



MIRBUD CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS

for the period from 01/01/2024 to 31/12/2024

in accordance with International Financial Reporting Standards as adopted by the European Union

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I. BASIC FINANCIAL DATA

Selected consolidated financial data	in PLN thousand		in EUR thousand	
	For the period:	For the period:	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Items in the statement of comprehensive income and the statement of cash flows according to the exchange rate being the arithmetic mean of the average exchange rates of the National Bank of Poland at the end of the monthly periods: EUR 1 =			4.3042	4.5284
Revenue from sales	3,252,143	3,322,440	755,582	733,695
Operating profit (loss)	182,131	223,883	42,315	49,440
Pre-tax profit (loss)	151,729	170,213	35,252	37,588
Net profit (loss)	121,372	135,414	28,199	29,904
Comprehensive income for the net financial year	121,372	135,414	28,199	29,904
Net cash flows from operating activities	-48,045	147,674	-11,162	32,611
Net cash flows from investment activities	-85,131	-145,804	-19,779	-32,198
Net cash flows from financial activities	134,170	-113,655	31,172	-25,099
Total net cash flows	994	-111,785	231	-24,686
Net profit (loss) per share in PLN/EUR	1.10	1.48	0.26	0.33
Net profit (loss) diluted per share in PLN/EUR	1.10	1.48	0.26	0.33

Selected consolidated financial data	in PLN thousand		in EUR thousand	
	As at:	As at:	As at:	As at:
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Asset and liability items according to the average exchange rate determined by the National Bank of Poland as of the reporting date, respectively: EUR 1 =			4.2730	4.3480
Total assets	2,413,580	2,283,801	564,844	525,253
Liabilities and provisions for liabilities	1,318,560	1,490,251	308,579	342,744
Non-current liabilities	494,710	496,143	115,776	114,108
Short-term liabilities	823,850	994,108	192,804	228,636
Equity	1,095,020	793,550	256,265	182,509
Share capital	11,009	9,174	2,576	2,110
Number of shares (in pieces)	110,093,000	91,744,200	110,093,000	91,744,200
Book value per share in PLN/EUR	9.95	8.65	2.33	1.99
Diluted book value per share in PLN/EUR	9.95	8.65	2.33	1.99

Selected separate financial data	in PLN thousand		in EUR thousand	
	For the period:	For the period:	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Items in the statement of comprehensive income and the statement of cash flows according to the exchange rate being the arithmetic mean of the average exchange rates of the National Bank of Poland at the end of the monthly periods: EUR 1 =			4.3042	4.5284
Revenue from sales	1,706,001	2,157,409	396,361	476,421
Operating profit (loss)	79,486	128,384	18,467	28,351
Pre-tax profit (loss)	110,128	118,425	25,586	26,152
Net profit (loss)	95,919	97,320	22,285	21,491
Comprehensive income for the net financial year	95,919	97,320	22,285	21,491
Net cash flows from operating activities	-38,939	143,346	-9,047	31,655
Net cash flows from investment activities	-180,804	-125,470	-42,007	-27,707
Net cash flows from financial activities	167,741	-81,995	38,972	-18,107
Total net cash flows	-52,002	-64,119	-12,082	-14,159
Net profit (loss) per share in PLN/EUR	0.87	1.06	0.20	0.23
Net profit (loss) diluted per share in PLN/EUR	0.87	1.06	0.20	0.23

Selected separate financial data	in PLN thousand		in EUR thousand	
	As at:	As at:	As at:	As at:
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Asset and liability items according to the average exchange rate determined by the National Bank of Poland as of the reporting date, respectively: EUR 1 =			4.2730	4.3480
Total assets	1,589,259	1,434,222	371,931	329,858
Liabilities and provisions for liabilities	772,416	893,395	180,767	205,473
Non-current liabilities	185,377	166,342	43,383	38,257
Short-term liabilities	587,039	727,053	137,383	167,215
Equity	816,844	540,827	191,164	124,385
Share capital	11,009	9,174	2,576	2,110
Number of shares (in pieces)	110,093,000	91,744,200	110,093,000	91,744,200
Book value per share in PLN/EUR	7.42	5.89	1.74	1.36
Diluted book value per share in PLN/EUR	7.42	5.89	1.74	1.36

II. GENERAL INFORMATION ABOUT THE ENTITY

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	+48 (46) 833 98 65
Fax	+48 (46) 833 97 32
E-mail	sekretariat@mirbud.pl
Website	www.mirbud.pl

Address of the registered office of the entity: ul. Unii Europejskiej 18, 96-100 Skierniewice, Poland

State of registration: Poland

Entity's registered office: Polska

Explanation of changes in the reporting entity's name: n/a

Legal form of the entity joint stock company

Name of the reporting entity: MIRBUD S.A.

Primary place of business: Poland

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.

Core business

The Issuer's core business in accordance with its Articles of Association and the entry in the National Court Register is general construction and civil engineering, road freight transport, lease of construction and demolition equipment with operator services, advertising and publishing activities, lease of premises on own account, wholesale of construction materials.

Duration

The duration of the Issuer shall be unlimited.

Management Board and Supervisory Board

Management Board	
Jerzy Mirgos	President of the Management Board
Sławomir Nowak	Vice-President of the Management Board
Paweł Korzeniowski	Member of the Management Board
Tomasz Sałata	Member of the Management Board
Anna Więzowska	Member of the Management Board
Supervisory Board	
Radosław Niewiadomski	Chairman of the Supervisory Board
Agnieszka Maria Bujnowska	Secretary of the Supervisory Board
Jerzy Łuczak	Member of the Supervisory Board
Jacek Tucharz	Member of the Supervisory Board
Killion Munzele Munyama	Member of the Supervisory Board
Tadeusz Gruchała	Member of the Supervisory Board

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 on appointing Mr Jerzy Łuczak to the Supervisory Board of MIRBUD S.A.

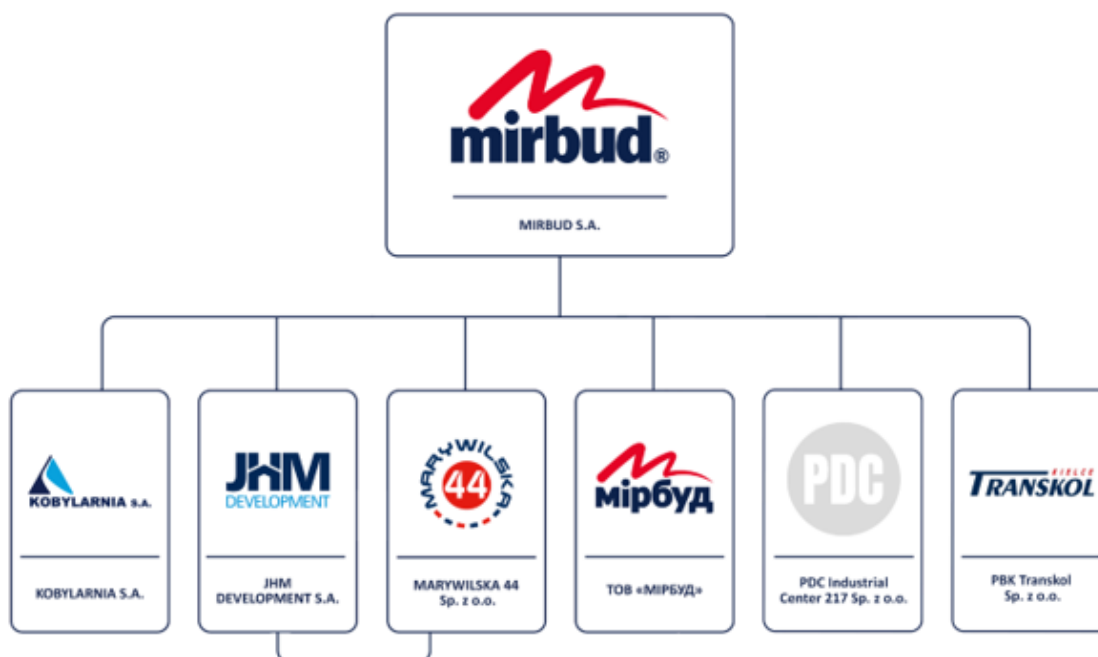
On 31 July 2024, Mr Bartosz Wilczak submitted a declaration of resignation from his position as Member of the Supervisory Board of MIRBUD S.A.

On 21 June 2024, the Ordinary General Meeting of Shareholders of MIRBUD S.A. adopted Resolution on appointing Mr Killion Munzele Munyama to the Supervisory Board of MIRBUD S.A. with effect from 1 August 2024. The Financial Statements for the period from 01/01/2024 to 31/12/2024

On 06 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.

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.

Group structure as at 31/12/2024



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. purchased 20,800 shares with a total nominal value of PLN 1,040 thousand in the share capital of PDC Industrial Center 217 Sp. z o.o. with its registered office in Warsaw from Marywilska 44 Sp. z o.o. MIRBUD S.A. directly holds 85.19% of the equity of PDC Industrial Center 217 Sp. z o.o.

As at 31 December 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.

On 24 July 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.

The 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.

On 26 July 2024, the Extraordinary Meeting of Shareholders of HAKAMORE Sp. z o.o. w likwidacji adopted a resolution to terminate the liquidation of the Company. By decision of 02 August 2024, the District Court for Łódź - Śródmieście in Łódź deleted HAKAMORE Sp. z o.o. from the National Court Register.

Pursuant to the resolution of the Extraordinary General Meeting of Shareholders No. 2/7/2024 of 17 July 2024, Marywilka 44 Sp. z o.o. acquired from MIRBUD S.A., for consideration, own shares in the number of 905,100 pieces with a nominal value of PLN 45,255 thousand to redeem them.

As a result of the above-described event, JHM DEVELOPMENT SA became the parent company of Marywilka 44.

On 18 December 2024, MIRBUD S.A. purchased 17,450 shares for a total of PLN 77,500 thousand, which accounted for 99.81% of votes at the meeting of shareholders of Przedsiębiorstwo Budownictwa Specjalistycznego TRANSKOL spółka z ograniczoną odpowiedzialnością with its registered office in Kielce as at 31 December 2024.

Subsidiaries and consolidation method

Name of the party	JHM DEVELOPMENT S.A.
Registered office	Skierniewice
Legal form	joint-stock company
Country of registered office	Poland
NIP	836-181-24-27
REGON	100522155
Address details	ul. Unii Europejskiej 18A; 96-100 Skierniewice
Telephone	+48 (46) 833-61-28
Fax	+48 (46) 833-61-28
E-mail	sekretariat@jhmdevelopment.pl
Website	www.jhmdevelopment.pl

Consolidated using the full method

Operates in the segment of property development service activities and investment property

Name of the party	KOBYLARNIA S.A.
Registered office	Kobylarnia
Legal form	joint-stock company
Country of registered office	Poland
NIP	953-22-34-789
REGON	091631706
Address details	ul. Zakole 1; 86-061 Brzoza
Telephone	+48 (52) 381-06-10
Fax	+48 (52) 381-06-10
E-mail	sekretariat@kobylarnia.pl
Website	www.kobylarnia.pl

Consolidated using the full method

Operates in the construction and assembly activities segment

Name of the party	MARYWILSKA 44 Sp. z o.o.
Registered office	Warsaw
Legal form	spółka z ograniczoną odpowiedzialnością [limited liability company]
Country of registered office	Poland
NIP	524-271-14-28
REGON	142434636
Address details	ul. Marywilska 44, 03-042 Warsaw
Telephone	+48 (22) 423-10-00
Fax	+48 (22) 423-10-00
E-mail	sekretariat@marywilska44.waw.pl
Website	www.marywilska44.waw.pl

Consolidated using the full method

Operates in the investment property segment

Name of the entity	PDC Industrial Centre 217 Sp. z o.o.
Registered office	Warsaw
Legal form	spółka z ograniczoną odpowiedzialnością [limited liability company]
Country of registered office	Poland
NIP	525-286-46-71
REGON	389097185
Address details	ul. Marywilska 44, 03-042 Warsaw
Telephone	+48 (22) 423-10-00
Fax	+48 (22) 423-10-00
E-mail	-
Website	-

Consolidated using the full method

Operates in the investment property segment.

Name of the organizational	P. B. S. TRANSKOL Sp. z o.o.
Registered office	Kielce
Legal form	spółka z ograniczoną odpowiedzialnością [limited liability company]
Country of registered office	Poland
NIP	9591183438
REGON	290840123
Address details	ul. Długa 29, 25-650 Kielce
Phone no.	+ 48 (41) 345 34 75
E-mail	sekretariat@transkol.pl
Website	www.transkol.eu

Consolidated using the full method

It operates in the railway construction segment.

Name of the party:	ТОВАРИСТВО З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ «МІРБУД» (MIRBUD sp. z o.o.)
Entity's registered office:	Kyiv
Legal form:	spółka z ograniczoną odpowiedzialnością [limited liability company]
NIP:	418873426552
REGON (ЄДРПОУ Code):	41887344
Address details:	14B Bratislavskya 14B, 02156 Kyiv
Country of registered office:	Ukraine

The TOB «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.

The core business of the subsidiary is:

- the construction of residential and non-residential buildings, construction of roads and railways, performance of specialist construction works, finishing and architectural works.

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 31/12/2024, PLN 232,068.67). The sole partner of the company is MIRBUD S.A. As of 31/12/2024, the value of the contributed capital amounted to PLN 330,877.09. The entity is not consolidated due to its immaterial character.

III. BASIC INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation

The Consolidated Financial Statements have been prepared pursuant to § 55(5) of the Accounting Act of 29 September 1994, in accordance with the International Financial Reporting Standards (IFRS) approved for use by the European Union. The financial statements were prepared on the basis of the adopted accounting policies which were relevant to the conducted business activity and in accordance with International Financial Reporting Standards.

Representations of the Management Board

The Management Board represents that, to the best of its knowledge, the consolidated financial statements for the period from 01/01/2024 to 31/12/2024 and comparatives have been prepared in accordance with the applicable accounting policies, which give a true, fair and clear view of the financial and asset position of the Issuer's capital group and its financial result.

The management report on the Issuer's capital group presents a true view of the development, achievements and situation of the Issuer's capital group, including a description of the main threats and risks.

These consolidated financial statements are subject to audit by a statutory auditor.

Going concern

These consolidated financial statements have been prepared based on the assumption of continuing as a going concern in the foreseeable future. As at the date of presentation of these financial statements, there are no circumstances indicating a threat to the ability of continuing as a going concern.

Functional currency

The items included in the Group's consolidated financial statements are measured in the currency of the basic business environment in which the Company carries out its operations ("functional currency"). The reporting currency for the financial statements is the Polish zloty (PLN). The financial statements have been prepared in Polish zloty thousand (PLN thousand), and all values, unless indicated otherwise, are given in PLN thousand. Any differences between the total amount and the sum of their components are due to rounding.

Transactions expressed in foreign currencies are converted into functional currency according to the exchange rate applicable on the day of transaction. Exchange profits and losses on the settlement of these transactions and on the balance sheet measurement of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange differences on monetary items, such as financial assets at fair value by financial result, are reported within profits and losses on changes in fair value.

Consolidated Financial Statements in accordance with International Financial Reporting Standards (in PLN thousand) fair value expressed in a foreign currency is translated using the exchange rates prevailing at the date at which the fair value was measured.

IV. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit and loss account	Note No.	in PLN thousand	
		For the period: from 01/01/2024 to 31/12/2024	For the period: from 01/01/2023 to 31/12/2023
<u>Continued operations</u>			
Revenue from sales	17	3,252,143	3,322,440
Cost of goods sold	18	-2,960,800	-2,986,784
Gross profit on sales		291,343	335,656
Share in profits or losses of associates and joint ventures accounted for in accordance with the equity method	19		
Other operating and investment activity revenue	20	186,655	28,376
Other costs of operating and investment activities	20	-295,867	-140,149
EBIT		182,131	223,883
Financial income		8,562	1,196
Financial costs	21	-38,964	-54,866
Pre-tax activity profit (loss)		151,729	170,213
Income tax attributable to continued operations	22	-30,357	-34,799
Profit (loss) on continued operations		121,372	135,414
<u>Discontinued operations</u>	23		
Revenue from discontinued operations			
Costs of discontinued operations			
Pre-tax profit (loss) on discontinued operations			
Income tax attributable to discontinued operations			
Profit (loss) on discontinued operations			
NET PROFIT (LOSS)		121,372	135,414
Assigned to non-controlling shares			
Assigned to the owners of the parent company	-	121,372	135,414

		in PLN thousand	
Other comprehensive income	Note No.	For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023

Components which will not be subsequently reclassified to the profit and loss account

Components which will be reclassified to profit or loss when certain conditions are met

Other net comprehensive income 24

Assigned to non-controlling shares

Assigned to the owners of the parent company - - -

		in PLN thousand	
Total comprehensive income	Note No.	For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023

Total comprehensive income 121,372 135,414

Assigned to non-controlling shares

Assigned to the owners of the parent company - **121,372** **135,414**

Profit per share, in PLN

Profit per share	Note No.	In PLN For the period: from 01/01/2024 to 31/12/2024	In PLN For the period: from 01/01/2023 to 31/12/2023
Basic profit per share, including:		1.10	1.48
From continuing operations		1.10	1.48
From discontinued operations			
Diluted profit per share, including:		1.10	1.48
From continuing operations		1.10	1.48
From discontinued operations			

V. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		in PLN thousand	
Assets	Note No.	As at:	As at:
		31/12/2024	31/12/2023
Fixed assets		830,308	846,977
Tangible fixed assets	1	258,851	268,712
Investment properties	2	442,768	490,841
Intangible assets	3	9,190	9,199
Long-term financial assets (excluding trade receivables, assets measured according to equity method and cash and cash equivalents)	4	74,901	40,383
Investments measured using the equity method.	5		
Long-term trade and other receivables, including:	6	1,772	2,102
prepayments and accruals		7	
Biological assets	7		
Deferred income tax assets	22	42,826	35,740
Current assets		1,583,272	1,436,824
Inventory	9	360,620	389,856
Income tax receivables	22	28,873	20,056
Trade and other receivables, including:	6	794,820	595,914
prepayments and accruals		123,585	1,988
Short-term financial assets (excluding trade receivables, assets measured according to equity method and cash and cash equivalents)	4	2,189	35,222
Cash and cash equivalents	10	396,770	395,776
Fixed assets held for sale	11		
Total assets	-	2,413,580	2,283,801

Capitals and liabilities	Note No.	in PLN thousand	
		As at:	As at:
		31/12/2024	31/12/2023
Equity	12	1,095,020	793,550
Issued share capital		11,009	9,174
Issue price surplus over nominal value of shares		197,529	
Other reserve capital		223,509	220,499
Retained profit, including:		662,973	563,877
Profit/loss in the reporting period		121,372	135,414
Equity attributable to shareholders of the parent company		1,095,020	793,550
Equity attributable to non-controlling shares			
Total liabilities		1,318,560	1,490,251
Long-term liabilities and provisions for liabilities		494,710	496,143
Provision for deferred income tax	22	112,867	46,018
Other provisions for long-term liabilities	13	8,781	8,850
Long-term financial liabilities, except for provisions, trade liabilities and other liabilities	14	217,530	314,284
Long-term trade and other liabilities, including:	15	155,532	126,991
prepayments and accruals			
Short-term liabilities and provisions for liabilities		823,850	994,108
Provisions for short-term liabilities	13	10,398	6,690
Short-term financial liabilities, except for provisions, trade liabilities and other liabilities	14	138,242	90,521
Trade and other liabilities, including:	15	663,551	895,167
prepayments and accruals		6,285	3,036
Liabilities arising from income tax	22	11,659	1,730
Liabilities directly related to fixed assets classified as held for sale	11		
Total capitals and liabilities	-	2,413,580	2,283,801

