poland, has a key impact on the development of warehouse space. Poland stands out from other markets because more than half of its warehouse space meets state-of-the-art sustainable development (ESG) standards and holds certifications such as BREEAM, LEED or DGNB. This is generating a lot of investor interest, and the differences in meeting ESG standards can drive up rents in modern properties.

Regardless of the type and age of the warehouse, the coming years will continue to see a steady increase in rents. Industrial and logistics facilities are becoming more and more modern and automation is progressing and this is certainly a trend that will continue to develop in Poland. It is also interesting to note that logistics operators are increasingly opting to build warehouses themselves to act as a regional "hub" with an investment in automation, tailored to their operational needs.

### **Commercial space lease segment**

According to CBRE experts, Poland continues to be an attractive market for investors, seen as mature, stable and developed, where investments remain profitable.

One of the main drivers of the commercial property market recovery is the office sector. We are seeing a growing trend of returning to offices, which is gaining momentum. According to the CBRE study and the European Office Occupier Sentiment Survey 2024 report, 61% of companies now use 41-80% of their office space, a significant increase compared to 2023, when the figure was 48%. What is more, a third of organisations plan to further increase employee office attendance and 75% of companies have implemented specific office attendance policies. However, half of these are only in the nature of recommendations.

Recently, significant changes can be observed in the approach to office space management. As many as 60% of companies are planning to reduce the space they occupy in the next three years, while 25% are considering expansion. This shows a strong trend towards optimising office space and using it more efficiently.

The development of the business services sector is increasingly turning towards the modernisation or redevelopment of older locations. An increasing number of offices are being created as a result of regeneration of post-industrial buildings. Factors contributing to the reduction in demand here include rising construction costs, persistently high vacancy rates, lower investment attractiveness of the CEE

region due to the ongoing war in Ukraine, or companies adopting a permanent remote or hybrid working model as a consequence of the spread of remote working during the pandemic and the increase in service charge rates.

According to BOŚ analysts, the most likely scenario for the warehousing market in 2025 is the continuation of stable demand growth of several percent, which should exceed 6 million sq. m. Stable growth in demand for warehouse space in 2025 will be supported by an expected gradual improvement in the Polish economy, including an acceleration in investment growth, with consumption growth stabilising.

### Retail and service buildings

In the coming years, the value of the segment will be significantly driven by renovations, upgrades and revitalisations, as well as the need to raise the standard of finish. Further development of supermarkets and discount stores as well as retail parks is assumed. Over the next few years, the value of the segment can be expected to stabilise at less than PLN 11 billion per year.

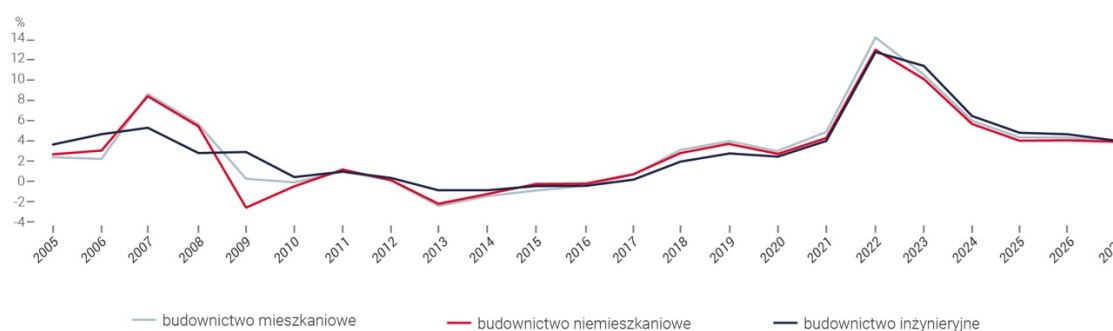
As a result of high saturation, over the next few years the retail property market may be limited to the development of a few large projects. This also applies to medium-sized and small towns, where less smaller and medium-sized investments are to be expected. This segment will focus on quality rather than quantity of projects. To adapt to changing customer preferences, older locations are undergoing or will undergo upgrades, expanding food, leisure and entertainment sections. The share of refurbishments and upgrades in the total volume of modern retail space under construction is approx. 25%. However, this type of investments is much less capital-intensive compared to the construction of new locations.

However, not all currently operating shopping centres will be modernised. There is an increasing number of announcements by investors to demolish obsolete buildings and replace them with new projects – mainly residential or mixed-use.

### Main cost factors

According to experts, a further increase in the price of building materials is expected in 2025, although the rate of increase is expected to moderate compared to previous years. Cement prices are expected to rise between 3% and 5%, and reinforcing steel up to 10%. Key elements influencing these prices include the economic situation, the availability of raw materials and environmental regulations. The projected GDP growth may contribute to increased investment in construction, which will translate into growing demand for building materials and, consequently, price increases. Other important factors contributing to the increase in construction material prices include rising electricity and fuel prices.

Chart: Construction output price index by construction segment (%)



Source: Spectis based on CSO and Eurostat data

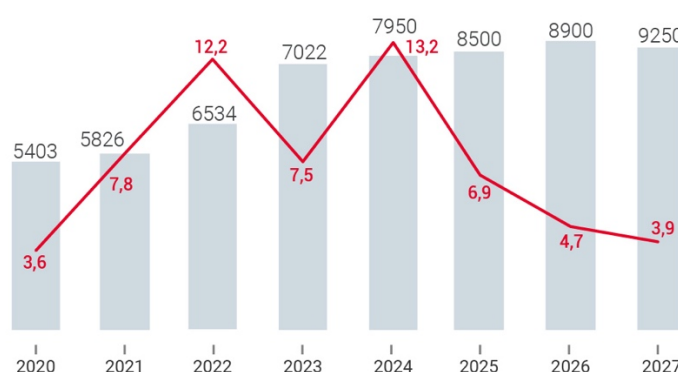
Due to statutory changes introduced in December last year, which abolished electricity price caps, businesses must prepare for an increase in operating costs. Forecasts suggest that energy prices may rise significantly, even by several dozen percent, due to the need to settle electricity consumption based on current market prices and additional charges, such as the capacity charge.

In 2025, the downward trend in the oil price is expected to continue. According to XTB analysts, OPEC+ will slowly restore production, while Donald Trump will seek to encourage American producers to increase output. However, it is important to bear in mind the still tense geopolitical situation, which could be a major factor shaping oil prices on global markets.<sup>10</sup>

Fitch expects oil prices to fall to USD 70/bbl in 2025 from an average of USD 80/bbl in 2024 due to slowing demand growth and higher production from non-OPEC+ countries, which will lead to oversupply.

One of the biggest challenges for the industry may also be the availability of labour resources during the period of peak demand in all segments. This accumulation may occur after 2025. In recent years, the construction industry has clearly lost its attractiveness in terms of the average offered wage level compared to other sectors of the economy. The need to compete with other industries can result in persistently strong upward pressure on labour costs.<sup>11</sup>

Chart: Average monthly gross remuneration in the construction industry, companies with more than 9 employees



Source: Spectis based on CSO data

## Opportunities

In the coming years, Poland could be one of the biggest beneficiaries of EU funds. In terms of funds directly stimulating construction, in addition to EUR 72.2 billion for cohesion policy (2021-2027 budget) and EUR 3.8 billion from the Just Transition Fund, the Recovery Fund also comes into play: EUR 25.3 billion in grants and EUR 34.5 billion in loans. According to ING BSK's calculations, based on the updated NRP payment schedule after the latest plan revision, disbursements (loans and grants) from the NRP are EUR 14.9 billion in 2025 and EUR 27.7 billion in 2026.

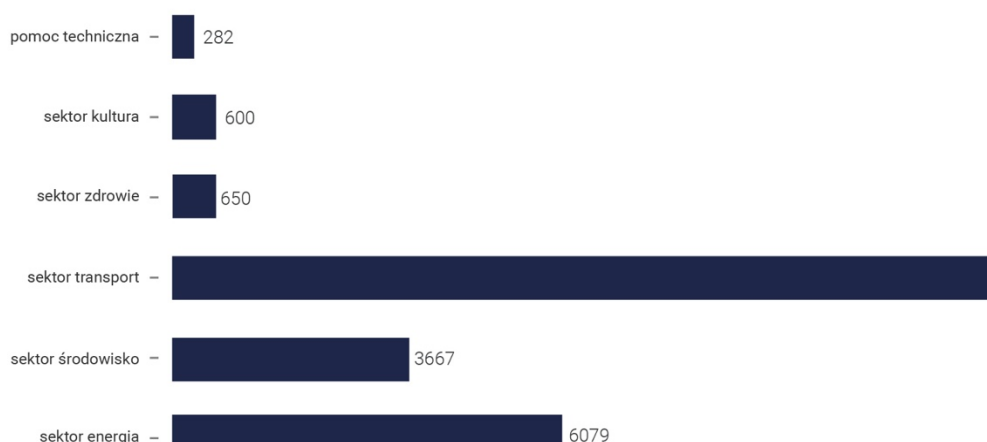
The distribution of EU funds available under FEnIKS 2021-2027 between the different areas of support is as follows: Energy sector – EUR 6.08 billion, environment sector: – EUR 3.67 billion, transport sector

<sup>10</sup> Forsal.pl

<sup>11</sup> Polish construction market in 2024 – analysis and challenges. Pekao Bank Report

– EUR 12.91 billion, health sector – EUR 650 million, culture sector – EUR 600 million, technical assistance – EUR 282 million.

Chart: Breakdown of EU funding available under FEnKS 2021-2027 by area (EUR million)



Source: The Ministry of Climate and Environment

Among others, local governments, companies, public administrations, managers of rail, road and inland waterway infrastructure, intermodal terminals, urban, intermodal and rail transport operators, energy service providers, owners and managers of residential buildings, traffic surveillance, rescue, fire and other public services, airport and seaport operators and non-governmental organisations will be able to apply for funding under the programme.

### 4.3. Description of the MIRBUD S.A.'s companies' activities in 2024

#### 4.3.1 Description of material achievements and failures of the Issuer during the period covered by the report, along with information on related key events

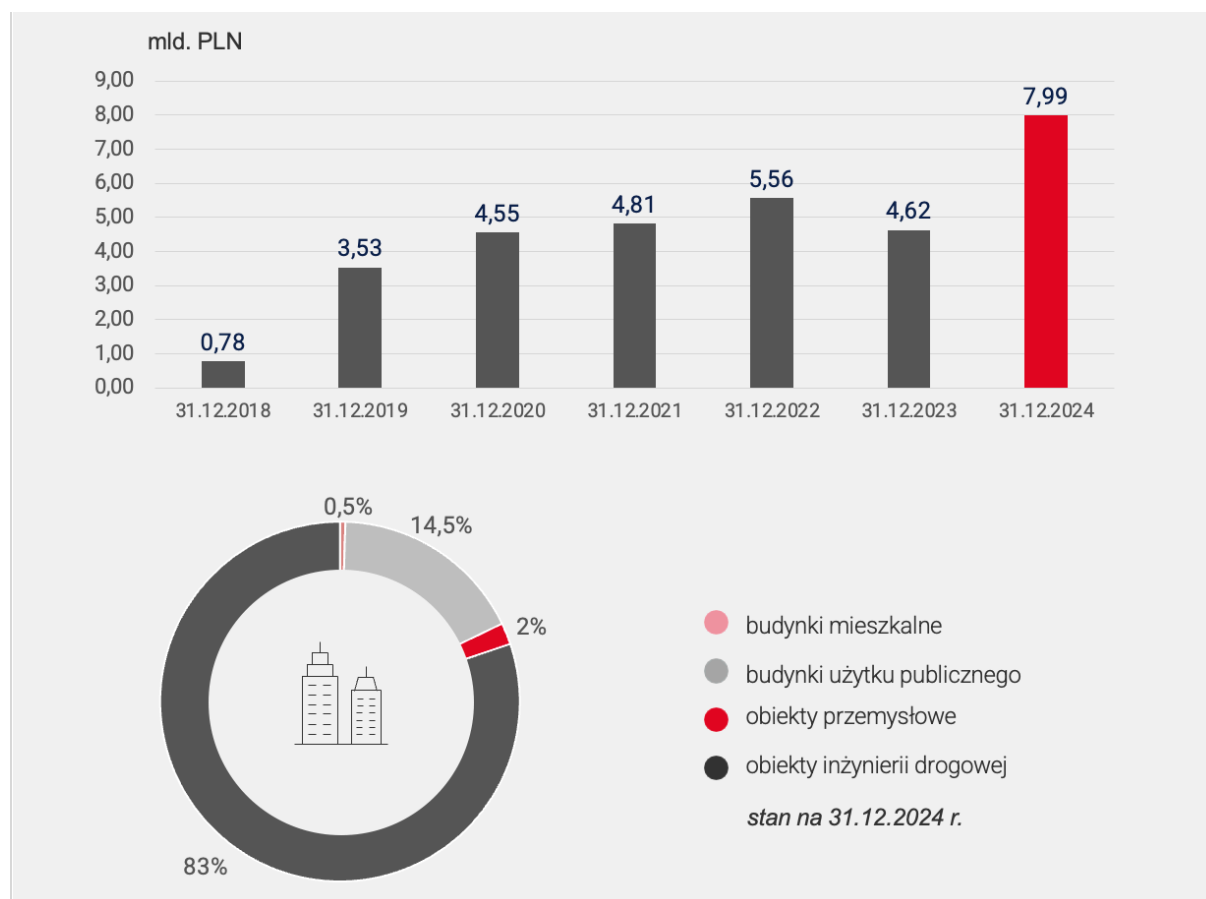
#### Construction and assembly works segment

In the first quarter of 2024, the construction market in Poland had seen a decrease in the supply of new contracts with a simultaneous intensification of the general contractors' competitive struggle to win new orders. This applied to both the building construction market and the road infrastructure market, whereby it should be noted that at the end of 2023 a significant number of tenders emerged in the road infrastructure construction market, some of which increased the order portfolio of the MIRBUD Capital Group. During the period under review, the building construction market saw a further slowdown. A significant change in the supply of bids in the road infrastructure construction market was not observed until the second half of 2024, when the General Directorate for National Roads and Motorways, in accordance with earlier announcements, began the dynamic implementation of road programmes, including above all the Government's National Roads Construction Programme until 2030 (with an outlook until 2033). As a result of the unblocking of EU NRP funds, the construction market also saw a slight revival among local authorities, resulting in an observed slight increase in the supply of volume contracts for public utility construction, as well as local authority roads.

In 2024, 20 bids for the road infrastructure construction of the MIRBUD CG were selected for a total net value of PLN 4.68 billion. During this period, the Group signed 21 contracts for the road infrastructure construction with a total net value of PLN 4.5 billion. In the residential, office and commercial construction segment, 10 bids worth PLN 1.61 billion net were selected in 2024, while 8 contracts worth PLN 0.76

billion net were signed. A significant setback was the annulment of the action of selecting the bid of MIRBUD S.A. for the construction of the municipal hospital in Gliwice with a net value of PLN 714.2 million.

The high volume of contracts signed meant that at the end of 2024, the MIRBUD CG had a portfolio of orders to be executed by 2029 with a net value of PLN 7.99 billion. The structure of the order portfolio at that time was as follows: engineering construction – 83%, public buildings – 14.5%, industrial construction – 2%, residential buildings – 0.5%.



In July 2024, the share capital of MIRBUD S.A. was increased to PLN 11,009,300.00 by issuing 18,348,800 ordinary series L bearer shares with a nominal value of PLN 0.10 each. As a result of the share issue, the Company raised PLN 200 million to develop the road and railway infrastructure construction segment. On 18 December 2024, 92.78% of shares in the share capital of Przedsiębiorstwo Budownictwa Specjalistycznego "Transkol" Sp. z o.o., with its registered office in Kielce, were purchased. As a result, Transkol, which specialises in the construction, renovation and modernisation of railway stations, routes and sidings, has joined the MIRBUD Capital Group. MIRBUD took operational control of PBS Transkol Sp. z o.o. on 1 January 2025.

The most important achievements of the companies from the MIRBUD Capital Group in the reporting period include:

- building an order portfolio to be realised by 2029 amounting to PLN 7.99 billion net;
- record sales from property development activities;
- issuing L series shares and raising capital for growth in the road and railway infrastructure segments;
- the acquisition of the railway company Transkol.

The most important failures of the MIRBUD Capital Group companies in the reporting period include:

- fire at the MARYWILSKA 44 Shopping Centre in Warsaw;
- cancellation of the action of selecting the bid of MIRBUD S.A. for the construction of the municipal hospital in Gliwice.

The increase in the scale of operations and maintenance of revenue values above PLN 3 billion per annum have been maintained by the Group for the past three years. The medium-term goal is to increase revenue to PLN 5 billion per year, which will place the MIRBUD Group on the podium of the ranking of the largest construction contractors in the country as the only Polish company represented in this group. In order to achieve this goal, it is necessary to further scale the business into the areas of specialised construction, including primarily rail and energy infrastructure.

With the increase in the scale of operations, MIRBUD S.A. is seen as an important player in the market for construction companies in the country. Thanks to the execution of all types of projects within the set deadlines, with due diligence and at competitive prices, the MIRBUD Capital Group enjoys the reputation of a reliable contractor that effectively competes with the largest construction companies with financial backing in the form of capital from affiliated foreign companies. The juxtaposition of the dominant share of long-term road contracts, prestigious public utility building construction contracts and short-term, high-return industrial and commercial construction contracts ensures that the Group's revenue and results will remain at a stable, comparable level in future years. The Group's planned growth in the railway construction market and the power grid in the future will allow it to further increase the scale of its operations.

In accordance with the Company's Dividend Policy adopted in 2020, in June 2024 the General Meeting of Shareholders of MIRBUD S.A. decided to pay a dividend of PLN 0.21 per share from the standalone profit for 2023.

## Road infrastructure

The road infrastructure contracts are carried out by a consortium of MIRBUD Capital Group companies, i.e. MIRBUD S.A. and KOBYLARNIA S.A. The production of asphalt masses for ongoing road infrastructure contracts is secured by KOBYLARNIA S.A.

In 2024, the Group's greatest achievements in the construction and installation segment of road infrastructure contracts can include the signing of contracts for the following Developments:

- construction/modernisation of road, technical road, electricity, as well as water and sewage infrastructure in the Lower Silesian Economic Activity Zone – S3 Jawor with a net value of PLN 71.59 million;
- construction of DW 723 from the interchange under construction within DK 77 to the existing lane of DW 723 in Sandomierz with a length of approx. 1.35 km with a net value of: PLN 75.28 million;
- construction and modernisation of road infrastructure for the industrial zone in the municipalities of Głogów and Kotla in Lower Silesian Voivodeship, with a net value of PLN 120.55 million;
- design and construction of road infrastructure as part of the Jaworzno Economic Area in Jaworzno with a net value of PLN 184.67 million;

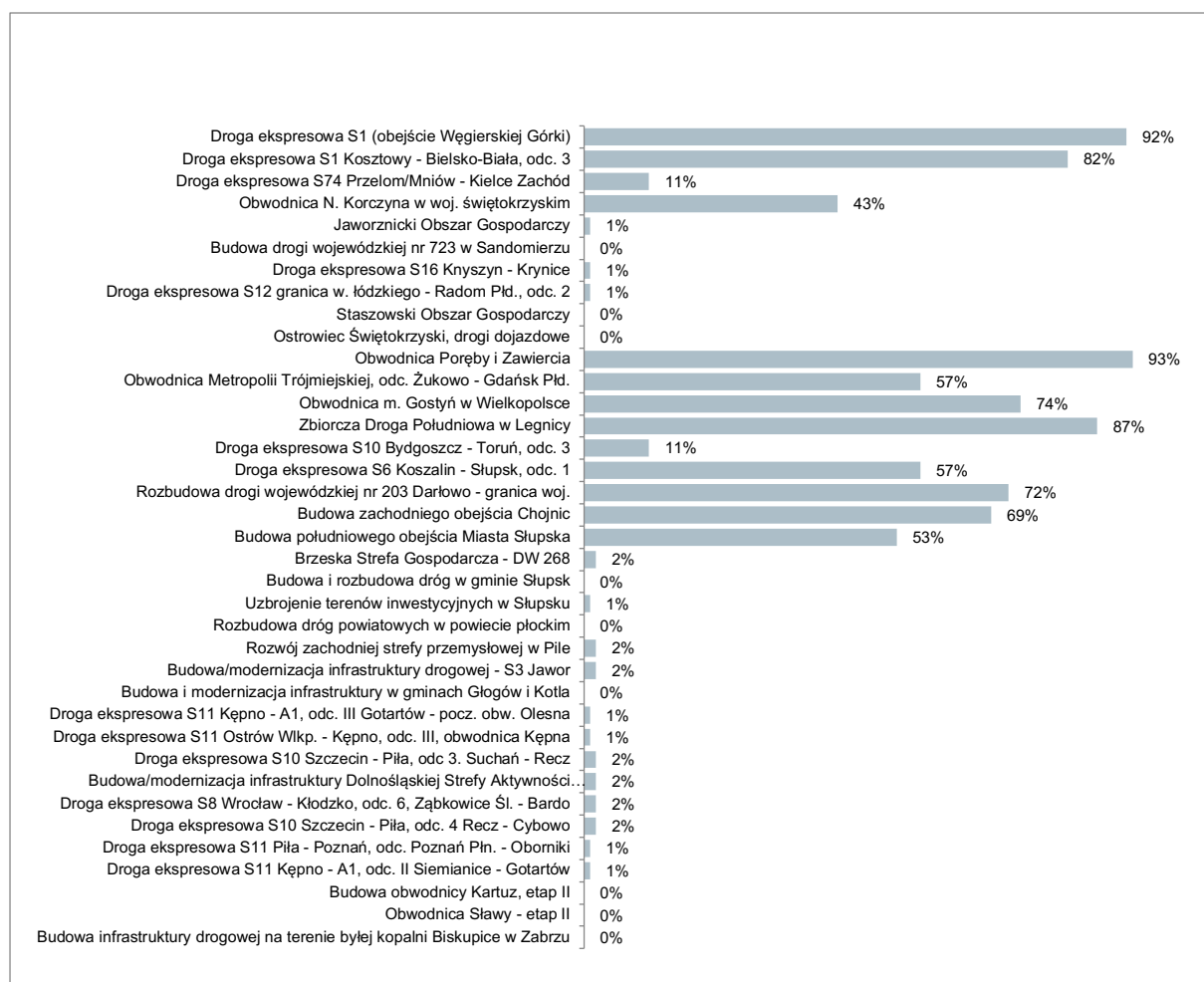


- design and construction of the S11 expressway, Ostrów Wielkopolski – Kępno, section III with a net value of PLN 56.16 million;
- design and construction of the S11 expressway, Kępno – A1 within section from Kępno to the border of the Opole Voivodeship with a net value of PLN 378 million;
- design and construction of the S16 expressway, Knyszyn – Krynice section in Podlaskie Voivodeship with a net value of PLN 255.85 million;
- design and construction of the S10 Szczecin – Piła expressway road on the section from the end of the Stargard bypass to the beginning of the Piła bypass, section 3 with a net value of PLN 542.7 million;
- construction/modernisation of water and sewage, road, and electricity infrastructure in the Lower Silesian Economic Activity Zone – S3 Jawor with a net value of PLN 46.3 million;
- design and construction of the S8 Wrocław – Kłodzko expressway, task 6 with a net value of PLN 307.7 million;
- design and construction of the S11 Piła – Poznań expressway, Oborniki – Poznań Północ interchange section, together with Oborniki bypass with a net value of PLN 693.86 million;
- design and construction of the S10 expressway, Szczecin – Piła, section from the end of the Stargard bypass to the beginning of the Piła bypass, with a net value of PLN 526 million;
- design and construction of the S12 expressway between the border of Łódź Voivodeship and the Radom Południe interchange, section from Przysucha interchange to Wieniawa interchange, with a net value of PLN 485.68 million;
- design and construction of the S11 expressway between Kępno and the border of the Opole Voivodeship, section II, Siemianice – Gotartów with a net value of PLN 469.55 million;
- construction of Kartuzy bypass – stage II with a net value of PLN 144.18 million;
- construction of the Staszów Economic Area in Grzybów – Stage I with a net value of PLN 31.46 million;
- construction of access roads with accompanying infrastructure in Ostrowiec Świętokrzyski with a net value of PLN 54.52 million;
- construction of Sława bypass in the Lubuskie Voivodeship, Wschowa powiat, with a net value of PLN 35.96 million;
- development of investment areas in Zabrze with a net value of PLN 32.26 million.

After the end of the reporting period, MIRBUD S.A. signed the following contracts:

- construction of a road system in the Miękinia Municipality, Lower Silesian Voivodeship, with a net value of PLN 92.86 million;
- design and construction of: Kamień Krajeński and Sępólno Krajeńskie bypasses in the Kuyavian-Pomeranian Voivodeship with a net value of PLN 128.96 million;
- implementation of construction works for military infrastructure with a net value of PLN 188.48 million;
- construction of the Aircraft Ground Handling (AGH) building for military infrastructure with a net value of PLN 17.3 million.

As at 31/12/2024, the Company had a total of 37 road infrastructure construction contracts in progress. The progress of works on the construction sites is shown in the chart below:



78 bids with a total net value of PLN 5,970,599,582.65 were submitted in 2024 in the road infrastructure construction works segment. 20 bids out of those submitted were signed with a net value of PLN 4,502,911,006.15.

### Residential, office and commercial construction

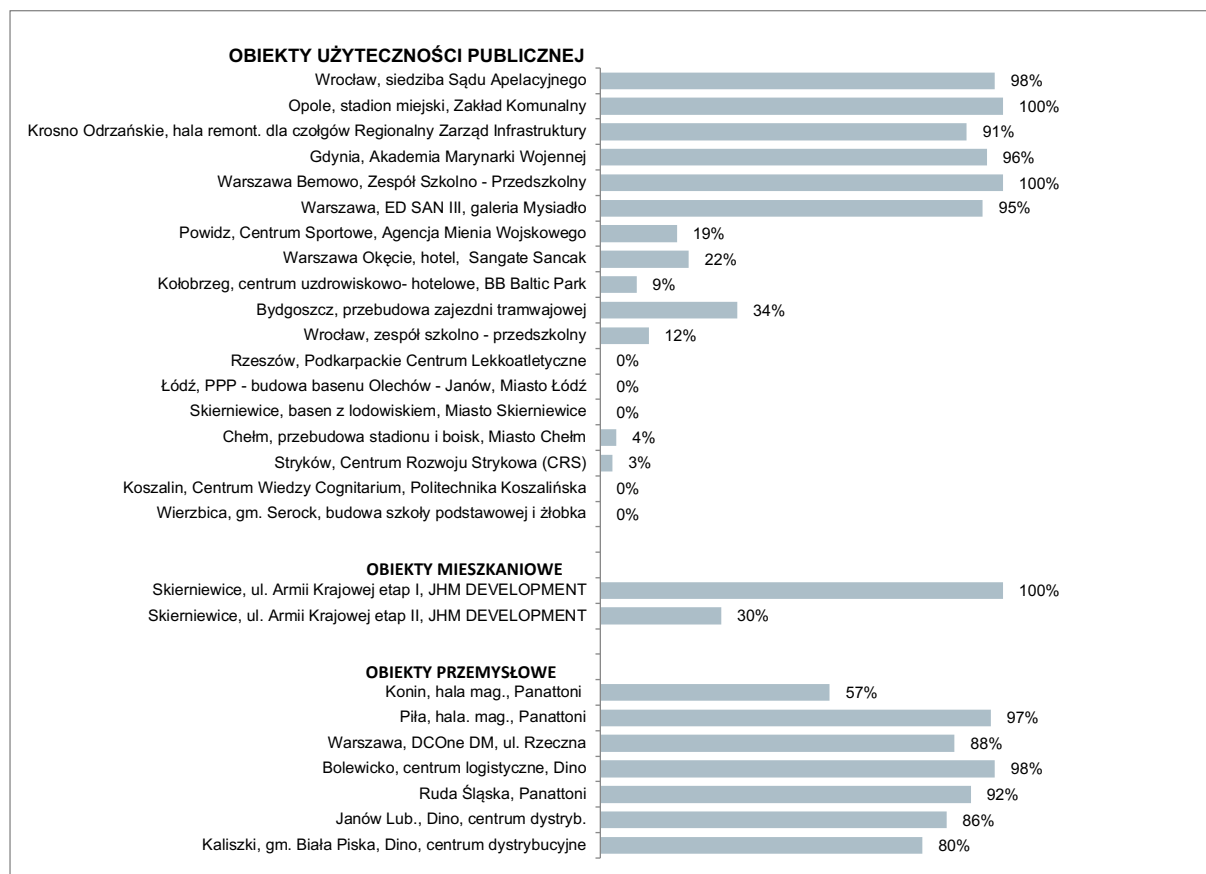
The Group's parent company, MIRBUD S.A., is active in the area of residential, office and commercial construction contracts. In 2024, the greatest achievements in the construction and assembly segment of residential, office and commercial construction should include the signing of contracts for the following investments:

- construction of a School and Pre-school Complex at ul. Zwycięska in Wrocław with a net value of PLN 72.61 million;
- design and construction of the Podkarpackie Athletics Centre in Rzeszów with a net value of PLN 157 million;
- design, construction and operation under the PPP formula of the Sports and Leisure Centre at Olechów-Janów in Łódź with a net value of PLN 82.5 million;
- reconstruction of the Chełm City Stadium with a net value of PLN 77 million;
- design and construction of the Skierniewice Leisure and Sports Centre in Skierniewice with a net value of PLN 93.37 million;
- construction of the Stryków Development Centre (CRS) with a net value of PLN 135.57 million;
- construction of the Cognitarium Knowledge Centre of the Koszalin University of Technology in Koszalin with a net value of PLN 97.14 million;
- construction of a primary school and pre-school in Wierzbiца, municipality of Serock with a net value of PLN 43.71 million.

