



## Årsregnskap for regnskapsåret 2022

Organisasjonsnr: 994 859 242  
Navn/foretaksnavn: UNIHOUSE ODDZIAL UNIBEP W  
BIELSKU-PODLASKIM  
Forretningsadresse: ul. 3 maja 19  
17-100 Bielsk -Podlaski

Brønnøysundregistrene  
22.10.2024

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### Brønnøysundregistrene

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Organisasjonsnummer: 974 760 673



2023 . 200310

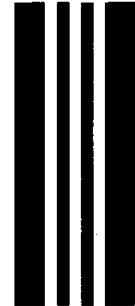


## Brønnøysundregistrene - Regnskapsregisteret

### VEDLEGG TIL ÅRSREGNSKAP 2022



UNIHOUSE ODDZIAL UNIBEP W BIELSKU-PODLASKIM c/o Polish Connection Hovfaret 8 0275 OSLO	Organisasjonsnr.	NUF
	994 859 242	



Registrerte opplysninger per 21.08.2023	Eventuelle endringer dette regnskapsåret		
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Startdato	Avslutningsdato	Startdato	Avslutningsdato
01.01.2022	31.12.2022		

Konsernforhold Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap	Morselskap <b>NEI</b>	Endret konsernforhold	
		<input type="checkbox"/> Morselskap	<input type="checkbox"/> Ikke morselskap

Kun for aksjeselskap som har meldt fravalg av revisjon

Selskapet har besluttet at årsregnskapet ikke skal revideres  Ja

Årsregnskapet er utarbeidet av ekstern autorisert regnskapsfører  Ja

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet  Ja

Årsregnskapet er satt opp etter reglene for frivillig virksomhet  Avkrysning er kun aktuelt for foreninger (FLI) som er registrert i Frivillighetsregisteret

Hvis enheten ikke følger norsk regnskapslov eller frivillighetsregisterloven, kryss av  IFRS selskap  IFRS konsern

Hvis enheten velger å avvike fra regnskapsloven § 6-1, kryss av  Funksjon selskap  Funksjon konsern

Følges regnskapsreglene for små foretak?  Ja  Nei

Jeg bekrefter at vedlagte årsregnskap er fastsatt av kompetent organ den \_\_\_\_\_ Dato

Sted/dato, Underskrift av representant for enheten

*4 ok E mot*

Bare til bruk for Regnskapsregisteret *lit*

*Net utla*

G  NYVE  Admr  Kregn Ja  Nei  Aktiv. regn

M  Rets  Ant.s **104**

ov.b årsb res bal e.bal gj.bal rev i-rev k-res k-bal k-n k-rev i-k-rev n

k-regn kto d.k ik-fv konsf ifrs fr-rev funk u.off brev


BR-1001-11





Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 698026

**Enheten**

Organisasjonsnummer: 994 859 242  
Organisasjonsform: Norskreg. utenlandsk foretak  
Foretaksnavn: UNIHOUSE ODDZIAL UNIBEP W  
BIELSKU-PODLASKIM  
Forretningsadresse: ul. 3 maja 19  
17-100 Bielsk -Podlaski

**Regnskapsår**

Årsregnskapets periode: 01.01.2022 - 31.12.2022

**Konsern**

Morselskap i konsern: Nei

**Regnskapsregler**

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler

**Årsregnskapet fastsatt av kompetent organ**

Bekreftet av representant for selskapet: DARIUSZ JACEK BLOCHER  
Dato for fastsettelse av årsregnskapet: 07.07.2023

**Grunnlag for avgivelse**

År 2022: Årsregnskap er elektronisk innlevert.  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 22.08.2023



Organisasjonsnr: 994 859 242  
UNIHOUSE ODDZIAL UNIBEP W  
BIELSKU-PODLASKIM

## RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		3 740 350 508	2 726 301 761
Annen driftsinntekt			
Sum inntekter		3 740 350 508	2 726 301 761
<b>Kostnader</b>			
Varekostnad		1 005 754 349	674 283 178
Lønnskostnad		314 057 547	257 310 230
Avskrivning		37 530 641	29 925 142
Annen driftskostnad		2 343 967 759	1 740 112 403
Sum kostnader		3 701 310 296	2 701 630 953
<b>Driftsresultat</b>		<b>39 040 212</b>	<b>24 670 808</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		20 069 188	12 730 700
Annen finansinntekt		25 862 041	24 254 466
Sum finansinntekter		45 931 229	36 985 166
Annen rentekostnad		32 693 090	6 220 743
Annen finanskostnad		16 927 329	11 299 001
Sum finanskostnader		49 620 419	17 519 744
<b>Netto finans</b>		<b>-3 689 190</b>	<b>19 465 422</b>
<b>Ordinært resultat før skattekostnad</b>			
skattekostnad på ordinært resultat		4 905 806	7 628 031
<b>Ordinært resultat etter skattekostnad</b>		<b>30 445 216</b>	<b>36 508 199</b>
<b>Årsresultat</b>		<b>30 445 216</b>	<b>36 508 199</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>30 445 216</b>	<b>36 508 199</b>
<b>Overføringer og disponeringer</b>			
Overføringer annen egenkapital		30 445 216	36 508 197
Sum overføringer og disponeringer		30 445 216	36 508 197



Organisasjonsnr: 994 859 242  
UNIHOUSE ODDZIAL UNIBEP W  
BIELSKU-PODLASKIM

## BALANSE

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
lisenser		7 245 949	6 782 156
Goodwill		12 643 822	12 231 219
<b>Sum immaterielle eiendeler</b>		<b>19 889 771</b>	<b>19 013 375</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger og anne fast eiendom		61 207 697	63 947 018
Maskiner og anlegg		48 702 854	28 193 753
Driftsløsøre, inventar, verktøy		41 196 947	28 182 773
<b>Sum varige driftsmidler</b>		<b>151 107 498</b>	<b>120 323 544</b>
<b>Finansielle anleggsmidler</b>			
Investeringer		361 352 836	346 970 418
Andre langsiktige fordringer		344 472 041	285 310 893
<b>Sum finansielle anleggsmidler</b>		<b>705 824 877</b>	<b>632 281 311</b>
<b>Sum anleggsmidler</b>		<b>876 822 146</b>	<b>771 618 230</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		147 341 203	43 254 633
<b>Sum varer</b>		<b>147 341 203</b>	<b>43 254 633</b>
<b>Fordringer</b>			
Kundefordringer		606 269 321	311 706 975
Andre kortsiktige fordringer		754 738 007	462 717 782
<b>Sum fordringer</b>		<b>1 361 007 328</b>	<b>774 424 757</b>
<b>Investeringer</b>			
Andre finansielle instrumenter		959 048	16 119
<b>Sum investeringer</b>		<b>959 048</b>	<b>16 119</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter o. l.		166 122 946	232 865 380
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>166 122 946</b>	<b>232 865 380</b>
<b>Sum omløpsmidler</b>		<b>1 675 430 525</b>	<b>1 050 560 889</b>

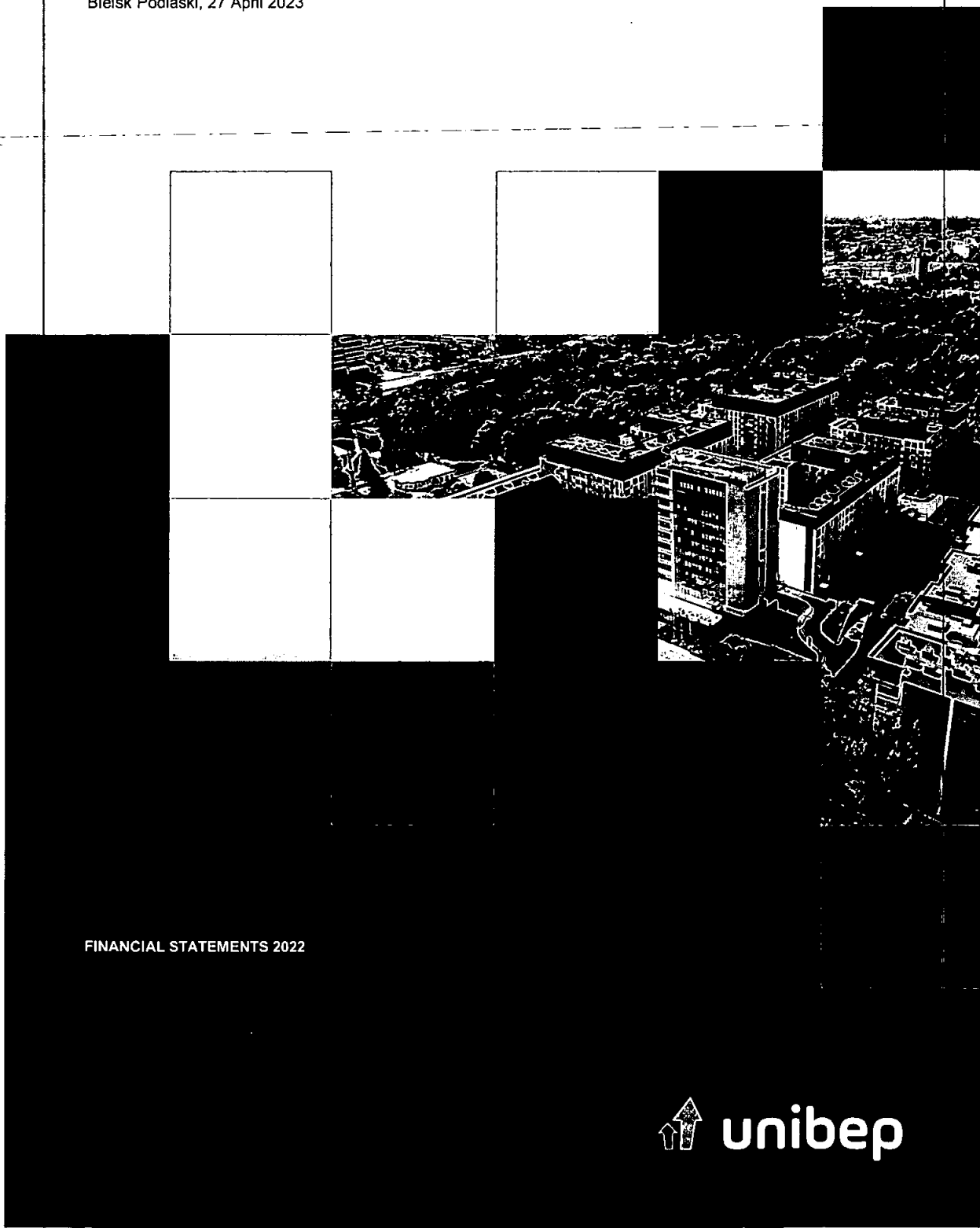


<b>SUM EIENDELER</b>	<b>2 552 252 671</b>	<b>1 822 179 119</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>		
<b>Egenkapital</b>		
<b>Innskutt egenkapital</b>		
Selskapskapital	7 877 565	7 620 498
Overkurs	220 104 010	204 016 519
<b>Sum innskutt egenkapital</b>	<b>227 981 575</b>	<b>211 637 017</b>
<b>Opptjent egenkapital</b>		
Annen egenkapital	245 335 051	242 829 145
<b>Sum opptjent egenkapital</b>	<b>245 335 051</b>	<b>242 829 145</b>
<b>Sum egenkapital</b>	<b>473 316 626</b>	<b>454 466 162</b>
<b>Gjeld</b>		
<b>Langsiktig gjeld</b>		
Annen langsiktig gjeld		
Gjeld til		
kredittinstitusjoner	230 555 357	209 243 979
Øvrig langsiktig gjeld	256 575 072	245 312 318
<b>Sum annen langsiktig gjeld</b>	<b>487 130 429</b>	<b>454 556 297</b>
<b>Sum langsiktig gjeld</b>	<b>487 130 429</b>	<b>454 556 297</b>
<b>Kortsiktig gjeld</b>		
Leverandørgjeld	686 418 567	391 108 837
betalbar skatt	4 905 806	3 945 463
annen kortsikti gjeld	900 481 243	518 102 361
<b>Sum kortsiktig gjeld</b>	<b>1 591 805 616</b>	<b>913 156 661</b>
<b>Sum gjeld</b>	<b>2 078 936 045</b>	<b>1 367 712 958</b>
<b>SUM EGENKAPITAL OG GJELD</b>	<b>2 552 252 671</b>	<b>1 822 179 120</b>



Separate financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Bielsk Podlaski, 27 April 2023



FINANCIAL STATEMENTS 2022





UNIBEP SA



Separate financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the Tables are expressed in PLN, unless otherwise stated)



UNIBEP SA



Separate financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

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Bielsk Podlaski, 27 April 2023

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Bielsk Podlaski, 27 April 2023

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Separate financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

**SEPARATE STATEMENTS OF FINANCIAL POSITION**

	Note	as of 31.12.2022	as of 31.12.2021
<b>ASSETS</b>			
<b>LONG-TERM FIXED ASSETS</b>			
Total tangible fixed assets	6.1	67,272,509.38	55,374,635.02
Intangible assets	6.2	8,854,853.97	8,750,230.23
Investments in subsidiaries	6.4.2	160,864,971.53	159,672,817.69
Investments in entities measured using the equity method	6.4.1	7,986.00	7,986.00
Trade and other long-term receivables	6.5	6,025,626.27	5,621,025.93
Deposits on contracts with clients	6.18	17,387,281.81	26,533,459.43
Loans granted	6.9	97,061,491.49	70,554,939.27
Deferred income tax assets	6.16	32,883,291.00	28,594,774.00
<b>Total (long-term) fixed assets</b>		<b>390,358,011.45</b>	<b>355,109,867.57</b>
<b>SHORT-TERM CURRENT ASSETS</b>			
Inventory	6.7	65,595,763.83	19,906,407.47
Trade and other short-term receivables	6.5	344,647,535.72	180,161,570.90
Deposits on contracts with clients	6.18	25,744,909.61	24,662,033.53
Contractual assets	6.17	235,082,312.39	90,172,198.68
Current income tax receivables		320,714.37	13,124,462.17
Loans granted	6.9	120,000.00	48,281,206.16
Derivative financial instrument assets	5	426,965.05	7,417.97
Cash and cash equivalents	6.8	73,957,325.75	107,168,014.90
<b>Current assets other than those held for sale or distribution to owners</b>		<b>745,895,526.72</b>	<b>483,483,311.78</b>
<b>Total (short-term) current assets</b>		<b>745,895,526.72</b>	<b>483,483,311.78</b>
<b>TOTAL ASSETS</b>		<b>1,136,253,538.17</b>	<b>838,593,179.35</b>



UNIBEP SA



Separate financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards as adapted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

**SEPARATE STATEMENTS OF FINANCIAL POSITION**

	Note	as of 31.12.2022	as of 31.12.2021
<b>LIABILITIES</b>			
<b>Equity</b>			
Share capital	6.10	3,507,063.40	3,507,063.40
Capital from sales of shares at premium	6.10	63,893,761.02	62,153,761.02
Other reserve capitals	6.10	34,095,737.44	31,737,591.10
Retained profit (loss)	6.10	109,222,265.21	111,753,483.98
<b>Equity attributable to shareholders of the parent company</b>		<b>210,718,827.07</b>	<b>209,151,899.50</b>
<b>Total equity</b>		<b>210,718,827.07</b>	<b>209,151,899.50</b>
<b>Long-term liabilities</b>			
Credits, loans and other financial liabilities – long-term	6.12	102,642,398.36	96,297,104.61
Long-term lease liabilities	6.13	33,100,583.83	27,407,478.98
Long-term provisions	6.14	38,257,369.00	37,029,916.17
Deposits on contracts with clients	6.18	42,868,329.51	48,458,880.74
<b>Total long-term liabilities</b>		<b>216,868,680.70</b>	<b>209,193,380.50</b>
<b>Short-term liabilities</b>			
Trade and other short-term liabilities	6.15	365,489,260.89	193,725,710.17
Contractual liabilities	6.17	84,430,247.93	19,052,934.71
Deposits on contracts with clients	6.18	57,588,221.87	41,112,283.90
Credits, loans and other financial liabilities – short-term	6.12	14,621,469.79	23,975,121.75
Short-term lease liabilities	6.13	10,777,573.03	7,877,607.18
Derivative financial instrument liabilities	5	-	2,037,251.52
Current income tax liabilities		1,962,061.31	4,029.75
Short-term provisions	6.14	173,797,195.58	132,462,960.37
<b>Short-term liabilities other than those related to assets held for sale</b>		<b>708,666,030.40</b>	<b>420,247,899.35</b>
<b>Total short-term liabilities</b>		<b>708,666,030.40</b>	<b>420,247,899.35</b>
<b>Total liabilities</b>		<b>925,534,711.10</b>	<b>629,441,279.85</b>
<b>TOTAL LIABILITIES</b>		<b>1,136,253,538.17</b>	<b>838,593,179.35</b>

Bielsk Podlaski, 27 April 2023

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UNIBEP SA



Separate financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

## SEPARATE PROFIT AND LOSS ACCOUNT

	Note	01.01-31.12.2022	01.01-31.12.2021
<b>Operating activities</b>			
Revenue from contracts with clients	6.20	1,665,190,325.05	1,254,683,492.64
Costs of products, goods and materials sold	6.21	1,607,589,408.34	1,197,092,101.73
<b>Gross profit (loss) on sales</b>		<b>57,600,916.71</b>	<b>57,591,390.91</b>
General and administrative costs	6.21	40,358,254.12	45,300,758.82
Other operating revenue	6.22	3,952,321.98	3,283,971.07
Other operating expenses	6.22	3,814,426.16	4,220,740.82
<b>Profit (loss) on operating activities</b>		<b>17,380,558.41</b>	<b>11,353,862.34</b>
Financial revenue	6.23	20,448,416.27	17,021,107.90
Financial expenses	6.23	15,818,458.16	6,075,214.09
Expected credit losses	6.23	6,272,371.48	1,987,625.61
<b>Pre-tax profit (loss)</b>		<b>15,738,145.04</b>	<b>20,312,130.54</b>
Income tax	6.16	2,184,046.81	3,510,530.01
<b>Net profit (loss) on continued operations</b>		<b>13,554,098.23</b>	<b>16,801,600.53</b>
<b>Net profit (loss)</b>		<b>13,554,098.23</b>	<b>16,801,600.53</b>

	13,554,098.23	16,801,600.53
<b>Net profit/loss on continued operations</b>		
Net profit/loss on continued operations attributable to shareholders of the entity, per share	0.43	0.53
Diluted net profit/loss on continued operations attributable to shareholders of the entity, per share	0.43	0.53



UNIBEP SA



Separate financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

## SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	01.01-31.12.2022	01.01-31.12.2021
<b>Net profit (loss)</b>	<b>13,554,098.23</b>	<b>16,801,600.53</b>
<b>Other comprehensive income to be reclassified to profit or loss under specified conditions:</b>	<b>821,739.50</b>	<b>1,717,557.20</b>
Effective portion of changes in fair value of cash flows hedges	821,739.50	1,717,557.20
<b>Other comprehensive income not to be reclassified to profit or loss:</b>	<b>543,683.00</b>	<b>722,482.00</b>
Actuarial gains (losses) on defined benefit plans	543,683.00	722,482.00
<b>Other pre-tax comprehensive income</b>	<b>1,365,422.50</b>	<b>2,440,039.20</b>
Income tax related to items that may be reclassified in later periods	156,130.00	326,336.00
Income tax related to items not to be reclassified in later periods	103,300.00	137,271.00
<b>Total other post-tax comprehensive income</b>	<b>1,105,992.50</b>	<b>1,976,432.20</b>
<b>Total comprehensive income</b>	<b>14,660,090.73</b>	<b>18,778,032.73</b>
of which attributable to: shareholders of the parent company	14,660,090.73	18,778,032.73

Bielsk Podlaski, 27 April 2023

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## SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the period from 01.01.2022 to 31.12.2022

	Share capital	Other reserve capitals	Capital from sales of shares at premium	Retained earnings	Total equity
Opening balance of equity	3,507,063.40	31,737,591.10	62,153,761.02	111,753,483.98	209,151,899.50
Dividend recognised as payments to owners	-	-	-	-16,085,317.00	-16,085,317.00
Incentive scheme	-	1,252,153.84	1,740,000.00	-	2,992,153.84
Current year earnings (losses)	-	-	-	13,554,098.23	13,554,098.23
Other comprehensive income	-	1,105,992.50	-	-	1,105,992.50
Comprehensive Income	-	1,105,992.50	-	13,554,098.23	14,660,090.73
Changes in equity	-	2,358,146.34	1,740,000.00	-2,531,218.77	1,566,927.57
Closing balance of equity	3,507,063.40	34,095,737.44	63,893,761.02	109,222,265.21	210,718,827.07

For the period from 01.01.2021 to 31.12.2021

	Share capital	Other reserve capitals	Capital from sales of shares at premium	Retained earnings	Total equity
Opening balance of equity	3,507,063.40	26,479,158.90	62,153,761.02	104,423,073.65	196,563,056.97
Dividend recognised as payments to owners	-	-	-	-9,471,190.20	-9,471,190.20
Incentive scheme	-	3,282,000.00	-	-	3,282,000.00
Current year earnings (losses)	-	-	-	16,801,600.53	16,801,600.53
Other total income	-	1,976,432.20	-	-	1,976,432.20
Comprehensive Income	-	1,976,432.20	-	16,801,600.53	18,778,032.73
Changes in equity	-	5,258,432.20	-	7,330,410.33	12,588,842.53
Closing balance of equity	3,507,063.40	31,737,591.10	62,153,761.02	111,753,483.98	209,151,899.50

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## SEPARATE CASH FLOW STATEMENT

	01.01-31.12.2022	01.01-31.12.2021
<b>Cash flows from operating activities</b>		
I. Gross profit (loss)	15,738,145.04	20,312,130.54
II. Total adjustments:	-39,388,578.05	-62,401,315.93
1. Amortisation:	16,708,503.95	13,771,983.24
2. Exchange rate profits (losses)	266,059.60	4,244.94
3. Interest and profit sharing (dividend)	-4,676,877.92	-9,772,206.34
4. Profit (loss) on investment activities	-2,489,870.93	15,093.50
5. Change in provisions	43,105,371.04	11,583,657.71
6. Change in inventory	-45,689,356.36	-5,302,261.54
7. Change in receivables	-294,064,445.31	-17,491,200.43
8. Change in short-term liabilities excluding financial liabilities	248,140,447.33	-58,708,321.42
9. Other adjustments	-688,409.45	3,497,694.41
<b>Cash from operating activities</b>	<b>-23,650,433.01</b>	<b>-42,089,185.39</b>
Income tax paid/refunded	8,149,450.97	-18,416,545.04
<b>Net cash from operating activities</b>	<b>-15,500,982.04</b>	<b>-60,505,730.43</b>
<b>Cash flows from investment activities</b>		
Purchase of tangible fixed assets and intangible assets	-14,522,535.31	-6,235,516.87
Proceeds from sales of tangible fixed assets and intangible assets	7,111,577.88	3,870,217.80
Purchase of shares and other capital assets (including capital contributions)	-9,976,000.00	-
Interest received	9,718,703.40	3,950,674.66
Dividend received	11,796,966.29	8,786,966.29
Loans repaid by related parties	90,378,103.44	55,773,577.51
Loans granted to related parties	-68,583,225.63	-111,579,520.00
Other (including execution of derivative instruments)	-734,682.80	-905,523.82
<b>Net cash from investment activities</b>	<b>25,188,907.27</b>	<b>-46,339,124.43</b>
<b>Cash flows from financial activities</b>		
Inflows from loans, credits, bonds and bills of exchange	119,999,821.24	100,057,000.00
Repayment of loans, credits, bonds and bills of exchange	-122,706,966.24	-44,150,000.00
Acquisition of own shares/refund of contributions	1,800,000.00	-
Payment of liabilities arising from lease contracts	-11,200,645.39	-10,238,774.87
Interest paid	-14,671,366.81	-5,001,185.42
Dividend paid	-16,085,317.00	-9,471,190.20
<b>Net cash from financial activities</b>	<b>-42,864,474.20</b>	<b>31,195,849.51</b>
<b>Net change in cash due to exchange rate differences</b>	<b>-33,176,548.97</b>	<b>-75,649,005.35</b>
Exchange rate differences	-34,140.18	27,562.99
<b>Net change in cash</b>	<b>-33,210,689.15</b>	<b>-75,621,442.36</b>
<b>Opening balance of cash</b>	<b>107,168,014.90</b>	<b>182,789,457.26</b>
<b>Closing balance of cash</b>	<b>73,957,325.75</b>	<b>107,168,014.90</b>
- including: of limited disposability	20,609,293.58	17,949,412.73

Explanations to the cash flow statement included in Note 6.26.



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## 1. General Information

### 1.1. Information about the Company and its activities

UNIBEP SA was established as a result of a number of transformations that took place in the years 1950-2005. Until 25 September 1998, the entity functioned first as a state enterprise and then as a municipal enterprise under the name of Bielsko Podlaskie Przedsiębiorstwo Budowlane in Bielsk- Podlaski, which was transformed into a sole proprietorship limited liability company of the Municipality of Bielsk Podlaski under the name of Przedsiębiorstwo Budowlane BEP – notarial deed of repertory no. 4073/98. Since 30 November 1999, as a result of the decision of the General Meeting of Shareholders, the company's name was changed to UNIBUD BEP Sp. z o.o. On 26 November 2004, a resolution was passed to transform UNIBUD BEP Sp. z o.o. into a joint stock company. UNIBUD BEP Spółka Akcyjna was established on 9 February 2005 – notarial deed of repertory no. 492/2005. The date of registration in the National Court Register 29 March 2005. Since 8 December 2006, the Company has been operating under the new name of UNIBEP SA.

UNIBEP SA is registered in the District Court in Białystok, 12th Commercial Department of the National Court Register, in the Register of Entrepreneurs under the number 0000231271. The Company holds the Tax Identification Number (NIP) 543-02-00-365 and the Business Registry Number (REGON) 000058100. The registered office of the Company is in Bielsk Podlaski at ul. 3 Maja 19.

According to the Polish Classification of Activities, the core business of UNIBEP SA is the performance of general construction work related to the erection of buildings in Poland and abroad.

### 1.2. Basis for the preparation of financial statements

These separate financial statements were prepared in accordance with the International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board approved by the European Union under the Regulation on IFRS (European Commission 1606/2002), hereinafter referred to as "EU IFRS".

EU IFRS include standards and interpretations accepted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), approved for use in the EU.

When preparing the financial statements for 2022, the entity applied the same accounting principles as when preparing the annual financial statements for 2021 except for changes to the standards as well as new standards and interpretations approved by the European Union binding for the reporting periods which begin on or after 1 January 2022. In 2022, the Company adopted all new and approved standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Board, approved for use in the EU, applying to its activity and binding for the reporting periods from 1 January 2022.

The financial statements were prepared using the historical cost principle, except for derivative financial instruments measured at fair value and assets measured at fair value through other comprehensive income, in accordance with the Accounting Principles presented below. These separate financial statements, except for the separate cash flow statement, were prepared on an accrual basis.

The financial statements present financial data for the period from 1 January 2022 to 31 December 2022 and comparative financial data for the period from 1 January 2021 to 31 December 2021.

The separate financial statements were prepared with the assumption that UNIBEP SA will continue its business operations in the foreseeable future. As of the signing of these financial statements, the Management Board of UNIBEP SA is not aware of any facts or circumstances which would imply a threat to the Company continuing as a going concern for a period of at least 12 months of the balance sheet date due to an intended or forced discontinuance or material limitation of its activity.

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### 1.3. Functional currency and presentation currency of the financial statements

The functional currency of the parent company and the presentation currency of these separate financial statements is Polish zloty (PLN). All amounts in these financial statements are presented in Polish zloty, unless indicated otherwise.

### 1.4. Changes to IFRS

The following new standards, changes to existing standards and new Interpretations issued by the International Accounting Standards Board (IASB) enter into force for the first time in the financial statements of the Company for 2022:

- amendments to IFRS 3 'Business Combinations',
- amendments to IAS 16 'Property, Plant and Equipment',
- amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets',
- amendments to IFRS 9 'Financial Instruments',
- amendments to IFRS 16 'Leases',
- Annual Improvements 2018-2020

The above amendments to the standards do not have a material impact on the financial statements.

#### Standards and amendments to standards that have already been published but are not yet effective:

In preparing these financial statements, the Company has not applied the following standards and amendments to other standards which have been published and endorsed for application in the EU but which are not yet effective:

- **Amendments to IAS 1 'Presentation of Financial Statements' and Practice Statement 2:** Disclosure of accounting policies (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'** (effective for annual periods beginning on or after 1 January 2023),
- **IFRS 17 'Insurance Contracts'** and amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023).

#### Standards and amendments to standards adopted by the IASB but not yet endorsed by the EU:

IFRSs as endorsed by the EU do not currently differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards and amendments to standards which, as at the date of this report, have not yet been adopted for application:

- **IFRS 14 'Regulatory Accruals'** - in accordance with the European Commission's decision, the endorsement process for the preliminary version of the standard will not be initiated until the final version is issued (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'** - Transactions for the sale or contribution of assets between an investor and its associate or joint venture - the work leading to the approval of these amendments has been postponed indefinitely by the EU - the effective date has been postponed indefinitely by the IASB,
- **Amendments to IAS 1 'Presentation of Financial Statements'** - Classification of liabilities as current or non-current and Classification of liabilities as current or non-current - Deferred effective date (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 1 'Presentation of Financial Statements'**: clarification by the IAS Board of what information about an entity's accounting policies is material and needs to be disclosed in the financial statements, the measurement basis of financial instruments is expected to be considered as material

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information (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'**: a definition of accounting estimate was introduced to the standard: Accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 12 'Income Taxes'**: Deferred tax on assets and liabilities arising from a single transaction. The Council introduced the principle that deferred tax assets and liabilities must be recognised, e.g. when temporary differences of equal amounts occur for leases (separate temporary difference from the liability and from the right of use) or for rehabilitation liabilities (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 16 'Leases'**: clarification of requirements in relation to the measurement of the lease liability arising from sale and leaseback transactions. This is to prevent inappropriate recognition of the profit or loss on a transaction for the retained right-of-use portion when the lease payments are variable and do not depend on an index or rate (effective for annual periods beginning on or after 1 January 2024),
- **Amendments to IFRS 17 'Insurance Contracts'**: First application of IFRS 17 and IFRS 9 - Comparative Information (effective for annual periods beginning on or after 1 January 2023).

According to the estimates of the Company, the above-mentioned new standards and changes to the existing standards would have had no material effect on the financial statements had they been applied by the Company as of the balance sheet date. The Company intends to implement the above regulations within the timeframes prescribed for application by the standards or interpretations.

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## 2. Adopted accounting principles

These financial statements were prepared in accordance with the principles described below, taking into account the applicable amendments to the International Financial Reporting Standards ("IFRS") in the EU.

### TANGIBLE FIXED ASSETS

Tangible fixed assets include own items: Tangible fixed assets, Tangible fixed assets under construction and Right-of-use assets.

Tangible fixed assets are assets maintained by the Company in order to use them in the production process or in the supply of goods and services or for administrative purposes with an expected economic life of over one year.

Tangible fixed assets include, in particular, the following groups:

- land (including land intended for surface mining, e.g. gravel mine);
- buildings, premises, civil and water engineering structures;
- technical equipment and machines;
- vehicles;
- expenditure in third party tangible fixed assets;
- other tangible fixed assets.

Tangible fixed assets are recognised in the accounting records if and only if the following two criteria are met simultaneously:

- there is a probability that the Company will obtain future economic benefits related to a given asset;
- acquisition price or manufacturing cost of an asset by the Company can be determined in a reliable manner.

At the time of initial recognition, an item of tangible fixed assets that qualifies for recognition as an asset is measured at acquisition price or manufacturing cost.

Commenced investments related to tangible fixed assets under construction are measured at the amount of total costs directly related to their purchase or manufacture, including the financial expenses, less the impairment write-offs.

After the initial recognition, tangible fixed assets are disclosed at acquisition price or manufacturing cost ("cost") less total amortisation write-offs and total impairment losses.

Tangible fixed assets, including land intended for strip mining, are depreciated on a straight-line basis in order to spread their initial value, less residual value and accumulated redemption and impairment losses, over the period corresponding to their estimated useful lives.

Depreciation is calculated on the basis of the cost of the asset less its residual value.

The amount of amortisation rates is determined on the basis of the expected useful life, which is subject to annual verification by the Company. Useful lives of particular groups of tangible fixed assets are presented below:

- land intended for strip mining – 10 years;
- buildings, premises and civil engineering structures – between 5 to 40 years;
- technical equipment and machines – between 2 to 15 years;
- vehicles – between 3 to 8 years;
- other tangible fixed assets – between 2 to 10 years.

In justified, individual cases the above-mentioned periods may be extended.

The above-mentioned useful lives and the residual value of individual tangible fixed assets are reviewed at least at the end of each financial year and if expectations differ from previous estimates, changes are recognised prospectively as changes in accounting estimates.

Low-value tangible fixed assets with a value not exceeding PLN 3,500, except for power tools, may be amortised once, in the month in which they were purchased, if the simplification adopted in this way does not significantly distort financial results and assets. A one-off purchase of a larger number of low value tangible fixed assets may be recognised and amortised as one collective asset. In regard to items classified as equipment, due to their



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low value, the Company applies a simplified approach consisting in a one-off recognition of the asset value in the cost of material consumption at the moment of putting the assets into use. In subsequent periods, off-balance sheet equipment records are kept.

Depreciation of tangible fixed assets begins when they are available for use, which means bringing the asset to the location and conditions necessary for it to be used as intended by management. In practice, the Company adopts a simplification and amortisation commences at the beginning of the month following the month in which the tangible fixed asset became available for use.

If there are indications of possible impairment loss of tangible fixed assets in use, these assets are reviewed for possible impairment loss.

The amount of impairment losses is determined as the excess of the carrying amount of these items over their recoverable amount.

Impairment losses are recognised in profit or loss under "Other operating expenses".

An assessment shall be made at each reporting date to determine whether there is any objective evidence that the loss write-off may be reversed. A possible reversal of a previously recognised revaluation write-off is recognised in the income statement under "Other operating revenue", respectively.

Subsequent expenditures are recognised in the carrying amount of a given tangible fixed asset in use only when it is possible that this item will bring economic benefits to the Company, and the cost of the given item can be reliably measured.

The costs of current maintenance of tangible fixed assets and their maintenance affect the financial result in the period in which they were incurred.

## INTANGIBLE ASSETS

Intangible assets are recognised if it is probable that they will generate economic benefits in the future. The initial recognition of intangible assets is made according to their acquisition prices or manufacturing cost. In the subsequent period of use, the measurement is made at the acquisition price or manufacturing cost less redemption and impairment losses.