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

		in PLN thousand	
Statement of cash flows	Note No.	For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Pre-tax profit		151,729	170,213
Total adjustments		-230,292	16,420
Amortisation		22,307	18,722
Profit / loss under exchange rate differences		-10,181	-14,774
Profit / loss on investment activities		1,251	-2,486
Borrowing costs		26,511	39,029
Change in liabilities with the exclusion of financial liabilities		-199,826	-37,406
Change in receivables		-164,064	4,150
Change in inventory		29,237	3,055
Change in provisions		66,996	3,510
Profit / loss on other financial instruments		-3,834	17
Other changes in working capital		1,311	2,603
Cash from operating activities		-78,563	186,633
Income tax paid		30,518	-38,959
Net cash from operating activities		-48,045	147,674
Sale of property, plant and equipment		2,716	3,745
Purchase of property, plant and equipment		-95,584	-114,130
Sale of intangible assets			
Purchase of intangible assets		-92	-96
Sale of investment property		18,142	
Purchase of investment property		-16,515	
Repayment of loans granted to related parties			
Granting loans to related parties			
Repayment of loans granted to other parties			
Granting loans to other parties			
Sales of financial instruments classified as investing activity			
Acquisition of financial instruments classified as investing activity		-38,186	-36,198
Received dividends		3,481	
Received interest		5,023	875
Other inflows (expenditure) from investment activity		35,884	
Net cash from investing activities		-85,131	-145,804
Inflows from shareholders		199,364	
Payments to owners		-19,266	-25,853
Commitment of liabilities under loans and credits		87,664	86,890
Repayment of liabilities under loans and credits		-81,843	-114,467
Repayment of liabilities under leasing		-25,397	-23,025
Receipt under issue of debt instruments			

Expenditure on redemption of debt instruments		-5,000	-12,070
Interest paid and other debt service expenditure		-31,533	-39,904
Other financial receipts/expenditures		10,181	14,774
Cash from financial activity		134,170	-113,655
<u>Net increases (decreases) in cash and cash equivalents</u>		<u>994</u>	<u>-111,785</u>
Effect of changes in foreign exchange rates on cash denominated in foreign currencies			
Change in cash and cash equivalents, net of foreign exchange differences		994	-111,785
Opening balance of cash and cash equivalents		395,776	507,560
Closing balance of cash		396,770	395,776
including cash and cash equivalents with restricted availability		39,600	61,712

VII. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Changes in equity	Share capital	Issue price surplus over nominal value of shares	Other reserves	Retained profit attributable to the shareholders of the parent company / supplementary capital	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling shares	TOTAL
As at 01-01-2024	9,174		220,499	563,877	793,550		793,550
Total profits (losses) for the period				121,372	121,372		<u>121,372</u>
Other comprehensive income							
Comprehensive income for the period				121,372	121,372		<u>121,372</u>
Owner contributions	1,835	197,529			199,364		<u>199,364</u>
Payments to owners				-19,266	-19,266		<u>-19,266</u>
Changes in ownership interests in subsidiaries not resulting in a loss of control							
Other changes in equity			3,010	-3,010			-
Changes in equity during the period	1,835	197,529	3,010	99,096	301,470		<u>301,470</u>
As at 31-12-2024	11009	197,529	223,509	662,973	1,095,020		1,095,020

Changes in equity	Share capital	Issue price surplus over nominal value of shares	Other reserves	Retained profit attributable to the shareholders of the parent company / supplementary capital	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling shares	TOTAL
As at 01-01-2023	9,174		220,499	452,316	681,990		681,990
Total profits (losses) for the period				135,414	135,414		<u>135,414</u>
Other comprehensive income							
Comprehensive income for the period				135,414	135,414		<u>135,414</u>
Owner contributions							
Payments to owners				-23,853	-23,853		<u>-23,853</u>
Changes in ownership interests in subsidiaries not resulting in a loss of control							
Other changes in equity							-
Changes in equity during the period				111,561	111,561		<u>111,561</u>
As at 31-12-2023	9,174		220,499	563,877	793,550		793,550

VIII. ACCOUNTING POLICIES APPLIED BY THE GROUP

Intangible assets

The Capital Group includes in intangible assets the assets which meet the following criteria: they may be excluded or separated from the business entity and sold, transferred, licensed or put to use for consideration to third parties, both individually and together with related contracts, components of assets or liabilities, or arise from contractual or other legal rights, regardless of whether they are transferable or separable from the business entity or from other rights or liabilities.

The initial recognition of a component of intangible assets is made according to their acquisition prices or cost of production.

The acquisition price includes the purchase price of an asset component (i.e. the amount due to the seller less deductible value added tax and excise tax), public and legal charges (in the case of imports) and expenditures directly attributable to the purchase and adaptation of the asset component for its intended use. Rebates and discounts granted by the seller and other similar reductions and recoveries reduce the acquisition price of an asset component.

If an intangible asset component is acquired in exchange for capital instruments of the Company preparing the financial statements, the acquisition price of an asset component corresponds to the fair value of the issued capital instruments, which equals the fair value of a given asset component.

In accordance with IAS, borrowing costs which are directly attributable to the acquisition, construction or production of an asset component are included in the acquisition price or production cost of that asset component.

At least as at the balance sheet date, intangible assets are measured at acquisition price or production cost less amortisation write-downs, as well as impairment losses.

If, at the time of preparing the financial statements, circumstances occurred which indicate that the balance-sheet value of assets may not be recoverable, the assets are reviewed for impairment. If there is any indication that an asset may be impaired and its balance-sheet value exceeds its estimated recoverable value, then the value of those assets or the cash-generating units to which they belong is reduced to the recoverable value. The recoverable value corresponds to the greater of the two amounts: the fair value decreased by costs of sale or the useful value. When determining the useful value, the estimated future cash flows are discounted to their present value using a gross discount rate which reflects current market assessments of the time value of money and the risks specific to the asset component. In the case of an asset component which does not generate cash inflows in a significantly independent manner, the recoverable value is determined for the cash-generating unit to which the component belongs. The revaluation write-downs under impairment losses are recognised in the profit and loss account.

Amortisation write-downs of intangible assets are done by spreading their initial value over their estimated economic useful lives. Amortisation is made beginning from the first day of the month in which the intangible assets are accepted for use. Amortisation is interrupted at the end of the month in which the accumulated amortisation amount equals the initial amount or in which the intangible and legal asset component is to be liquidated, sold or found to be in short supply.

Amortisation write-downs of intangible assets components are done on a straight-line basis at the following rates:

Item	Annual amortisation rate
software	5%-50%
other intangible assets	20%-50%

The correctness of the amortisation rates applied to individual intangible asset components shall be verified at least annually. Any changes resulting from the verification of amortisation rates affect (as a change of estimated values) the appropriate adjustment made in the amortisation write-downs for the current financial year and in subsequent financial years.

Intangible assets with indefinite useful lives and those not yet in use (in progress) are tested for impairment on an annual basis in relation to individual assets or at the level of a cash-generating unit. In the case of other intangible assets, an annual assessment is carried out whether there is any indication that their value may be impaired. Any possible revaluation write-downs are recognised in the profit and loss account.

Except for development works, intangible assets generated by the entity itself are not included in assets, and expenditures incurred for their production are included in costs of the period in which they were incurred.

The cost of an intangible asset component (development works) comprises all costs incurred by the entity in the period in which it was constructed or adapted for use until its date of acceptance for use (or until the balance sheet date if the component is not yet available for use), including non-deductible VAT and excise taxes.

A given intangible asset item may be de-recognised from the balance sheet upon disposal or when no economic benefits are expected from the further use of such asset component. Profits or losses resulting from sale/liquidation or cessation of use of intangible assets are defined as the difference between revenue from sales and the net value of these assets, and are recognised in the profit and loss account.

Cost of research and development works

Research costs are recognised in the profit and loss account when incurred. Expenditures incurred on development works performed as part of a given project are carried forward to the next period if it can be deemed that they will be recovered in the future. After the initial recognition of development expenditures, the historical cost model is applied, according to which asset components are recognised at acquisition prices less accumulated amortisation and accumulated revaluation write-downs on impairment losses. Any expenditure carried forward is amortised over the estimated period in which it will generate revenue from the sale of a given project.

The costs of development works are assessed for possible impairment annually - if an asset has not yet been put into use, or more frequently - if during the reporting period there is an indication of impairment indicating that its balance sheet value may not be recoverable.

Goodwill

Goodwill under the acquisition of a business entity is initially recognised at acquisition cost, being the excess of the cost of business entities' merger over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

After initial recognition, goodwill is disclosed at acquisition cost less any accumulated impairment losses. Testing for impairment is carried out once a year or more frequently if there are indications of impairment. Goodwill is not subject to amortisation. As of the acquisition date, the acquired goodwill is allocated to each of the cash-generating units which may benefit from the merger synergy. Impairment is determined by estimating the recoverable amount of a cash-generating unit to which goodwill relates. If the recoverable amount of a cash-generating unit is lower than its balance-sheet value, an impairment loss is recognised. An impairment loss is not reversed in a subsequent period. If goodwill forms part of a cash-generating unit and part of the operations within that unit is sold, then when determining the profit or loss on the sale of such operations, goodwill related to the operations sold is included in its balance-sheet value; in such circumstances, the goodwill sold is determined on the basis of the relative value of the activities sold and the value of the retained part of the cash-generating unit.

Tangible fixed assets

Tangible fixed assets is initially recognised at acquisition price or production cost. The acquisition price is increased by all costs directly related to the purchase and adjustment of the asset component to its usable condition. Costs incurred after the date of commissioning of a property, plant and equipment item, such as maintenance and repair costs, are recognised in the profit and loss account at the moment they are incurred.

Property, plant and equipment at the time of their acquisition are divided into components being items of significant value to which separate useful lives can be assigned. The costs of general overhauls, as well as significant spare parts and equipment, if used for a period longer than one year, are also included.

After initial recognition, property, plant & equipment is disclosed at acquisition cost or production price less depreciation and any revaluation write-downs under impairment losses.

In accordance with IAS 23, borrowing costs which are directly attributable to the acquisition, construction or production of an asset component are included in the acquisition price or production cost of that asset component.

Amortisation is calculated on a straight-line basis over the estimated useful life of a given asset component, and the amortisation rates for particular groups of property, plant and equipment are as follows:

Item	Annual amortisation rate
Land (right of perpetual usufruct)	not amortised
Buildings and structures	1.5% – 2.5%
Plant and machinery	7% – 30%
Vehicles	10 – 20%
Investments in third-party property, plant and equipment	in proportion to the useful life of the main asset

Amortisation commences in the first monthly period following the month in which the asset is brought into use. The correctness of the applied amortisation rates is periodically verified (once a year), causing the adjustment of amortisation write-downs in subsequent years.

If, at the time of preparing the financial statements, circumstances occurred which indicate that the balance-sheet value of property, plant and equipment may not be recoverable, the assets are reviewed for impairment. If there is any indication that an asset may be impaired and its balance-sheet value exceeds its estimated recoverable value, then the value of those assets or the cash-generating units to which they belong is reduced to the recoverable value. The recoverable value corresponds to the greater of the two amounts: the fair value decreased by costs of sale or the useful value. When determining the useful value, the estimated future cash flows are discounted to their present value using a gross discount rate which reflects current market assessments of the time value of money and the risks specific to the asset component. In the case of an asset component which does not generate cash inflows in a significantly independent manner, the recoverable value is determined for the cash-generating unit to which the component belongs. Revaluation write-downs under impairment losses are recognised in the profit and loss account under “other operating costs”.

A given item of tangible fixed assets can be removed from the balance sheet after it is sold off or in the event when no economic benefits are expected from continued use of such an asset. Profits or losses resulting from sale/liquidation or cessation of use of property, plant and equipment are defined as the difference between revenue from sale and the net value of this property, plant and equipment and are recognised in the profit and loss account.

Property, plant and equipment in progress or assembly are disclosed at acquisition price or production cost. Tangible fixed assets under construction are not depreciated until their construction is completed and they are put to use.

In the case of permanent abandonment of expenditures for property, plant and equipment in progress, all costs incurred in relation to the works performed so far shall be charged to the costs of the period. Projects may be suspended if there is a justified intention to continue such projects in subsequent periods. The project is suspended based on the decision of the Company's Management Board. As of each balance-sheet date, expenditures on property, plant and equipment in progress are subject to analysis regarding impairment and the necessity to make possible impairment write-downs.

Advances paid for the purchase of Property, Plant and Equipment are presented in the financial statements under other short-term receivables.

The right of perpetual usufruct of land

The right of perpetual usufruct of land acquired by way of an administrative decision is recognised in the balance sheet at fair value. The fair value of a right is deemed to be one of two values: its market value, if the Company has such information, or the value determined by an expert.

The excess of the fair value determined in this manner over the costs incurred to acquire the right of perpetual usufruct of land by way of an administrative decision is disclosed correspondingly in the "profit brought forward".

The right of perpetual usufruct of land acquired on the secondary market is measured at acquisition price and is not subject to revaluation.

The right of perpetual usufruct of land is amortised proportionally to the period for which it was granted.

Leasing

Financial lease contracts under which the carry-over takes place of substantially the entire risk and practically all benefits arising from the ownership of the subject of lease onto the lessee, are activated as at the date of the inception of lease according to the lower of the following two values: the fair value of the property, plant and equipment item being the subject of lease, or the current value of minimum lease charges. The minimum lease charges are apportioned between the financial costs and reduction of the liability under leasing, so as to produce a constant interest rate in relation to the remaining liability. Contingent lease payments are recognised as an expense in the period in which they are incurred.

Property, plant and equipment used under finance lease agreements are amortised according to the same rules as those applied to own assets. However, if it is not reasonably certain that the entity will obtain ownership by the end of the lease term, the asset is amortised over the shorter of the estimated useful life of the property, plant and equipment item and the lease term.

Lease contracts under which the lessor keeps substantially the entire risk and all benefits arising from the ownership of the subject of lease are classified as operating lease contracts. Lease fees under operating lease are recognised as costs in the profit and loss account using the straight-line method throughout the term of lease.

Assets leased under financial leases are presented in the balance sheet as receivables in the amount equal to the net investment. The net investment is the sum of the minimum lease payments due to the lessor under the finance lease agreement and any unguaranteed residual value attributed to the lessor discounted at the interest rate of the lease. Financial revenue arising from a finance lease of an asset

is recognised in a manner that reflects a constant periodic rate of return on the net investment in the lease.

Non-renewable natural resources

Non-renewable natural resources are initially recognised at cost.

The purchase price is increased by all costs directly related to the purchase or adaptation of the asset for use.

Costs incurred after the date of including non-renewable natural resources in the records (use) are recognised in the profit and loss account at the time they are incurred.

After initial recognition, non-renewable natural resources are carried at acquisition price or production cost less any depreciation and any revaluation write-downs under impairment losses. Amortisation is calculated naturally.

If, at the time of preparing the financial statements, circumstances occurred which indicate that the balance-sheet value of non-renewable natural resources may not be recoverable, the asset is reviewed for impairment. If there is any indication that an asset may be impaired and its balance-sheet value exceeds its estimated recoverable value, then the value of those assets or the cash-generating units to which they belong is reduced to the recoverable value. The recoverable value corresponds to the greater of the two amounts: the fair value decreased by costs of sale or the useful value. When determining the useful value, the estimated future cash flows are discounted to their present value using a gross discount rate which reflects current market assessments of the time value of money and the risks specific to the asset component. In the case of an asset component which does not generate cash inflows in a significantly independent manner, the recoverable value is determined for the cash-generating unit to which the component belongs. Revaluation write-downs under impairment losses are recognised in the profit and loss account under "other operating costs".

An item of non-renewable natural resources may be de-recognised on disposal or when no future economic benefits are expected from further use of such asset component. Profits or losses resulting from sale/liquidation or cessation of use of non-renewable natural resources are defined as the difference between revenue from sale and the net value of these assets and are recognised in the profit and loss account.

Fixed assets and groups of assets held for sale

Fixed assets and groups of net assets are classified as held for sale if their balance sheet value will be recovered primarily as a result of a sale transaction and not as a result of their further use. This condition is considered to be met only if the asset component (or a group of net assets held for sale) is available for immediate sale in its present condition and a sale transaction is highly probable within one year from the moment of reclassification.

Fixed assets classified as held for sale and groups of net assets held for sale are measured at the lower of the two values: balance-sheet value or fair value less sale costs.

Simplifications applied to non-investment fixed assets

Depreciation (amortisation) of property, plant and equipment and intangible assets with a low initial value (not exceeding PLN 10,000) is carried out in a simplified manner by making one-off write-downs of the entire initial value of such property, plant and equipment.

The Group applies a simplification, according to which the moment of acceptance of a property, plant and equipment item for use, determined for the purpose of amortisation commencement, is assumed to be the first day of the month following the month in which the actual moment of acceptance of the property, plant and equipment item for use took place.

The Group applies simplification, according to which the moment of acceptance of an intangible asset for use, determined for the purpose of amortisation commencement, is assumed to be the first day of the month following the month in which the actual moment of acceptance of the intangible asset for use took place.

The verification of amortisation rates is considered to have been carried out when all fixed asset components with a net value exceeding PLN 50 thousand are included in the verification.

Investment property

Investment real property means land and buildings and structures acquired for the purpose of deriving economic benefits from the increase in the value of these assets or from other benefits, e.g., revenue from rent. These assets are not used by the Group.

Investment real properties are initially measured at acquisition cost or production cost, including transaction costs. After initial recognition, investment properties are measured at fair value. Profits or losses arising from changes in the fair value of investment property are recognised in the profit and loss account in the period in which they arise. The fair value of investment property reflects market conditions as at the balance-sheet date.

Inventory

During the financial year, direct and indirect materials are recognised at acquisition price or purchase cost. Direct and indirect materials are distributed according to the FIFO method. The adopted purchase price may constitute the purchase price, provided that the costs incurred in connection with the purchase of materials constitute insignificant value in relation to the purchase cost. The purchase price of materials processed also includes storage costs necessary during the production process.

During the financial year, goods are recognised at acquisition price or purchase cost. The goods are distributed according to FIFO prices.

Land and property intended for resale, treated as goods, are recorded and spent according to the principle of detailed identification.

Finished products, semi-finished products and products in progress are measured according to actual costs incurred for the production of finished products.

In the case of property development activities, all expenditures related to the execution of the task are capitalised in inventory as work in progress.

The acquisition price or production cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition.

The inventory acquisition costs comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the Group from the tax authorities), transport, loading and unloading costs, and other costs directly attributable to the acquisition of finished goods, materials and services. Discounts, rebates and other similar items shall be deducted in determining purchase costs.

The expenditures incurred to complete the construction contract before the contract is entered into, provided that it is probable that they will be recovered, are also recognised as work in progress.

As at the balance-sheet date, inventory is measured at acquisition or purchase prices or production cost, however, not higher than their net sales price (net realisable value). Net realisable value is the difference between the estimated sales price in the ordinary course of business and the estimated costs of completion and the costs necessary to make the sale.

Revaluation write-downs of tangible current asset components, related to impairment or measurement as at the balance-sheet date are charged to other operating expenses. If the reason for making a revaluation write-down ceases to exist, the value of tangible current assets is credited to other operating revenue. Circumstances indicating the need to make a revaluation write-down on inventory include in particular:

- impairment of the value in use of inventory (destruction, overdue inventory),
- the balance of inventory exceeds the demand and the possibility of sale by the Company,
- low inventory turnover;
- the loss of market value due to lower sales prices of competitors.

As of the date, an ageing analysis of inventory is prepared, broken down by assortment, and the amount of revaluation write-downs is determined.

Receivables

Trade receivables and other receivables are recognised and disclosed at initially invoiced amounts. After the initial recognition, receivables are measured at amortised cost using the effective interest rate, taking into account revaluation write-downs on the value of receivables.

For trade receivables measured at amortised cost, the Group applies a simplified model to determine the expected impairment over the entire life cycle, using matrices of payment delays based on historical data, taking into account the requirements of the standard in relation to current and forecast economic conditions.

Receivables from customers are initially recognised at the transaction price. After the initial recognition, receivables are measured as follows:

- receivables not transferred to full factoring: in the amount of amortised cost including write-downs for expected credit loss (however, receivables from customers with maturity below 12 months from the date of origin are not discounted),
- receivables transferred to full factoring: at fair value through financial result, but due to the short period of time between recognition of the receivables and their transfer to the factor and the low credit risk of the business partner (factor), the fair value of these receivables is close to their carrying amount.

Receivables also include the un-invoiced portion of revenue which will arise from the estimation of the value of revenue under unfinished construction contracts and other long-term contracts.