After the end of the reporting period, MIRBUD S.A. signed the following contracts:

- implementation of stage II of the construction of the Kraków Music Centre, with a net value of PLN 144.7 million.

The progress of works on residential, office and commercial construction projects as at 31 December 2024 is presented in the chart below:



In 2024, the Company submitted bids in 119 non-public and 30 public proceedings. The value of submitted bids: PLN 11,083,526,358.40 net. During this period, 12 contracts were signed for the amount of PLN 818,954,652.32 net.

### Railway infrastructure construction

In July 2024, the share capital of MIRBUD S.A. was increased to PLN 11,009,300.00 by issuing 18,348,800 ordinary series L bearer shares with a nominal value of PLN 0.10 each. As a result of the share issue, the Company raised PLN 200 million to develop the road and railway infrastructure construction segment. The funds raised included the purchase of shares in PBS Transkol Sp. z o.o. Simultaneously, the Railway Infrastructure Department was being developed at MIRBUD S.A. At the time, 5 bids were submitted for a net amount of PLN 966,900,305.89.

The biggest achievements in the construction and assembly works segment of the railway infrastructure include the signing of a contract for the construction of tram depot facilities at ul. Toruńska 278 in Bydgoszcz with a net value of PLN 78.58 million.

MIRBUD S.A. holds 2,297,740 shares in the railway company TORPOL S.A., representing 10% of the share capital of this entity. The ownership of a significant block of shares is conducive to the establishment of cooperation between the two companies, which makes it possible, if necessary, to form an ad hoc consortium for the purpose of complementary bidding for large railway infrastructure

contracts, which are increasingly being announced by PKP Polskie Linie Kolejowe S.A. and Centralny Port Komunikacyjny Sp. z o.o.

As can be seen from the above, as announced – MIRBUD S.A. is working intensively to develop the MIRBUD Capital Group in the railway infrastructure construction market. These activities are carried out in parallel on several levels: both through cooperation with a large entity such as Torpol S.A., and through the development of our own competences and personnel and equipment resources based on Transkol.

#### 4.4. Corporate Social Responsibility

The MIRBUD Capital Group implements a strategy regarding environmental protection, occupational health and safety and campaigns for the benefit of local communities, as described in the report on non-financial activities published with the Annual Report for 2024. The Group's strategy in this respect is available

at: <https://mirbud.pl/media/asset/fafc3fcfcc5f0077f5343ceeffcb6ca504121c977b886915a051303d44a4059a.pdf>

#### 4.5. Information on the Group's basic products, services or goods

The structure of revenue from sales and profitability by business segments for the MIRBUD Capital Group in 2024 compared to 2023 are presented in the tables below:

*Table: Sales realised by the MIRBUD Capital Group in the periods from 01/01/2024 to 31/12/2024 and 01/01/2023 to 31/12/2023 by segments*

Item	Revenue from sales	Structure of revenue	Revenue from sales	Structure of revenue
	01/01/2024 - 31/12/2024	in %	01/01/2023 - 31/12/2023	in %
<b>Sale of construction and assembly services:</b>	<b>1,682,283</b>	<b>98.6%</b>	<b>2,119,199</b>	<b>98.2%</b>
- residential buildings	40,858	2.4%	75,883	3.6%
- public utility buildings	543,917	32.3%	650,775	30.7%
- production and service buildings	431,082	25.6%	540,083	25.5%
- road and engineering works	666,426	39.6%	852,458	40.2%
<b>Other</b>	<b>23,718</b>	<b>1.4%</b>	<b>38,210</b>	<b>1.8%</b>
<b>TOTAL</b>	<b>1,706,001</b>	<b>100%</b>	<b>2,157,409</b>	<b>100%</b>

The value of MIRBUD S.A.'s revenue from sales in 2024 compared to 2023 has decreased by 21%. This was mainly due to the fact that the Company achieved lower revenue from sales in each of its construction and assembly services segments. The biggest contributor to the drop in revenue was a reduction in revenue from sales from engineering and road works (down 22% y/y – PLN 186 million). In the other business segments, the decrease in revenue was as follows: in the public buildings segment a 16% y/y decrease of PLN 107 million in the production and service buildings segment a 20% y/y decrease of PLN 109 million, in the residential buildings segment a 46% y/y decrease of PLN 35 million.

The sales structure has not changed significantly. Among the revenue from construction and assembly services, the highest revenue was generated by the sale of services in the segment of engineering and road works, accounting for approx. 40% of those services (a decrease in share by approx. 0.6 p.p. year-on-year) and sale in the segment of public utility buildings generating approx. 32% of revenue from the sale of those services (an increase in share by approx. 1.6 p.p. year-on-year). In 2024, the share of construction and assembly services sales in the production and service buildings segment has not changed significantly and the share in the residential buildings segment has decreased by 1.2 p.p..

The change in the sales structure in the Company resulted mainly from:

- the final stage of the implementation of road contracts including, among others, a section of the S-1 expressway (Węgierska Górka bypass), a section of the S-1 expressway Construction of the Kosztowy – Bielsko Biała road. Section III Dankowice – Suchy Potok interchange (with interchange);
- delays in obtaining the ZRID decision for the project titled Design and execution of construction works for the S74 Przełom/Mniów – Kielce (S7 Kielce Zachód interchange) expressway section – the ZRID decision was obtained in November 2024 instead of August 2023;
- realisation of part of the revenue from road contracts performed in a consortium by the subsidiary KOBYLARNIA.S.A.;
- suspension in 2023 and the first half of 2024 of tendering procedures by public entities in anticipation of NRP funds;
- cooling of the warehousing storage construction market;
- withholding of the execution of the project of Electromobility Poland S.A.;
- delays in obtaining the final building permit for the development project planned to be executed by MIRBUD S.A. as commissioned by JHM DEVELOPMENT S.A. in Łódź at ul. Harcerska;
- concentration of MIRBUD S.A. on the implementation of the most profitable, prestigious projects.

Table: Profitability for MIRBUD S.A. Capital Group in the periods from 01/01/2024 to 31/12/2024 and 01/01/2023 to 31/12/2023 by segments

Item	Profit/loss on sales	Sales profitability in %	Profit/loss on sales	Sales profitability in %
	01/01/2024 - 31/12/2024		01/01/2023 - 31/12/2023	
<b>Sale of construction and assembly services:</b>	<b>114,319</b>	<b>6.8%</b>	<b>183,918</b>	<b>8.7%</b>
- residential buildings	3,424	8.4%	8,683	11.4%
- public utility buildings	33,028	6.1%	45,770	7.0%
- production and service buildings	54,920	12.7%	69,305	12.8%
- road and engineering works	22,947	3.4%	60,160	7.1%
<b>Other</b>	<b>848</b>	<b>3.6%</b>	<b>210</b>	<b>0.5%</b>
<b>TOTAL</b>	<b>115,167</b>	<b>6.8%</b>	<b>184,128</b>	<b>8.5%</b>

The Company achieved a positive financial result on sales in all its segments of activity. The sales profitability in 2024 compared to 2023 has decreased by 1.7 p.p., but is still at a satisfactory level.

The decrease in sales profitability is mainly due to a decrease in profitability in the engineering and road works segment, which is caused by additional costs the company incurred in the performance of the contract "Construction of the S1 (formerly S69) Bielsko-Biała – Żywiec – Zwardoń expressway, Przybędza – Milówka section (Węgierska Górka bypass)" resulting from geological conditions different from those indicated by the Employer in the tender documentation and the extended time of its execution (these costs were covered by a claim submitted to the Employer, the claim is being examined).

The increase in indexation of some contracts to 20%, negotiated with the General Directorate for National Roads and Motorways by industry organisations and contractors, could have a positive impact on the Company's results in future periods.

Performance of the Group which operates mainly in the construction market is stabilised through the diversification of its activities in the construction and assembly works segment.

#### **4.6. Information on sales and supply markets**

##### **4.6.1. Recipients**

###### **Construction and assembly services segment**

In the reporting period, the customers of services of the Group Companies (MIRBUD S.A., KOBYLARNIA S.A., TRANSKOL sp. z o.o.) were domestic entities. The customers of products and services can be divided into two groups:

- commercial entities,
- entities subject to the provisions of the Public Procurement Law.

In 2023 and 2024, significant market volatility was felt mainly due to the conflict in Ukraine and waiting for funds from the European Union under the National Recovery Plan.

In 2024, the level of prices for materials and services gradually stabilised. However, the increase in aggressive competition between contractors in the medium and long term may adversely affect the profitability of contracts executed in 2025 and beyond.

The Issuer seeks to minimise the risk of price instability for materials and services and the supply of construction contracts by diversifying its order portfolio, including in addition to infrastructure contracts, the Company also executes short-term, high-margin contracts for the construction of warehousing and industrial facilities and contracts in the residential segment for its subsidiary, JHM DEVELOPMENT S.A., while hedging the prices of materials and services at the initial stage of execution of long-term contracts with entities from the public sector.

In 2025, the Group will finish the contracts for the construction of roads, the margins of which were calculated before the COVID-19 pandemic and the conflict in Ukraine. The majority of the Company's portfolio consists of contracts concluded under current market conditions, all of which contain indexation provisions.

In 2024, the Issuer concluded indexation settlements before the mediator of the General Prosecutor's Office of the Republic of Poland with, among others, the City of Płock (indexation of the football stadium construction contract – PLN 9.5 million), the Court of Appeal in Wrocław (indexation of the Wrocław Court of Appeal construction contract – PLN 9.3 million). It is also currently negotiating the introduction of indexation provisions in contracts with three public employers. The Management Board assesses the chances of obtaining indexation of public contracts for the construction of public utility buildings as high.

A full order portfolio, a high share of public contracts, partial hedging of material and service prices and the long-term nature of these contracts mean that MIRBUD S.A. is in a fairly safe position in the prevailing turbulent macroeconomic environment.

As of 01/01/2025, MIRBUD S.A. is responsible for the execution of road contracts concluded in 2024 and road contracts concluded in earlier years in which construction work has not yet started within the MIRBUD/KOBYLARNIA consortium, while KOBYLARNIA S.A. provides services related to the production of mineral and asphalt masses including its laying.



At the end of the reporting period, the Capital Group held a filled order portfolio for the years 2024-2028 with a total value of approx. PLN 8 billion net.

In 2024, the Issuer participated in:

- 78 tenders for the construction of road infrastructure (the value of submitted bids – PLN 5,970 million net) and signed 20 contracts with a total net value of PLN 4,502 million.
- 119 tenders for the construction of residential, office and commercial facilities (the value of submitted bids – PLN 11,083 million net) and signed 12 contracts with a total net value of PLN 818 million.

The Company achieved over 10% of revenue from sales in 2024 with one customer, General Directorate for National Roads and Motorways (36% of revenue).

#### 4.6.2. Suppliers

##### Construction and assembly services segment.



The Company, acting in accordance with the adopted procedures of the Quality Management System ISO 9001:2000, establishes and maintains cooperation with suppliers who, after meeting the strictly defined requirements, are placed on the list of qualified suppliers. On its basis, the Procurement Department conducts commercial negotiations on the supply of building materials for the performance of particular tasks. For the purpose of additional cost control on key projects (ultimately on all projects), the Management Board of the Company appoints the so-called Tender Committees, which in cooperation with the Contract Manager and Industry Managers select the most advantageous tender. The Tender Committees shall be responsible for the identification, selection and qualification of subcontractors for services and for the suppliers of materials, in particular:

- price level of supplies of materials/goods/services and negotiated payment terms;
- an assessment of the supplier's ability to deliver to the extent and within the timeframe required by the material requirements;
- an assessment of the subcontractor's ability to perform the service to the extent and within the timeframe required by the customer;
- a precise definition of the requirements for the material/goods/services to be procured.

The Company has at least three suppliers for each significant product (material, service, product). This guarantees the highest standards of service and continuity of supply.

In periods of favourable market prices, the Group Companies conclude long-term contracts with key material suppliers (asphalt, steel, cement) ensuring the supply of materials at favourable fixed prices or with partial participation in their possible increase for the most important infrastructural contracts.

In 2024, the Group concluded, among others, a contract for the supply of asphalt for 2025-2027 in a total volume of 150 thousand tonnes.

Similarly, contracts with key subcontractors are concluded at the initial stage of contract execution while maintaining the bid prices obtained during the contract valuation and bidding process.

Cooperation with both long-term and new suppliers of construction materials and services in the presented period was smooth. The Company did not have any significant problems with the supply of construction materials or services on its investments in the new regions.

In the reporting period, the Company's suppliers were mainly domestic market suppliers.

In the analysed period, the Company has not become reliant on any of its suppliers of materials and services.

#### **4.7. Prospects for the development of the activities of MIRBUD S.A.**

##### **Road infrastructure construction**

In the area of road infrastructure construction, two of the MIRBUD Capital Group companies operate, i.e. MIRBUD S.A. and KOBYLARNIA S.A.

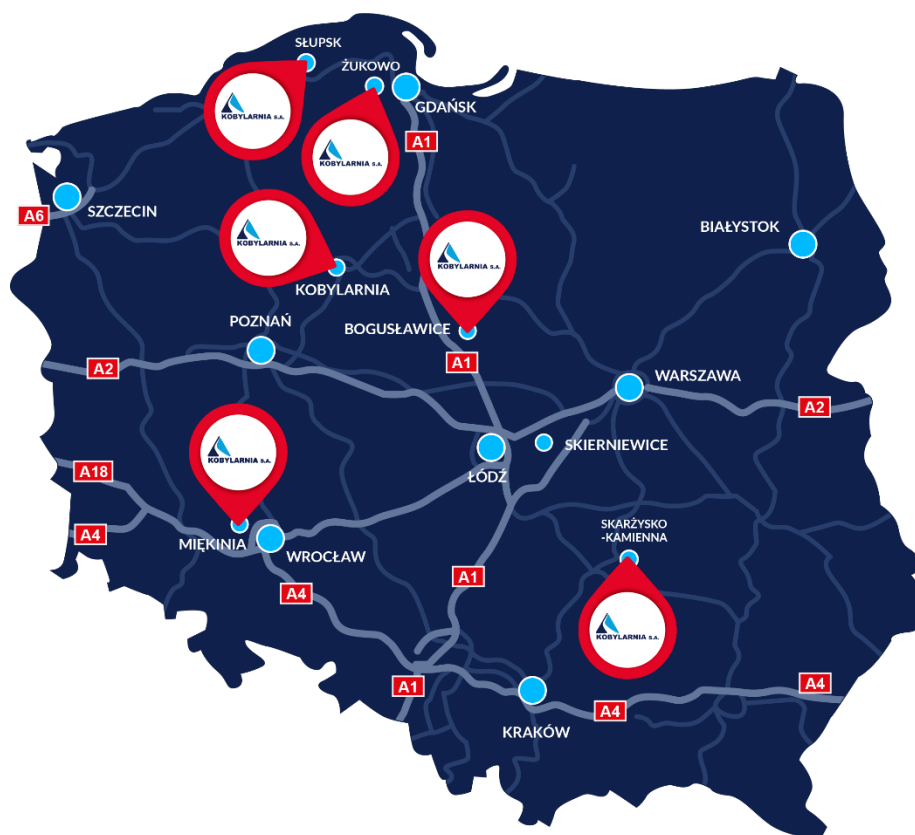
In 2024, 21 contracts were signed for the construction of road infrastructure with a total net value of PLN 4.5 billion. As a result, the MIRBUD Group has built up an order portfolio of approx. PLN 8 billion net with a completion perspective until 2028. In 2025, most of the contracts signed in 2024 remain in the design stage or the ZRID decision stage. As at 31 December 2024, the value of such contracts outstanding was a net PLN 6.7 billion.

A total of 78 road infrastructure construction bids with a total net value of PLN 5.97 billion were submitted in 2024.

According to information published by the General Directorate of National Roads, the MIRBUD Group is the second most committed general contractor for expressways and motorways carrying out contracts for this Employer. The Group's further growth in the road construction market in Poland is possible thanks to the implementation of government road programmes with an outlook to 2033, as well as its ability to efficiently win such contracts.

To ensure efficient implementation of contracts for road infrastructure construction in 2024, a decision was taken to purchase new bitumen plants by KOBYLARNIA S.A., whose core business remains the production of mineral and asphalt masses for the implementation of road contracts by the MIRBUD Group. In line with this, expansion of production facilities was planned at:

- Kobylarnia near Bydgoszcz – the Amman Universal 240 RAH 60 + RAC production plant with the capacity of 240 Mg/h;
- Miękinia near Wrocław – the Amman Universal production plant with a capacity of 240 mg/h;
- Bogusławice near Włocławek – the Teltomat 160 production plant with the capacity of 200 Mg/h;
- Bierkowo near Słupsk – the Teltomat 220 production plant with the capacity of 220Mg/h (currently being installed);
- Żukowo near Gdańsk – the Benninghoven ECO 3000 plus PD 180 production plant with the capacity of 240 Mg/h (currently being installed);
- Skarżysko Kamienna – the Benninghoven ECO 3000 plus PD 180 production plant with the capacity of 240 Mg/h (planned installation in 2025).



### Residential, office and commercial construction

The residential, office and commercial construction market in Poland is currently in a downturn. Continued high mortgage interest rates are effectively limiting demand for new units, which is reflected in the decline in the volume of residential construction starts. It is noteworthy that there has been a slight recovery among local authorities, which also translates into a change in MIRBUD S.A.'s order portfolio. In 2024, the Company submitted bids in 119 public and non-public proceedings. The value of submitted bids: PLN 11,083,526,358.40 net. During this period, 12 contracts were signed for the amount of PLN 818,954,652.32 net.

Contracting volumes in the area of residential, office and commercial construction will be influenced primarily by plans to expand Poland's military facilities. Contracts of a classified nature already hold an increasing share of MIRBUD S.A.'s order portfolio. This trend will intensify in the coming years.

According to the NBP, there will be a reduction in interest rates in 2025, which should stimulate the residential and industrial construction market, where investors are usually private companies and investment funds. At the time of writing this report, due to the turmoil in the global trade market caused by the US tariff policy, it is difficult to estimate the further effects of this policy on the domestic construction market. The increase in customs duties on basic construction raw materials such as steel, the global drop in the price of crude oil, give MIRBUD S.A. hope for an increase in the profitability of the residential, office and commercial construction contracts already underway and, above all, road infrastructure construction.

### Railway infrastructure construction

In accordance with the development strategy adopted and communicated by MIRBUD S.A. in the railway construction market, shares in the railway company Transkol were purchased in 2024. The cooperation with TORPOL S.A., in which MIRBUD S.A. holds 10 percent of the share capital, and the development

of its own competence based on Transkol is a strategy for MIRBUD S.A.'s development on the railway construction market in Poland. The development of the MIRBUD Group in the railway construction market in Poland will be possible thanks to the planned implementation of railway programmes by PKP PLK S.A. and those related to the operations of Central Port Komunikacyjny Sp. z o.o.

In 2024, the company submitted 5 bids for a net amount of PLN 966,900,305.89. The first results in the form of signing of significant contracts are expected in 2025.

#### **4.8. Identification of the Issuer's main domestic and foreign investments**

Information on the Issuer's investments, including equity investments in related parties is presented in Notes 2 to 4 to the Consolidated Statements of the MIRBUD Capital Group for the period from 01/01/2024 to 31/12/2024.

#### **4.9. Assessment of the potential for implementing investment plans**

The Company's Management Board analyses and updates the financing structure on an ongoing basis in order to ensure an optimal and safe model for the use of financial resources. The available sources of financing include the use of own funds raised from issues and generated profit, as well as bank credits, leases and loans.

MIRBUD S.A. will continue to implement investment projects aimed at its development and increase in value in 2025 and in the following years.

The nearest investment plans involve strengthening the Company's business base and competitiveness in the road and rail segment, which will enable the Company to achieve higher profitability in the coming years. The Company plans to renew the machinery park and vehicles, which will significantly improve the effectiveness and scope of provided services as part of the increase in the equipment potential.

In 2024, MIRBUD S.A. finished the expansion of its premises in Skierniewice at ul. Unii Europejskiej 18. The project amounted to PLN 10 million and was financed from own funds.

In the first half of 2024, the Company's share capital was increased to PLN 11,009,300.00 by issuing 18,348,800 ordinary series L bearer shares with a nominal value of PLN 0.10 each. As a result of the share issue, the Company raised PLN 200 million.

The Issuer will use the capital obtained from the issue of shares for development of the railway construction and road infrastructure construction divisions of the MIRBUD Capital Group. In particular, the company's development plans relate to the need to purchase the necessary machinery as part of the adopted strategy to strengthen the position of the MIRBUD CG on the road and railway infrastructure market and the potential acquisition of an entity in new areas of railway construction.

MIRBUD S.A. is systematically analysing market opportunities for the Group's development through the acquisition of an entity in the industry (railway, hydrotechnical and energy construction), which will enable a significant expansion of the range of construction and assembly services provided or significantly increase their profitability.

## 4.10 Risk factors

Risk group	Risk	Possibility of occurrence	Relevance to the Group's activities	Effect of risk on financial result	Effect of risk on equity
<i>Risks related to military conflict in Ukraine</i>	<b>Administrative restrictions on carrying out construction and assembly activities</b>	average	high	high	high
	<b>Manpower availability and supply chain disruption</b>	high	high	high	average
<i>Epidemiological risk</i>	<b>Administrative restrictions on carrying out construction and assembly activities</b>	average	high	high	high
	<b>Manpower availability and supply chain disruption</b>	average	average	high	average
<i>External financial risks</i>	<b>changes in interest rates</b>	high	average	average	average
	<b>changes in exchange rates</b>	high	average	high	high
	<b>related to restrictions in the banks' credit policy, in particular with respect to granting investment and mortgage credits</b>	high	high	average	average
<i>Economic situation risk</i>	<b>change in the macroeconomic situation and economic situation in Poland</b>	high	high	high	average
	<b>in the construction industry</b>	high	high	high	average
<i>Risks related to competition</i>	<b>in the construction industry</b>	high	high	high	high
<i>External legal risks</i>	<b>changes in provisions of law, in particular tax law</b>	average	average	average	average
	<b>related to non-compliance with legal requirements envisaged for the commencement of the investment development and with the legal status of the property</b>	low	high	high	average
<i>Risks related to the current activities</i>	<b>related to the implementation of the development strategy</b>	average	high	average	average
	<b>related to financing development with bank credits</b>	high	high	average	high
	<b>related to the building infrastructure</b>	low	average	low	low

Risks associated with holding shares in Marywilska 44	related to liability for breach of environmental regulations	low	average	average	low
	related to penalties for non-performance or untimely performance of orders	average	average	average	low
	related to claims against the Companies on account of construction of flats and commercial and service facilities, sale of flats, and granting a guarantee of payment for construction works	low	average	average	low
	related to the production process	low	high	average	low
	Risk of failure to obtain payment of compensation under the insurance policy of Marywilska 44	low	low	low	low
	Risk of losing lessees from the Temporary Shopping Town	low	low	low	low
	Risk of failure to recreate the list of lessees of the Marywilska 44 Shopping Centre	medium	average	average	average
	Risk of non-renewal of lease agreements	medium	average	average	medium

## Risks related to the military conflict in Ukraine

As of the date of this report, to the best knowledge of the Management Board, it is not possible to precisely determine the effect of the military conflict in Ukraine on the Company's operations in the medium and long term.

In the short term, it is possible that the conflict will continue or spread, which could affect the Group's financial results.

- There are no delays in the execution of construction contracts in the construction and assembly services area due to conflict. However, it cannot be ruled out that, if this state continues, the financial result of the contracts under execution may worsen and delays in the execution of contracts may occur due to so-called force majeure events, including delays connected with:
  - reduced availability and increased prices of building materials, fuels, services, equipment;
  - disruption of supply chains;
  - dynamic growth of prices of key energy sources, i.e. crude oil, natural gas;
  - delays on the part of subcontractors employing workers from Ukraine and Belarus;
  - extraordinary drop of PLN value – increase of material prices in foreign currencies.

Looking ahead to 2025 the Issuer's Management Board does not anticipate a significant impact of this risk on the financial result and does not anticipate an impact on the Issuer's equity.

The Issuer reports that operations are, as a rule, conducted under continuous supervision. To the best knowledge of the Management Board of the Issuer, on the basis of the conducted analyses, the financial situation of the Issuer and the Group is stable.

The Management Board of the Company monitors the economic situation in Poland and worldwide on an ongoing basis, as well as the risks associated with the activities of the Issuer and individual companies in the Group. The Issuer indicates that, to the extent required by law, it will inform about new conditions having a significant impact on its operations, financial results and prospects of the Issuer and the group of the Issuer.



## Epidemiological risk

As of the date of publication of this report, according to the best knowledge of the Management Board of the Issuer, it is not possible to precisely determine the impact of the coronavirus epidemic or other epidemics on the activity of the Issuer and the group of the Issuer in the medium- and long-term perspective.

As of the date of publication of the report, there is no epidemic situation in Poland and COVID restrictions have been lifted, including mandatory quarantine. The level of population immunisation, the low number of disease cases, and the low number of disease cases ending in hospitalisation suggest that pandemic restrictions and economic disruptions will not recur in the foreseeable short-term future. However, should the coronavirus or other epidemic return and continue to spread, it is possible that the financial results of the Issuer and the Group could be adversely affected by the following circumstances:

impact on the financial results of the Issuer and the Group due to the following circumstances:

- In the area of construction and assembly services, there are no delays in the execution of construction contracts due to the state of epidemic threat. However, it cannot be ruled out that, if this state continues, delays in the execution of contracts may occur due to so-called force majeure events, including delays connected with:
  - lack of continuity in the supply chains for construction sites;
  - disruptions to the continuity of projects' financing;
  - absence of employees;
  - subcontractors' delays;
  - restrictions on the functioning of public authorities;
  - decisions of the Employer or state administration to suspend the works;
  - other events which are difficult to predict.

With regard to the current settlement period, the Management Board does not expect a significant effect of this risk on the financial result and equity of the Issuer.

The Issuer reports that operations in all segments are, as a rule, conducted under continuous supervision. To the best knowledge of the Management Board of the Issuer, on the basis of the conducted analyses, the financial situation of the Issuer and the Group is stable.

The Management Board of the Issuer monitors the economic situation in Poland and worldwide on an ongoing basis, as well as the risks associated with the activities of the Issuer and individual companies in the Group. The Issuer indicates that, to the extent required by law, it will inform about new conditions having a significant impact on its operations, financial results and prospects of the Issuer and the group of the Issuer.

## External financial risks

### Financial risk management

The management of the Group's financial resources assumes basing the Group's financing structure on long-term sources of financing. The Group Companies finance their operations in 55% based on foreign capital through:

- credits;
- loans;
- bonds;
- advances;
- leasing;
- factoring.

The Companies make efforts to diversify their third-party financing, both in terms of the financing institution and the financial products used. The Group's strategy provides for a further gradual exchange of short-term debt financing individual construction contracts for long-term debt financing in the coming years, and for a gradual reduction of debt in the long-term perspective.

Monitoring of the effectiveness of financial resources management is carried out, among others, using the following ratios:

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**Debt ratio = *Total liabilities / Assets***

**Long-term debt ratio = *Long-term liabilities / Assets***

**Short-term debt ratio = *Short-term liabilities / Assets***

**Debt to equity ratio = *Liabilities / Equity***

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While conducting business operations, the Group is exposed to the following risks: credit risk, currency risk, interest rate risk, liquidity risk..

### Credit risk management

Credit risk results from the balances of trade receivables of loans and cash and cash equivalents. The customers of the Company's services are domestic entities. The customers of products and services provided by MIRBUD S.A. can be divided into two groups:

- commercial entities,
- entities subject to the provisions of the Public Procurement Law.

With regard to retail customers, the Company manages the credit risk and analyses it for each new customer before concluding a contract, among others, by using reports from business intelligence agencies and the contractor's documentation of the source of financing for the construction contract.

With respect to entities subject to the provisions of the Public Procurement Law (e.g. GDDKiA, Self-governments), due to the obligation of these entities to budget the costs of the concluded construction works contract in advance, the credit risk is, according to the Management Board, negligible.

The Company maintains deposits – deposits in financial institutions, which have a high credit rating.

## Liquidity risk management

The Parent Company's Management Board is responsible for managing financial liquidity in the Group. The main objectives of the Group's financial resources and liquidity management are as follows:

- ensuring stable and effective financing of the Group's operations;
- continuous monitoring of the Group's debt level,
- effective management of working capital;
- the Parent Company's coordination of liquidity management processes at the Group Companies.