Intangible assets held by the Company, except for intangible assets with indefinite useful lives, are amortised on a straight-line basis over the period corresponding to their estimated useful lives, i.e. in principle 2-10 years. This period may be extended in justified cases.

Goodwill arising from taking control of a subsidiary is not amortised and is subject to an annual impairment test. In order to test for possible impairment, goodwill acquired as a result of the merger is allocated to cash generating units. Allocations are made to those cash generating units or groups of cash generating units which are expected to benefit from the synergy of merger which created this goodwill. Each unit or group of units to which the goodwill is allocated represents the lowest level in the entity at which the goodwill is monitored for internal management purposes. Nevertheless, a single cash generating unit cannot be larger than an operating segment established in accordance with the principles described in the Segment Reporting section. The annual impairment test of a cash generating unit to which goodwill has been allocated is carried out at the end of the financial year. The impairment test consists in comparing the carrying amount of the cash generating unit with its recoverable value, i.e. the higher of two amounts: fair value less selling costs and value in use.

Write-offs for impairment losses are recognised in the income statement under "Other operating expenses".

Research work includes innovative and planned search for solutions undertaken with the aim of acquiring and assimilating new scientific and technical knowledge. At the stage of research work, the Company is not yet able to prove the existence of such intangible assets which will generate economic benefits in the future.

Development work is the practical application of research findings or other knowledge in planning or designing the production of new or substantially improved materials, devices, products, processes, systems or services prior to serial production or use. At the development stage, the Company is able to identify such an intangible asset which will generate economic benefits in the future.

In the case of difficulties in separating research and development work in the implemented project, the Company treats the entire work as research work.

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Research work does not lead to creation of an asset, therefore the costs of such work are recognised in the costs of the period when they are incurred, as well as the costs of development works that do not meet the criteria for capitalisation.

Development work costs are capitalised as intangible assets that are technically possible, used to complete an intangible asset so that it can be used or sold.

## LEASE

The contract includes a lease if all of the following conditions are met:

- the asset is identified (note: an asset is not identified if the supplier has a significant right to replace the asset),
- the client is entitled to virtually all economic benefits,
- the client determines how and for what purposes the asset is used or it is determined by a higher level of authority, but the client operates the asset or has designed it.

### Lease with a lessee

If the contract meets the definition of a lease, then, at the beginning of the lease, the lessee recognises a right-of-use asset and a lease liability in its statements of financial position.

The right-of-use asset is initially recognised in the value of the lease liability, and then increased by:

- any lease payments made on or before the commencement date less any lease incentives received,
- the initial direct costs of the lessee relating to the contract,
- estimate of costs to be borne by the lessee at the end of the contract.

After the commencement date, the right-of-use asset is measured using the cost model.

In order to apply the cost model, the right-of-use asset is measured at the cost:

- less total amortisation (redemption) write-offs and total impairment losses;
- adjusted for any revaluation of the lease liability.

The lease liability is initially measured at the current value of future lease payments over the lease term, discounted at the rate specified in the lease contract. Otherwise, if this rate cannot be determined, the incremental borrowing rate of the lessee should be used.

Lease payments to be recognised in the measurement of the lease liability at the initial recognition date shall include:

- fixed lease payments minus any applicable lease incentives – fixed lease payments include, in principle, fixed lease payments, which may contain elements of volatility as such, but are generally unavoidable;
- variable fees depending only on the index or rate;
- amounts paid by the lessee in respect of the guaranteed residual value;
- call option exercise price;
- penalties for lease termination – are recognised only if it has been assumed in determining the lease term that there is reasonable assurance that the lessee will exercise the termination option.

After initial recognition, the lease liability is measured through:

- an increase in the carrying amount to reflect interest on the lease liability;
- a decrease in the carrying amount to reflect the lease payments made;
- revaluating the carrying amount to reflect any reassessment or change in the lease or to reflect revalued substantially fixed lease payments.

The revaluation amount of the lease liability is regarded as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the remaining amount of the revaluation is recognised in the financial result.

If a contract meets the definition of a lease but the payments are variable (not index or rate dependent but, for example, turnover), the cost of such contracts is not included in the measurement of the lease liability but is recognised directly in profit or loss.

The Company identified the following types of significant lease contracts:

- right of perpetual usufruct of land;

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- office lease contract;
- machines and equipment lease contracts,
- vehicle lease contracts.

The Company allows for taking advantage of simplifications concerning all short-term leases (shorter than 12 months) and leases with respect to which the underlying asset has a low value (below PLN 20,000). No financial liabilities and related right-of-use assets are recognised for these contracts. Lease payments in such a situation are recognised as expenses on a straight-line basis over the lease term.

When identifying lease contracts, the Company makes estimates and applies judgements that have a significant effect on the value of lease liabilities and right-of-use assets. This mainly concerns the discount rate adopted for the valuation of liabilities and the duration of the leases (including the possibility of prolonging or early termination of the lease contract). Estimates affecting subsequent reporting periods also include the amortisation rate adopted for individual assets.

The lease term is the non-cancellable lease term, which covers the aggregate of:

- possible renewal periods of the lease contract if the lessee has reasonable assurance that it will exercise this option; and
- possible lease contract notice periods if the lessee has reasonable assurance that it will not exercise this option.

The exercise of the option to extend/terminate the lease by the Company should take into account all relevant facts and circumstances known and controlled by the Company.

Costs associated with the lease of the right to use office space and vehicles are charged to depreciation and finance costs on leases. The asset is carried in the balance sheet under property, plant and equipment, while the liability is carried under long-term or short-term liabilities, respectively.

## INVENTORY

The inventory includes assets that meet the following criteria:

- held for sale in the ordinary course of the Company business;
- in the course of production held for sale, or in the form of materials or raw materials used in the production process or in the provision of services.

Property is also classified as inventory as a result of a change in the classification of investment properties, which occurs when land acquired by the Company no longer meets the criteria of an investment property.

Inventory items stored at construction sites for construction specific purposes or that are processed by the Company or by a subcontractor and in regards to which it is certain they can be easily used for other contracts or sold are not considered as inventory items. Such items are charged directly to contract costs and are thus included in the measurement of the contract according to the progress.

Inventory is measured at the lower of these two values: acquisition price or manufacturing cost and selling price. Net selling price is the selling price which can be obtained as of the balance sheet date, excluding value added tax and excise tax, less rebates, discounts and similar price adjustments, as well as costs related to adapting the item to be sold and making this sale.

Expenditure of inventory, except for land and inventory acquired is determined using the first-in, first-out (FIFO) method.

The Company recognises revaluation write-offs on inventory based on current inventory sales or use plans. Net recoverable amount is the estimated net selling price as defined above ("Post-initial recognition measurement" section).

Inventory write-offs are recognised in profit or loss for the period at manufacturing cost.

## BORROWING COSTS

Borrowing costs directly attributable to qualifying assets are capitalised as a part of the acquisition price or manufacturing cost of these items.

Capitalisation of borrowing costs allocated to assets begins when:

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- expenditures for the asset are being incurred;
- the borrowing costs are incurred; and
- activities necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation of borrowing costs is discontinued when substantially all activities necessary to prepare the qualifying asset for its intended use or sale have been completed.

The items of qualifying assets of the Company may include, e.g. tangible fixed assets, intangible assets.

Interest on the lease of the right of perpetual usufruct of land forms part of the general financing costs of an asset.

## CASH AND CASH EQUIVALENTS

Cash includes cash in hand and cash at bank accounts. Cash equivalents, on the other hand, include short-term highly liquid investments that are readily convertible to specific amounts of cash that are subject to an insignificant risk of changes in value, e.g.:

- cheques and bills of exchange payable within less than 3 months;
- cash in transit (as of the balance sheet date), between different bank accounts of the entities, including cash withdrawn from the bank account of an entity, using an ATM, based on a credit card;
- term deposits with a bank with a maturity shorter than 3 months;
- treasury bonds, maturing up to 3 months.

At the time of initial recognition, cash is recognised at its nominal value, and after the initial recognition as of the balance sheet date, cash is recognised at its nominal value, including any impairment losses. In the case of cash equivalents, the nominal value of bank term deposits is the value of funds at the disposal of the Company, which also includes interest accrued by the bank on deposits until the balance sheet date.

## TRADE AND OTHER RECEIVABLES

Trade and other receivables mainly comprise trade receivables, receivables from taxes, subsidies, customs duties, social security contributions and health insurance, advances granted for the delivery of fixed assets as well as goods, materials and services and other receivables not classified in other asset lines. This item also includes "Prepayments".

Trade receivables are the amounts due from clients for goods sold or services provided in the ordinary course of the business of the Company.

Trade and other financial receivables constituting financial assets are classified as "measured at amortised cost".

Trade and other financial receivables are measured in accordance with the rules presented for this category in the "Financial instruments" Section.

At the time of initial recognition, trade and other receivables constituting financial assets are recognised at fair value. For short-term receivables, the fair value is equal to the nominal amount.

Receivables that do not constitute financial assets are disclosed in the amount due.

After initial recognition, trade receivables and other receivables constituting financial assets are disclosed at amortised cost (corresponding to the amount payable in the case of short-term receivables) less created revaluation write-offs.

At the end of each reporting period, the Company measures the expected credit losses in accordance with the methodology described in "Financial instruments". Write-offs for expected credit losses are recognised as a deduction from the carrying amount of receivables and, on the other side, as charging the financial result, under a separate "Expected credit losses" item.

Prepayments are expenses incurred at the balance sheet date that represent deferred costs. Recognition is made if the costs incurred are related to multiple reporting periods. Insurance, guarantees, structure-settled VAT, as well as other costs meeting the above definition, among others, constitute items of prepayments.



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Prepayments are initially recognised at the amount paid. Prepayments are written off on the time basis or on the basis of the amount of service. The time and the method of settlement should depend on the nature of settled costs. In order to settle the costs in time, the requirement to include them in the assets of the Company should be met, and therefore it must be certain that the given asset will bring economic benefits in the future.

## CONTRACTUAL ASSETS AND LIABILITIES

Contractual assets and liabilities arise from the application of IFRS 15 "Revenue from contracts with clients".

The Company transfers control over a good or service over time and thus fulfils the obligation to provide the service and recognises revenue over time if one of the following conditions is met:

- the client simultaneously receives and benefits from the service as it is provided,
- as a result of provision, an asset is created or improved and control over that asset is exercised by the client as it is created or improved,
- as a result of service provision, there is no item with an alternative use for the Company and the Company has an enforceable right to pay for the provision of service to date.

Generally, the Company recognises the transfer of control over time in the case of contracts for construction services, including the construction of facilities from modules and panels produced by the Company, contracts for the construction of real property.

In the case of transfer of control by the Company over time, revenue is determined using the percentage of completion method. The Company determines the progress of performance of the contract by determining the share of costs incurred from the date of conclusion of the contract until the date of revenue recognition in the estimated total costs of the contract. In cases justified by the nature of the contract, the Company may determine the percentage of completion of the contract according to other methods.

The contractual liabilities item also includes advances received from clients for the performance of the contract.

## TRADE AND OTHER LIABILITIES

Trade liabilities are obligations payable for goods or services which have been delivered or provided and have been invoiced or otherwise formally confirmed with the supplier. Reverse factoring liabilities (reverse factoring, confirming-supply financing, etc.) are treated as trade liabilities.

Other liabilities comprise tax, customs and social security liabilities, payroll liabilities, advances received for deliveries, other liabilities of similar nature and deferred revenue.

Trade liabilities are classified as "financial liabilities" and measured in accordance with the policy presented in the "Financial instruments" section.

The item "Trade and other liabilities" also includes "Deferred income" and "Accruals".

Deferred income constitutes received funds in respect of payments to be made in subsequent reporting periods, which will give rise to a title to recognise the relevant revenue. Its settlement in time is aimed at maintaining the principle of matching revenue and expenses. The Company classifies the following items as deferred income:

- subsidies;
- interest on bills of exchange settled in time;
- settlement of the right of perpetual usufruct of land received free of charge.

Subsidies received in cash are recognised at nominal value and non-monetary subsidies are recognised at fair value. Subsidies are recognised if reasonable certainty exists that the subsidy will be received and the entity will comply with the criteria for receiving the subsidy. Subsidies to property, plant and equipment and development work included in deferred income are recognised gradually in profit or loss by way of equal write-offs over the estimated useful life of the asset. Subsidies to costs are recognised as revenue in the period, in which the entity recognises the cost to be offset by the subsidy.

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## CONTINGENT LIABILITIES AND RECEIVABLES

A contingent liability is an obligation to provide services that are contingent on the occurrence of specified events. Contingent liabilities are not shown in the balance sheet, but are disclosed in the notes.

Contingent receivables are not disclosed in the balance sheet, however, they are disclosed in the notes if the effect of measures embodying economic benefits is probable.

## TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

Transactions denominated in foreign currencies are recognised in PLN, using simplification, at the average exchange rate announced by the Central Bank on the day preceding the date of the transaction/operation. Monetary items of assets and liabilities expressed in a foreign currency are converted as of the balance sheet date according to the rate effective on this day. Exchange differences resulting from the settlement of transactions in foreign currencies and the balance sheet valuation of monetary assets and liabilities expressed in foreign currencies are recognised under financial revenue or expenses, except where they represent an adjustment of borrowing costs (further policy of the "Borrowing costs" section).

Realised exchange rate differences relating to receivables, liabilities from the operating activities of the Company and foreign exchange are recognised in operating revenue or expenses. Unrealised exchange differences relating to operating activities and other realised and unrealised exchange differences are recognised

under financial revenue or expenses and presented per balance under the "Financial revenue" or "Financial expenses" item, respectively.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are converted at the rate preceding the date of the transaction/operation (especially for entities using PLN as their functional currency, the conversion is made at the average exchange rate of the National Bank of Poland applicable on the day preceding the transaction).

Non-monetary foreign currency balance sheet items measured at fair value are converted at the exchange rate on the date when the fair value was estimated (in particular for entities with PLN as their functional currency, the conversion is made on the basis of the average rate of exchange published by the NBP at the date when the fair value was estimated).

## EQUITY

In the Statement of Financial Position and the Statement of Changes in Equity, equity is disclosed under the following separate items: share capital, other reserves, share premium account, retained earnings.

The Company's share capital is recognised at nominal value in accordance with the regulations of the Commercial Companies Code (CCC) and its Articles of Association.

The capital created in accordance with the CCC requirements is not subject to distribution, but may be used to cover the losses of the entity.

Other reserve capitals include in particular:

- revaluation reserve;
- reserve capital for the implementation of the incentive scheme.

Retained earnings (losses) present capitals created from retained earnings based on decisions of the governing bodies and in accordance with the CCC: supplementary capital, reserve capital for share buy-backs, other capitals. In addition, this item also includes retained earnings/losses and current year earnings/losses.

Where a reserve (special purpose) capital is created for share buy-backs, the share buy-backs are presented as a reduction of this reserve. Purchase, sale, issue or cancellation of own equity instruments of the Company does not result in recognition of any profits or losses in the financial result. Consideration paid or received shall be recognised directly in equity. Own shares may be acquired and retained by the entity. The redemption of own shares is accounted for as share premium in correspondence with other capitals, e.g.: share capital, share redemption capital in accordance with shareholder resolutions on redemption of own equity instruments.

The liability on the adopted dividend is recognised at the time of establishing the shareholder right to receive the dividend, as a reduction of equity.

When the right to receive the dividend is established, the revenue and receivable are recognised.

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## CREDITS, LOANS, OTHER FINANCIAL LIABILITIES

Financial liabilities are presented in the Statement of Financial Position under the following separate items:

- credits, loans and other financial liabilities;
- lease liabilities;
- derivative financial instrument liabilities.

The item "Credits, loans and other financial liabilities" includes liabilities in respect of:

- credits and loans;
- bonds;
- purchase of shares;
- settlements with shareholders.

Financial liabilities are recognised in accordance with the principles described in the "Financial instruments" section.

## PROVISIONS

Provisions are an obligation to make payments of a reliably determined value, resulting from past events, that will result in the use of the existing or future assets of the entity, the amount or payment term of which is uncertain.

Provisions are created in an amount corresponding to the estimated expenditure necessary to meet the current obligation as of the balance sheet date. The most reasonable estimate of the expenditure required to settle the present obligation is the amount that the Company would reasonably expect to pay in performing the obligation as of the balance sheet date or for which it would transfer the obligation to a third party.

Where the expected effect of the change in time value of money is material, the amount of the provision is determined by discounting the forecast future cash flows to current value using an interest rate which reflects the current market assessment of the time value of money and the risk factors, if any, associated with this type of liability. A subsequent increase in the provision due to the passage of time, reflecting the reversal of the discounting made, is recognised in financial expenses.

The amount of the created provision also includes future events which may affect the amount necessary for the Company to fulfil its obligation, if there is sufficient and objective evidence that such events will occur.

### PROVISION FOR GUARANTEE REPAIRS

The provision is created in connection with the guarantee obligations of the Company resulting from the construction services provided. The amount of the provision is determined on the basis of the experience of the Company with the number of guarantee repairs performed. As a rule, a provision is created in the amount of 0.5% of net income resulting from individual construction contracts. The exception is the modular construction, where a provision is created up to 2% of net revenue, as well as residential construction – a provision amounting to 1% of net revenue. In justified cases, a provision is created in an individually determined amount on the basis of a decision of the Management Board, which may deviate from the above-mentioned framework.

### PROVISION FOR LOSSES ON CONSTRUCTION CONTRACTS

When it is probable that the costs directly related to the performance of the contract will exceed total revenue, the expected loss (surplus of total estimated expenses over total estimated revenue) is charged to expenses in the period and recognised in the manufacturing costs of products and services sold.

### PROVISION FOR DISPUTES

In the case of legal proceedings against the Company, the legal department and external law firms providing services to the Company in consultation with the Management Board make a detailed analysis of potential risks associated

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with the proceedings, and on this basis a decision is made on the necessity to recognise a provision for disputable issues.

The estimates and related assumptions are based on historical experience or opinions of independent experts, and other factors which are considered rational in the given circumstances, and their results provide grounds for the judgement of the carrying amount, which does not directly result from other sources.

#### **OTHER PROVISIONS**

The Company also make provisions for the audit of financial statements, other costs and other.

#### **RECOGNITION OF PROVISIONS**

Provisions on the other side are included in the current period expenses.

The accounting records of other provisions charged to expenses consist of:

- an increase in the manufacturing costs of products and services sold – in the case of provision for costs of subcontractors, guarantee repairs, construction and provision for disputes concerning contracts currently executed;
- an increase in other operating expenses – if they are related indirectly to operating and financial activities of the Company or if they are related to random events and provisions for disputable issues concerning the contracts submitted to the service.

Analogously, the amount of provisions is increased if the risk of obligation performance has increased.

The provision is used in connection with creation of a liability for which it was created. The provision may be used only for the purpose for which it was originally established.

If the obligation performance becomes certain, the exchange of the provision for a liability results in a decrease in the provision and an increase in liabilities.

The reversal of part or all of the unused provision in the event of a reduction or cessation of the risk justifying its creation, as of the date on which it proved to be unnecessary, involves a decrease of the provision and:

- a decrease in the manufacturing costs of products and services sold – in the case of provision for guarantee repairs, construction provision and provision for disputes concerning contracts currently executed;
- a decrease in other operating expenses – if the provision concerns indirectly operating activities, financial activities or random events, as well as a provision for disputes concerning contracts submitted to the service.

#### **EMPLOYEE BENEFITS**

The Company is obliged by the applicable legal provisions to collect and pay contributions towards employee pension benefits. In accordance with the IAS 19 "Employee Benefits", these benefits constitute a national program in the form of a specific contributions program. The obligation to contribute to the pension plan is recognised as an employee benefit expense charged to the financial result for the period in which the employees render their services. By nature, these costs are recognised as social security and other benefits, except for benefits that have been capitalised in property, plant and equipment or inventory.

#### **PROVISIONS FOR RETIREMENT AND PENSION SEVERANCE PAY**

The employees of the Company are entitled to receive retirement severance pay of a certain amount at retirement. This benefit is classified as a post-employment plan of specific benefits. The provision on this account is estimated by an actuary using the forecast unit benefit method. Actuarial gains/losses are recognised in other comprehensive income. Other changes in the provision are recognised in the financial result or capitalised in inventory if the changes concern production employees.

#### **OTHER PROVISIONS FOR EMPLOYEE BENEFITS**

The Company recognises provisions in the amount of anticipated payments to employees for short-term cash bonuses if the Company has a legal or customary obligation to make such payments based on the services provided by employees in the past and the obligation can be reliably estimated.

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In particular, the Company creates the following provisions for short-term employee benefits:

- 1) provision for the performance of material tasks;
- 2) provision for facility-based bonuses;
- 3) provision for monthly bonuses;
- 4) provision for annual awards;
- 5) provision for annual managerial bonuses;
- 6) provision for the Management Board bonus;
- 7) provision for unused holiday leaves.

The basis for calculating the provision for unused holidays is a summary of the number of days of leave unused by employees, as of the balance sheet date. The amount of the provision per employee is determined on the basis of the product of the number of unused days of leave of the given employee and his/her gross daily remuneration increased by social security contributions of the employer.

Provisions for employee bonuses are recognised when:

- the entity has a present legal or customary obligation to make such payments as a result of meeting certain criteria, and
- a reliable estimate of such a provision is possible. For example, a provision for facility-based bonuses is recognised when it becomes probable that the contract will be successfully completed and the facility-based bonuses will be due to employees. The valuation of the provision takes into account the fact that some employees may leave without obtaining the right to receive payments.

In principle, the above provisions are created as part of the costs of the period. An exception is made for provisions related to production employees, which are capitalised as inventory manufacturing cost.

#### DEFERRED INCOME TAX

For financial reporting purposes, deferred tax is calculated in relation to temporary differences between the tax value of assets and liabilities and their carrying amount disclosed in the financial statements, as of the reporting date. The provision for deferred tax is recognised in relation to all taxable temporary differences:

- except where the provision for deferred tax arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business merger and, at the time of the transaction, affects neither the gross financial result nor taxable profit or tax loss, and
- except when the timing of the reversal of temporary differences is controlled by the investor and it is probable that temporary differences will not reverse in the foreseeable future in the case of taxable temporary differences associated with investments in subsidiaries or affiliates and interests in joint ventures,
- in the case of lease contracts, the Company applies the so-called "net approach", i.e. it recognises deferred tax on temporary differences that are equal to the difference between the accounting value of the right-of-use assets and the accounting value of the lease liabilities.

Deferred tax assets are recognised for all deductible temporary differences, as well as unused tax credits and unused tax losses carried forward to subsequent years, to the extent that it is probable that taxable income will be available, against which the above-mentioned differences, assets and losses can be utilised:

- except where the deferred tax assets related to deductible temporary differences arise from the initial recognition of an asset or liability in a transaction which is not a business merger and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or tax loss, and
- in the case of deductible temporary differences arising from investments in subsidiaries or affiliates and interests in joint ventures, a deferred tax asset is recognised in the statements of financial position only to the extent that it is probable that the aforementioned temporary differences will be reversed in the foreseeable future and that taxable profit will be available, against which the deductible temporary differences can be offset.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available, against which the asset can be realised.

Deferred tax assets and provisions are measured at the tax rates that are expected to apply in the period when the asset is realised or the provision is released, based on tax rates (and tax laws) effective on the reporting date or which are certainly going to be effective

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as of the reporting date. In the case of taxable foreign operations conducted within one entity, e.g.: a foreign branch, representative office, for the purposes of calculating deferred tax a simplified tax rate appropriate to the tax residency of the entity is applied.

Income tax is recognised in profit or loss, except when income tax is related to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income, and to items recognised in equity, in which case it is recognised directly in equity.

The Company compensates with itself deferred income tax assets with provisions for deferred income tax if and only if it has an enforceable legal title to carry out the compensation of receivables with current tax and the deferred income tax concerns the same taxpayer and is imposed by the same tax authority.

### CURRENT INCOME TAX

Current tax liabilities and receivables for the current and previous periods are measured at the amounts expected to be paid to the tax authorities (to be reimbursed from the tax authorities) using tax rates and tax regulations legally or actually in force as of the reporting date.

### SEGMENT REPORTING

The operating segments of the Company constitute a part of business activities of the Company, in connection with which the Company may earn revenue and incur expenses, and its results are subject to regular review by the main decision-making body, while the results of the review are used to make decisions on the allocation of resources to individual segments.

Operating segments identified on the basis of internal reports are subject to periodic reviews by the chief operating decision maker – the Management Board of the Company.

Operating segments that show similarities in their long-term profits or losses and economic characteristics may be aggregated into reporting segments if qualitative criteria and quantitative thresholds are met. Within the qualitative criteria, the operating segments must be similar in each of the following aspects:

- the type of products and services offered;
- the type of production process;
- the type or group of clients who purchase the goods or services offered;
- methods used to distribute products or provide services;
- the type of regulatory environment (if applicable).

Operating segments are recognised separately if any of the quantitative thresholds listed below is met:

- recognised segment revenue (both those generated from sales to external clients and from exchanges between segments) constitute 10 percent or more of total external and internal revenue of all operating segments;
- the profit or loss of the segment listed as absolute value constitutes 10 percent or more of the greater of the following absolute values: the combined profit of all operating segments that did not list a loss; and the combined loss of all operating segments that listed a loss;
- assets assigned to a segment constitute 10 percent or more of total assets.

Data on segment revenue, expenses, assets and liabilities is presented in accordance with the information regularly presented to the key operating decision-maker.

The segment result is determined at the level of gross profit on sales.

### REVENUE FROM CONTRACTS WITH CLIENTS

Revenue is the received gross economic benefits in a given period, generated as a result of the ordinary activity of the Company, resulting in the increase of equity, other than an increase of capital resulting from the payments of the shareholders. Revenue includes only received or due proceeds from economic benefits, therefore amounts collected on behalf of third parties (e.g. value added tax) do not constitute the revenue of the Company. In addition, revenue is listed less of any returns, rebates and discounts.

The Company recognises revenue taking into account the 5-step model described below. This model may be applied to individual contracts or to a portfolio of contracts (or obligations to provide services) with similar characteristics if an entity reasonably expects that the effect of applying the principles listed below

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on its financial statements will not differ materially from applying the principles listed below to individual contracts (or obligations to provide services). The Company analyses whether it is acting as a contractor or agent.

#### Identification of a contract with a client

A contract with a client meets its definition when all the following criteria are met:

- the parties to the contract have approved the contract and are committed to perform their obligations;
- the entity can identify each party's rights regarding the goods or services to be transferred;
- the entities are able to identify the terms of payment for the goods or services to be transferred;
- the contract has economic substance, i.e. the risk, time of performance or amount of future cash flows is expected to change as a result of the contract;
- it is probable that the entity will receive the remuneration it will be entitled to in exchange for goods or services that will be provided to the client.

#### Identification of performance obligations

For a portfolio of contracts with similar characteristics, the Company assesses the goods or services promised in the contract with the client and identifies each promise to deliver to the client separately identifiable goods or services (or a package of goods or services) or groups of separate goods or services which are substantially the same and where the delivery to the client is of the same nature as an obligation to provide service.

The Company uses the following criteria when separating groups of goods: by client category – public and private, and by price category – flat rate and costing.

#### Transaction price determination

In order to determine the transaction price, the Company takes into account the terms of the contract and its usual commercial practices. The transaction price is the amount of remuneration which the Company expects to receive in exchange for the delivery of promised goods or services to the client, excluding amounts collected on behalf of third parties (for example, certain sales taxes, fuel surcharge, excise tax).

The Company takes into account all the following factors when determining the transaction price:

- variable remuneration;
- conditions limiting the recognition of variable elements of remuneration;
- the existence of a significant element of financing;
- non-cash remuneration;
- remuneration paid to the buyer.

As a rule, prices are fixed, contractual and subject to change by agreement with the client. The variable element are possible penalties.

Each contract is one performance obligation.

#### Allocation of the transaction price to individual obligations to provide service

The Company assigns a transaction price to each obligation to provide service (or to a separate good or service) in an amount which reflects the amount of remuneration which the Company expects to receive in exchange for the delivery of the promised goods or services to the client.

#### Recognition of revenue at the time of (or in the course of) meeting the obligations to provide service

Performance obligations may be fulfilled over time or at a certain time. The Company recognises revenue when the obligation to perform service is met by transferring significant risks to the client as a result of which the client obtains control over this asset. Revenue is recognised as amounts equal to the transaction price allocated to a given obligation to provide service. In other activities, the moment of performance is the moment of issuance of the invoice.

The Company transfers control over a good or service over time and thus fulfils the obligation to provide the service and recognises revenue over time if one of the following conditions is met:

- the client simultaneously receives and benefits from the service as it is provided,
- as a result of provision, an asset is created or improved and control over that asset is exercised by the client as it is created or improved,

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- as a result of service provision, there is no item with an alternative use for the Company and the Company has an enforceable right to pay for the provision of service to date.

Generally, the Company recognises the transfer of control over time in the case of contracts for construction services, including the construction of facilities from modules and panels produced by the Company, contracts for the construction of real property.

In the case of transfer of control by the Company over time, revenue is determined using the percentage of completion method. The Company determines the progress of performance of the contract by determining the share of costs incurred from the date of conclusion of the contract until the date of revenue recognition in the estimated total costs of the contract. In cases justified by the nature of the contract, the Company may determine the percentage of completion of the contract according to other methods.

If the outcome of the contract cannot be estimated reliably, revenue is recognised to the extent that it is probable that the revenue will be recovered, and contract costs are recognised as expenses in the period in which they are incurred.

If it is probable that total costs related to the performance of the contract will exceed total revenue, the expected loss (surplus of total estimated expenses over total estimated revenue) is charged to the expense in the period and is shown in the manufacturing costs of products and services sold.

If the value of estimated revenue using the percentage of completion method exceeds the invoiced revenue, the resulting difference is recognised under "Net revenue from sales of products and services" and recognised assets under "Contractual assets". On the other hand, if the value of estimated revenue using the percentage of completion method is lower than the invoiced revenue, the resulting difference is recognised under "Net revenue from sales of products and services" and the liability is recognised under "Contractual liabilities".

The following items of revenue from contracts with clients are recognised in the Company's statement of comprehensive income:

- 1) Net revenue from sales of products and services;
- 2) Net revenue from sales of goods and materials.

The products and services sold by the Company include in particular: sales of construction services, sales related to modular construction, sales of other services and sales of products. At the same time, penalties and compensation calculated by the recipients of services to the Company in the course of the project are recognised as a decrease in net revenue from sales of products and services.

The realised exchange rate differences related to transactions with clients and the result of the realisation of derivative financial instruments are also recognised in the revenue from sales if the hedged item had an effect on the revenue from sales, together with the discount on deposit receivables.

#### **Other operating revenue and expenses**

Other operating revenue and expenses include expenses and revenue indirectly related to the operating activities of the entity, in particular expenses and revenue related to:

- creation and reversal of revaluation write-offs related to the value tangible fixed assets, intangible assets, receivables, loans, equity instruments, cash and inventory;
- sales of tangible fixed assets, tangible fixed assets under construction and intangible assets;
- creation and reversal of provisions, except for provisions recognised in manufacturing costs, selling costs or general and administrative costs;
- received or accrued penalties and fines, compensation for contracts transferred to the service and court fees incurred and received;
- on account of charges with penalties and fines, compensation for contracts transferred to the service;
- revenue from guarantee deposits;
- profits or losses arising from reclassification of investment properties from/to inventory;
- received subsidies to revenue and expenses;
- costs of membership fees;
- profits from bargain purchases;
- result on sales of subsidiaries;

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- taking over projects;
- revaluation of financial assets;
- and other revenue and expenses not directly related to the core operating activities of the Company.

## FINANCIAL REVENUE AND EXPENSES AND EXPECTED CREDIT LOSSES

Financial revenue and expenses include mainly items of revenue and expenses related to the financing of operations of the Company.

The financial revenue related to financing operations of the Company includes, in particular:

- net exchange rate gains arising from liabilities related to financing activities (loans, credits, bonds, lease, etc.);
- net foreign exchange profits on loans granted in foreign currencies;
- interest on receivables, loans granted and funds accumulated in the form of bank deposits;
- profits on unrealised exchange rate differences on settlements;
- revenue from unwinding and changes in the estimation of the refund period for the discounted receivables;
- revenue from fair value measurement of derivative instruments, for which no hedge accounting was applied;
- profits from implementation of derivative instruments, to which cash flow hedge accounting is applied, if the hedged item affects financial revenue;
- the ineffective part of profits related to hedging instruments.

The financial expenses associated with financing operations of the Company include, in particular:

- interest on a bank overdraft in a current account;
- interest on short-term and long-term loans, credits, debt financial instruments and other sources of financing;
- unwinding and changing the estimation of the discount return period on long-term liabilities;
- net exchange rate losses arising from liabilities which are the source of financing for the Company's operations;
- net foreign exchange losses on loans granted in foreign currencies;
- losses on realisation and fair value measurement of derivative instruments, to which no hedge accounting was applied;
- losses on realisation of derivative instruments, to which cash flow hedge accounting is applied, if the hedged item affects financial expenses;
- the ineffective part of losses related to hedging instruments;
- costs of issuing bonds financing operations of the Company (these costs constitute an element of interest cost calculated using the effective interest rate).

Expected credit losses include:

- revenue and expenses related to the establishment and reversal of revaluation write-offs and expected credit losses on receivables, deposits, contractual assets and loans.

## STATEMENT OF CASH FLOWS

The cash flow statement is prepared using the indirect method, according to which the gross result is adjusted by the effects of non-monetary transactions, by prepayments and accruals of past or future cash inflows or payments related to operating activities and by items of revenue and expenses related to cash flows from investment or financing activities.

The Company classifies the interest received as investment activities, as it results mainly from the investments undertaken by the Company. On the other hand, interest paid is shown in financial activities, as it constitutes, in particular, an element of the financing cost.

The cash flow statement discloses, under a separate item, the value of cash and cash equivalents in respect of which the Company has limited rights of disposal.

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## FINANCIAL INSTRUMENTS

### Financial assets

The Company has, in particular, such financial assets as:

- investments in other entities;
- investment certificates;
- bonds;
- derivative instruments;
- trade receivables;
- loans granted;
- deposits under construction contracts (i.e. deposits retained by recipients of construction services);
- cash and cash equivalents;
- other financial receivables.

The Company recognises a financial asset or a financial liability in the statements of financial position if and only if it becomes bound by the contractual provisions of the instrument.