Cash and cash equivalents, including restricted cash

The reported "Cash and cash equivalents" item consists of cash on hand, demand deposits and those deposits that are readily convertible to a specific amount of cash and that are exposed to an insignificant risk of changes in value.

The Group's restricted cash primarily includes:

- providing security for bank guarantees;
- cash accumulated in open housing trust accounts;
- cash accumulated in split payment accounts;
- funds in escrow accounts.

The Group reports restricted cash in the statement of financial position within cash and cash equivalents, while for the purposes of the statement of cash flows, the opening and closing cash balances are separated into a separate line item without deducting cash.

Prepayments and accruals

In order to maintain matching of revenue and costs related to their achievement, costs and revenue related to particular reporting periods are separated. Prepaid expenses and costs, i.e. those related to future periods, are disclosed under prepayments, whereas accruals include amounts classified as costs of the current period, even though they will be covered in the future reporting period. Write-downs of prepayments or accruals of expenses are made on the time basis or on the basis of the amount of benefits. The time and the method of prepayments and accruals should depend on the nature of the accrued costs and subject to the prudence principle. The scope of typical expenditures settled over time includes in particular:

- prepaid press subscriptions;
- property insurance contributions;
- lease costs (rents);
- fees for occupation of roadway;

Items in the amount of probable liabilities related to the current reporting period are recognised in the accrual item.

Revenue prepayments and accruals

Revenue prepayments and accruals include mainly cash received to finance the acquisition of property, plant and equipment in progress and intangible assets, which are accounted for in parallel with amortisation write-downs on property, plant and equipment financed from such sources.

Financial instruments

Any contract that gives rise to a financial asset component of one party and a financial liability or capital instrument of the other party simultaneously is a financial instrument, provided that the contract between two or more parties has a clear economic effect.

The entity preparing the financial statements classifies the financial instruments into the following categories:

- financial asset components or financial liabilities measured at fair value through profit and loss account - assets and liabilities acquired or incurred mainly for the purpose of selling or repurchasing them in the near term or being part of a portfolio of specific financial instruments which are managed together and for which there is evidence of a current actual pattern of short-term profit generation;

- held-to-maturity investments - non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Group has the positive intention and ability to hold to maturity;
- loans and receivables - non-derivative financial assets with fixed or determinable payments that are not traded on an active market;
- financial assets available for sale - non-derivative financial assets which have been designated as available for sale or which are not loans and receivables, held-to-maturity investment developments or financial assets measured at fair value through financial result.

Recognition and de-recognition of a financial asset component and a financial liability

A financial asset or financial liability is disclosed on the balance sheet when it becomes a party to the contractual provisions of that instrument. Regular-way purchase and sale transactions of financial assets and financial liabilities are recognised on the date of the transaction.

A financial asset is de-recognised from the balance sheet when the rights to economic benefits and risks arising from the contract have been exercised, cancelled or have expired.

Measurement of financial instruments as at the day of their creation

As of the date of acquisition, financial assets and liabilities are measured by the Group at fair value, i.e. most often at the fair value of the payment made in the case of an asset component or the amount received in the case of a liability.

The Group includes the transaction costs in the initial measurement value of all financial assets and liabilities, except for the category of assets and liabilities measured at fair value through profit and loss account.

Measurement of financial instruments as of the balance-sheet date

The measurement of financial instruments as of the balance-sheet date is carried out as follows:

- at amortised cost, taking into account the effective interest rate: held-to-maturity investment developments, loans and receivables and other financial liabilities; measurement may also be performed at the value requiring payment if the discount effects are not significant;
- at fair value: financial assets and liabilities of the category measured at fair value through profit and loss account and the category of financial assets available for sale.

The effects of measurement of financial assets available for sale are recognised in equity.

The effects of measurement of financial assets and liabilities classified into other categories are recognised in the profit and loss account.

Hedge accounting

Derivatives hedging cash flows with a highly probable planned transaction are recognised at fair value taking into account changes in such value:

- in the part deemed to be an effective hedge - directly in the equity;
- in the part deemed ineffective - in the profit and loss account.

Derivative instruments hedging the fair value of assets and liabilities are recognised at fair value. The

effects of a change in the fair value of these instruments are recognised in the profit and loss account.

Discontinuation of hedge accounting

The person preparing financial statements ceases to apply hedge accounting to cash flows if:

- the hedging instrument expires, is sold, terminated or exercised. In such a case, the cumulative profit or loss on the hedging instrument which is recognised directly in equity shall remain separately recognised in equity until the planned transaction occurs;
- the hedge no longer meets the criteria for hedge accounting. In such a case, the cumulative profit or loss on the hedging instrument is recognised directly in equity until the planned transaction occurs;
- the planned transaction is no longer expected to be executed, therefore all accumulated profit or loss related to the hedging instrument, recognised directly in equity, is recognised in the profit and loss account.

Derivatives

Derivatives are recognised at fair value at the date the contract is concluded and subsequently remeasured to fair value at each reporting period end date. Derivatives are reported as assets when their value is positive and as liabilities when their value is negative, and the profit or loss on measurement of the instruments is recognised immediately in financial result.

A derivative financial instrument is classified as a short-term financial instrument if the settlement date for that instrument or part of it is within one year of the end of the reporting period. If the settlement date of a financial instrument is more than one year from the end of the reporting period, such an instrument or part of it is classified as a non-current financial instrument.

Equity

Equity is recognised in the accounting books with the division into types and according to the principles determined by the provisions of law and the provisions of the articles of association of the Group.

Capital from the sale of shares above their nominal value is created from the surplus of the issue price of shares, above their nominal value reduced by the costs of the issue. The costs of shares issue incurred at the establishment of a joint-stock company or increase in the initial capital reduce capital of the issue of shares above the nominal value of the surplus of the issue value over the nominal value of shares.

Undistributed financial result includes amounts resulting from profit distribution, undistributed result brought forward, effects of errors from previous periods.

A separate equity item is non-controlling shares.

Bank credits and loans

All bank credits, loans and debt securities are initially recognised at their purchase price corresponding to the fair value of cash received, less costs related to obtaining a given credit or loan.

After initial recognition, interest-bearing credits, loans and debt securities are subsequently measured at adjusted acquisition price in the form of amortised cost, using the effective interest rate method. When calculating the adjusted purchase price, the costs related to obtaining a credit or loan, as well as discounts or premiums obtained at the settlement of the liability, shall be taken into account.

Liabilities

After initial recognition, all liabilities, except those measured at fair value, are measured, as a rule, at adjusted acquisition price using the effective interest rate method.

However, liabilities with a maturity of no more than 12 months after the balance-sheet date are not discounted.

Liabilities are presented in the financial statements divided into long-term and short-term liabilities. Moreover, liabilities towards related parties and liabilities towards other entities are separated.

Advances received from contractors for the provision of services are presented in the financial statements under the balance sheet item - short-term liabilities as advances received for deliveries. The liabilities also include amounts relating to the settlement of construction and other long-term services.

Amounts retained by suppliers are disclosed separately in the financial statements.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised in the financial statements because:

- it is not probable that an outflow of resources containing economic benefits will be required to settle the obligations, or
- the amount of the obligation cannot be measured with sufficient reliability.

The identified contingent liabilities are subject to presentation in the financial statements in additional notes and explanations.

Provisions

Provisions are created when the person preparing the financial statements has a present obligation (legal or constructive) arising from past events and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of that liability.

If the reporting entity expects that the costs covered by the provision will be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset component, but only if there is a sufficient assurance that the reimbursement will actually be made.

Costs related to a given provision are disclosed in the profit and loss account, less all reimbursements.

The Group creates provisions for future warranty repairs by way of estimations based on past events related to expenses incurred on this account.

If the effect of the time value of money is material, the amount of provision is determined by discounting the forecast future cash flows to their present value using a gross discount rate reflecting current market

estimates of the time value of money and the possible risks specific to the liability. If the discounting method is applied, an increase in the provision due to the passage of time is recognised as borrowing costs.

Reversal of unused provisions takes place on the day on which they turned out to be unnecessary. The liability for which the provision was created previously shall result in the use of the provision. The entity creates provisions for losses under construction contracts or similar contracts at the time of estimation of loss.

Provisions for employee benefits

The reporting entity creates a provision for the costs of accumulating paid absences, which it will have to incur as a result of the entitlement unused by the employees, and which accrued as of the balance-sheet date, as well as for retirement severance pay.

Provisions for unused leave are calculated on the basis of the actual number of days of unused leave in the current period, increased by the number of days of unused leave in previous periods. The provision for the cost of accumulating compensated absences is recognised after deducting any amounts already paid. The leave provision is not discounted.

The provision for retirement severance pays is created on the basis of the number of employees and the number of years remaining until the date of retirement. The provision for retirement severance pays is subject to discounting.

Revenue

The amount of revenue is determined by the entity according to the fair value of the payment received or due. The fair value of the consideration is determined by discounting all future cash inflows using the imputed interest rate. The imputed interest rate is most simply set at the interest rate for a similar financial instrument issued by an issuer of similar creditworthiness, or at the rate that discounts the nominal value of the financial instrument to the current cash sales price of the goods or service.

The difference between the nominal and fair value of receivables (discount) is recognised as costs of the activity to which the receivables relate.

The amount of revenue arising from a transaction is usually determined by contract between the entity and the buyer or user of the asset component. It is measured at the fair value of the consideration paid, taking into account the amount of trade discounts and wholesale rebates granted by the entity. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue from the transaction is recognised based on the stage of completion of the transaction at the balance-sheet date. The result of a transaction can be reliably estimated if all of the following conditions are met:

- the amount of revenue can be measured reliably,
- it is probable that the economic benefits associated with the transaction will flow to the entity,
- the degree of execution of the transaction at the balance-sheet date can be determined reliably,
- the costs incurred in connection with the transaction and the costs of completing the transaction can be measured reliably.

The recognition of revenue by reference to the stage of completion of a transaction is often referred to as the percentage of completion method. Under this method, revenue is recognised in the periods in which the services are rendered. Revenue recognition based on this method provides useful information about the extent of service activities and their results for a given period. Revenue is recognised only

when it is probable that the economic benefits associated with the transaction will flow to the entity. When there is uncertainty about the recoverability of an amount already included in revenue, the entity recognises the unrecoverable amount or the amount for which recovery has ceased to be probable as an expense, rather than as an adjustment of the amount of revenue originally recognised.

The person preparing the financial statements applies the completion method based on the ratio of costs incurred to total costs expected for the performance of a given service.

When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses incurred that are expected to be recoverable. If the outcome of the transaction cannot be estimated reliably and it is not probable that the costs incurred will be recovered, revenue is not recognised and expenditure incurred is recognised as an expense. When the uncertainty which prevented the outcome of the contract from being estimated reliably has been removed, revenue from transactions shall be recognised on the basis of the stage of completion of the transaction at the balance-sheet date.

Interest revenue arising from an entity transferring an asset to another party for use (e.g. a loan, financial lease) is recognised taking into account the effective interest rate.

Royalties (e.g. under licences or similar entitlements) are recognised on an accrual basis in accordance with the substance of the contracts entered into.

Dividends are recognised at the moment the entity's right to obtain them is established.

Revenue from barter transactions is recognised only if it has an economic substance.

Accounting in terms of subsidies

Subsidies are recognised if there is reasonable certainty that the subsidy will be obtained and all related conditions will be met.

Subsidies relating to items of property, plant and equipment are recognised as deferred income and are accounted for systematically in other operating income over the useful life of the asset subject to amortisation.

Subsidies relating to cost items are recognised as a reduction in expenses as they are incurred and the excess of the subsidy received over the value of the relevant expenses is recognised in other operating revenue.

Costs

The entity preparing the financial statements recognises costs in accordance with the principle of matching revenue and costs and the precautionary principle.

Own cost of sales as at the balance-sheet date is adjusted by the change in the fair value of financial instruments which hedge cash flows when the transaction is no longer effective and when the hedged item is realised.

Costs are accounted for by cost centres and by type, with the basic cost reporting format used in profit and loss account being the cost accounting format.

The total cost of products, goods and materials sold includes:

- cost of production of products sold,
- production cost of services sold,
- value of goods and materials sold,

In addition, the costs of the reporting period, which affect the financial result, are other operating expenses, related indirectly to the operating activity, including in particular:

- overheads
- selling costs
- loss on sale of property, plant and equipment and intangible assets
- donations made
- established provisions for disputes, penalties, damages and other costs indirectly related to operating activities, as well as financial costs related to financing the activity.

Transactions in foreign currencies

Transactions expressed in currencies other than the Polish zloty are converted into Polish zloty using the exchange rate in force on the date of the transaction or the exchange rate defined in the forward-type contract accompanying a given transaction.

As of the balance sheet date, monetary items expressed in currencies other than the Polish zloty are converted into the Polish zloty at the closing rate (spot rate) applicable at the end of the reporting period, i.e. the spot rate of exchange applicable at the balance-sheet date. Non-monetary balance sheet items denominated in foreign currencies are disclosed at the historical exchange rate as at the transaction date.

Foreign exchange differences resulting from such translation are disclosed under financial revenue or expenses or, in cases provided for in the accounting policies, capitalised in the value of assets, except for cash items constituting a hedge of exchange risk, which are recognised directly in capital in accordance with the cash flows hedge accounting policies.

The exchange rate applicable on the transaction date shall be the average exchange rate of the National Bank of Poland (NBP) announced on the day preceding the transaction date.

Immediate realisation rate as of the balance sheet date shall be the average exchange rate of the NBP announced as of the balance-sheet date.

Income tax

Obligatory encumbrances on the result include: current tax and deferred tax. Current tax encumbrance is calculated based on the tax result (tax base) of a given financial year. The tax profit (loss) differs from the net book profit (loss) due to exemption of taxable revenue and costs constituting costs of obtaining revenue in subsequent years and cost and revenue items which will never be subject to taxation. Tax encumbrances are calculated using tax rates applicable for a given financial year.

Deferred tax is calculated using the balance sheet method as tax payable or refundable in the future. Deferred tax is calculated on the basis of differences between the balance-sheet values of assets and liabilities and the corresponding tax values used to calculate the tax base. Deferred tax provisions are created for all taxable temporary differences, whereas deferred tax asset components are recognised to the extent that it is probable that they will be available, against which the deductible temporary differences can be utilised against recognised future taxable profits. An asset component is also created on the basis of tax losses which can be settled and are carried forward, as well as unused tax exemptions.

The deferred income tax asset component and provisions may be offset when it is expected that the deferred tax asset component and provision will be realised in the same tax period.

An item of assets or a tax liability does not arise if the temporary difference results from goodwill or from the initial recognition of another asset component or liability in a transaction which does not affect either the tax result or the accounting result. Deferred income tax provision is recognised for temporary differences arising from investments in subsidiaries, associates and joint ventures, unless the entity is able to control the timing of the reversal and it is probable that the reversal will not occur in the foreseeable future.

The value of a deferred tax asset is subject to analysis as at each balance-sheet date, and in the event that the expected future tax profits are not sufficient for the realisation of an asset component or a part thereof, it is written down. Deferred tax is calculated at tax rates which will apply at the moment when the asset item is realised or the liability becomes due. Deferred tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity. In the latter case, the deferred tax is also settled directly in equity.

Other taxes

Revenue, expenses, and assets are recognised net of the amount of value added tax, except:

- where the value added tax paid on the purchase of assets or services is not recoverable from the tax authorities, in which case it is recognised as part of the cost of acquiring the asset or as an expense, as appropriate,
- receivables and liabilities, which are stated including the amount of value added tax.

The net amount of value added tax recoverable from, or payable to, the tax authorities is included in the balance sheet as part of receivables or liabilities.

Other taxes, i.e. tax on vehicles, real estate tax, personal tax, are recognised in the operating expenses of the Group's business.

Profit per share

Profit per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of shares outstanding during a given period.

Diluted profit per share for each period are calculated by dividing the net profit for a given period adjusted for possible changes in profit resulting from the change of potential ordinary shares into ordinary shares by the adjusted weighted average number of ordinary shares.

Mergers and consolidation

Subsidiaries are all economic entities (including structured entities) controlled by the Compiler of financial statements. The Compiler of financial statements controls an entity when it is exposed to, or has the right to variable returns from, its involvement in that entity, and has the ability to influence those returns in its power over the entity. Subsidiaries are subject to full consolidation as of the date the control is transferred to the Group. Consolidation shall cease as from the date on which control ceases.

The Compiler of financial statements recognises business combinations using the purchase method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities assumed from former owners of the acquiree and the capital interests issued by the group. The consideration transferred shall include the fair value of the asset or liability arising from the contingent consideration arrangement. Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are initially measured at their acquisition-date fair values. As at the acquisition date, the Compiler of financial statements shall recognise all non-controlling interests in the acquiree, either at fair value or at the proportional share value (corresponding to the non-controlling share) in the acquiree's identifiable net assets. In the case of a business combination carried out in stages, the acquirer shall remeasure the balance sheet value of its previously held capital share in the acquiree at its acquisition-date fair value and recognise the resulting profit or loss. A contingent consideration that is classified as part of equity is not subject to a revaluation and its subsequent settlement is accounted for within equity.

Intragroup transactions and settlements and unrealised profits arising from transactions between Group entities shall be eliminated.

Changes in ownership interests in subsidiaries which do not result in a loss of control, transactions with non-controlling shareholders which do not cause the loss of control, are recognised as capital transactions, i.e. transactions with owners acting in their capacity as capital holders. The difference between the fair value of the consideration transferred and the share acquired in the balance sheet value of the subsidiary's net assets is recognised in equity. Profits or losses on sale of non-controlling interests are also recognised in equity.

Upon loss of control by the Group, any retained interest in the entity is measured at fair value as of the date of loss of control, with a change in the balance sheet value recognised in the financial result. Fair value constitutes the initial balance sheet value for the purpose of subsequent recognition of a retained interest as an associate, joint venture or financial asset component. In addition, any amounts previously recognised in other comprehensive income in respect of the entity are recognised as if the group had directly sold the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the financial result.

Associates are all entities on which the Compiler of financial statements has significant influence, but which it does not control, which is usually the case when holding between 20% and 50% of the voting rights. Investments in associates measured are recognised using the equity method. Under this method, the investment in the associate is initially recognised at cost and the balance sheet value is increased or decreased to recognise the investor's share in the associate's results after the date of acquisition. The Group's investment in associates includes goodwill as at the acquisition date. If the ownership share in an associate is reduced but significant influence is retained, only the proportionate share of the amounts previously recognised in other comprehensive income is appropriately reclassified to the result. The share of the Compiler of financial statements in the financial result after the acquisition is recognised in the result report and its share in other comprehensive income after the acquisition is recognised in other comprehensive income together with an appropriate adjustment to the balance sheet value of the investment. When the Compiler of financial statements share in losses of an associate becomes equal to or greater than its share in that associate, including any other unsecured receivables, the reporting Compiler of financial statements shall de-recognise further losses unless it has assumed legal obligations or constructive obligations or made payments on behalf of the associate.

At each reporting date the Group determines whether there is objective evidence that an investment in an associate is impaired. If an impairment loss has been incurred, the Group calculates the amount of the impairment loss as the difference between the recoverable amount of the associate and its balance sheet value, and recognises that amount, in addition to its "share in the associate's profit/(loss)", in the result report.

A business merger under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. This applies in particular to transactions such as the transfer of companies or enterprises between Group entities or the combination of a parent company with its subsidiary.

The Group applies the pooling of shares method to settle the effects of mergers between entities under common control.

Principle of no-offsetting

This principle applies to the prohibition of offsetting assets and liabilities, unless IFRS requires or permits offsetting.

Revenue and expense items may be offset only when:

- offset is required by IFRS;
- profits, losses and related costs arising from the same or similar transactions or events are not material.

The following transactions, presented by way of offsetting, are accepted by the Group:

- profits and losses on the sale of property, plant and equipment, including investments and assets used in operating activities, are recognised in the amount of the difference between the revenue earned on the sale and the balance sheet value of a given asset component plus selling expenses;
- expenditure related to the provision which is contractually reimbursed by a third party (e.g. supplier-granted guarantee) is offset against the corresponding amount of reimbursement;
- deferred income tax assets and liabilities are disclosed as surplus assets or provisions;
- advances received for the performance of work under construction contracts are offset against the value of revenue due under those contracts, provided that compensation is possible under

- the terms of the contract;
- profits and losses arising from a group of similar transactions are recognised in the net amount, e.g. foreign exchange difference profits and losses or profits and losses arising from the measurement of financial instruments held for trading and hedging recognised in the financial result, profits or losses arising from the discounting of long-term settlements;
- and liabilities under settlement of input VAT and due VAT, concerning future settlement periods.