The Company manages the liquidity risk by maintaining sufficient cash, the possibility of financing with bank credits and maintaining sufficient credit lines to repay liabilities as they become due.

The Company's liquidity management includes projecting cash flows for all currencies and analysing what level of liquid assets is needed to repay liabilities.

Note 14 contains an analysis of the Company's (Group's) liabilities, in relevant age brackets, based on the contractual maturity date.

Monitoring of the effectiveness of liquidity management is carried out, among others, using the following ratios:

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**Current liquidity ratio = Current assets / Short-term liabilities**

**Accelerated liquidity ratio = (Current assets – Inventory – Short-term prepayments) / Short-term liabilities**

**Cash liquidity ratio = Cash / Short-term liabilities**

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## Risk of significant changes in interest rates

The Group Companies to a large extent use bank credits to finance their investment activities. The costs of interest on credits are affected by the amount of the WIBOR base rate for credits taken out in Polish zlotys and EURIBOR for credits in EURO. An increase in the value of WIBOR/EURIBOR indices through an increase in interest on loans may have an adverse effect on the Company's financial situation. If a risk of changes in interest rates is identified. In the case of long-term financing, the Company's Management Board always considers the possibility of concluding interest rate hedging transactions (interest rate swaps – IRS strategy, CIRS).

As at 31/12/2024, MIRBUD S.A. had no interest rate hedging transactions for long-term credits.

Items exposed to change in interest rates	Cash flow risk		Fair value risk	
	As at:	As at:	As at:	As at:
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Liabilities under credits and loans	113,693	111,421		
Loans granted	111,822	88,726		
Other financial assets				
Other financial liabilities	17,083	21,344		
<b>Total</b>	<b>242,598</b>	<b>221,491</b>		

## Risk of changes in interest rates – sensitivity to changes

In order to carry out a sensitivity analysis for interest rate changes, on the basis of historical changes in value and on the basis of the Company's knowledge and experience of financial markets, reasonably possible interest rate changes were estimated as at 31 December 2024 and 31 December 2023 at the level of - 1.0/+1.0 percentage point for the Polish zloty and the Euro.

The effect of the change in interest rates on the net result and the balance sheet total as at 31 December 2024 and 31 December 2023 is presented below.

Sensitivity analysis for items exposed to change in interest rates	As at:		Effect on net profit/(loss)		Effect on the balance sheet total	
	31/12/2024		increase by 1%	decrease by 1%	increase by 1%	decrease by 1%
Liabilities under credits and loans	113,693		-921	921	1,137	-1,137
Loans granted	111,822		906	-906	1,118	-1,118
Other financial assets						
Other financial liabilities						
<b>Total</b>	<b>225,515</b>		<b>-15</b>	<b>15</b>	<b>2,255</b>	<b>-2,255</b>

Sensitivity analysis for items exposed to change in interest rates	As at:		Effect on net profit/(loss)		Effect on the balance sheet total	
	31/12/2023		increase by 1%	decrease by 1%	increase by 1%	decrease by 1%
Liabilities under credits and loans	111,421		-903	903	1,114	-1,114
Loans granted	88,726		719	-719		
Other financial assets						
Other financial liabilities	21,344		-173	173	213	-213
<b>Total</b>	<b>221,491</b>		<b>-357</b>	<b>357</b>	<b>1,328</b>	<b>-1,328</b>

## Risk of changes in foreign exchange rates

Within the MIRBUD Group, only MIRBUD S.A. generates revenue in foreign currency. In 2024 MIRBUD S.A. generated over 7% of revenue in EUR and was exposed to the exchange rate risk, which could reduce the effectiveness of construction contracts and may affect the amount of revenue and profits. In order to minimise the exchange rate risk, the Company hedges the exchange rate level by entering into FORWARD-type transactions. In 2024, due to the low share of foreign currency revenue in revenue from sales, the Issuer did not hedge foreign currency revenue with currency forwards.

Items exposed to change in foreign exchange rates	EUR		USD		Other	
	As at:	As at:	As at:	As at:	As at:	As at:
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	30/06/2024	31/12/2023
Liabilities under credits and loans						
Loans granted	18,900	16,280				
Trade and other receivables	3,360	44,958				
Trade and other liabilities	306	4,088				
Cash	1,667	11,876				
Other financial assets						
<b>Total</b>	<b>24,232</b>	<b>77,202</b>				

**Risk of changes in exchange rates – sensitivity to changes**

In order to carry out the analysis of sensitivity to changes in exchange rates, based on historical changes in value and on the Company's knowledge and experience of financial markets, the changes in exchange rates which are "realistically possible" were estimated at the level of -10%/+10% as at 31 December 2024 and as at 31 December 2023.

The table below shows the sensitivity of the net financial result to reasonably possible changes in exchange rates, assuming that other factors remain unchanged.

Sensitivity analysis for items exposed to exchange rate changes (Euro)	As at:	Effect on net profit/(loss)		Effect on the balance sheet total	
		increase by 10%	decrease by 10%	increase by 10%	decrease by 10%
	31/12/2024				
Liabilities under credits and loans					
Loans granted	18,900	1,531	-1,531	1,890	-1,890
Trade and other receivables	3,360	272	-272	336	-336
Trade and other liabilities	306	25	-25	31	-31
Cash	1,667	135	-135	167	-167
Other financial assets					
<b>Total</b>	<b>24,232</b>	<b>1,963</b>	<b>-1,963</b>	<b>2,423</b>	<b>-2,423</b>

Sensitivity analysis for items exposed to exchange rate changes (Euro)	As at:	Effect on net profit/(loss)		Effect on the balance sheet total	
		increase by 10%	decrease by 10%	increase by 10%	decrease by 10%
	31/12/2023				
Liabilities under credits and loans					
Loans granted	16,280	1,319	-1,319	1,628	-1,628
Trade and other receivables	44,958	3,642	-3,642	4,496	-4,496
Trade and other liabilities	4,088	331	-331	409	-409
Cash	11,876	962	-962	1,188	-1,188
Other financial assets					
<b>Total</b>	<b>77,202</b>	<b>6,253</b>	<b>-6,253</b>	<b>7,720</b>	<b>-7,720</b>

The Issuer's Management Board estimates that in 2025 the share of revenue in Euro will not exceed 5% (it will gradually decrease in the second half of 2025). As of 31/12/2024 the Issuer did not have any foreign exchange hedging transactions in place.

**- related to restrictions in the banks' credit policy, in particular with respect to granting investment and mortgage credits**

Currently, banks in Poland maintain a tight credit policy both for companies operating in the construction sector and for individuals seeking to obtain mortgage loans.

When planning subsequent projects, the Group Companies try to take into account the market situation by adapting their portfolio to the expected financial and credit capabilities of potential customers.

The introduction of any restrictions towards the availability of credits may have a material and adverse effect on the Companies' activities, financial situation and their development prospects.

## **Economic situation risk:**

### **- change in the macroeconomic situation and economic situation in Poland**

Revenue of the MIRBUD Group Companies are earned entirely on account of conducting business activity on the Polish market. Therefore, the financial results achieved depend on factors such as the stability of the macroeconomic situation in Poland and the overall economic situation in the country in a given period. In particular, the development of the following macroeconomic and economic indicators has or may have an effect on the financial results achieved by the Group Companies and the entire property development industry: the level of GDP growth rate, unemployment rate, inflation rate, real remuneration growth rate, investment level, household income level, reference interest rates, exchange rates and budget deficit.

Possible negative changes in the stability of the macroeconomic situation and overall economic situation of Poland may have a negative impact on the activity, financial situation or development prospects of the Group Companies.

### **- in the construction industry**

The activities of the Group Companies are closely correlated with the overall economic situation in Poland. The financial results achieved by the Company are most affected by the level of investments in enterprises, GDP growth rate, inflation rate, value of construction and assembly production, tax policy and increase in interest rates. There is a risk that negative changes in the above mentioned ratios, in particular the slowdown in the economic growth rate, the increase in the inflation rate caused by the increase in the prices of materials or the increase in interest rates, may have a negative impact on the activity and results of the Group Companies.

In order to minimise downturn fluctuations, the Issuer enters into long-term construction contracts with public employers in order to ensure stable sources of revenue over a period of 2 to 3 years.

## **Risks related to competition:**

The economic situation in Poland, the conflict in Ukraine and the significant reduction in the number of tenders for construction works and the economic situation in Poland are intensifying competition by offering the most favourable prices and extending warranty periods.

Further intensification of competition on the markets where the Company operates may have a material adverse effect on the Company's operations, results and financial position as well as on its future development outlook.

The Management Boards of the Companies, based on many years of experience, try to build a portfolio of contracts that will enable them to achieve an appropriate financial result.

The intensification of competition in the markets where the Group operates may have a material and adverse effect on the Group's activities, results, financial situation and future development outlook.

## **External legal risks**

### **- changes in provisions of law, in particular tax law**

The Polish legal system is characterised by a considerable degree of variability and ambiguity of provisions, which applies in particular to tax law. In practice, there are often problems with interpretation, inconsistent court rulings occur, as well as situations when public administration bodies adopt interpretations of legal provision which are unfavourable for the taxpayer and different from the interpretations previously adopted by these bodies.



The occurrence of changes in legal regulations, including those concerning environmental protection, labour law, social security law, commercial law, and in particular tax law, may have an adverse effect on the Group's Companies' operations, financial situation or its development prospects.

### **- related to non-compliance with legal requirements envisaged for the commencement of the investment development and with the legal status of the property**

The implementation of each of the investment projects by the Company requires the fulfilment of the requirements set forth in the law. In most cases, the Company is obliged to obtain various types of permits, which are issued by public administration bodies. Obtaining these administrative acts is a necessary condition for the commencement of the investment process. It should be noted that obtaining all permits and consents requires considerable effort and time. Public administration bodies issuing permits and consents operate on the basis of the provisions of the Code of Administrative Procedure and special acts. In these proceedings, the interest of local communities is taken into account in the first place and a number of planning issues are subject to wide public consultation (e.g. environmental issues). Additionally, lack of even a part of the documentation makes it impossible to commence the investment process. Moreover, the discovery of any misstatements, either on the part of the Company or in the administrative files, and in particular the existence of any contradictions between them may lead to the delay in the commencement of the investment process. There is also a risk that the already valid administrative decisions will be challenged by resuming proceedings or annulling decisions. Administrative decisions may also be challenged, in whole or in part, and consequently there is a risk that they will be annulled. In areas where local land-use plans have not been adopted, there is also a risk that the Companies will not be able to implement their plans due to difficulties related to the possibility of obtaining a development conditions' decision.

The occurrence of any of the aforementioned factors may have an adverse effect on the Group's activities, financial position or its development prospects.

## **Risks related to the current activities**

### **- risk associated with the implementation of the development strategy**

The Polish market and the situation on local markets where the Company operates are subject to constant changes, the direction and intensity of which depend on a number of factors. Therefore, the Companies' future financial performance, development and market position depend on its ability to develop and implement a long-term strategy in an uncertain and changing market environment.

In particular, the implementation of the Group's strategy depends on the occurrence of a number of factors, the occurrence of which is often independent of the decisions of the Group's governing bodies, and which cannot always be predicted.

Such factors include:

- unpredictable market events, such as the occurrence of an economic crisis or recession in Poland or other European Union countries;
- radical and sudden changes in legal regulations or the methods of their interpretation (e.g. influencing the issuance of development conditions);
- natural disasters, epidemics in the areas where the Company operates, as well as a number of specific factors, such as:
- restrictions on the possibility of JHM DEVELOPMENT acquiring plots of land in attractive locations for housing development;
- reduced availability of bank financing for development and commercial projects;

- failure to implement property development projects and retail and service projects in accordance with the assumed schedule and cost estimate;
- changes in government programmes supporting the purchase of residential units by persons with average and below-average income;
- other operational risks described in these statements.

The Group Companies make every effort to ensure that the assumed strategy is implemented and try to analyse on an ongoing basis all market and industry factors which have and may have an impact on the implementation of the strategy.

The factors described above may cause that the Group will not be able to implement the assumed development strategy, including the planned property development projects, and therefore these factors may have a significant negative impact on the Company's activities, financial position, results or its development prospects.

### **- related to financing development with bank credits**

The Group Companies finance their development and current activities with the use of bank credits and leasing. In the future, the Companies intend to use bank credits to finance the demand for working capital related to the increase in the scale of activities. However, there is a risk that in the future, in the event of adverse changes in the Companies activity markets or financial markets, or as a result of a change in the banks' approach to credit risk assessment, they will have difficult access to financing using credits, their cost will be higher than the current one, or they will be forced to repay or refinance their existing debt on worse terms. This may contribute to a slower than planned growth rate and deterioration of the financial results obtained.

The Management Board considers the current level of debt to be safe and does not see any threats to its timely service. Despite the good financial standing of most of the Group's companies, it cannot be ruled out that in the future, as a result of unfavourable market processes, they will be unable to meet all their obligations resulting from credit contracts and loans. In the event of a situation where the Company of the Group is not able to settle its debts under credit contracts and loans on an ongoing basis, repayments may become due and payable immediately. As a result, in order to satisfy its creditors, the Company will be forced to sell a part of its assets. The strategies of the Companies provide for a gradual exchange of short-term debt for long-term financing and that the newly acquired credit financing will be appropriate for the implementation of specific construction contracts and property development investments.

The occurrence of the aforementioned factors may have an adverse effect on the Group's activities, financial position or its development prospects. In order to limit the risk, the Company performs on an ongoing basis an analysis of debt and the possibility of settling liabilities.

### **- related to the building infrastructure**

The completion of the project depends on the provision of the infrastructure required by the regulations, such as access to public roads, access to utilities, designation of appropriate internal roads, etc. There may be situations where the provision of the necessary infrastructure depends on factors beyond the Company's control. Often the provision of access to the right road or utilities depends on the decision of the appropriate municipal or local authority. In some cases, the status of the roads needed for the execution of investment development may be unregulated or unforeseen complications may arise during project implementation, resulting in delays and additional costs. It may also happen that the relevant administrative bodies require the Company to perform additional infrastructure works as part of the investment project. The authorities may also expect or even demand that the investor performs infrastructure works which are not necessary from the perspective of the project implementation, but

which may be expected by the authorities as an investor's contribution to the development of the local community in connection with the investment development in execution.

The occurrence of any of the above factors, translating into delays in the implementation of projects or additional project costs, may have a material and adverse effect on the Group's activities, financial situation or its development prospects.

### **- related to liability for breach of environmental regulations**

Pursuant to the applicable environmental protection regulations, entities which are owners or users of plots where hazardous substances are present, or where there has been an adverse transformation of the natural configuration of the land, may be required to remove them, or bear the cost of land reclamation or pay a fine. In order to minimise the risk of breaching environmental regulations, the Companies carry out technical analyses of future projects in terms of the risk related to liability for breach of environmental regulations. Until the date of preparing the statements, the Companies were not obliged to bear the costs of land reclamation or to pay any administrative penalties for this. However, it cannot be precluded that in the future the Group Companies will be obliged to bear the costs of land reclamation, pay a fine for breach of environmental protection regulations, or pay damages.

In order to mitigate the risk of environmental liability, the Issuer has taken the following measures:

- implementation and application of the MIRBUD Capital Group Sustainable Development Strategies for 2024-2035;
- implementation and application of an Environmental Management System according to EN ISO 14001:2015 in the field of general construction, civil engineering, road and motorway construction, and industrial building construction.

The occurrence of any of the aforementioned factors may have an adverse effect on the Group's activities, financial position or its development prospects.

### **- related to penalties for non-performance or untimely performance of orders**

Entities act as a general contractor in contracts with investors. The signed and executed contracts impose a number of obligations on the Companies and determine the consequences of non-performance of the assumed obligations. Such contracts, first of all, very precisely specify the deadlines – both for the performance of the ordered works, as well as the performance of other activities, e.g. removal of possible defects during the warranty period. If these deadlines are not met, the Companies may be at risk of paying contractual penalties.

In order to limit the risk of investors making a claim for payment for non-performance or improper performance of the Company's orders, the Company has taken the following actions:

- provision of insurance coverage for contracts, including activities of the subcontractors,
- implementation and application of the Management System according to EN ISO 9001:2000 in the scope of:

a) general construction, civil engineering, road and motorway construction;

b) industrial facilities construction;

c) installation works.

- transfer of risks to cooperation contracts concluded by the Company with producers, suppliers and subcontractors (product responsibility, responsibility for services, differences between the ordered and delivered assortment, price increases, etc.).

Irrespective of the above, the payment of unforeseen contractual penalties or indemnities may have a negative impact on the Companies' financial results. It should be noted, however, that between 2005 and 2024, the Companies did not incur any significant charges due to the risk related to penalties for non-performance, improper performance or untimely performance of the order.

### **- related to claims against the Companies on account of construction of flats and commercial and service facilities, sale of flats, and granting a guarantee of payment for construction works**

In order to implement numerous investments, the Company has concluded and will continue to conclude construction contracts with contractors for construction and finishing works. It should be noted that the obligations incurred by the contractors in connection with the execution of the investment development (e.g. in relation to subcontractors) may consequently, due to the joint liability of the investor and the contractor for the payment of remuneration, be associated with the creation of claims against the Companies, which may affect the timeliness of the execution of the investment development. As a result, the Company, which is accountable to its customers, may incur significant costs of non-performance or improper performance of the contract. It cannot be precluded that in the future customers and business partners of the Companies will also not make claims against them due to hidden defects of the building arising at the stage of construction or finishing works, although according to the standard contracts concluded by the Companies, the costs of repairs of this type of defects are covered by the contractor or its subcontractors. The Companies are also liable to purchasers of flats under the statutory warranty for physical and legal defects of buildings. The period covered by these claims is 5 years.

Moreover, pursuant to Articles 649<sup>1</sup> to 649<sup>5</sup> of the Civil Code, at the request of the contractor, the Company acting as an investor is obliged to grant a guarantee of payment to the contractor (general contractor) for construction works in the form of a bank or insurance guarantee, as well as a bank letter of credit or bank surety granted at the investor's request.

The occurrence of any of the above factors, which translate into claims against the Companies, may have an adverse effect on the Company's activities, financial position or its development prospects.

### **- related to the production process**

Construction contracts contain a number of clauses concerning proper and timely performance of the contract, proper removal of defects and faults, which involves the provision of a guarantee deposit or securing the contract with an insurance or bank guarantee. The security is usually provided in the form of an insurance guarantee, bank deposit or cash deposit within a specific period of time after the contract is signed and settled after the contract completion. The amount of the security depends on the type of contract. Typically, it is between 5 and 10% of the contract price.

As the necessity to lodge a security in the form of a deposit may have an impact on the limitation of the Company's financial liquidity, the Company prefers to lodge the security in the form of an insurance guarantee. If access to insurance or bank guarantees is restricted and the cost of obtaining them increases, the Company bears the risk of increasing the costs and freezing financial resources, which in turn may lead to a decrease in the Company's profitability or financial liquidity.

In order to minimise the risk, the Companies' contracts with subcontractors require subcontractors to secure proper performance of the contract in the form of an insurance guarantee, bank guarantee or cash deposit and contain contractual penalties for exceeding the contractual deadlines.

## **Capital risk management**

The objective of capital risk management is to protect the ability to continue with the activities, so that returns for shareholders and benefits for other stakeholders can be performed, and to maintain an optimal capital structure in order to reduce the cost of capital.

The tools used to maintain and correct the capital structure may include:

- change in the amount of declared dividends to be paid;
- return of capital to shareholders;
- issue of shares and other capital instruments;

- the sale of assets in order to reduce debt.

Capital monitoring is carried out by means of the debt ratio. This indicator is calculated as the ratio of net debt to total capital. Net debt is calculated as the sum of financial debt (including current and long-term credits and loans and other financial debt disclosed in the consolidated balance sheet), less cash and cash equivalents. The total value of capital is calculated as equity disclosed in the consolidated balance sheet, together with net debt.

Calculation of the debt ratio	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Total credits	130,776	132,765
Cash and cash equivalents	-177,680	-229,682
<b>Net debt</b>	<b>-46,904</b>	<b>-96,917</b>
Equity	807,557	540,827
<b>Total capital</b>	<b>760,653</b>	<b>443,909</b>
<b>Net debt ratio</b>	<b>-6%</b>	<b>-22%</b>

Financial liquidity hedging ratios	in PLN thousand	
	As at:	As at:
	31/06/2024	31/12/2023
Net debt	-46,904	-96,917
EBITDA	75,520	137,205
Equity	807,557	540,827
Total assets	1,528,981	1,434,222
<b>net debt/EBITDA</b>	<b>-0.6</b>	<b>-0.7</b>
<b>equity/total assets</b>	<b>0.5</b>	<b>0.4</b>

## Risks associated with holding shares in Marywilka 44

### - Risk of failure to obtain payment of compensation under the insurance policy of Marywilka 44

Due to a fire on 12 May 2024, the Marywilka 44 Shopping Centre located at ul. Marywilka 44 in Warsaw owned by Marywilka 44 Sp. z o. o. was destroyed. The burnt-down Centre was covered by an insurance policy, including against fire. There is a risk that the Insurer refuses to pay the compensation or significantly reduces the compensation. By 31/12/2024, three further decisions on the advance payment of compensation under the policy in question have been issued, totalling PLN 55,000 thousand. As at the date of publication of this report, the activities to determine the cause of the fire have not yet been completed and it is not possible to predict how this will affect the Insurer's payment of compensation. Refusal to disburse the policy would adversely affect the future performance of MARYWILKA 44, which will translate into measurement of shares in this entity.

The Company's Management Board is of the opinion that both the analysis of the insurance policies held by the Company and the findings to date following the incident do not indicate that there is a risk that the Company will be denied compensation in relation to the damage caused by fire at the Centre.

### - Risk of losing lessees from the Temporary Shopping Town

In response to the fire which consumed the building of the MARYWILKA 44 Shopping Centre the Company immediately took steps to organise commercial space in temporary containers located in the

car park next to the burnt down Shopping Centre, in an effort to provide space for the current lessees of the Marywilka 44 Shopping Centre. The Company's efforts are aimed at retaining lessees at the existing business location and maximising occupancy of lease area in the rebuilt hall.

There is a risk that this form of temporary business will fail to attract a sufficiently large number of customers and, as a result, lessees will abandon their existing business in the Temporary Shopping Town which may affect the measurement of shares in Marywilka 44 Sp. z o.o.

### **- Risk of failure to recreate the list of lessees of the Marywilka 44 Shopping Centre**

The activities undertaken in connection with the temporary operations at the MARYWILSKA 44 Shopping Complex (Temporary Shopping Town and Shopping Park) are subject to the risk of not achieving a sufficiently large scale of operations, which would allow reconstruction of the hall and its full commercialisation in the future and reaching the profitability threshold for the Company's operations to be reached. At the date of publication of this report, it is not possible to predict how business will develop in the Temporary Shopping Town. Failure to restore the former scale of operations may have a negative impact on the financial situation of Marywilka 44 Sp. z o.o.

### **- Risk of non-renewal of lease agreements**

Marywilka 44 Sp. z o.o. conducts its operations located in Warsaw at ul. Marywilka 44 on land leased from the Capital City of Warsaw and Miejskiego Przedsiębiorstwa Realizacji Inwestycji. The current lease contracts for land on which the Company operates end in 2034 and 2036. The extension of the aforementioned contracts is one of the key factors influencing the Company's growth decision, including a return to the original scale of operations. The Company identifies risks associated with the protracted negotiation process and thus the impact on the ability to make strategic development decisions.



## **4.11. Information on credits, loans, guarantees and sureties**

### **4.11.1. Credits and loans**

Detailed information on credits and loans taken out by the Company Groups in 2024 and in previous years is presented in the table below.

MANAGEMENT BOARD REPORT ON THE ACTIVITIES OF MIRBUD S.A. IN 2024

Table: Liabilities under credits and loans of MIRBUD S.A. as at 31 December 2024 in PLN thousand.

Name of the party	Obligor entity	Amount of credit, loan according to the contract	Currency	Outstanding amount – long-term part	Outstanding amount – short-term part	Interest rate conditions	Repayment date	Hedging
PKO BP S.A.	MIRBUD S.A.	15,000	PLN		12,326	WIBOR 1M + margin	28/01/2025 (during the period of preparation of the financial statements rolled over to 28/01/2026)	capped mortgage on property
MBANK S.A.	MIRBUD S.A.	15,200	PLN		15,200	WIBOR 1M + margin	27/06/2025	assignment of a business receivable
PEKAO S.A.	MIRBUD S.A.	16,000	PLN		16,000	WIBOR 1M + margin	31/10/2025	assignment of a business receivable
Agencja Rozwoju Przemysłu S.A.	MIRBUD S.A.	60,000	PLN		10,200	WIBOR 1M + margin	29/12/2025	mortgages on property
BOŚ S.A.	MIRBUD S.A.	20,000	PLN		13,767	WIBOR 1M + margin	03/08/2025	BGK guarantee, registered pledge
BOŚ S.A.	MIRBUD S.A.	35,000	PLN	28,820		WIBOR 1M + margin	04/10/2026	assignment of a business receivable, mortgage
BOŚ S.A.	MIRBUD S.A.	15,200	PLN	15,053		WIBOR 1M + margin	30/07/2033	assignment of a business receivable, mortgage
<b>Total credits and loans</b>				<b>43,873</b>	<b>67,493</b>	<b>111,366</b>		

As of 31/12/2024, the value of credits and loans has been measured at amortised cost. As a result of the measurement, the value of liabilities under credits and loans was increased by PLN 2,328 thousand.

Table: Liabilities under credits and loans owned by MIRBUD S.A. as of 31 December 2023 in PLN thousand.

Name of the party	Obligated entity	Amount of credit, loan according to the contract	Currency	Outstanding amount – long-term part	Outstanding amount – short-term part	Interest rate conditions	Repayment date	Hedging
PKO BP S.A.	MIRBUD S.A.	15,000	PLN			WIBOR 1M + margin	24/06/2024	capped mortgage on property
MBANK S.A.	MIRBUD S.A.	15,200	PLN	15,200		WIBOR 1M + margin	27/06/2025	assignment of a business receivable
PEKAO S.A.	MIRBUD S.A.	16,000	PLN		16,000	WIBOR 1M + margin	31/10/2024	assignment of a business receivable
Agencja Rozwoju Przemysłu S.A.	MIRBUD S.A.	60,000	PLN	10,200	12,000	WIBOR 1M + margin	29/12/2025	mortgages on property
BOŚ S.A.	MIRBUD S.A.	20,000	PLN		20,000	WIBOR 1M + margin	03/08/2024	BGK guarantee, registered pledge
BOŚ S.A.	MIRBUD S.A.	35,000	PLN	35,000		WIBOR 1M + margin	04/10/2026	assignment of a business receivable, mortgage
<b>Total credits and loans</b>				<b>60,400</b>	<b>48,000</b>	<b>108,400</b>		

As of 31/12/2023, the value of credits and loans has been measured at amortised cost. As a result of the measurement, the value of liabilities under credits and loans was increased by PLN 3,018 thousand.

In the period covered by the report, there were no cases of termination of loans or credit contracts or breach of their terms and conditions, which would result in disruption of financing of activities of MIRBUD S.A.

As of 31/12/2024, MIRBUD S.A. did not show any debts due to loans, except for loans indicated in the above tables.

#### 4.11.2. **Loans granted**

On 14/12/2023, MIRBUD S.A. entered into a loan agreement with PDC Industrial Center 217 Sp. z o.o. for the maximum amount of PLN 120,000 thousand, for the purpose of financing the construction of a warehouse, logistics and production centre located in Chościszowice, Bolesławiec municipality, and conducting day-to-day business activities. As at 31/12/2024, the loan debt including the measurement amounted to PLN 112,822 thousand.

The amount paid was earmarked for repayment of PDC Industrial Center 217 Sp. z o.o.'s receivables against MIRBUD S.A. on account of construction works carried out on the aforementioned property.

#### 4.11.3. **Sureties and guarantees**

##### **MIRBUD S.A.**

In the MIRBUD Capital Group the leading entity is the parent company MIRBUD S.A. and, if necessary, it is this company that grants sureties for subsidiaries, which first of all constitute the security for credits taken out by:

- JHM DEVELOPMENT or related Special Purpose Vehicles – for execution of development projects
- Marywilka 44 Sp. z o.o. for refinancing capital expenditures
- Kobylarnia S.A. for execution of construction contracts

As at 31/12/2024, the balance of sureties is presented in the table below:



MANAGEMENT BOARD REPORT ON THE ACTIVITIES OF MIRBUD S.A. IN 2024

Table: Sureties granted by MIRBUD S.A. as at 31/12/2024

List of sureties granted to other entities by entity type	Claim of the surety	Value of the surety in PLN thousand		Value of the liability in PLN thousand		
		As at:	As at:	As at:	As at:	surety expiry date
		31/12/2024	31/12/2023	31/12/2024	31/12/2023	
<u>To related parties</u>		-	-	-	-	-
KOBYLARNIA S.A.	Hedge for the BGK S.A. credit	15,000	15,000			19/09/2026
KOBYLARNIA S.A.	Hedge for the BGK S.A. credit	9,318	9,318	3,520	3,727	31/12/2029
JHM Development S.A.	Hedge for the issue of E series bonds	55,000	55,000	45,185	50,000	31/12/2026
<u>To other parties</u>		-	-	-	-	-
<u>Total</u>	-	79,318	79,318	48,702	53,727	

On 29 December 2012, the Issuer together with other Companies of the MIRBUD Capital Group, concluded a contract for the provision of services, the subject of which are mutual sureties, guarantees, mortgage encumbrance (hereinafter referred to as the "Hedging") of credit liabilities towards financial and insurance institutions against remuneration. The contract is aimed at increasing the financial security of individual companies of the Group and increasing their creditworthiness.