Upon initial recognition, all financial instruments are measured at fair value. In the case of financial assets which are not measured at fair value through the financial result after the initial recognition date, the initial fair value is adjusted by transaction costs directly attributable to the acquisition.

Financial assets that are debt instruments are classified as measured at initial recognition at amortised cost or at fair value on the basis of:

- the entity's business model for financial asset management and
- characteristics of contractual cash flows for a financial asset.

Debt instruments are measured at initial recognition at their amortised cost if both conditions are met, i.e.:

- the financial asset is held in accordance with a business model which aims to maintain financial assets for the purpose of obtaining contractual cash flows, and
- the terms of the agreement related to the financial asset give rise to cash flows on specified dates which are merely the repayment of principal amount and interest on the outstanding principal amount.

A debt instrument is measured at fair value through other comprehensive income if both conditions are met, i.e.:

- the financial asset is held according to a business model which aims both to receive contractual cash flows and to sell the financial asset, and
- the terms of the agreement related to the financial asset give rise to cash flows on specified dates which are merely the repayment of principal amount and interest on the outstanding principal amount.

All other debt instruments are measured at fair value through profit or loss after initial recognition.

Notwithstanding the above, at the time of initial recognition, the Management Board may classify a financial asset as measured at fair value through profit or loss, if such classification reduces or eliminates an inconsistency in measurement or recognition.

Derivative instruments not covered by hedge accounting are measured at fair value through profit or loss.

### Equity (share) Instruments

Financial assets constituting investments in equity instruments which are not held for trading are measured at fair value:

- through other comprehensive income, or
- through profit or loss.

On initial recognition, the choice is made for each instrument separately.

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Equity instruments that are not held for trading may be measured at fair value through other comprehensive income, however, such classification may not be changed.

Dividend received from these investments is recognised in profit or loss, unless they represent recovery of part of the initial cost of this investment. Changes in fair value are recognised in other comprehensive income, without the possibility of reclassification of previous profits and losses between the profit and loss account and other comprehensive income.

Equity instruments held for trading are measured at fair value through profit or loss.

Unquoted equity instruments are measured at fair value.

### Debt Instruments

IFRS 9 distinguishes three categories of financial assets: those measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss.

The classification depends on the business model of the financial asset management and whether the contractual cash flows are solely payments of principal and interest, the so-called SPPI test.

The SPPI test is considered to be passed when only equity and interest constitute cash flows. Under the basic terms of a credit contract, they may include the time value of money, credit risk, liquidity risk, administrative costs, profit margin. By contrast, a test shall be considered unsuccessful when the exposure is not exposed to risks and volatilities unrelated to the underlying terms of the credit contract, e.g. exposure to volatility of equity or commodity prices, interest-bearing assets expressed as a multiplier of the basic interest rate, bonds convertible into shares.

Financial assets that do not pass the cash flow test are recognised at fair value through profit or loss.

The entity's business model means the way in which an entity manages its financial assets in order to generate cash flows and create value for the Company. The business model of the entity determines whether the cash flows will come from the collection of contractual cash flows, the sales of financial assets or both.

If a financial instrument is held for the purpose of collecting cash flows, it may be classified as measured at amortised cost only if it additionally meets the requirement for principal and interest payments only. Debt instruments may be classified as at fair value through other comprehensive income if they meet the principal and interest payment only requirement (SPPI) and are held in a portfolio in which the Company holds both assets to collect cash flows and sells the assets. Financial assets that do not contain cash flows that come exclusively from principal and interest payments (SPPI) must be measured at fair value through profit or loss.

The recognition of a financial asset is discontinued only if:

- a) the contractual rights to cash flows from the financial asset have expired,
- or
- b) the financial asset has been transferred and this transfer qualifies for derecognition (by transferring substantially all risks and benefits of ownership).

When a financial asset is derecognised in its entirety, the difference between the carrying amount calculated at the date of derecognition and the consideration received (including any newly acquired assets after deducting any newly incurred liabilities) is recognised in the profit and loss account.

As of the balance sheet date, to estimate expected credit losses in relation to trade receivables and loans granted, the Company applies the simplified method using the provision ratio, which takes into account historical data. Other methods of estimating expected credit losses may also be used.

### Impairment

IFRS9 requires the determination of stages to assess whether a financial instrument is performing (Stage 1), under-performing (Stage 2) or non-performing (Stage 3). In Stage 1, the expected credit loss is calculated as the loss that arises during the 12 months following the balance sheet date, in Stage 2, - over the lifetime of the instrument. Assets classified as Stage 3 are impaired and expert knowledge is required to estimate the expected credit loss (in principle, such assessment should be performed outside the tool). The tool supports the stage assignment process and helps classify instruments into Stage 1, Stage 2 or Stage 3. This qualitative assessment is built into the tool in the form of questions that should confirm the existence or non-existence of a specific condition ("yes" or



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"no" answers in the questionnaire). The initial decision as to whether an instrument will qualify for Stage 1, Stage 2, or Stage 3 is shown on the "Result" tab. The user makes the final assessment after taking into account all facts and circumstances, including information (if any) that is not included in the tool (i.e. an arbitrary decision may be made, regardless of the results provided by the tool).

A financial asset is impaired due to credit risk when one or more events have occurred that have an adverse effect on the estimated future cash flows of the financial asset. Objective evidence that a financial asset is impaired due to credit risk is considered to be:

- significant financial difficulties on the part of the issuer/recipient;
- significant breach of the terms of the contract, e.g. default or non-payment of interest or principal;
- the granting by the Company to the borrower/recipient, for reasons related to the borrower's financial difficulties, of a facility that the lender would not otherwise consider;
- a high probability that the borrower/recipient/issuer will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a financial asset due to financial difficulties;
- the purchase or origination of a financial asset at a deep discount indicating that credit losses have been incurred.

A single isolated event does not yet necessarily indicate an impairment of assets, each case being analysed individually.

As of the balance sheet date, the Company applied a simplified model acceptable under IFRS 9, based on a group analysis of a homogeneous portfolio of receivables in order to estimate expected credit losses in relation to trade receivables and guarantee deposits. The model uses data about invoices issued within 2-5 years before the analysis date in order to create a write-off matrix that sets default rates for specific payment delays, i.e. overdue periods. Default factors are then used to calculate the expected credit losses for the entire homogeneous portfolio of receivables.

Taking into account the above methodology of calculation of expected credit losses, the value of receivables may also be updated on an individual basis, in particular with regard to:

- receivables from business partners put in liquidation or bankruptcy;
- receivables disputed by debtors and payment of which is overdue, and according to the assessment of the property and financial situation of the debtor, repayment of the contractual receivables is subject to significant risk.

As a result of individual analysis, if despite significant overdue period of the receivables, the Company has a credible declaration of the business partner payment, the creation of the write-off may be withheld.

For loans, long-term receivables and other similar items, expected credit losses are calculated on the basis of an internal assessment (determined by the module, i.e. my IFRS9 application, in which the methodology based on the requirements of the standard is embedded) or external ratings, if available. The module estimates the probability of default as of the initial recognition date and as of the balance sheet date. This is based on a comparison of the financial data of the borrower as of the date of the loan and as of the balance sheet date and takes into account the additional information resulting from the answers to the supplementary questions that are a part of the model. The module classifies the exposure into one of the three grades (1-3) of the expected credit loss model. In the case of classification into Grade 1 or Grade 2, the module calculates the amount of the impairment loss based on: (1) the individually assigned rating (determined on the basis of the financial data provided) and market default profiles for that rating; (2) the repayment schedule of the loan or long-term receivable; and (3) expected recoveries from collateral and other credit risk mitigating instruments.

The Company also estimates the expected credit losses related to the contractual assets, using the default rate calculated for receivables from the first overdue range.

### Financial liabilities

At initial recognition, financial liabilities are recognised at the fair value of the consideration received for them. Transaction costs are included in the initial recognition of financial liabilities.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method, with the exception of the following:

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- a) financial liabilities measured at fair value through profit or loss. Such a liability, including derivatives being liabilities, is measured at fair value.
- b) financial liabilities arising when a transfer of a financial asset does not qualify for derecognition or is accounted for using the continuing engagement approach.

The measurement of financial liabilities relating to a hedging instrument is subject to hedge accounting requirements.

A financial liability is no longer recognised if and only if the liability has expired, that is when the obligation specified in the contract has been fulfilled, discontinued or the deadline for its recovery has expired.

### HEDGE ACCOUNTING

The Company uses derivative instruments in order to hedge against the risk of exchange rate volatility related to transactions settled in foreign currencies.

Derivative instruments, mainly options or forward contracts, are intended to hedge future cash flows.

#### Criteria for applying hedge accounting

For these derivative instruments, the hedge accounting rules can be applied only if all conditions for the application of hedge accounting are met, i.e.:

- at the time of establishing the hedge, formalised documentation of the hedging relationship has been prepared, defining the adopted risk management objective and the hedging strategy. The documentation designates the hedging instrument that hedges a given item or transaction and specifies the type of risk it hedges against. The Company determines the manner in which the effectiveness of the hedging instrument in compensating for changes in cash flows from the hedged transaction will be assessed in terms of mitigating the risk against which the Company is hedged;
- the hedge is expected to be highly effective in offsetting changes in cash flows, in accordance with a documented risk management strategy for that particular hedging relationship;
- for cash flow hedge accounting, a cash flow hedge is related to a forecast transaction that is highly probable and subject to the risk of changes in cash flows that could affect the financial result;
- the effectiveness of the hedge can be reliably assessed, i.e. the fair value of the hedged item or its cash flows and the fair value of the hedging instrument can be reliably measured;
- the hedge is verified on an ongoing basis and its high effectiveness is established in all reporting periods for which the hedge was established.

If the above conditions are not met, the derivative instrument is subject to the measurement rules applicable to financial assets measured through the financial result.

#### Cash flow hedges

This is a hedge of the risk of fluctuations in cash flows that (i) is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and (ii) may affect the financial result. Cash flow hedges are recognised as follows:

- the part of profits or losses related to the hedging instrument that constitute an effective hedge is recognised in other comprehensive income and shown in the revaluation reserve, while the ineffective part of profits or losses related to the hedging instrument is recognised in the financial result under "Financial revenue" or "Financial expenses", respectively;
- if the hedged planned transaction results in recognition of a financial asset or a financial liability, the associated gains or losses recognised in other comprehensive income (effective hedge) are transferred to the financial result in the same period or periods in which the hedged cash flows affect the financial result and are presented in the same item as the hedged item;
- if the hedged planned transaction results in recognition of a non-financial asset or a non-financial liability, the amounts recognised directly in other comprehensive income (effective hedge) are recognised in the financial result in the same period or periods in which the acquired assets or acquired liabilities affect the result for the period and are presented in the same item in which the effect of the hedged item is presented.

#### EQUITY METHOD

In accordance with this method, the value is recognised at cost, including transaction costs, as of the date of acquisition of shares in a jointly controlled entity or affiliate, and in subsequent periods after the acquisition, it is

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adjusted for changes in the net assets of the entity on which the Company has significant influence, in accordance with its share in that entity.

## INVESTMENTS IN SUBSIDIARIES

Shares in subsidiaries in the financial statements are initially recognised by the Company at their cost. After initial recognition, investments are measured at cost, taking into account any impairment losses. The initial cost includes: fair value of the payment and transaction costs.

An investment in a subsidiary is tested for impairment when indications of impairment exist. If any such indications exist, the recoverable amount of this investment is determined, i.e. the higher of two amounts: fair value less selling costs and value in use. Impairment loss is established in the amount of the surplus of the carrying amount over the recoverable amount and is recognised in the profit or loss under "Other operating expenses".

## GOODWILL

Goodwill arising on acquisition results from the occurrence, as of the acquisition date, of an excess of the cost of acquisition of the entity over the share of the Company in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary.

For the purpose of impairment testing, goodwill is allocated to individual segments generating cash flows that should benefit from the synergies resulting from the merger. Entities generating cash flows to which goodwill is allocated are tested for impairment once a year or more frequently if it can be credibly assumed that impairment has occurred. If the recoverable value of the entity generating cash flows is smaller than its carrying amount, the impairment loss is allocated first in order to decrease the carrying amount of goodwill allocated to this entity, and then to other assets of this entity, proportionally to the carrying amount of individual assets of this entity. An impairment loss recognised for goodwill is not reversed in the following period.

## ~~FIXED ASSETS (DISPOSAL GROUP) HELD FOR SALE AND DISCONTINUED OPERATIONS~~

Fixed assets (disposal group) are classified as held for sale if their carrying amount will be recovered mainly through a sale transaction and the sale is considered highly probable. Fixed assets or a disposal group are measured at the lower of the following two amounts: their carrying amount and fair value less selling costs. Fixed assets held for sale or assets of the disposal group held for sale are listed in a separate item under current assets. Liabilities of the disposal group intended for sale are listed in a separate item under current liabilities.

Discontinued operations are an element of an entity that has been disposed of or is classified as held for sale, and:

- is a separate, important field of activity or geographical area of activity;
- is part of a single coordinated disposal plan for a separate, important field of activity or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

If operations are classified as discontinued operations, the presentation of data in the statement of comprehensive income and the cash flow statement for the financial year is amended in accordance with the detailed guidelines of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, respectively, and data for the comparative period is restated to reflect operations that have been discontinued as of the balance sheet date.

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### 3. Selected financial data converted into EUR

#### 3.1. Basic items of the statement of financial position converted into EUR

	as of 31.12.2022		as of 31.12.2021	
	PLN	EUR	PLN	EUR
Fixed assets	390,358,011.45	83,233,760.09	355,109,867.57	77,207,867.89
Current assets	745,895,526.72	159,042,949.04	483,483,311.78	105,118,778.92
<b>Total assets</b>	<b>1,136,253,538.17</b>	<b>242,276,709.13</b>	<b>838,593,179.35</b>	<b>182,326,646.81</b>
Equity	210,718,827.07	44,930,345.44	209,151,899.50	45,473,735.60
Liabilities and provisions for liabilities	925,534,711.10	197,346,363.70	629,441,279.85	136,852,911.21
<b>Total liabilities</b>	<b>1,136,253,538.17</b>	<b>242,276,709.13</b>	<b>838,593,179.35</b>	<b>182,326,646.81</b>

For conversion of the data from the statements of financial position as of 31 December 2022, the EUR exchange rate set by the NBP of that date, i.e. the rate of PLN/EUR 4.6899, was adopted.

To convert the data of the statement of financial position as of 31 December 2021, the EUR exchange rate established by the NBP at that date, i.e. the rate of PLN/EUR 4.5994, was adopted.

#### 3.2. Basic items of the statements of comprehensive income converted into EUR

	01.01.-31.12.2022		01.01.-31.12.2021	
	PLN	EUR	PLN	EUR
Revenue from contracts with clients	1,665,190,325.05	355,179,985.29	1,254,683,492.64	274,097,977.64
Costs of products, goods and materials sold	1,607,589,408.34	342,893,886.56	1,197,092,101.73	261,516,570.56
Gross profit (loss) on sales	57,600,916.71	12,286,098.74	57,591,390.91	12,581,407.08
Profit (loss) on operating activities	17,380,558.41	3,707,219.76	11,353,862.34	2,480,363.15
<b>Gross profit (loss)</b>	<b>15,738,145.04</b>	<b>3,356,898.03</b>	<b>20,312,130.54</b>	<b>4,437,385.15</b>
Net profit (loss) on continued operations	13,554,098.23	2,891,047.55	16,801,600.53	3,670,475.27
<b>Total net profit (loss)</b>	<b>13,554,098.23</b>	<b>2,891,047.55</b>	<b>16,801,600.53</b>	<b>3,670,475.27</b>
Comprehensive income on continued operations	14,660,090.73	3,126,952.36	18,778,032.73	4,102,246.36
<b>Total comprehensive income</b>	<b>14,660,090.73</b>	<b>3,126,952.36</b>	<b>18,778,032.73</b>	<b>4,102,246.36</b>

To convert the data of the statement of comprehensive income for the period from 01.01.2022 to 31.12.2022, the average EUR exchange rate was adopted, calculated as the arithmetic mean of the rates in force on the last day of each month in the given period, determined by the NBP on that day, i.e. the rate of PLN/EUR 4.6883.

To convert the data of the statement of comprehensive income for the period from 01.01.2021 to 31.12.2021, the average EUR exchange rate was adopted, calculated as the arithmetic mean of the rates applicable on the last day of each month in the given period, established by the NBP on that day, i.e. the rate of PLN/EUR 4.5775.



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### 3.3. Basic items of the cash flow statement converted into EUR

	01.01.-31.12.2022		01.01.-31.12.2021	
	PLN	EUR	PLN	EUR
A. Cash flows from operating activities	-15,500,982.04	-3,306,311.89	-60,505,730.43	-13,218,073.28
B. Cash flows from investment activities	25,188,907.27	5,372,716.61	-46,339,124.43	-10,123,238.54
C. Cash flows from financial activities	-42,864,474.20	-9,142,860.78	31,195,849.51	6,815,040.85
D. Total net cash flows (A +/- B +/- C)	-33,176,548.97	-7,076,456.07	-75,649,005.35	-16,526,270.97
E. Exchange rate differences	-34,140.18	-7,282.00	27,562.99	6,021.41
F. Opening balance of cash	107,168,014.90	23,300,433.73	182,789,457.26	39,609,399.60
G. Closing balance of cash	73,957,325.75	15,769,488.85	107,168,014.90	23,300,433.73

To convert the data of cash flow statement for the period from 01.01.2022 to 31.12.2022, the following EUR exchange rates were adopted:

- to calculate data from items A, B, C, D, E – average exchange rate calculated as the arithmetic mean of the exchange rates applicable on the last day of each month in the given period, established by the NBP on that day, i.e. the rate of PLN/EUR 4.6883;
- to calculate data from the F item – the exchange rate established by the NBP as of 31 December 2021, i.e. the rate of PLN/EUR 4.5994,
- to calculate data from the G item – the exchange rate established by the NBP as of 31 December 2022, i.e. the rate of PLN/EUR 4.6899.

To convert the data of the cash flow statement for the period from 01.01.2021 to 31.12.2021, the following EUR exchange rates were adopted:

- to calculate data from items A, B, C, D, E – average exchange rate calculated as the arithmetic mean of the exchange rates applicable on the last day of each month in the given period, established by the NBP on that day, i.e. the rate of PLN/EUR 4.5775;
- to calculate data from the F item – the exchange rate established by the NBP as of 31 December 2020, i.e. the rate of PLN/EUR 4.6148,
- to calculate data from the G item – the exchange rate established by the NBP as of 31 December 2021, i.e. the rate of PLN/EUR 4.5994.



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## 4. Financial risk management

In conducting its operations, the Company is exposed to various types of financial risk: currency risk, interest rate risk, credit risk and liquidity risk. The Management Board verifies and determines the principles of management of each of the above risks.

### Currency risk

As a part of its operating activities, the Company enters into contracts which are (or may be) denominated or expressed in foreign currencies. In terms of export earnings, hedging against currency risk is primarily effected through a natural hedging mechanism, which consists of signing agreements with subcontractors in the currency of the agreement, thus transferring the risk to them. As a result, the Company's level of currency risk in the case of export contracts is limited to an amount close to the margin realised – this applies to contracts in Belarus and Ukraine whose final settlement took place in 2022.

It is the intention of the Company to close the foreign currency position by balancing foreign currency transactions related to revenue and costs. The Company has signed agreements with banks, concerning foreign currency transactions, which offers the possibility of using hedging instruments, provided that closing a natural position in a given period is not possible.

The strategy of the Company related to financial instruments hedging the foreign exchange risk is based on the procedure of foreign exchange risk management adopted by the Management Board, which assumes:

1. hedging amounts not greater than the planned net foreign exchange flows,
2. using simple and predictable tools, e.g. Forward options, sale of put option.

By analysing the planned foreign currency transactions that may occur in 2023, based on the current order portfolio, the Company estimates the maximum total foreign exchange risk exposure to be approx. 20.1 million EUR (in 2022 – 20 million EUR).

The table below shows the estimated sensitivity of the net income to EUR exchange rate fluctuations (assuming no hedging through financial instruments):

	CURRENCY EXCHANGE RATE INCREASE/DECREASE	IMPACT ON NET PROFIT OR LOSS 2022	THE INFLUENCE ON NET PROFIT OR LOSS 2021
RATE INCREASE	PLN/EUR +0.20	PLN +3,262,680	PLN +3,248,100
RATE DECREASE	PLN/EUR -0.20	PLN -3,262,680	PLN -3,248,100

Some of the assets and liabilities of the Company are denominated in foreign currencies and then converted into Polish zloty on the basis of the average rate of exchange published by the NBP on the measurement date. The carrying value of assets and liabilities of the Company with significant value determined in foreign currencies as of the balance sheet date is as follows:

Assets	31.12.2022	31.12.2021
<b>EUR</b>	<b>13,382,746.26</b>	<b>6,199,886.11</b>
- fixed assets		142,345.16
- inventory	73,472.49	80,568.21
- receivables	13,285,408.99	5,812,153.93
- cash	23,864.78	164,818.81
<b>NOK</b>	<b>7,901,060.70</b>	<b>18,197,905.49</b>
- fixed assets		120,972.20
- inventory	101,068.52	101,068.52
- receivables (including loans granted)	6,790,537.31	16,147,667.40
- cash	1,009,454.87	1,828,197.37
<b>SEK</b>	<b>37,357,168.69</b>	<b>5,460,552.61</b>
- fixed assets		202,200.00
- inventory	859,986.93	905,480.50
- receivables	36,358,628.43	4,269,010.35
- cash	138,553.33	83,861.76

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Liabilities	31.12.2022	31.12.2021
EUR	791,221.03	3,434,231.30
- liabilities	791,221.03	3,434,231.30
- provisions for liabilities and accruals	-	-
NOK	2,450,131.88	9,465,411.12
- liabilities	2,450,131.88	9,465,411.12
SEK	3,281.00	1,375,308.00
- liabilities	3,281.00	1,375,308.00

Taking into account the above-mentioned values of assets and liabilities of the Company expressed in foreign currencies, the sensitivity of the net income to changes in exchange rates is as follows:

	CURRENCY EXCHANGE RATE INCREASE/DECREASE	THE INFLUENCE ON NET PROFIT OR LOSS 2023	IMPACT ON NET PROFIT OR LOSS 2022
RATE INCREASE	PLN/EUR +0.20	PLN +2,039,827	PLN +2,765,654.81
	PLN/SEK +0.05	PLN +1,512,832	PLN +4,085,244.61
	PLN/NOK +0.05	PLN +220,763	PLN +8,732,494.37
RATE DECREASE	PLN/EUR -0.20	PLN +2,039,827	PLN -2,765,654.81
	PLN/SEK -0.05	PLN +1,512,832	PLN -4,085,244.61
	PLN/NOK -0.05	PLN +220,763	PLN -8,732,494.37

In order to hedge against foreign exchange risk, the Company enters into derivative transactions. The rules governing the use of derivatives are included in the foreign exchange risk management procedure mentioned above.

Derivative instruments are measured as at the balance sheet date, at reliably determined fair value. The fair value of derivative instruments is estimated using a model based on, among others, the value of foreign exchange rates (average NBP rates) as at the balance sheet date and interest rate differences between the quoted and base currencies. The periodical-measurement of financial instruments is partly recognised in equity (intrinsic value of derivatives) and partly in financial revenue or expenses of the reporting period (time value of derivatives). Profits and losses determined as of the settlement date are disclosed in the result account.

The total nominal value of FX Forward contracts as at 31 December 2022 was EUR 3.7 million (as at 31 December 2021 it was SEK 20 million and EUR 20 million).

Taking into account the above-mentioned values of forward contracts, the sensitivity of the net income to FX rate changes (which translate into changes in the value of forward contracts) is as follows:

	CURRENCY EXCHANGE RATE INCREASE/DECREASE	THE INFLUENCE ON NET PROFIT OR LOSS 2023	IMPACT ON NET PROFIT OR LOSS 2022
RATE INCREASE	PLN/EUR +0.20	PLN -599,886	PLN -3,247,290
	PLN/SEK +0.02		PLN -324,000
RATE DECREASE	PLN/EUR -0.20	PLN +599,886	PLN +3,247,290
	PLN/SEK -0.02		PLN +324,000

Summarising the changes in future revenue, changes in assets and liabilities and changes in the value of hedging instruments due to changes in foreign exchange rates, the total sensitivity of net income to changes in foreign exchange rates is presented in the table below:

	CURRENCY EXCHANGE RATE INCREASE/DECREASE	THE INFLUENCE ON NET PROFIT OR LOSS 2023	IMPACT ON NET PROFIT OR LOSS 2022
RATE INCREASE	PLN/EUR +0.20	PLN +4,702,621	PLN +448,846
	PLN/SEK +0.05	PLN +1,512,832	PLN -158,548
	PLN/NOK +0.05	PLN +220,763	PLN +353,666
RATE DECREASE	PLN/EUR -0.20	PLN -4,702,621	PLN -448,846
	PLN/SEK -0.05	PLN -1,512,832	PLN +158,548
	PLN/NOK -0.05	PLN -220,763	PLN -353,666

## Interest rate risk

Interest rate risk is mainly related to the use of bank credits, leasing, issued bonds, and bank deposits, by the Company. These transactions are mainly based on variable interest rates (based on WIBOR for transactions

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denominated in PLN or on EURIBOR for some leases), which exposes the Company to the risk of changes in profit or loss and cash flows.

The Company invests its financial surpluses in the form of short-term deposits. Deposits are based on fixed interest rates and are usually concluded for a period of 3-7 days. The amount of interest obtained depends, i.e., on the interest rates.

Given the current level of credit financing, it is assumed that the effects of a change in interest rates will not have a decisive impact on the results for 2023. The Company analyses potential interest rate changes on an ongoing basis, creating appropriate scenarios. All interest-bearing liabilities as at 31.12.2022 in the Company amount to 11.5% of the balance sheet total (18.6% last year) and no significant changes are expected by the end of 2023.

At the same time, the entity grants loans, the interest rate of which is variable and based on WIBOR 6M or 3M plus an appropriate margin (in the case of loans in Poland). These loans are also exposed to interest rate changes. In the case of loans granted in Norway to associates, the interest rate is fixed (depending on NIBOR on the date of signing the loan) and therefore the loans are not exposed to the risk of interest rate changes.

The amounts of interest-bearing liabilities and assets exposed to interest rate risk are presented in the table below:

	31.12.2022	31.12.2021
	PLN	PLN
Loans granted	97,181,491	118,836,145
Bank credits, bonds, lease	161,142,025	155,557,313
Cash	73,957,326	107,168,015
<b>Total</b>	<b>332,280,842</b>	<b>381,561,473</b>

In order to carry out the interest rate sensitivity analysis, on the basis of historical changes in value and on the basis of the Company's knowledge and experience in the financial markets, changes in interest rates which are "reasonably possible" were estimated as at 31.12.2021 at -2 / +2 percentage point for the Polish zloty in the case of bank credits, bonds and lease liabilities, and -1 / +1 percentage point for other areas (a year ago it was -1/+1 and -0.5/+0.5, respectively).

	Changes to Interest rates	Impact on net profit or loss for 2023	Impact on net profit or loss for 2022
Loans granted	+/- 200 bp	+/- 1,574,340	+/- 1,925,146
Bank credits, bonds, lease	+/- 200 bp	+/- 2,610,501	+/- 2,520,028
Cash	+/- 100 bp	+/- 599,054	+/- 868,061

## Credit risk

The financial assets of the Company exposed to credit risk are primarily cash held in bank accounts or deposits, loans granted to external entities, and trade receivables.

In order to minimise the risk related to the loss of funds held in bank accounts or deposits, the Company cooperates in this respect only with institutions of stable and reliable financial standing. At the same time, the Financial Department of the Company takes steps to disperse the cash in such a way that a significant amount of it is deposited in just one financial institution. Cash is sent to bank accounts maintained outside Poland only in such amounts as to secure the nearest payments, which are made from such accounts.

As at 31 December 2022, all loans were granted to subsidiaries or associates. When granting any loans to external entities, the Company follows the general rule that such loans may be granted only in connection with projects implemented by the Company, if such projects have secured financing and if the loans were at least 100% covered by the established securities.

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Before signing a contract, each business partner is evaluated in terms of their ability to meet financial obligations. A significant portion of the current contracts are performed for proven and reliable partners (subsequent contracts). In the event of doubt as to the ability of the business partner to pay, contract signing is subject to the provision of appropriate security (financial or on property). In addition, contracts signed with investors include clauses providing for the right to suspend the performance of works, if there is a delay in the payment of amounts due for the provided services. However, one cannot exclude the possibility of a downturn in the property market, which will affect the payment capacity of investors, thus increasing credit risk for the Company.

In determining the risk of impairment of receivables from business partners (trade receivables increased and deposits retained by investors), the Company uses a model to estimate expected credit losses. The model uses historical data on the rotation of receivables between individual overdue baskets. On this basis, the probability of non-payment is determined for each basket. The product of the probability thus calculated and the volume of receivables from the given basket determines the expected credit loss for each basket. Data on expected credit losses as at 31.12.2022 are presented in the table below:

Item/days of delay	0	up to 90	91-180	181-360	361-720	Over 720	Total
Receivables from business partners	202,496,686	46,777,366	8,441,916	2,707,883	12,147,654	43,459,139	316,030,644
Expected loss rate	0.05%	0.83%	8.28%	17.33%	8.24%	100.00%	14.59%
Expected loss	105,351	388,597	698,946	469,301	1,000,433	43,459,139	46,121,767
Deposits withheld by business partners	32,018,433	4,562,338	1,842,383	1,907,283	3,149,007	2,790,675	46,270,119
Expected loss rate	0.16%	0.75%	-	-	0.25%	100.00%	6.78%
Expected loss	51,143	34,042	6,926	247,137	8,005	2,790,675	3,137,928
Contractual assets	235,082,312	-	-	-	-	-	235,082,312
Expected loss rate	0.06%	-	-	-	-	-	0.06%
Expected loss	142,624	-	-	-	-	-	142,624
<b>Total expected loss</b>	<b>299,118</b>	<b>422,639</b>	<b>705,871</b>	<b>716,438</b>	<b>1,008,437</b>	<b>46,249,814</b>	<b>49,402,317</b>

In 2020, the Company wrote off receivables with a total value of PLN 60,994.20. In 2021, the amount was PLN 73,991.89.

The exposure of the Company to the maximum credit risk is presented in the table below:

	31.12.2022	31.12.2021
	PLN	PLN
Cash	73,957,326	107,168,015
Receivables from business partners	313,041,070	194,647,550
Loans granted	97,181,491	118,836,145
<b>Total</b>	<b>484,179,887</b>	<b>420,651,710</b>

### Liquidity risk

In order to minimise the liquidity risk, the Company tries to maintain an adequate amount of cash (as of 31 December 2021, bank accounts of the company had 107.2 million PLN in cash) and concludes credit facility contracts, which serve as additional security of liquidity. In addition, it forecasts and monitors cash flows on an ongoing basis. These activities are supported by systemic solutions for determining expected revenue and measuring actual expenditures, broken down by individual business lines of the Company. The relevant services in the Company forecast cash flows over the next 12 months and analyse a very detailed statements of income and expenses over the next 30 days. If necessary, an increase in the available credit limits is negotiated in advance.

As of 31 December 2022, the Company had available (entirely unused) credit limits in current accounts in the banks listed below:

- PKO BP SA in the amount of PLN 10 million, valid until November 2023,
- BNP Paribas Bank Polska SA in the amount of 20 million PLN, valid until January 2024,
- Santander Bank Polska SA in the amount of PLN 10 million, valid until September 2023,

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- mBank SA in the amount of PLN 10 million, valid until February 2023,
- BGK in the amount of PLN 25 million, valid until February 2023,
- Pekao SA in the amount of PLN 10 million, valid until January 2024.

The Company is not afraid of losing the availability of financing despite the fact that financial institutions analyse the financial results of the Company on an ongoing (quarterly) basis. The credit contracts contain provisions on maintaining minimum financial ratios, such as solvency, interest cover, capitalisation and EBITDA, which are reviewed and analysed. The Company monitors the aforementioned provisions on an ongoing basis and in good time, in order to renegotiate said limitations, in the event of an emerging possibility of "coming closer" to the required thresholds.

This provides the Company with financial security, should it experience the risks related to, among others, deterioration of the market situation, limitation of the credit activity of banks, and also makes it possible to take advantage of market opportunities (e.g. acquisitions).

The Company tries to sign contracts only with reliable, financially sound partners who have access to necessary financing. Moreover, in contracts for specific construction or road works, the Company always tries to establish performance bonds and to remove defects in the form of bank or insurance guarantees, and not in the form of its own cash retained by investors. This is possible thanks to the wide access of the Company to guarantee limits both in banks and insurance companies. This is possible thanks to the wide access of the Company to guarantee limits both in banks and insurance companies. As of 31 December 2022, the Company had such limits in the total amount of PLN 1,075.3 million, of which 54.75%, i.e. PLN 589 million was unused. At the same time, in contracts with subcontractors, if possible, contractual provisions are created which make the payments to subcontractors conditional upon receipt of funds from the investor.

In order to finance investment purchases, the Company uses its own funds and long-term bank credits, ensuring appropriate durability of the financing structure for this type of assets. As the investment program is also implemented through Unibep SA's subsidiaries (majority shares in the companies belong to Unibep SA, or to a subsidiary: Unidevelopment SA), the Company grants loans for its implementation. Large residential and commercial projects are and will be implemented in the form of special purpose companies. New projects will be financed from own funds of the Company and from bank credits. In addition, the Company issued own bonds with a nominal value of PLN 100 million of series G and H with redemption dates in March and November 2024, respectively.

Taking into account the actions taken and described above, the financial condition of the Company, the current liquidity ratio of 1.2 and the collateral provided by the credit lines, in the Company's opinion the risk of loss of liquidity is moderate.

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The aging of the Company's undiscounted liabilities as at 31 December 2022 is presented in the table below (data in PLN):

	up to 1 month	from 2 to 3 months	from 4 to 12 months	over 1 year	Total
- trade liabilities and other liabilities	240,868,480	123,210,234	1,410,546	-	365,489,261
- deposits on construction contracts	4,348,725	14,277,267	38,962,230	65,689,995	123,278,217
- lease liabilities	1,048,372	2,096,744	9,435,350	43,428,775	56,009,241
- liabilities on credits and loans	690,090	1,357,214	5,949,631	10,949,444	18,946,380
- bond liabilities	-	2,085,000	7,210,837	107,267,837	116,563,674
- off-balance sheet liabilities (guarantees, sureties, etc.)	-	2,273,956	46,718,524	539,776,421	588,768,901
<b>Total</b>	<b>246,955,668</b>	<b>145,300,416</b>	<b>109,687,117</b>	<b>767,112,472</b>	<b>1,269,055,673</b>

## Capital management

The main objective of capital management of the Company is to maintain a good credit rating and safe capital ratios which would support the operating activities of the Company and increase the value for its shareholders.