Cash flow statement

The cash flow statement is drawn up using the indirect method.

Changes in principles, changes in estimates, errors of previous years

A change in accounting policies is made when the legal regulations concerning accounting are changed, and when this results in the increase of reliability of financial statements containing information on the impact of transactions, other events and conditions on the financial position, financial result or cash flows.

In the case of changes in the accounting policy, it is assumed that the new accounting policies have always been applied. Related adjustments are shown as equity adjustments - in the item of profit/loss brought forward. In order to ensure comparability of data, the financial statements (comparable data) for previous years should be amended accordingly, so that the statements also reflect the changes made to accounting policies.

The items of the financial statements determined on the basis of estimates are subject to verification in the event of changes in the circumstances on which the estimates were based or as a result of obtaining new information or gaining greater experience.

Adjustments caused by the removal of material errors from previous periods are charged to equity - in the item of profits/losses brought forward. In preparing the financial statements, it is assumed that the error has already been corrected at the time of the occurrence of the error. This means that the amount of the adjustment relating to a prior period shall be included in the profit and loss account for that period.

Exceptional items

Exceptional items are disclosed separately in the financial statements when necessary for an understanding of the financial position and the results of the Compiler of financial statements. These are significant items of revenue or expense which have been separately disclosed because of the materiality of the amounts or the nature of the event.

Business segments

In accordance with the requirements of IFRS 8, the Group identifies operating segments on the basis of internal reports which are regularly verified by the Management Board in order to allocate resources to particular segments and assess the results of their activities.

Segment activities are assessed mainly on the basis of revenue and results at the EBIT level.

The following segments are identified within the group within which the entity operates:

Construction and assembly activity	Property development activity	Activity connected with lease of investment property	Exhibition and trade fair activity	Other
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Other ancillary activities are assigned to the "Other" group which do not affect the assessment of the financial position of the entity. All assets and liabilities are assigned to the main activity segments.

Transactions with related parties

The accounting policies and the significant estimates and assumptions presented in the accounting policy also apply to transactions with related parties.

Items based on estimates and professional judgement

Lease contract classification - The Compiler of financial statements classifies leasing as an operating or finance lease based on an assessment of the extent to which risks and rewards incidental to ownership of the leased item are attributable to the lessor, and to which to the lessee. This assessment is based on the economic substance of each transaction.

The Compiler of financial statements makes judgements as to whether the result of the construction contract can be estimated reliably. The assessment shall be based on an analysis of the likelihood of the economic benefits associated with a given contract. Revenue from the performance of construction contracts is determined proportionally to the degree of advancement, measured as the share of costs incurred from the date of contract conclusion to the date of revenue determination in the total costs of service provision. Contract budgets are subject to a formal updating process. If the stage of advancement of the service cannot be reliably determined as of the balance-sheet date, the revenue is determined at the amount of contract costs incurred, for which it is probable that they will be recovered.

The Compiler of financial statements assesses whether there is any indication that an asset is impaired. Impairment of an asset occurs when the balance sheet value of an asset or a cash-generating unit exceeds its recoverable amount, understood as the fair value less sales costs or the value in use of an asset component or cash-generating unit, whichever is higher. The assessment is based on the estimation of future cash inflows and outflows from the continuing use of the asset component and from its ultimate sale, and the application of an appropriate discount rate to these future cash inflows.

The Compiler of financial statements assesses whether there is any indication that shares in subsidiaries are impaired. The impairment test for a cash-generating unit is based on the estimation of future discounted cash flows (DCF method) generated by the company. Similarly, goodwill is tested for impairment.

The Compiler of financial statements assesses the probability of payment of receivables by taking into account their past due date, hedges established and the debtor's situation, on a transaction-by-transaction basis.

The entity preparing the financial statements makes judgements with respect to the expenditures necessary to fulfil a given obligation as at the balance-sheet date, related to the pending court disputes. The assessment is based on an estimate of the amount the entity would be required to pay to settle the obligation at the balance-sheet date.

The Compiler of financial statements recognises a deferred tax asset component on the basis of the assumption that taxable income shall be achieved in the future, against which it can be utilised. A decrease in tax income in the future could make this assumption unjustified.

The Compiler of financial statements applies the method of percentage advancement of works in the settlement of long-term contracts. Application of this method requires the entity to estimate the proportion of contract costs incurred to date to total estimated contract costs. In justified cases, when this method would not reliably reflect the stage of completion of the contract, another method may be applied, reliably reflecting the stage of completion of the contract.

Amortisation rates are determined based on the anticipated useful economic life of property, plant and equipment components and intangible assets. The useful economic lives are reviewed annually by the entity based on current estimates.

The entity measures investment property at fair value using the DCF method based on estimation of future discounted cash flows.

IX. CHANGES IN ACCOUNTING POLICIES AND PRESENTATION OF FINANCIAL STATEMENTS

In the current financial year, the Compiler of financial statements did not make any significant changes in the accounting policy, other than those required by law (significant changes, if any, described in a separate part of the statements), mainly resulting from changes in IFRS approved for use by the European Union.

X. IMPACT OF CURRENT AND FUTURE CHANGES IN THE ACCOUNTING REGULATIONS ON THE FINANCIAL STATEMENTS.

The following new standards, amendments to standards and new interpretations have been issued by the IASB and approved for application after 1 January 2023	Impact on financial statements / charge
IFRS 17 "Insurance Contracts" and amendments to IFRS 17	will not have any significant impact on the financial statements
Amendments to IAS 1 "Presentation of Financial Statements" - classification of liabilities as short- or long-term liabilities	will not have any significant impact on the financial statements
Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Board Guidelines on Disclosure of Accounting Policies in Practice, the issue of materiality in relation to accounting policies	will not have any significant impact on the financial statements
Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the definition of accounting estimates	will not have any significant impact on the financial statements
Amendments to IAS 12 "Income Taxes", obligation to recognise deferred tax on transactions, i.e. leases	will not have any significant impact on the financial statements
IFRS 17 "Insurance Contracts", first-time adoption of IFRS 17 and IFRS 9, comparative information	will not have any significant impact on the financial statements
The following new standards, amendments to standards and new interpretations have been issued by the IASB and approved for application after 1 January 2024.	Impact on financial statements / charge
Amendments to IFRS 16 "Leases" - lease obligations in sale and leaseback transactions	will not have any significant impact on the financial statements
Amendments to IAS 1 "Presentation of Financial Statements" - classification of liabilities as short- or long-term liabilities	will not have any significant impact on the financial statements
Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" - financing agreements for liabilities to suppliers	will not have any significant impact on the financial statements
The following new standards, amendments to standards and new interpretations have been issued by the IASB and approved for application after 1 January 2025.	Impact on financial statements / charge
Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - no exchangeability	will not have any significant impact on the financial statements
The following new standards, amendments to standards and new interpretations have been issued by the IASB and approved for application after 1 January 2026.	Impact on financial statements / charge
Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" – amendment to the classification and measurement of financial instruments.	will not have any significant impact on the financial statements
The following new standards, amendments to standards and new interpretations have been issued by the IASB and approved for application after 1 January 2027.	Impact on financial statements / charge
IFRS 18 "Presentation and Disclosure in Financial Statements"	will not have any significant impact on the financial statements
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	will not have any significant impact on the financial statements
Amendments rejected or deferred by the EU (approved by the IASB for application after 1 January 2016).	Impact on financial statements / charge
IFRS 14 "Regulatory Prepayments and Accruals"	will not have any significant impact on the financial statements
Amendments to IFRS 10: "Consolidated Financial Statements" and IAS 28 "Investments in Associates" regarding the sale or transfer of assets between an investor and its associates or joint ventures."	will not have any significant impact on the financial statements

XI. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Tangible fixed assets

Ownership structure of property, plant and equipment	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Own property, plant and equipment	186,965	185,507
Property, plant and equipment used under operating lease, rent, hire or similar	71,886	83,205
Total	258,851	268,712
Property, plant and equipment pledged as hedging for liabilities	59,146	49,389

Costs of external financing capitalised in the value of fixed assets	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Interest		
Foreign exchange differences		
Other borrowing costs		
Total		

Data does not exist.

Property, plant and equipment used under a finance lease agreement	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Costs	119,463	126,078
Depreciation	-47,576	-42,873
Total	71,886	83,205

Property, plant and equipment by types	land	buildings and structures	plant and machinery	vehicles	other property, plant and equipment	Property, plant and equipment in progress	Advances for property, plant and equipment in progress	Property, plant and equipment held for sale	TOTAL
As at 01-01-2023									
Costs	22466	46,444	62,091	37,028	1,860	577			170,467
Depreciation and revaluation write-downs									
Net book value	22,466	46,444	62,091	37,028	1,860	577	-	-	170,467
Increases	10,583		15,143	12,262	802	83,256			122,046
including revaluation surplus									
Decreases	-48	-1,784	-10,088	-5,946	-463	-5,472			-23,801
including changes in the accumulated amortisation		-1,223	-8,945	-3,953	-463				-14,584
Foreign exchange differences									
As at 31/12/2023									
Net book value	33,001	44,660	67,146	43,344	2,199	78,361	-	-	268,712
As at 01-01-2024									
Costs	32900	56,254	112,979	48,870	2,678	137,300			390,981
Depreciation		-2,304	-12,561	-5,216		-111,248			-131,328
Revaluation write-downs									
Net book value	32,900	53,950	100,418	43,654	2,678	26,052	-	-	259,652
As at 31-12-2024									
Costs	-101	11,594	45,833	5,526	479	58,939	-	-	122,269
Increases, including:	10,482	12,403	46,342	8,218	484	97,589			175,519
- acquisition		132	28,367	7,747	484	58,853			95,584
- acquisition, subsidiaries									
- revaluation surplus	9,572		17,750						27,322
- carry-over		12,264	173						12,437
- other	910	7	53	471		38,736			40,176
Decreases, including:	-10,583	-809	-510	-2,692	-5	-38,651			-53,249
- sale			-24	-2,692					-2,716
- reallocation to the held-for-sale group									
- other	-10,583	-809	-486		-5	-38,651			-50,533
Depreciation	-	-2,304	-12,561	-5,216	-801	-111,248	-	-	-132,129
Increases, including:		-2,643	-12,561	-5,216	-801				-21,220
- amortisation		-2,643	-12,561	-5,216	-801				-21,220
- acquisition, subsidiaries									
- other									

Grupa kapitałowa	2024	2023	2022	2021	2020	2019	2018	2017	2016
Decreases		339				-111,248			-110,909
- sale									
- reallocation to the held-for-sale group									
- carry-over									
- other		339				-111,248			-110,909
Revaluation write-downs									
- revaluation write-downs									
- reversals of revaluation write-downs									
Foreign exchange differences									
Net value	32,900	53,950	100,418	43,654	1,877	26,052	-	-	258,851
Property, plant and equipment by types	land	buildings and structures	plant and machinery	vehicles	other property, plant and equipment	Property, plant and equipment in progress	Advances for property, plant and equipment in progress	Property, plant and equipment held for sale	TOTAL

No oversize expenditures on property, plant and equipment are planned for the upcoming reporting periods under the approved investment plans.

On 29 November 2023, MIRBUD S.A. acquired 20,700 shares in the share capital of PDC Industrial Centre 217 Sp. z o.o. with its registered office in Warsaw.

PDC Industrial Center 217 Sp. z o.o. is the owner of a property located in Chościszowice, Bolesławiec Municipality, comprising plot No. 75 from section 0004 Chościszowice, with an area of 10.37 ha. On the property in question, the company built a hall for lease for logistics and warehousing purposes with an area of approximately 50,000 sq. m. As at 31 December 2024, the project has been completed. The total value amounted to PLN 117,690 thousand and was classified as investment property.

KOBYLARNIA S.A. purchased a new asphalt-mix plant located in Kobylarnia and developed the associated infrastructure. The total cost of the investment will be approx. PLN 50 million.

In 2023 MIRBUD S.A. has started the expansion of its premises in Skierniewice at ul. Unii Europejskiej 18. On 13 August 2024, the Company received an occupancy permit for the above-mentioned project. Costs associated with the Development amounted to EUR 10,518 thousand. Due to the complete settlement of the works, the costs associated with the aforementioned extension increased the value of fixed assets in the buildings and structures group.

On 12 May 2024, the Marywilska 44 Shopping Centre, which is part of the Marywilska 44 Shopping Park, was destroyed by fire. The Management Board of Marywilska 44 sp. z o.o. has decided to rebuild the halls of the Marywilska 44 Shopping Centre.

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.

In connection with the acquisition of shares in Przedsiębiorstwo Budownictwa Specjalistycznego TRANSKOL spółka z ograniczoną odpowiedzialnością with its registered office in Kielce, MIRBUD S.A. carried out a valuation of the assets held by the acquired Entity. As a result of the analysis, the value of the property has increased by an amount of PLN 9,572 thousand and owned rolling stock by the amount of PLN 17,750 thousand..

Note 2. Investment property

Investment property measured according to the fair value model	land	buildings and structures	TOTAL
As at 01-01-2023	15,138	473,876	489,014
New property acquisitions			
Increases resulting from subsequent expenditure capitalisation			
Increases resulting from acquisition as a result of entity combination			
Net amount of profits or losses resulting from fair value measurement adjustments	6,806	-9,058	-2,252
Carry-overs to investments for lease			
Carry-overs to and from inventory			
Sales			
Carry-overs to and from owner-occupied property			
Change in value of property used under a lease contract		4,079	4,079
Other changes			
As at 31/12/2023	21,944	468,897	490,841
New property acquisitions	15,751	764	16,515
Transfer of investment property from property, plant and equipment in progress		118,273	118,273
Changes resulting from subsequent expenditure capitalisation		98	98
Changes resulting from acquisition as a result of entity combination			
Net amount of profits or losses resulting from fair value measurement adjustments	-3,881	-111,253	-115,134
Carry-overs to investments for lease			
Carry-overs to property, plant and equipment		-1,746	-1,746
Sales		-33,860	-33,860
Carry-overs to and from owner-occupied property			
Change in value of property used under a lease contract		-32,219	-32,219
Other changes			
As at 31-12-2024	33814	408,954	442,768

On 15 July 2024, MIRBUD S.A., pursuant to Notarial Deed Repertory A No. 6869/2024, bought an investment property located in Ostróda at ul. Grunwaldzka 55 covering halls with a total area of 56,724 sq. m intended for warehousing and logistic operations.

The aftermath of the fire that broke out on 12 May 2024 at the Marywilska 44 Shopping Centre necessitated a reorganisation within the MIRBUD Capital Group, which resulted in the sale on 3 October 2024 of the retail park with the necessary infrastructure and car park located in Rumia at ul. Dębogórska 132 with lease area of 2,982 sq. m, with a total value of PLN 15,010 thousand to JERONIMO MARTINS S.A. with its registered office in Kostrzyn for the amount of PLN 18,142 thousand.

On 15 July 2024, JHM DEVELOPMENT S.A. acquired real estate in the form of plots of land Nos. 1164/1, 1164/2, 1164/3 and 1164/4 with an area of 1.2089 ha from Marywilska 44 Sp. z o.o., with developed three commercial buildings with a total usable area of 4,498.97 sq. m. located in Starachowice at ul. Radomska and the ownership of a residential unit with a total usable area of 141.99 sq. m. located in Skierniewice at ul. Reymonta 3.

On 06 November 2024, MIRBUD S.A., pursuant to Notarial Deed Repertory A No. 10387/2024 made the purchase of an undeveloped land property located in Ostróda at ul. Grunwaldzka - Partyzantów with a total area of 0.4003 hectares for a total of EUR 842 thousand. The purpose of purchasing the plot is to improve the development conditions of the investment property held by the Issuer.

The value of investment properties consists of:

- a) property purchased by MIRBUD S.A. from Marywilska 44 sp. z o. o. located in Ostróda, at ul. Grunwaldzka 55 and 55A, covering halls with a total area of 56,724 sq. m for warehouse and logistics activities with a fair market value as at 31/12/2024 of PLN 148,000 thousand;
- b) purchased by MIRBUD S.A. undeveloped land property at ul. Grunwaldzka - Partyzantów with a total area of 0.4003 ha with a value of PLN 842 thousand;
- c) a retail pavilion with lease area of 4,071 sq. m. located in Starachowice, purchased by JHM Development S.A. from Marywilska 44 sp. z o.o., with a total value of PLN 14,909 thousand;
- d) the property, owned by PDC Industrial Center 217 Sp. z o.o., located in Chościszowice, Bolesławiec municipality, comprising plot No. 75 from section 0004 Chościszowice, with an area of 10.37 ha. On the property in question, the company built a hall for lease for logistics and warehousing purposes with an area of approximately 50,000 sq. m. The total value of the property amounts to PLN 117,690 thousand;
- e) Wodny Park Handlowy Marywilska 44 building completed on 31 December 2017, with a value of PLN 39,606 thousand;
- f) recognition of an asset under the right to use land property located in Warsaw at ul. Marywilska 44 used on the basis of long-term lease contracts – recognition in accordance with IFRS 16 “Leases” as at 31 December 2024 - PLN 99,013 thousand;
- g) property located in Skierniewice, at ul. Reymonta, with a value of PLN 764 thousand;
- h) the amount of PLN 21,944 thousand disclosed in the consolidated financial statements relates to undeveloped land properties situated in Wola Pękoszewska, Skierniewice, at ul. Unii Europejskiej, and Rawa Mazowiecka, at ul. Biała.

As a result of fair value adjustment of investment properties based on appraisal reports, JHM Development S.A. made a write-down in the full amount, i.e. PLN 3,757 thousand, of the value of the building located in Skierniewice at ul. Sobieskiego, as well as the revaluation to fair value of the land owned by the Company by an amount of PLN 6,806 thousand.

On 12 May 2024, as a result of a fire, the building of MARYWILSKA 44 Shopping Centre, located in Warsaw at ul. Marywilska 44, owned by Marywilska 44 Sp. z o.o. Efforts are currently underway to determine the cause of fire which at the date of this report has not been established.

Assets destroyed in the fire include the Marywilska 44 Shopping Centre – the value of this investment property at fair value was PLN 110,931 thousand.

The property is covered by an insurance policy, including against fire. The policy is issued by Towarzystwo Ubezpieczeń i Reasekuracji Allianz Polska S.A. (Consortium Leader) with the co-insurance of WIENER TU S.A. Vienna Insurance Group, InterRisk Towarzystwo Ubezpieczeń S.A., Vienna Insurance Group and Uniqa Towarzystwo Ubezpieczeń S.A. The Insurer's loss adjustment process is currently underway. Up to the date of publication of this report, three further decisions on the advance payment of compensation under the policy in question have been issued, totalling PLN 38,000 thousand. The Management Board of Marywilska 44 Sp. z o.o. estimates that the compensation payment from the insurance policy will be made next year and will amount to approx. PLN 110,028 thousand.

For the purpose of preparing the report, an impairment test was carried out on the shares of Marywilska 44 Sp. z o.o. by comparing the net asset value of the assets of Marywilska 44 Sp. z o.o. and the book value of the shares at acquisition price. The result of the test indicates that there is no basis to create any revaluation write-downs in this respect. For the purposes of the test, the estimated value of the compensation and the value of the property destroyed in the fire were compared. In drawing up the test, the risk that the insurer of Marywilska 44, would not disburse full compensation after the fire in accordance with the policies was taken into account.

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. 782 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.

More information on the current situation of Marywilska 44 Sp. z o.o. can be found in the Management Board report on the activities of the MIRBUD Capital Group for 2024.

Ownership structure of investment property value	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Own	343,755	355,728
Used under operating lease, rent, hire and similar	99,013	135,114
Total	442,768	490,841

Investment property used under financial lease contracts	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Capitalised leasing costs	-4,204	-5,301
Fair value changes	-32,219	4,079
Total	-36,423	-1,222

Data on investment property measured at fair value carried out by the entity	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Book value	442,768	490,841
Revenue from rent	34,546	61,522
Direct operating costs for investment property yielding rent income	-20,600	-23,879
Direct operating costs for investment property not yielding rental income		
Total:	13,946	37,643
Amounts of restrictions on the realisation of economic benefits		
Contractual purchase, construction or adaptation amounts		

Investment property according to the fair value hierarchy	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
I		
II	442,768	490,841
III		
Total	442,768	490,841

IFRS 13 introduces a fair value determination hierarchy, based on three levels of obtaining input information. Three levels of fair value determination hierarchy.