In accordance with the terms of the contract:

- the remuneration and title of the Hedging was determined at the level of market prices applied between related entities in the amount of 0.9% of the amount of the Hedging of repayment granted on an annual basis, regardless of the hedging method,
- the remuneration is payable within 30 days after the end of each quarter,
- in the event of payment of the amount of debt towards the company's creditor, the company granting the Hedging is entitled to return the equivalent of the amount paid within 7 days from the date of the call for repayment,
- after 7 days from the date of the call, the company granting the Hedging shall be entitled to statutory interest on amounts not repaid on time,
- the contract was concluded for an indefinite period of time.

Implementation of construction projects requires the payment of guarantee deposits or bank or insurance guarantees to secure the quality of the performed construction works.

Contingent liabilities under sureties and guarantees in favour of other entities are primarily guarantees issued by insurance companies and banks in favour of the Company's contractors to secure their claims against the Company, mainly under construction contracts. Insurance companies and banks have a right of recourse against the Company on this account.

Changes in the scope of guarantees in the period since the end of the previous financial year result from the completion of works commenced in previous years. In the opinion of the Management Board of the Company, due to the nature of the potential liability and the history of the liabilities (occasional cases over a period of several years), it is not possible to reliably estimate the contingent liabilities on this account. Nevertheless, the Management Board is aware of such risk and, as a result, a provision is created for warranty repairs.

Contingent liabilities under the warranty for removal of defects and faults granted by the Companies of the MIRBUD Group to investors, created, lasting from 01/01/2024 to 31/12/2024, are as follows:

Other contingent liabilities	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
<b>Under performance bond</b>	598,721	443,575
<b>Under rectifying faults and defects</b>	465,732	322,676
<b>Under payment of receivables</b>	28,052	40,596
<b>Total</b>	<b><u>1,092,505</u></b>	<b><u>806,847</u></b>



#### 4.12. Description of use of inflows from issuing by the Company

On 04/04/2024 by way of Current Report No. 27/2024, the Issuer informed about convening an Extraordinary General Meeting of Shareholders on 06/05/2024. According to draft resolution No. 3/2024 of the Extraordinary General Meeting of Shareholders of 06/05/2024, the subject of voting will be an increase in the Issuer's share capital by no more than PLN 1,834,880, i.e. from PLN 9,174,420.00 to PLN 11,009,300.00 by issuing no more than 18,348,800 new ordinary bearer shares with a nominal value of PLN 0.10 per share within the authorised capital.

On 25 June 2024, the Company was informed of the registration on the same day by the District Court for Łódź Śródmieście in Łódź, 20th Commercial Division of the National Court Register of an entry in the Register of Entrepreneurs of the National Court Register maintained for the Company, of an increase in the Company's share capital and amendments to the Company's Articles of Association, made pursuant to Resolution No. 4/2024 of the Company's Management Board dated 10 June 2024 on increasing the share capital of MIRBUD S.A. within the limits of the authorised capital by way of issue of ordinary L series shares, deprivation of the existing shareholders in full of the pre-emptive right to all L series shares, dematerialisation of L series shares and rights to L series shares, application for admission and introduction of L series shares or rights to L series shares to trading on a regulated market, amendments to the Company's Articles of Association and authorisation to conclude an agreement on registration of L series shares and rights to L series shares with the securities depository, Resolution No. 5/2024 of the Company's Management Board of 10 June 2024 on the determination of detailed rules for the subscription of ordinary L series shares, as well as Resolution No. 9/2024 of the Company's Management Board of 19 June 2024 on the determination of the amount of the increase of the Company's share capital through the issue of ordinary L series bearer shares within the framework of the authorised capital, the declaration of the amount of the subscribed share capital and the amendment of the Company's Articles of Association, adopted after the completion of the subscription of the Company's L series shares (the "Registration").

As a result the share capital is PLN 11,009,300.00 after Registration and is divided into 110,093,000 shares with the nominal value of PLN 0.10 each. The total number of votes attached to all shares in the Company is 110,093,000.

The Issuer intends to use the capital obtained from the issue of shares (PLN 199,363,771.36, less the issue cost of PLN 2,568,832.00) for development of the railway construction and road infrastructure construction divisions of the MIRBUD Capital Group. In particular, the company's development plans relate to the need to purchase the necessary machinery as part of the adopted strategy to strengthen the position of the MIRBUD CG on the road and railway infrastructure market and the potential acquisition of an entity in new areas of railway construction.

On 09/09/2024, acting pursuant to Article 69(1)(1) of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading and public companies (Journal of Laws, i.e. 2022.2554) the Issuer announced that as a result of the acquisition of shares in Torpol S.A. – LEI code 259400HHPUDSWFR70D07 (hereinafter: the "Company") in a transaction on the Warsaw Stock Exchange concluded on 9 September 2024, MIRBUD Spółka Akcyjna – kod LEI 259400B45UFSRKN5V388, exceeded 10% of the total number of votes at the General Meeting of Shareholders of TORPOL S.A.

On 18 December 2024, MIRBUD S.A. acquired 17,450 shares, representing 92.78% of the votes at the meeting of shareholders of Transkol spółka z ograniczoną odpowiedzialnością with its registered office in Kielce (for the amount of PLN 77,500 thousand)

Other companies of the Group did not issue any shares in the reporting period.

#### 4.13. Position of the Management Board with respect to the possibility of delivery of forecast results published earlier for a given year, in the light of the results presented in the report for the previous period in relation to the forecast results.

In the period covered by this report, the companies of the Capital Group did not publish forecasts, and the indicated period was not covered by forecasts published in previous periods.

## 5. MAIN CONTRACTS

### 5.1. Insurance contracts

From 01/04/2023 to 31/03/2024, MIRBUD S.A. was covered by insurance on the basis of a framework contract concluded with Sopot Insurance Company Ergo-Hestia S.A. on 30/03/2023 – “Contract for the Comprehensive Insurance of the Enterprise Group against all risks No. 17/MIRBUD/2023”.

From 01/04/2024 to 31/03/2025, MIRBUD S.A. was covered by insurance on the basis of a framework contract concluded with Sopot Insurance Company Ergo-Hestia S.A. on 30/03/2024 – “Contract for the Comprehensive Insurance of the Enterprise Group against all risks No. 18/MIRBUD/2024”.

From 01/04/2023 to 31/03/2024, MIRBUD S.A. was covered by insurance on the basis of a framework contract concluded with Sopot Insurance Company Ergo-Hestia S.A. on 31/03/2023 – “Contract for the Comprehensive Insurance of the Enterprise Group against all risks No. 19/MIRBUD/2025”.

### 5.2. Main contracts for construction and other works related to operating activities concluded by the Capital Group Companies

#### Construction and assembly segment

Table: Main contracts concluded by MIRBUD S.A. in the period from 01/01/2024 to 31/12/2024 in PLN thousand

Contract conclusion date	Contract value (net) in PLN thousand	Business partner	Subject of the contract
12/01/2024	71,592	Jawor Municipality	Execution of design and construction works for the investment task titled “Construction/modernisation of road, technical road, electricity and water and sewage infrastructure in the Lower Silesian Economic Activity Zone – S3 Jawor” within the framework of financing from the Government Fund “Polish Deal”: Strategic Investment Programme – 5th Edition. Consortium of companies composed of: <ul style="list-style-type: none"> <li><b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium Leader),</li> <li><b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Partner)</li> </ul>
02/02/2024	78,584	City of Bydgoszcz	Execution of construction works consisting in the construction, reconstruction and change of manner of using the tram depot facilities at ul. Toruńska 278 in Bydgoszcz.
27/02/2024	75,281	Świętokrzyskie Voivodeship – Voivodeship Roads Authority in Kielce	Design and execution of construction works, including the necessary accompanying infrastructure for the task titled “Construction of DW 723 from the interchange under construction within DK 77 to the existing lane of DW 723 in Sandomierz with a length of approx. 1.35 km”.

13/03/2024	120,554	Głogów Municipality	Construction and modernisation of road infrastructure for the industrial zone in the municipalities of Głogów and Kotla. Consortium of companies composed of: <ul style="list-style-type: none"> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium Leader),</li> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Partner)</li> </ul>
27/03/2024	72,613	Gmina Wrocław, Zarząd Inwestycji Miejskich (Wrocław Municipality Urban Projects Authority)	Execution and commissioning of construction works consisting in the construction of a School and Pre-school Complex at ul. Zwycięska in Wrocław, together with associated infrastructure.
28/03/2024	184,680	Jaworzno Municipality	Design and execution of a full range of construction works related to the construction and reconstruction of the road system to serve the Jaworzno Economic Area as part of the task titled "Jaworzno Economic Area – development of the strategic industrial zone of Jaworzno – road infrastructure". Consortium of companies composed of: <ul style="list-style-type: none"> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Leader),</li> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium partner)</li> </ul>
15/04/2024	-	General Directorate for National Roads and Motorways	annex to the contract dated 15/04/2021 for the execution of the task titled "Construction of the Tri-City Metropolitan Bypass divided into 2 parts: Construction of the Tri-City Metropolitan Bypass, Task 2: Żukowo interchange (with interchange) – Gdańsk Południe interchange (with interchange)." The subject of the concluded annex is the change of the deadline for the execution of the contract to 15 September 2025.
17/04/2024	56,159	General Directorate for National Roads and Motorways	Design and construction of the S11 expressway, Ostrów Wielkopolski – Kępno; section III, construction of the second roadway on the Kępno bypass section. Consortium of companies composed of: <ul style="list-style-type: none"> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Leader);</li> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium partner)</li> </ul>
18/04/2024	157,000	Rzeszów Municipality	Construction of the Podkarpackie Athletics Centre at ul. Wypiańskiego in Rzeszów.
26/04/2024	378,001	General Directorate for National Roads and Motorways	Construction of the S11 expressway, Kępno – A1 within section from Kępno to the border of Opole Voivodeship (excluding the Olesno bypass), section III, Gotartów – beginning of Olesno bypass. Consortium of companies composed of: <ul style="list-style-type: none"> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Leader);</li> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium Partner);</li> </ul>
30/04/2024	82,500 – design and construction of the facility 24,000 – facility maintenance	City of Łódź	Public contract under the public-private partnership titled "Design, construction and operation of the Olechów-Janów Sports and Leisure Centre"
07/05/2024	93,370	City of Skierniewice	Execution of a public contract under the "Design and Build" formula titled "Skierniewice Leisure and Sports Centre" in Skierniewice.
14/05/2024	255,854	General Directorate for National Roads and Motorways	Design and construction of the S16 expressway, Knyszyn – Krynice section Consortium of companies composed of: <ul style="list-style-type: none"> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Leader);</li> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium partner)</li> </ul>
02/07/2024	82,597	KOBYLARNIA S.A.	Execution of bituminous works including material in connection with the realisation of the investment named "Construction of the S1 expressway, Kosztowy

			– Bielsko-Biała. Section III – Dankowice – “Suchy Potok” interchange, with interchange”.
03/07/2024	693,867	General Directorate for National Roads and Motorways	<p>“Design and construction of the S11 Piła – Poznań expressway, Oborniki – Poznań Północ interchange with Oborniki bypass”</p> <p>Consortium of companies composed of:</p> <ul style="list-style-type: none"> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium Leader),</li> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Partner)</li> </ul>
05/07/2024	526,016	General Directorate for National Roads and Motorways	<p>Design and execution of a task titled “Construction of the S10 Szczecin – Piła expressway on the section from the end of the Stargard bypass to the beginning of the Piła bypass (with the “Koszyce” interchange), excluding the Wałcz bypass, Section 4, “Recz” interchange (without interchange) – “Cybowo” interchange (without interchange)”.</p> <p>Consortium of companies composed of:</p> <ul style="list-style-type: none"> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium Leader),</li> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Partner)</li> </ul>
15/07/2024	485,685	General Directorate for National Roads and Motorways	<p>“Design and construction of the S12 expressway section: border of Łódź voivodeship – Radom Południe interchange (without interchange), Section 2 Przysucha interchange (with interchange) – Wieniawa interchange (with interchange)”.</p> <p>Consortium of companies composed of:</p> <ul style="list-style-type: none"> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Leader);</li> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium partner)</li> </ul>
22/07/2024	469,558	General Directorate for National Roads and Motorways	<p>Construction of the S11 expressway, Kępno – A1 within section from Kępno to the border of Opole Voivodeship (excluding the Olesno bypass), section II, Siemianice – Gotartów”.</p> <p>Consortium of companies composed of:</p> <ul style="list-style-type: none"> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Leader);</li> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium partner)</li> </ul>
31/07/2024	135,570	Stryków Municipality	Construction of Stryków Development Centre (CRS)
03/09/2024	144,186	Pomeranian Voivodeship	<p>Construction of Kartuzy bypass – Stage II</p> <p>Consortium of companies composed of:</p> <ul style="list-style-type: none"> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium Leader),</li> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Partner)</li> </ul>
06/11/2024	31,457	Municipality of Staszów	<p><b>Staszów Economic Area in Grzybów – Stage I”</b></p> <p>Consortium of companies composed of:</p> <ul style="list-style-type: none"> <li>• <b>MIRBUD S.A.</b> with its registered office in Skierniewice (Consortium Leader);</li> <li>• <b>KOBYLARNIA S.A.</b> with its registered office in Kobylarnia (Consortium partner)</li> </ul>

15/11/2024	97,143	Koszalin University of Technology	Construction of the Cognitarium Knowledge Centre of the Koszalin University of Technology, plots Nos. 19/12, 19/8 and 1, section 18 at ul. Śniadeckich in Koszalin – Stage II. The building, including construction facilities, technical infrastructure, technical and utility equipment, together with the necessary systems and licenses, landscaping and planting; construction management in the digital facility information (BIM) standard; obtaining an occupancy permit for the facility with the possibility of partial acceptance for use of separated parts of the facility before all construction works are completed; technical support in the operation of the facility with the creation of a BIM model in the operational detail level"
18/11/2024	54,529	Municipality of Ostrowiec Świętokrzyski	Creation and provision of investment areas in Ostrowiec Świętokrzyski within ul. J. Samsonowicza – construction of access roads with associated infrastructure – stage II.
20/11/2024	15,461 with an option to increase to the amount of 43,714	Town and Municipality of Serock	design and build construction of a primary school and pre-school in Wierzbica as part of the task titled "Improvement of social and educational infrastructure in the Town and Municipality of Serock" – up to stage II, i.e. the building shell.
12/12/2024	35,965	Lubusz Voivodeship	Construction of the Ślawa bypass – Stage II" – in the "design and build" system
	32,257	City of Zabrze	<p>Creating conditions for the development of investment areas on the former Biskupice mine site at ul. Szyb Franciszek in Zabrze</p> <p>Consortium of companies composed of:</p> <ul style="list-style-type: none"> <li>• MIRBUD S.A. with its registered office in Skierniewice (Consortium Leader);</li> <li>• KOBYLARNIA S.A. with its registered office in Kobylarnia (Consortium partner)</li> </ul>

Detailed terms and conditions of the above contracts do not differ from those commonly used in the market.

On 13/03/2024 the Issuer signed a letter of intent with **ElectroMobility Poland S.A.** with its registered office in Warsaw (Aleje Jerozolimskie 81, 02-001 Warsaw). The purpose of the letter is to confirm that, as a result of the purchase procedure for the "Selection of a general contractor capable of carrying out the investment for the construction of the Izera electric car production plant in the Design and Build formula", the Issuer has submitted a bid that is optimal from the point of view of the objectives and budget of the implemented project. The intent of cooperation in question will be expressed and confirmed by a separate general contractor agreement in the design and build formula, subject to **ElectroMobility Poland S.A.** obtaining the relevant corporate approvals.

On 13 March 2024 the Issuer was informed by the Employer, the General Directorate for National Roads and Motorways, Szczecin Branch (address: ul. Bohaterów Warszawy 33, 70-340 Szczecin) that in the procedure for the award of a public contract titled "**Construction of the S10 Szczecin – Piła expressway on the section from the end of the Stargard bypass to the beginning of the Piła bypass (with the "Koszyce" interchange), excluding the Wałcz bypass, Section 3: Suchań (with interchange) – Recz (with interchange)**" the bid selected as the most advantageous one was that of a consortium (hereinafter referred to as the Consortium) of companies composed of:

- **KOBYLARNIA S.A.** with its registered office in Kobylarnia (Consortium Leader),
- **MIRBUD S.A.** with its registered office in Skierniewice (Consortium Partner),

**Bid value:** PLN 667,521,000.00 gross.

On 3 April 2024 the Issuer was informed by the Employer, the General Directorate for National Roads and Motorways, Wrocław Branch (address: ul. Powstańców Śląskich 186, 53-139 Wrocław) that in the procedure



for the award of a public contract titled **“Design and construction of the S8 Wrocław – Kłodzko expressway, task 6, from the Ząbkowice Śląskie Północ interchange (without interchange) to the Bardo interchange (with interchange) with a length of approx. 13.96 km”**, the bid selected as the most advantageous one was that of a consortium (hereinafter referred to as the Consortium) of companies composed of:

- **KOBYLARNIA S.A.** with its registered office in Kobylarnia (Consortium Leader),
- **MIRBUD S.A.** with its registered office in Skierniewice (Consortium Partner),

**Bid value:** PLN 378,471,000.00 gross.

On 17 April 2024, the Issuer was informed by the Employer, City of Gliwice (Municipal Office in Gliwice, ul. Zwycięstwa 21, 44-100 Gliwice) that the Issuer's bid was selected as the most advantageous one in the procedure for the award of a public contract for the construction of the municipal hospital in Gliwice. **Bid value:** PLN 878,520,951.94 gross, including:

- basic part: PLN 355,804,928.99 gross;
- part covered by the right of option: PLN 522,716,022.95 gross.

On 26 April 2024 the Issuer was informed by the Employer, the General Directorate for National Roads and Motorways, Bydgoszcz Branch (ul. Fordońska 6, 85-085 Bydgoszcz) that in the procedure for the award of a public contract titled **Design and construction of the Kamień Krajeński and Sępólno Krajeńskie bypass, divided into 2 parts:**

- part 1: Design and construction of the Kamień Krajeński bypass within national road No. 25 on the section from km 81+100 to km 84+405;
- part 2: Design and construction of the Sępólno Krajeńskie bypass within national road No. 25 on the section from km 90+540 to km 96+317;

the bids selected as the most advantageous ones were those of a consortium of companies composed of:

- **KOBYLARNIA S.A.** with its registered office in Kobylarnia (Consortium Leader);
- **MIRBUD S.A.** with its registered office in Skierniewice (Consortium Partner).

Value of bids:

- for part 1: PLN 43,249,160.00 gross;
- for part 2: PLN 115,377,076.00 gross.

Total value of submitted bids: **PLN 158,626,236.00 gross.**

On 10 May 2024, the Issuer received information from the Employer, the City of Chełm (address: ul. Lubelska 65, 22-100 Chełm) that in the procedure for the award of a public contract titled **“Lublin Football Centre – reconstruction of the municipal stadium including training pitches”**, the Issuer's bid was selected as the most advantageous one. **Bid value:** PLN 94,710,000.00 gross.

On 15 May 2024, the Issuer received information from the Employer, Jawor Municipality (Rynek 1, 59-400 Jawor) that in the procedure for the award of a public contract titled **“Construction/modernisation of water and sewage, road, and electricity infrastructure in the Lower Silesian Economic Activity Zone – S3 Jawor”**, the bid selected as the most advantageous one was that of a consortium of companies composed of:

- **KOBYLARNIA S.A.** with its registered office in Kobylarnia (Consortium Leader);
- **MIRBUD S.A.** with its registered office in Skierniewice (Consortium Partner).

**Bid value:** PLN 56,949,000.00 gross.

On 13 August 2024, the Issuer received a notice from the Mayor of the City of Gliwice on the cancellation of the action of selecting the Issuer's bid for the construction of the City Hospital in Gliwice. The reason for cancellation of the bid selection is the ruling of the National Chamber of Appeal of 1 July this year ordering the Employer to cancel the bid selection process and repeat the bid examination and evaluation process. The other two appeals against the selection of the Issuer's bid were dismissed by the National Chamber of Appeal.



### 5.3. Events and contracts concluded after the date of preparation of financial statements, which may have significant impact on the future financial results

Table: Key contracts concluded by MIRBUD S.A. after the date of preparation of financial statements

Contract conclusion date	Contract value (net) in PLN thousand	Business partner	Subject of the contract
10/01/2025	92,863	Municipality of Miękinia	<p>"Creating the conditions for the development of the Miękinia Subzone within the Legnica Special Economic Zone – COMMUNICATION SYSTEM". Consortium of companies composed of:</p> <ul style="list-style-type: none"> <li>MIRBUD S.A. with its registered office in Skierniewice (Consortium Leader);</li> <li>KOBYLARNIA S.A. with its registered office in Kobylarnia (Consortium partner)</li> </ul>
03/02/2025	128,964	General Directorate for National Roads and Motorways	<p>Design and construction of the Kamień Krajeński and Sępólno Krajeńskie bypass, divided into 2 parts:</p> <ul style="list-style-type: none"> <li>part 1: Design and construction of the Kamień Krajeński bypass within national road No. 25 on the section from km 81+100 to km 84+405;</li> <li>part 2: Design and construction of the Sępólno Krajeńskie bypass within national road No. 25 on the section from km 90+540 to km 96+317.</li> </ul> <p>Consortium of companies composed of:</p> <ul style="list-style-type: none"> <li>KOBYLARNIA S.A. with its registered office in Kobylarnia (Consortium Leader),</li> <li>MIRBUD S.A. with its registered office in Skierniewice (Consortium Partner)</li> </ul>
12/02/2024	144,700	Agencja Rozwoju Miasta Krakowa sp. z o.o.	Construction of a service building: Kraków Music Centre at ul. Piastowska in Kraków – Stage II
05/03/2025	188,481	AMW SINEVIA S.A.	Comprehensive execution of road works, airport pavements, manoeuvring yards, car parks at the airport in Świdwin
05/03/2025	17,297	AMW SINEVIA S.A.	Comprehensive construction of the Aircraft Ground Handling (AGH) building and associated infrastructure as part of task no. 54050 "Construction of the SIL and AGH building"

On 9 March of this year, the Issuer has received information from the Employer – Mazowieckie Voivodeship Roads Authority in Warsaw (ul. Mazowiecka 14, 00-048 Warsaw), that in the procedure for the award of a public contract titled "Construction of a class G voivodeship road – the western Mława bypass within section from ul. Gdyńska and the newly designed national road S7" was selected as the most advantageous bid of a consortium (hereinafter referred to as the Consortium) of companies composed of:

- MIRBUD S.A.** with its registered office in Skierniewice (Consortium Leader),
- KOBYLARNIA S.A.** with its registered office in Kobylarnia (Consortium Partner);

Bid value: PLN 134,268,170.63 gross.

On 7 March 2025 the Issuer was informed by the Employer, the General Directorate for National Roads and Motorways in Warsaw (address: ul. Mińska 25, 03-808 Warszawa), that in the procedure for the award of a public contract titled "Design and extension of national road No. 9 on the Skaryszew section to the beginning of the Iłża bypass from approx. km 20+700 to approx. km 32+900 together with the construction of the Skaryszew bypass", the Issuer's bid was selected as the most advantageous one. Bid value: PLN 278,568,503.36 gross.

On 14 March 2025, the Issuer was informed by the Employer, the General Directorate for National Roads and Motorways, Poznań Branch (ul. Siemiradzkiego 5a, 60-763 Poznań) that in the procedure for the award of a public contract titled “Design and extension of national road No. 25 on the Biskupice Ołoboczne – Ostrów Wielkopolski section” was selected as the most advantageous bid by the consortium (hereinafter referred to as the Consortium) of companies composed of:

- **KOBYLARNIA S.A.** with its registered office in Kobylarnia (Consortium Leader),
- **MIRBUD S.A.** with its registered office in Skierniewice (Consortium Partner).

Bid value: PLN 266,767,440.20 gross.

On 24/03/2025, the Issuer informed via current report no. 11/2025 that it had received a notice from the Mazowieckie Voivodeship Roads Authority in Warsaw (hereinafter referred to as the Employer) on the cancellation of the action of selecting the Issuer's bid in the procedure titled “Construction of a class G voivodeship road – the western Mława bypass within section from ul. Gdyńska and the newly designed S7 national road”.

The Employer annulled the selection of the Issuer's bid in accordance with the recommendation of the President of the Public Procurement Office.

On 25 March 2025, the Issuer was informed by the Employer, the General Directorate for National Roads and Motorways, Poznań Branch (ul. Siemiradzkiego 5a, 60-763 Poznań) that in the procedure for the award of a public contract titled “Design and construction of the S11 expressway, Ostrów Wielkopolski – Kępno; section I Przygodzice interchange – Ostrzeszów Północ interchange (without the interchange)” was selected as the most advantageous bid by the Issuer.

Bid value: PLN 549,441,000.00 gross.

On 28 March 2025, the Issuer received information from the Employer – the District Court in Suwałki (ul. Waryńskiego 45, 16-400 Suwałki), that the Issuer's bid was selected as the most advantageous one in the procedure for the award of a public contract titled “Construction of a building for the District Court in Suwałki at ul. Utrata”. Bid value: PLN 72,201,000.00 gross.

On 2 April 2025, the Issuer received information from the Employer – the District Public Prosecutor's Office in Gdańsk (ul. Jagiellońska 38, 80-853 Kielce) that the Issuer's bid was selected as the most advantageous one in the procedure for the award of a public contract titled “Construction of a building for the District Public Prosecutor's Office in Gdańsk together with land development”. Bid value: PLN 119,222,703.17 gross.

On 7 April 2025, the Issuer has received information from the Employer – Mazowieckie Voivodeship Roads Authority in Warsaw (ul. Mazowiecka 14, 00-048 Warsaw), that in the procedure for the award of a public contract titled “Construction of a class G voivodeship road – the western Mława bypass within section from ul. Gdyńska and the newly designed national road S7” was re-selected as the most advantageous bid of a consortium (hereinafter referred to as the Consortium) of companies composed of:

- **MIRBUD S.A.** with its registered office in Skierniewice (Consortium Leader),
- **KOBYLARNIA S.A.** with its registered office in Kobylarnia (Consortium Partner);

Bid value: PLN 134,268,170.63 gross.

## 6. INFORMATION ON ENTERING BY THE ISSUER OR ITS SUBSIDIARY INTO ONE OR MORE TRANSACTIONS WITH RELATED PARTIES IF THEY WERE CONCLUDED ON NON-ARM'S LENGTH CONDITIONS

In the reporting period, there were no significant transactions with related entities concluded on non-market terms by the Company or its subsidiary.

## 7. THE EFFECTS OF CHANGES IN THE STRUCTURE OF THE ECONOMIC ENTITY, INCLUDING AS A RESULT OF MERGING ENTITIES, GAINING OR LOSS OF CONTROL OVER SUBSIDIARIES AND LONG-TERM INVESTMENTS, AS WELL AS DIVISION, RESTRUCTURING OR DISCONTINUATION OF OPERATIONS, AND INDICATION OF ENTITIES SUBJECT TO CONSOLIDATION

There were no changes in the structure of the business entity during the reporting period. However, there have been changes in the structure of the MIRBUD Capital Group resulting from:

- - gaining control of HAKAMORE sp. z o.o.

On 24/07/2021, JHM Development Sp. z o.o. purchased shares in HAKAMORE Sp. z o.o. w upadłości with its registered office in Warsaw from the Official Receiver of the Company under the business name STAL - MET Nieczaj Sp. z o.o. w upadłości with its registered office in Słupsk. On 08/10/2021, by decision of the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register, JHM Development S.A. was entered as a shareholder of HAKAMORE Sp. z o.o. w upadłości.

By decision of 1 July 2022, the District Court for the capital city of Warsaw, 18th Commercial Division for bankruptcy and restructuring cases, discontinued the bankruptcy proceedings of HAKAMORE Sp. z o.o. w upadłości with its registered office in Warsaw. The District Court of Warsaw has declared this decision valid as of 17 November 2023.

As at 31/12/2023, the Company has not been consolidated. The Extraordinary Meeting of Shareholders of HAKAMORE Sp. z o.o. with its registered office in Skierniewice decided, by way of Resolution No. 1 of 28 December 2023, to dissolve the Company on 1 January 2024 and put it into liquidation.