The Company manages its capital structure and makes changes to it as a result of economic conditions. In order to maintain or adjust the capital structure, the Company may buy back its own shares, return capital to shareholders, issue new shares and pay dividend. In 2022, no changes were made to the objectives and process rules in this area.

The Company monitors its capital using the leverage ratio calculated as the ratio of net debt to total capital increased by net debt. The net debt of the Company includes interest-bearing credits and loans and other external sources of financing, trade and other liabilities, deposits on construction contracts, amounts due to clients under construction contracts, advances received and current income tax liabilities less cash and cash equivalents.

## CAPITAL MANAGEMENT (PLN)

	31.12.2022	31.12.2021
Interest-bearing credits, loans and bonds	161,142,025.01	155,557,312.52
Trade and other liabilities	552,338,121.51	304,391,090.79
Cash and cash equivalents	73,957,325.75	107,168,014.90
Net debt	725,498,005.48	352,780,388.41
Equity	210,718,827.07	209,151,899.50
Net capital and debt	936,216,832.55	561,932,287.91
	77.49%	62.78%

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## 5. Financial instruments

### CARRYING AMOUNT

The tables below present the carrying amounts of financial instruments of the company, broken down by classes and categories of assets and liabilities.

As of 31.12.2022

	Financial assets measured at amortised cost	Financial assets measured at fair value through financial result	Financial liabilities measured at amortised cost	Hedging instruments in cash flow hedge accounting	Total
Deposits on construction contracts	43,132,191.42	-	-100,456,551.38	-	-57,324,359.96
Trade and other financial receivables*	269,947,249.66	-	-	-	269,947,249.66
Loans granted	97,181,491.49	-	-	-	97,181,491.49
Derivative financial instruments in cash flow hedge accounting	-	782,164.85	-	-355,199.80	426,965.05
Cash and cash equivalents	73,957,325.75	-	-161,142,025.01	-	73,957,325.75
Credits, loans and other external sources of financing	-	-	-305,591,027.83	-	-141,142,025.01
Trade liabilities	-	-	-567,189,604.22	-355,199.80	-305,591,027.83
	<b>484,218,258.32</b>	<b>782,164.85</b>	<b>-567,189,604.22</b>	<b>-355,199.80</b>	<b>-82,544,380.85</b>

\* excluding receivables from advances

As of 31.12.2021

	Financial assets measured at amortised cost	Financial assets measured at fair value through financial result	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Hedging instruments in cash flow hedge accounting	Total
Deposits on construction contracts	51,195,492.96	-	-	-89,571,164.64	-	-38,375,671.68
Trade and other financial receivables*	145,574,280.46	-	-	-	-	145,574,280.46
Loans granted	118,836,145.43	-	-	-	-	118,836,145.43
Derivative financial instruments in cash flow hedge accounting	-	7,417.97	-860,312.22	-	-1,176,939.30	-2,029,833.55
Cash and cash equivalents	107,168,014.90	-	-	-	-	107,168,014.90
Credits, loans and other external sources of financing	-	-	-	-155,557,312.52	-	-155,557,312.52
Trade liabilities	-	-	-860,312.22	-179,993,942.12	-	-179,993,942.12
	<b>422,773,933.75</b>	<b>7,417.97</b>	<b>-860,312.22</b>	<b>-425,122,419.28</b>	<b>-1,176,939.30</b>	<b>-4,376,319.08</b>

\* excluding receivables from advances

Derivative instruments are measured as at the balance sheet date, at reliably determined fair value. The fair value of derivative instruments is estimated using a model based on, among others, the value of foreign exchange rates (average NBP rates) as at the balance sheet date and interest rate differences between the quoted and base currencies.



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## Items of revenue, expenses, profits and losses recognised in the statement of comprehensive income by category of financial instruments

For the period from 01.01.2022 to 31.12.2022

	Financial assets measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Interest revenue/expenses	5,314,870.55	-	-4,581,056.59	733,813.96
Profits/losses on exchange differences	675,817.80	-	-696,806.09	-20,988.29
Expected credit losses (creation/release) *	-6,168,680.33	-	0.00	-6,168,680.33
Profit/loss on disposal/execution of financial instruments	-	-	-	-
<b>Total</b>	<b>-177,991.98</b>	<b>-</b>	<b>-5,277,862.68</b>	<b>-5,455,854.66</b>

\* - trade receivables and other receivables -4,399,181.25  
 - deposits on construction contracts -1,769,499.08  
 - loans granted -

For the period from 01.01.2021 to 31.12.2021

	Financial assets measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Interest revenue/expenses	5,665,045.26	-	357,851.36	6,022,896.62
Profits/losses on exchange differences	-590,372.55	-	-404,451.04	-994,823.59
Expected credit losses (creation/release) *	-1,968,498.21	-	-	-1,968,498.21
Profit/loss on disposal/execution of financial instruments	-	-905,523.82	-	-905,523.82
<b>Total</b>	<b>3,106,174.50</b>	<b>-905,523.82</b>	<b>-46,599.68</b>	<b>2,154,051.00</b>

\* - trade receivables and other receivables -658,120.87  
 - deposits on construction contracts -112,297.34  
 - loans granted -1,198,080.00

## Financial assets and liabilities measured at fair value

### Financial assets measured at fair value

For the period from 01.01.2022 to 31.12.2022

	Tier 1	Tier 2	Tier 3	Total
Financial instruments measured at fair value through profit or loss	-	-	-	-
Derivative financial instruments in cash flow hedge accounting	-	426,965.05	-	426,965.05
<b>Total</b>	<b>-</b>	<b>426,965.05</b>	<b>-</b>	<b>426,965.05</b>

For the period from 01.01.2021 to 31.12.2021

	Tier 1	Tier 2	Tier 3	Total
Financial instruments measured at fair value through profit or loss	-	-	-	-
Derivative financial instruments in cash flow hedge accounting	-	7,417.97	-	7,417.97
<b>Total</b>	<b>-</b>	<b>7,417.97</b>	<b>-</b>	<b>7,417.97</b>

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## Financial liabilities measured at fair value

For the period from 01.01.2022 to 31.12.2022

There were no financial liabilities measured at fair value.

For the period from 01.01.2021 to 31.12.2021

	Tier 1	Tier 2	Tier 3	Total
Derivative financial instruments in cash flow hedge accounting	-	2,037,251.52	-	2,037,251.52
<b>Total</b>	-	<b>2,037,251.52</b>	-	<b>2,037,251.52</b>

## Derivative financial instruments

### Financial assets under measurement of derivative instruments

#### Forward foreign exchange contracts

	as of 31.12.2022	as of 31.12.2021
- measured in hedge accounting		
Forward	426,965.05	7,417.97
<b>Total</b>	<b>426,965.05</b>	<b>7,417.97</b>

### Financial liabilities under measurement of derivative instruments

#### Forward foreign exchange contracts

	as of 31.12.2022	as of 31.12.2021
- measured in hedge accounting		
Forward	-	2,037,251.52
<b>Total</b>	-	<b>2,037,251.52</b>

The total nominal value of FX-Forward-type exchange forward contracts as of 31 December 2022 was EUR 3.7 million (SEK 20 million and EUR 20 million as of 31 December 2021). The periods of expected settlements related to the hedges held are presented in the table below:

Hedged currency/deadline	Q1 2023	TOTAL
EUR	3,703,000.00	3,703,000.00

Forward EUR (average) rate 4,8715

## Financial assets under Forwards and IRS transactions measured at fair value

### Maturity structure

	as of 31.12.2022	as of 31.12.2021
less than 1 year	426,965.05	7,417.97
from 1 to 3 years	-	-
3-5 years	-	-
<b>Total</b>	<b>426,965.05</b>	<b>7,417.97</b>

## Financial liabilities under Forwards and IRS transactions measured at fair value

### Maturity structure

	as of 31.12.2022	as of 31.12.2021
less than 1 year	-	2,037,251.52
from 1 to 3 years	-	-
<b>Total</b>	-	<b>2,037,251.52</b>



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The impact of derivatives and hedging transactions on the items of the result statement and on the statement of total income is presented below:

## Result statement

	01.01-31.12.2022	01.01-31.12.2021
Revenue from sales	734,682.80	-1,095,646.10
Financial revenue and expenses:	-1,635,059.10	-790,801.98
from execution of derivative instruments	-	-905,523.82
from measurement of derivative instruments	-1,635,059.10	114,721.84
<b>The Impact of derivative Instruments on the profit or loss for the period</b>	<b>-900,376.30</b>	<b>-1,886,448.08</b>
<b>Statement on comprehensive income in the part concerning other comprehensive income</b>		
<b>Impact of hedging transactions:</b>	<b>821,739.50</b>	<b>1,717,557.20</b>
impact of measurement of hedging transactions (effective part)	-7,613,610.70	262,479.00
reclassification to revenue from sales in connection with the execution of a hedged item	8,435,350.20	1,455,078.20
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-78,636.80</b>	<b>-168,890.88</b>

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## 6. Notes to the financial statements

### 6.1. Tangible fixed assets

	as of 31.12.2022	as of 31.12.2021
Own tangible fixed assets	23,653,950.50	19,456,161.96
Right-of-use assets	43,618,558.88	35,918,473.06
<b>Total tangible fixed assets</b>	<b>67,272,509.38</b>	<b>55,374,635.02</b>

#### Own tangible fixed assets

	as of 31.12.2022	as of 31.12.2021
Land	1,901,165.86	2,082,710.24
Buildings, premises, civil and water engineering structures	14,116,369.86	8,084,318.41
Technical equipment and machines	6,570,479.57	6,372,372.56
Vehicles	135,000.64	201,437.14
Other tangible fixed assets	930,934.57	952,807.42
Tangible fixed assets under construction	-	1,762,516.19
<b>Own tangible fixed assets</b>	<b>23,653,950.50</b>	<b>19,456,161.96</b>

#### Right-of-use assets

	as of 31.12.2022	as of 31.12.2021
Land	2,654,900.80	1,987,886.86
Buildings, premises, civil and water engineering structures	8,577,007.72	7,985,293.68
Technical equipment and machines	15,111,853.47	11,180,545.25
Vehicles	15,977,405.13	12,970,119.69
Other right-of-use assets	1,297,391.76	1,794,627.58
<b>Right-of-use assets</b>	<b>43,618,558.88</b>	<b>35,918,473.06</b>



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**Change in own tangible fixed assets**

For the period from 01.01.2022 to 31.12.2022

	Land	Buildings, premises, civil structures and water engineering	Technical equipment and machines	Vehicles	Other tangible fixed assets	Tangible fixed assets under construction	Total tangible fixed assets
Opening balance of gross value	2,249,941.08	22,117,665.87	14,764,273.45	4,690,351.56	2,643,047.32	1,762,516.19	48,227,795.47
Increases	-	7,342,054.58	6,499,489.08	1,579,207.25	327,472.49	11,208,151.39	29,026,374.79
Purchases	-	45,495.00	1,732,007.48	34,565.00	228,143.59	11,203,182.61	13,243,393.68
Acceptance from the investment	-	7,216,559.58	5,640,760.00	-	-	-	12,857,319.58
Acceptance from lease	-	1,276,721.60	-	1,544,642.25	99,328.90	-	2,920,692.75
Other	-	-	-	-	-	4,968.78	4,968.78
Decreases	94,552.54	669,810.50	7,545,353.32	1,687,455.06	62,547.73	12,970,667.58	23,030,386.73
Sales	94,552.54	359,634.65	7,410,843.52	1,547,218.88	8,599.14	9,420,848.73	9,420,848.73
Liquidation and other	-	310,175.85	134,509.80	-	53,948.59	-	496,634.24
Transfer from the investment	-	-	-	-	-	12,857,319.58	12,857,319.58
Other	-	-	-	140,236.18	-	113,348.00	253,584.18
Closing balance of gross value	2,155,388.54	21,356,517.53	23,221,801.63	4,582,105.75	2,207,972.08	54,223,783.53	84,237,469.47
Increases	167,230.84	6,679,955.04	15,745,293.31	4,488,914.42	1,690,239.90	4,899,914.61	28,771,633.51
Current amortisation	86,991.84	834,377.32	3,288,662.85	1,598,878.66	345,523.34	-	6,154,434.01
Redemption of items accepted from lease	-	201,254.59	2,012,549.59	85,537.86	295,858.94	-	3,315,315.55
Decreases	-	274,184.69	2,382,634.10	1,640,689.97	58,725.73	-	4,356,234.49
Redemption of tangible fixed assets sold and liquidated	-	274,184.69	2,382,634.10	1,640,689.97	58,725.73	-	4,356,234.49
Closing balance of redemption	2,082,710.24	6,084,318.41	6,372,372.64	2,014,371.14	932,807.42	1,762,516.19	19,454,183.03
Opening balance of net value	1,901,145.86	14,116,349.86	6,570,479.57	135,000.64	930,934.67	-	23,455,950.50

For the period from 01.01.2021 to 31.12.2021

	Land	Buildings, premises, civil structures and water engineering	Technical equipment and machines	Vehicles	Other tangible fixed assets	Tangible fixed assets under construction	Total tangible fixed assets
Opening balance of gross value	1,635,503.02	15,150,926.05	27,118,394.72	4,534,444.16	2,636,680.48	135,732.50	51,241,582.93
Increases	680,600.40	554,182.35	3,671,224.11	1,559,983.94	302,402.23	2,851,139.24	9,499,531.47
Purchases	-	90,537.40	2,379,634.31	48,248.78	266,831.53	2,851,139.24	5,435,691.26
Acceptance from the investment	-	463,344.95	-	-	-	-	463,344.95
Acceptance from lease	-	-	1,291,689.80	1,511,735.16	115,575.70	-	2,919,000.66
Decreases	66,162.54	940,734.95	8,671,954.96	1,434,074.54	376,040.39	1,224,355.55	12,715,324.93
Sales	66,162.54	896,824.05	6,978,532.10	1,434,074.54	140,134.87	-	9,420,848.73
Liquidation	-	43,910.90	1,693,422.86	-	215,905.92	-	1,953,239.68
Transfer from the investment	-	-	-	-	-	1,145,945.55	1,145,945.55
Other	-	-	-	-	-	80,410.00	80,410.00
Closing balance of gross value	2,249,941.08	14,764,273.45	22,117,665.87	4,690,351.56	2,443,047.32	1,762,516.19	48,227,795.47
Increases	148,299.04	6,114,678.08	19,056,955.25	4,315,725.71	1,146,013.97	-	31,351,721.35
Current amortisation	18,931.80	986,557.59	3,029,215.59	1,551,385.75	258,704.30	-	5,746,601.03
Redemption of items accepted from lease	-	986,357.59	1,737,639.79	1,476,741.93	265,300.30	-	3,093,976.11
Decreases	-	421,280.63	6,340,880.53	1,426,200.04	334,527.67	-	8,524,888.87
Redemption of tangible fixed assets sold and liquidated	-	421,280.63	6,340,880.53	1,426,200.04	334,527.67	-	8,524,888.87
Closing balance of redemption	1,487,203.98	6,556,147.97	15,745,293.31	4,488,914.42	1,690,239.90	-	28,771,633.51
Opening balance of net value	1,487,203.98	8,084,318.41	6,372,372.64	135,000.64	930,934.67	-	19,889,861.58
Closing balance of net value	2,082,710.24	6,084,318.41	6,372,372.64	2,014,371.14	932,807.42	1,762,516.19	19,455,181.96



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Separate financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (Emuconsolidated tables are expressed in NOK, unless otherwise stated)

**Change in right-of-use assets**

For the period from 01.01.2022 to 31.12.2022

	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	Vehicles	Other right-of-use assets	Total
Opening balance of gross value	3,775,035.18	9,988,610.44	18,433,082.24	18,588,862.75	4,097,564.98	54,863,155.59
Increases	1,034,682.84	1,863,205.89	9,693,667.16	7,421,649.79	226,446.02	20,239,651.70
Contract conclusion and change other	921,334.84	1,863,205.89	9,693,667.16	7,421,649.79	226,446.02	20,126,303.70
Decreases	113,348.00	-	-	-	-	113,348.00
Contract expiry and change other	71,018.72	-	1,276,721.40	2,594,541.71	99,328.90	4,041,610.83
Closing balance of gross value	71,018.72	-	1,276,721.40	2,594,541.71	99,328.90	3,970,592.21
Opening balance of gross value	4,738,699.30	11,851,816.33	26,850,027.80	23,395,970.83	4,224,682.10	71,061,196.36
Increases	1,787,148.32	2,003,316.76	7,252,536.99	5,598,743.06	2,302,937.40	18,944,682.53
Current amortisation	299,984.02	1,271,491.85	5,761,750.60	4,327,126.45	674,017.34	12,334,370.26
Decreases	299,984.02	1,271,491.85	5,761,750.60	4,327,126.45	674,017.34	12,334,370.26
Redemption on contract expiry other	3,333.84	-	1,276,113.26	2,507,303.81	49,664.40	3,836,415.31
Closing balance of gross value	2,083,798.50	3,274,808.61	11,738,174.33	7,418,545.70	2,927,230.34	27,442,637.48
Opening balance of net value	1,987,886.86	7,985,293.68	11,180,545.25	12,970,119.69	1,794,627.58	35,918,473.06
Closing balance of net value	2,654,900.80	8,577,007.72	15,111,863.47	15,977,405.13	1,297,391.76	43,618,558.88

For the period from 01.01.2021 to 31.12.2021

	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	Vehicles	Other right-of-use assets	Total
Opening balance of gross value	3,775,035.18	9,987,204.69	12,909,258.61	11,797,881.04	4,039,634.24	42,396,013.76
Increases	-	114,405.75	9,150,759.26	10,486,469.58	173,506.44	19,925,141.03
Contract conclusion and change other	-	114,405.75	9,150,759.26	10,486,469.58	173,506.44	19,925,141.03
Decreases	-	-	3,626,935.63	3,715,487.87	115,575.70	7,457,999.20
Contract expiry and change other	-	-	3,626,935.63	3,715,487.87	115,575.70	7,457,999.20
Closing balance of gross value	3,775,035.18	9,988,610.44	18,433,082.24	18,588,862.75	4,097,564.98	54,863,155.59
Opening balance of redemption	1,552,581.08	1,144,007.79	5,886,986.61	5,944,740.62	1,579,503.62	16,107,819.72
Increases	234,567.24	859,308.97	4,763,725.77	3,220,248.03	805,987.78	9,883,837.79
Current amortisation	234,567.24	859,308.97	4,763,725.77	3,220,248.03	805,987.78	9,883,837.79
Decreases	-	-	3,398,175.39	3,566,245.59	82,554.00	7,046,974.98
Redemption on contract expiry other	-	-	3,398,175.39	3,566,245.59	82,554.00	7,046,974.98
Closing balance of redemption	1,787,148.32	2,003,316.76	7,252,536.99	5,598,743.06	2,302,937.40	18,944,682.53
Opening balance of net value	2,222,454.10	8,730,196.90	7,022,272.00	5,853,140.42	2,460,130.62	26,288,194.04
Closing balance of net value	1,987,886.86	7,985,293.68	11,180,545.25	12,970,119.69	1,794,627.58	35,918,473.06



UNIBEP SA



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Amortisation of tangible fixed assets was recognised in the following items of the profit and loss account:

	01.01-31.12.2022	01.01-31.12.2021
Manufacturing costs of products and services sold	13,337,036.90	11,018,687.47
- residential and commercial construction	3,262,392.73	2,487,175.73
- infrastructure	9,769,888.80	8,463,871.13
- modular construction	58,096.73	67,640.61
- energy and industrial construction	246,658.64	-
General and administrative costs	2,311,145.81	1,959,066.43
<b>TOTAL</b>	<b>15,648,182.71</b>	<b>12,977,753.90</b>

As at 31.12.2022, collateral to the value of PLN 30,000,000.00 was established on tangible fixed assets in the form of mortgages for credits, assignment of rights from the insurance policy of the subject of the collateral. The drawing of credit amounted to PLN 17,142,855.00. The net value of the tangible fixed assets constituting the hedging as at 31.12.2022 amounted to PLN 6,480,356.35.

The total value of compensation received or due in respect of those tangible fixed assets impaired or lost in the reporting period for the year ended 31.12.2022 was PLN 80,515.68, while in the comparative period 31.12.2021 it was PLN 30,826.83.

As of 31.12.2022, the value of liabilities related to purchases of tangible fixed assets amounted to PLN 140 thousand.

## 6.2. Intangible assets

	as of 31.12.2022	as of 31.12.2021
Goodwill	5,628,983.78	5,628,983.78
Acquired concessions, patents, licences and similar assets, including:	2,114,533.00	2,352,662.12
<i>computer software</i>	1,305,083.81	1,786,391.28
<i>other intangible assets, including licences</i>	809,449.19	566,270.84
Intangible assets under construction	1,111,337.19	768,584.33
<b>Intangible assets</b>	<b>8,854,853.97</b>	<b>8,750,230.23</b>



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**Change in intangible assets**

**For the period from 01.01.2022 to 31.12.2022**

	Goodwill	Computer software	Acquired concessions, licences, patents	Intangible assets under construction	Total
Opening balance of gross value	5,628,983.78	5,134,438.35	1,427,451.18	768,584.33	12,959,457.44
Increases	-	374,213.93	447,978.19	600,436.67	1,422,628.79
- Purchase	-	134,245.00	430,263.31	600,436.67	1,164,944.98
- Acceptance from the investment	-	239,568.93	17,714.88	-	257,283.81
Decreases	-	82,635.05	119,005.41	257,683.81	459,324.27
- Liquidation	-	-	119,005.41	-	201,640.46
- Transfer from the investment	-	-	-	257,683.81	257,683.81
Closing balance of gross value	5,628,983.78	5,428,017.23	1,756,423.96	1,111,337.19	13,922,762.16
Opening balance of redemption	-	3,348,047.07	861,180.34	-	4,209,227.41
Increases	-	855,521.40	204,799.84	-	1,060,321.24
- Current amortisation	-	855,521.40	204,799.84	-	1,060,321.24
Decreases	-	82,635.05	119,005.41	-	201,640.46
- Redemption of the liquidated	-	82,635.05	119,005.41	-	201,640.46
Closing balance of redemption	-	4,120,933.42	946,974.77	-	5,067,908.19
Opening balance of net value	5,628,983.78	1,786,391.28	566,270.84	768,584.33	8,750,230.23
Closing balance of net value	5,628,983.78	1,305,083.81	809,449.19	1,111,337.19	8,854,853.97

**For the period from 01.01.2021 to 31.12.2021**

	Goodwill	Computer software	Acquired concessions, licences, patents	Intangible assets under construction	Total
Opening balance of gross value	5,628,983.78	4,698,819.90	1,212,451.18	725,098.54	12,265,353.40
Increases	-	565,719.52	215,000.00	570,175.93	1,350,895.45
Purchase	-	173,619.38	-	570,175.93	743,795.31
Acceptance from the investment	-	392,100.14	215,000.00	-	607,100.14
Decreases	-	130,101.07	-	526,690.14	656,791.21
- Liquidation	-	130,101.07	-	-	130,101.07
- Transfer from the investment	-	-	-	526,690.14	526,690.14
Closing balance of gross value	5,628,983.78	5,134,438.35	1,427,451.18	768,584.33	12,959,457.44
Opening balance of redemption	-	2,857,254.74	687,611.04	-	3,544,865.78
Increases	-	620,660.04	173,569.30	-	794,229.34
Current amortisation	-	620,660.04	173,569.30	-	794,229.34
Decreases	-	129,867.71	-	-	129,867.71
- Redemption of liquidated items	-	129,867.71	-	-	129,867.71
Closing balance of redemption	-	3,348,047.07	861,180.34	-	4,209,227.41
Opening balance of net value	5,628,983.78	1,841,565.16	524,840.14	725,098.54	8,720,487.62
Closing balance of net value	5,628,983.78	1,786,391.28	566,270.84	768,584.33	8,750,230.23



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The Company created research and development works related to new products on its own.

Amortisation of intangible assets was recognised in the following items of the profit and loss account:

	01.01-31.12.2022	01.01-31.12.2021
Manufacturing costs of products and services sold	97,023.45	63,517.90
General and administrative costs	963,297.79	730,711.44
<b>Total amortisation of intangible assets</b>	<b>1,060,321.24</b>	<b>794,229.34</b>

Ownership structure of intangible assets:

	as of 31.12.2022	as of 31.12.2021
Own	8,854,853.97	8,750,230.23
<b>Total ownership structure of intangible assets</b>	<b>8,854,853.97</b>	<b>8,750,230.23</b>

As of 31 December 2022 and 31 December 2021, the Company did not have any encumbrances of a legal or bond nature on intangible assets.

The main item of intangible assets in 2022 and 2021 was goodwill arising from the acquisition of companies currently called Oddział Infrastruktury UNIBEP SA

**Oddział Infrastruktury UNIBEP SA** – goodwill as of 31.12.2022 amounts to PLN 5,628,983.78.

In order to determine the value in use of the acquired goodwill, a valuation using the income method was used – discounted cash flows (DCF) for the cash generating unit to which the goodwill was allocated, using a weighted average cost of capital (WACC) of 12.53%. The forecasts approved by the management of the Company cover the period of 2023-2027. The valuation was based on elements such as:

- growth dynamics expressed in terms of the dynamics of revenue from sales;
- investment expenditures;
- capital requirements;
- cost of capital.

The residual value for discounted cash flows was calculated on the basis of the perpetuity formula with a 1% increase.

The value in use as at 31 December 2022, as determined by the valuation, amounts to PLN 109,252 thousand.

### 6.3. Investment property

As of 31.12.2020 and 31.12.2021, the Company did not hold any investment property.





UNIBEP SA



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### 6.4.1 Investments in entities measured using the equity method

	as of 31.12.2022	as of 31.12.2021
Opening balance	7,986.00	7,986.00
Increases	-	-
Decreases	-	-
<b>Investments in entities measured using the equity method</b>	<b>7,986.00</b>	<b>7,986.00</b>

### 6.4.2 Investments in subsidiaries

#### Long-term

	as of 31.12.2022	as of 31.12.2021
<b>Opening balance:</b>	<b>159,672,817.69</b>	<b>159,672,817.69</b>
- shares of UNIDEVELOPMENT SA	60,555,486.00	60,555,486.00
- other UNIDEVELOPMENT SA	28,790,824.26	28,790,824.26
- shares of BUDREX SP. Z O.O.	18,000,150.00	18,000,150.00
- shares of UNEX CONSTRUCTION SP. Z O.O.	16,959.80	16,959.80
- shares of UNIBEP PPP SP. Z O.O.	5,000.00	5,000.00
- shares of UNIHOUSE SA	52,304,397.63	52,304,397.63
<b>Increases:</b>	<b>1,192,153.84</b>	-
- other UNIDEVELOPMENT SA	1,192,153.84	-
<b>Closing balance:</b>	<b>160,864,971.53</b>	<b>159,672,817.69</b>
- shares of UNIDEVELOPMENT SA	60,555,486.00	60,555,486.00
- other UNIDEVELOPMENT SA	29,982,978.10	28,790,824.26
- shares of BUDREX SP. Z O.O.	18,000,150.00	18,000,150.00
- shares of UNEX CONSTRUCTION SP. Z O.O.	16,959.80	16,959.80
- shares of UNIBEP PPP SP. Z O.O.	5,000.00	5,000.00
- shares of UNIHOUSE SA	52,304,397.63	52,304,397.63

#### Investments in subsidiaries as of 31.12.2022

No.	Company name	Value of shares acc. to acquisition price	Adjustments of revaluation write-offs	Carrying amount of shares	Percentage of shares held	Percentage of votes held	Consolidation method
1	Unidevelopment SA	60,555,486.00*	-	60,555,486.00*	97.63%	97.63%	full
2	Unihouse SA	52,304,397.63	-	52,304,397.63	100%	100%	full
3	Unex Construction Sp. z o.o.	16,959.80	-	16,959.80	100%	100%	full
4	Budrex Sp. z o.o.	18,000,150.00	-	18,000,150.00	100%	100%	full
5	Unibep PPP Sp. z o.o.	5,000.00	-	5,000.00	100%	100%	full

\* the amount does not take into account equity and other payments

No.	Equity	Share capital	Other capitals*	Retained earnings	Value of assets	Fixed assets	Current assets	Value of liabilities	Value of revenue from sales
1.	196,052,175.45	6,675,000.00	37,406,730.65	100,418,927.60	412,348,108.06	376,968,931.47	35,379,176.59	216,295,932.61	22,365,269.04
2.	27,837,944.42	2,250,000.00	23,868,673.83	-34,830,729.41	219,988,662.75	80,627,935.08	139,360,727.67	192,150,718.33	223,278,534.35
3.	717,371.08	5,000.00	-	712,371.08	731,387.54	-	731,387.54	14,016.46	-
4.	19,095,621.03	430,000.00	13,243,293.46	5,422,327.57	57,148,603.77	18,612,535.00	38,536,068.77	38,052,982.74	196,419,614.60
5	-1,289,396.33	5,000.00	-	-1,294,396.93	9,126,394.60	-	9,126,394.60	10,415,790.93	-

\* the amount does not take into account equity and other payments

On 29.12.2022, the Extraordinary General Meeting of Unihouse SA passed Resolution No. 1/29/12/2022 on increasing the Company's share capital by PLN 580,000.00 through the issue of 5,800,000 new series C registered shares with a nominal value of PLN 0.10 each. The issue price of the new shares was set at PLN 1.72 per share. The new issue shares are not preference shares.

On 30.12.2022, Unibep SA paid the amount of PLN 9,976,000.00 in connection with the aforementioned resolution.

The capital increase was registered in the National Court Register on 23.03.2023.

Bielski Podlaski, 27 April 2023

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## Investments in subsidiaries as of 31.12.2021

No.	Company name	Value of shares acc. to acquisition price	Adjustments of revaluation write-offs	Carrying amount of shares	Percentage of shares held	Percentage of votes held	Consolidation method
1	Unidevelopment SA	60,555,486.00*	-	60,555,486.00*	97.63%	97.63%	full
2	Unihouse SA	52,304,397.63	-	52,304,397.63	100%	100%	full
3	Unex Construction Sp. z o.o.	16,959.80	-	16,959.80	100%	100%	full
4	Budrex Sp. z o.o.	18,000,150.00	-	18,000,150.00	100%	100%	full
5	Unibep PPP Sp. z o.o.	5,000.00	-	5,000.00	100%	100%	full

\* The amount does not take into account equity and other payments

N o.	Equity	Share capital	Other capitals*	Retained earnings**	Value of assets	Fixed assets	Current assets	Value of liabilities	Value of revenue from sales
1	182,063,380.73	6,675,000.00	88,958,247.85	86,430,132.88	391,322,026.16	323,030,711.50	68,291,314.66	209,258,645.43	18,294,705.03
2	48,943,621.45	2,250,000.00	45,938,934.63	754,686.82	269,490,171.28	70,620,546.17	220,546,549.83	196,880,346.97	273,345,906.31
3	758,995.88	5,000.00	-	753,995.88	770,662.91	-	770,662.91	11,667.03	-
4	17,243,502.30	430,000.00	13,178,630.46	3,634,871.84	56,748,196.79	18,874,364.12	37,873,832.67	39,504,694.49	101,629,911.45
5	-62,691.40	5,000.00	-	-67,691.40	3,955.01	-	3,955.01	66,646.41	-

\* The amount does not take into account equity and other payments

## 6.5. Trade and other receivables

### Trade and other long-term receivables

	as of 31.12.2022	as of 31.12.2021
<b>Long-term prepayments</b>	<b>6,025,626.27</b>	<b>5,621,025.93</b>
Insurance	5,788,098.82	5,271,242.45
Other	237,527.45	349,783.48
<b>Trade and other long-term receivables</b>	<b>6,025,626.27</b>	<b>5,621,025.93</b>

### Trade and other short-term receivables

	as of 31.12.2022	as of 31.12.2021
<b>Net trade and other receivables</b>	<b>339,579,661.55</b>	<b>176,499,956.25</b>
Trade receivables	269,908,878.36	143,452,056.98
Receivables from tax, subsidy, customs, social security and other benefits	18,889,626.98	13,393,795.69
Other non-financial receivables	27,614,412.95	12,374,514.28
Other financial receivables	38,371.30	2,122,223.48
Advances granted for deliveries:	23,128,371.96	5,157,365.82
for the purchase of goods, materials and services	23,128,371.96	5,157,365.82
<b>Short-term prepayments</b>	<b>5,067,874.17</b>	<b>3,661,614.65</b>
Insurance	4,414,766.64	2,931,787.95
Other	653,107.53	729,826.70
<b>Trade and other short-term receivables</b>	<b>344,647,535.72</b>	<b>180,161,570.90</b>
Expected credit losses on receivables	46,121,765.26	44,884,433.25
<b>Gross trade and other short-term receivables</b>	<b>390,769,300.98</b>	<b>225,046,004.15</b>

### Trade receivables – with maturity from the balance sheet date:

	as of 31.12.2022	as of 31.12.2021
up to 1 month	132,780,276.04	76,460,193.11
over 1 month up to 3 months	64,881,195.71	38,939,133.16
over 3 months up to 6 months	4,727,004.12	13,603.14
over 6 months up to 1 year	2,860.00	-
overdue receivables	67,517,542.49	28,039,127.57
<b>NET TRADE RECEIVABLES</b>	<b>269,908,878.36</b>	<b>143,452,056.98</b>

As of 31 December 2022, the expected credit losses on trade receivables and other receivables calculated in accordance with IFRS 9 amounted to 46,121,765.26 PLN. Expenses and revenue related to creation and release



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of the expected credit losses are recognised from 2018 in the profit and loss account under the "Expected credit losses" item. The change in the balance of expected credit losses is presented in Note 6.6.