Level one (I) contains input information from an active market and is treated as the source of most reliable data. Data from this level should be used whenever possible.

Level two (II) contains input information other than from an active market, which are however observable (objective, measurable). This level includes the following possible sources of information and data: quotations for similar assets and liabilities from an active market; quotations for the same or similar assets and liabilities from markets which are not active; markets other than quoted markets which are nevertheless observable (interest rates, credit spreads, etc.); other market-based information.

Level three (III) contains unobservable data used when information from the first two measurement levels cannot be obtained. This includes any measurements with subjective input data. IFRS 13 distinguishes three main fair value measurement methods: market approach; cost approach; flow approach.

Note 3. Intangible assets

Intangible asset ownership structure	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Own intangible assets	9,165	9,025
Intangible assets used under operating lease, rent, hire or similar	25	174
Total	9,190	9,199
Intangible assets pledged as hedging for liabilities		

Costs of external financing capitalised in the value of intangible assets	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Interest		
Foreign exchange differences		
Other borrowing costs		
Total		

Data does not exist.

Intangible assets used under financial lease contracts	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Costs	4281	4,281
Depreciation	-4,256	-4,107
Total	25	174

Data does not exist.

Intangible and legal assets	Development costs	Goodwill	Programmes and licences	Other intangible assets	Advances for intangible assets	TOTAL
As at 01/01/2023						
Costs		4,509	5,962			10,471
Depreciation and revaluation write-downs			-5,639			-5,639
Net book value		4,509	323			4,832
Increases		4,414				4,414
including revaluation surplus						
Decreases			-47			-47
including changes in the accumulated amortisation						
Foreign exchange differences						
As at 31/12/2023						
Net book value	-	8,923	276	-	-	9,199
as at 01/01/2024						
Costs		115	92			206
Depreciation			-215			-215
Revaluation write-downs						
Net book value	-	9,038	153	-	-	9,190
as at 31/12/2024						
Costs		115	92			206
Increases, including:		124	92			216
- acquisition			92			92
- acquisition, subsidiaries						
- revaluation surplus						
- carry-over						
- other		124				124
Decreases, including:		-10				-10
- sale						
- reallocation to the held-for-sale group						
- other		-10				-10
Depreciation			-215			-215
Increases, including:			-215			-215
- amortisation			-215			-215
- acquisition, subsidiaries						
- other						
Decreases						
- sale						
- reallocation to the held-for-sale group						
- carry-over						
- other						

Revaluation write-downs

- revaluation write-downs						
- reversals of revaluation write-downs						
Foreign exchange differences						
Net value	-	9,038	153	-	-	9,190

The main component of intangible assets is the SAP system. The plan has a useful life of 20 years and its residual value is PLN 0.00.

Goodwill has been allocated to the relevant activity segments as cash-generating units. The impairment tests carried out for these units, based on discounted cash flows, indicated that the recoverable value of these assets was higher than their book value.

Cash flows have been designed on the basis of historical data and the best Management Board forecasts. The discount factors were selected on the basis of external sources and presented in the note corresponding to the report on activity segments.

Note 4. Long-term financial assets (excluding trade receivables, assets measured using the equity method and cash and cash equivalents) and financial data of subsidiaries

Shares in other parties are initially recognised at fair value plus transaction costs. In later periods they are recognised at fair value.

After the initial recognition, the Group measures all investments in equity instruments at fair value. For all the investments being set, the Group chose the option to present profits and losses on changes in fair value of equity instruments in other comprehensive income. If such a choice is made, profits and losses on the change in fair value are not subsequently reclassified to financial result when the investment is no longer disclosed. Impairment write-downs (and reversals of write-downs) in respect of equity investments measured at fair value through other comprehensive income are not presented on other changes in fair value.

Dividends from such investments are recognised in financial result when the Company's right to receive payment is established.

Financial assets (excluding trade receivables, assets measured according to equity method and cash and cash equivalents)	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Capital investments in subsidiaries	331	316
Other	76,760	75,289
Total	77,091	75,605

Other financial assets (excluding trade receivables, assets measured according to equity method and cash and cash equivalents)	in PLN thousand			
	As at:	Increases	Decreases	As at:
	31/12/2023	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	31/12/2024
<u>Long-term financial assets</u>	40,383	38,201	-3,683	74,901
<u>in related parties</u>	316	15	-	331
- shares	316	15		331
- loans granted				
- other long-term financial assets				
<u>in other parties</u>	40,067	38,186	-3,683	74,571
- shares	39,820	38,186	-3,622	74,384
- financial assets available for sale				
- financial assets held to maturity				
- assets under derivative instruments				
- loans granted				
- other long-term financial assets	247		-61	186
Short-term financial assets	35,222	2,141	-35,173	2,189
<u>in subsidiaries and jointly controlled parties</u>	35,173	-	-35,173	-
- shares available for trade				
- other securities	35,173		-35,173	
- loans granted				
- other short-term financial assets				
<u>in associates</u>				
- shares available for trade				
- other securities				
- loans granted				
- other short-term financial assets				
<u>in other parties</u>	49	2,141		2,189
- shares (listed)				
- other shares				
- financial assets measured at fair value by financial result				
- financial assets available for sale				
- financial assets held to maturity				
- assets under derivative instruments				
- loans granted				
- other short-term financial assets	49	2,141		2,189
Total	75,605	40,342	-38,855	77,091

In connection with the discontinuation of bankruptcy proceedings in respect of HAKAMORE Sp. z o.o. w upadłości on 20 December 2023, a preliminary contract was concluded between HAKAMORE Sp. z o.o. and JHM DEVELOPMENT S.A. for the sale of land properties with an area of 19.87 ha, located in Łódź at ul. Politechniki, Wróblewskiego and Różana. The promised contract of sale of this property was concluded on 25 January 2024.

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.

On 26 July 2024, the Extraordinary Meeting of Shareholders of HAKAMORE Sp. z o.o. w likwidacji adopted a resolution to terminate the liquidation of the Company. By decision of 02 August 2024, the District Court for Łódź - Śródmieście in Łódź deleted HAKAMORE Sp. z o.o. from the National Court Register.

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., a Panattoni Group entity. 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. purchased 20,800 shares from Marywilska 44 Sp. z o.o. with a total nominal value of 1,040,000 in the share capital of PDC Industrial Center 217 Sp. z o.o. with its registered office in Warsaw. MIRBUD S.A. directly holds 85.19% of the equity of PDC Industrial Center 217 Sp. z o.o.

As at 31 December 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.

PDC Industrial Center 217 Sp. z o.o. is the owner of a property located in Chościszwice, Bolesławiec Municipality, comprising plot No. 75 from section 0004 Chościszwice, with an area of 10.37 ha. On the property in question, the company built a hall for lease for logistics and warehousing purposes with an area of approximately 50,000 sq. m.

The planned business segment of PDC Industrial Center 217 Sp. z o.o. is the rental of commercial space to third parties.

On 14 December 2023, MIRBUD S.A. entered into a loan agreement with PDC Industrial Centre 217 Sp. z o.o. in the maximum amount of PLN 120,000 thousand to finance the construction of a warehouse, logistics and production centre located in Chościszwice, Bolesławiec Municipality and conduct day-to-day business operations. As at 31 December 2024, the loan debt including the measurement amounted to PLN 111,822 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.

The acquisition of shares in PDC Industrial Center 217 Sp. z o.o. constitutes another step in the development of the MIRBUD Capital Group's activities in the warehouse and logistics property lease market. In terms of the implementation, commercialisation and possible future sale of this project, the Company is cooperating with the leading warehouse space developer on the Polish market, Panattoni Development Europe Sp. z o.o.

Pursuant to the resolution of the Extraordinary General Meeting of Shareholders No. 2/7/2024 of 17 July 2024, Marywilska 44 Sp. z o.o. acquired from MIRBUD S.A., for consideration, own shares in the number of 905,100 pieces with a nominal value of PLN 45,255 thousand to redeem them.

As a result of the above-described event, JHM DEVELOPMENT SA became the parent company of Marywilska 44.

MIRBUD S.A. recognised shares of Torpol S.A. under the "shares in other parties" item. On 10 September 2024, pursuant to Article 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005, MIRBUD S.A. notified that it had exceeded 10% of the total number of shares and votes attached to those shares at the Company's General Meeting. The item is classified as financial instruments measured at fair value through financial result. The Management Board anticipates that the project is of a long-term type.

As at 31 December 2024, the Company updated the value of Torpol S.A. shares as quoted on the Warsaw Stock Exchange on 30 December 2024. As a result of the valuation, the value of the asset has increased by EUR 18,374 thousand over the 9-month period of 2024.

On 18 December 2024, MIRBUD S.A. purchased 17,450 shares for a total of PLN 77,500 thousand, which accounted for 99.81% of votes at the meeting of shareholders of Przedsiębiorstwo Budownictwa Specjalistycznego TRANSKOL spółka z ograniczoną odpowiedzialnością with its registered office in Kielce as at 31 December 2024.

Basic financial data of the main directly controlled subsidiaries	JHM Development S.A	Kobylarnia S.A.	PDC Industrial Center 217 Sp. z o.o.	TRANSKOL Sp. z o.o.	Mirbud Ukraina Sp. z o.o.
Total assets	528,954	569,710	121,934	58,009	
Non-current liabilities	18988	168,756	112,710	502	
Short-term liabilities	102,254	276,663	375	5,616	
Equity	406,476	124,292	8,849	51,891	
Direct share in capital	100.00%	100.00%	85.19%	99.81%	100.00%
Share in equity	100.00%	100.00%	85.19%	99.81%	
Revenue from sales	270,415	1,350,622	877	13,440	
Net profit (loss)	57,316	27,228	-3,315	-6,058	
Comprehensive income for the net financial year	57,316	27,228	-3,315	-6,058	
Total net cash flows	20,102	-13,007	-1,994	-11,418	

Basic financial data of main, indirectly controlled subsidiaries	Marywilska 44 Sp. z o.o.
Total assets	305,432
Non-current liabilities	111,373
Short-term liabilities	9,824
Equity	184,235
Share in equity (direct and indirect)	28.735% (direct and indirect share 100%)
Revenue from sales	31,074
Net profit (loss)	23,711
Comprehensive income for the net financial year	23,711
Total net cash flows	3,427

Note 5. Investments measured using the equity method

Neither in the current nor in the previous reporting period did the item occur.

Note 6. Trade and other receivables

Trade and other receivables	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
<u>Long-term receivables</u>	<u>1,765</u>	<u>2,102</u>
trade receivables from related parties		
trade receivables from other parties		
other receivables from related parties		
other receivables from other entities	1,765	2,102
<u>Short-term receivables</u>	<u>671,236</u>	<u>593,926</u>
trade receivables from related parties		
trade receivables from other parties	194,110	383,824
retained amounts under execution of contracts from related parties		
retained amounts under execution of contracts from other parties	35,304	52,759
other receivables from related parties		
other receivables from other entities	1,890	4,233
amounts transferred for deliveries	51,850	35,716
budget receivables except for corporate income tax settlements	40,271	17,760
disputed receivables brought before the court	10,623	1,140
accrual of receivables under settlement of long-term contracts	337,188	98,494
<u>Total</u>	<u>673,001</u>	<u>596,028</u>

Age structure of receivables	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Gross trade receivables	703,121	626,327
not overdue, including:	631,069	527,382
due up to 1 month	576,887	403,942
due from 1 to 3 months	17,114	68,579
due from 3 to 12 months	35,304	52,759
due from 1 to 5 years	1,765	2,102
overdue, including:	72,051	98,945
overdue up to 1 month	20,817	53,130
overdue from 1 to 3 months	2,281	15,287
overdue from 3 to 6 months	7,648	3,850
overdue from 6 to 12 months	3,454	1,571
overdue over 12 months	37,851	25,107
credit risk write-down	-7,888	-2,478
receivables revaluation write-down	-22,232	-27,821
Net trade receivables	673,001	596,028

With reference to the table above, as at the date of publication of the financial statements, PLN 18,655 thousand was settled out of the range of overdue receivables.

Receivables revaluation write-downs	Trade receivables	Disputed receivables	Other	Total
As at 01/01/2023	-21,262	-	-3,292	-24,555
Increases	-451		-5,614	-6,065
Releases	273			273
Utilisation	48			48
As at 31/12/2023	-21,392	-	-8,906	-30,299
Increases	-215		-5,772	-5,987
Releases	460		5,537	5,997
Utilisation	168			168
as at 31/12/2024	-20,979	-	-9,141	-30,120

Revaluation write-downs in respect of credit losses.

The Company uses a simplified write-down matrix to calculate expected credit losses. In order to determine expected credit losses, trade receivables were grouped based on probability of credit risk characteristics and past due bands. The Group states that it has one hegemonic group of receivables.

The liability default rate was established on the basis of historical data from 2021 to 2023.

The recoverability is estimated on the basis of historical data as the balance includes a group of dispersed items grouped according to the probability of credit risk and customer behaviour in the past. A further adjustment is then made to take account of the impact of future factors not reflected in the historical data.

The liability default rate established as at 31/12/2024 is:

- for non-matured receivables - 0.02%
- for receivables past due up to 1 month - 0.03%
- for receivables past due from 1 month to 3 months - 0.05%
- for receivables past due from 3 to 6 months - 0.16%
- for receivables past due from 6 to 12 months - 0.43%
- for receivables past due over 12 months - 98.32%

As of 31/12/2024, the Group has recognised a write-down for potential credit risk in the amount of PLN 7,888 thousand.

Revaluation write-downs in respect of items to which the credit risk has significantly increased.

The following are qualified for this item:

- receivables from business partners at risk of bankruptcy;
- receivables overdue more than 12 months, unless there are circumstances indicating high probability of recovery.

Taking into account the risk of changes in exchange rates, the Group has measured trade receivables in foreign currencies as at 31/12/2024. As a result of the analysis, a write-down was made for the amount of PLN 132 thousand.

The Group also applies the calculation of write-downs for credit risk to items of other financial assets in accordance with IFRS 9 (International Financial Reporting Standards) as an impairment model based on expected credit losses.

Note 7. Biological assets

Neither in the current nor in the previous reporting period did the item occur.

Note 8. Other assets not elsewhere classified (including prepayments and accruals)

Other assets	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Other long-term assets	7	-
Long-term cost prepayments	7	
Other long-term assets not elsewhere classified		
Other short-term assets	123,585	1,988
Short-term cost prepayments and accruals	123,585	1,988
Other short-term assets not elsewhere classified		
Total	123,591	1,988

Short-term accruals include the amount of costs due to warranties provided during the period of execution of construction contracts and during the period of removal of defects and faults in the amount of PLN 49,911 thousand. These costs are accrued over time and will be charged to the result in accordance with the date covered by the warranty period.

This item also includes the amount of compensation due but not received by Marywilska 44 Sp. z o.o. from the insurer in connection with the damage – fire of the Shopping Centre in the amount of PLN 72,028 thousand.

Note 9. Inventory

Inventory	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Materials	39,098	26,798
Semi-finished products and work in progress	84,176	116,177
Finished products		
Goods	145,268	97,001
Completed property development contracts	92,077	149,880
Total	360,620	389,856

Inventory revaluation write-downs	Materials	Semi-finished products and work in progress	Finished products	Goods	Completed property development contracts
As at 01/01/2023	-	-	-	-	-
Increases					
Releases					
Utilisation					
As at 31/12/2023	-	-	-	-	-
Increases					
Releases					
Utilisation					
as at 31/12/2024	-	-	-	-	-

There were no circumstances indicating the need to make revaluation write-downs on inventory.

Note 10. Cash and cash equivalents

Cash and cash equivalents	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Cash on hand and in bank accounts	197,545	334,064
Term deposits	195,344	50,221
Other monetary assets	3,880	11,491
Total	396,770	395,776

Term deposits in the amount of PLN 140,161 thousand represent interest-bearing cash obtained by MIRBUD S.A. from the issue of L series shares and constituting security for the proper performance of construction contracts and obtained from advance payments from investors.

The term deposit in the amount of PLN 8,400 thousand constitutes interest-bearing funds used as hedging for the Marywilska 44 company's credit contract.

Term deposits in the amount of PLN 46,783 thousand represent cash of JHM Development S.A.

Other cash assets are funds accumulated on individual housing accounts by purchasers of residential units for property development investments in the course of construction.

As a result, they are limited in their use.

write-downs for impairment of cash and cash equivalents have been determined individually for each balance relating to a given financial institution. External rankings of banks and publicly available information on the default rates for individual rankings were used to assess credit risk. The analysis showed that these assets have a low credit risk as at the reporting date. The Company used the simplification allowed by the standard and the impairment write-down determined on the basis of 12-months' credit losses.

Note 11. Fixed assets held for sale and liabilities related to them

Neither in the current nor in the previous reporting period did the item occur.

Note 12. Capitals

Capitals and liabilities	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Share capital	11,009	9,174
Issue price surplus over nominal value of shares	197,529	
Other reserve capital	223,509	220,499
Retained profit attributable to the shareholders of the parent company /supplementary capital, including:	662,973	563,877
<i>Profit/loss in the reporting period</i>	<i>121,372</i>	<i>135,414</i>
Equity attributable to shareholders of the parent company /supplementary capital	1,095,020	793,550
Equity attributable to non-controlling shares		
Total	1,095,020	793,550

On 6 May 2024, the Extraordinary General Meeting of Shareholders of MIRBUD S.A. with its registered office in Skierniewice, by way of Resolution No. 3/2024, authorised the Management Board of the Company to increase the share capital within the limits of the authorised capital by an amount not exceeding 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 each. The amount of authorised capital remaining to be subscribed at the date of publication is PLN 1,834,880.

On 17 May 2024, the Issuer announced in Current Report No. 48/2024 that MIRBUD S.A. received a decision of the District Court for Łódź - Śródmieście in Łódź, 20th Commercial Division of the National Court Register on the registration of amendments on 15 May 2024 to the Issuer's Articles of Association in the National Court Register - Register of Entrepreneurs.

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

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 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 9 July 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 July 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.