As at the date of the financial statements, the liquidation of HAKAMORE has been completed. By a decision of the District Court for Łódź Śródmieście in Łódź, 20th Commercial Division of the National Court Register, reference No. LD.XX NS-REJ.KRS/022125/24/918, HAKAMORE Spółka z ograniczoną odpowiedzialnością w likwidacji was deleted from the National Court Register as of 02/08/2024.

- purchase of shares in PDC INDUSTRIAL CENTER 17 sp. z o.o.

On 29 November 2023, MIRBUD S.A. acquired 20,700 shares in the share capital of PDC Industrial Center 217 Sp. z o.o. with its registered office in Warsaw with a nominal value of PLN 50 each and a total nominal value of PLN 1,035 thousand, representing 49.88% of the Company's share capital.

Marywilska 44 Sp. z o.o., a company from the MIRBUD S.A. Group, which on 29 November 2023 acquired 20,800 shares in the share capital of the Company subject to the sale agreement, also participated in the share purchase transaction. The nominal value of shares was PLN 50 each, giving a total nominal value of PLN 1,040 thousand, representing 50.12% of the share capital of PDC Industrial Center 217 Sp. z o.o.

On 9 February 2024, MIRBUD S.A. sold 6,148 shares in the share capital of PDC Industrial Center 217 Sp. z o.o. to PG DUTCH HOLDING I B.V. The nominal value of the shares was PLN 50 each, giving a value of PLN 307 thousand, representing 14.81% of the share capital of PDC Industrial Center 217 Sp. z o.o.

On 12 July 2024, MIRBUD S.A. completed the acquisition of 50.12% shares in the share capital of PDC Industrial Center 217 sp. z o.o. from its subsidiary, Marywilska 44 sp. z o.o.

As at 30 June 2024, the MIRBUD Group held a total of 85.19% of the shares in the share capital of PDC Industrial Center 217 Sp. z o.o.

- acquisition of shares in Przedsiębiorstwo Budownictwa Specjalistycznego Transkol sp. z o.o.

On 18 December 2024, 92.78% of shares in the share capital and the same number of votes at the meeting of shareholders of Przedsiębiorstwo Budownictwa Specjalistycznego "Transkol" Sp. z o.o. with its registered office in Kielce, were purchased.

On 18 December 2024, the Extraordinary Meeting of Shareholders adopted resolutions to voluntarily redeem 1,323 shares for remuneration.

On 04/02/2025, the Extraordinary Meeting of Shareholders adopted a resolution to voluntarily redeem 8 shares for remuneration. The redemption of shares was financed from the net profit accumulated in the supplementary capital. The nominal value of share has not changed and is still PLN 100.

As a result of the share redemption operations, as at the date of the report, MIRBUD S.A. is the sole shareholder of the company, holding 17,450 shares, representing 100% of the share capital. Transkol Sp. z o.o. specialises in the construction, renovation and modernisation of railway stations, routes and sidings.

The Issuer prepares consolidated financial statements. The entities subject to consolidation have been indicated by the Issuer in this report under "Subsidiaries and consolidation methods".

## 8. ACHIEVED AND FORECAST FINANCIAL RESULTS

MIRBUD Capital Group Companies did not publish forecasts on financial results for 2024.

## 9. CHARACTERISTICS OF EXTERNAL AND INTERNAL FACTORS MATERIAL FOR THE DEVELOPMENT OF THE ISSUER AND DESCRIPTION OF THE ISSUER'S ACTIVITY PROSPECTS IN THE PERSPECTIVE OF AT LEAST ONE QUARTER

Revenue of the MIRBUD Group are earned entirely on account of conducting business activity on the Polish market. Therefore, the financial results achieved depend on factors such as the stability of the macroeconomic situation in Poland and the overall economic situation in the country in a given period.

The most important factor influencing the development is the situation in the domestic construction sector, which directly depends on the rate of GDP growth, the level of domestic investments, or the competitive position of Companies from the MIRBUD Group determining their ability to win contracts and customers. This, in the opinion of the Management Board of the parent company, will in turn primarily depend on:

External factors:

- further implementation of the investment using the EU funds;
- the economic situation in the countries of the European Union;

- the government's policy on construction, especially housing;
- monetary policy (interest rate policy and its impact on the cost of credits);
- situation on financial markets;
- availability and costs of bank credits and guarantees;
- trends in preferences of potential buyers of apartments;
- the level and conditions of competition;
- the rate of growth of investments in the public sector (in particular in road construction);
- price levels for construction materials and services;
- the availability on the market of qualified staff and the level of their salaries;
- demand in housing construction;
- the further course of the coronavirus pandemic and the related economic effects, including a slowdown in the economy, increased unemployment, higher inflation, and an impact on the trade sector;
- the course and consequences of the military conflict in Ukraine.

#### Internal factors:

- financial standing of the Companies of the Group, in particular MIRBUD S.A.;
- a well-established position in the industrial building construction sector;
- systematic development of the Group in the engineering and road sector;
- systematic filling of the portfolio for the years 2025-2028;
- diversified order portfolio for the years 2025-2028;
- further growth of property development activities through projects in Łódź, Poznań, Konin, Bydgoszcz, and Jastrzębia Góra;
- rebuilding, commercialisation and rent recoverability at CH MARYWILSKA 44 sp. z o.o.;
- the level of margin on the execution of contracts achieved through optimisation of production costs and improvement of technical solutions for the execution of construction, also thanks to the implementation of the process of development and implementation of the IT management system (a modern management system, in the Issuer's opinion, will improve control over operating activities through detailed ongoing analyses of individual projects, improve financial records, positively affect work efficiency and reduce the risk of core activities);
- the level of sales of residential units in ongoing development projects;
- further investments in modern machinery park;
- achieving financial results consistent with the planned results by the Group's subsidiaries.

Development prospects of the Issuer's activity are presented in item 4.4 of this report.

## 10. CHANGES IN BASIC PRINCIPLES GOVERNING THE MANAGEMENT OF THE MANAGEMENT OF THE ISSUER'S ENTERPRISE AND ITS CAPITAL GROUP

In the reporting period there were no significant changes in the principles of management of the Group's Companies.

## 11. DESCRIPTION OF KEY FEATURES OF INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT SYSTEM WITH RESPECT TO THE PROCESS PREPARING FINANCIAL STATEMENTS

The Management Board of MIRBUD S.A., as the parent company, is responsible for the preparation of the consolidated financial statements of the Capital Group. It is also responsible for the internal control system and its effectiveness in the process of preparing consolidated financial statements which are prepared and published by the parent company, in accordance with the rules of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by the issuers of securities and on conditions under which information required by legal regulations of a country not being a Member State may be recognised as equivalent.

The assumption of an effective internal control system in financial reporting is to ensure that the financial information contained in the financial statements and periodical reports is adequate and correct.

The internal control system for financial reporting in the MIRBUD Capital Group is implemented through:

- the application within the Group of uniform accounting policies for measurement, recognition and disclosure in accordance with International Financial Reporting Standards,
- controls and continuous monitoring of the quality of input data, supported by financial systems with defined rules for data correctness (Data preparation in source systems is subject to formalised operational and acceptance procedures, which define the competences of individual persons)
- use of internal controls, including: segregation of duties, at least two-step data authorisation, verification of the correctness of the data received,
- defining competences and formalising the financial statement process (The reporting process is carried out by qualified staff with relevant knowledge and experience. Under the supervision of a Member of the Management Board – Head of Division);
- defining rules and controls for compliance with the circulation of financial and accounting documents and verifying them in terms of content, form and accounting,
- keeping records of economic events in an integrated financial and accounting system, the configuration of which corresponds to the accounting principles in force in the Group Companies and includes instructions and controls to ensure data consistency and integrity,
- mapping of data from source systems to financial statements to support correct data presentation;
- an independent assessment of the financial statements by an independent external auditor.

The financial reporting process is subject to ongoing review. The integrated financial and accounting system plays an important role in the control process for accounting and financial reporting. Not only does it make it possible to check the accuracy of the recorded operations, but it also allows the identification of the persons entering and accepting individual transactions. Access to financial data is restricted by an authorisation system. Access rights to the system are granted to the extent that they depend on the individual's assigned role and responsibilities and are subject to strict control.

The financial and accounting section headed by the Director of Economic and Financial Affairs shall be responsible for the preparation of financial statements and periodical financial reporting of the Company and the Capital Group.

The consolidated financial statements of the Capital Group are prepared by the Chief Accountant. The prepared annual consolidated financial statements are submitted to the economic and financial director for initial review and then to the full Management Board for final review and approval.

The consolidated financial reporting process is governed by the accounting policies adopted by the Group. It is also subject to detailed schedules covering key activities and checkpoints, with responsibility assigned for



their timely and correct completion. The preparation of consolidated financial statements is carried out on the basis of uniform consolidation packages prepared electronically by the individual Group companies. Consolidation packages transferred by subsidiaries are subject to:

- verification procedures by the auditor auditing the Group's consolidated financial statements;
- analytical reviews by the Chief Financial Officer and the Chief Accountant of MIRBUD S.A.

One of the basic elements of control in the process of preparing financial statements of the Company is to audit the annual financial statements and review the interim financial statements by an independent auditor in order to express in his opinion and report whether the financial statements are correct and whether they present fairly and clearly the property and financial situation of MIRBUD S.A., as well as its financial result. The annual consolidated financial statements of the Capital Group, together with the auditor's opinion, shall be submitted to the Supervisory Board for assessment and the General Meeting of Shareholders for approval.

In addition, the effectiveness of the Supervisory Board's oversight activities in monitoring the financial reporting process is enhanced by the establishment of an Audit Committee.

The Committee's tasks with regard to monitoring the financial reporting process and advisory and consultative activities include, in particular:

- preliminary assessment of the Management Board's report on the Company's activities and the Company's annual financial statements;
- preliminary assessment of the Management Board's report on the activities of the Company's group and the annual consolidated financial statements of the Company's group;
- preliminary assessment of any financial documents submitted to the Supervisory Board;
- giving an opinion on the basic principles of the Company's existing financial reporting and accounting system, including the criteria for consolidating the results of the Company's various group entities;
- to make proposals and recommendations to the Supervisory Board regarding the appropriateness of changing the financial reporting system in place at the Company and the Company's capital group, and to inform the Supervisory Board of any significant inadequacies of such system known to the Committee or risks associated with its organisation and operation.

The Capital Group manages the risk in relation to the process of preparing financial statements also by following the changes required by external regulations and regulations concerning the reporting requirements of listed companies on an ongoing basis and preparing for their introduction well in advance.

The Management Board of the Company states that as at 31 December 2024 there neither were nor are at present factors which could affect the reliability and correctness of the consolidated financial statements prepared.

On 23 October 2009 the Extraordinary General Meeting of Shareholders of MIRBUD S.A. adopted Resolution No. 24/2009 adopting the International Accounting Standards (IAS) as the basis for preparing the financial statement of the Company and the consolidated financial statement of the capital group of MIRBUD S.A. for 2010, and the financial statements for subsequent reporting periods, respectively. The Resolution came into force on the day of its adoption and has effect from 01/01/2010.

## 12. ADDITIONAL INFORMATION

### 12.1. Shareholder structure

#### 12.1.1. Information about the dividend paid in the period from 01/01/2024 to 31/12/2024

In the period from 01/01 to 31/12/2024, MIRBUD S.A. made dividend payments.

On 24 May 2024 the Issuer's Management Board applied to the General Meeting of Shareholders of MIRBUD S.A. to distribute the net unconsolidated profit generated in 2023 in the amount of PLN 97,319,755.71 for the payment of a dividend in the amount of PLN 19,266,282.00, i.e. PLN 0.21 gross per share, and to exclude the remaining part of the profit in the amount of PLN 78,053,473.71 from distribution and allocate it to the Company's supplementary capital. The Issuer informs that the Supervisory Board of MIRBUD S.A., at the meeting on 24 May this year, gave a unanimous positive opinion on the motion.

On 21 June 2024, the Ordinary General Meeting of Shareholders of MIRBUD S.A. adopted Resolution No. 9/2024 concerning the distribution of the Company's net profit for 2023. Pursuant to the Resolution adopted, the General Meeting decided to allocate a portion of the profit for the financial year 2023 in the amount of PLN 19,266,282.00 to the payment of dividends to the Issuer's shareholders, i.e. PLN 0.21 gross per share, and to exclude from distribution the remaining portion of the profit in the amount of PLN 78,053,473.71 and to allocate it to the Company's supplementary capital.

On 21 June 2024, the Ordinary General Meeting of Shareholders of MIRBUD S.A. adopted Resolution No. 10/2024 concerning the payment of dividends to shareholders of the Issuer. 27 June 2024 was adopted as the dividend date and 7 August 2024 as the dividend payment date. The dividend was paid on the date specified.

#### 12.1.2. Information on the purchase and sale of own shares

In the discussed period MIRBUD S.A. did not purchase or sell own shares.

#### 12.1.3. Shares and stocks of the

##### MIRBUD S.A.

As at 31/12/2024, the share capital is divided into 110,093,000 fully paid bearer shares with a nominal value of PLN 0.10 each.

Table: Equity capital structure as at 31/12/2024

Item	Series of shares	Number of shares	Nominal value per one share	Share capital registered in PLN thousand	Manner of capital coverage	Registration date
1	A	19,500,000	PLN 0.10	1,950	cash	22/12/2006
2	B	14,625,000	PLN 0.10	1,462	cash	22/12/2006
3	C	2,264,000	PLN 0.10	226	cash	22/12/2006
4	D	3,611,000	PLN 0.10	361	cash	22/12/2006
5	E	5,000 000	PLN 0.10	500	cash	11/12/2009
6	F	10,000,000	PLN 0.10	1,000	cash	03/03/2010
7	G	10,000,000	PLN 0.10	1,000	cash	19/05/2010

8	H	10,000,000	PLN 0.10	1,000	cash	18/08/2010
9	I	7,492,500	PLN 0.10	749	cash	26/05/2014
10	J	2,873,947	PLN 0.10	287	cash	11/09/2019
11	K	6,377,753	PLN 0.10	638	cash	30/09/2019
12	L	18,348 800	PLN 0.10	1,835	cash	25/06/2024
<b>Total</b>		<b>110,093 000</b>		<b>11,009</b>		

Table: Share capital structure as at 31/12/2023

Item	Series of shares	Number of shares	Nominal value per one share	Share capital registered in PLN thousand	Manner of capital coverage	Registration date
1	A	19,500,000	PLN 0.10	1,950	cash	22/12/2006
2	B	14,625,000	PLN 0.10	1,462	cash	22/12/2006
3	C	2,264,000	PLN 0.10	226	cash	22/12/2006
4	D	3,611,000	PLN 0.10	361	cash	22/12/2006
5	E	5,000 000	PLN 0.10	500	cash	11/12/2009
6	F	10,000,000	PLN 0.10	1,000	cash	03/03/2010
7	G	10,000,000	PLN 0.10	1,000	cash	19/05/2010
8	H	10,000,000	PLN 0.10	1,000	cash	18/08/2010
9	I	7,492,500	PLN 0.10	749	cash	26/05/2014
10	J	2,873,947	PLN 0.10	287	cash	11/09/2019
11	K	6,377,753	PLN 0.10	638	cash	30/09/2019
<b>Total</b>		<b>91,744 200</b>		<b>9,174</b>		

On 04/04/2024 by way of Current Report No. 27/2024, the Issuer informed about convening an Extraordinary General Meeting of Shareholders on 06/05/2024. According to draft resolution No. 3/2024 of the Extraordinary General Meeting of Shareholders of 06/05/2024, the subject of voting will be an increase in the Issuer's share capital by no more than PLN 1,834,880, i.e. from PLN 9,174,420.00 to PLN 11,009,300.00 by issuing no more than 18,348,800 new ordinary bearer shares with a nominal value of PLN 0.10 per share within the authorised capital.

On 25 June 2024, the Company was informed of the registration on the same day by the District Court for Łódź Śródmieście in Łódź, 20th Commercial Division of the National Court Register of an entry in the Register of Entrepreneurs of the National Court Register maintained for the Company, of an increase in the Company's share capital and amendments to the Company's Articles of Association, made pursuant to Resolution No. 4/2024 of the Company's Management Board dated 10 June 2024 on increasing the share capital of MIRBUD S.A. within the limits of the authorised capital by way of issue of ordinary L series shares, deprivation of the existing shareholders in full of the pre-emptive right to all L series shares, dematerialisation of L series shares and rights to L series shares, application for admission and introduction of L series shares or rights to L series shares to trading on a regulated market, amendments to the Company's Articles of Association and authorisation to conclude an agreement on registration of L series shares and rights to L series shares with the securities depository, Resolution No. 5/2024 of the Company's Management Board of 10 June 2024 on the determination of detailed rules for the subscription of ordinary L series shares, as well as Resolution No. 9/2024 of the Company's Management Board of 19 June 2024 on the determination of the amount of the increase of the Company's share capital through the issue of ordinary L series bearer shares within the framework of the authorised capital, the declaration of the amount of the subscribed share capital and the

amendment of the Company's Articles of Association, adopted after the completion of the subscription of the Company's L series shares (the "Registration").

As a result the share capital is PLN 11,009,300.00 after Registration and is divided into 110,093,000 shares with the nominal value of PLN 0.10 each. The total number of votes attached to all shares in the Company is 110,093,000.

The Issuer intends to use the capital (approx. PLN 200 million) obtained from the issue of shares for development of the railway construction and road infrastructure construction divisions of the MIRBUD Capital Group. In particular, the company's development plans relate to the need to purchase the necessary machinery as part of the adopted strategy to strengthen the position of the MIRBUD CG on the road and railway infrastructure market and the potential acquisition of an entity in new areas of railway construction.

On 09/07/2024 in Current Report No. 74/2024, the Company informed that: by way of Resolution No. 895/2024 of 9 July 2024 on the admission and introduction to exchange trading on the WSE Main Market of ordinary L series bearer shares of MIRBUD S.A., the Management Board of the Warsaw Stock Exchange stated that 18,348,800 ordinary L series bearer shares of the Company, with a nominal value of PLN 0.10 each ("**Shares**"), are admitted to trading on the parallel market and decided to introduce the Shares of the Company to trading on the parallel market as of 12 July 2024, provided that Krajowy Depozyt Papierów Wartościowych S.A. registers these Shares on 12 July 2024 and designates them with the code "PLMRBUD00015".

On 10/07/2024 in Current Report No. 75/2024, the Company informed that, in accordance with the contents of the Announcement of the Operations Department of Krajowy Depozyt Papierów Wartościowych S.A. ("**KDPW**") No. ONP/2024/055, on 12 July 2024, 18,348,800 ordinary L series bearer shares of the Company will be registered under ISIN code: PLMRBUD00015.

Table: Ownership structure of share capital as at the date of publication of the report

Shareholder	Number of shares held	Share in the share capital	Number of votes	% share in the total number of votes
<b>Jerzy Mirgos</b>	41,763,000	<b>37.93%</b>	41,763,000	<b>37.93%</b>
<b>Nationale-Nederlanden Open Pension Fund</b>	12,025,773	<b>10.92%</b>	12,025,773	<b>10.92%</b>
<b>TFI PZU S.A.</b>	5,589,481	<b>5.08%</b>	5,589,481	<b>5.08%</b>
<b>PTE PZU S.A.</b>	5,508,430	<b>5.00%</b>	5,508,430	<b>5.00%</b>
<b>Other shareholders</b>	45,206,316	<b>41.07%</b>	45,206,316	<b>41.07%</b>
<b>Total</b>	<b>110,093,000</b>	<b>100.00%</b>	<b>110,093,000</b>	<b>100.00%</b>

Table: Ownership structure of the share capital as of 31.12.2024

Shareholder	Number of shares held	Share in the share capital	Number of votes	% share in the total number of votes
<b>Jerzy Mirgos</b>	41,763,000	<b>37.93%</b>	41,763,000	<b>37.93%</b>
<b>Nationale-Nederlanden Open Pension Fund</b>	14,229,550	<b>12.93%</b>	14,229,550	<b>12.93%</b>
<b>TFI PZU S.A.</b>	5,589,481	<b>5.08%</b>	5,589,481	<b>5.08%</b>
<b>Other shareholders</b>	48,510,969	<b>44.06%</b>	48,510,969	<b>44.06%</b>

	<b>Total</b>	<b>110,093,000</b>	<b>100.00%</b>	<b>110,093,000</b>	<b>100.00%</b>
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Table: Ownership structure of the share capital as of 31.12.2023

Shareholder	Number of shares held	Share in the share capital	Number of votes	% share in the total number of votes
<b>Jerzy Mirgos</b>	41,710,000	<b>45.46%</b>	41,710,000	<b>45.46%</b>
<b>Nationale-Nederlanden Open Pension Fund</b>	9,221,837	<b>10.05%</b>	9,221,837	<b>10.05%</b>
<b>Other shareholders</b>	40,812,363	<b>44.48%</b>	40,812,363	<b>44.48%</b>
<b>Total</b>	<b>91,744,200</b>	<b>100.00%</b>	<b>91,744,200</b>	<b>100.00%</b>

#### 12.1.4. Information on the Issuer's shares or the rights thereto held by members of the management and supervisory bodies

The total number of shares of MIRBUD S.A. held by members of the management and supervisory bodies as at 31/12/2024 and 31/12/2023 and the date of preparation of the report is as follows:

Table Shares of the Company held by members of management and supervisory bodies as of the date of submitting these statements

Full name	Position in the Company	Number of shares held (pcs)	Number of shares held in %
<b>Jerzy Mirgos</b>	President of the Management Board	41,763,000 shares with a nominal value of PLN 0.10 each share with a total of 41,763,000 shares	<b>37.93%</b>
<b>TOTAL</b>			<b>37.93%</b>

Table. Shares of the Company held by members of management and supervisory bodies as at 31/12/2024

Full name	Position in the Company	Number of shares held (pcs)	Number of shares held in %
<b>Jerzy Mirgos</b>	President of the Management Board	41,763,000 shares with a nominal value of PLN 0.10 each share with a total of 41,763,000 shares	<b>37.93%</b>
<b>TOTAL</b>			<b>37.93%</b>

Table. Shares of the Company held by members of management and supervisory bodies as at 31/12/2023

Full name	Position in the Company	Number of shares held (pcs)	Number of shares held in %
<b>Jerzy Mirgos</b>	President of the Management Board	41,710,000 shares with a nominal value of PLN 0.10 each share with a total of 41,710,000 shares	<b>45.46%</b>
<b>TOTAL</b>			<b>45.46%</b>

None of the members of the Management Board or Supervisory Board hold any options for the Company's shares.

#### 12.1.5. Information on contracts known to the issuer, including those concluded after the balance sheet date, which may result in future changes in proportions of shares held by the existing shareholders and bondholders

As at 31/12/2024 and after the balance sheet date until the date of preparation of the report, apart from the information disclosed in these statements and in current reports, the issuer did not have any information about

contracts which may result in future changes in the proportions of shares held by the Issuer's existing shareholders.

### 12.1.6. Information on the system of control over employee stock ownership plans

There are no employee stock ownership plans in the Company

## 12.2. Influence of factors and unusual events on the financial result for 2024

A significant event that may affect the financial results of MIRBUD S.A. in the future was the fire that broke out at the MARYWILSKA 44 Shopping Centre on 12 May 2024. As a result of the incident, six of the shopping halls that make up the Centre burned down. Efforts are currently underway to determine the cause of fire which at the date of this report remains unknown.

The fair value of the investment property destroyed in the fire was PLN 131,941 thousand .

The property is covered by an insurance policy, including against fire. The Insurer's loss adjustment process is underway. On 26 July 2024, a decision was issued to pay an advance on compensation under the policy in question. The Company's Management Board estimates that its payment from the insurance policy will be made later this year and will amount to approx. PLN 110,028 thousand. As at 31/12/2024, a total of PLN 38 million had been paid out as an advance on compensation. As at the date of the report, the value of the advance on compensation paid amounted to PLN 65 million.

For the purposes of preparing the report, an impairment loss for the investment property and estimated insurance proceeds were recognised in the books of Marywilska 44 – these items were included in other operating revenue and expenses respectively.

The Management Board of Marywilska 44 Sp. z o.o., among other things, in response to the needs of lessees, decided to rebuild the burnt-down Shopping Centre and to organise approx. 800 shopping containers for tenants in a temporary shopping town located in the car park next to the burnt-down Shopping Centre. The organisation of temporary retail spaces will allow lessees to stay where they operated before, which will affect occupancy of lease area in the rebuilt hall. This will allow the hall to be rebuilt and commercialised in the future.

As of today, there are no indications of an impairment loss for shares in Marywilska 44 held by MIRBUD S.A.

### 12.3. Changes in the basic principles of managing an enterprise

In the reporting period there were no significant changes in the principles of management of the Group's Companies.

## 12.4. The Management Board and the Supervisory Board and the changes in supervisory and management bodies

In the period from 01/01/2024 to 31/12/2024, the composition of the Management Board of MIRBUD S.A. did not change and it performed the duties with the following composition:

Table: Composition of the MIRBUD S.A. Management Board from 01/01/2024 to 31/12/2024

Full name	Position
Jerzy Mirgos	President of the Management Board
Sławomir Nowak	Vice-President of the Management Board



<b>Paweł Korzeniowski</b>	Member of the Management Board
<b>Tomasz Sałata</b>	Member of the Management Board

As at the date of the report, the composition of the Management Board of MIRBUD S.A. has changed. On 19 December 2024, the Issuer's Supervisory Board adopted a Resolution on appointing Ms Anna Więzowska to the Management Board of MIRBUD S.A. with effect from 1 January 2025.

The composition of the Issuer's Supervisory Board has changed in the period from 01/01/2024 to 31/12/2024.

On 11 February 2024 the term of office of Mr Stanisław Lipiec as a Member of the Supervisory Board expired.

On 18 March 2024, the Extraordinary General Meeting of Shareholders of MIRBUD S.A. adopted Resolution No. 6/2024 on appointing Mr Jerzy Łuczak to the Supervisory Board of MIRBUD S.A.

On 21 June 2024, the Issuer announced that it had received a declaration of resignation of Mr Bartosz Wilczak from his position as a Member of the Supervisory Board of MIRBUD S.A. as of 31 July 2024.

On 21 June 2024, the Ordinary General Meeting of Shareholders of MIRBUD S.A. adopted Resolution No. 23/2024 on appointing Mr Killion Munzele Munyama to the Supervisory Board of MIRBUD S.A. with effect from 1 August 2024.

On 6 December 2024, the Extraordinary General Meeting of Shareholders of MIRBUD S.A. adopted Resolution on appointing Mr Tadeusz Gruchała to the Supervisory Board of MIRBUD S.A.

*Table: Composition of the Supervisory Board of MIRBUD S.A. as of the date of publication of the report*

Full name	Position
<b>Radosław Niewiadomski</b>	Chairman of the Supervisory Board
<b>Agnieszka Bujnowska</b>	Secretary of the Supervisory Board
<b>Jacek Tucharz</b>	Member of the Supervisory Board
<b>Jerzy Łuczak</b>	Member of the Supervisory Board
<b>Killion Munzele Munyama</b>	Member of the Supervisory Board – since 01/08/2024
<b>Tadeusz Gruchała</b>	Member of the Supervisory Board – since 01/01/2025

*Table: Composition of the Supervisory Board of MIRBUD S.A. as at 31/12/2024*

Full name	Position
<b>Radosław Niewiadomski</b>	Chairman of the Supervisory Board – since 14/04/2024
<b>Agnieszka Bujnowska</b>	Secretary of the Supervisory Board
<b>Jacek Tucharz</b>	Member of the Supervisory Board
<b>Bartosz Wilczak</b>	Member of the Supervisory Board
<b>Jerzy Łuczak</b>	Member of the Supervisory Board – since 18/03/2024
<b>Killion Munzele Munyama</b>	Member of the Supervisory Board – since 01/08/2024

*Table: Composition of the MIRBUD S.A. Supervisory Board in the period from 01/01/2023 to 31/12/2023*

Full name	Position
<b>Wiesław Kosonóg</b>	Chairman of the Supervisory Board (until 01/12/2023)
<b>Radosław Niewiadomski</b>	Member of the Supervisory Board
<b>Agnieszka Bujnowska</b>	Secretary of the Supervisory Board



<b>Artur Sociński</b>	Member of the Supervisory Board (until 30/09/2023)
<b>Stanisław Lipiec</b>	Member of the Supervisory Board (until 11/02/2024)
<b>Jacek Tucharz</b>	Member of the Supervisory Board (since 30/01/2023)
<b>Bartosz Wilczak</b>	Member of the Supervisory Board (since 18/10/2023)

## **12.5. Information on personal, factual and organisational relations between members of the Management Board and Supervisory Board and certain shareholders with at least 5% of votes at the General Meeting of Shareholders of MIRBUD S.A.**

Ms Kaja Mirgos-Kwiatkowska, serving as a member of the Management Board of JHM DEVELOPMENT S.A. from 02/01/2020, as a member of the Management Board of Marywilska 44 sp. z o.o. from 01/08/2020, as a member of the Management Board (since 17/07/2024 – President of the Management Board) of PDC INDUSTRIAL CENTER 217 sp. z o.o. from 04/12/2023, is the daughter of Mr Jerzy Mirgos, President of the Management Board of MIRBUD S.A., holding 37.93% of shares in the Issuer as at 31/12/2024.