#### Overdue trade receivables – with breakdown into overdue receivables in the period:

	as of 31.12.2022	as of 31.12.2021
up to 1 month	19,440,969.42	8,164,602.09
over 1 month up to 3 months	26,947,799.09	3,361,779.87
over 3 months up to 6 months	7,742,969.98	1,053,914.81
over 6 months up to 1 year	2,238,582.61	4,731,794.45
over 1 year	11,147,221.39	10,727,036.35
<b>OVERDUE NET TRADE RECEIVABLES</b>	<b>67,517,542.49</b>	<b>28,039,127.57</b>

#### Change in estimates of receivables:

	as of 31.12.2022	as of 31.12.2021
<b>Net trade and other short-term receivables</b>	<b>344,647,535.72</b>	<b>180,161,570.90</b>
from related parties	49,679,695.48	25,159,760.43
from other entities	294,967,840.24	155,001,810.47
Expected credit losses on receivables (positive value)	46,121,765.26	44,884,433.25
<b>Gross trade and other short-term receivables</b>	<b>390,769,300.98</b>	<b>225,046,004.15</b>

The trade and other receivables currency structure is as follows:

	as of 31.12.2022	as of 31.12.2021
<b>Receivables in PLN</b>	<b>266,270,319.38</b>	<b>146,595,016.10</b>
Receivables in USD	1,370.00	650.00
<b>Receivables in USD after conversion into PLN</b>	<b>6,030.47</b>	<b>2,639.00</b>
Receivables in EUR	11,937,092.41	4,583,917.94
<b>Receivables in EUR after conversion into PLN</b>	<b>56,001,572.18</b>	<b>20,988,253.59</b>
Receivables in RUB	-	73,893.00
<b>Receivables in RUB after conversion into PLN</b>	<b>-</b>	<b>5,030.69</b>
Receivables in NOK	6,612,337.31	13,690,490.85
<b>Receivables in NOK after conversion into PLN</b>	<b>2,949,727.45</b>	<b>6,301,285.86</b>
Receivables in BYN	218,238.03	515,514.66
<b>Receivables in BYN after conversion into PLN</b>	<b>282,727.36</b>	<b>818,743.36</b>
Receivables in SEK	36,358,628.43	3,692,628.25
<b>Receivables in SEK after conversion into PLN</b>	<b>16,103,285.89</b>	<b>1,654,218.73</b>
Receivables in UAH	24,006,372.92	25,497,325.24
<b>Receivables in UAH after conversion into PLN</b>	<b>3,033,320.12</b>	<b>3,795,810.98</b>
Receivables in GBP	104.40	104.40
<b>Receivables in GBP after conversion into PLN</b>	<b>552.87</b>	<b>572.59</b>
<b>Total</b>	<b>344,647,535.72</b>	<b>180,161,570.90</b>

Advances have been measured according to the historical rate.

The credit risk of the Company is primarily assigned to trade receivables. The amounts presented in the balance sheet are net amounts, including the estimated expected credit risk.

At the balance sheet date of 31.12.2022, as well as at 31.12.2021, receivables from one external business partner exceeded 10% of total receivables.

The risk related to this financial asset is described in Section 4 of these financial statements – "Financial risk management", subsection "Credit risk".



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## 6.6. Revaluation write-offs and expected credit losses

### EXPECTED CREDIT LOSSES

	01.01-31.12.2022	01.01-31.12.2021
<b>Opening balance</b>	<b>48,404,765.74</b>	<b>46,417,140.13</b>
Trade and other receivables	44,884,433.25	44,226,312.38
Deposits on construction contracts	1,368,428.79	1,256,131.45
Contractual assets	38,932.70	19,805.30
Loans granted	2,112,971.00	914,891.00
<b>Increases</b>	<b>9,186,362.77</b>	<b>10,603,332.98</b>
Trade and other receivables	7,128,602.20	8,786,035.25
Deposits on construction contracts	1,954,069.42	600,090.33
Contractual assets	103,691.15	19,127.40
Loans granted	-	1,198,080.00
<b>Decreases</b>	<b>6,075,840.53</b>	<b>8,615,707.37</b>
Trade and other receivables	5,891,270.19	8,127,914.38
Deposits on construction contracts	184,570.34	487,792.99
<b>Closing balance</b>	<b>51,515,287.98</b>	<b>48,404,765.74</b>
Trade and other receivables	46,121,765.26	44,884,433.25
Deposits on construction contracts	3,137,927.87	1,368,428.79
Contractual assets	142,623.85	38,932.70
Loans granted	2,112,971.00	2,112,971.00

### REVALUATION WRITE-OFFS

	01.01-31.12.2022	01.01-31.12.2021
<b>Opening balance</b>	<b>1,026,162.06</b>	<b>1,026,162.06</b>
Inventory	130,000.00	130,000.00
Cash	896,162.06	896,162.06
<b>Decreases</b>	<b>1,026,162.06</b>	-
Inventory	130,000.00	-
Cash	896,162.06	-
<b>Closing balance</b>	-	<b>1,026,162.06</b>
Inventory	-	130,000.00
Cash	-	896,162.06

## 6.7. Inventory

	as of 31.12.2022	as of 31.12.2021
Materials	58,022,886.83	19,608,862.88
Semi-finished products and work in progress	7,572,877.00	282,393.54
Finished products	-	145,151.05
<b>GROSS INVENTORY</b>	<b>65,595,763.83</b>	<b>20,036,407.47</b>
Inventory revaluation write-offs	-	130,000.00
<b>NET INVENTORY</b>	<b>65,595,763.83</b>	<b>19,906,407.47</b>

Information on inventory revaluation write-offs is presented in Note 6.6.

As of 31.12.2022 and 31.12.2021, there was no hedging provided on the inventory.

In 2022 and 2021, borrowing costs were not capitalised in the inventory.

It is not expected that the inventory will be sold/used beyond 31.12.2023.

In the period from 01.01.2022 to 31.12.2022, the amount of PLN 22,735.2 thousand related to sales of materials was recognised in the costs of own sales.

### As of 31.12.2022

	Residential and commercial construction	Energy and industrial development	Infrastructure	Total
<b>Gross inventory</b>	<b>27,818,157.36</b>	<b>10,367,090.92</b>	<b>27,410,515.55</b>	<b>65,595,763.83</b>
Inventory revaluation write-offs	-	-	-	-
<b>Net inventory</b>	<b>27,818,157.36</b>	<b>10,367,090.92</b>	<b>27,410,515.55</b>	<b>65,595,763.83</b>

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As of 31.12.2021

	Residential and commercial construction	Infrastructure	Property development activities	Modular construction	Total
Gross inventory	10,448,838.30	9,440,843.72	145,151.05	1,574.40	20,036,407.47
Inventory revaluation write-offs	-	-	130,000.00	-	130,000.00
Net inventory	10,448,838.30	9,440,843.72	15,151.05	1,574.40	19,906,407.47

## 6.8. Cash and cash equivalents

	as of 31.12.2022	as of 31.12.2021
<b>Cash in PLN</b>	<b>73,328,199.21</b>	<b>105,479,960.66</b>
Cash in EUR	23,864.78	164,818.81
<b>Cash in EUR after conversion into PLN</b>	<b>111,923.44</b>	<b>758,067.62</b>
Cash in USD	1,303.68	1,936.37
<b>Cash in USD after conversion into PLN</b>	<b>5,738.54</b>	<b>7,861.66</b>
Cash in RUB	-	15,087,428.68
<b>Cash in RUB after conversion into PLN</b>	<b>-</b>	<b>896,162.06</b>
Cash in NOK	1,009,454.87	1,828,197.40
<b>Cash in NOK after conversion into PLN</b>	<b>450,317.81</b>	<b>842,433.36</b>
Cash in BYN	993.18	24,899.44
<b>Cash in BYN after conversion into PLN</b>	<b>1,286.66</b>	<b>40,180.23</b>
Cash in UAH	11,824.88	12,716.81
<b>Cash in UAH after conversion into PLN</b>	<b>1,487.57</b>	<b>1,890.99</b>
Cash in SEK	138,553.33	83,861.74
<b>Cash in SEK after conversion into PLN</b>	<b>58,372.52</b>	<b>37,620.38</b>
<b>Total</b>	<b>73,957,325.75</b>	<b>108,064,176.96</b>
Cash revaluation write-off	-	896,162.06
<b>Cash and cash equivalents</b>	<b>73,957,325.75</b>	<b>107,168,014.90</b>

Cash at bank bears interest at variable rates. Short-term deposits are made for various periods, depending on the current demand of the Company for cash and are subject to interest rates set for them. As at the balance sheet date of 31.12.2022, the fair value of cash and cash equivalents amounted to PLN 73,957,325.75.

The disclosed in 2021 revaluation write-off on cash resulted from the Company estimates of the possibility of payment of funds accumulated on accounts in OAO AKB "Probiznesbank" – in bankruptcy. UNIBEP SA reported its claims and they were accepted and confirmed by the receiver. By 31.12.2021, the receiver paid PLN 207,849.60, with no payments recorded in 2022. In 2022, the entire amount of the cash revaluation write-off was written off due to lack of recoverability.

The risk related to this asset is described in Section 4 of the Financial Risk Management report.

## 6.9. Loans granted

As of 31.12.2022

Name of the borrower	Contract date	Amount granted	Repayment date	Closing balance of carrying amount
Unidevelopment SA	27.04.2022	PLN 19,000,000.00	24.04.2025	19,024,329.19
Unidevelopment SA	28.06.2021	PLN 50,000,000.00	31.03.2024	50,617,823.45
Unihouse SA	29.12.2022	PLN 20,000,000.00	31.12.2025	20,183,663.23
Unibep PPP Sp. z o.o.	04.07.2022	PLN 7,085,122.19	27.05.2033	7,235,675.62
Unibep Group's UNITALENT Foundation	21.11.2022	PLN 120,000.00	28.02.2023	120,000.00
<b>Total</b>				<b>97,181,491.49</b>

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As of 31.12.2021

Name of the borrower	Contract date	Amount granted	Repayment date	Closing balance of carrying amount
Unidevelopment SA	21.07.2016	PLN 30,000,000.00	30.06.2022	30,281,206.16
Unidevelopment SA	10.12.2021	PLN 20,000,000.00	09.12.2024	20,071,542.81
Unidevelopment SA	28.06.2021	PLN 50,000,000.00	31.03.2024	50,483,396.46
Budrex Sp. z o.o.	29.12.2021	PLN 8,000,000.00	31.12.2022	8,000,000.00
Unihouse SA	02.10.2020	PLN 10,000,000.00	28.02.2022	10,000,000.00
<b>Total</b>				<b>118,836,145.43</b>

As at 31.12.2022, granted loans amounted to: short-term PLN 120,000.00, long-term 97,061,491.49.

The expected credit losses on loans granted amount to 2,112,971.00 PLN.

The risk management of this asset is described in Section 4 of these financial statements.

## 6.10. Capitals

As of the balance sheet date of 31.12.2022, the share capital amounts to PLN 3,507,063.40.

The share capital of the Company is divided into 35,070,634 (in words: thirty-five million, seventy thousand, six hundred and thirty-four) shares with a nominal value of PLN 0.10 per share.

The ownership structure of share capital as of the individual balance sheet dates presented in the financial statements is presented in the tables below.

As of 31.12.2022

SHAREHOLDER	Number of shares held as of the balance sheet date	Share nominal value	Share in the capital at the balance sheet date (%)
Zofia Mikołuszko	8,800,000	880,000.00	25.09
Beata Maria Skowrońska	5,500,000	550,000.00	15.68
Wojciech Stajkowski	2,500,000	250,000.00	7.13
Bożenna Lachocka	2,500,000	250,000.00	7.13
PTE Allianz Polska SA (5)	3,753,805	375,308.50	10.70
PKO BP Bankowy OFE	2,098,756	209,875.60	5.98
Free float	7,018,073	701,807.30	20.02
Own shares (1)(2)(3)(4)	2,900,000	290,000.00	8.27
<b>Total</b>	<b>35,070,634</b>	<b>3,507,063.40</b>	<b>100.00</b>

(1) 1,000,000 own shares were purchased on 7 February 2017, of which the Company informed in current report no. 10/2017.

(2) Another 1,000,000 own shares were purchased on 29 May 2019, as announced by the Company in its current report no. 28/2019.

(3) 1,500,000 own shares were purchased on 27 February 2020, of which the Company informed in current report no. 7/2020.

(4) 600,000 own shares were disposed of by the Company as part of the Incentive Scheme for the assessment year 2021 (Rb 43/2022).

(5) PTE Allianz Polska SA merged with Aviva PTE Aviva Santander SA on 30 December 2022. As of this date, the merged entity operates under the name PTE Allianz Polska SA and manages three funds: Allianz Polska Otwarty Fundusz Emerytalny, Allianz Polska Dobrowolny Fundusz Emerytalny, Drugi Allianz Polska Otwarty Fundusz Emerytalny [change of name from Aviva Otwarty Fundusz Emerytalny Aviva Santander] (Rb 2/2023)

As of 31.12.2021

SHAREHOLDER	Number of shares held as of the balance sheet date	Share nominal value	Share in the capital at the balance sheet date (%)
Zofia Mikołuszko	8,800,000	880,000.00	25.09
Beata Maria Skowrońska	5,500,000	550,000.00	15.68
Wojciech Stajkowski	2,500,000	250,000.00	7.13
Bożenna Lachocka	2,500,000	250,000.00	7.13
AVIVA OFE AVIVA Santander SA	3,418,920	341,892.00	9.75
PKO BP Bankowy OFE	2,098,756	209,875.60	5.98
Free float	6,752,958	675,295.80	19.26
Own shares (1)(2)(3)	3,500,000	350,000.00	9.98
<b>Total</b>	<b>35,070,634</b>	<b>3,507,063.40</b>	<b>100.00</b>

(1) 1,000,000 own shares were purchased on 7 February 2017, of which the Company informed in current report no. 10/2017.

(2) 1,000,000 own shares were purchased on 29 May 2019, of which the Company informed in current report no. 28/2019.

(3) 1,500,000 own shares purchased on 27 February 2020 on the basis of the Resolution of the Management Board of the Company of 4 February 2020 on the buy-back of own shares, Resolution No. 32 of the Ordinary General Meeting of Shareholders of the Company of 13 June 2017 on authorising the Management Board of the Company to purchase own shares and adopting the UNIBEP SA own share buy-back programme, amended by Resolution No. 4 of the Extraordinary General Meeting of Shareholders of the Company of 28 February 2019 and Resolution No. 33 of the Ordinary General Meeting of Shareholders of the Company of 13 June 2017 on

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increasing the amount of the reserve capital from the funds coming from the reserve capital for the buy-back of own shares, amended by Resolution No. 5 of the Extraordinary General Meeting of Shareholders of the Company of 28 February 2019.

The composition of shareholders as at the date of publication of this report is presented in the table below:\*

SHAREHOLDER	Number of shares held	Percentage of the share capital (%)	Number of votes	Percentage of the total number of votes (%)
Zofia Mikołuszko**	8,800,000	25.09	8,800,000	25.09
Beata Małta Skowrońska	5,500,000	15.68	5,500,000	15.68
Wojciech Stajkowski	2,500,000	7.13	2,500,000	7.13
Bożenna Lachocka	2,500,000	7.13	2,500,000	7.13
PTE Allianz Polska SA (5)	3,753,805	10.70	3,753,805	10.70
PKO BP Bankowy OFE	2,098,756	5.98	2,098,756	5.98
Free float	7,018,073	20.02	7,018,073	20.02
Own shares (1)(2)(3)(4)	2,900,000	8.27	2,900,000	8.27
<b>Total</b>	<b>35,070,634</b>	<b>100.00</b>	<b>35,070,634</b>	<b>100.00</b>

\*Based on information provided to the issuer pursuant to Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the "MAR Regulation" and the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading of 29 July 2005, as amended.

\*\*Mrs Zofia Mikołuszko remains in the joint marital property regime with Mr Jan Mikołuszko

(1) 1,000,000 own shares were purchased on 7 February 2017, as reported by the Company in current report no. 10/2017.

(2) Another 1,000,000 own shares were purchased on 29 May 2019, as announced by the Company in its current report no. 28/2019.

(3) 1,500,000 own shares were purchased on 27 February 2020, of which the Company informed in current report no. 7/2020.

(4) 600,000 own shares were disposed of by the Company as part of the Incentive Scheme for the assessment year 2021 (Rb 43/2022).

(5) PTE Allianz Polska SA merged with Aviva PTE Aviva Santander SA on 30 December 2022. As of this date, the merged entity operates under the name PTE Allianz Polska SA and manages three funds: Allianz Polska Otwarty Fundusz Emerytalny, Allianz Polska Dobra Wolny Fundusz Emerytalny, Drugi Allianz Polska Otwarty Fundusz Emerytalny (change of name from Aviva Otwarty Fundusz Emerytalny Aviva Santander) (Rb 2/2023).

All shares of the Company are book-entry and traded on the regulated market of the Warsaw Stock Exchange. No non-cash contributions were made to the share capital of the Company. As of 31.12.2022 and 31.12.2021, subsidiaries did not hold any shares of the parent company.

The supplementary capital from the sales of shares above their nominal value, presented in the statements of financial position and in the statement of changes in equity, was created as a result of:

- issue of the Company's shares on the Warsaw Stock Exchange – PLN 57,113,921.99,
- sales of own shares - PLN 2,312,569.03,
- acquisition of shares under the Incentive Scheme – PLN 4,467,270.00.

The recorded increase in this capital in 2022 of PLN 1,740,000.00 is due to the purchase of shares by participants in the Incentive Scheme.

The specification of other equity items is presented in the tables below:

#### Other reserve capitals

	as of 31.12.2022	as of 31.12.2021
Capital from exchange of shares in subsidiaries	28,884,090.00	28,884,090.00
Actuarial gains (losses) on defined benefit plans	-127,153.00	-567,536.00
Effective portion of changes in fair value of hedging instruments in hedge accounting	-287,711.80	-953,321.30
Revaluation of tangible fixed assets	1,092,358.40	1,092,358.40
Reserve capital for the incentive scheme	4,534,153.84	3,282,000.00
<b>Other reserve capitals</b>	<b>34,095,737.44</b>	<b>31,737,591.10</b>

#### Retained earnings

	as of 31.12.2022	as of 31.12.2021
Supplementary capital created from retained earnings	82,347,025.38	81,630,741.85
Reserve capital for the buy-back of own shares created from retained earnings	14,413,500.00	14,413,500.00
Revaluation reserve intended to cover losses	-1,092,358.40	-1,092,358.40
Current net profit (loss)	13,554,098.23	16,801,600.53
<b>Retained profit (loss)</b>	<b>109,222,265.21</b>	<b>111,753,483.98</b>

Accounting value	210,718,827.07	209,151,899.50
Number of ordinary shares	32,170,634.00	31,570,634.00
Accounting value per share (in PLN)	6.55	6.62

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## INCENTIVE SCHEME

On 15 June 2020, the Ordinary General Meeting of Shareholders of UNIBEP SA adopted assumptions of the Incentive Scheme for the members of the Management Board and key managers. Under the Scheme, the Company will be able to sell its own shares to such persons. The General Meeting of Shareholders earmarked all own shares of the Company, i.e. 3,500,000 shares, for the implementation of the Incentive Scheme. The General Meeting of Shareholders authorised the Supervisory Board to establish the Rules of the Incentive Scheme specifying detailed principles for implementation of this Scheme, including the rules for conclusion of the Scheme Participation Agreements. The acquisition price of the shares under the Incentive Scheme shall not be less than 1 PLN per share. The General Meeting of Shareholders of UNIBEP SA authorised the Supervisory Board to establish the acquisition price of shares for each of the participants of the Incentive Scheme. This price may vary between transactions, under which the shares are acquired.

On 4 November 2020, the Supervisory Board of UNIBEP SA adopted the Rules of the Incentive Scheme of UNIBEP SA (hereinafter referred to as the "Scheme").

### Incentive Scheme for 2021:

On 14 January 2021, the Supervisory Board of the Company decided on the implementation of the Scheme for the financial year 2021, in particular: establishing the criteria for the allocation of shares, adopting the list of participants in the Scheme, and establishing the selling price of shares under the Scheme.

In accordance with the above-mentioned decision of the Supervisory Board:

1. the list of participants in the Scheme includes members of the Management Board of the Company;
2. the criteria for the allocation of the Company's shares for the assessment year 2021 in particular include remaining a member of the Management Board of the Company as well as meeting the set financial targets of the Company and the Unibep Group;
3. The selling price of shares which may be directed for acquisition by an eligible participant of the Scheme for the assessment year 2021 is PLN 3 per share;
4. the eligible participants of the Scheme [provided that the aforementioned allocation criteria are met] will be offered at least 600,000 shares for the assessment year 2021, including at least 220,000 shares to Mr Leszek Marek Gołqbiecki, at least 190,000 shares to Mr Sławomir Kiszycycki, at least 140,000 shares to Mr Krzysztof Mikołajczyk and at least 50,000 shares to Mr Adam Poliński.

On 17 May 2022, the Supervisory Board of the Company adopted a resolution on the positive verification of the Company's share allocation criteria for the assessment year 2021 and decided to offer under the Scheme: 220,000 shares to President of the Management Board of the Company Mr Leszek Marek Gołqbiecki, 190,000 shares to Vice-President of the Management Board of the Company Mr Sławomir Kiszycycki, 140,000 shares to Vice-President of the Management Board of the Company Mr Krzysztof Mikołajczyk and 50,000 shares to Member of the Management Board of the Company Mr Adam Poliński. The Supervisory Board's resolution on the positive verification of the Company's share allocation criteria for the assessment year 2021 was to take effect subject to the approval of the financial statements for 2021 by the General Meeting of Unibep SA, as of the date on which this condition is fulfilled.

In connection with the approval of the financial statements for 2021 by the General Meeting of Unibep SA, the Supervisory Board of the Company made offers on 22 June 2022 to sell the Company's shares to the above-mentioned persons, namely: Mr Leszek Marek Gołqbiecki – 220,000 shares in the Company, Mr Sławomir Kiszycycki – 190,000 shares in the Company, Mr Krzysztof Mikołajczyk – 140,000 shares in the Company and Mr Adam Poliński – 50,000 shares in the Company, and the aforementioned persons submitted on the same date declarations of acceptance of the offers to sell the Company's shares addressed to them.

### Incentive Scheme for 2022:

On 19 January 2022, the Supervisory Board of UNIBEP SA adopted resolutions on adopting the list of participants in the Scheme for 2022, establishing criteria for the allocation of shares and the selling price of shares under the Scheme for the assessment year 2022.



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In accordance with the above-mentioned decision of the Supervisory Board:

1. The list of participants of the Scheme in 2022 includes members of the Management Board of UNIBEP SA and members of the Management Board of Unidevelopment SA;
2. The criteria for the allocation of UNIBEP SA's shares to members of the Management Board of UNIBEP SA for the assessment year 2022 include: financial criteria, i.e. achieving the set financial targets of UNIBEP SA and the Unibep Group, non-financial criteria, in particular: remaining a member of the Management Board of UNIBEP SA, adopting an ESG strategy for UNIBEP SA and the Unibep Group, adopting greenhouse gas emission reduction targets for UNIBEP SA in specific time perspectives;
3. The criteria for the allocation of UNIBEP SA's shares to members of the Management Board of Unidevelopment SA for the assessment year 2022 include: financial criteria, i.e. achieving the set financial targets of Unidevelopment SA and the Unidevelopment Group, non-financial criteria, in particular: remaining a member of the Management Board of Unidevelopment SA, adopting an ESG strategy for Unidevelopment SA and the Unidevelopment Group.
4. The selling price of shares which may be directed for acquisition by an eligible participant of the Scheme for the assessment year 2022 is PLN 3 per share;
5. The eligible members of the Management Board of UNIBEP SA (provided that the allocation criteria are met jointly) will be offered for the assessment year 2022 at least 600,000 shares of UNIBEP SA, including at least 200,000 shares to Mr Leszek Marek Gołębicki, at least 200,000 shares to Mr Sławomir Kiszycki, at least 100,000 shares to Mr Krzysztof Mikołajczyk and at least 100,000 shares to Mr Adam Polirński;
6. The eligible members of the Management Board of Unidevelopment SA (provided that the allocation criteria are met jointly) will be offered for the assessment year 2022 at least 600,000 shares of UNIBEP SA, including at least 210,000 shares to Mr Zbigniew Gościcki, at least 130,000 shares to Mrs Ewa Przędziecka, at least 130,000 shares to Mr Mirosław Szczepański, at least 130,000 shares to Mr Mariusz Przystupa.

An actuarial valuation of the Incentive Scheme for the assessment year 2022 was carried out. The valuation was based on the finite difference method. The valuation was carried out as at 28.01.2022 with an underlying asset exchange rate of PLN 9.08. A volatility of 43% and a risk-free rate of 3.3% were assumed. The value of the Incentive Scheme for the assessment year 2022 amounts to PLN 6,552,000.00, with 3,276,000.00 relating to the Scheme addressed to the Management Board of the subsidiary Unidevelopment SA. As the economic parameters were not met, the assumption was made that the Management Board of UNIBEP SA would not acquire the right to purchase UNIBEP SA shares and therefore no costs were charged to the period for this part of the actuarial valuation.

## 6.11. Restrictions on the transfer of securities ownership rights

As at the date of publication, there are no known limitations regarding the execution of voting rights by the owners of a specific part or number of shares, as well as of limitations regarding the transfer of ownership rights to the securities of the Company.

## 6.12. Credits, loans and other financial liabilities

	as of 31.12.2022	as of 31.12.2021
<b>Credits, loans and other financial liabilities – long-term</b>	<b>102,642,398.36</b>	<b>96,297,104.61</b>
Credit liabilities	10,285,844.50	-
Bond liabilities	92,356,553.86	96,297,104.61
<b>Credits, loans and other financial liabilities – short-term</b>	<b>14,621,469.79</b>	<b>23,975,121.75</b>
Credit liabilities	6,857,378.52	-
Bond liabilities	7,764,091.27	23,975,121.75
<b>TOTAL</b>	<b>117,263,868.15</b>	<b>120,272,226.36</b>

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## ISSUED BONDS AS OF 31.12.2022

Name of liability	Issue amount PLN	Value as of the balance sheet date PLN	Issue date	Redemption date
Series G bonds, 3-year, unsecured, interest-bearing	PLN 50,000.00 / 500,000 pieces, PLN 100.00 each	50,512,033.05	31.03.2021	31.03.2024
Series H bonds, 3-year, unsecured, interest-bearing	PLN 50,057,000.00 / 500,570 pieces, PLN 100.00 each	49,608,612.08	24.11.2021	24.11.2024
		<b>100,120,645.13</b>		

## ISSUED BONDS AS OF 31.12.2021

Name of liability	Issue amount PLN	Value as of the balance sheet date PLN	Issue date	Redemption date
Series F bonds, 3-year, unsecured, interest bonds	PLN 34,000,000.00 / 340,000 pieces, PLN 100.00 each	20,073,317.39	15.02.2019	15.02.2022
Series G bonds, 3-year, unsecured, interest-bearing	PLN 50,000.00 / 500,000 pieces, PLN 100.00 each	50,188,999.20	31.03.2021	31.03.2024
Series H bonds, 3-year, unsecured, interest-bearing	PLN 50,057,000.00 / 500,570 pieces, PLN 100.00 each	50,009,909.77	24.11.2021	24.11.2024
		<b>120,272,226.36</b>		

Series G, H bonds are listed on the Catalyst market operated by the Warsaw Stock Exchange as part of the alternative trading system.

Interest payment days:

Interest payment date of series G bonds: 31.03.2023, 30.09.2023, 31.03.2024

Interest payment date of series H bonds: 24.05.2023, 24.11.2023, 24.05.2024, 24.11.2024

The maturity structure of the long-term bonds is as follows:

	as of 31.12.2022	as of 31.12.2021
over 1 year to 3 years	102,642,398.36	96,297,104.61
<b>TOTAL</b>	<b>102,642,398.36</b>	<b>96,297,104.61</b>

The long-term bonds were valued using the adjusted acquisition price method. The contractual maturity structure of undiscounted cash flows under credits, loans and bonds is as follows:

### As of 31.12.2022

	Carrying amount	Undiscounted contractual cash flows
up to 1 year	14,621,469.79	17,292,772.30
over 1 year to 3 years	102,642,398.36	118,217,281.02
<b>Total</b>	<b>117,263,868.15</b>	<b>135,510,053.32</b>

### As of 31.12.2021

	Carrying amount	Undiscounted contractual cash flows
up to 1 year	23,975,121.75	24,840,019.14
over 1 year to 3 years	96,297,104.61	108,375,662.15
<b>Total</b>	<b>120,272,226.36</b>	<b>133,215,681.29</b>

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## SHORT-TERM LIABILITIES ON CREDITS 31.12.2022

As at 31.12.2022, the Company has a short-term liability for credits and available overdrafts, their drawing as at the last day of the year is PLN 6,857,378.52. The available limits are shown in the tables below:

Bank name	Amount of credit	Value as of	Repayment date	Type of credit
PKO BP SA*	PLN 10,000,000.00	PLN 0.00	31.05.2025	revolving bank overdraft
Santander Bank Polska SA**	PLN 10,000,000.00	PLN 0.00	30.09.2023	revolving bank overdraft
BNP Paribas Bank Polska SA	PLN 20,000,000.00	PLN 0.00	26.01.2024	revolving bank overdraft
mBank SA	PLN 10,000,000.00	PLN 0.00	24.02.2023	revolving bank overdraft
Bank Gospodarstwa Krajowego	PLN 25,000,000.00	PLN 0.00	28.02.2023	revolving bank overdraft
PEKAO SA	PLN 10,000,000.00	PLN 0.00	31.01.2024	revolving bank overdraft
ING Bank Śląski SA	PLN 20,000,000.00	PLN 6,857,378.52	31.05.2025	working capital credit
	<b>PLN 105,000,000.00</b>	<b>PLN 6,857,378.52</b>		

\*Under the trilateral contract: UNIBEP SA, UNIHOUSE SA, PKO BP SA

\*\*Overdraft drawn on Santander Bank Polska SA for the amount of 10,000,000.00 to be repaid on 30.09.2023 is to be used jointly by UNIBEP SA and UNIHOUSE SA

## SHORT-TERM CREDIT LIABILITIES 31.12.2021

As of 31.12.2021, the Company did not have any short-term credit liabilities. The Company has available overdraft limits; their drawing at the last day of the year is 0. The available limits are shown in the tables below:

Bank name	Amount of credit	Value as of	Repayment date	Type of credit
PKO BP SA*	PLN 10,000,000.00	PLN 0.00	30.11.2022	revolving bank overdraft
Santander Bank Polska SA**	PLN 10,000,000.00	PLN 0.00	30.09.2022	revolving bank overdraft
BNP Paribas Bank Polska SA	PLN 20,000,000.00	PLN 0.00	30.09.2022	revolving bank overdraft
mBank SA	PLN 10,000,000.00	PLN 0.00	24.02.2022	revolving bank overdraft
Bank Gospodarstwa Krajowego	PLN 25,000,000.00	PLN 0.00	28.02.2022	revolving bank overdraft
	<b>PLN 75,000,000.00</b>			

\*Under the trilateral contract: UNIBEP SA, UNIHOUSE SA, PKO BP SA

\*\*Overdraft drawn on Santander Bank Polska SA for the amount of 10,000,000.00 to be repaid on 30.09.2022 is to be used jointly by UNIBEP SA and UNIHOUSE SA

## LONG-TERM CREDIT LIABILITIES 31.12.2022

Bank name	Amount of credit	Value as of	Repayment date	Type of credit
ING Bank Śląski SA	PLN 20,000,000.00	PLN 10,285,844.50	31.05.2025	working capital credit

## LONG-TERM CREDIT LIABILITIES 31.12.2021

As of 31.12.2021, the Company did not have any long-term credit liabilities.

## LONG- AND SHORT-TERM LOAN LIABILITIES

As at 31.12.2022 and 31.12.2021, the Company had no loan liabilities.

During the reporting period, none of the credit contracts were terminated and there was no demand for early redemption of bonds.



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## 6.13. Lease

The Company has concluded lease contracts concerning the use of land, commercial premises, vehicles and machines.

### Present value of lease payments:

	as of 31.12.2022	as of 31.12.2021
less than 1 year	10,777,573.03	7,877,607.18
from 1 year to 5 years	27,051,093.06	21,072,074.48
over 5 years	6,049,490.77	6,335,404.50
<b>Total</b>	<b>43,878,156.86</b>	<b>35,285,086.16</b>

	as of 31.12.2022	as of 31.12.2021
Long-term lease liabilities	33,100,583.83	27,407,478.98
Short-term lease liabilities	10,777,573.03	7,877,607.18
<b>Total</b>	<b>43,878,156.86</b>	<b>35,285,086.16</b>

### Lease – supplementary data

	01.01-31.12.2022	01.01-31.12.2021
Amortisation	12,334,370.26	9,883,837.79
Interest expenses	1,930,022.84	1,348,409.98
Total expenditures on lease contracts	13,128,840.89	11,587,184.85
Short-term lease expenses	10,962,931.77	5,017,861.41
Low-value lease expenses below PLN 20 thousand	7,635,063.47	244,879.32
<b>Total</b>	<b>45,991,229.23</b>	<b>28,082,173.35</b>

Information on risks is presented in Section 4 of these financial statements.

## 6.14. Provisions

Employee benefit liabilities recognised in the statements of financial position:

	as of 31.12.2022	as of 31.12.2021
<b>Retirement severance pay</b>	<b>1,440,075.00</b>	<b>1,761,331.00</b>
current value as of the balance sheet date	1,440,075.00	1,761,331.00
<b>Disability severance pay</b>	<b>150,231.00</b>	<b>152,056.00</b>
current value as of the balance sheet date	150,231.00	152,056.00
<b>Liabilities for retirement and disability benefits, including:</b>	<b>1,590,306.00</b>	<b>1,913,387.00</b>
- long-term part	1,372,534.75	1,717,212.00
- short-term part	217,771.25	196,175.00

Changes in the liability on retirement and disability benefits are presented in the table below:

	as of 31.12.2022	as of 31.12.2021
<b>Opening balance of current liability</b>	<b>1,913,387.00</b>	<b>2,413,192.06</b>
interest expenses	70,899.00	35,010.00
current employment costs	285,233.00	338,382.66
benefits paid	-135,530.00	-150,715.72
actuarial gains/losses, including those arising from:	-543,683.00	-722,482.00
- adjustments of actuarial assumptions ex post	140,392.00	-53,136.00
- changes in demographic assumptions	-39,469.00	-122,828.00
- changes in financial assumptions	-644,606.00	-546,518.00
<b>Closing balance of current liability</b>	<b>1,590,306.00</b>	<b>1,913,387.00</b>



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Charges to the account under retirement and disability benefits are as follows:

	as of 31.12.2022	as of 31.12.2021
employment value	285,233.00	338,383.00
interest expenses	70,899.00	35,010.00
<b>Costs recognised in the profit and loss account</b>	<b>356,132.00</b>	<b>373,393.00</b>
actuarial gains/losses recognised in the period	-543,683.00	-722,482.00
<b>Costs recognised in other comprehensive income</b>	<b>-543,683.00</b>	<b>-722,482.00</b>
including costs of employee benefits recognised in the profit and loss account under:		
- manufacturing costs	180,752.30	266,590.40
- general and administrative costs	175,379.70	106,802.60

The actuarial assumptions are based on the following parameters for the years 2023-2026:

- discount rate in 2023 6.73%
- discount rate in 2022 3.92%
- the projected long-term increase in the Company's salary base in 2023 is 3.0% and in subsequent years - 5.0%

As of 31.12.2023, the actuarial projection of the current values of the future liabilities of the Company towards its employees is as follows:

ITEM/BENEFIT	Retirement severance pay	Disability severance pay	Total
opening balance of current liability	1,440,075.00	150,231.00	1,590,306.00
closing balance of current liability	1,609,042.00	167,340.00	1,776,382.00
including:			
short-term part	86,715.00	30,125.00	116,840.00
long-term part	1,522,327.00	137,215.00	1,659,542.00

As of 31.12.2023, the projection of the amount of provisions for employee benefits presented above is only indicative. The amount of liabilities as of the above date, in accordance with IAS 19, may differ significantly from the above forecast, in particular due to the failure to take into account actuarial gains and losses, which will be known only at the date of provision creation.