Reserve capital

Other reserves	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Other capital attributable to equity holders of the parent company, including:	223,509	220,499
<i>Total other comprehensive income - issue of shares</i>	223,509	220,499
Total	223,509	220,499

Share capital structure	Number of shares	Value of capital	share nominal value	Registration date	Method of coverage
	thousand Pieces	in PLN thousand	in PLN	dd/mm/yyyy	
Ordinary A series shares	19,500	1,950	0.10	22/12/2006	Contribution in cash
Ordinary B series shares	14,625	1,463	0.10	22/12/2006	Contribution in cash
Ordinary C series shares	2,264	226	0.10	22/12/2006	
Ordinary D series shares	3,611	361	0.10	22/12/2006	Contribution in cash
Ordinary E series shares	5,000	500	0.10	11/12/2019	Contribution in cash
Ordinary F series shares	10,000	1,000	0.10	03/03/2010	Contribution in cash
Ordinary G series shares	10,000	1,000	0.10	19/05/2010	Contribution in cash
Ordinary H series shares	10,000	1,000	0.10	18/08/2010	Contribution in cash
Ordinary I series shares	7,493	749	0.10	25/06/2014	Contribution in cash
Ordinary J series shares	2,874	287	0.10	11/09/2019	Contribution in cash
Ordinary K series shares	6,378	638	0.10	30/09/2019	Contribution in cash
Ordinary L series shares	18,348	1,835	0.10	25/06/2024	Contribution in cash
Opening balance total	110,093	11,009	-	-	-
Closing balance total	110,093	11,009	-	-	-
Total as of the date of approval of financial statements for publication	110,093	11,009	-	-	-

Share capital structure	Jerzy Mirgos	Nationale-Nederlanden Open Pension Fund	TFI PZU S.A.	PTE PZU S.A.	Other shareholders
As at 31/12/2023					
Owned ordinary shares	41,710,000	9,221,837	0	0	40,812,363
Preference shares held					
Share in capital	45.46%	10.05%	0.00%	0.00%	44.50%
Share in profit	45.46%	10.05%	0.00%	0.00%	44.50%
Share in voting	45.46%	10.05%	0.00%	0.00%	44.50%
As at 31-12-2024					
Owned ordinary shares	41,763,000	14,229,550	5,589,481	0	48,510,969
Preference shares held					
Share in capital	37.93%	12.93%	5.08%	0.00%	44.06%
Share in profit	37.93%	12.93%	5.08%	0.00%	44.06%
Share in voting	37.93%	12.93%	5.08%	0.00%	44.06%
Balance as at the date of approval of financial statements for publication					
Owned ordinary shares	41,763,000	12,025,773	5,589,481	5,508,430	45,206,316
Preference shares held					
Share in capital	37.93%	10.92%	5.08%	5.00%	41.07%
Share in profit	37.93%	10.92%	5.08%	5.00%	41.07%
Share in voting	37.93%	10.92%	5.08%	5.00%	41.07%

Note 13. Provisions

Provisions	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
<u>Long-term provisions</u>	<u>8,781</u>	<u>8,850</u>
provisions for retirement benefits	1,134	1,448
other long-term provisions	7,647	7,402
<u>Short-term provisions</u>	<u>10,398</u>	<u>6,690</u>
provisions for retirement benefits	1,499	905
provisions for warranty repairs	2,053	2,053
provisions for losses under settlements of long-term contracts	5,211	
other short-term provisions	1,634	3,732
<u>Total</u>	<u>19,178</u>	<u>15,540</u>

Note 14. Financial liabilities excluding provisions, trade liabilities and other liabilities

Bank loans and credits and other debt instruments	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
<u>Long-term financial liabilities, except for provisions, trade liabilities and other liabilities</u>	<u>217,530</u>	<u>314,284</u>
Financial liabilities due to related parties		
Loans and credits from other parties	93,449	96,889
Liabilities under derivative instruments		
Issued debt securities		50,000
Liabilities under financial lease	27,160	38,283
Other	96,922	129,113
<i>including liability resulting from measurement of long-term lease agreements in accordance with IFRS 16</i>	96,554	129,113
<u>Short-term financial liabilities, except for provisions, trade liabilities and other liabilities</u>	<u>138,242</u>	<u>90,521</u>
Financial liabilities due to related parties		
Loans and credits from other parties	73,556	64,435
Liabilities under derivative instruments		
Issued debt securities	45,185	206
Liabilities under financial lease	17,015	19,658
Other	2,487	6,222
<i>including liability resulting from measurement of long-term lease agreements in accordance with IFRS 16</i>	2,459	6,001
<u>Total</u>	<u>355,772</u>	<u>404,805</u>

Debt instruments structure	in PLN thousand					
	loans and credits	Liabilities under derivative instruments	Issued debt securities	Liabilities under financial lease	Other	Total
as at 01/01/2023	191,223		62,303	57,963	136,849	448,337
Accrued interest	16,356		7,839	4,845	12,059	41,099
Interest paid	-16,356		-7,617	-4,845	-12,059	-40,877
Drawdown	86,890			17,701		104,591
Repayment	-114,467		-12,070	-17,724	-5,301	-149,562
Average liability level	176,273		56,035	57,952	136,092	426,352
Real interest rate	9.28%		13.99%	8.36%	8.86%	9.64%
as at 31/12/2023	161,324		50,206	57,941	135,335	404,805
minimum payments up to 1 month	1,496			1,696	477	3,192
minimum payments from 1 to 3 months	4,244			5,042	967	9,286
minimum payments from 3 to 12 months	21,821			13,168	1,481	34,989
minimum payments within 1 year	27,561			19,906	3,076	50,543
minimum payments within 1 to 5 years	133,763		50,000	38,035	31,027	252,825
minimum payments over 5 years	5,529				98,086	103,615
interest due up to 1 year	14,969		5,581	4,844	13,318	38,712
interest due from 1 to 5 years	59,876		5,375	19,376	46,250	130,877
interest due over 5 years	2,557				34,481	37,038
Approximate fair value	166,853		49,076	57,941	135,114	481,158
as at 01/01/2024	161,324		50,206	57,941	135,335	404,805
Accrued interest	17,495		6,421	3,940	4,735	32,590
Interest paid	-17,495		-6,110	-3,940	-4,735	-32,279
Drawdown	87,664		185	11,630	2,181	101,660
Repayment	-81,843		-5,206	-25,397	-37,168	-149,614
Average liability level	164,164		47,788	51,058	117,247	380,257
Real interest rate	10.66%		13.44%	7.72%	4.04%	8.57%

as at 31/12/2024	167,005	-	45,185	44,174	99,409	355,772
minimum payments up to 1 month	1,568			1,617	205	3,390
minimum payments from 1 to 3 months	4,814			4,463	410	9,687
minimum payments from 3 to 12 months	12,880		45,185	10,494	1,844	70,403
minimum payments within 1 year	19,263		45,185	16,573	2,459	83,480
minimum payments within 1 to 5 years	147,742			27,601	52,484	227,827
minimum payments over 5 years	19,473				44,070	63,543
interest due up to 1 year	17,797		4,793	3,041		25,631
interest due from 1 to 5 years	71,189			6,350		77,539
interest due over 5 years	2,053					2,053
Approximate fair value	167,478		45,185	44,174	99,014	355,851

E series bonds

On 26 November 2021, the Management Board of JHM DEVELOPMENT S.A. with its registered office in Skierniewice, by way of Resolution No. XXV/2021 concerning the allocation of 50,000 E series secured bearer coupon bonds with a nominal value of PLN 1,000 each and a total nominal value of PLN 50.0 million, made a conditional allocation of E series bonds. The condition for the effective allocation of the Bonds to investors was the settlement of the Bonds purchase transaction by the National Depository for Securities in the delivery versus payment mode. The issue price of the Bonds is equal to the nominal value. The Issue Day is 17/12/2021.

The Bonds were offered in the manner provided for in Article 33(1) of the Bond Act, i.e. by way of a public offering, the conduct of which does not involve the obligation to draw up a prospectus pursuant to Article 1(4)(a) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the offering was addressed solely to qualified investors).

Funds from the issue shall be earmarked for execution of new residential projects, including purchase of land and for financing and/or refinancing of a Permitted Transaction, where a Permitted Transaction means actual and legal actions taken by the Issuer which are intended to lead, directly or indirectly, to the purchase by the Issuer of the perpetual usufruct right to property situated in Łódź and the ownership right to property situated in Łódź, including in particular:

- a) purchase of shares in Hakamore sp. z o.o. w upadłości;
- b) purchase from Hakamore creditors the claims of such creditors against the company, including bonds, or cause the funds necessary to satisfy all creditors to be made available to Hakamore; and
- c) causing the discontinuation of bankruptcy proceedings against Hakamore; and then
- d) concluding with Hakamore, after the end of bankruptcy proceedings, a contract for the sale of property pursuant to which the sales price or a part of the sales price of property may be settled by contractual deduction of the Issuer's receivables due to Hakamore and acquired from previous creditors with HKM's receivables due to the Issuer for payment of the sales price of property.

Following the discontinuation of the bankruptcy proceedings of Hakamore Sp. z o.o. w upadłości on 20 December 2023, a preliminary estate sale agreement was concluded between Hakamore Sp. z o.o. and JHM DEVELOPMENT S.A.

After the balance sheet date, in execution of the preliminary sales agreement, a notarial deed was signed transferring ownership of property to JHM Development S.A., and thus the purpose of the series E bond issue was achieved.

The interest rate on the bonds is variable, based on WIBOR 6M plus margin. Interest will be paid on a semi-annual basis. On the interest payment dates falling on 17 December 2024 and 17 June 2025, the Issuer will be required to each time unconditionally partially redeem 10% of the total number of issued Bonds. The final redemption date is set for 17 December 2025. The transferability of the bonds is not subject to any restrictions.

Liabilities under credits and loans owned by MIRBUD S.A. as at 31/12/2024

Name of the party	Obliged 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	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
Total credits and loans				43,873	67,493	111,366		

As at 31 December 2024, the value of credits and loans was valued by MIRBUD S.A. at amortised cost. As a result of the measurement, the value of liabilities under credits and loans was increased by PLN 2,328 thousand.

Liabilities under credits and loans of the Companies from the MIRBUD S.A. Group as at 31/12/2024

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
BANK SPÓŁDZIELCZY	JHM Development S.A.	8,823	PLN	6,132	442	WIBOR 3M + margin	31/12/2034	mortgage on property
MBANK	JHM Development S.A.	34,100	PLN	6,675	0	WIBOR 1M + margin	30/09/2027	mortgage on property
BANK POLSKIEJ SPÓŁDZIELCZOŚCI	JHM Development S.A.	39,050	PLN	2,293	0	WIBOR 3M + margin	31/03/2026	mortgage on property
BGK	Kobylarnia S.A.	6,212	PLN	2,485	621	WIBOR 1M + margin	31/12/2029	mortgage, surety of MIRBUD
BGK	Kobylarnia S.A.	38,000	PLN	29,663	5,000	WIBOR 1M + margin	30/12/2033	mortgage, surety of MIRBUD
ALIOR BANK S.A.	Kobylarnia S.A.	18,716	PLN	0	0	WIBOR 3M + margin	26/09/2032	registered pledge
Total credits and loans				47,248	6,063	53,311		

Liabilities under credits and loans owned by MIRBUD S.A. as at 31/12/2023

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 October 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
Total credits and loans				60,400	48,000	108,400		

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 2,467 thousand.

Liabilities under credits and loans of the Companies from the MIRBUD S.A. Group as at 31/12/2023

Name of the party	Obliged 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
Bank Spółdzielczy	JHM Development S.A.	8,823	PLN	6,648	363	WIBOR 3M + margin	31/12/2034	mortgage on property
Bank Polskiej Spółdzielczości S.A.	JHM Development S.A.	28,445	PLN			WIBOR 3M + margin	30/06/2025	mortgage on property
Bank Ochrony Środowiska S.A.	JHM Development S.A.	31,900	PLN			WIBOR 1M + margin	30/06/2024	mortgages on property
SANTANDER BANK POLSKA S.A.	JHM Development S.A.	39,095	PLN	3,580		WIBOR 1M + margin	31/03/2025	mortgages on property
WARSZAWSKI BANK SPÓŁDZIELCZY	JHM Development S.A.	13,110	PLN	11,234		WIBOR 3M + margin	30/12/2024	mortgages on property
Bank Ochrony Środowiska S.A.	JHM Development S.A.	23,000	PLN	4,973		WIBOR 1M + margin	31/12/2025	mortgages on property
Bank Polskiej Spółdzielczości S.A.	JHM Development S.A.	18,000	PLN			WIBOR 3M + margin	30/06/2025	mortgage on property
SANTANDER BANK POLSKA S.A.	MARYWILSKA 44 sp. z o.o.	33,000	PLN	11,911	3,486	WIBOR 3M + margin	02/05/2028	cash deposit, assignment of receivables, registered pledge of a bank account, surety, mortgage
SANTANDER BANK POLSKA S.A.	MARYWILSKA 44 sp. z o.o.	1,342	EUR	3,844	691	EURIBOR 3M + margin	30/10/2030	assignment of receivables, registered pledge on bank account, mortgage
BGK	Kobyłarnia S.A.	6,212	PLN	3,106	621	WIBOR 1M + margin	31/12/2029	mortgage, surety of MIRBUD
Total credits and loans				45,296	5,161	50,457		

Note 15. Trade and other liabilities

Trade and other liabilities	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
<u>Non-current liabilities</u>	<u>155,532</u>	<u>126,991</u>
Trade liabilities to related parties		
retained amounts to related parties		
Other liabilities due to related parties		
Trade liabilities to other parties		
Retained amounts to other parties	122,803	111,713
Advances received	32,729	15,278
Other liabilities due to other parties		
<u>Short-term liabilities</u>	<u>657,266</u>	<u>892,130</u>
Trade liabilities to related parties		
retained amounts to related parties		
Other liabilities due to related parties		
Trade liabilities to other parties	362,873	452,491
Liabilities under settlement of long-term contracts	4,152	68,683
Advances received	86,588	190,137
Bills of exchange liabilities		
Budget liabilities except for corporate income tax settlements	10,883	29,781
Remuneration settlements	9,160	7,680
Retained amounts to other parties	135,162	141,939
Other liabilities due to other parties	48,448	1,419
<u>Total</u>	<u>812,798</u>	<u>1,019,121</u>

As of 31/12/2024, the amount of liability due to advances received on account of executed road contracts amounted to PLN 86,445 thousand.

The "other liabilities" item includes other entities, a liability was recognised arising from the contract for the purchase of shares in Przedsiębiorstwo Budownictwa Specjalistycznego TRANSKOL Sp. z o.o. – the second instalment in the amount of PLN 47,500 thousand over the 9-month period of 2024. This amount was paid on 14 February 2025.

Age structure of liabilities	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
<u>Trade liabilities</u>	812,798	1,019,121
not overdue	783,628	988,190
due up to 1 month	355,611	482,492
due from 1 to 3 months	50,735	46,631
due from 3 to 12 months	221,750	332,076
due from 1 to 5 years	155,532	126,991
overdue up to 1 month	26,475	27,661
overdue from 1 to 3 months	2,695	3,270
overdue from 3 to 6 months		
overdue from 6 to 12 months		
overdue over 12 months		
<u>Total overdue</u>	29,170	30,931

At the date of publication of the consolidated financial statements, PLN 29,111 thousand of the range of overdue liabilities had been repaid.

Note 16. Other current liabilities and provisions not elsewhere classified (including prepayments and accruals)

Other liabilities and provisions not classified, including prepayments and accruals	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
<u>Long-term</u>		
Revenue settled in time		
Cost prepayments and accruals		
Other items		
<u>Short-term</u>	6,285	3,036
Revenue settled in time	5,499	1,569
Cost prepayments and accruals	435	634
Other items	351	833
Total	6,285	3,036

Note 17. Revenue from sales

Structure of revenue from sales	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Net revenue from sales of products and services	3,216,953	3,283,409
- to related parties		
- to other parties	3,216,953	3,283,409
Net revenue from sales of goods	15,537	12,529
- to related parties		
- to other parties	15,537	12,529
Net revenue from sales of materials	19,654	26,502
- to related parties		
- to other parties	19,654	26,502
Total	3,252,143	3,322,440

Geographical structure of revenue from sales	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Net revenue from sales of products and services	3,216,953	3,283,409
- domestic sales	3,216,953	3,283,409
- export sale		
Net revenue from sales of goods	15,537	12,529
- domestic sales	15,537	12,529
- export sale		
Net revenue from sales of materials	19,654	26,502
- domestic sales	19,654	26,502
- export sale		
Total	3,252,143	3,322,440

Settlement of profits or losses on long-term services in progress	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Revenue invoiced for services in progress	2,883,917	3,253,599
Adjustment of revenue under the settlement of the progress of construction services	333,036	29,810
Total	3,216,953	3,283,409
Costs incurred for services in progress	-2,924,453	-2,947,694
Adjustment of costs under the settlement of the progress of construction services		
Total	-2,924,453	-2,947,694
Losses on contracts in progress	4,154	
Impact on the current financial result	333,036	29,810
Impact on the accumulated results of contracts unfinished as of the balance-sheet date	296,653	335,715

In the construction industry there is a seasonality of annual sales resulting from the production processes taking place in the construction industry and from the cycle on the construction and assembly services market. Due to technological and weather conditions, the majority of construction works are carried out in the period from March to November. Possible delays resulting from weather conditions are assumed in the investment development execution schedules and do not threaten their timely completion.

Note 18. Cost of goods sold

Own costs of sales	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Production cost of products sold	-2,924,453	-2,947,694
- to related parties		
- to other parties	-2,924,453	-2,947,694
Value of goods sold	-15,537	-12,554
- to related parties		
- to other parties	-15,537	-12,554
Value of materials sold	-20,810	-26,536
- to related parties		
- to other parties	-20,810	-26,536
Total	-2,960,800	-2,986,784

Own costs of sales	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Production cost of products sold	-2,924,453	-2,947,694
- own costs of domestic sales	-2,924,453	-2,947,694
- own costs of export sales		
Value of goods sold	-15,537	-12,554
- own costs of domestic sales	-15,537	-12,554
- own costs of export sales		
Value of materials sold	-20,810	-26,536
- own costs of domestic sales	-20,810	-26,536
- own costs of export sales		
Total	-2,960,800	-2,986,784

Cost structure by types	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Amortisation	-22,307	-18,722
Consumption of materials and energy	-688,428	-606,851
External services	-2,042,948	-2,173,176
Taxes and fees, including:	-7,309	-7,721
Remuneration	-134,868	-125,419
Social security and other benefits	-31,445	-24,280
Other costs by type	-39,098	-70,774
Value of goods and materials sold	-34,558	-39,090
Manufacturing cost of products for internal purposes		
Total	-3,000,960	-3,066,033

Recognition of costs by type in the financial statements	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
In own costs of sales	-2,960,800	-2,986,784
In the change of balance of assets	62,909	16,283
In costs of sales	-7,846	-7,480
In overheads	-95,223	-88,051
In other items		
Total:	-3,000,960	-3,066,033

Note 19. Share in profits or losses of associates and joint ventures accounted for in accordance with the equity method

The item did not occur in the current and previous financial year.

Note 20. Other revenue and costs

Other revenue and costs of operating and investment activities	Note No.	in PLN thousand	
		For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Selling costs		-7,846	-7,480
Overheads		-95,223	-88,051
Revaluation write-downs of non-investment assets		-215	-451
Reversal of revaluation write-downs of non-investment assets			5
Restructuring costs			
Court proceedings settlement result		-353	17
Result of sale of non-investment fixed assets		-1,251	2,486
Revenue from revaluation of investment property			3,865
Costs under revaluation of investment property		-37,042	-6,117
Result from impairment of investment properties		-110,930	
Result of sale of all or part of subordinate parties			
Result of sale of other financial investments			
Dividends		3,481	
Interest		5,081	1,196
Result of revaluation of other financial investments measured at fair value through financial result		-58	-321
Result of measurement of investments recognised using the equity method			
Revaluation write-downs of other financial assets			
Reversal of write-downs on other financial assets			
Foreign exchange differences of operating and investment activities		-10,181	-14,774
Other revenue		186,655	22,002
Other costs		-32,768	-22,954
Total revenue		195,216	29,572
Total costs		-295,867	-140,149

The “costs under revaluation of investment property” item includes the result from the measurement of the asset used under the finance lease agreement in the amount of 32,219 and write-downs representing the depreciation of the asset for the right to use the property under the long-term lease agreement in the amount of PLN 4,823 thousand.

The “other costs” item includes the costs related to the renovation and modernisation of investment properties in the amount of PLN 5,832 thousand, the costs related to the removal of the consequences of the fire and additional container equipment amounting to PLN 4,105 thousand, maintenance costs of completed development investments in the amount of PLN 4,729 thousand.

The “dividend” item includes the amount of dividend received by MIRBUD S.A. from Torpol S.A. in the amount of PLN 3,481 thousand.

The “result from impairment of investment properties” item includes the value of the Hall destroyed in the fire in the amount of PLN 110,930 thousand.

The estimated revenue from insurance policy in the amount of PLN 110,028 thousand and a reduction of the liability under the lease agreement resulting from lease of the property at ul. Marywilska 44 in the amount of PLN 32,219 thousand.

This item also includes income from the valuation of Torpol S.A. shares in the amount of PLN 18,374 thousand.

Share in profits or losses of associates and joint ventures accounted for in accordance with the equity method	Note No.	in PLN thousand	
		For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Revenue from increase in the value of investments measured according to the equity method			
Costs under decrease in the value of investments measured under the equity method			
Total			

The above items did not occur.