## 12.6. Remuneration of members of the management and supervisory bodies

Table: Remuneration of members of the management and supervisory bodies of the Parent Company in the period from 01/01/2024 to 31/12/2024

Name of the body	Position	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Employment termination benefits	Share-based payments	From sureties granted	Remuneration in subsidiaries	Total
Jerzy Mirgos	President of the Management Board	1,519	0	0	0	0	0	930	2,449
Sławomir Nowak	Vice-President of the Management Board	1,380	0	0	0	0	0	618	1,998
Paweł Korzeniowski	Member of the Management Board	1,364	0	0	0	0	0	53	1,417
Tomasz Sałata	Member of the Management Board	1,309	0	0	0	0	0	0	1,309
Ewa Przybył	Proxy	351	0	0	0	0	0	0	351
Anna Więzowska	Proxy	921						200	1,121
Radosław Niewiadomski	Chairman of the Supervisory Board	74	0	0	0	0	0	18	92
Agnieszka Bujnowska	Secretary of the Supervisory Board	70	0	0	0	0	0	78	148
Stanisław Lipiec	Member of the Supervisory Board	12	0	0	0	0	0	0	12
Jacek Tucharz	Member of the Supervisory Board	54	0	0	0	0	0	0	54
Bartosz Wilczak	Member of the Supervisory Board	37	0	0	0	0	0	0	37
Jerzy Łuczak	Member of the Supervisory Board	41	0	0	0	0	0	0	41
Kilion Munyama	Member of the Supervisory Board	18	0	0	0	0	0	0	18
<b>TOTAL</b>		<b>7,150</b>	-	-	-	-	-	<b>1,897</b>	<b>9,047</b>

Table: Remuneration of members of the management and supervisory bodies of the Parent Company in the period from 01/01/2023 to 31/12/2023

Name of the body	Position	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Employment termination benefits	Share-based payments	From sureties granted	Remuneration in subsidiaries	Total
Jerzy Mirgos	President of the Management Board	1,558	0	0	0	0	0	900	2,458
Sławomir Nowak	Vice-President of the Management Board	1,375	0	0	0	0	0	592	1,967
Paweł Korzeniowski	Member of the Management Board	1,419	0	0	0	0	0	53	1,472
Tomasz Sałata	Member of the Management Board	1,390	0	0	0	0	0	0	1,390
Ewa Przybył	Proxy	387	0	0	0	0	0	0	387
Anna Więzowska	Proxy	744						185	929
Wiesław Kosonóg	Chairman of the Supervisory Board	78	0	0	0	0	0	16.5	95
Radosław Niewiadomski	Deputy Chairman of the Supervisory Board	66	0	0	0	0	0	18	84
Agnieszka Bujnowska	Secretary of the Supervisory Board	66	0	0	0	0	0	61	127
Artur Sociński	Member of the Supervisory Board	46	0	0	0	0	0	0	46
Wiktoria Braun	Member of the Supervisory Board	5	0	0	0	0	0	0	5
Stanisław Lipiec	Member of the Supervisory Board	50	0	0	0	0	0	0	50
Jacek Tucharz	Member of the Supervisory Board	45	0	0	0	0	0	0	45
Bartosz Wilczak	Member of the Supervisory Board	7	0	0	0	0	0	0	7
<b>TOTAL</b>		<b>7,237</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,826</b>	<b>9,062</b>

In the period from 01/01/2024 to 31/12/2024 members of the Issuer's management, supervisory and administrative bodies did not receive any awards or benefits for their functions, prizes or benefits except for the remuneration indicated in the table above.

**13.1.1. Contracts concluded between the issuer and the members of management bodies providing for compensation in the case of their resignation or termination of employment on a particular position without an important reason, or when they are recalled or have their employment terminated as a result of the merger of the issuer by acquisition.**

The Group Companies did not conclude any contracts with the management body members providing for compensation in the case of their resignation or termination of employment on a particular position without an important reason, or when they are recalled or have their employment terminated as a result of the merger of the Company by acquisition.

**13.1.2. Information on any liabilities arising from pensions and benefits of a similar nature for former members of the management, supervisory or administrative bodies, and on liabilities incurred in connection with those pensions,**

As at 31/12/2024, the Group Companies did not have any liabilities resulting from pensions and benefits of a similar nature for former members of the management, supervisory and administrative bodies, and liabilities related to those pensions.

**13.2. Information on employee shares and limitations on the assignment of the rights to securities of MIRBUD S.A.**

No such events occurred in the reporting period.

**13.3. All limitations concerning the assignment of the rights to the Company's securities and all limitations concerning the execution of the voting right vested in the Company's shares**

No such events occurred in the reporting period.

**13.4. Employees**

The employment figures in MIRBUD S.A. as of 31/12/2024 and as of 31/12/2023 are presented in the tables below.

*Table: Employment in the MIRBUD Group Companies as at 31/12/2024*

Company	Employees employed under a contract of employment	Employees employed under other contracts
MIRBUD S.A.	410	159

Table: Employment in the MIRBUD Group Companies as at 31/12/2023

Company	Employees employed under a contract of employment	Employees employed under other contracts
MIRBUD S.A.	427	156

There are no trade unions in the Company and there are no company collective agreements in force.

### 13.5. Diversity policy

On 01/07/2021, the Group adopted a diversity policy. The diversity policy is available on the Company's website at: <https://mirbud.pl/strony/kodeks-etyki-zawodowej-2>

### 13.6. Information on contracts with entities authorised to audit financial statements

On 29/12/2022, MIRBUD S.A. entered into a contract with BGGM AUDYT spółka z ograniczoną odpowiedzialnością in Warsaw, address: 03-450 Warsaw, ul. Ratuszowa 11, registered under KRS No. 0000327377 in the National Court Register – Register of Entrepreneurs, maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, entered under number 3489 on the list of entities authorised to audit financial statements maintained by the National Chamber of Statutory Auditors, to conduct the following:

- audit of the annual financial statements of MIRBUD S.A. for the period from 01/01/2022 to 31/12/2022 – remuneration of PLN 20.0 thousand net;
- audit of the annual financial statements of MIRBUD S.A. for the period from 01/01/2023 to 31/12/2023 – remuneration of PLN 22.0 thousand net;
- audit of the annual consolidated financial statements of the MIRBUD Capital Group for the period from 01/01/2022 to 31/12/2022 – remuneration of PLN 20.0 thousand net;
- audit of the annual consolidated financial statements of the MIRBUD Capital Group for the period from 01/01/2023 to 31/12/2023 – remuneration of PLN 22.0 thousand net.

The audit firm was selected from among the firms recommended by the audit committee by the Supervisory Board pursuant to Resolution XIII/2022 of 11 May June 2022.

On 01/08/2024, MIRBUD S.A. entered into a contract with BGGM AUDYT spółka z ograniczoną odpowiedzialnością in Warsaw, address: 03-450 Warsaw, ul. Ratuszowa 11, registered under KRS No. 0000327377 in the National Court Register – Register of Entrepreneurs, maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, entered under number 3489 on the list of entities authorised to audit financial statements maintained by the National Chamber of Statutory Auditors, to conduct the following:

- audit of the annual financial statements of MIRBUD S.A. for the period from 01/01/2024 to 31/12/2024 – remuneration of PLN 45.2 thousand net;
- audit of the annual financial statements of MIRBUD S.A. for the period from 01/01/2025 to 31/12/2025 – remuneration of PLN 55.4 thousand net;
- audit of the annual consolidated financial statements of the MIRBUD Capital Group for the period from 01/01/2024 to 31/12/2024 – remuneration of PLN 34.6 thousand net;
- audit of the annual consolidated financial statements of the MIRBUD Capital Group for the period from 01/01/2025 to 31/12/2025 – remuneration of PLN 38.4 thousand net.
- review of the interim financial statements of MIRBUD S.A. for the period from 01/01/2024 to 30/06/2024 – remuneration of PLN 22.6 thousand net;

- review of the interim financial statements of MIRBUD S.A. for the period from 01/01/2025 to 30/06/2025 – remuneration of PLN 27.7 thousand net;
- review of the interim consolidated financial statements of the MIRBUD Capital Group for the period from 01/01/2024 to 30/06/2024 – remuneration of PLN 17.30 thousand net;
- review of the interim consolidated financial statements of the MIRBUD Capital Group for the period from 01/01/2025 to 30/06/2025 – remuneration of PLN 19.20 thousand net;

The audit firm was selected from among the firms recommended by the audit committee by the Supervisory Board pursuant to Resolution XI/2024 of 24 May 2024.

On 18/04/2025, MIRBUD S.A. entered into a contract with BGGM AUDYT spółka z ograniczoną odpowiedzialnością in Warsaw, address: 03-450 Warsaw, ul. Ratuszowa 11, registered under KRS No. 0000327377 in the National Court Register – Register of Entrepreneurs, maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register and entered under number 3489 on the list of entities authorised to audit financial statements kept by the National Chamber of Statutory Auditors for the service consisting in the verification of information on sustainable development presented in the Non-Financial Report for 2024 (“Sustainability Report”) prepared by the Client – remuneration of PLN 48.0 thousand net.

On 18/04/2024, MIRBUD S.A. entered into a contract with BGGM AUDYT spółka z ograniczoną odpowiedzialnością in Warsaw, address: 03-450 Warsaw, ul. Ratuszowa 11, registered under KRS No. 0000327377 in the National Court Register – Register of Entrepreneurs, maintained by the District Court for the Capital City Warsaw in Warsaw, 13th Commercial Division of the National Court Register and entered under number 3489 on the list of entities authorised to audit financial statements kept by the National Chamber of Statutory Auditors for the service consisting in the assessment of the remuneration report in the period from 01/01/2023 to 31/12/2023 – remuneration of PLN 5.0 thousand net.

In the period from 01/01/2024 to 31/12/2024, the remuneration paid by the Company to statutory auditors amounted to PLN 89 thousand.

During the period from 01/01/2024 to 31/12/2024, no other unauthorised services were provided to the Company by the entity authorised to audit the financial statements.

### **13.7. Information on pending significant litigation before courts, arbitration bodies or public administration bodies with regard to liabilities or receivables of the issuer or its entity with regard to liabilities or receivables of the issuer or its entity**

In the period covered by this report, no significant litigation concerning liabilities or receivables of the Issuer were pending.

In the period covered by this report, no significant litigation concerning liabilities or receivables of the Issuer were pending.

As at 31/12/2024, there was litigation pending concerning liabilities against the Issuer, for the total value of the object of dispute of PLN 4,017 thousand.

Provisions for future liabilities which may arise from pending court proceedings are created by way of a detailed analysis of the risk of their occurrence.

As of 31/12/2024, there was litigation pending concerning receivables brought by the Issuer for the total value of the object of dispute of PLN 10,627 thousand.



In the period covered by this report, there were significant litigation pending concerning receivables of Kobylarnia S.A. – a subsidiary of the Issuer.

On 25/02/2020, KOBYLARNIA S.A. as the leader of the consortium filed a lawsuit against the General Directorate for National Roads and Motorways for the value of the object of dispute of PLN 67,422 thousand, including a claim for indexation of the Consortium's remuneration in connection with the performance of investment development tasks: the Inowrocław bypass (connector), the Bolków bypass, construction of a section of the S5 expressway. The total value of disputes of KOBYLARNIA S.A. as at 31/12/2024 amounted to PLN 79,119 thousand.

## 14. STATEMENT OF THE CAPITAL GROUP ON NON-FINANCIAL INFORMATION

MIRBUD Capital Group has prepared a separate report on non-financial information published together with the 2024 financial statements.

## 15. STATEMENT ON THE APPLICATION OF CORPORATE GOVERNANCE OF MIRBUD S.A.

### 15.1. The set of corporate governance principles to which MIRBUD S.A. is subject.

During the reporting period from 01/01/2024 to 31/12/2024, MIRBUD S.A. was subject to a set of corporate governance principles called "Best Practices of Companies Listed on the WSE 2021" (Best Practices 2021, DPSN2021), which were adopted by Resolution No. 13/1834/2021 of the Stock Exchange Board of 29 March 2021.

<https://www.gpw.pl/dobre-praktyki2021>

MIRBUD S.A. reported on the application of individual corporate governance principles in a Report dated 28/07/2021 transmitted via the EBI system. Statement on the application of individual corporate governance principles for companies listed on the WSE Main Market – "Best Practices of Companies Listed on the WSE 2021" MIRBUD S.A. has also posted at [www.https://relacje.mirbud.pl/lad-korporacyjny](https://relacje.mirbud.pl/lad-korporacyjny).

### 15.2. Corporate governance principles not applied by the Company, with indication of circumstances and reasons for not applying a given principle

In the period from 01/01/2024 to 31/12/2024 the Company applied the rules of corporate governance of companies listed on the WSE Main Market – "Best Practices of Companies Listed on the WSE 2021" (Best Practices 2021, DPSN2021) with deviations about which the Issuer informed in the report of 28/07/2021 transferred via the EBI system.

Deviations concern the following rules:

- 2.1. **The Company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the general meeting, respectively. The diversity policy sets out diversity objectives and criteria in areas such as gender, education, expertise, age and work experience, among others, and indicates when and how the achievement of these objectives will be monitored. In terms of gender diversity, the condition for ensuring the diversity of corporate bodies is that the minority shareholding in a given body is no less than 30%.**

The Company's note: This rule is applied. The Company has a Diversity Policy which is published at <https://mirbud.pl/strony/kodeks-etyki-zawodowej-2>. Diversity management at MIRBUD S.A. and companies of the MIRBUD Capital Group concerns all employees and key positions. Diversity is understood to mean that every person is important regardless of gender, age, health status, sexual orientation, religion, marital status, race, country of origin or form of employment and political beliefs. The companies in the MIRBUD Capital Group apply workplace management principles without discrimination or inappropriate behaviours which could compromise the integrity or self-esteem of employees. The MIRBUD Capital Group Diversity Policy implements the following UN Sustainable Development Goals: Goal 10 – less inequality and Goal 5 – gender equality. The goals of the adopted Diversity Policy are active management of diversity as part of human resources management policy, creating an open and diverse working environment, preventing all forms of discrimination, ensuring equal opportunities in access to information on ethical standards in force at the MIRBUD Group. The policy of MIRBUD Capital Group does not impose any barriers based on gender, age, health status, sexual orientation, religion, marital status, race, country of origin or form of employment and political beliefs. MIRBUD S.A. and companies from the MIRBUD Capital Group also make every effort to ensure equal representation of women and men in Management and Supervisory Board positions in companies. Due to the diversity of the segments of activity of the MIRBUD Capital Group companies and the fact that the leading activity is the construction and assembly segment which requires typically technical education and qualifications, the analysis of compliance with Best Practices in employment in management bodies is carried out jointly for all Group Companies. MIRBUD pays attention to diversity when selecting and appointing Management Board members and proposing candidates for Supervisory Board members. In deciding on the composition of the Management Board, the Supervisory Board aims to ensure its diversity, in particular with regard to age, education, work experience and the number of women involved. By implementing the principles described above, the Supervisory Board appointed Ms Anna Więżowska to the Management Board by Resolution No. XXIV/2024 of 20 December 2024, with effect from 1 January 2025.

With respect to the composition of the Supervisory Board, the age structure of the Board members should be diverse. In addition, it seeks to ensure that its members have relevant education and work experience. Attention is further drawn to the issue of adequate number of women involved. The composition of the Supervisory Board takes into account the ideas underlying the diversity policy. The Supervisory Board includes shareholder representatives as well as individuals with extensive knowledge and experience in organisation and management, construction as well as economics. The purpose of the adopted Diversity Policy of the MIRBUD Capital Group is to strive to ensure the versatility of the Management Board and Supervisory Board by shaping their composition in a manner which ensures diversity. Implementation of the Diversity Policy is constantly monitored and applies to all companies within the MIRBUD Capital Group. A detailed scope of monitoring is defined in the resolution adopted by the leading entity of the MIRBUD S.A. Group – “ESG Strategy” published at <https://mirbud.pl/strony/zrownowazony-rozwoj>

**2.11. In addition to its activities under the law, once a year the Supervisory Board shall prepare an annual report and present it to the ordinary general meeting for approval. The report referred to above shall include at least:**

- 2.11.1 information on the composition of the Board and its committees with an indication of which members of the Board meet the independence criteria set out in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight, and which of them do not have actual and significant links with a shareholder holding at least 5% of the total number of votes in the company, as well as information on the composition of the Supervisory Board in the context of its diversity;
- 2.11.2 summary of activities of the Board and its committees;

- 2.11.3 an assessment of the company's situation on a consolidated basis, including an evaluation of the internal control systems, risk management, compliance and the internal audit function, together with information on the actions the Supervisory Board has taken to make this assessment; this assessment shall include all relevant control mechanisms, including in particular those relating to reporting and operations;
- 2.11.4 an assessment of the company's application of the rules of corporate governance and the manner of fulfilling information obligations concerning their application, specified in the Stock Exchange Rules and regulations concerning current and periodic information provided by issuers of securities, together with information on actions taken by the Supervisory Board to make this assessment;
- 2.11.5 an assessment of the reasonableness of expenditures referred to in rule 1.5;
- 2.11.6 information on the extent to which the diversity policy is implemented with respect to the Management Board and the Supervisory Board, including the achievement of goals referred to in rule 2.1.**

The Company's note: The rule is applied to detailed items 2.11.1, 2.11.2, 2.11.3 and 2.11.4. With regard to detailed items 2.11.5 and 2.11.6, this rule has been applied from the 2021 report onwards, while the assessment of the appropriateness of expenditure referred to in rule 1.5 has been included in the 2022 and 2023 report of the Supervisory Board.

**3.2 The Company shall separate in its structure the units responsible for the tasks of particular systems or functions, unless this is not justified by the size of the company or the nature of its activities.**

The Company's note: This rule is not applied due to the scale of the Company's operations and the lack of diversification of business segments where the Company is active.

**3.3 A company included in the WIG20, mWIG40 or sWIG80 index shall appoint an internal auditor heading the internal audit function, operating in accordance with generally accepted international standards of professional internal audit practice. In other companies where no internal auditor meeting the above requirements has been appointed, the audit committee (or the supervisory board, if this body performs the functions of an audit committee) shall annually assess whether there is a need to appoint such a person.**

The Company's note: This rule is applied. The Company conducts internal audits in accordance with ISO and AQUAP standards; however, it strives to fully implement this rule. To effectively maintain the internal audit function, a Management Board plenipotentiary for internal audit at MIRBUD S.A. was appointed, who reports directly to the President of the Management Board within the organisational structure of the Company. The resolution came into force with effect from 1 July 2021. The Company has not appointed an internal auditor, but the audit committee periodically assesses whether there is a need to appoint one. In accordance with Resolution No. 9/2022 of the Management Board of 30 December 2022, an internal control system has been adopted in the Company. The internal control system supports the Supervisory Board and the Management Board and employees in the effective and efficient operation of the business processes in the exercise of supervision and defines the rules for ensuring the objectives of the internal control system. The internal control system is adapted to the organisational structure of MIRBUD S.A. and covers all areas and organisational units that apply control mechanisms or their independent monitoring as part of their duties. The function of the internal control system is to ensure the achievement of objectives in at least three categories: 1/ operational effectiveness and efficiency, 2/ reliability of financial reporting, 3/ compliance with law, internal regulations and accepted standards of conduct. Within the framework of the internal control system the Management Board of MIRBUD S.A. designs, implements and ensures, in all areas and organisational units, the functioning of an adequate and effective internal control system, ensures the continuity of the internal control system, including the proper cooperation of all employees within this system, approves

the types of corrective actions taken to remove critical and significant irregularities, and approves the list of significant areas for the purposes of the control function matrix. The Audit Committee monitors the adequacy and effectiveness of the internal control system and issues opinions on the adequacy and effectiveness of the internal control system for the Supervisory Board's evaluation of the system. The Supervisory Board supervises the introduction and ensures the functioning of an adequate and effective internal control system at MIRBUD S.A., and performs an annual evaluation of the adequacy and effectiveness of the internal control system.

### **3.5 Persons responsible for risk management and compliance report directly to the president or another member of the management board.**

The Company's note: This rule is applied. By Resolution No. 13/2021 of the Management Board of 15 October 2021, acting pursuant to Resolution No. 13/1834/2021 of 29 March 2021 of the Warsaw Stock Exchange concerning the adoption of new corporate governance rules for companies listed on the WSE Main Market, "Best Practices of Companies Listed on the WSE 2021" (Best Practices 2021, DPSN2021), in order to maintain effective internal control, risk management and compliance systems, as well as an effective internal audit function, a Management Board plenipotentiary for compliance and a Management Board plenipotentiary for internal audit were appointed in MIRBUD S.A., who report directly to the President of the Management Board within the organisational structure of the Company in MIRBUD S.A., who report directly to the President of the Management Board within the organisational structure of the Company. The resolution came into force with effect from 1 July 2021.

### **3.6 The head of internal audit reports organisationally to the president of the management board and functionally to the chairman of the audit committee, or to the chairman of the supervisory board if this body serves as the audit committee.**

The Company's note: This rule is not applied. The Company strives to fully implement this rule, as described in item 3.3.

### **3.7 Rules 3.4 to 3.6 also apply to entities in the company's group which are material to the company's operations, if they have designated individuals to perform these tasks.**

The Company's note: This rule is not applied. The Company applies this rule to the extent of items 3.4 and 3.5, however, full application of the rule will be possible after implementation of the rule in item 3.3.

### **3.8 At least once a year, the person responsible for internal audit, or, if no such function has been established in the company, the company's management board, shall present to the supervisory board an assessment of the effectiveness of the systems and functions referred to in rule 3.1, together with an appropriate report.**

The Company's note: This rule is applied. In accordance with Resolution No. 9/2022 of the Management Board of 30 December 2022 on the internal control system, the Supervisory Board supervises the introduction and ensures the functioning of an adequate and effective internal control system at MIRBUD S.A., and performs an annual assessment of the adequacy and effectiveness of the internal control system. An assessment of the adequacy and effectiveness of the internal control system is included in the 2023 report of the Supervisory Board.

### **3.10. At least once every five years a company included in WIG20, mWIG40 or sWIG80 index will have its internal audit function reviewed by an independent auditor selected with the participation of the audit committee.**

The Company's note: This rule is not applied. Application of the rule will be possible after implementation of the rule in item 3.3.

- 4.1. The company should enable shareholders to participate in a general meeting using electronic means of communication (general e-meeting) if this is justified by the expectations of shareholders communicated to the company, as long as it is able to provide the technical infrastructure necessary for holding such a general meeting.**

The Company's note: The rule is not applied due to the lack of possibility to provide technical infrastructure as required by law. Implementation of the rule is not considered in particular due to the lack of notifications from shareholders.

- 4.3. The Company shall provide a publicly available real-time broadcast of the general meeting.**

The Company's note: This rule is not applied. The Company is still considering implementing the rule beginning with the year of holding the ordinary general meeting which approves the 2024 report.

- 6.2. Incentive programmes should be structured in such a manner that, among other things, they make the level of remuneration of members of the company's management board and its key managers dependent on the actual, long-term position of the company in terms of financial and non-financial performance and long-term growth of shareholder value and sustainable development, as well as stability of the company's operations.**

The Company's note: This rule is not applied. The company has not implemented incentive programmes, however, the level of remuneration and bonuses for members of the Management Board and key managers depend on the long-term position of the company.

- 6.3. If one of the company's incentive programmes is the managerial options programme, then the execution of the options programme should be conditional on the eligible persons' fulfilment, within a period of at least 3 years, of pre-determined, company-realistic and adequate financial and non-financial objectives as well as sustainable development objectives, and the set price for the acquisition of shares by the eligible persons or settlement of the options may not differ from the value of the shares at the time the programme is adopted.**

The Company's note: This rule is not applied. The company does not have a managerial option programme.

### **15.3. Internal control and risk management systems in relation to the process of preparing financial statements and consolidated financial statements**

The Management Board of MIRBUD S.A. is responsible for the internal control system and its effectiveness in relation to the process of preparing financial statements.

The Economic and Financial Director supervises the preparation of the separate and consolidated financial statements. The Chief Accountant of the parent company is responsible for the preparation of the separate and consolidated financial statements.

Consolidated financial statements are prepared on the basis of the financial statements of the parent and its subsidiaries. The financial statements of the subsidiary, after taking into account the adjustments



made to comply with the International Financial Reporting Standards ("IFRS"), are prepared on the basis of uniform accounting policies applied to transactions and economic events of a similar nature.

Consolidated statements and separate financial statements of MIRBUD S.A. are subject to review or audit by an independent statutory auditor.

#### 15.4. Shareholders with significant share packets

As at 31/12/2024, the share capital of the Company is divided into 110,093,000 fully paid ordinary registered shares with a nominal value of PLN 0.10 each.

Table: Ownership structure of the share capital as of 31 December 2024

Shareholder	Number of shares held	Share in the share capital	Number of votes	% share in the total number of votes
<b>Jerzy Mirgos</b>	41,763,000	<b>37.93</b>	41,763,000	<b>37.93%</b>
<b>Nationale-Nederlanden Open Pension Fund</b>	14,229,550	<b>12.93%</b>	14,229,550	<b>12.93%</b>
<b>TFI PZU SA</b>	5,589,481	<b>5.08%</b>	5,589,481	<b>5.08%</b>
<b>Other shareholders</b>	48,510,969	<b>44.06%</b>	48,510,969	<b>44.06%</b>
<b>Total</b>	110,093,000	<b>100.00%</b>	110,093,000	<b>100.00%</b>

#### 15.5. Holders of any securities which give special control rights, including a description of such rights

MIRBUD S.A. has not issued any securities giving the shareholders special control rights.

#### 15.6. Restrictions on the exercise of the voting right

The Company does not have any restrictions with respect to the exercise of the voting right.

#### 15.7. Limitations with respect to transferring the title to securities

MIRBUD S.A. has not issued shares with respect to which there would be any limitations in the transfer of ownership rights.

#### 15.8. The rules of changes to the Articles of Association of MIRBUD S.A.

In accordance with § 18 section 1, item 3 and section 2 of the Articles of Association of MIRBUD S.A., its amendment shall be made by way of a resolution of the General Meeting of Shareholders adopted at the request of the Management Board of the Company submitted together with a written opinion of the Supervisory Board or at the request of the shareholders, who should be consulted by the Management Board of the Company and the Supervisory Board, pursuant to Article 415 of the Commercial Companies Code by a three-fourths majority of votes. The adopted changes are introduced by making an appropriate entry in the register of entrepreneurs.

#### 15.9. General Meeting of Shareholders of MIRBUD S.A.

The General Meeting gathers as an Ordinary or Extraordinary one and, as a governing body of the Company, acts pursuant to the provisions of the Commercial Companies Code, the Company's Articles of Association and the provisions of the Regulations of the General Meeting of Shareholders of MIRBUD S.A., constituting an appendix to Resolution No. 24/2024 of the Extraordinary General Meeting of



Shareholders of 21 June 2024 on the adoption of the Regulations of the General Meeting of Shareholders of MIRBUD S.A., as well as the principles arising from the “Best Practices for WSE Listed Companies”.

The Company's Articles of Association provide in § 16 that a General Meeting of Shareholders shall be held at the registered office of the Company or in Warsaw.

According to § 14 of the Articles of Association, the Ordinary General Meeting shall be held within 6 (six) months after the end of each financial year. Ordinary General Meeting shall be convened by: the Management Board, the Supervisory Board – if the Management Board fails to convene the meeting within the time limit specified above. The Extraordinary General Meeting shall be convened by: the Management Board, the Supervisory Board – if it is deemed appropriate to convene it, the shareholder or shareholders representing at least half of the share capital or at least half of the votes in the Company, the Management Board at the request of shareholders representing at least 1/20 (one twentieth) of the share capital, submitted in writing or in electronic form together with a request to include certain matters in the agenda of this meeting. If the Management Board fails to convene an Extraordinary General Meeting within two weeks from the date of presenting the request referred to above, the registry court may authorise the shareholders submitting the request to convene an Extraordinary General Meeting to do so.

Pursuant to § 18 of the Articles of Association, resolutions of the General Meeting of Shareholders are required in particular for: distributing profit or covering loss, amending the Company's Articles of Association, changing the Company's core activities, increasing or decreasing the share capital, the manner and conditions of redemption of shares, merger or transformation of the Company, dissolution and liquidation of the Company, issue of convertible or priority bonds, disposal and lease of the enterprise or its organised part and establishment of limited property rights on them, creation and abolition of the Company's capital and funds – at the request of the Management Board submitted together with a written opinion of the Supervisory Board or at the request of shareholders, which should be reviewed by the Management Board and the Supervisory Board; examination and approval of the financial statements and the report of the Management Board of the Company on the activities for the previous financial year of the Company and granting the vote of acceptance to members of the governing bodies of the Company for the performance of their duties, all decisions concerning claims for redress of damage caused during the establishment of the Company or the performance of management or supervision, granting the consent for the conclusion by the Supervisory Board on behalf of the Company of a contract on the performance of management in the Company. Acquisition or sale of property, perpetual usufruct or share in property or in perpetual usufruct, encumbrance of property or right of perpetual usufruct with other property rights does not require adoption of a resolution by the General Meeting. Resolutions concerning removal of an item from the agenda or discontinuation of consideration of an item placed on the agenda at the request of shareholders shall be adopted by a majority of  $\frac{3}{4}$  (three quarters) of votes cast, after prior consent expressed by all present shareholders who submitted such a request.