The amount of the provision for the above date should take into account any significant change in assumptions that occurs in the meantime, in particular significant changes in the structure, current workforce, engagement of new employees, actual rather than projected salary increases, turnover levels, discounts, etc.

In estimating the forecast, it was assumed that, at the time the forecast is expected to be made, employees of the Entity will neither have reached retirement age by that time nor have already received their retirement or disability severance pay. If these assumptions are not fully met, a deviation of the above forecast from the actual amount of future provisions should also be expected.

#### Provision sensitivity analysis

The discount rate, the salary increase rate and the rotation rate are key actuarial assumptions that affect the provisions for employee benefits. The choice of the discount rate is related to the current situation on the treasury bond market, while the choice of the planned remuneration increases reflects the strategy of the Company in terms of shaping the remuneration policy in the future. In addition, the provisions for employee benefits are affected by the employee turnover rate depending on the historical turnover of the Company employees.

In accordance with IAS 19, the Company discloses a sensitivity analysis for each significant actuarial assumption at the end of the reporting period, showing the effect changes in the relevant actuarial assumptions would have on the liability.



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The results of the calculations are as follows as of 31.12.2022:

PARAMETER/BENEFIT	Retirement severance pay	Disability severance pay	Unused holiday leaves	TOTAL
Initial amounts of provisions	1,440,075.00	150,231.00	5,341,839.00	6,932,145.00
Turnover coefficient -1.0%	1,499,031.00	156,528.00	5,341,839.00	6,997,398.00
Turnover coefficient +1.0%	1,386,972.00	144,444.00	5,341,839.00	6,873,255.00
Technical discount rate -0.50%	1,518,798.00	154,749.00	5,341,839.00	7,015,386.00
Technical discount rate +0.50%	1,367,945.00	146,054.00	5,341,839.00	6,855,838.00
<i>base increases</i>				
Salary in the Company -1.0%	1,423,930.00	149,019.00	5,341,839.00	6,914,788.00
Salary in the Company +1.0%	1,466,358.00	151,972.00	5,341,839.00	6,960,169.00
Minimum salary -1.0%	1,322,278.00	143,548.00	5,341,839.00	6,807,665.00
Minimum salary +1.0%	1,585,751.00	158,192.00	5,341,839.00	7,085,782.00

The results of the calculations are as follows as of 31.12.2021:

PARAMETER/BENEFIT	Retirement severance pay	Disability severance pay	Unused holiday leaves	Total
Initial amounts of provisions	1,761,331.00	152,056.00	4,496,940.00	6,410,327.00
Turnover coefficient -1.0%	1,854,890.00	159,713.00	4,496,940.00	6,511,543.00
Turnover coefficient +1.0%	1,678,194.00	145,083.00	4,496,940.00	6,320,217.00
Technical discount rate -0.50%	1,875,912.00	157,504.00	4,496,940.00	6,530,356.00
Technical discount rate +0.50%	1,657,532.00	146,958.00	4,496,940.00	6,301,430.00
<i>base increases</i>				
Salary in the Company -1.0%	1,732,387.00	150,280.00	4,496,940.00	6,379,607.00
Salary in the Company +1.0%	1,808,044.00	154,554.00	4,496,940.00	6,459,538.00
Minimum salary -1.0%	1,605,221.00	144,542.00	4,496,940.00	6,246,703.00
Minimum salary +1.0%	1,960,629.00	161,052.00	4,496,940.00	6,618,621.00

The last valuation of an independent actuary was performed as of 31 December 2022.

	01.01-31.12.2022	01.01-31.12.2021
<b>OPENING BALANCE OF OTHER LONG-TERM PROVISIONS</b>	<b>35,312,704.17</b>	<b>30,890,994.24</b>
Guarantee repairs	35,312,704.17	30,890,994.24
<b>Increases</b>	<b>12,023,890.28</b>	<b>8,791,330.93</b>
Guarantee repairs	12,023,890.28	8,791,330.93
<b>Release</b>	<b>10,451,760.20</b>	<b>4,369,621.00</b>
Guarantee repairs – transfer to short-term	10,451,760.20	4,369,621.00
<b>CLOSING BALANCE OF OTHER LONG-TERM PROVISIONS</b>	<b>36,884,834.25</b>	<b>35,312,704.17</b>
Guarantee repairs	36,884,834.25	35,312,704.17



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	01.01-31.12.2022	01.01-31.12.2021
<b>OPENING BALANCE OF OTHER SHORT-TERM PROVISIONS</b>	<b>132,266,785.37</b>	<b>125,327,514.53</b>
Employee benefits	17,504,671.20	17,164,242.85
Guarantee repairs	2,688,112.95	4,180,068.25
Planned losses in long-term contracts	4,233,287.17	881,150.25
Costs of subcontractors	105,484,619.58	101,796,553.18
Disputes	1,720,000.00	520,000.00
Other costs	636,094.47	785,500.00
<b>Increases</b>	<b>1,203,060,596.34</b>	<b>801,810,085.72</b>
Employee benefits	25,444,088.71	21,164,387.22
Guarantee repairs	10,451,760.20	4,369,621.00
Planned losses in long-term contracts	-	3,352,136.92
Costs of subcontractors	1,166,122,900.63	771,129,262.18
Disputes	-	1,200,000.00
Other costs	1,041,846.80	594,678.40
<b>Use</b>	<b>1,161,747,957.38</b>	<b>794,870,814.88</b>
Employee benefits	22,138,140.11	20,823,958.87
Guarantee repairs	9,768,972.27	5,861,576.30
Planned losses in long-term contracts	3,766,548.50	-
Costs of subcontractors	1,124,683,376.38	767,441,195.78
Disputes	520,000.00	-
Other costs	870,920.12	744,083.93
<b>CLOSING BALANCE OF OTHER SHORT-TERM PROVISIONS</b>	<b>173,579,424.33</b>	<b>132,266,785.37</b>
Employee benefits	20,810,619.80	17,504,671.20
Guarantee repairs	3,370,900.88	2,688,112.95
Planned losses in long-term contracts	466,738.67	4,233,287.17
Costs of subcontractors	146,924,143.83	105,484,619.58
Disputes	1,200,000.00	1,720,000.00
Other costs	807,021.15	636,094.47

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## 6.15. Trade and other liabilities

### Long-term trade and other liabilities

There were no long-term trade and other liabilities at both 31.12.2022 and 31.12.2021.

### Short-term trade and other liabilities

	as of 31.12.2022	as of 31.12.2021
<b>Trade and other liabilities</b>	<b>365,489,260.89</b>	<b>193,725,710.17</b>
Trade liabilities	305,591,027.83	179,993,942.12
Tax, customs, insurance liabilities	7,176,470.26	5,451,917.49
Payroll liabilities	1,043,238.60	945,661.42
Accruals	51,442,592.20	7,088,604.12
Special funds	16,852.66	15,450.16
Other liabilities	219,079.34	230,134.86
<b>Trade and other short-term liabilities</b>	<b>365,489,260.89</b>	<b>193,725,710.17</b>

### Trade liabilities - maturing from the balance sheet date:

	as of 31.12.2022	as of 31.12.2021
up to 1 month	161,444,861.75	110,591,554.84
over 1 month up to 3 months	63,312,001.09	38,808,003.03
over 3 months up to 6 months	1,311,709.78	1,012,761.53
over 6 months up to 1 year	98,836.65	118,080.00
over 1 year	-	216,480.00
overdue liabilities	79,423,618.56	29,247,062.72
<b>TRADE LIABILITIES</b>	<b>305,591,027.83</b>	<b>179,993,942.12</b>

### Overdue trade liabilities:

	as of 31.12.2022	as of 31.12.2021
up to 1 month	59,310,358.52	27,150,857.24
over 1 month up to 3 months	19,293,342.49	708,775.55
over 3 months up to 6 months	46,491.63	522,245.76
over 6 months up to 1 year	117,040.69	217,678.21
over 1 year	656,385.23	647,505.96
<b>OVERDUE TRADE LIABILITIES</b>	<b>79,423,618.56</b>	<b>29,247,062.72</b>

### Short-term liabilities - by currency:

	as of 31.12.2022	as of 31.12.2021
<b>Liabilities in PLN</b>	<b>363,917,978.18</b>	<b>191,202,041.45</b>
Liabilities in RUB	-	307.60
<b>Liabilities in RUB after conversion into PLN</b>	<b>-</b>	<b>16.67</b>
Liabilities in EUR	196,815.26	196,401.29
<b>Liabilities in EUR after conversion into PLN</b>	<b>923,043.90</b>	<b>903,328.09</b>
Liabilities in UAH	189,171.51	996.66
<b>Liabilities in UAH after conversion into PLN</b>	<b>23,797.77</b>	<b>148.20</b>
Liabilities in NOK	1,391,379.48	2,029,180.63
<b>Liabilities in NOK after conversion into PLN</b>	<b>620,694.39</b>	<b>935,046.43</b>
Liabilities in SEK	3,281.00	1,375,308.00
<b>Liabilities in SEK after conversion into PLN</b>	<b>1,382.29</b>	<b>614,963.17</b>
Liabilities in BYN	1,825.06	42,242.12
<b>Liabilities in BYN after conversion into PLN</b>	<b>2,364.36</b>	<b>68,166.16</b>
<b>Total</b>	<b>365,489,260.89</b>	<b>193,725,710.17</b>



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## 6.16. Current and deferred tax

Deferred income tax assets and provisions are created based on the rate of 19% due to the assumed possibility of settling a significant part of assets and provisions in the Polish CIT, also with respect to foreign markets for taxable and deductible temporary differences concerning assets and liabilities.

Changes in deferred income tax assets and liabilities by title are as follows:

### Deferred income tax assets

For the period from 01.01.2022 to 31.12.2022

	Opening balance of assets	Creation / (use) of an asset through the profit and loss account	Creation / (use) of an asset through other comprehensive income	Closing balance of assets
Provision for guarantee repairs	7,220,155.00	428,435.00	-	7,648,590.00
Provision for employee benefits	4,280,495.00	711,900.00	-	4,992,395.00
Provision for costs of subcontractors	21,388,913.00	16,300,767.00	-	37,689,680.00
Provision for liabilities	228,000.00	-	-	228,000.00
Contracts (decrease in revenue "-")	2,273,193.00	7,469,983.00	-	9,743,176.00
Contracts – provision for losses	804,324.00	-715,644.00	-	88,680.00
Production not completed for tax purposes	6,314,125.00	8,276,063.00	-	14,590,188.00
Unrealised foreign exchange rate losses	544,131.00	243,785.00	-	787,916.00
Unpaid interest	8,345.00	-1,865.00	-	6,480.00
Receivables discounting	289,126.00	418,815.00	-	707,941.00
Write-off of other assets	8,641,261.00	420,728.00	-	9,061,989.00
Difference between tax base and carrying amount of inventory	24,700.00	-24,700.00	-	-
Valuation of derivative instruments	464,972.00	-583,950.00	-	-118,978.00
Valuation of credits, loans, bonds, bills of exchange	69,393.00	-57,230.00	-	12,163.00
Actuarial gains and losses accounted for in the revaluation reserve	133,126.00	-	-103,300.00	29,826.00
Revaluation reserve – valuation of derivative instruments	223,618.00	-	-156,130.00	67,488.00
Other titles	236,415.00	-57,355.00	-	179,060.00
<b>Total</b>	<b>53,144,292.00</b>	<b>32,829,732.00</b>	<b>-259,430.00</b>	<b>85,714,594.00</b>

For the period from 01.01.2021 to 31.12.2021

	Opening balance of assets	Creation / (use) of an asset through the profit and loss account	Creation / (use) of an asset through other comprehensive income	Closing balance of assets
Provision for guarantee repairs	6,663,502.00	556,653.00	-	7,220,155.00
Provision for employee benefits	3,546,413.00	734,082.00	-	4,280,495.00
Provision for costs of subcontractors	19,911,248.00	1,477,665.00	-	21,388,913.00
Provision for liabilities	-	228,000.00	-	228,000.00
Contracts (decrease in revenue "-")	2,844,656.00	-571,463.00	-	2,273,193.00
Contracts – provision for losses	167,419.00	636,905.00	-	804,324.00
Production not completed for tax purposes	2,327,548.00	3,986,577.00	-	6,314,125.00
Unrealised foreign exchange rate losses	617,235.00	-73,104.00	-	544,131.00
Unpaid interest	6,279.00	2,066.00	-	8,345.00
Receivables discounting	8,136.00	280,990.00	-	289,126.00
Write-off of other assets	8,263,612.00	377,649.00	-	8,641,261.00
Difference between tax base and carrying amount of inventory	24,700.00	-	-	24,700.00
Valuation of derivative instruments	221,917.00	243,055.00	-	464,972.00
Valuation of credits, loans, bonds, bills of exchange	63,247.00	6,146.00	-	69,393.00
Actuarial gains and losses accounted for in the revaluation reserve	270,397.00	-	-137,271.00	133,126.00
Revaluation reserve – valuation of derivative instruments	549,954.00	-	-326,336.00	223,618.00
Other titles	149,245.00	87,170.00	-	236,415.00
<b>Total</b>	<b>45,635,508.00</b>	<b>7,972,391.00</b>	<b>-463,607.00</b>	<b>53,144,292.00</b>

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## Deferred income tax liabilities

For the period from 01.01.2022 to 31.12.2022

	Opening balance of provisions	Creation / (use) of a provision through the profit and loss account	Closing balance of provisions
Contracts (increase in revenue "+")	17,140,114.00	27,552,624.00	44,692,738.00
Lease (net value of fixed assets – lease liabilities)	13,117.00	-222,482.00	-209,365.00
Liabilities discounting	2,618,720.00	1,717,397.00	4,336,117.00
Penalties accrued, but not received	-2,492,081.00	81,827.00	2,573,908.00
Interest not received	665,163.00	-419,376.00	245,787.00
Unrealised foreign exchange gains	341,668.00	36,082.00	377,750.00
Valuation of bonds, credits, loans, bills of exchange	158,868.00	26,642.00	185,510.00
Valuation of derivative instruments	302,922.00	-273,289.00	29,633.00
Difference between tax value and balance sheet value of tangible fixed assets	816,865.00	-217,640.00	599,225.00
<b>Total</b>	<b>24,549,518.00</b>	<b>28,281,785.00</b>	<b>52,831,303.00</b>

For the period from 01.01.2021 to 31.12.2021

	Opening balance of provisions	Creation / (use) of a provision through the profit and loss account	Closing balance of provisions
Contracts (increase in revenue "+")	8,975,067.00	8,165,047.00	17,140,114.00
Lease (net value of tangible fixed assets – lease liability)	-80,137.00	93,254.00	13,117.00
Liabilities discounting	1,688,473.00	930,247.00	2,618,720.00
Penalties accrued, but not received	2,452,077.00	40,004.00	2,492,081.00
Interest not received	165,059.00	500,104.00	665,163.00
Unrealised foreign exchange gains	455,544.00	-113,876.00	341,668.00
Valuation of bonds, credits, loans, bills of exchange	-	158,868.00	158,868.00
Valuation of derivative instruments	38,070.00	264,852.00	302,922.00
Difference between tax value and balance sheet value of tangible fixed assets	1,188,203.00	-371,336.00	816,865.00
<b>Total</b>	<b>14,882,356.00</b>	<b>9,667,162.00</b>	<b>24,549,518.00</b>

In the statement of financial position the deferred income tax assets and provisions are presented per balance. As at 31.12.2022, deferred tax assets amount to PLN 32,883,291.00, and as at 31.12.2021, deferred tax assets amounted to PLN 28,594,774.00.

## RECONCILIATION

	01.01-31.12.2022	01.01-31.12.2021
<b>Pre-tax profit (loss)</b>	<b>15,738,145.04</b>	<b>20,312,130.54</b>
At a tax rate of 19%	2,990,247	3,859,305
Difference in burden for foreign operations	449,501.64	494,265.01
Permanent differences not covered by current and deferred tax	-1,313,262.46	-706,767.00
Other	57,560.63	-136,273.00
Actual income tax expense	2,184,046.81	3,510,530.01
Effective tax rate	13.88%	17.28%

## INCOME TAX RECOGNISED IN THE PROFIT AND LOSS ACCOUNT

	01.01-31.12.2022	01.01-31.12.2021
<b>Current income tax</b>	<b>6,731,993.81</b>	<b>1,815,759.01</b>
Related to the financial year	6,731,993.81	1,815,759.01
<b>Deferred income tax</b>	<b>-4,547,947.00</b>	<b>1,694,771.00</b>
Related to the creation and reversal of temporary differences	-4,547,947.00	1,694,771.00
<b>Tax burden presented in the profit and loss account</b>	<b>2,184,046.81</b>	<b>3,510,530.01</b>

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## INCOME TAX RECOGNISED IN EQUITY

	01.01-31.12.2022	01.01-31.12.2021
<b>Deferred income tax</b>	<b>259,430.00</b>	<b>463,607.00</b>
Net profit/loss tax on revaluation of cash flow hedges	156,130.00	326,336.00
Tax on actuarial gains and losses under the defined benefit plan recognised in accordance with paragraph 128 of IAS 19 Employee Benefits	103,300.00	137,271.00
<b>(Tax advantage)/tax burden recognised in other comprehensive income</b>	<b>259,430.00</b>	<b>463,607.00</b>

Tax rates on the markets where the Company operates are as follows:

Republic of Belarus – 18%

Ukraine – 18%

As of 31.12.2022 and 31.12.2021, the Company does not recognise an asset for tax losses.

Since 1 April 2019, the Unibep SA has been in the process of tax inspection in Germany for the years 2014-2016 in the area of corporate tax, tax on goods and services and tax on industrial and commercial activities. As previously reported, on 30.09.2020, the Company was provided with a decision determining the amount of the tax liability based on the application of the cost method for tax settlements and the rejection of the method used by the Company. In principle, the decision did not provide a justification for the application of the cost method. The Company appealed the decision, as its position, supported by the opinion of German advisors, had not changed. On 19.01.2021, the Company was informed that the documentation submitted for the appeal would be reviewed. As of the date of publication of these financial statements, the Company has not received any information as to the standpoint of the appeal authority.

On 20.05.2022, a cassation hearing was held before the Supreme Administrative Court in the case of UNIBEP SA's complaint against the tax interpretation concerning the detailed rules for determining the amount of loss incurred on the German market for individual years to be deducted in CIT. The Supreme Administrative Court rejected the Company's complaint. The judgement has no material impact on the Company's report.

Generally, the Company recognises that tax settlements and other settlements (i.e. under employment, customs, transactions with foreign entities) are and may in the future be subject to inspection by Polish and foreign tax authorities as well as by other central and local offices and institutions, which are entitled to impose significant penalties. The arrears revealed as a result of the inspection are encumbered with interest. Tax and other settlements mentioned above may be subject to inspection at any time within 5 years from the end of the financial year to which they relate, and on foreign markets – up to 10 years.

Tax risk, both in Poland and on foreign markets, occurs and we treat it as typical in our business activity. The Company reduces the tax risk abroad by using services of specialised tax and accounting offices accredited in the given country, as well as audit firms and law firms.

## 6.17. Contractual assets and liabilities

For the period from 01.01.2022 to 31.12.2022

	Opening balance	Change in the valuation of long-term contracts	Revenue recognised in the current period included in the liabilities for the previous year	Reduction as a result of acquiring an unconditional right to payment	Advances received for executed contracts	Closing balance
Valuation of long-term contracts	90,172,198.68	231,641,217.80	-	-86,731,104.09	-	235,082,312.39
<b>Contractual assets</b>	<b>90,172,198.68</b>	<b>231,641,217.80</b>	-	<b>-86,731,104.09</b>	-	<b>235,082,312.39</b>
Advances received from contracts with clients	7,088,760.94	-	-6,771,220.33	-	32,832,834.21	33,150,374.82
Valuation of long-term contracts	11,964,173.77	51,219,751.97	-11,904,052.63	-	-	51,279,873.11
<b>Contractual liabilities</b>	<b>19,052,934.71</b>	<b>51,219,751.97</b>	<b>-11,904,052.63</b>	-	<b>32,832,834.21</b>	<b>84,430,247.93</b>

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For the period from 01.01.2021 to 31.12.2021

	Opening balance	Change in the valuation of long-term contracts	Revenue recognised in the current period included in the liabilities for the previous year	Reduction as a result of acquiring an unconditional right to payment	Advances received for executed contracts	Closing balance
Valuation of long-term contracts	47,217,389.27	84,257,343.26	-	-41,302,533.85	-	90,172,198.68
<b>Contractual assets</b>	<b>47,217,389.27</b>	<b>84,257,343.26</b>	-	<b>-41,302,533.85</b>	-	<b>90,172,198.68</b>
Advances received from contracts with clients	56,727,342.81	-	-55,303,981.52	-	5,665,399.65	7,088,760.94
Valuation of long-term contracts	14,971,875.30	11,890,607.47	-14,898,309.00	-	-	11,964,173.77
<b>Contractual liabilities</b>	<b>71,699,218.11</b>	<b>11,890,607.47</b>	<b>-70,202,290.52</b>	-	<b>5,665,399.65</b>	<b>19,052,934.71</b>

The Company recognises revenue from construction contracts in accordance with the percentage of completion method, measured by the share of costs incurred from the date of contract conclusion to the date of revenue determination in the total costs of service provision. If it is probable that the total contract costs will exceed the total revenue, the expected loss is charged to operating expenses.

	as of 31.12.2022	as of 31.12.2021
The total amount of the transaction price attributed to the provision of service which remained unfulfilled at the end of the reporting period, to be provided during the period:	3,129,243,395.50	1,902,066,919.29
up to 1 year	1,916,132,136.68	1,064,951,640.27
over 1 year	1,213,111,258.82	837,115,279.02

## 6.18. Deposits on contracts with clients

	as of 31.12.2022	as of 31.12.2021
Retained by recipients – to be returned after 12 months	17,387,281.81	26,533,459.43
Retained by recipients – to be returned within 12 months	25,744,909.61	24,662,033.53
<b>Total net deposits on contracts with clients retained by recipients</b>	<b>43,132,191.42</b>	<b>51,195,492.96</b>
Revaluation write-off on receivables from deposits	3,137,927.87	1,368,428.79
<b>Total deposits under construction contracts retained by recipients after gross revaluation write-off</b>	<b>46,270,119.29</b>	<b>52,563,921.75</b>
Retained from suppliers – to be returned after 12 months	42,868,329.51	48,458,880.74
Retained from suppliers – to be returned within 12 months	57,588,221.87	41,112,283.90
<b>Total deposits retained from suppliers</b>	<b>100,456,551.38</b>	<b>89,571,164.64</b>

### DISCOUNT

	as of 31.12.2022	as of 31.12.2021
Discount of deposits on contracts with clients retained by recipients	3,726,008.05	1,521,718.69
Discount of deposits retained from suppliers	22,821,665.55	13,782,735.71

The expected credit losses on deposits as of 31.12.2022 amount to PLN 3,137,927.87. Information on expected credit losses on the deposit is presented in Note 6.6.

Deposits on construction contracts are subject to discounting (receivables 5.87% in PLN and 2.23% in EUR, liabilities 10.64% in PLN and 5.53% in EUR) and are disclosed in the balance sheet at amortised cost. The tables show the effects of discounting recognised in the balance sheet and the profit and loss account of the Company for individual periods. The discount amounts given decrease the nominal value of receivables from and liabilities on deposits, respectively. In addition, deferred tax is recognised in the balance sheet at the amounts given, calculated at the applicable tax rate and on the effect of the change in the discount value in the profit and loss account.

As at 31 December 2022, the largest deposits retained by one recipient amounted to 29.59% (7.58% for one project) of all the receivables from deposits.



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As of 31 December 2021, the largest deposits retained by one recipient amounted to 37.88% (8.49% for one project) of all the receivables from deposits.

The table below presents the ageing analysis of overdue deposits, but not impaired, at their nominal value after discounting.

**Deposits due from contracts with clients, overdue, unpaid in the period:**

	as of 31.12.2022	as of 31.12.2021
up to 1 month	3,965,469.63	2,940,015.13
over 1 month up to 3 months	562,826.64	8,004.61
over 3 months up to 6 months	1,835,457.37	832,754.41
over 6 months up to 1 year	1,660,145.59	2,238,299.19
over 1 year	3,141,002.13	1,710,174.29
<b>Total overdue deposits on contracts with clients</b>	<b>11,164,901.36</b>	<b>7,729,247.63</b>

**6.19. Information on operating segments**

**SEGMENT REPORTING AS OF 31.12.2022**

	Residential and commercial construction	Infrastructure	Other modular activities	Energy and industrial construction	Total
Revenue from contracts with clients external sales	1,053,731,755.80	301,181,635.16	-1,915,116.63	312,192,050.72	1,665,190,325.05
Costs of products, goods and materials sold	1,032,062,130.55	288,567,033.96	2,936,808.94	284,023,434.89	1,607,589,408.34
<b>Gross profit on sales</b>	<b>21,669,625.25</b>	<b>12,614,601.20</b>	<b>-4,851,925.57</b>	<b>28,168,615.83</b>	<b>57,600,916.71</b>
% gross profit on sales	2.06%	4.19%	x	9.02%	3.46%
Selling costs			x		-
General and administrative costs			x		40,358,254.12
Results on other operating activities			x		137,895.82
<b>Operating activities profit</b>			<b>x</b>		<b>17,380,558.41</b>
Financial revenue, including: interest revenue	9,327,382.66	-1,902,343.76	-145,769.65		20,448,416.27
derivative instruments	144,881.42	-	-105,850.38	-548,310.53	7,279,269.25
Financial expenses, including: interest expenses	12,836,550.87	1,219,771.18	18,002.99	60,087.66	15,818,458.16
derivative instruments	-1,458,142.61		-137,885.45	-548,310.53	-2,144,338.59
Expected credit losses			x		6,272,371.48
<b>Pre-tax profit</b>			<b>x</b>		<b>15,738,145.04</b>
Income tax			x		2,184,046.81
<b>Net profit</b>			<b>x</b>		<b>13,554,098.23</b>

**SEGMENT REPORTING AS OF 31.12.2021**

	Residential and commercial construction	Infrastructure	Other modular activities	Total
Revenue from contracts with clients external sales	941,825,113.25		289,169,544.00	1,254,683,492.64
Costs of products, goods and materials sold	887,451,227.86		277,823,099.61	1,197,092,101.73
<b>Gross profit on sales</b>	<b>54,373,885.39</b>		<b>11,346,444.39</b>	<b>57,591,390.91</b>
% gross profit on sales	5.77%		3.92%	4.59%
Sales costs		x		-
General and administrative costs		x		45,300,758.82
Results on other operating activities		x		-936,769.75
<b>Operating activities profit</b>		<b>x</b>		<b>11,353,862.34</b>
Financial revenue, including: interest revenue	3,352,889.97		2,754,153.60	17,021,107.90
derivative instruments	1,420,903.53			6,157,979.29
Financial expenses, including: interest expenses	4,091,939.42		647,451.73	1,425,633.27
derivative instruments	2,199,599.49			6,075,214.09
Expected credit losses				4,777,230.18
<b>Pre-tax profit</b>		<b>x</b>		<b>20,312,130.54</b>
Income tax		x		3,510,530.01
<b>Net profit</b>		<b>x</b>		<b>16,801,600.53</b>

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## As of 31.12.2022

	Residential and commercial construction	Infrastructure	Energy and Industrial development	Other modular activities	Amounts not allocated to segments	Total
Assets	439,227,122.80	160,896,268.08	231,067,836.21	18,392,378.12	286,669,932.96	1,136,253,538.17
<b>Total assets</b>	<b>439,227,122.80</b>	<b>160,896,268.08</b>	<b>231,067,836.21</b>	<b>18,392,378.12</b>	<b>286,669,932.96</b>	<b>1,136,253,538.17</b>
Equity	-	-	-	-	210,718,827.07	210,718,827.07
Liabilities	470,012,427.74	163,418,223.90	152,062,979.18	22,031,975.67	118,009,104.61	925,534,711.10
<b>Total liabilities</b>	<b>470,012,427.74</b>	<b>163,418,223.90</b>	<b>152,062,979.18</b>	<b>22,031,975.67</b>	<b>328,727,931.68</b>	<b>1,136,253,538.17</b>
Amortisation	6,282,844.74	9,937,498.96	398,924.14	89,236.11	-	16,708,503.95

## As of 31.12.2021

	Residential and commercial construction	Infrastructure	Other modular activities	Amounts not allocated to segments	Total
Assets	394,003,794.64	127,702,032.81	8,010,797.69	308,876,554.21	838,593,179.35
<b>Total assets</b>	<b>394,003,794.64</b>	<b>127,702,032.81</b>	<b>8,010,797.69</b>	<b>308,876,554.21</b>	<b>838,593,179.35</b>
Equity	-	-	-	209,151,899.50	209,151,899.50
Liabilities	370,100,599.85	125,005,282.94	9,485,626.09	124,849,770.97	629,441,279.85
<b>Total liabilities</b>	<b>370,100,599.85</b>	<b>125,005,282.94</b>	<b>9,485,626.09</b>	<b>334,001,670.47</b>	<b>838,593,179.35</b>
Amortisation	5,080,073.78	8,607,065.58	84,843.88	-	13,771,983.24

The Company received revenue from a single external business partner in 2022 of more than 10% of total revenue from client contracts, while the Company did not receive such revenue from single external clients in 2021.

The cost of obtaining information on revenue from external clients for particular products and services included in the segments is associated with excessive cost of obtaining such revenue.

## Information on geographical areas

### Period ended on 31.12.2022

	Revenue from external clients	Fixed assets*
Domestic	1,666,693,420.80	75,864,667.53
Export, including:	-1,503,095.75	262,695.82
Scandinavia, including:	-1,915,116.63	9,372.47
Norway	-2,847,084.63	9,372.47
Sweden	931,968.00	-
Eastern market, including:	412,020.88	253,323.35
Belarus	89,009.52	98,418.46
Ukraine	323,011.36	154,904.89
<b>Total</b>	<b>1,665,190,325.05</b>	<b>76,127,363.35</b>

\*Fixed assets, i.e. tangible fixed assets, intangible assets

### Period ended on 31.12.2021

	Revenue from external clients	Fixed assets*
Domestic	1,147,207,934.84	63,890,970.46
Export, including:	107,475,557.80	233,894.79
Scandinavia, including:	23,688,835.39	-
Norway	1,783,181.82	-
Sweden	21,905,653.57	-
Eastern market, including:	83,786,722.41	233,894.79
Belarus	3,569,481.11	152,677.68
Ukraine	80,217,241.30	81,217.11
<b>Total</b>	<b>1,254,683,492.64</b>	<b>64,124,865.25</b>

\*Fixed assets, i.e. tangible fixed assets, intangible assets

The geographical distribution of revenue from sales corresponds to the location of clients and is consistent with the internal organisational structure of the Company.

The distribution of the total amount of fixed assets and investment expenditures corresponds to their use in the activities of each of the territorial segments.