Structure of revaluation write-downs of non-investment assets	Note No.	in PLN thousand	
		For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Tangible fixed assets			
-revaluation write-down created			
-revaluation write-down reversal			
Intangible assets			
-revaluation write-down created			
-revaluation write-down reversal			
Receivables		-215	-446
-revaluation write-down created		-215	-451
-revaluation write-down reversal			5
Inventory			
-revaluation write-down created			
-revaluation write-down reversal			
Fixed assets held for sale			
-revaluation write-down created			
-revaluation write-down reversal			
Other			
-revaluation write-down created			
-revaluation write-down reversal			
Total asset revaluation write-downs		-215	-451
Total reversal of revaluation write-downs		-	5

Revenue and costs from investment property	Note No.	in PLN thousand	
		For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Revenue from sales to related entities			
Revenue from sales to other parties			
Own costs of sales for related parties			
Own costs of sales for other parties			
Increase of fair value of investment property			3,865
Decrease of fair value of investment property		-37,042	-6,117
Result on investments in property		-37,042	-2,252

Revenue and costs from financial investments	Note No.	in PLN thousand	
		For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Dividends to related parties			
Dividends to other parties		3,481	
Interest to related parties			
Interest to other parties		5,081	1,196
Revenue from the sale of all or part of subordinate parties			
Own cost of sales of all or part of subordinate parties			
Revenue from increase in the value of derivative instruments			
Costs under decrease of value of derivative instruments			
Revenue from ineffective hedging instruments			
Costs from ineffective hedging instruments			
Reversal of write-downs on other financial assets			
Revaluation write-downs of other financial assets			
Revenue from increase in investments measured at fair value through financial result			
Costs under decrease of investments measured at fair value through financial result			-9,168
Foreign exchange gains			
Foreign exchange losses		-10,181	-14,774
Results of financial investment activities		-1,619	-22,747

Other revenue	Note No.	in PLN thousand	
		For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Subsidies received		39	39
Other revenue from other parties - re-invoices		11,033	12,904
Other revenue from other parties		175,583	9,059
Total		186,655	22,002

Other costs	Note No.	in PLN thousand	
		For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Donations		-408	-402
Other costs from other parties - re-invoices		-11,033	-12,904
Other costs from other parties		-21,327	-9,648
Total		-32,768	-22,954

Note 21. Financial costs

Financial costs	Note No.	in PLN thousand	
		For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Interest on credits		-17,495	-15,834
Interest on loans from related parties			
Interest on loans from other parties			
Interest on bonds for related parties			
Interest on bonds for other parties		-5,364	-6,644
Interest on liabilities under finance lease agreements from related parties			
Interest on liabilities under finance lease agreements from other parties		-8,675	-16,904
Other interest for related parties			
Other interest for other parties		-155	-104
Measurement of equity instruments			-9,168
Interest under factoring contracts			-522
Foreign exchange differences on financial liabilities			
Other financial costs for related parties			
Other financial costs for other parties		-7,276	-5,690
Total financial costs		-38,964	-54,866

Financial costs of the interest part of the lease payments incurred under long-term land lease agreements (recognition in accordance with IFRS 16) were recognised in the “interest on liabilities under finance lease agreements from other parties” item in the amount of PLN 4,735 thousand.

The decrease in this item is due to a reduction in lease rent resulting from the fire in a hall located on the land leased by Marywilska 44 Sp. z o.o.. The company received a temporary rent reduction proportional to the decrease in income generated from the lease of the property.

Note 22. Income tax

Income tax	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Income tax current part	29,406	-9,004
Income tax deferred part	-59,762	-25,795
Other tax burdens on the financial result		
Adjustments relating to previous years		
Total income tax	-30,357	-34,799

Reconciliation of the effective tax rate	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Pre-tax profit (loss)	151,729	170,213
Statutory rate of tax in %	19%	19%
Tax at the statutory rate (normative)	-28,828	-32,341
Tax effect of the received dividend	661	
Tax exemptions		
Assets under tax loss for the reporting period not recognised in deferred tax		
Tax effect of other revenue and costs permanently not constituting revenue and tax costs	-2,190	-2,458
Other		
Income tax in the profit and loss account	-30,357	-34,799

Deferred tax	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Deferred tax asset	42,826	35,740
- for provisions for employee benefits	1,171	1,123
- for other provisions	1,583	1,973
- for accrued interest	35	74
- for revaluation write-downs on current assets	514	528
- on account of investment measurement	252	1,635
- for settlement of construction contracts	17,890	11,499
- for losses brought forward	10,776	1,377
- under tax and balance sheet differences in the value of fixed assets and lease contracts	3,346	9,005
- under foreign exchange differences		8
- other	7,259	8,519
Deferred tax liability	112,867	46,018
- for accrued interest	1,355	55
- on account of investment measurement	4,889	1,236
- for settlement of construction contracts	67,959	18,714
- under tax and balance sheet differences in the value of fixed assets and lease contracts	19,079	23,820
- under foreign exchange differences	91	
- for goodwill		
- for damages from the insurer (fire)	13,685	
- other	5,810	2,193
Net deferred tax assets (provision)	-70,041	-10,278

Net deferred tax assets (provision)	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Opening balance of deferred net income tax assets (provision)	-10,278	15,517
Charge to financial result	-59,762	-25,795
Charge to other comprehensive income		
Other charge to equity		
Subsidiaries		
Closing balance of deferred net income tax assets (provision)	-70,041	-10,278

Receivables (income tax liabilities)	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Opening balance of receivables (income tax liabilities)	18,326	-11,629
Payment (refund) of income tax	-30,518	38,959
Current income tax accrual	29,406	-9,004
Closing balance of receivables (liabilities under deferred income tax)	17,214	18,326

Note 23. Other comprehensive income

Other comprehensive income	Note No.	in PLN thousand	
		For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Components which will not be subsequently reclassified to the profit and loss account			
Foreign exchange differences on translation of foreign parties			
Actuarial profits and losses			
Income tax on items not be carried forward in later periods			
Components which will be reclassified to profit or loss when certain conditions are met			
Effects of measurement of financial instruments by other comprehensive income			
Effective part of hedge accounting			
Effects of revaluation of fixed assets			
Carry-over to the report on profit and loss account			
Income tax related to the items presented in other comprehensive income			
<u>Other net comprehensive income</u>	-	-	-
Assigned to non-controlling shares			
<u>Assigned to the owners of the parent company</u>	-	-	-

Neither in the current period nor in the comparative period did any items occur which affected other comprehensive income.

Note 24 Profit per share

Profit per share	Note No.	in PLN thousand	
		For the period:	For the period:
		from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Profit (loss) on continued operations attributable to owners of the parent company		121,372	135,414
Profit (loss) on discontinued operations attributable to owners of the parent company			
Total		121,372	135,414
Weighted average number of ordinary shares in thousands of pieces		110,093	91,744
<u>Basic profit per share</u>		<u>1.10</u>	<u>1.48</u>
Costs of interest on convertible bonds (net of tax)			
Profit (loss) to determine diluted profit per share		121,372	135,414
Share options issued in thousands of pieces			
Theoretical conversion of convertible bonds in thousands of pieces			
Weighted average number of ordinary shares for diluted earnings per share in thousands of pieces		110,093	91,744
<u>Diluted profit per share</u>		<u>1.10</u>	<u>1.48</u>

Note 25. Operating segments

The activity of the Compiler of the financial statements relates entirely to the territory of the country, therefore, no geographical segments are presented. In the Group, where the Issuer is a parent company, operating segments are distinguished. Within this division, the Issuer's activity is assigned to the construction and assembly services segment.

Other activities, which do not have a significant effect on the financial and asset situation of the Compiler of the financial statements, have been assigned to other items.

Selected items of the profit and loss account for segments in PLN thousand in the reporting period	Construction and assembly activity	Property development activity	Activity connected with lease of investment property	Other	Total	Exclusions	Total after interlinking
	For the period:	For the period:	For the period:	For the period:	For the period:	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024
Continued operations	-	-	-	-	-	-	-
Revenue from sales	2,997,348	268,756	35,840	57,045	3,358,989	-106,845	3,252,143
Cost of goods sold	-2,823,310	-184,340	-20,641	-54,900	-3,083,191	122,391	-2,960,800
Gross profit on sales	174,038	84,416	15,199	2,144	275,798	15,546	291,343
EBIT	102,547	71,457	-22,503	2,144	153,645	28,485	182,131
Pre-tax activity profit (loss)	140,912	67,138	-32,090	2,144	178,104	-26,375	151,729
Income tax attributable to continued operations	-20,416	-10,711	5,181	-407	-26,354	-4,003	-30,357
Profit (loss) on continued operations	120,496	56,426	-26,909	1,737	151,750	-30,378	121,372
Discontinued operations	-	-	-	-	-	-	-
Profit (loss) on discontinued operations	-	-	-	-	-	-	-
NET PROFIT (LOSS)	120,496	56,426	-26,909	1,737	151,750	-30,378	121,372
Assigned to the owners of the parent company	120,496	56,426	-26,909	1,737	151,750	-30,378	121,372

Concentration of recipients by business activity segments	Construction and assembly activity	Property development activity	Activity connected with lease of investment property	Other	Total	Exclusions	Total after interlinking
	For the period:	For the period:	For the period:	For the period:		For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024	from 01/01/2024 to 31/12/2024
Customer 1	1,666,779				1,666,779		1,666,779
Customer 2	210,839				210,839		210,839
Customer 3	73,221				73,221		73,221
TOTAL	1,950,839				1,950,839		1,950,839

Selected items concerning the statement of financial position for segments in PLN thousand in the reporting period	Construction and assembly activity	Property development activity	Activity connected with lease of investment property	Other	Total	Exclusions	Total after interlinking
	As at:	As at:	As at:	As at:	As at:	As at:	As at:
	31/12/2024	31/12/2024	31/12/2024	31/12/2024	31/12/2024	31/12/2024	31/12/2024
Fixed assets	1,062,623	79,450	329,886	6,142	1,478,101	-647,793	830,308
Current assets	1,096,346	410,998	142,753	51,867	1,701,964	-118,692	1,583,272
Total assets	2,158,969	490,448	472,639	58,009	3,180,065	-766,485	2,413,580
Equity	941,136	367,970	237,066	51,891	1,598,063	-503,043	1,095,020
Long-term liabilities and provisions for liabilities	354,132	19,941	225,374	2,372	601,819	-107,109	494,710
Short-term liabilities and provisions for liabilities	863,701	102,537	10,199	3,746	980,183	-156,334	823,850
Total capitals and liabilities	2,158,969	490,448	472,639	58,009	3,180,065	-766,485	2,413,580

Other data on operating segments in the reporting period	Construction and assembly activity	Property development activity	Activity connected with lease of investment property	Other	Total	Exclusions	Total after interlinking
	As at:	As at:	As at:	As at:	As at:	As at:	As at:
	31/12/2024	31/12/2024	31/12/2024	31/12/2024	31/12/2024	31/12/2024	31/12/2024
Goodwill allocated to a segment	9,037						9,037
Risk-free rate	6.94%	6.94%	6.94%	6.94%	6.94%		
General risk according to Damodaran	7.19%	7.19%	7.19%	7.19%	7.19%		
Beta coefficient for the industry according to Damodaran	0.88	0.50	0.37	0.81	0.84		
Individual risks	2.00%	2.00%	2.00%	2.00%	2.00%		
Rate used for discounting (IAS 36) and determining fair value using the discounted cash flow method	14.43%	9.06%	7.23%	13.44%	13.91%		13.91%

Selected items of the profit and loss account for segments in PLN thousand in the comparative period	Construction and assembly activity	Property development activity	Activities connected with lease of investment property	Other	Total	Exclusions	Total after interlinking
	For the period:	For the period:	For the period:	For the period:	For the period:	For the period:	For the period:
	from 01/01/2023 to 31/12/2023	from 01/01/2023 to 31/12/2023	from 01/01/2023 to 31/12/2023	from 01/01/2023 to 31/12/2023	from 01/01/2023 to 31/12/2023	from 01/01/2023 to 31/12/2023	from 01/01/2023 to 31/12/2023
Continued operations	-	-	-	-	-	-	-
Revenue from sales	3,127,120	202,984	61,522	62,444	3,454,070	-131,630	3,322,440
Cost of goods sold	-2,883,297	-153,306	-23,879	-58,523	-3,119,005	132,221	-2,986,784
Gross profit on sales	243,823	49,678	37,643	3,921	335,065	591	335,656
EBIT	160,214	36,903	27,108	3,921	228,146	-4,263	223,883
Pre-tax activity profit (loss)	146,499	21,868	12,645	3,921	184,933	-14,720	170,213
Income tax attributable to continued operations	-26,601	-5,620	-2,572	-745	-35,538	739	-34,799
Profit (loss) on continued operations	119,898	16,248	10,073	3,176	149,395	-13,981	135,414
Discontinued operations	-	-	-	-	-	-	-
Profit (loss) on discontinued operations	-	-	-	-	-	-	-
NET PROFIT (LOSS)	119,898	16,248	10,073	3,176	149,395	-13,981	135,414
Assigned to the owners of the parent company	119,898	16,248	10,073	3,176	149,395	-13,981	135,414

Selected items concerning the statement of financial position for segments in PLN thousand in the comparative period	Construction and assembly activity	Property development activity	Activities connected with lease of investment property	Other	Total	Exclusions	Total after interlinking
	As at:	As at:	As at:	As at:	As at:	As at:	As at:
	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023
Fixed assets	812,898	104,627	586,442		1,503,967	-656,989	846,978
Current assets	1,080,065	449,600	27,851		1,557,516	-120,692	1,436,824
Total assets	1,892,963	554,227	614,293	-	3,061,483	-777,682	2,283,801
Equity	657,891	354,005	341,754		1,353,650	-560,100	793,550
Long-term liabilities and provisions for liabilities	254,575	69,810	256,070		580,455	-84,312	496,143
Short-term liabilities and provisions for liabilities	980,497	130,412	16,469		1,127,378	-133,270	994,108
Total capitals and liabilities	1,892,963	554,227	614,293	-	3,061,483	-777,682	2,283,801

Other segment data in PLN thousand in the comparative period	Construction and assembly activity	Property development activity	Activities connected with lease of investment property	Other	Total	Exclusions	Total after interlinking
	As at:	As at:	As at:	As at:	As at:	As at:	As at:
	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023
Goodwill allocated to a segment	8,923						8,923
Risk-free rate	6.94%	6.94%	6.94%	6.94%	6.94%		
General risk according to Damodaran	7.19%	7.19%	7.19%	7.19%	7.19%		
Beta coefficient for the industry according to Damodaran	0.88	0.50	0.37	0.81	0.82		
Individual risks	2.00%	2.00%	2.00%	2.00%	2.00%		
Rate used for discounting (IAS 36) and determining fair value using the discounted cash flow method	14.43%	9.06%	7.23%	13.44%	13.64%		13.64%

Note 26. Transactions with related parties

Transactions with related parties	in PLN thousand							
	Subsidiaries		Jointly controlled parties and associates		Other related parties without equity links		Members of the Management Board and Supervisory Board and key personnel	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Revenue from sales	70,400	78,194						
Revenue from the sale of fixed assets								
Revenue from interest	7,965	1,076						
Other revenue								
Acquisition of inventory and other costs capitalised at the value of current assets								
Acquisition of services and other operating costs								
Acquisition of fixed assets								
Cost of interest	-2,254	-2,025						
Other costs								
Loans received								
Loans granted	111,822	88,726						
Employee benefit expenses							7,149	7,238
Loan receivables	111,822	88,726						
Trade and other receivables	20,959	20,741						
Liabilities on loans								
Trade and other liabilities	-145,951	-106,289						

Remuneration of key personnel of subsidiaries	Entity	Position	Remuneration		Loans granted to key personnel		Additional information
			in PLN thousand		in PLN thousand		
			from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023	
Management Board	MIRBUD S.A.		6,843	6,874			
Supervisory Board	MIRBUD S.A.		306	364			
Management Board	Kobylarnia S.A.		2,602	2,817			
Supervisory Board	Kobylarnia S.A.		55	55			
Management Board	JHM Development S.A.		2,384	1,680			
Supervisory Board	JHM Development S.A.		51	53			
Management Board	Marywilska 44 Sp. z o.o.		2,101	2,102			
Supervisory Board	Marywilska 44 Sp. z o.o.		81	81			
Management Board	PDC Industrial Center 217 Sp. z o.o.		12	1			
Total			14,435	14,027			

Note 27. Statutory Auditor's remuneration

Statutory Auditor's remuneration	in PLN thousand	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Remuneration for the audit of the individual and consolidated financial statements	113	126
Remuneration for the interim review of the separate and consolidated financial statements	88	65
Other services	37	5
Total	238	196

Note 28. Financial instruments

Financial assets under IFRS 9	Available for sale		Measured at fair value by financial result		Loans and receivables		Hedging instruments	
	As at:	As at:	As at:	As at:	As at:	As at:	As at:	As at:
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Loans granted	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other financial instruments measured at fair value	-	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	673,001	596,028	-	-
Cash and cash equivalents	-	-	-	-	396,770	395,776	-	-
Other financial assets	-	-	-	-	2,376	297	-	-
Total financial assets	-	-	-	-	1,072,146	992,100	-	-
Revenue from dividends	-	-	-	-	-	-	-	-
Revenue from interest	-	-	-	-	5,081	1,196	-	-
Foreign exchange profits (losses)	-	-	-	-	-10,181	-14,774	-	-
Reversal (creation) of write-downs	-	-	-	-	-215	-446	-	-
Profits (losses) on measurement and implementation	-	-	-	-	-	-	-	-
Profits (losses) on derivative instruments	-	-	-	-	-	-	-	-
Total impact of financial assets on the profit and loss account	-	-	-	-	-5,315	-14,024	-	-

Financial liabilities according to IFRS 9	Equity instruments		Measured at fair value by financial result		Measured at amortised cost		Hedging instruments	
	As at:	As at:	As at:	As at:	As at:	As at:	As at:	As at:
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Credit facilities	-	-	-	-	355,772	404,805	-	-
Derivative financial instruments								
Other financial instruments measured at fair value								
Trade and other liabilities					812,798	1,019,121		
Other financial liabilities								
<u>Total financial liabilities</u>	-	-	-	-	<u>1,168,571</u>	<u>1,423,926</u>	-	-
Interest	-	-	-	-	-26,169	-41,906	-	-
Foreign exchange profits (losses)						-522		
Profits (losses) on measurement and implementation	-	-	-	-	-	-	-	-
Profits (losses) on derivative instruments								
<u>Total impact of financial liabilities on the profit or loss account</u>	-	-	-	-	<u>-26,169</u>	<u>-42,428</u>	-	-

Financial instruments according to the fair value hierarchy	Level I		Level II		Level III	
	As at:	As at:	As at:	As at:	As at:	As at:
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<u>Assets</u>	-	-	-	-	-	-
Derivative financial instruments in assets	-	-	-	-	-	-
Other financial instruments measured at fair value						
Other financial assets	-	-	-	-	-	-
<u>Liabilities</u>	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-
Other financial instruments measured at fair value						
Other financial liabilities	-	-	-	-	-	-

Both in the current and the comparative period, there were no financial instruments measured at fair value.

Note 29. Errors related to previous reporting periods

No material errors were found in the previous reporting period.

Note 30. Transactions with non-controlling shareholders

This item does not exist.

Note 31. Business combinations

There were no business combinations in the current period.

Note 32. Planned significant capital expenditures

KOBYLARNIA S.A. purchased a new asphalt-mix plant located in Kobylarnia and developed the associated infrastructure. The total project cost was PLN 50 million.

KOBYLARNIA S.A. also signed contracts for the purchase of four asphalt mixing plants. The upcoming project assumptions are related to strengthening the Company's operations and competitiveness in the road segment.

As a result of fire on 12 May 2024, the Company's key asset, the Marywilska 44 Shopping Centre, where approx. 800 entrepreneurs conducted their business, was completely destroyed. The Management Board of Marywilska 44, in response to the needs of lessees and the rebuilding of the potential of its business in the commercial space lease segment, has taken a directional decision to prepare an investment in order to rebuild the burnt-down Shopping Centre as soon as possible. The reconstruction will be able to start once all the required administrative approvals have been obtained, including the adoption of a local development plan for the land leased by the Company. Intensive work is currently underway on the necessary documentation in order to, and as quickly as possible, follow the administrative path once the local development plan is passed and planning permission is granted. The final decision to start work depends on factors beyond the Company's direct control.

Note 33. Significant events after the balance sheet date

As of 01/01/2025, MIRBUD S.A. is responsible for the execution of contracts concluded in 2024 and contracts 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 mixtures including its laying.