Pursuant to § 2 of the Regulations, the General Meeting is convened by way of an announcement made on the Company's website and in the manner prescribed for the provision of current information in accordance with the regulations on public offerings and the conditions for introducing financial instruments to the organised trading system and on public companies. The announcement should be made at least 26 (twenty-six) days before the date of the General Meeting. The content of the notice of the General Meeting should comply with the requirements of the Commercial Companies Code for such notices for public companies, in particular the requirements set out in Article 402<sup>2</sup> of the Commercial Companies Code. If the General Meeting is convened by the Supervisory Board or by authorised Shareholders, such entities shall submit to the Management Board a request for convening of an Extraordinary General Meeting in writing or in electronic form at least 31 (thirty-one) days before the date of the General Meeting. Such a request should include the content of the notice on convening the General Meeting, draft resolutions, if resolutions are expected to be adopted, and, if necessary, other

materials to be presented to the General Meeting. The Management Board shall announce the convening of such a General Meeting in the manner provided for above. A Shareholder or Shareholders representing at least 1/20 (one-twentieth) of the share capital may request convening an Extraordinary General Meeting and put certain matters on its agenda. A request for convening of an Extraordinary General Meeting must be submitted to the Management Board in writing or electronically at least 31 (thirty-one) days before the date of the General Meeting. Such a request should include the content of the notice on convening the General Meeting, draft resolutions, if resolutions are expected to be adopted, and, if necessary, other materials to be presented to the General Meeting. The agenda is determined by the entity convening the General Meeting or requesting its convening. The Shareholder(s) representing at least 1/20 (one twentieth) of the initial capital may request that specific items be included in the agenda of the next General Meeting. Such a request should be submitted to the Management Board in writing or in electronic form, not later than 21 (twenty-one) days before the set date of this Meeting. The request should contain a justification or a draft resolution concerning the proposed item of the agenda and, if necessary, other materials to be presented to the General Meeting. The Management Board is obliged to announce immediately, but no later than 18 (eighteen) days prior to the scheduled date of the General Meeting, any amendments to the agenda made at the request of Shareholders. The announcement shall be made in a manner appropriate to the convening of the General Meeting.

A Shareholder or Shareholders representing at least 1/20 (one-twentieth) of the share capital may, before the date of the General Meeting, submit to the Company in writing or by means of electronic communication draft resolutions on the items placed on the agenda of the General Meeting or on the items to be placed on the agenda. The Management Board shall immediately publish the draft resolutions on its website. During the General Meeting, each Shareholder may submit draft resolutions concerning matters included in the agenda, but no later than until the Chairman has ordered voting on a given point of the agenda. No resolution may be passed on items not on the agenda unless the entire share capital is represented at the General Meeting and no one present objects to the passing of the resolution. A request to convene an Extraordinary General Meeting and requests of a procedural nature may be adopted despite not being included on the agenda.

A General Meeting may be cancelled only and exclusively if its holding encounters extraordinary obstacles. However, if the General Meeting has been convened at the request of authorised entities or if issues are included in the agenda at the request of authorised entities, the cancellation of the General Meeting shall require the consent of the applicants. Cancellation takes place in the same way as convening the General Meeting. A change of the date of the General Meeting takes place in the same manner as its convening, even if the proposed agenda of the meeting is not changed. The Shareholders' correspondence concerning the General Meeting sent by the Shareholders should enable the identification of the Shareholder and confirm their rights as a Shareholder. The electronic correspondence should be directed to the designated electronic mail address indicated on the Company's website. Documents sent electronically to the Company should be scanned in PDF format.

In accordance with § 3 of the Rules of Procedure, the General Meeting is opened by the Chairman or Deputy Chairman of the Supervisory Board. In the event of the absence of such persons, the General Meeting shall be opened by the President of the Management Board or a person appointed by the Management Board of the Company. The person opening the meeting shall do so at the time and place specified in the announcement. The person authorised to open the General Meeting conducts the election of the Chairman of the Meeting. For this purpose, it may take agenda-related decisions and administer voting on the election. The Chairman of the Extraordinary General Meeting, convened by a Shareholder or Shareholders representing at least 1/20 (one twentieth) of the share capital on the basis of a decision of the registry court (according to the procedure described in the Company's Articles of Association), is appointed by the registry court. This person also chairs the General Meeting. The Chairman of the General Meeting convened by Shareholders representing at least half of the share capital shall be appointed by those Shareholders. The Chairman shall be elected in a secret voting. The

Chairman of the General Meeting is elected from among the persons entitled to participate in the General Meeting. Only one natural person may be elected the Chairman of the General Meeting – a Shareholder or its statutory representative or attorney. If necessary and justified by the needs of the General Meeting, a Deputy Chairperson or Deputy Chairpersons may be appointed. The election is not to be held until the President has been effectively elected, has taken over the chairmanship of the meeting and has carried out the activities set out in § 5 of the Regulations. The Chairman of the General Meeting is not entitled, without the consent of the General Meeting, to remove or change the order of the items on the agenda.

In accordance with § 4 of the Regulations, the Chairman of the General Meeting manages its proceedings in a manner ensuring efficient and lawful conduct of the proceedings and adoption of resolutions provided for in the adopted agenda. In particular, the Chairman takes the following actions: upon assuming the chairmanship, signs the attendance list and orders it to be displayed, confirms the correctness of the convening of the General Meeting, puts the agenda given in the announcement to the vote, gives the floor to the participants in the meeting, members of the Company's authorities and invited persons, takes part in editing the content of the motions put to the vote, if necessary, orders voting, informs Shareholders of its principles and the procedure for adopting resolutions, announces the results of voting, directs the work of the secretariat keeping the attendance list, the appointed committees of the General Meeting and the auxiliary staff, takes decisions of an organisational nature, closes the General Meeting once the agenda has been exhausted. In the event of participation in the General Meeting of a proxy whose power of attorney has been granted in electronic form, the Chairman shall take appropriate measures to identify the Shareholder and the proxy in order to verify the validity of the power of attorney. These measures should be proportionate to the objective. The General Meeting may order breaks by a 2/3 (two-thirds) majority of the votes. In total, breaks cannot last more than thirty days. As soon as the Chairman has signed the attendance list, the Chairman shall order that it be made available for inspection by the Shareholders during this Meeting. The attendance list must be drawn up immediately after the election of the Chairman and contain a list of the participants in the General Meeting, i.e. the Shareholders, their legal representatives and proxies, specifying the number of shares each of them represents and the votes they serve. Everyone entitled to attend the General Meeting must sign the attendance list. Legal representatives and proxies of eligible Shareholders must submit original powers of attorney in writing or copies of powers of attorney certified by a notary public. The attendance list is displayed and available for inspection during the General Meeting. If a person participating in the General Meeting leaves the meeting or a Shareholder entered on the list is refused the right to participate in the General Meeting due to lack of their rights – the list should be corrected accordingly by deleting this person. After each change in the composition of the participants of the General Meeting, the Chairman shall again sign the attendance list.

In accordance with § 6 of the Regulations, a share carries the right to one vote at the General Meeting. Voting rights accrue from the date the shares are fully paid up. A shareholder may cast different votes from each share held by a given shareholder. The procedure for voting shall be that of an open vote. A secret ballot shall be ordered on the following matters: election or dismissal of members of the Supervisory Board or liquidators of the Company, election or dismissal of all other persons appointed by the General Meeting, holding members of the Company's bodies or liquidators liable, personal matters, including the granting of permission to Members of the Management Board to participate in a competing company, in the event that a request for a secret ballot is made by even one of the Shareholders present or represented at the General Meeting. The General Meeting may adopt a resolution on waiving the secrecy of voting on matters concerning the election of the committee appointed by the General Meeting. The committee may be composed of persons from outside the participants of the General Meeting. In the event that there are legal grounds for electing the Supervisory Board by voting in separate groups, the General Meeting shall do so by carrying out the activities described below, provided that the initiative in forming the individual groups belongs exclusively to the Shareholders.

The resolutions of the General Meeting are recorded in minutes. The minutes of the General Meeting shall be drawn up by a notary public in the form of a notarial deed. Non-compliance with this obligation shall result in absolute nullity of the resolutions. The list of attendance signed by the participants of the General Meeting and the Chairman, the list of Shareholders voting by correspondence or by other means of electronic communication, the powers of attorney and other documents submitted by the Shareholders' representatives shall be attached to the minutes. Evidence of convening of the General Meeting shall be included by the Company's Management Board in the register of minutes. Copies of the minutes of all General Meetings, together with evidence of convening of the General Meeting and copies of the powers of attorneys granted by the Shareholders, shall be included in the register of minutes kept by the Management Board. Any Shareholder, even if not attending the General Meeting, may inspect the register of minutes of the General Meetings and request copies of all or part of the resolutions certified by the Company's Management Board. Irrespective of the notary public, the Chairperson of the General Meeting may order the preparation of full minutes of the General Meeting recording the course of the General Meeting and the content of individual statements in a comprehensive manner. Minutes shall be taken by a Secretary elected by the General Meeting. The costs of holding the General Meeting, including the costs of drawing up the minutes of the General Meeting, shall be borne by the Company, provided that the costs of convening and holding the General Meeting which the registry court has authorised Shareholders representing 1/20 (one twentieth) of the share capital to convene shall be decided by that General Meeting. Shareholders at whose request this Meeting has been convened may apply to the registry court for exemption from the costs imposed by the resolution of this Meeting.

#### **15.10. The Management Board of MIRBUD S.A. and the rules of appointing and dismissing managing persons**

In the period from 01/01/2024 to 31/12/2024, the Management Board of MIRBUD S.A. consisted of four members.



Paweł Korzeniowski – Member of the Management Board, Sławomir Nowak – Vice-President of the Management Board, Jerzy Mirgos – President of the Management Board, Tomasz Sałata – Member of the Management Board

#### **Jerzy Mirgos – President of the Management Board**

He has been gaining experience in managing companies operating in the construction sector since 1985, working, among others, in managerial positions in enterprises and commercial law companies. Since 2002, his professional career has been connected with the Issuer's company, where in recent years he held the position of General Director, responsible, among other things, for its strategy and further development. In 2008, he founded JHM DEVELOPMENT S.A., where he holds the position of the Vice-President of the Management Board, and in which is indirectly the majority shareholder. He considers the creation of the thriving MIRBUD Capital Group and the introduction of two companies, MIRBUD S.A. and JHM DEVELOPMENT S.A., to the trading floor of the Warsaw Stock Exchange to be his greatest professional success. On 23 June 2012, Mr Jerzy Mirgos assumed the position of the



President of the Management Board of MIRBUD S.A. On 11 May 2022, the Issuer's Supervisory Board appointed Mr Jerzy Tomasz Mirgos to the Management Board of MIRBUD S.A. and entrusted him with the function of the President of the Management Board of MIRBUD S.A. for another individual five-year term of office.

### **Sławomir Nowak – Vice-President of the Management Board**

Higher education – graduated from the Warsaw University of Technology, Faculty of Electrical Engineering – specialisation: Automation of Technological Processes. In 1999, the Council of the Faculty of Electrical Engineering awarded him the title of Doctor of Technical Sciences. In his professional career, he worked in managerial positions in the education and construction sectors.

In the structure of MIRBUD S.A. so far he has been the Deputy General Director of MIRBUD S.A. and the Director of the Contract for the construction of the Hilton Hotel in Warsaw.

By way of resolution of the Supervisory Board, as of 25 May 2012 he was appointed to the position of Vice-President of the Management Board of MIRBUD S.A. On 11 May 2022, the Issuer's Supervisory Board appointed Mr Sławomir Nowak to the Management Board of MIRBUD S.A. and entrusted him with the function of Vice-President of the Management Board of MIRBUD S.A. for another individual five-year term of office.

### **Paweł Korzeniowski – Member of the Management Board**

Holds a higher education degree. Graduated from the University of Łódź – Faculty of Economics and Sociology, in the field of Economics, specialisation: Economics of Industry, where in the years 2001-2005 he completed his doctoral studies. For over 10 years he worked in banking, completed numerous courses and training in finance, banking mathematics, and financial analysis. Currently, he is also a member of the Supervisory Board of MARYWILSKA 44 Sp. z o.o. and KOBYLARNIA S.A. On 19 May 2023, the Issuer's Supervisory Board appointed Mr Tomasz Sałata to the Company's Management Board for another five-year term, due to the expiry of term of office.

### **Tomasz Sałata – Member of the Management Board**

He has been working for the company as technical director since 2010. He also worked as director of construction production in Rex-Bud (2009-2010), director of production in Varitex (2001-2009), director of the Energoexport branch in Łódź and director of production and board member of Budmatpol. He graduated from the Faculty of Construction and Architecture of the Technical University of Łódź. On 19 May 2023, the Issuer's Supervisory Board appointed Mr Tomasz Sałata to the Company's Management Board for another five-year term, due to the expiry of term of office.

The Supervisory Board appointed Ms Anna Więzowska to the Management Board by Resolution No. XXIV/2024 of 20 December 2024, with effect from 1 January 2025.

Ms Anna Więzowska is a legal adviser and is the Director of the Legal and Claims Department of MIRBUD S.A., from 2021 to the end of 2024 she also served as a Proxy of this company. She completed her legal training at the Regional Chamber of Legal Advisers in Łódź. She graduated from the Academy of Companies at the Warsaw School of Economics, Postgraduate Studies in Tax Law at the University of Łódź, Institute for Bankruptcy, Restructuring Law and Insolvency Research in Warsaw, and is registered as a candidate for members of supervisory boards of companies with State Treasury shareholding. She also currently sits on the supervisory boards of MIRBUD Group companies, i.e.: MARYWILSKA 44 Sp. z o.o., KOBYLARNIA S.A., JHM DEVELOPMENT and Przedsiębiorstwa Budownictwa Specjalistycznego TRANSKOL Sp. z o.o. She specialises in providing legal services to companies in the construction and property development sectors.

According to § 29 of the Articles of Association, the Management Board is composed of 1 (one) to 7 (seven) members. The number of members of the Management Board shall be determined by a separate resolution of the Supervisory Board. Members of the Management Board or the entire Management Board shall be appointed by the Supervisory Board. Members of the Management Board are appointed for an individual term of office lasting five years from the date of their appointment. Pursuant to § 31 of the Articles of Association, the Management Board conducts the Company's affairs and represents the Company. The Articles of Association in this regard were amended by Resolution No. 6/2024 of the Extraordinary Meeting of Shareholders of MIRBUD S.A. of 6 December 2024. The consolidated text of the Articles of Association is attached to Resolution No. 6/2024 of the Extraordinary Meeting of Shareholders of MIRBUD S.A. of 6 December 2024 and has been published at: <https://relacje.mirbud.pl/strony/dokumenty-korporacyjne-1>.

The Regulations of the Management Board specifying in detail the Management Board procedures were amended by Resolution No. 6/2023 of the Management Board of MIRBUD S.A. dated 8 August 2023, following approval of the Regulations of the Management Board by Resolution of the Supervisory Board No. XVI/2023 dated 28 August 2023. The consolidated text of the Regulations of the Management Board constitutes an appendix to Resolution of the Management Board No. XVI/2023 of 28 August 2023, published at <https://relacje.mirbud.pl/strony/dokumenty-korporacyjne-1>.

The Regulations shall be adopted by the Management Board and approved by the Supervisory Board by way of a resolution. The President of the Management Board shall have a casting vote in all cases where an equal number of votes was cast for and against a given resolution. Resolutions of the Management Board are adopted at meetings by an absolute majority of votes. A resolution of the Management Board is required in matters provided for by law and the Articles of Association, in particular in matters exceeding ordinary management:

- a) introduction of organisational regulations defining the organisation of the Company's enterprise,
- b) taking out credits and loans,
- c) providing financial guarantees and asset sureties;
- d) obtaining financial guarantees and asset sureties;
- e) selling and acquiring fixed assets with the value exceeding 5% of the Company's total assets for the last audited financial year.

The Supervisory Board's prior approval shall be required for the Management Board to make a decision in the matters referred to in items b), c) and e) with a value exceeding 5% of the Company's total assets for the last audited financial year.

Prior approval of the Supervisory Board is also required by the decision of the Management Board on the matter of:

1. cessation or material limitation of any activity of the Company provided for in the Articles of Association,
2. adopting or amending the Company's strategic plan,
3. payment of an advance on the expected dividend to the Company's shareholders.

According to § 32 of the Articles of Association, if the Management Board is composed of one person, a member of the Management Board is solely authorised to make declarations and sign on behalf of the Company, and if the Management Board is composed of more than one person, the cooperation of two members of the Management Board or one member of the Management Board together with the Proxy is required. The Supervisory Board shall represent the Company in the contract between the Company and a Management Board member, as well as in any disputes with the said member.

## **15.11. Supervisory Board of MIRBUD S.A.**

The Supervisory Board of the Company is elected by the General Meeting of Shareholders and consists of not less than five and not more than seven members.



Members of the Supervisory Board may be recalled in the same manner. A Supervisory Board member should not resign from their function during the term of office, if it could preclude the operation of the Board, and in particular, if it could preclude timely adoption of a significant resolution. If a Supervisory Board member resigns or if his mandate expires for other reasons before the end of the term of office of the Supervisory Board, the next General Meeting of Shareholders may supplement the composition of the Board. The candidacies of the Supervisory Board members are proposed and justified in detail in a manner enabling an informed election. Members of the Supervisory Board are appointed for an individual term of office lasting four years from the date of their appointment.

As at 31/12/2024, the Issuer's Supervisory Board was composed of the following persons:

*Table: Composition of the MIRBUD S.A. Supervisory Board in the period from 01/01/2024 to 31/12/2024*

Full name	Position
<b>Radosław Niewiadomski</b>	Chairman of the Supervisory Board
<b>Agnieszka Bujnowska</b>	Secretary of the Supervisory Board
<b>Stanisław Lipiec</b>	Member of the Supervisory Board (until 11/02/2024)
<b>Jacek Tucharz</b>	Member of the Supervisory Board (since 30/01/2023)
<b>Bartosz Wilczak</b>	Member of the Supervisory Board (until 31/07/2024)
<b>Kilion Munzele Munyama</b>	Member of the Supervisory Board – since 01/08/2024
<b>Jerzy Łuczak</b>	Member of the Supervisory Board – since 18/03/2024

*Table: Composition of the Supervisory Board of MIRBUD S.A. as of the date of publication of the report*

Full name	Position
<b>Radosław Niewiadomski</b>	Chairman of the Supervisory Board
<b>Agnieszka Bujnowska</b>	Secretary of the Supervisory Board
<b>Jacek Tucharz</b>	Member of the Supervisory Board
<b>Jerzy Łuczak</b>	Member of the Supervisory Board – since 18/03/2024
<b>Kilion Munzele Munyama</b>	Member of the Supervisory Board – since 01/08/2024
<b>Tadeusz Ryszard Gruchała</b>	Member of the Supervisory Board – since 01/01/2025

### **Radosław Niewiadomski – Chairman of the Supervisory Board**

Holds a higher education degree in economy. Graduated from the University of Łódź, Faculty of Economics and Sociology, majoring in Economics and Organisation of Industry, with the degree of Master of Economics. He has over 30 years of experience in finance and banking and has completed numerous courses and training in the area. He gained and perfected his professional experience as, among others, the Director or Deputy Director of Branches of Pekao S.A. and Kredyt Bank S.A., as well as the Inspector in the Finance Department of the Łowicz Powiat Starosty. Currently, Mr Radosław Niewiadomski is a member of the Supervisory Board of a subsidiary, JHM DEVELOPMENT S.A. Mr Radosław Niewiadomski meets the independence criteria of a member of the Supervisory Board set out in Article 129(3) of the Act of 11 May 2017 on auditors, audit firms and public supervision (Journal of Laws item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Good Practices of Companies Listed on the WSE 2021).

### **Agnieszka Maria Bujnowska – Secretary of the Supervisory Board**

Holds a higher education degree, graduated from the Faculty of Management of the University of Łódź, specialisation: accounting, financial analysis of enterprises; she also passed the exam for supervisory board members in State-owned companies – Minister of Treasury Diploma No. 2262/2007.

### **Stanisław Lipiec – Member of the Supervisory Board (from 30/01/2023 to 11/02/2024)**

Mr Stanisław Lipiec graduated from the Post-secondary Survey and Road School in Lublin with specialisation in roads and bridges for motor vehicles. In the following years Mr Stanisław Lipiec graduated from the University of Economics and Humanities in Skierniewice at the Faculty of Sociology and Management (specialisation: entrepreneurship and management), and next from the K. Pułaski University of Technology and Humanities in Radom (Faculty of Economics, specialisation: economics). Mr Stanisław Lipiec worked as Head of the Road and Transport Authority of the Skierniewice City Council, and earlier also as Supervision Inspector of the Żoliborz District Council in Warsaw, as well as Head of the Road Section in Skierniewice. The term of office of Supervisory Board member, Stanisław Lipiec, expired on 11/02/2024 as a result of his death. Mr Stanisław Lipiec meets the independence criteria of a member of the Supervisory Board set out in Article 129(3) of the Act of 11 May 2017 on auditors, audit firms and public supervision (Journal of Laws item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Good Practices of Companies Listed on the WSE 2021).

### **Jacek Tucharz – Member of the Supervisory Board since 30/01/2023**

Graduate of the Warsaw School of Economics (SGH). Holds a securities broker license No. 1047. Between 1993 and 1996, employed at the Brokerage Office of Powszechny Bank Kredytowy S.A. as a specialist and then as a securities broker. Between 1996 and 2002 employed at Trinity Management sp. z o.o. (NFI Programme) as Head of Investments. Between 2002 and 2005, Head of the Leading Companies Department at PZU NFI Management sp. z o.o. Between November 2007 and December 2012, President of Auto – Centrum Puławska sp. z o.o. Between 2013 and 2014, Vice-President of the Management Board of Energosynergia Technologie sp. z o.o. Between 2019 and 2020, Member of the Management Board of Herkules S.A. (a company listed on the Warsaw Stock Exchange). Since 2019, Member of the Management Board of Grovert Investments sp. z o.o. Between 2009 and 2022, an independent member of the Supervisory Boards in public companies, including: Forte S.A., Seco-Warwick S.A., Compremum S.A., Herkules S.A., MLP S.A., and Pelion S.A. Mr Jacek Tucharz meets the independence criteria of a member of the Supervisory Board set out in Article 129(3) of the Act of 11 May 2017 on auditors, audit firms and public supervision (Journal of Laws item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Good Practices of Companies Listed on the WSE 2021).

### **Bartosz Wilczak – Member of the Supervisory Board until 31/07/2024**

Holds a university degree. He completed his MBA at Collegium Humanum Warsaw Management University, postgraduate studies at the Andrzej Frycz Modrzewski Kraków University (faculty: Human Resources Management), Postgraduate Management Studies at the University of Silesia in Katowice (specialisation: Enterprise Management) and a Master's degree at the University of Silesia in Katowice (major: political science). Mr Bartosz Wilczak has many years of professional experience in project coordination and management. He has also served as the President of the Management Board of DL Invest Group Venture Capital Sp. z o.o., GPW Inżynieria Sp. z o.o. and Fitwell Sp. z o.o. Mr Bartosz Wilczak meets the independence criteria of a member of the Supervisory Board set out in Article 129(3) of the Act of 11 May 2017 on auditors, audit firms and public supervision (Journal of Laws item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Good Practices of Companies Listed on the WSE 2021).

### **Jerzy Łuczak – Member of the Supervisory Board since 18/03/2024**

He holds a university degree; he graduated from the Faculty of Construction at the Bydgoszcz University of Technology and Agriculture. Between 1990 and 2005, Mr Jerzy Łuczak worked as Vice-President and Chief Executive Officer of Polbet S.A. Mr Jerzy Łuczak has worked with MIRBUD Capital Group

companies in recent years. Between 2005 and 2015, he served as President of the Management Board of PBDiM KOBYLARNIA S.A., while until now he has been working with JHM DEVELOPMENT S.A.

Mr Jerzy Łuczak meets the independence criteria of a member of the Supervisory Board set out in Article 129(3) of the Act of 11 May 2017 on auditors, audit firms and public supervision (Journal of Laws item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Good Practices of Companies Listed on the WSE 2021).

#### **Kilion Munzele Munyama – Member of the Supervisory Board since 01/08/2024**

Mr Killion Munzele Munyama holds a degree of doctor habilitatus in economics and has also been a lecturer and professor at the University of Business and Economics in Bydgoszcz since 2010. During the course of his long career, Mr Killion Munzele Munyama has lectured at the Poznań University of Economics, the Kujawy and Pomorze University in Bydgoszcz, the Poznań School of Management and Banking and others. He is a specialist in international finance, banking, international economics and international relations. From 2021 to 2024, Mr Killion Munzele Munyama was advisor on development cooperation and migration at the European External Action Service to the European Union. Mr Killion Munzele Munyama was a member of the Polish Parliament from 2011 to 2021. Mr Killion Munzele Munyama meets the independence criteria of a member of the Supervisory Board set out in Article 129(3) of the Act of 11 May 2017 on auditors, audit firms and public supervision (Journal of Laws item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Good Practices of Companies Listed on the WSE 2021).

#### **Tadeusz Ryszard Gruchała – Member of the Supervisory Board since 01/01/2025**

He has a university degree, graduated from the Faculty of Construction at Warsaw University of Technology and is a civil engineer. He has been gaining his professional experience since 1982 working as a site manager, Development Department Manager and manager of investor supervision inspectors at, among others, Skierniewicki Kombinat Budowlany, Unimak S.A. Skierniewice, the Voivodeship Development Implementation Team in Skierniewice and Mostostal Export Warsaw. Since 2000, Mr Tadeusz Gruchała has been running his own business in connection with construction projects, investor supervision and as a site manager. Mr Tadeusz Ryszard Gruchała meets the independence criteria of a member of the Supervisory Board set out in Article 129(3) of the Act of 11 May 2017 on auditors, audit firms and public supervision (Journal of Laws item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Good Practices of Companies Listed on the WSE 2021).

The Supervisory Board acts in accordance with the Commercial Companies Code and the Articles of Association of MIRBUD S.A., as well as on the basis of the Regulations of the Board which define in detail its organisation, manner of performing the activities and duties of members related to the function performed on the Board. Pursuant to the authorisation contained in the Company's Articles of Association, the Supervisory Board adopted resolution No. XV/2023 dated 28 August 2023 with which it has established and adopted its Regulations. The consolidated text of the Supervisory Board Regulations constitutes an appendix to Resolution No. XV/2023 of the Supervisory Board and has been published at <https://relacje.mirbud.pl/strony/dokumenty-korporacyjne-1>.

The members of the Supervisory Board elect from among themselves a Chairman, a Deputy Chairman and a Secretary.

Meetings of the Supervisory Board shall be convened by invitation, which shall indicate the date, time and place of the meeting and the proposed agenda, as well as the means of direct remote communication to be used during the meeting.

Pursuant to § 26 of the Articles of Association the Management Board or a member of the Supervisory Board may request that a meeting of the Supervisory Board be convened, stating the proposed agenda. The Chairman of the Supervisory Board shall convene a meeting with an agenda in accordance with the request. Such meeting shall take place no later than two weeks after receipt of the request. If the Chairman of the Supervisory Board does not convene a meeting, the requesting party may convene the meeting personally.

If the Chairman of the Supervisory Board does not convene a meeting in this manner, the requesting party may convene the meeting personally. Meetings of the Supervisory Board, except for matters directly related to the Management Board or its members, especially dismissal, responsibility and determination of remuneration, are available and disclosed to the members of the Management Board. The shareholders (or their proxies), whose motions or appeals are the subject of the meeting, are also entitled to participate in a part of the Board's meeting; if the invited shareholder or his proxy, holding a written power of attorney, fails to report to the Board's meeting without prior notification of the Board about an obstacle to appearance, the Board shall consider the motion or appeal in absentia by notifying the person concerned of the decision taken by registered letter. Resolutions of the Supervisory Board may be adopted if at least half of its members are present at the meeting and all its members have been invited to the meetings of the Board in accordance with the principles set forth in the Regulations of the Supervisory Board. An invitation to a Board meeting shall be delivered to the Board members personally or by registered mail or to a designated e-mail address. An invitation to a Board meeting should be delivered in time to enable Board members to familiarise themselves with the proposed agenda and prepare for the Board meeting. Notwithstanding the above provisions, the Supervisory Board may waive the requirement of prior notification if all members of the Board are present at the meeting and none of them raises an objection to the time and place of the meeting as well as to the proposed agenda. When there are no important reasons, the agenda of the Supervisory Board meeting should not be changed or supplemented during the meeting to which it relates. During the meeting, the Supervisory Board may also adopt resolutions on matters not included in the proposed agenda if none of the Supervisory Board members attending the meeting objects. Resolutions of the Supervisory Board may be adopted on any matter adopted for consideration in the agenda adopted in an open voting; each member of the Supervisory Board may submit a motion for including or deleting the matter from the agenda until the beginning of the vote on the agenda. Resolutions of the Supervisory Board shall be signed by all present members of the Supervisory Board. Resolutions shall be adopted by an absolute majority of votes.