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## 6.20. Revenue from contracts with clients

### NET REVENUE FROM SALES OF PRODUCTS AND SERVICES (MATERIAL STRUCTURE – TYPES OF ACTIVITIES)

	01.01-31.12.2022	01.01-31.12.2021
Total revenue from sales of products – domestic	1,643,487,270.90	1,134,400,855.28
Sales of construction services	1,638,680,548.71	1,130,894,017.95
Sales of other services	4,826,722.19	3,506,837.33
Total revenue from sales of products – export	-1,503,095.75	107,428,323.32
Sales of construction services	-1,503,095.75	107,428,243.20
Sales of other services	-	80.12
Net revenue from sales of products and services	1,641,984,175.15	1,241,829,178.60

### NET REVENUE FROM SALES OF PRODUCTS AND MATERIALS (MATERIAL STRUCTURE – TYPES OF ACTIVITIES)

	01.01-31.12.2022	01.01-31.12.2021
Sales of materials – domestic	23,206,149.90	12,807,079.56
Construction activities	23,206,149.90	12,807,079.56
Sales of materials – export	-	47,234.48
Construction activities	-	47,234.48
Net revenue from sales of goods and materials	23,206,149.90	12,854,314.04

### Breakdown of revenue by client category

	01.01-31.12.2022	01.01-31.12.2021
Public client	459,524,906.10	388,175,640.78
Private client	1,205,665,418.95	866,507,851.86
Revenue from contracts with clients	1,665,190,325.05	1,254,683,492.64

### Breakdown of revenue by price category

	01.01-31.12.2022	01.01-31.12.2021
Flat rate	1,515,646,857.47	1,111,931,913.56
Cost estimation	149,543,467.58	142,751,579.08
Revenue from contracts with clients	1,665,190,325.05	1,254,683,492.64

## 6.21. Expenses by type

	01.01-31.12.2022	01.01-31.12.2021
Amortisation	16,708,503.95	13,771,983.24
Consumption of materials and energy	447,758,147.27	310,314,868.59
External services	1,036,589,023.25	843,645,965.99
Taxes and charges	1,949,229.27	1,796,183.96
Remuneration	114,647,534.86	98,337,967.67
Social insurance and other benefits	25,169,733.68	20,079,920.95
Other costs by type	7,926,754.05	6,516,378.85
Total costs by type	1,650,748,926.33	1,294,463,269.25
Change in inventory, products and accruals	81,057,681.36	8,375,834.26
Manufacturing cost of products for internal purposes	-106,594,161.03	-73,199,924.21
General and administrative costs	-40,358,254.12	-45,300,758.82
Manufacturing costs of products and services sold	1,584,854,192.54	1,184,338,420.48

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## 6.22. Other operating revenue and expenses

### OTHER OPERATING REVENUE

	01.01-31.12.2022	01.01-31.12.2021
Profit on disposal of non-financial fixed assets	1,352,836.43	874,171.30
Release of provisions and revaluation of non-financial assets	400,000.00	-
Written-off liabilities	189,459.83	791,751.28
Penalties and compensation	1,159,234.33	783,529.16
Other	850,791.39	834,519.33
<b>Total</b>	<b>3,952,321.98</b>	<b>3,283,971.07</b>

### OTHER OPERATING EXPENSES

	01.01-31.12.2022	01.01-31.12.2021
Provision for liabilities	-	1,200,000.00
Costs of disputable issues	1,846,045.54	1,036,442.53
Damage to property and compensations	975,600.21	1,339,973.48
Other	992,780.41	644,324.81
<b>Total</b>	<b>3,814,426.16</b>	<b>4,220,740.82</b>

## 6.23. Financial revenue and expenses, expected credit losses

### FINANCIAL REVENUE

	01.01-31.12.2022	01.01-31.12.2021
Interest:	8,934,729.60	5,858,851.99
including interest calculated using the effective interest rate	8,906,927.78	5,808,140.22
interest on loans granted	9,281,262.80	3,346,085.29
valuation of credits, loans and bonds	140,223.87	1,043,711.15
interest revenue from deposits	1,515,236.48	-1,342,838.45
bank interest	29,915.31	7,028.63
interest due from business partners	-2,059,710.68	2,754,153.60
Other interest	27,801.82	50,711.77
Total other financial revenue	11,513,686.67	11,162,255.91
<b>Total</b>	<b>20,448,416.27</b>	<b>17,021,107.90</b>

### Other financial revenue

	01.01-31.12.2022	01.01-31.12.2021
Foreign exchange gains	-	522,115.85
Other, including:	11,513,686.67	10,640,140.06
valuation of derivative instruments	-509,279.49	496,552.08
commissions on financial operations	225,999.87	427,540.50
dividend	11,796,966.29	8,786,966.29
reversal of valuation of derivative instruments	-	929,081.19
<b>Total other financial revenue</b>	<b>11,513,686.67</b>	<b>11,162,255.91</b>

### FINANCIAL EXPENSES

	01.01-31.12.2022	01.01-31.12.2021
Interest, including:	14,554,844.14	2,862,876.01
interest on credits, loans and bonds	11,858,520.10	2,873,990.35
interest on lease	1,916,347.22	1,363,952.68
valuation of credits, loans and bonds	-301,213.21	239,909.69
interest on liabilities	131,736.00	60,492.56
Other	227,809.38	478,794.59
interest expenses on deposits	721,644.65	-2,154,263.86
Total other financial expenses	1,263,614.02	3,212,338.08
<b>Financial expenses</b>	<b>15,818,458.16</b>	<b>6,075,214.09</b>

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## Other financial expenses

	01.01-31.12.2022	01.01-31.12.2021
Foreign exchange losses	2,415,732.87	-
Other, including:	-1,152,118.85	3,212,338.08
commissions	754,949.76	698,237.31
execution of derivative instruments	-	905,523.82
valuation of derivative instruments	-2,144,338.59	1,310,911.43
Other	237,269.98	297,665.52
<b>Total other financial expenses</b>	<b>1,263,614.02</b>	<b>3,212,338.08</b>

## EXPECTED CREDIT LOSSES

	as of 31.12.2022	as of 31.12.2021
Trade receivables	4,399,181.25	658,120.87
Deposits on contracts with clients	1,769,499.08	112,297.34
Contractual assets	103,691.15	19,127.40
Loans granted	-	1,198,080.00
<b>Expected credit losses</b>	<b>6,272,371.48</b>	<b>1,987,625.61</b>

## 6.24. Profit (loss) per share

	01.01-31.12.2022	01.01-31.12.2021
Number of ordinary shares	32,170,634.00	31,570,634.00
Weighted average number of ordinary shares in the period	31,874,743.59	31,570,634.00
Number of ordinary diluted shares	32,170,634.00	31,570,634.00
Net profit (loss)	-13,554,098.23	-16,801,600.53
Basic profit per share	0.43	0.53

## 6.25. Discontinued activities

There were no discontinued activities in 2022 and 2021.



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## 6.26. Notes to the cash flow statement

	01.01-31.12.2022	01.01-31.12.2021
<b>Amortisation:</b>	<b>16,708,503.95</b>	<b>13,771,983.24</b>
amortisation of tangible fixed assets and intangible assets	16,708,503.95	13,771,983.24
<b>Exchange rate profits (losses)</b>	<b>266,059.60</b>	<b>4,244.94</b>
exchange differences on cash, credits, loans and leases, income tax revaluation	266,059.60	4,244.94
<b>Interest and profit sharing (dividend)</b>	<b>-4,676,877.92</b>	<b>-9,772,206.34</b>
interest received on loans granted; bills of exchange - total	-9,281,262.80	-3,346,085.29
total other interest received	-177,449.79	-129,053.26
other unreceived accrued interest	2,207,245.16	-2,632,128.97
commissions received	-66,957.66	-262,477.14
accrued commissions	-159,042.21	-165,063.36
dividend received	-11,796,966.29	-8,786,966.29
interest paid on credits, loans, bonds and factoring - total	11,858,520.10	2,873,990.35
remaining interest to be paid	9,314.06	21,696.71
remaining interest to be paid	122,421.94	54,178.19
interest paid on lease	1,916,347.22	1,363,952.68
commissions on credits, bonds, guarantees, factoring - paid	754,949.76	698,237.31
accrued commissions - costs of issue of bonds	237,215.80	297,603.04
valuation of credits, loans received	368.02	-
valuation of own bonds	-301,581.23	-
<b>Profit (loss) on investment activities</b>	<b>-2,489,870.93</b>	<b>15,093.50</b>
revenue from disposal of tangible fixed assets	-7,111,577.88	-3,870,217.80
net value of disposed-of tangible fixed assets	5,662,307.12	2,940,140.47
valuation of loans, bills of exchange	-140,223.87	-1,043,711.15
derivative instruments	-900,376.30	790,801.98
revaluation of financial assets and liabilities	-	1,198,080.00
<b>Change in provisions</b>	<b>43,105,371.04</b>	<b>11,583,657.71</b>
balance sheet change in provisions for liabilities	42,561,688.04	10,861,175.71
change in provisions not affecting the current profit or loss	543,683.00	722,482.00
<b>Change in inventory</b>	<b>-45,689,356.36</b>	<b>-5,302,261.54</b>
balance sheet change in inventory	-45,689,356.36	-5,302,261.54
<b>Change in receivables</b>	<b>-294,064,445.31</b>	<b>-17,491,200.43</b>
balance sheet change in short-term receivables	-310,478,954.61	-20,630,637.06
balance sheet change in long-term receivables	8,741,577.28	825,071.60
change in financial and investment receivables	7,892,147.82	2,001,865.63
change in prepayments and accruals of inter-periodic financial expenses	-219,215.80	312,499.40
<b>Change in short-term liabilities excluding financial liabilities</b>	<b>248,140,447.33</b>	<b>-58,708,321.42</b>
balance sheet change in short-term liabilities	253,616,801.91	-54,851,315.19
balance sheet change in long-term liabilities	-5,590,551.23	-3,712,036.53
change in investment liabilities	114,196.65	-144,969.70
<b>Other adjustments</b>	<b>-688,409.45</b>	<b>3,497,694.41</b>
Other adjustments	-688,409.45	215,694.41
incentive scheme	-	3,282,000.00
<b>Income tax paid/refunded</b>	<b>8,149,450.97</b>	<b>-18,416,545.04</b>

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## Change in financial liabilities

	as of 31.12.2022	as of 31.12.2021
Opening balance of credits, loans and other financial liabilities	120,272,226.36	64,125,316.67
Opening balance of lease liabilities	35,285,086.16	25,916,377.94
<b>Opening balance</b>	<b>155,557,312.52</b>	<b>90,041,694.61</b>
Capital flow (+) Credits, loans and other financial liabilities	119,999,821.24	100,057,000.00
Capital flow (-) Credits, loans and other financial liabilities	-122,706,966.24	-44,150,000.00
Increase in lease liabilities (+)	20,579,770.30	19,993,093.81
Capital flow (-) of lease liabilities	-1,986,699.60	-10,238,774.87
Accrued interest on leases (+)	1,945,539.86	4,222,400.33
Lease interest paid (-)	-1,945,539.86	-4,222,400.33
Accrued interest on loans (+)	2,780,724.70	-
Interest paid on loans (-)	-2,780,724.70	-
Valuation (+/-) Credits, loans and other financial liabilities	-301,213.21	239,909.69
Valuation (+/-) of lease liabilities	-210,072.87	-41,793.27
Other (-/+ lease liabilities	210,072.87	-343,817.45
<b>Closing balance, including:</b>	<b>161,142,025.01</b>	<b>155,557,312.52</b>
Credits, loans and other financial liabilities	117,263,868.15	120,272,226.36
Lease liabilities	43,878,156.86	35,285,086.16

Cash and cash equivalents disclosed in the cash flow statement consist of the following items as of 31 December 2022:

	as of 31.12.2022	as of 31.12.2021
<b>Cash at bank and in hand</b>	<b>73,957,325.75</b>	<b>107,168,014.90</b>
<b>Including:</b>		
exchange rate differences on balance sheet valuation	-16,520.49	-50,660.67
<b>Total</b>	<b>73,940,805.26</b>	<b>107,117,354.23</b>

Restricted disposability cash shown in the cash flow statement is related to funds in VAT accounts to split payment.

In 2022 and 2021, there were no investment or financial transactions which did not require the use of cash or cash equivalents.

## 6.27. Mergers of business entities, loss of control

In 2022 and 2021, UNIBEP SA did not merge with any other economic entity and did not lose control.

On 01.03.2023, the Extraordinary General Meeting of Shareholders of Unibep SA and the Extraordinary Meeting of Shareholders of Budrex Sp. z o.o. passed resolutions on the merger of Unibep SA with the subsidiary. Due to the fact that Unibep SA is the sole owner of Budrex Sp. z o.o., the merger shall take place by way of merger by acquisition pursuant to Article 492 § 1(1) of the Commercial Companies Code by transferring all assets of the Acquired Company to the Acquiring Company by way of universal succession, without increasing the share capital of the Acquiring Company.

The merger was registered with the National Court Register (KRS) on 3 April 2023.



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## 6.28. Transactions with related parties

As of 31.12.2022

	Trade and other receivables	Trade and other liabilities	Deposits on contracts with clients	Deposits on contracts with clients – liabilities	Contractual assets	Contractual liabilities	Loans granted	Credits, loans and other financial liabilities	Tangible fixed assets	Provisions
Subsidiaries, indirect	49,679,421.59	20,290,479.40	5,994,969.19	2,890.12	10,930,211.92	1,620,790.03	97,061,491.49	8,744,604.20	7,535,233.15	265,936.96
Jointly controlled, indirectly controlled entities	273.89	32,032.92	-	-	-	-	-	-	-	-
<b>Total transactions with related parties</b>	<b>49,679,695.48</b>	<b>20,322,512.32</b>	<b>5,994,969.19</b>	<b>2,890.12</b>	<b>10,930,211.92</b>	<b>1,620,790.03</b>	<b>97,061,491.49</b>	<b>8,744,604.20</b>	<b>7,535,233.15</b>	<b>265,936.96</b>

As of 31.12.2021

	Trade and other receivables	Trade and other liabilities	Deposits on contracts with clients receivables	Deposits on contracts with clients liabilities	Contractual assets	Contractual liabilities	Loans granted	Credits, loans and other financial liabilities	Tangible fixed assets	Provisions
Subsidiaries, indirect subsidiaries	23,634,292.75	2,398,035.30	10,762,466.94	2,930.89	12,034,066.62	3,379,911.00	118,836,145.43	8,776,396.04	8,003,941.68	2,748,626.65
Jointly controlled, indirectly jointly controlled entities	1,525,467.68	33,088.47	-	-	-	-	-	-	-	-
Indirect affiliates	-	12,095.61	-	-	1,937,897.17	-	-	-	-	-
<b>Total transactions with related parties</b>	<b>25,159,760.43</b>	<b>2,443,219.38</b>	<b>10,762,466.94</b>	<b>2,930.89</b>	<b>13,991,963.79</b>	<b>3,379,911.00</b>	<b>118,836,145.43</b>	<b>8,776,396.04</b>	<b>8,003,941.68</b>	<b>2,748,626.65</b>

For the period from 01.01.2022 to 31.12.2022

	Revenue from contracts with clients	Purchase of products, material and goods	Financial revenue	Financial expenses	Other operating expenses
Subsidiaries, indirect subsidiaries	135,312,835.61	178,989,447.54	21,289,946.59	545,074.79	22,128.70
Jointly controlled, indirectly jointly controlled entities	-	-	-	-	1,459,584.86
<b>Total transactions with related parties</b>	<b>135,312,835.61</b>	<b>178,989,447.54</b>	<b>21,289,946.59</b>	<b>545,074.79</b>	<b>1,481,713.56</b>

For the period from 01.01.2021 to 31.12.2021

	Revenue from contracts with clients	Purchase of products, materials and goods	Financial revenue	Financial expenses	Other operating expenses
Subsidiaries, indirect subsidiaries	156,177,776.23	39,634,410.99	12,926,319.99	565,740.44	20,075.43
Jointly controlled, indirectly jointly controlled entities	-	-	-1,610.57	-	1,198,080.00
Indirect affiliates	81,655,854.94	47,507.90	-	-	-
<b>Total transactions with related parties</b>	<b>237,833,631.17</b>	<b>39,681,918.89</b>	<b>12,924,709.42</b>	<b>565,740.44</b>	<b>1,218,155.43</b>



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## 6.29. Members of the Management Board and Supervisory Board

### MANAGEMENT BOARD

The Management Board of UNIBEP SA acts on the basis of the provisions of the Commercial Companies Code, the Articles of Association of the Company, and the By-Laws of the Management Board. The Management Board of the Company consists of one or more members. Members of the Management Board, including the President of the Management Board, are appointed and dismissed by the Supervisory Board for a joint three-year term of office. The number of members of the Management Board shall be determined by the Supervisory Board.

As of the balance sheet date of drawing up these financial statements, the Management Board of UNIBEP SA includes the following persons:

- Leszek Marek Gołqbiecki – President of the Management Board
- Sławomir Kiszycki – Vice-President of the Management Board
- Krzysztof Mikołajczyk – Vice-President of the Management Board
- Adam Poliński – Member of the Management Board

On 15 December 2022, the Supervisory Board of Unibep SA adopted a resolution on appointing Mr Przemysław Wojciech Janiszewski as a member of the Management Board of the Company effective from 1 January 2023.

As of the day of drawing up these financial statements, the Management Board of UNIBEP SA includes the following persons:

- Leszek Marek Gołqbiecki – President of the Management Board
- Sławomir Kiszycki – Vice-President of the Management Board
- Krzysztof Mikołajczyk – Vice-President of the Management Board
- Adam Poliński – Member of the Management Board
- Przemysław Wojciech Janiszewski – Member of the Management Board

### SUPERVISORY BOARD

The Supervisory Board of UNIBEP SA acts on the basis of the provisions of the Commercial Companies Code, the Articles of Association of the Company, and the By-Laws of the Supervisory Board. The Supervisory Board is composed of 5 to 7 members, appointed and dismissed by the General Meeting for a joint three-year term of office.

As of the balance sheet date of drawing up these financial statements, the Supervisory Board of UNIBEP SA includes the following persons:

- Jan Mikolusko – Chairman of the Supervisory Board
- Beata Maria Skowrońska – Deputy Chairman of the Supervisory Board
- Wojciech Jacek Stajkowski – Member of the Supervisory Board
- Jarosław Mariusz Bzdowski – Member of the Supervisory Board (independent)
- Michał Kołosowski – Member of the Supervisory Board (independent)
- Paweł Markowski – Member of the Supervisory Board (independent)
- Dariusz Marian Kacprzyk – Member of the Supervisory Board (independent)

On 26 January 2023, Dariusz Marian Kacprzyk resigned from the Supervisory Board of Unibep SA.

On 1 March 2023, the General Meeting passed a resolution to appoint Mr Jakub Marek Karnowski to the Supervisory Board.

As of the day of drawing up these financial statements, the Supervisory Board of UNIBEP SA includes the following persons:

- Jan Mikolusko – Chairman of the Supervisory Board
- Beata Maria Skowrońska – Deputy Chairman of the Supervisory Board
- Wojciech Jacek Stajkowski – Member of the Supervisory Board
- Jarosław Mariusz Bzdowski – Member of the Supervisory Board (independent)

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- Michał Kołosowski – Member of the Supervisory Board (independent)
- Paweł Markowski – Member of the Supervisory Board (independent)
- Jakub Marek Karnowski – Member of the Supervisory Board (Independent Member)

## 6.30. Shares held by or rights to shares of the members of the management and supervisory bodies

In connection with the incentive scheme – for the 2021 assessment year – Unibep SA's members of the management body acquired in 2022:

- Leszek Marek Gołąbicki – 220,000 shares in the company
- Sławomir Kiszycki – 190,000 shares in the company
- Krzysztof Mikołajczyk – 140,000 shares in the company
- Adam Poliński – 50,000 shares in the company

### Management Board

No.	Name and surname (company)	Position	Number of shares held	Number of votes	Percentage in the total number of votes
1.	Leszek Marek Gołąbicki	President of the Management Board	910,000	910,000	2.59%
2	Sławomir Kiszycki	Vice-President of the Management Board	190,000	190,000	0.54%
3	Krzysztof Mikołajczyk	Vice-President of the Management Board	140,000	140,000	0.40%
4	Adam Poliński	Member of the Management Board	50,000	50,000	0.14%

### Supervisory Board

No.	Name and surname (company)	Position	Number of shares held	Number of votes	Percentage in the total number of votes
1.	Jan Mikołuszko	Chairman of the Supervisory Board	21,620	21,620	0.06%
2	Beata Maria Skowrońska	Deputy Chairman of the Supervisory Board	5,500,000	5,500,000	15.68%
3	Wojciech Jacek Stajkowski	Member of the Supervisory Board	2,500,000	2,500,000	7.13%
4	Jarosław Mariusz Beldowski	Member of the Supervisory Board	-	-	---
5	Michał Kołosowski	Member of the Supervisory Board	-	-	---
6	Paweł Markowski	Member of the Supervisory Board	-	-	---
7	Dariusz Marian Kacprzyk	Member of the Supervisory Board	-	-	---

Balance according to the knowledge of UNIBEP SA as of 31.12.2022

Bożenna Lachocka, member of the Supervisory Board of Unidevelopment SA is the holder of 2,500,000 shares of Unibep SA, the number of votes is 2,500,000, which gives 7.13% of the total number of votes.

The Company did not issue any securities, which give special control rights.

There is no employee share ownership plan implemented at the Company. The Incentive Scheme is described in Section 6.10.



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### 6.31. Information on personal, factual and organisational relations between members of the Management Board and Supervisory Board and certain shareholders with at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA

#### MANAGEMENT BOARD

- **Leszek Marek Gołbiewski** – is not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- **Sławomir Kiszycki** – is not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- **Krzysztof Mikołajczyk** – is not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- **Adam Poliński** – is not related to any shareholder holding at least 5% of votes at the General Meeting of UNIBEP SA.
- **Przemysław Wojciech Janiszewski** – is not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.

#### SUPERVISORY BOARD

- **Jan Mikołuszko** remains in the joint marital property regime with a shareholder (Mrs Zofia Mikołuszko) holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- **Beata Maria Skowrońska** – shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- **Wojciech Jacek Stajkowski** – shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- **Jarosław Mariusz Bełdowski** – is not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- **Michał Kołosowski** – is not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- **Paweł Markowski** – is not related to any shareholder holding at least 5% of votes at the General Meeting of UNIBEP SA.
- **Dariusz Marian Kacprzyk** – was not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- **Jakub Marek Karnowski** – is not related to any shareholder holding at least 5% of votes at the General Meeting of UNIBEP SA.

### 6.32. Remuneration of members of the management and supervisory boards

#### SALARIES OF THE MANAGEMENT BOARD:

For the period from 01.01.2022 to 31.12.2022

Name and surname	Remuneration	Bonus for profit for 2021 paid in 2022	Total
Leszek Marek Gołbiewski	803,095.25	706,990.05	1,510,085.30
Sławomir Kiszycki	723,727.58	706,990.05	1,430,717.63
Krzysztof Mikołajczyk	701,789.64	706,990.05	1,408,779.69
Adam Poliński	513,414.26	471,326.70	984,740.96
<b>Total</b>	<b>2,742,026.73</b>	<b>2,592,296.85</b>	<b>5,334,323.58</b>

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**For the period from 01.01.2021 to 31.12.2021**

Name and surname	Remuneration	Bonus for profit for 2020 paid in 2021	Total
Leszek Marek Gołabiecki	744,000.00	557,289.48	1,301,289.48
Sławomir Kiszycki	672,000.00	557,289.48	1,229,289.48
Krzysztof Mikołajczyk	610,348.84	557,289.48	1,167,638.32
Adam Poliński*	480,716.56	226,632.24	707,348.80
<b>Total</b>	<b>2,507,065.40</b>	<b>1,898,500.68</b>	<b>4,405,566.08</b>

\* in 2021, bonuses for 2020 in the amount of 226,632.24 not related to the function of a member of the Management Board were paid

**SALARIES OF THE SUPERVISORY BOARD:**

**For the period from 01.01.2022 to 31.12.2022**

Name and surname	Revenue	Income of a member of the Supervisory Board under an employment contract with UNIBEP SA	Other titles	Total
Jan Mikołuszko	456,000.00	-	-	456,000.00
Beata Maria Skowrońska	144,000.00	-	41,722.86	185,722.86
Wojciech Jacek Stajkowski	86,727.27	59,483.93	-	146,211.20
Jarostaw Mariusz Beldowski	60,000.00	-	-	60,000.00
Michał Kotosowski	84,000.00	-	-	84,000.00
Paweł Markowski	60,000.00	-	-	60,000.00
Dariusz Marian Kacprzyk	60,000.00	-	-	60,000.00
<b>Total</b>	<b>950,727.27</b>	<b>59,483.93</b>	<b>41,722.86</b>	<b>1,051,934.06</b>

**For the period from 01.01.2021 to 31.12.2021**

Name and surname	Revenue	Income of a member of the Supervisory Board under an employment contract with UNIBEP SA	Total
Jan Mikołuszko	456,000.00	-	456,000.00
Beata Maria Skowrońska	144,000.00	-	144,000.00
Wojciech Jacek Stajkowski	60,000.00	60,000.00	120,000.00
Jarostaw Mariusz Beldowski	60,000.00	-	60,000.00
Michał Kotosowski	84,000.00	-	84,000.00
Paweł Markowski	60,000.00	-	60,000.00
Dariusz Marian Kacprzyk	60,000.00	-	60,000.00
<b>Total</b>	<b>924,000.00</b>	<b>60,000.00</b>	<b>984,000.00</b>

In 2022, remuneration from the employment relationship was paid to relatives of the members of the Management Board and Supervisory Board in the amount of PLN 176.0 thousand, and in the comparable period PLN 415.5 thousand.

### 6.33. Transactions with related parties through members of the Company's supervisory body

In the period from 01.01.2022 to 31.12.2022, members of the Management Board and Supervisory Board made purchases in the Company for a total of PLN 8.1 thousand, and an in-kind contribution was granted to a person closely related to a member of the Supervisory Board for an amount of PLN 55.3 thousand. No purchases were made from related parties through the Management Board and Supervisory Board during the period.

### 6.34. Contracts concluded between UNIBEP SA and members of the management bodies

The President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board of UNIBEP SA, in relation to their work and function in the Management Board in 2021, were employed in UNIBEP SA under fixed-term managerial contracts – until the expiry of the term of office of the



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member of the Management Board in relation to the expiry of the three-year sixth term of the Management Board (fixed-term employment contract) 19 January 2022.

### Changes introduced in 2022

Since 20 January 2022, UNIBEP has separated the sources of remuneration for members of the Management Board based on two forms of remuneration, i.e. by appointment (Re 1) and under an employment contract (Re 2).

#### Re 1

The remuneration to which the President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board are entitled by virtue of their appointment is determined in the form of monthly rates.

In relation with their function in the Management Board, Members of the Management Board are entitled to an annual bonus calculated based on the consolidated net profit of the UNIBEP Group for each financial year, provided that the financial plan of the UNIBEP Group for a given year adopted by the Management Board and the Supervisory Board is met.

In accordance with the Resolutions of the Supervisory Board:

- The President of the Management Board of UNIBEP SA Mr Leszek Marek Gołqbiecki and the Vice-Presidents of the Management Board of UNIBEP SA Mr Sławomir Kiszycki and Mr Krzysztof Mikołajczyk are entitled to an annual bonus of 1.5% for 2022 and for subsequent years,
- Member of the Management Board of UNIBEP SA Mr Adam Poliński is entitled to an annual bonus of 1% for 2022 and for subsequent years.

#### Re 2

The remuneration to which members of the Management Board are entitled under permanent employment contracts was determined in the form of monthly rates.

- Mr Leszek Marek Gołqbiecki is employed as Company Director
- Mr Sławomir Kiszycki is employed as Financial Director
- Mr Krzysztof Mikołajczyk is employed as Construction Director
- Mr Adam Poliński is employed as Director of the Infrastructure Branch

If the employment contracts of the above employees are terminated by the employer for reasons not attributable to the employees, the employer will compensate the employee in the amount of 3 times the average monthly remuneration of an employee of the company. The amount of compensation will include compensation for refraining from competitive activities and the amount of severance pay due to the Employee under applicable legislation in connection with the termination of the employment contract for reasons not attributable to the Employee .

The aforementioned employees entered into non-competition contracts with the Company for the duration of the employment relationship (the non-competition clause is binding for the duration of the employment relationship) and non-competition contracts after termination of employment (the non-competition clause is binding for 6 months after termination of the employment relationship). For the duration of the non-competition clause, employees are entitled to compensation equal to 60% of the remuneration received by the employee prior to the termination of the employment relationship for a period of six months, which will be paid to the employee in six equal instalments by the 10th of each month, by transfer to an account specified by the employee.

The remuneration to which the President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board are entitled by virtue of their appointment is determined in the form of monthly rates.

In relation with their function in the Management Board, Members of the Management Board are entitled to an annual bonus calculated based on the consolidated net profit of the UNIBEP Group for each financial year,

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provided that the financial plan of the UNIBEP Group for a given year adopted by the Management Board and the Supervisory Board is met.

In accordance with the Resolutions of the Supervisory Board:

- The President of the Management Board of UNIBEP SA Mr Leszek Marek Gotqbiecki and the Vice-Presidents of the Management Board of UNIBEP SA Mr Sławomir Kiszycki and Mr Krzysztof Mikotajczyk are entitled to an annual bonus of 1.5% for 2022 and for subsequent years.
- Member of the Management Board of UNIBEP SA Mr Adam Poliński is entitled to an annual bonus of 1% for 2022 and for subsequent years.

The remuneration to which members of the Management Board are entitled under permanent employment contracts was determined in the form of monthly rates.

- Mr Leszek Marek Gotqbiecki is employed as Company Director
- Mr Sławomir Kiszycki is employed as Financial Director
- Mr Krzysztof Mikotajczyk is employed as Construction Director
- Mr Adam Poliński is employed as Director of the Infrastructure Branch

If the employment contracts of the above employees are terminated by the employer for reasons not attributable to the employees, the employer will compensate the employee in the amount of 3 times the average monthly remuneration of an employee of the company. The amount of compensation will include compensation for refraining from competitive activities and the amount of severance pay due to the Employee under applicable legislation in connection with the termination of the employment contract for reasons not attributable to the Employee.

The aforementioned employees entered into non-competition contracts with the Company for the duration of the employment relationship (the non-competition clause is binding for the duration of the employment relationship) and non-competition contracts after termination of employment (the non-competition clause is binding for 6 months after termination of the employment relationship). For the duration of the non-competition clause, employees are entitled to compensation equal to 60% of the remuneration received by the employee prior to the termination of the employment relationship for a period of six months, which will be paid to the employee in six equal instalments by the 10th of each month, by transfer to an account specified by the employee.

## 6.35. Contingent assets and liabilities, guarantees

### 6.35.1. Contingent assets and liabilities

Contingent liabilities on guarantees and sureties granted to other entities are mainly guarantees issued by banks and insurance companies to the benefit of business partners of UNIBEP SA to secure their claims under construction contracts. In the case of using the guarantees issued for their benefit, banks and insurance companies are entitled to the right of recourse against the Company. Guarantees provided to the clients of UNIBEP SA are an alternative way of securing the retained guarantee deposits.

	as of 31.12.2022	as of 31.12.2021
<b>CONTINGENT ASSETS</b>	<b>4,800.00</b>	<b>100,000.00</b>
From other entities	4,800.00	100,000.00
Bills of exchange received as security	4,800.00	100,000.00
<b>CONTINGENT LIABILITIES</b>	<b>139,440,685.48</b>	<b>145,024,190.36</b>
To related parties	20,451,178.00	24,973,669.15
Sureties granted	20,451,178.00	24,973,669.15
To other entities	118,989,507.48	120,050,521.21
Disputes	118,989,507.48	120,050,521.21

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## DISPUTES

The following changes have taken place in comparison to the information on disputes, included in the consolidated financial statements of the UNIBEP Group for 2022 and Q3 2022:

### Claims against Unibep SA

- In the action for payment of PLN 1,249 thousand brought by **LC Corp Invest XV Sp. z o.o. PROJEKT 6 Spółka Komandytowa** due to defects occurring on the contract LC Corp - Zabki. Unibep SA does not accept the claim. On 18 November 2022, a court settlement was reached between the parties in the case, under which Unibep SA paid PLN 250 thousand to the investor as compensation. With the settlement, the investor waived the remaining claims against the company. The case can be considered closed.
- On 26 November 2021, Unibep SA was sued by **Seniorenpark Wunstorf GmbH** for the payment of EUR 233 thousand for the costs of rectifying defects and faults on the contract Retirement Home - Südbrookmerland. The plaintiff is the owner of a retirement and care home in Wunstorf, which Unibep SA was building as general contractor. In the course of the proceedings, replies to the claims of both parties were filed. On 18 January 2023, a mediation took place at the Lüneburg court covering the indicated case concerning the construction of a retirement home in Wunstorf. The case is to be handled together with the Krefeld construction case. We look forward to the next mediation meeting.

The parties have agreed to mediation proceedings to settle all legal disputes (judicial and extrajudicial) pending or likely to be pending between Unibep SA and the Lindhorts Group companies. As part of the proceedings, Unibep SA is seeking payment of EUR 500 thousand and the Lindhorts Group – EUR 450 thousand. The parties intend to reach agreement on four projects: **Krefeld, Retirement Home – Wunstorf, Retirement Home – Bad Oeynhausen, Retirement Home – Südbrookmerland**. Accordingly, the litigation cases from **Seniorenpark Wunstorf GmbH** and against **Aureus Residenzbau GmbH** will be joined for joint consideration. An expert was appointed in the case to verify the quality of the work carried out. Subsequently, further mediations are to take place.

- In a compensation case for PLN 4,873 thousand concerning **fatal accidents** at the Plaza construction site in Suwatki (conducted by a consortium of Unibep SA and Mostostal Białystok). The case is at the stage of supplementary expert opinions on occupational health and safety. The date of the next hearing has not been set yet. Due to the insurance held by the Company and the consortium member, the case should not encumber the costs of Unibep SA.
- In the action brought by **FLAMPOL Tomasz Woźniak Sp. k.** for the payment of PLN 82 thousand the Court issued an order for payment. The plaintiff's claim for the payment of remuneration jointly and severally by Klimar Plus, Unibep and WX Office Development 2 in connection with the implementation of the project Ogrodowa Office in Łódź. Unibep SA takes the view that the plaintiff was not notified and therefore there is no joint and several liability of Unibep SA for the liability of Klimar Plus. A court expert opinion was issued in the case. At a hearing on 20 June 2022, the court heard the plaintiff's case and set a date for judgement to be passed on 28 November 2022. On 28 November 2022, the Court opened the hearing and adjourned it to a further date on 17 April 2023. The reason for this action was that the Court had become aware of doubts about the defendant's legal position. On 17 April 2023, the court closed the hearing and adjourned its judgement until 17 May 2023.
- On 20 January 2020, an order for payment was issued to **Deven sp. z o.o. Sp.k.** charging jointly and severally Unibep SA and Klimar Plus Sp. z o.o. with the amount of PLN 554 thousand. The plaintiff demands the payment of remuneration in connection with the performance of the contract Ogrodowa Office in Łódź. The expert drew up the opinion in the case. By order of 5 January 2023, the court dismissed the expert's request for an award of fees and reimbursement of expenses, supporting the defendant's position. We are awaiting the court's next action.
- **Partner Group Sp. z o.o.** filed a suit for the payment of PLN 86 thousand. It concerns the contract Ogrodowa Office in Łódź. The plaintiff's claim for the payment of remuneration jointly and severally by

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Klimar Plus and Unibep SA. In a judgement of 30 November 2022, the court awarded the defendants jointly and severally the sum of PLN 83 thousand, including Unibep SA with interest. It dismissed the remainder of the claim. Unibep SA has filed an appeal in the case. The file was referred to the Court of Second Instance. The date of the hearing has not been set yet.