Pursuant to the resolution of the Extraordinary General Meeting of Shareholders No. 1/12/2024 of 18 December 2024, Marywilska 44 Sp. z o.o., by way of a sale agreement of 3 April 2025, acquired from MIRBUD S.A., for consideration, own shares in the number of 905,100 pieces with a nominal value PLN 45.255 thousand to redeem them.

On 12 February 2025, the Extraordinary Meeting of Shareholders of Transkol Sp. z o.o. adopted a resolution to pay a dividend from the supplementary capital in the amount of PLN 40,135 thousand, setting the dividend payment date at 14 February 2025.

In January 2025, JHM Development S.A. acquired, under a sale contract, a built-up property with an area of 1.1425 ha located in Skierniewice at ul. Mszczonowska 33/35.

In February 2025, the acquisition of the right of perpetual usufruct of partially built-up plots of land with a total area of 0.6557 ha located in Mszczonów at ul. Olchowa took place under the sale contract.

In March 2025, the Company acquired the right of ownership to the property with an area of 0.7137 ha located at ul. Dworcowa in Mszczonów.

In March 2025, a contract was concluded with MIRBUD S.A. for the general contracting of a multi-family residential building with services and an underground car park, together with technical infrastructure, located in Skierniewice at ul. Jana III Sobieskiego 5a..

Note 34. Employment structure

Employment structure	full-time equivalent	
	For the period:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Non-production employees	538	508
Production employees	330	338
Employees under contractual agreements	270	266
Total	1,138	1112

Note 35. Dividends declared and paid

Shares of all series are ordinary shares, one share entitles to one vote at the General Meeting of Shareholders. Shares of all series carry the same right to dividend and return on capital. As at the balance sheet date, there were no dividend payment restrictions.

On 14 May 2024, the Ordinary General Meeting of Shareholders of JHM DEVELOPMENT S.A. passed Resolution No. 7/2024 on the distribution of profit for the financial year 2023. Pursuant to the adopted Resolution, the Ordinary General Meeting of Shareholders of JHM DEVELOPMENT S.A. decided to allocate the amount of PLN 4,844,000.00 for the payment of dividend to the sole shareholder of the Company, while the amount of PLN 11,739,282.13 was allocated to supplementary capital. 21 May 2024 was adopted as the dividend payment date. The dividend was paid on the date indicated.

On 22 May 2024, the Ordinary General Meeting of Shareholders of Kobylarnia S.A. adopted Resolution No. 5/2024 on the distribution of profit for the financial year 2023. Pursuant to the adopted Resolution, the Ordinary General Meeting of Shareholders of Kobylarnia S.A. decided to allocate the amount of PLN 20,000,000.00 for the payment of dividends to the sole shareholder of the Company, while the amount of PLN 5,755,798.84 was allocated to supplementary capital. 5 June 2024 was adopted as the dividend payment date. The dividend was paid on the date indicated.

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 07 August 2024 as the dividend payment date. The dividend was paid on the date specified.

On 12 July, the Extraordinary General Meeting of Shareholders of Marywilska 44 Sp. z o.o. adopted Resolution No. 1/7/2024 amending Resolution No. 3/4/2024 of the Ordinary Meeting of Shareholders of the Company dated 26 April 2024 on the payment of dividend to MIRBUD S.A. and JHM DEVELOPMENT S.A. in the total amount of PLN 24,885,580.00. Payment of the dividend was made within the prescribed period.

Dividends	Period concerned:	For the period:
	from 01/01/2024 to 31/12/2024	from 01/01/2023 to 31/12/2023
Dividends recognised as payments to owners per share (in PLN)	0.21	0.20
Dividends proposed or enacted up to the date the financial statements were authorised for issue but not recognised as having been distributed to shareholders (in PLN thousand).		
Dividends proposed or enacted up to the date the financial statements were authorised for issue but not recognised as having been distributed to shareholders, per share (in PLN).		

Note 36. Effects of division, restructuring and discontinued operations

In the reporting period there were no changes regarding the merger of business entities, acquisition or sale of entities from the Issuer's group, long-term investments, division, restructuring or discontinuation of operations.

Note 37. Limitations on disposition and hedges established on assets

Hedge title	Hedge type	Value of debt	Hedge value in PLN thousand			Balance sheet value of the hedge object in PLN thousand		expiry date
		As at:	As at:	As at:	As at:	As at:		
		31/12/2024	31/12/2024	31/12/2023	31/12/2024	31/12/2023	dd/mm/yyyy	
Hedge for the multi-purpose credit limit, account number 81 1020 3352 0000 1802 0313 3469	mortgage		97,500	97,500	18,300	18,896	24/06/2025	
Hedge for the ARP loan	mortgage	10,200	60,000	60,000	71,336	70,115	29/12/2025	
Hedge for the KIN 173850 credit	cash deposit, assignment of receivables, registered pledge of a bank account, surety			58,439		104,234	13/11/2024	
Hedge for the WK14-000016 credit	mortgage		19,448	20,126	4,448	5,126	30/09/2026	
Hedge for the 19/5066 credit	mortgage	3,106	23,498	23,889	14,181	14,572	31/12/2029	
Hedge for the 24/3638 credit	mortgage	34,663	58,379		1,379		30/12/2036	
Hedge for the U0003797006636 credit	registered pledge		37,432				26/09/2035	
Hedge for a developer credit, pursuant to contract K01786/2, granted by Santander Bank Polska	mortgage			61,643		53,097	31/03/2025	
Hedge for a VAT credit, pursuant to contract K01786/2, granted by Santander Bank Polska	mortgage			61,643		53,097	31/03/2025	
Hedge for an investment credit, pursuant to contract no. 22/KG110/19, granted by Bank Spółdzielczy	mortgage	6,574	17,645	17,645	10,519	10,795	31/12/2034	

Hedge for a working capital, developer facility, pursuant to contract S/49/05/2022/1245/K/KON, granted by Bank Ochrony Środowiska	mortgage			34,500		31,471	31/12/2025
Hedge for a working capital, developer credit, pursuant to contract 3472510_72_K_OB, granted by Bank Polskiej Spółdzielczości	mortgage		66,385		34,491		31/03/2026
Hedge for working capital credit, in accordance with contract 03/057/24/Z/OB, granted by mBank S.A. Warsaw	mortgage		51,150		24,369		30/09/2027
Hedge for the benefit of a hedging administrator for E series bonds issued by JHM Development S.A.	hedge in kind - mortgage entry on real estate	45,000	55,000	55,000	14,698	14,574	17/12/2025
Hedge for a working capital, developer credit, pursuant to contract no. 3572510/154/K/OB/24, granted by Bank Polskiej Spółdzielczości	mortgage		72,675		16,425		30/06/2027
Total	-	99,543	559,112	490,385	210,146	375,977	-

Assets as security of liabilities	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Tangible fixed assets	59,146	49,389
Investment properties	71,336	172,689
Financial assets		
Intangible assets		
Other assets	89,984	110,169
Total	220.466	332.247

Note 38. Litigation

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

As of 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 10,623 thousand over the 9-month period of 2024.

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 GDDKiA 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 S-5 expressway.

Court case concerning a claim brought by KOBYLARNIA S.A. on the S5 task section 5 with a litigation value of PLN 5,037 thousand.

Court case concerning a claim brought by KOBYLARNIA S.A. on the S5 task section 2 with a litigation value of PLN 6,660 thousand.

The total value of disputes between KOBYLARNIA S.A. and GDDKiA as at 31/12/2024 amounted to PLN 79,119 thousand. A team of court-appointed experts has been created at this stage.

Revaluation write-downs on receivables are created by means of a detailed analysis of the receivables repayment risk.

Note 39. Contingent liabilities

List of sureties granted to other parties 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			30/11/2026
KOBYLARNIA S.A.	Hedge for the BGK S.A. credit	9,318	9,318	3,106	3,727	31/12/2029
JHM Development S.A.	Hedge for the issue of E series bonds	55,000	55,000	45,000	50,000	31/12/2026
<u>To other parties</u>		-	-	-	-	-
<u>Total</u>	-	79,318	79,318	48,106	53,727	

Other contingent liabilities	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Under performance bond	812,973	660,918
Under rectifying faults and defects	531,343	394,404
Under advance return	119,317	205,414
<u>Total</u>	<u>1,463,633</u>	<u>1,260,736</u>

Note 40. Risk management objectives and policy

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>	Administrative restrictions on carrying out construction and assembly activities	average	high	high	high
	Manpower availability and supply chain disruption	high	high	high	average
<i>Epidemiological risk</i>	Administrative restrictions on carrying out construction and assembly activities	average	high	high	high
	Manpower availability and supply chain disruption	average	average	high	average
<i>External financial risks</i>	changes in interest rates	high	average	average	average
	changes in exchange rates	high	average	high	high
	related to restrictions in the banks' credit policy, in particular with respect to granting investment and mortgage credits	high	high	average	average
<i>Economic situation risk</i>	change in the macroeconomic situation and economic situation in Poland	high	high	high	average
	in the construction industry	high	high	high	average
<i>Risks related to competition</i>	in the construction industry	high	high	high	high
<i>External legal risks</i>	changes in provisions of law, in particular tax law	average	average	average	average
	related to non-compliance with legal requirements envisaged for the commencement of the investment development and with the legal status of the property	low	high	high	average

Risk group	Risk	Possibility of occurrence	Relevance to the Group's activities	Effect of risk on financial result	Effect of risk on equity
Risks related to the current activities	related to the implementation of the development strategy	average	high	average	average
	related to financing development with bank credits	high	high	average	high
	related to the building infrastructure	low	average	low	low
	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

Risks related to 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.

- No delays in the execution of contracts in the area of property development operations. The company observes a significant decrease in the dynamics of sales of units. If the conflict continues, there may be negative financial consequences caused by:
 - drop in demand for premises associated with the unstable economic situation;
 - disruptions to projects' financing;
 - general contractors' and subcontractors' delays.

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

- As of the report date, in the area of commercial space lease, there is no significant, unfavourable impact of the conflict in Ukraine, which affects the financial results of MARYWILSKA 44 Sp. z o.o.

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

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.

- In the area of property development activity, there are neither delays in the execution of contracts nor a significant decrease in the dynamics of sales of premises. However, if the state of epidemic threat continues, there may be negative financial consequences caused by:
 - the drop in demand for premises;
 - disruptions to projects' financing;
 - general contractors' and subcontractors' delays.

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

- As of the report date, in the area of retail space lease, there is no significant, unfavourable impact of the state of epidemic threat, which affects the financial results of MARYWILSKA 44 Sp. z o.o.

With regard to the current settlement period, the Management Board of the Issuer predicts a possible effect of this risk on the financial result - a decrease by approx. 10%, no effect predicted on the Issuer's equity.

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:

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*

While conducting business activity, 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:

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

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 zloty 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 of 31/12/2024, Kobylarnia S.A. entered into interest rate hedging transactions for long-term credits in PLN within the MIRBUD Capital Group. The hedged level of the WIBOR rate is at 1.80 p.p.

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	167,005	161,324		
Granted loans				
Other financial assets	2,189	49		
Other financial liabilities	141,096	187,054		
Total	310,290	348,427		

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		Effect on net profit/(loss)		Effect on the balance sheet total	
	As at:	increase by 1%	decrease by 1%	increase by 1%	decrease by 1%
	31/12/2024				
Liabilities under credits and loans	167,005	-1,353	1,353	1,670	-1,670
Granted loans					
Other financial assets	2,189				
Other financial liabilities	141,096	-1,143	1,143	1,411	-1,411
Total	310,290	-2,496	2,496	3,081	-3,081

Sensitivity analysis for items exposed to change in interest rates		Effect on net profit/(loss)		Effect on the balance sheet total	
	As at:	increase by 1%	decrease by 1%	increase by 1%	decrease by 1%
	31/12/2023				
Liabilities under credits and loans	161,324	-1,307	1,307	1,613	-1,613
Granted loans					
Other financial assets	49				
Other financial liabilities	187,054	-1,515	1,515	1,871	-1,871
Total	348,427	-2,822	2,822	3,484	-3,484

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, the Issuer did not hedge currency revenue with forward currency sales.

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	31/12/2024	31/12/2023
Liabilities under credits and loans		1,043				
Granted loans						
Trade and other receivables	7,015	44,958				
Trade and other liabilities	2,925	4,088				
Cash	181	12,054				
Other financial assets						
Total	10,120	62,143				

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)		Effect on net profit/(loss)		Effect on the balance sheet total	
	As at:	increase by	decrease by	increase by	decrease by
	31/12/2024	10%	10%	10%	10%
Liabilities under credits and loans					
Loans granted					
Trade and other receivables	7,015	568	-568	701	-701
Trade and other liabilities	2,925	237	-237	293	-293
Cash	181	15	-15	18	-18
Other financial assets					
Total	10,120	820	-820	1,012	-1,012

Sensitivity analysis for items exposed to exchange rate changes (Euro)		Effect on net profit/(loss)		Effect on the balance sheet total	
	As at:	increase by	decrease by	increase by	decrease by
	31/12/2023	10%	10%	10%	10%
Liabilities under credits and loans	1,043	84	-84	104	-104
Granted loans					
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	12,054	976	-976	1,205	-1,205
Other financial assets					
Total	62,143	5,034	-5,034	6,214	-6,214

The Issuer's Management Board estimates that in 2025 the share of revenue in Euro will decrease by approx. 50% (it will gradually decrease in 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, its financial situation and 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 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.

- 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 the development industry

The situation on the property development market in Poland in the period covered by these financial statements affects the operations and financial results of the Group, however, it should be remembered that the economic situation in the property development industry is characterised by cyclicity.

The very good business climate in the property development industry over the past few years has been influenced by low mortgage rates. The situation changed in the last quarter of 2021, when interest rates rose sharply and remained at very high levels going into 2022. This has been accompanied by a tightening of banks' mortgage lending policies, taking into account the requirements of Recommendation S 2022 issued by the Financial Supervision Authority. The recommendation increased the buffer against changes in the WIBOR index, reduced the maximum credit term from 35 years to 25 years and tightened the requirements for the ratio of credit charges to the total annual income of a retail customer. This has resulted in a drastic reduction in customers' creditworthiness. As a result of this approach, many potential customers of the developers are not able to obtain mortgage to purchase an apartment on reasonable financial terms.

The depletion of funds allocated to subsidise mortgages under this scheme had a cooling effect on the development industry in 2024 and the number of sold units was affected by customers holding back their purchase decisions, including those related to the availability and cost of mortgages and the announcement that new government support would not be introduced until 2025.

The downturn in the property development industry is mainly influenced by the costs of materials and labour in the construction industry, which translates into property prices. Further increase in prices of materials and costs of general contracting services may translate into such a level of increase in apartment prices that it will cause a downturn cooling on the primary market.

The occurrence in the future of financial and economic crises, recessions or periods of economic slowdown or other factors adversely affecting the property development industry may have a material and adverse impact on the Group's activities, results, financial situation or development prospects.

- purchase of land for new development projects and investment projects for lease of commercial space

The further successful development of property development activities and the construction and letting of retail premises depend on the ability to purchase plots of land in attractive locations and at prices which enable satisfactory margins to be realised. Due to the limited number of attractive plots available with the desired design parameters, the Companies cannot guarantee that in the future it will be possible to purchase a sufficient number of attractive plots to implement the assumed development plans.

Moreover, the possibility to purchase attractive plots of land for new development projects and retail and service projects depends on a number of factors, such as:

- the existence of local land-use plans,
- the ability to finance the purchase of plots and start the investment development process,
- the possibility of obtaining the required administrative approvals to start implementation of the projects (development conditions, architectural design approval),
- the possibility of ensuring the required own contribution and obtaining bank financing for the implementation of projects.

The above factors depend to a large extent on the overall situation on the property market in Poland and on local markets, as well as on the overall economic situation of the country.

- sudden changes in housing prices

JHM DEVELOPMENT S.A. derives its revenue from property development activities from the sale of flats and single-family houses. Due to the fact that property development projects are carried out in a long-term perspective and it is often necessary to assume sale prices of constructed property several years in advance, there is a risk that during the project implementation significant changes will occur in the prices of flats and houses on a given market, including significant drops in the prices of residential units and houses. Property prices in a given market depend on a number of factors, such as the overall economic situation of a region, the level of unemployment, the number of residential units available for sale by other developers in that market, the availability of mortgage loans to potential customers, etc. In the event of a significant fall in property prices, the Company may not be able to sell the constructed apartments and houses at the planned prices within a specified period of time.

The occurrence of any factors which will cause the prices of apartments or houses to fall on the markets where the Companies execute projects, may have a material and adverse effect on their operations, financial situation or the Group's development prospects.

- in the sector of shopping hall management and lease of retail space

Apart from property development activities, an important additional area of the Group's activity is management of shopping halls and lease of retail space. The level of commercial activity and the demand for lease of commercial space in the given shopping halls depends on the general macroeconomic situation in a given market, the level of competition and the level of consumption, and in particular the demand for products from the popular segment in a given market.

The occurrence in the future of factors negatively affecting the economic situation of the sector of shopping hall management and retail space lease may have a material and adverse impact on the Group's activities, results, financial situation or development prospects.

Risks related to competition:

- in the construction industry

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.

- in the development industry

The regions of the country in which the Company mainly operates, i.e. central and northern Poland – are characterised by a high degree of competition in the property development industry. JHM DEVELOPMENT S.A. takes into account the intensity of competition on local markets where the start of property development activities or the implementation of further projects is considered. The Company generally focuses on locations where competition is limited. The existence of limited competition at the time when the investment development is considered to commence does not mean, however, that competitive entities will not undertake investments in the same local market as the Company in the near future, after the commencement of preparations or work by the Company. Both relatively small local companies and larger developer entities competing with the Company are capable of comprehensive implementation of large projects.

In line with the adopted strategy of the Company, gradual entry into the large cities' housing markets is associated with the struggle with much stronger competition operating in these markets.

The intensification of competition may translate into an increase in the supply of finished apartments offered on the local market, which may result in price pressure when selling premises, a reduction in rent rates of premises, as well as an extension of the period of their sale.

The existence or intensification of competition on the markets where the Company operates may also translate into difficulties in obtaining attractive plots of land for new property development projects at the assumed prices.

The intensification of competition in the markets where the company operates may have a material and adverse effect on its operations, results, financial situation or its future development outlook.

- for the activity of managed shopping halls and lease of retail space

The shopping halls managed by the subsidiary Marywilska 44 are one of the largest shopping hall complexes in Poland and the largest in the capital city of Warsaw.

The basic range of products sold to customers in shopping halls at ul. Marywilska 44 consists of clothes, footwear, leather goods and toys in the popular segment. Traders specialising in the sale of the above products in the popular segment can choose from a wide range of entities offering lease of retail space in Warsaw and its vicinity, including large shopping halls located in the vicinity of Nadarzyn and in Wólka Kosowska. Additionally, it cannot be excluded that in the future other parties will not build large shopping hall complexes, which will compete directly with the halls at ul. Marywilska 44 within the Capital City of Warsaw.

Marywilska 44's activities in the management of the commercial facilities in Starachowice are exposed to the same risk.

The risk of retail space lease activity in the field of warehouses and logistics facilities located in Ostróda and Bolesławiec depends on the stability of the macroeconomic situation and the overall economic situation in Poland, as well as competition in the industry.

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 Group 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 649¹ to 649⁵ 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	355,772	404,805
Cash and cash equivalents	-396,770	-395,776
Net debt	-40,998	9,029
Equity	1,095,020	793,550
Total capital	1,054,022	802,580
Debt ratio	-4%	1%

Financial liquidity hedging ratios	in PLN thousand	
	As at:	As at:
	31/12/2024	31/12/2023
Net debt		9,029
EBITDA	204,438	242,605
Equity	1,095,020	793,550
Total assets	2,413,580	2,283,801
net debt/EBITDA	0.0	0.0
equity/total assets	0.5	0.3

EBIT for the last 12 months accepted.

XII. APPROVAL FOR PUBLICATION

The financial statements were signed by the Management Board and approved for publication on 24 April 2025.

Jerzy Mirgos	Sławomir Nowak
President of the Management Board	Vice-President of the Management Board

Paweł Korzeniowski	Tomasz Sałata
Member of the Management Board	Member of the Management Board

Anna Więżowska	Anna Zuchora
Member of the Management Board	Person entrusted with book keeping