Resolutions of the Board may be adopted if at least half of its members are present at the meeting and all its members have been invited to the meetings of the Board in accordance with the principles set forth in the Regulations of the Supervisory Board. Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes. Voting at Board meetings shall be open unless otherwise required by law. Members of the Supervisory Board voting against a resolution may submit a dissenting opinion to the minutes.

Resolutions passed in writing are valid as if they were passed at a properly convened meeting if signed by a majority of members of the Supervisory Board. The Supervisory Board adopts resolutions by way of a written procedure in accordance with the following principles: a) the Chairman or a member of the Supervisory Board authorised in writing by the Chairman shall send to all members of the Supervisory Board draft resolutions to be adopted by way of a written procedure, together with materials related to adopting the said resolution and information about the deadline by which a copy of the resolution signed by the member of the Supervisory Board must be sent; b) a member of the Supervisory Board shall immediately complete and sign a copy of the resolution and send it to the address indicated by the Chairman or a member of the Supervisory Board authorised by the Chairman; if a copy of the signed resolution is sent by fax or e-mail, the member of the Supervisory Board is also obliged to immediately



send the original of the signed resolution; c) the date of adoption of the resolution shall be the date indicated on the copy of the resolution which was received as the last one within the deadline referred to in letter a). The Supervisory Board meeting may also be attended by means of direct remote communication. The Supervisory Board may adopt resolutions using means of direct remote communication. A resolution shall be valid when all members of the Board have been notified of the content of the draft resolution and at least half of the members of the Board have participated in adopting the resolution. If the Supervisory Board adopts resolutions use the means of direct remote communication, such means should at least enable simultaneous communication by all members of the Supervisory Board participating in adopting resolutions in this mode. During the meeting, the Supervisory Board may also adopt resolutions on matters not included in the proposed agenda if none of the Supervisory Board members attending the meeting objects.

A group of shareholders or the Supervisory Board may delegate individual members to individually perform supervisory functions. Members of the Supervisory Board delegated to permanent individual supervision shall receive separate remuneration, the amount of which shall be determined by the General Meeting. A Supervisory Board member delegated to exercise permanent supervision should submit to the Supervisory Board a detailed report on their function after the end of each financial year, as well as after the end of such supervision.

Members of the Supervisory Board should be able to devote the necessary amount of time to perform their duties. Members of the Supervisory Board should take appropriate action to receive from the Management Board regular and complete information on all important matters concerning the Company's and the Capital Group's operations as well as on the risks related to the conducted operations and the methods for managing such risks. Information on personal, factual and organisational relations of a Supervisory Board member with a specific shareholder, in particular with a majority shareholder, should be publicly available. The Company should obtain such information from members of the Supervisory Board and publish it. A member of the Supervisory Board should enable the Management Board to provide information in a public and appropriate manner on the sale or acquisition of shares in the Company or in its parent or subsidiary, as well as on transactions with such companies, provided that they are material to their financial situation. A member of the Supervisory Board should, above all, bear in mind the interests of the Company and the capital group. A member of the Supervisory Board should avoid any professional or non-professional activity which might lead to a conflict of interest or influence their reputation as a member of the Supervisory Board. A member of the Supervisory Board shall inform the other members of the Board of any conflict of interest which has arisen or may arise, and shall not take part in the consideration of any matter in which a conflict of interest may arise in relation to that member. If a member of the Supervisory Board determines that a decision of the Supervisory Board is contrary to the interest of the Company, that member of the Supervisory Board should request that their dissenting opinion on the matter be included in the minutes of the meeting of the Supervisory Board. A Supervisory Board member should not resign from their function during the term of office, if it could preclude the operation of the Board, and in particular, if it could preclude timely adoption of a significant resolution.

In addition to its activities under the law, once a year the Supervisory Board shall prepare an annual report and present it to the Ordinary General Meeting for approval. The report referred to above includes at least a) information on the composition of the Board and its committees with an indication of which members of the Board meet the independence criteria set out in the Act on Statutory Auditors, Audit Firms and Public Oversight, and which of them do not have actual and significant links with a shareholder holding at least 5% of the total number of votes in the company, as well as information on the composition of the Supervisory Board in the context of its diversity; b) summary of activities of the Board and its committees; c) an assessment of the company's situation on a consolidated basis, including an evaluation of the internal control systems, risk management, compliance and the internal audit function, together with information on the actions the Supervisory Board has taken to make this assessment; this assessment shall include all control mechanisms, including in particular those relating



to reporting and operations d) an assessment of the company's application of the rules of corporate governance and the manner of fulfilling information obligations concerning their application, specified in the Stock Exchange Rules and regulations concerning current and periodic information provided by issuers of securities, together with information on actions taken by the Supervisory Board to make this assessment; e) an assessment of the reasonableness of expenditures incurred by the Company and its group in a given year for the support of culture, sports, charitable institutions, the media, social organisations, trade unions, etc.; f) information on the extent to which the diversity policy is implemented with respect to the Management Board and the Supervisory Board, including the achievement of the diversity policy goals. The Supervisory Board carries out an evaluation of its work once a year and presents it to the ordinary General Meeting. The Supervisory Board gives its opinion on draft resolutions submitted by the Management Board to the agenda of the General Meeting. In the event that a transaction between the Company and a related entity requires the approval of the Supervisory Board, prior to adopting a resolution on approval, the Supervisory Board shall assess whether it is necessary to first seek the opinion of an external entity which will conduct a valuation of the transaction and an analysis of its economic impact. If the conclusion of a transaction with a related entity requires approval of the General Meeting, the Supervisory Board shall prepare an opinion on the validity of concluding such a transaction. In such a case, the Board assesses the need to first consult with an external entity to perform a valuation of the transaction and an analysis of its economic impact. The Supervisory Board may appoint permanent or ad hoc specialist or advisory teams which, upon the request of the Supervisory Board, shall prepare opinions, expert opinions or forecasts necessary to take decisions which are optimal from the perspective of the Company's and the capital group's interests.

Pursuant to § 27 of the Articles of Association, the Supervisory Board exercises permanent supervision over the Company's activities. The competences of the Supervisory Board include in particular:

- 1) appointing and dismissing members of the Company's Management Board and determining the number of members of the Company's Management Board;
- 2) determining the principles and amounts of remuneration for the members of the Management Board;
- 3) giving consent to any benefits by the Company and any entities related to the Company for the members of the Management Board and for the benefit of entities related to them;
- 4) granting consent for the Company or its subsidiary to enter into a material contract with a related entity or a related entity of a member of the Management Board or the Supervisory Board;
- 5) concluding, with the consent of the General Meeting, contracts for the performance of management in the Company;
- 6) granting permission to establish branches abroad, at the request of the Management Board;
- 7) selecting an audit firm to audit or review the financial statements of the Company and the capital group and granting consent to the conclusion of contracts with such an entity or its related entities and to perform any other activities that may limit the independence of such an entity in auditing or reviewing the financial statements of the Company and the capital group;
- 8) assessing the financial statements, both as regards their consistency with the books and documents, and with the facts;
- 9) assessing the Management Board's reports on the Company's and the capital group's operations and the Management Board's motions regarding the distribution of profit or coverage of losses;
- 10) preparing and submitting an annual written report for the previous financial year (Supervisory Board Report) to the Ordinary General Meeting;
- 11) giving consent for the Company to establish another company and take up or purchase shares in other companies;
- 12) giving consent to the performance of the activities referred to in § 31 sections 7 and 8 of the Company's Articles of Association;
- 13) approving the Regulations of the Management Board;
- 14) selecting an audit firm to audit or review the non-financial statements of the Company and the capital group and granting consent to the conclusion of contracts with such an entity or its related

entities and to perform any other activities that may limit the independence of such an entity in auditing or reviewing the non-financial statements of the Company and the capital group.

Each member of the Supervisory Board should enable the Management Board to provide information in a public and appropriate manner on the sale or acquisition of shares in the Company or in its parent or subsidiary, as well as on transactions with such companies, provided that they are material to their financial situation.

The remuneration of the Supervisory Board members is determined by the General Meeting on the basis of transparent procedures and principles. Starting from 1 July 2020, the Company applies the Remuneration Policy for the Members of the Management Board and the Supervisory Board of MIRBUD Spółka Akcyjna, adopted by way of Resolution No. 23/2020 of the Ordinary General Meeting of Shareholders of MIRBUD S.A. with its registered office in Skierniewice on 30 June 2020, adopted on the basis of Article 90d section 1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29 July 2005 (consolidated text: Journal of Laws of 2019, item 623, as amended) and constitutes an appendix to Resolution No. 23/2020. The remuneration policy was amended by Resolution No. 25/2024 of 21 June 2024 of the Ordinary General Meeting of Shareholders of MIRBUD S.A. and is attached as an appendix to this resolution.

The remuneration of the Supervisory Board members does not constitute a material item of the costs of the Company's activity and does not have a serious impact on its financial result. The total amount of remuneration of all members of the Supervisory Board, as well as individual remuneration of each member of the Supervisory Board, divided additionally into its components, is disclosed in the annual report, together with information on the procedures and rules of its determination. The activities of the Supervisory Board are financed from the Company's own funds at its expense, which delegates the administrative and financial resources necessary to ensure the efficient functioning of the Supervisory Board.

The Audit Committee operates within the structure of the Supervisory Board of MIRBUD S.A. and is separated as a monitoring, advisory and opinion-forming body, acting collectively on the basis of special provisions of law and Regulations of the Audit Committee of MIRBUD S.A.

#### **Composition of the Audit Committee:**

The composition of the Audit Committee is adjusted to the requirements of Article 129 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight:

Current composition of the Audit Committee

1. **Jerzy Łuczak** – Chairman of the Audit Committee –as of 12 April 2024 – Appointed by Resolution No. II/2024 of 12 April 2024 of the Supervisory Board, which appointed Mr Jerzy Łuczak to the Audit Committee of the Supervisory Board of MIRBUD S.A., at the same time entrusting him with the function of Chairman of the Audit Committee.
2. **Agnieszka Bujnowska** – Secretary of the Audit Committee as of 12 April 2024 appointed by the Supervisory Board's Resolution No. III/2024 of 12 April 2024, which appointed Ms Agnieszka Bujnowska to the Audit Committee of the Supervisory Board of MIRBUD S.A., simultaneously entrusting her with the function of Secretary of the Audit Committee.
3. **Radosław Niewiadomski** – Member of the Audit Committee appointed to the Audit Committee by the Supervisory Board's Resolution No. XIII/2021 of 25 June 2021. He served as Chairman of the

Audit Committee until 12 April 2024. Mr Radosław Niewiadomski, in connection with his appointment as Chairman of the Supervisory Board of MIRBUD S.A., resigned as of 12 April 2024 from his position as Chairman of the Audit Committee, remaining a member of the Audit Committee.

Composition of the Audit Committee during the 2024 financial year.

**Jerzy Łuczak** – since 12 April 2024 Chairman of the Audit Committee; has knowledge and professional experience in the sector in which the Company operates, and also meets the independence criteria set out in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws, item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Best Practices of Companies Listed on the WSE 2021). Mr Jerzy Łuczak holds a university degree; he graduated from the Faculty of Construction at the Bydgoszcz University of Technology and Agriculture. Between 1990 and 2005, Mr Jerzy Łuczak worked as Vice-President and Chief Executive Officer of Polbet S.A. Mr Jerzy Łuczak has worked with MIRBUD Capital Group companies in recent years. Between 2005 and 2015, he served as President of the Management Board of PBDiM KOBYLARNIA S.A., while until now he has been working with JHM DEVELOPMENT S.A.

**Agnieszka Bujnowska** – since 12 April 2024 Secretary of the Audit Committee; has knowledge in the field of accounting, does not meet the independence criteria set out in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws, item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Best Practices of Companies Listed on the WSE 2021).

Ms Agnieszka Bujnowska graduated from the Faculty of Management of the University of Łódź, specialisation: accounting, financial analysis of enterprises; she also passed the exam for supervisory board members in State-owned companies – Minister of Treasury Diploma No. 2262/2007. In addition, she has completed certified training in areas which include: MAR implementation; CSRD and ESRS: the European Sustainability Reporting Standards system, Reporting of ESG issues under the new legislation; Financial confidential information.

**Radosław Niewiadomski** – until 11 April 2024 Chairman of the Audit Committee; since 12 April Member of the Audit Committee has knowledge and skills in the field of accounting and also meets the independence criteria set out in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws, item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Best Practices of Companies Listed on the WSE 2021). Mr Radosław Niewiadomski has a university degree in economy – he graduated from the University of Łódź, Faculty of Economics and Sociology, majoring in Economics and Organisation of Industry, with the degree of Master of Economics. He has over 30 years of experience in finance and banking and has completed numerous courses and training in the area. He gained and perfected his professional experience as, among others, the Director or Deputy Director of Branches of Pekao S.A. and Kredyt Bank S.A., as well as the Inspector in the Finance Department of the Łowicz Powiat Starosty. Currently, Mr Radosław Niewiadomski is a member of the Supervisory Board of a subsidiary, JHM DEVELOPMENT.

**Stanisław Lipiec** – until 11 February 2024. Member of the Audit Committee; has professional experience in the construction industry and knowledge and skills in the industry in which the Company operates. Mr Stanisław Lipiec graduated from the Post-secondary Survey and Road School in Lublin with specialisation in roads and bridges for motor vehicles. In the following years Mr Stanisław Lipiec graduated from the University of Economics and Humanities in Skierniewice at the Faculty of Sociology and Management (specialisation: entrepreneurship and management), and next from the K. Pułaski University of Technology and Humanities in Radom (Faculty of Economics, specialisation: economics). Mr Stanisław Lipiec worked as Head of the Road and Transport Authority of the Skierniewice City Council, and earlier also as Supervision Inspector of the Żoliborz District Council in

Warsaw, as well as Head of the Road Section in Skierniewice. He meets the independence criteria set out in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws, item 1089 of 6 June 2017) and has no real and significant relations with a shareholder holding at least 5% of the total number of votes in the Company (Rule 2.3 of the Best Practices of Companies Listed on the WSE 2021). Due to the death of Mr Stanisław Lipiec, his mandate on the Supervisory Board expired as of 11/02/2024 and his function on the Audit Committee ceased. The Audit Committee in the indicated composition met the independence criteria and other requirements set out in Article 129(1), (3), (5) and (6) of the Act on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws 2017, item 1089). The independence of the Audit Committee members is verified by the Supervisory Board.

**For financial year 2024, verification of the independence and knowledge and experience requirements of the Audit Committee members was conducted by the Supervisory Board on 12 April 2024.**

**The Company observes regulations regarding the appointment, composition and operation of the audit committee, including those regarding the fulfilment of independence criteria by its members and requirements for having knowledge and skills regarding the industry in which the issuer operates as well as in accounting or auditing financial statements.**

The Audit Committee operated under the Audit Committee Regulations of the Supervisory Board adopted by Board Resolution No. XIV/2017 dated 30 November 2017 and from 27 July 2021 under the Audit Committee Regulations of the Supervisory Board adopted by Board Resolution No. XVI/2021. The consolidated text of the Audit Committee Regulations constitutes an appendix to Resolution No. XVI/2021 of the Supervisory Board and has been published at <https://relacje.mirbud.pl/strony/dokumenty-korporacyjne-1>.

The Audit Committee of MIRBUD S.A. held regular meetings during the period from 01/01/2024 to 31/12/2024.

In financial year 2024, the Audit Committee of MIRBUD S.A. held six meetings.

#### **15.12. Policy for selecting an audit firm to audit the financial statements of MIRBUD S.A. with its registered office in Skierniewice and the MIRBUD Capital Group**

The Audit Committee of the Supervisory Board of MIRBUD S.A., acting as a public interest entity body and taking into account the fact that MIRBUD S.A. is the parent of the MIRBUD Capital Group, pursuant to Article 130(1) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight establishes the following rules concerning the selection of an audit firm to carry out audits of the Company's financial statements and the Capital Group's consolidated financial statements:

- 1) the selection of the audit firm is made sufficiently in advance to allow the audit contract to be signed in time for the audit firm to review the interim financial statements and participate in the inventory-taking of significant assets;
- 2) when selecting an audit firm, the Audit Committee and the Supervisory Board of the Company pay particular attention to the need to maintain the independence of the audit firm and the statutory auditor, in particular the Audit Committee, when making its recommendation to the Supervisory Board of the Company, takes into account the scope of services provided by the audit firm and the statutory auditor during the last five years preceding the selection of the audit firm;

- 3) control and monitoring of the independence of the audit team and the audit firm shall be carried out at each stage, in particular: when considering bids submitted, before proceeding with the financial audit activity, also in case of continuation of the contract in the following financial year;
- 4) the selection of an audit firm is made taking into account the audit firm's experience in statutory audit of financial statements of public interest entities, including companies listed on the Warsaw Stock Exchange, and knowledge of the segments in which MIRBUD Capital Group companies operate, as well as the proposed price for the statutory audit;
- 5) selection of the audit firm is made taking into account the applicable provisions on principle of rotation of the audit firm and the key statutory auditor. The key statutory auditor has not carried out statutory audits of the financial statements prepared by MIRBUD S.A. for more than five years. The key statutory auditor may carry out another statutory audit after at least three years from the end of the last statutory audit;
- 6) The first audit contract shall be concluded with the audit firm for a term of not less than two years with the possibility of renewal for successive terms of at least two years, taking into account the rotation principles of the audit firm and the key auditor under the law;
- 7) Termination of the contract for audit of financial statements is only possible on legitimate grounds. In particular, the following are considered to be legitimate grounds:
  - 1) the occurrence of events that make it impossible to fulfil the requirements laid down by law for the conduct of the audit, the rules of professional ethics, independence or local professional standards;
  - 2) failure to comply with the terms of the contract other than those resulting in the possibility of expressing a qualified opinion, a negative opinion or refusal to express an opinion;
  - 3) transformations, changes in ownership, organisational changes that justify a change of audit firm or failure to conduct the audit;
- 8) In the event of termination of the audit contract, the Company's Supervisory Board shall immediately take steps described in the "Procedure for selecting an audit firm to audit the financial statements of MIRBUD S.A. with its registered office in Skierniewice and the MIRBUD Capital Group" to select a new audit firm.
- 9) The Management Board of the Company shall immediately inform the Polish Audit Supervision Agency and the Polish Financial Supervision Authority of the termination of the audit contract, together with an appropriate explanation of the grounds for termination.

As part of controlling, monitoring and evaluating the independence of the audit firm and individual auditors, the Audit Committee developed and adopted at its meeting on 20 October 2017:

- 1) Policy for selecting an audit firm to audit the financial statements of MIRBUD S.A. with its registered office in Skierniewice and the MIRBUD Capital Group;
- 2) Policy for selecting an audit firm to audit the financial statements of MIRBUD S.A. with its registered office in Skierniewice and the MIRBUD Capital Group;
- 3) Policy for the provision of permitted services other than auditing financial statements by the audit firm, entities related to the audit firm and by a member of the audit firm corporate network;

During the meeting held on 28 March 2023, the Audit Committee:

1. reviewed the *"Policy for selecting an audit firm to audit the financial statements of MIRBUD S.A. with its registered office in Skierniewice and the MIRBUD Capital Group"* and adopted an appropriate resolution to amend the current policy. – Resolution of the Audit Committee No. III/2023 of 28 March 2023.

reviewed the *"Procedure for selecting an audit firm to audit the financial statements of MIRBUD S.A. with its registered office in Skierniewice and the MIRBUD Capital Group"* and adopted an appropriate resolution to amend the current procedure. Resolution of the Audit Committee No. IV/2023 of 28 March 2023.

The Audit Committee was informed of the composition of the audit team, and the planned timing and scope of the audit of the financial statements. At each stage, i.e. before recommending the selection of



the audit firm, before the selected firm commences its audit activities, also before continuing the engagement in the next financial year, the Audit Committee obtained and analysed the relevant representations made under Article 74 of the Act on Statutory Auditors of 11 May 2017. Representations were submitted by the audit firm and members of the audit team. Also, after the audit process was completed, the audit firm and the audit team members confirmed their independence throughout the audit by submitting relevant representations of the audit firm's impartiality and independence and individual representations of the statutory auditors.

The Audit Committee, at its meeting on 24 April 2024, in making its recommendation on the selection of the entity to audit and review the financial statements of MIRBUD S.A. and the MIRBUD Capital Group prepared for the financial years 2024 and 2025, was guided by:

- rules of the *„Policy for selecting an audit firm to audit the financial statements of MIRBUD S.A. with its registered office in Skierniewice and the MIRBUD Capital Group.”*
- adopted *„Policy for selecting an audit firm to audit the financial statements of MIRBUD S.A. with its registered office in Skierniewice and the MIRBUD Capital Group”*.

The Audit Committee confirmed the independence of BGGM Audyt Sp. z o.o. – the entity selected to audit and review the financial statements of MIRBUD S.A. and the MIRBUD Capital Group for the financial years 2024 and 2025, as well as individual members of the audit team.

By Resolution No. V/2024 of 24/04/2024, the Audit Committee recommended to the Supervisory Board the selection of the entity authorised to audit financial statements – BGGM Audyt Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw, address: 03-450 Warsaw, ul. Ratuszowa 11, entered on the list of audit firms under number 3489 – as part of the extension of the contract for the audit and review of the financial statements of MIRBUD S.A. (separate and consolidated) prepared for subsequent financial years: 2024, 2025. Before making its recommendation (at the request for proposal stage), the Audit Committee took into account: the statement made pursuant to Article 74 of the Act on Statutory Auditors, the information disclosed in the latest published by BGGM Audyt sp. z o.o. transparency report for 2022; in particular: - a statement by BGGM Audyt z o.o. on its policy to ensure independence and confirmation that an internal control of the independence rules has been carried out, - information on the total revenue generated by BGGM Audyt sp. z o.o. - information on principles of remuneration of key statutory auditors.

The Supervisory Board, taking into account the recommendation of the Audit Committee, adopted Resolution No. XI/2024 on 24 May 2024, deciding on the election and renewal for a further period covering the financial years: 2024, 2025; contracts for the audit and review of MIRBUD S.A.'s financial statements (separate and consolidated) with the auditing firm BGGM Audyt sp. z o.o. with its registered office in Warsaw, address: 03-450 Warsaw, ul. Ratuszowa 11, entered on the list of audit firms under number 3489.

### **15.13. Policy for the provision of permitted non-audit services of MIRBUD S.A. and the MIRBUD Capital Group**

An audit firm carrying out an audit, entities related to that audit firm and firms which are members of the audit firm's network may provide to the audited entity and to entities controlled by it non-audit services other than prohibited services which are not audit activities.

1. The provision of services only to the extent not related to the tax policy of the audited entity is admissible after obtaining an opinion of the Audit Committee of the Supervisory Board of MIRBUD S.A. (hereinafter referred to as the “Audit Committee”), which services include in particular:
  - 1) services of conducting due diligence procedures in the field of economic and financial condition;
  - 2) services of issuing letters of assurance performed in connection with the prospectus of the audited entity, carried out in accordance with the national standard for related services and consisting of carrying out agreed procedures;
  - 3) assurance services with regard to pro forma financial information, performance forecasts or estimated results, included in the prospectus of the audited entity;



- 4) audit of historical financial information in a prospectus as referred to in Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by charge and publication of such prospectuses and dissemination of advertisements;
  - 5) verification of consolidation packages;
  - 6) confirmation of the fulfilment of the conditions of the concluded credit agreements on the basis of an analysis of the financial information derived from the audited financial statements of the audit firm;
  - 7) assurance services for corporate governance reporting, risk management and corporate social responsibility;
  - 8) services to assess the compliance of information disclosed by financial institutions and investment firms with capital adequacy disclosure requirements and variable remuneration components;
  - 9) attestations concerning statements or other financial information intended for the supervisory authorities, the supervisory board or any other supervisory body of the company or its owners, outside the scope of the statutory audit and intended to assist those authorities in carrying out their statutory duties.
2. Ordering additional services which do not constitute an audit of financial statements for the benefit of the audit firm which conducts the audit of financial statements or an entity affiliated with that audit firm or a member of its network may only take place after the Audit Committee of MIRBUD S.A. has carried out an assessment of threats and safeguards for independence, in particular an assessment of whether the service provided has a significant impact on the audited financial statements.
  3. Prior to awarding an order for the provision of permitted services which do not constitute an audit of financial statements, the Management Board of MIRBUD S.A. shall be obligated to submit to the Audit Committee the scope of services covered by the order together with a statement of the key statutory auditor conducting the audit concerning compliance with the independence requirements set forth respectively in the rules of professional ethics and standards for the provision of such services by the accepting audit firm, an entity related to the audit firm or a member of its network.
  4. Prior to the acceptance of an order to provide permitted non-audit services to entities controlled by MIRBUD S.A. by an audit firm auditing the financial statements of MIRBUD S.A., an entity related to that audit firm and a member of its network, the key certified auditor shall present for the assessment of the Audit Committee the scope of services covered by the order together with an opinion as to whether the service ordered may have a significant impact on the consolidated financial statements of the MIRBUD Capital Group.

Where the total remuneration of an audit firm for the provision of additional non-audit services allowed to the audited entity, its parent or an entity controlled by it exceeds the criterion referred to in the first paragraph of Article 4(2) of Regulation No. 537/2014, the audit firm shall not undertake such provision except with the approval of the Audit Supervision Committee by administrative decision.

The audit firm, BGGM Audyt Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw, which audited the financial statements for the financial years 2024 and 2025, was the entity selected to provide an additional service to MIRBUD S.A. from the scope of permitted services, i.e. Evaluation of the remuneration report of the Management Board and Supervisory Board for the financial year 2024.

The Audit Committee reviewed the proposal submitted by BGGM Audyt Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw for the "Evaluation of the Remuneration Report of the Management Board and Supervisory Board for the financial year 2024". It has become familiar with the purpose and scope of the assurance engagement, the standard in accordance with which

BGGM Audyt sp. z o.o. will carry out the evaluation of the report (International Standard on Assurance Engagements 3000) and the proposed remuneration for the service. BGGM Audyt sp. z o. o. submitted the Declaration of Impartiality and Independence from MIRBUD S.A. to be assessed by the Audit Committee.

The Audit Committee, after reviewing all available information, concluded that:

- the service provided has no impact on the audited financial statements of MIRBUD S.A. and is not connected with the Company's tax policy,
- the declaration of BGGM Audyt sp. z o.o. and the key statutory auditor conducting the audit on maintaining independence requirements defined in the professional ethics rules and standards for services other than audit, respectively, by the audit firm accepting the contract and in terms of compliance with the provisions of Articles 69 to 73 of the Act on Statutory Auditors has been submitted and verified;
- BGGM Audyt sp. z o.o. does not provide additional permitted services to entities controlled by MIRBUD S.A. (Capital Group Companies) which are not audits of financial statements;
- the total remuneration of BGGM Audyt sp. z o.o. for the provision of services to MIRBUD S.A. will not exceed the criterion referred to in the first paragraph of Article 4(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014.

The Audit Committee has not identified any threats to the independence of BGGM Audyt sp. z o.o., the audit firm reviewing the financial statements of MIRBUD S.A. (separate and consolidated) in the event that BGGM Audyt sp. z o.o. is selected to perform the assurance engagement consisting of the evaluation of the Management Board and Supervisory Board Remuneration Report for the financial year 2024.

The Supervisory Board, taking into account the Audit Committee's assessment of the threats and safeguards to independence referred to in Articles 69 to 73 of the Act on Statutory Auditors and Resolution No. I/2025 of the Audit Committee of 27 March 2025 on approval for BGGM Audyt sp. z o.o. with its registered office in Warsaw, address: 03-450 Warsaw, ul. Ratuszowa 11, entered in the list of audit firms under number 3489, to render a permitted service which is not an audit of the financial statements, approved the Company's Management Board to conclude a contract with BGGM Audyt sp. z o.o., the subject of which is an assurance engagement consisting of the statutory auditor's assessment of the Report on remuneration of the members of the Management Board and the Supervisory Board of MIRBUD S.A. for the financial year 2024.

Resolution No. II/2025 of the Supervisory Board dated 27 March 2025 on approval to conclude an agreement with the auditor to perform attestation services – assessment of the Report on remuneration of the members of the Management Board and the Supervisory Board of MIRBUD S.A. for the financial year 2024 – was adopted in accordance with Article 90g(10) of the Act of 29 July 2005 on public offering and the conditions for introducing financial instruments into the organised trading system and on public companies (Journal of Laws of 2019, item 2080).

Jerzy Mirgos	Sławomir Nowak
President of the Management Board	Vice-President of the Management Board

Paweł Korzeniowski	Tomasz Salata
Member of the Management Board	Member of the Management Board

Anna Więżowska
Member of the Management Board