- **TEKNIKA AVG Sp. z o.o.** filed a suit against Unibep SA for the payment of PLN 103 thousand. The plaintiff demands payment for works performed at the construction site Ogrodowa Office in Łódź. Unibep SA takes the view that remuneration in the amount claimed is undue due to the fact that the plaintiff's works were not accepted and, moreover, were performed defectively. Consequently, the Company commissioned another contractor at its own expense to rectify the defects that had arisen and called on the plaintiff to pay by way of compensation. The expert prepared an opinion in the case to which, on 20 January 2023, Unibep SA filed objections. We are awaiting the Court's decision on the admission of the supplementary opinion evidence.
- On 11 March 2020, we received a statement of claim from **RAFBUD Konstrukcje Sp. z o.o. Sp. k.** for payment of PLN 445 thousand as remuneration, relates to the construction of Żoliborz Artystyczny. The plaintiff's claim is dismissed due to the deduction of the amount claimed in connection with imposing on the Contractor a contractual penalty for delay in the performance of the subject of the contract and charging the Contractor with the costs of formwork repair. In Q4 2021, at a hearing, the Court of First Instance delivered a judgement awarding payment of PLN 183 thousand plus interest and legal costs. On 27 December 2021, an appeal was filed in the case. On 28 July 2022, an appeal hearing was held, at which the court issued a judgement reversing the judgement under appeal and remanding the case back to the Regional Court. On 5 December 2022, a court settlement was reached, under which Unibep SA will pay PLN 120 thousand to the plaintiff. The court issued an order discontinuing the proceedings in view of the settlement. The case can be considered closed.
- By a statement of claim of 1 April 2021, **Alu GLAS Sp. z o.o.** is claiming payment of PLN 337 thousand on account of remuneration in connection with the implementation of the investment Ogrodowa Office in Łódź on account of the return of the first part of the guarantee deposit. We are sued jointly and severally with the investor WX Office Development 2. On 28 October 2022, the court issued a judgement awarding defendants Unibep SA and WX Office Development 2 Sp. z o.o. jointly and severally the amount of PLN 196 thousand, together with statutory interest for delays and legal costs. All parties to the proceedings have appealed. We are currently awaiting the appeal hearing date to be set.
- In September 2021, Unibep SA received an order for payment for the amount of PLN 31 thousand under the writ-of-payment proceedings issued by the District Court in Płock. The action brought by **PPHU BENON**. The plaintiff claims repayment of the first part of the guarantee deposit from the contract Mlekovita milk powder factory. We have filed an objection to the payment order. On 1 April 2022, the Court passed a judgement awarding payment to the plaintiff of the sum of PLN 38 thousand plus interest. On 23 May 2022, an appeal was filed. We are waiting for the appeal hearing date to be set.
- On 18 March 2022, we received a statement of claim for payment of PLN 326 thousand. Plaintiff **AJD Andrzej Średnicki** is seeking the return of deposits from several construction sites Dzielną 64, Mozaiki Mokotów Stage 4 and 5, Pereca Matexi, Kapelanów, Motorowa, ul. Verdiego in Warsaw. The receivables were set off against the Defendant's claim in relation to the charging of contractual penalties to the plaintiff. On 29 April 2022, the Court issued an order dismissing the claim and awarding the plaintiff's costs to the defendant. The Court order is final and binding. The case can be considered closed.
- **Daniel Modelski** brought an action against Unibep SA for the payment of the second part of the deposit retained in the amount of PLN 40 thousand as a performance security on the contract In City. In April 2021, a judgement was passed awarding the claim in favour of the plaintiff. The judgement is not final, an appeal against the judgement was filed. On 17 November 2022, the Court of Appeal dismissed Unibep SA's appeal in its entirety. The case can be considered closed.

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- In the action brought by **Adam Karbowski** for the payment of a claim in the amount of PLN 39 thousand on account of reimbursement of the second part of the guarantee deposit, which had been set off by Unibep SA against the costs of substitute repairs of defects and faults on the project Berensona residential development in Warsaw. A final hearing was held on 1 February 2023, at which the expert witness responded to the objections to the opinion. On 15 February 2023, a judgement was issued in which the plaintiff's claims were upheld in their entirety. It has been decided not to appeal against this judgement. The case can be considered closed.
- The action from 2018 brought by **PRO PARTE Daniel Modelski**, the plaintiff claims payment of receivables due to return of the second part of the guarantee deposit in the amount of PLN 55 thousand obtained by virtue of transfer of receivables between him and the bankruptcy trustee representing AL-BUD Sp. z o.o. in liquidation bankruptcy. The case concerns the contract Okecie Business Centre. On 6 October 2022, a judgement was entered in the case dismissing the claim. The ruling is not final.
- On 2 February 2022, we received a statement of claim filed by **Daniel Modelski, doing business as PRO PARTE**, for the payment of PLN 20 thousand as reimbursement of the second part of the guarantee deposit retained on the contract Mozaika Mokotów Stage 2. The receivable claimed is one of several receivables which the plaintiff acquired from the receiver of AL-BUD Sp. z o.o. by means of a receivables transfer agreement. On 15 February 2023, the parties reached a settlement before a mediator, whereby Unibep SA undertook to pay PLN 16 thousand. The settlement was approved by the Court.
- On 11 April 2022, we received a statement of claim filed by **Daniel Modelski, doing business as PRO PARTE**, for the payment of PLN 24 thousand as reimbursement of the second part of the guarantee deposit retained on the contract Pod Brzozami II. The receivable claimed is one of several receivables which the plaintiff acquired from the receiver of PLENERIA Sp. z o.o. Sp. komandytowa by means of a receivables transfer agreement. On 28 November 2022, a settlement was reached before a mediator. It was agreed to pay the amount of PLN 18 thousand as the principal, without interest and without legal costs. On 22 December 2022, the District Court for the Capital City of Warsaw issued an order approving the settlement and discontinuing the proceedings. The case can be considered closed.
- **Daniel Modelski, doing business as PRO PARTE**, by a statement of claim of December 2021, seeks payment of PLN 65 thousand as reimbursement of the guarantee deposit retained from the assignor Pleneria Sp. z o.o. Sp.k. on the Saska Kępa I contract. On 28 November 2022, a settlement was reached before a mediator. A payment of EUR 48 thousand was agreed for the principal amount due, without interest and without legal costs. On 22 December 2022, the District Court for the Capital City of Warsaw issued an order approving the settlement and discontinuing the proceedings. Unibep SA has complied with the terms of the settlement. The case was closed.
- On 20 June 2022, Unibep SA received a claim for payment of PLN 166 thousand from the plaintiff **Daniel Modelski, doing business as PRO PARTE** for the return of the guarantee deposit retained from the assignor AL-BUD Sp. z o.o. on the Jmielin contract. On 4 July 2022, Unibep SA has filed a statement of defence. We are currently awaiting further action from the Court.
- The claim for PLN 1,331 thousand relates to compensation in connection with an accident on 16 November 2017 at a construction site in Heimdal, Norway, of a **Unihouse SA employee** who was crushed by a module during assembly. On 29 July 2020, the injured party's statement of claim was served against AXA Ubezpieczenia TUIR SA, Unibep SA and Unihouse SA. All three entities were sued in solidum. The District Court ordered all defendants jointly and severally to pay monthly compensation to the plaintiff. The case is currently at the stage of preparation of opinions by court-appointed physicians. We are waiting for the hearing date to be set.
- On 31 December 2021, the plaintiff **City Motive Group Sp. z o.o.** brought an action against Unibep SA for payment of remuneration in connection with the implementation of the project Dzielnia 64 in the amount of PLN 268 thousand, which was not paid due to the substitute works introduced. On 25 October 2022, a final judgement was issued in which the conciliation court dismissed the statement of claim in

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its entirety. A motion for an enforceability clause was filed and granted. The case can be considered closed.

- On 14 September 2022, Unibep SA was sued for payment of remuneration in the amount of PLN 92 thousand to the subcontractor **Elektrotermex Sp. z o.o.** in connection with the execution of the Fama Jeżyce I investment. The subcontractor was not reported to the General Contractor (Unibep SA). Furthermore, it is apparent from the statement of claim that the subcontractor who subcontracted the work to the plaintiff as a further subcontractor was not employed on the site in question. At the hearing on 22 March 2023, a witness from the Unibep side was heard. The next hearing is set for 11 May 2023. At the same time, settlement negotiations are ongoing between the parties.
- On 23 June 2022, **Total Teknisk AS** has filed a statement of claim with the Oslo Court for payment of NOK 2,369 thousand plus statutory interest. The claim relates to the Energiparken and Sandbaktunet project. The statement of claim relates to claims for defects and claims for payment of part of the remuneration under 5 execution agreements that the plaintiff concluded with Unibep SA/Unihouse Oddział Unibep in Bielsk Podlaski and claims of agreed payment where the defendant, in addition to acting as a subcontractor to Total Teknisk, in part of the project was also the contractor for design and construction work. A request has been made in the statement of claim to merge the case with the pending proceedings between Investor Lovsetvegen 4 AS and TOTAL TEKNISK AS. On 24 August 2022, Total Teknisk made settlement proposals to both Unibep SA and Lovsetvegen, which were rejected. On 15 November 2022, the parties reached a settlement in which Total Teknisk withdrew its claims against Unibep SA in entirety. The case can be considered closed.
- On 10 June 2022, we received a statement of claim in which we were sued jointly and severally with **MAKSBUŁ Sp. z o.o.** and **TRAKT Sp. z o.o.** for payment of compensation and damages in the amount of PLN 89 thousand for an accident sustained by **an injured person** during the construction of a road as part of the investment "Construction of voivodeship road No. 690 on the section of Ciechanowiec Ostrożany". On 24 June 2022, a statement of defence was filed with a request for transfer to the Łomża Court due to the material jurisdiction of the case. By order of 15 July 2022, the case was transferred to a court of competent jurisdiction. At a hearing on 10 November 2022, the expert issued an opinion in the case, to which Unibep SA filed objections by letter dated 7 February 2023. The opposing party also filed objections. Unibep SA has applied to the Court for a traffic engineering opinion. The Court allowed the requested opinion. A list of questions for the expert is currently being prepared. The case was adjourned without a date being set.

In addition to the cases described above, legal proceedings are pending against the Company for a total amount of PLN 1,030 thousand.

#### Cases filed by Unibep SA

- The investor, **Aureus Residenzbau GmbH**, retained part of the remuneration paid to Unibep SA for the execution of the Krefeld contract. On 27 August 2020, a hearing was held at which the Court awarded Unibep SA the sum of EUR 218 thousand plus interest. The investor lodged an appeal. Unibep SA has joined this appeal. On 18 January 2023, a mediation took place at the Lüneburg court covering, among other things, the indicated case concerning the construction of Krefeld and the construction of the Retirement Home.
- Due to the ineffectiveness of court enforcement conducted against Atelier Żoliborz sp. z o.o., on 25 July 2022 Unibep SA filed a statement of claim for payment against **Sylwester Andrzej Oldadek**, a member of the management board of the above-mentioned company, on the basis of Article 299 of the Commercial Companies Code. The claim in question relates to the principal due to Atelier Żoliborz sp. z o.o., interest on the principal, as well as the costs of court and enforcement proceedings. The total claim amounts to PLN 3,132 thousand. On 22 December 2022, the Court issued a default judgement acknowledging the claim in its entirety, making the judgement enforceable. On 5 April 2023, an application for enforcement was submitted to the bailiff.

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- In the case of 21 November 2021 against **SGB Posadzki Przemysłowe Sp. z o.o.** for reimbursement by the defendant of costs for substitute removal of defects in the amount of PLN 897 thousand at the construction site of the ROSTI Bior production building. The expert issued an opinion in the case to which Unibep SA filed objections. We are awaiting the Court's next action.
- On 2 February 2021, Unibep SA filed a statement of claim against **Warszawska Spółdzielnia Mieszkaniowa** for payment of remuneration in the amount of PLN 841 thousand for the performance of works on the Igarowg investment. On 7 November 2022, the Court ordered Warszawska Spółdzielnia Mieszkaniowa to pay PLN 227 thousand plus interest. The remainder of the claim was dismissed. We have received the grounds to the Court's judgement. Unibep SA has filed an appeal in the case and we are awaiting a hearing date to be set.
- Unibep SA filed a statement of claim against **Warszawska Spółdzielnia Mieszkaniowa**. The claim includes the demand for repayment by the defendant of the amount paid from the bank guarantee in the amount of PLN 2,179 thousand that was supposed to secure due performance of the contract during the statutory warranty period on the project Niedzielskiego Stage II. The statement of claim was filed in September 2021. We are waiting for the date of the first hearing to be set. The case was referred to mediation.
- On 25 October 2022, UNIBEP SA filed a statement of claim against **Spółdzielnia Mieszkaniowa "Na Skraju"** for the return of unreturned parts of the guarantee deposits in the amount of PLN 1,573 thousand retained in connection with the realisation of contracts for the general contractor of the "Cynamonowy Dom" investment. The case was referred to ordinary proceedings. We are awaiting for the defendant to file a statement of defence.
- Unibep SA brought an action to establish that the right of **Medical University of Łódź** to payment of PLN 500 thousand secured by a bid guarantee did not exist. In addition, the Company applied for security for the claim to establish the non-existence of the right of the Medical University of Łódź to payment of the bid security amount under the bid guarantee. On 1 December 2021, the Regional Court of Łódź prohibited the guarantor Generali TU SA from paying the amount secured by the guarantee. On 10 February 2022, the first hearing for the determination of the non-existence of the right of the Medical University of Łódź to payment of the claim under the bid guarantee took place. The Court of First Instance ruled that the Medical University of Łódź had no claim against Unibep SA. The defendant filed an appeal. At a hearing on 16 November 2022, the Court dismissed the appeal. The case can be considered closed.
- On 23 December 2022, Unibep SA filed a statement of claim jointly with ZUE SA against the **City of Katowice and Tramwaje Śląskie SA** for payment of PLN 13,401 thousand as remuneration for the casing of the platform wind shelter at the Zawodzie construction site. Unibep SA is suing for the difference between the remuneration estimated on the basis of the pre-assessment and that calculated according to the as-built measurement. We are awaiting further action on the case.
- On 23 June 2020, Unibep SA filed a statement of claim against the subcontractor **Piotr Górka DAWI Budownictwo** for unsettled advances of PLN 151 thousand at the Galeria Stela construction site in Cieszyn. During the course of the works, the Contractor stopped the works without notice and left the site. The Court referred the parties to mediation but despite settlement proposals from Unibep SA, no settlement was reached. The expert issued an opinion in the case. Both parties raised objections to the opinion issued and a supplementary opinion was issued. On 20 December 2022, a judgement was passed awarding Unibep the sum of PLN 151 thousand plus interest and court costs. Unibep SA has applied to the Court to justify the judgement. The ruling is not final.
- On 29 July 2022, a statement of claim was filed against **AMW SINEVIA Sp. z o.o.** for amending the obligation relationship under the agreement concluded between the parties by increasing Unibep's remuneration by PLN 2,445 thousand. The claim relates to a subcontract with AMW SINEVIA for the construction of the Polish Army Museum in Ossów. We have received a the defendant's statement of defence. The Court ordered Unibep SA to file a response to the statement of defence and also referred

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the parties to mediation, setting a deadline of one month. Mediation meetings were held on 11-12 January 2023. The parties agreed to extend the duration of the mediation.

- On 26 June 2020, Unibep SA filed a statement of claim against the insurer **Sopockie Towarzystwo Ubezpieczeniowe Ergo Hestia SA** for payment in the amount of PLN 174 thousand in connection with theft at the construction site Obrzeźna. Hearings were held at which witnesses were heard in the case. The court admitted expert evidence requested by Unibep SA. We are currently awaiting an opinion in the case.
- In a statement of claim filed by the consortium of Unibep SA and Most Sp. z o.o. against **Podlaskie Voivodeship Roads Authority** for payment of approx. PLN 44,622 thousand for contractual penalties and additional works on the Sokółka - Dąbrowa Białostocka investment. The opposing party filed a claim for a total amount of approx. PLN 105,998 thousand plus interest. In November 2018, the Company was served with a statement of claim filed by Podlaskie Voivodeship Roads Authority against the Consortium for additional payment of a contractual penalty in the amount of PLN 8,286 thousand due to withdrawal from the contract. At the first hearings, which took place in June and September 2019, witnesses were heard. On 6 November 2019, the statement of claim was increased by PLN 4,807 thousand for claims arising from the final settlement of the contract. On 26 November 2020, the Podlaskie Voivodeship Roads Authority increased the claim by an additional amount of PLN 103,998 thousand in connection with the Consortium's call for payment of the accounting note. Further witnesses will be heard and requests for evidence on the acceptance of expert opinions will be examined in the course of the legal proceedings. In May 2021, the Court ordered the admission of evidence of written witness statements, the opinion of the Scientific and Research Institute and set a deadline of one year for the opinion. On 1 May 2021, the Court issued a partial judgement awarding payment to Unibep SA of PLN 799 thousand and to Most Sp. z o.o. in Sopot of PLN 61 thousand with immediate enforceability effect. On 21 September 2021, the defendant filed a statement of defence and limited the claim in the scope of the claimed contractual penalty by the amount of PLN 8,286 thousand with interest. On 31 December 2021, an increase of the statement of claim was filed by UNIBEP SA by the amount paid by the defendant from the guarantee of PLN 8,286 thousand. On 11 April 2022, Unibep SA has applied to the Court to refer the Parties to mediation. The defendant also filed a letter accepting the Unibep SA's application. Mediation proceedings are currently underway.

To sum up, a court dispute is pending between the parties, in which statements of claim for payment brought by the Consortium for the total amount of approx. PLN 44,622 thousand and brought by the Contracting Entity for the total amount of approx. PLN 105,998 thousand plus interest have been joined for joint examination.

- Unibep SA on 12 July 2018 filed a statement of claim against the **Municipality of Łapy** for the payment of PLN 2,134 thousand in connection with the implementation of the infrastructure of investment areas in Łapy. The defendant filed a response to the statement of claim, which was served in August 2018. The case was referred to mediation with no settlement result. A hearing was held in April 2019, at which the Municipality of Łapy announced that it had filed a counterclaim for the amount of PLN 3,369 thousand. The statement of counterclaim was served in August 2019, to which a reply was filed. In April 2021, an expert witness opinion was received by the Court which was favourable to Unibep SA. The expert maintained their position in the case, issuing a supplementary opinion in May 2021 and an oral opinion in September 2021. On 8 October 2021, a judgement was delivered upholding Unibep SA's claim in its entirety and dismissing Municipality of Łapy's counterclaim. The Municipality of Łapy filed an appeal in the case to which Unibep SA filed a reply on 1 February 2022. The appeal hearing took place on 9 January 2023, at which the Court indicated that it would examine additional evidence on its own, without ruling out another expert opinion. We are awaiting further action from the court.
- In July 2020, Unibep SA brought an action against **Podlaskie Voivodeship Roads Authority** in connection with the construction of the DW 682 Łapy Markowszczyzna road for PLN 1,318 thousand for additional electrical works. The Court admitted the expert evidence and the parties paid the advances. We are awaiting an expert opinion.

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- In a statement of claim dated 23 March 2022 against the **Podlaskie Voivodeship Roads Authority**, Unibep SA is seeking payment of PLN 92 thousand for additional works in connection with soil replacement on the DW 682 Łapy Markowszczyzna investment. By an order of the Court of 19 April 2022, the proceedings were suspended and subsequently discontinued as a result of the suspension. The statement of claim was resubmitted on 31 December 2022, after which the Court issued a payment order by writ of payment on 11 January 2023. The defendant filed an objection, but at the request of the parties the case was suspended due to the ongoing mediation in the Sokółka – Dąbrowa Białostocka case.
- On 22 December 2021, Unibep SA filed a statement of claim against the **Podlaskie Voivodeship Roads Authority** for payment of PLN 5,731 thousand for additional works in connection with the construction of DW 682 Łapy Markowszczyzna road. The Court, at the defendant's request, required Unibep SA to submit additional documents, which were submitted with the response to the statement of defence on 19 May 2022. At the hearing on 28 September 2022, the Court heard some of the defendant's witnesses and the Court set a deadline for the filing of the plaintiff's clarifying statement of case. At hearings on 8 February and 26 April 2023, witnesses in the case were heard. The case was adjourned to 9 August 2023.
- On 21 January 2022, Unibep SA filed a statement of claim against the **Podlaskie Voivodeship Roads Authority** for payment of remuneration in the amount of PLN 3,338 thousand in connection with the construction of DW 682 Łapy Markowszczyzna road. The claim relates to the increased costs incurred by Unibep SA due to the prolonged implementation of the project. The Court required the plaintiff to file pleadings, which were filed. A reply to the statement of defence is currently being drafted and we are awaiting the date of the first hearing.
- On 29 March 2019, the Consortium of Unibep SA and PORR SA filed a statement of claim against the **General Directorate for National Roads and Motorways** for payment of PLN 16,926 thousand in total (including Unibep SA PLN 5,078 thousand) for additional works on the project: reconstruction of the S8 national road. In April 2019, an order for payment under the writ of payment proceedings was issued against which the defendant filed an objection. After an exchange of pleadings, the first hearing was held on 9 April 2021. After hearing all witnesses in the case, the Court delivered a judgement on 8 December 2021, accepting the claim of PORR SA and Unibep SA in its entirety. The Court has received an appeal to the judgement filed by the defendant. On 27 September 2022, a response to the appeal was filed. On 7 March 2023, the parties entered into a settlement agreement under which the defendant will pay Unibep SA the amount of PLN 6,000 thousand.
- On 27 April 2020, Unibep SA and Przedsiębiorstwo Budownictwa Komunikacyjnego Sp. z o.o. brought a joint action against the **Podlaskie Voivodeship Roads Authority** for payment of PLN 4,453 thousand in total, of which PLN 1,391 thousand is Unibep SA's claim for payment for additional works under a contract for the construction of voivodeship road 645 along the Nowogród - Łomża section. The first hearing was held on 22 September 2021. The expert gave his opinion in the case, to which the plaintiff filed objections. The expert issued a supplementary opinion upholding his position. At a hearing on 11 January 2023, the case was referred back to mediation. The defendant withdrew from mediation and the case returned to court. The last hearing was held on 1 March 2023, at which the Court partially heard the expert. Due to deficiencies and inaccuracies in the opinion, the file was sent back to the expert. We are awaiting the setting of the next hearing date at which the expert in the case is to be heard again.
- In July 2022, Unibep SA filed a statement of claim against the **City of Ostrołęka** in connection with the increased costs of works on the investment of Reconstruction of ul. Goworowska in Ostrołęka. The statement of claim amounts to PLN 499 thousand. The court served a copy of the statement of claim on the opposing party, inquiring about the possibility of referring the case to mediation. The defendant filed a statement of defence, disputing the existence and amount of the claim. The first hearing was held on 7 February 2023. The court referred the parties to mediation, setting a deadline of 30 May 2023, and the hearing was adjourned to 29 June 2023.

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- On 25 August 2022, the consortium of Unibep SA and Przedsiębiorstwo Budownictwa Komunikacyjnego Sp. z o.o. in Łomża filed a statement of claim against the **General Directorate of National Roads and Motorways in Białystok** in connection with the deduction of the amount of PLN 157 thousand (PLN 79 thousand in favour of Unibep) for winter road maintenance on the contract for the extension of national road No. 63 Wygoda – Zambrów. The defendant has filed a statement of defence, and work is underway on the consortium's side on a reply to the statement of defence.
- Unibep SA filed a statement of claim on 14 September 2022 against the **Podlaskie Roads Authority in Ostrołęka** for the amount of PLN 1,341 thousand, concerning the valorisation of remuneration in connection with the implementation of the investment of district road No. 2544W Baranowo – Wyszel – Chojniki. On 24 October 2022, a statement of defence in the case was received. On 7 November 2022, the plaintiff filed a response to the letter from the Ostrołęka County. We are awaiting further action by the Court.
- On 22 August 2022, a statement of claim was filed against the Municipality of Zabłudów for payment of PLN 473 thousand in connection with the extension of the Ostrówki – Dawidowicze municipal road. The claim involves the valorisation of the contractual remuneration by the Court. A settlement was reached before a mediator on 17 January 2023. The case can be considered closed.
- In December 2022, Unibep SA filed a statement of claim against the **City of Łomża** for compensation in the amount of PLN 196 thousand in connection with the increased costs of implementing the investment of the Extension of ul. Jaworowa in Łomża, which were incurred in connection with the subsequent execution of works. A settlement was reached before a mediator in the case, whereby the City of Łomża agreed to pay an amount of PLN 120 thousand to Unibep SA as compensation.
- On 28 October 2022, the consortium of Unibep SA and Przedsiębiorstwo Drogowo-Mostowe SA filed a statement of claim against the **Voivodeship Roads Authority in Lublin** for a total amount of PLN 32,097 thousand, the value of Unibep SA's claim PLN 7,700 thousand. The statement of claim concerns the valorisation of the contract for the extension of voivodeship road No. 835 on the section between Biłgoraj – the voivodeship border. In January 2023, an agreement was signed to refer the case to mediation before the Arbitration Court of the General Prosecutor's Office of the Republic of Poland. The case is currently in mediation.
- On 29 December 2022, Unibep SA filed a statement of claim for payment of PLN 400 thousand against the Investor **PHNSPV 2 Sp. z o.o.** The investor did not return the retained guarantee deposit in connection with the construction of Domaniewska Office Hub. On 8 March 2023, the Court issued an order for payment by writ of payment, ordering the defendant to pay the claimed amount plus interest and to pay the costs of the proceedings. We are awaiting for the Court to serve the order to the defendant.
- On 6 February 2023, a statement of claim was filed against **Prymat Sp. z o.o.**, with its registered office in Jastrzębie Zdrój, for payment of PLN 2,070 thousand in connection with the investor's failure to pay the amount due for remuneration for construction works. The claim relates to the Prymat Jastrzębie contract. On 23 February 2023, a copy of the statement of claim was sent to the defendant. We are currently awaiting further action from the Court.

#### Actions brought by Unibep SA and Budrex Sp. z o.o.

- On 20 August 2019, Unibep SA and Budrex Sp. z o.o. filed a statement of claim against the **Podlaskie Voivodeship Roads Authority** for payment of PLN 4,744 thousand for additional works performed on the Łapy Markowszczyzna investment in connection with a change in the technology of the works carried out in the amount of PLN 1,051 thousand incurred by Budrex Sp. z o.o. and increased costs of transporting aggregates – PLN 3,658 thousand incurred by Unibep SA and PLN 36 thousand incurred by Budrex Sp. z o.o. By order of the Court dated 6 March 2020, evidence from the opinion of the Institute for Construction Analysis was admitted. The Institute presented an opinion in the case in which it acknowledged Budrex's claim for the amount of PLN 207 thousand, and in the case of Unibep SA the

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amount of PLN 1,995 thousand. On 29 June 2022, a judgement was passed, according to which the Court awarded Budrex Sp. z o.o. the amount of PLN 207 thousand together with interest from the Podlaskie Voivodeship Roads Authority in Białystok, and the amount of PLN 60 thousand from the plaintiffs to the defendant as reimbursement for the costs of legal representation. The ruling is not final. On 3 October 2022, Unibep SA and Budrex Sp. z o.o. have appealed the case. The Podlaskie Voivodeship Roads Authority also joined the appeal. We are awaiting the date of the appeal hearing.

## 6.35.2. Guarantees

	as of 31.12.2022	as of 31.12.2021
<b>GUARANTEES RECEIVED</b>	<b>17,020,815.92</b>	<b>41,131,436.18</b>
From other entities	17,020,815.92	41,131,436.18
<b>GUARANTEES GRANTED</b>	<b>796,081,829.87</b>	<b>499,300,670.84</b>
To related parties	24,206,471.87	22,873,140.91
To other entities	771,875,358.00	476,427,529.93

In 2022, a guarantee for the amount of PLN 316,659,548.17 was granted and guarantees were received in the amount of PLN 7,370,721.23.

## 6.36. Impact of Russia's invasion of Ukraine and the COVID 19 coronavirus outbreak on UNIBEP SA and Group operations

### 1. Russia's invasion of Ukraine. Information on the impact of the war on the Unibep Group's operations

The armed conflict that began on 24 February 2022 in Ukraine and its consequences, as well as the actions taken by international communities against Russia are events that affect the Company's and the Group's operations and future financial performance.

On 24 February 2022, the Management Board of Unibep SA has released information on the current assessment of the impact of the armed conflict in Ukraine on the Unibep Group's operations in this market.

The situation described in the report for Q3 2022 and earlier remains unchanged. The Company does not currently carry out construction work in Ukraine. In the domestic market, it does not identify significant risks in the implementation of contracts and accepted work schedules. In the opinion of the Management Board of Unibep SA, the armed conflict does not give rise to a need for write-offs.

At the date of publication of this report, it is not the Company's intention to withdraw from the Ukrainian market. Unibep maintains its intention to implement projects, while further cooperation and performance of contracts in Ukraine invariably depends on the development of the geopolitical situation in the region. However, the Company's presence in the post-conflict reconstruction project in Ukraine is under consideration.

Our subcontractors and other business partners include entities employing Ukrainian nationals. Since the start of the conflict, the impact on contract implementation and accepted work schedules has been monitored on an ongoing basis. Unibep does not identify any significant risks from this area. Contractors are completing the works without significant downtime and the risk of downtime is much lower than in the first months of the war.

The armed conflict, however, projects many adverse economic trends. The main risks and threats defined at the beginning of the armed conflict, namely the non-standard increase in the price of energy, fuels and construction materials, their limited availability and the disruption of supply chains, remain valid. In addition, we are following the phenomenon of high inflation, the stalling of investments, including those financed by EU programmes. The whole thing creates difficulties for reliable contract valuation and, consequently, long-term planning.

Despite the ongoing turbulence in material prices and problems with supply chains, our contractual obligations are being met on an ongoing basis. What is felt periodically, however, is the limited access to fossil raw materials

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directly affecting production and maintenance costs. High inflation and a developing recession are affecting the economy and the business climate. This translates negatively into contract profitability.

Unibep SA monitors the development of the conflict in Ukraine and assesses its impact on the Group's operations, including the execution of concluded contracts. The Company is analysing the situation and building scenarios for action in case the conflict escalates further. The Company's representatives are in regular contact with business partners (contracting entities, subcontractors, material suppliers), engage in a dialogue with non-governmental organisations, as well as contracting entities from the public sector.

Estimating the impact of the aforementioned phenomena on the Unibep Group's operations is difficult, as these phenomena occur in correlation with others and their dependence is multidimensional. The complicated geopolitical situation has certainly reduced both acquisition activity and execution efficiency, which has an impact on the profitability of almost all segments and may also have its consequences in future periods, especially in businesses that place their activities mainly outside the domestic market.

## **2. Information on the possible effect of the COVID-19 coronavirus epidemic on Unibep's and the Group's operations**

In the recent period, the impact of the coronavirus outbreak on the Group's operations has been very limited. However, the occurrence of extraordinary cases in the future that are negative for the Issuer and the industry as a whole and the consequences thereof cannot be ruled out with 100% certainty.

The situation in the Unibep Group has not materially changed compared to previous quarters and the information contained in the regular reports for 2022. Publicly available information on the state of the pandemic prompts us to take appropriate action both internally and with our business partners. The risks associated with the threat and their potential impact on the company's smooth operations, on-time delivery and cost growth are continuously monitored.

The level of threat to the business that resulted from the situation and that was described in the previous annual report is currently not material. Covid-19 does not force the need to revise plans and strategies, closing risks associated with broken supply chains. It does not affect the investment decisions of our potential buyers, our sales opportunities or the development of business relationships. There is also no significant impact on our credit risk and liquidity. We currently see no problems with the ability to move our staff as well as our subcontractors, both within the country and between the markets of the countries in our operational area. There are no indications of asset impairment. The constraints seen in 2021 on the operation of public and local government bodies and the associated remote working in the recent period do not present difficulties.

Much more significant for the prospects and developments are the hostilities on Ukrainian territory.

## **6.37. Events after the balance sheet date**

### **Changes in the Group structure**

1. On 3 April 2023, the District Court in Białystok, 12th Commercial Department of the National Court Register issued a decision on the merger of UNIBEP SA with its registered office in Bielsk Podlaski and BUDREX Sp. z o.o. with its registered office in Białystok. The merger was effected through the transfer of all assets of the acquired company, i.e. BUDREX Sp. z o.o., to the acquiring company, i.e. UNIBEP SA. Thus, UNIBEP SA entered, as of the date of the merger, into all rights and obligations of BUDREX Sp. z o.o. and became a party to all binding agreements concluded by BUDREX Sp. z o.o.

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## Conclusion of financial agreements

- On 5 January 2023, Unibep SA signed an annex to the agreement for the provision of contractual insurance guarantees with WIENER TU SA extending the agreement until 10.12.2023.
- On 10 January 2023, Unibep SA signed an annex to the agreement for the provision of contractual insurance guarantees with Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA increasing the guarantee limit to PLN 100 million.
- On 23 January 2023, Unibep SA signed an insurance guarantee agreement for an indefinite period with Towarzystwo Ubezpieczeń Wzajemnych "TUW" in the amount of PLN 15 million.
- On 26 January 2023, UNIBEP SA extended the overdraft and guarantee line agreement with Paribas Bank Polska SA for the total amount of PLN 143 million. The agreement was extended until 26 January 2024.
- On 27 January 2023, Unibep SA, Budrex Sp. z o.o. and Unihouse SA extended their overdraft and guarantee line agreement with Bank Polska Kasa Opieki SA for the total amount of PLN 70 million. The agreement was extended until 31 January 2024.
- On 2 February 2023, Unibep SA signed an annex to the contractual guarantee agreement with TUiR Allianz Polska SA extending the agreement until 31.12.2023.
- On 10 February, Unibep SA and Unihouse SA signed a tripartite overdraft and guarantee line agreement with mBank SA for the total amount of PLN 80 million. The agreement is effective until 29 January 2024 and replaced the previous financing agreement.
- On 28 February 2023, Unibep SA extended the overdraft and guarantee line agreement with BGK BP SA for the total amount of PLN 110 million. The agreement was extended until 29 February 2024.

Information and other significant events after the balance sheet date are included in the Report of the Management Board on Activities of the UNIBEP Group for 2022 – Section 6.5.

## 6.38. Employment structure

### AVERAGE EMPLOYMENT

	01.01.-31.12.2022	01.01.-31.12.2021
White-collar workers	724	607
Blue-collar workers	207	208
<b>TOTAL</b>	<b>931</b>	<b>815</b>

## 6.39. Information on contracts with the audit firm

On 22.06.2022, the Supervisory Board of UNIBEP SA selected Grant Thornton Polska Prosta Spółka Akcyjna (formerly Grant Thornton Polska spółka z ograniczoną odpowiedzialnością Spółka komandytowa) with its registered office in Poznań, ul. Abpa Antoniego Baraniaka 88E to review and audit the financial statements for the period 2022-2024.

The contract concluded on 28.07.2022 for the review and audit of the separate and consolidated reports specifies the annual remuneration of PLN 379,000 thousand per year plus additional costs.

The above-mentioned amounts are net amounts.

The audit firm provided no other services to the Company in 2022.

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## 7. Approval of the financial statements

The Company prepared the financial statements for 2021 in accordance with the International Accounting Standards. On 21 June 2022, these financial statements were approved by the Ordinary General Meeting of Shareholders of UNIBEP SA.

These financial statements were authorised by the Management Board of Unibep SA on 27.04.2023.

The publication date of these financial statements is 27.04.2023.

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**SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD OF UNIBEP SA**

President of the Management Board

Leszek Marek Gołąblecki

Vice-President of the Management Board

Sławomir Kiszycski

Vice-President of the Management Board

Krzysztof Mikołajczyk

Member of the Management Board

Adam Polliński

Member of the Management Board

Przemysław Wojciech Janiszewski

**SIGNATURE OF THE PERSON ENTRUSTED WITH BOOKKEEPING**

Chief Accountant

Krzyszyna Kobylińska

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