



Årsregnskap for regnskapsåret 2022

Organisasjonsnr: 923 351 426
Navn/foretaksnavn: UNIHOUSE SPOLKA AKCYJNA
Forretningsadresse: Rejonowa 5
PL-17-100 BIELSK PODLASKI

Brønnøysundregistrene

10.09.2024

Brønnøysundregistrene

Postadresse: 8910 Brønnøysund

Telefoner: Opplysningstelefonen 75 00 75 00 Telefaks 75 00 75 05

E-post: firmapost@brreg.no Internett: www.brreg.no

Organisasjonsnummer: 974 760 673



2023 . 202327

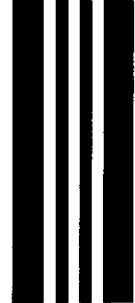


Brønnøysundregistrene - Regnskapsregisteret

VEDLEGG TIL ÅRSREGNSKAP 2022



| | | |
|---|------------------|-----|
| UNIHOUSE SPOLKA AKCYJNA c/o Omega Accounting AS Hovfaret 8 0275 OSLO | Organisasjonsnr. | NUF |
| | 923 351 426 | |



| | | | |
|---|-------------------|---|-----------------|
| Registrerte opplysninger per 30.08.2023 | | Eventuelle endringer dette regnskapsåret | |
| Startdato | Avslutningsdato | Startdato | Avslutningsdato |
| 01.01.2022 | 31.12.2022 | | |
| Konsernforhold Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap | Morselskap NEI | 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/data, Underskrift av representant for enheten

UTLA
C-mob

Bare til bruk for Regnskapsregisteret *re*

G NYVE Admr Kregn Ja Nei Aktiv. regn

M Rets Ant.s

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

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BR-1001-11





Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 720407

Enheten

Organisasjonsnummer: 923 351 426
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: UNIHOUSE SPOLKA AKCYJNA
Forretningsadresse: Rejonowa 5
PL-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: MARCIN KAZIMIERZ GOLEBIEWSKI
Dato for fastsettelse av årsregnskapet: 22.08.2023

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, 30.08.2023



Organisasjonsnr: 923 351 426
UNIHOUSE SPOLKA ARCYJNA

RESULTATREGNSKAP

| <u>Beløp i: NOK</u> | <u>Note</u> | <u>2022</u> | <u>2021</u> |
|---|-------------|--------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Salgsinntekt | | 501 528 243 | 593 953 319 |
| Sum inntekter | | 501 528 243 | 593 953 319 |
| Kostnader | | | |
| Varekostnad | | 190 223 373 | 180 009 581 |
| Lønnskostnad | | 139 684 646 | 127 997 698 |
| Avskrivning på varige driftsmidler | | 11 358 191 | 11 046 616 |
| Annen driftskostnad | | 223 401 259 | 241 006 185 |
| losses | | 33 449 658 | |
| Sum kostnader | | 598 117 127 | 560 060 080 |
| Driftsresultat | | -96 588 884 | 33 893 239 |
| Finansinntekter og finanskostnader | | | |
| Annen renteinntekt | | 145 751 | 336 313 |
| Annen finansinntekt | | 10 672 806 | 237 851 |
| Sum finansinntekter | | 10 818 557 | 574 164 |
| Annen rentekostnad | | 8 937 275 | 2 298 769 |
| Annen finanskostnad | | 3 239 732 | 10 891 328 |
| Sum finanskostnader | | 12 177 007 | 13 190 097 |
| Netto finans | | -1 358 450 | -12 615 933 |
| Ordinært resultat før skattekostnad | | | |
| Skattekostnad på ordinært resultat | | -97 947 334 | 21 277 306 |
| Ordinært resultat etter skattekostnad | | -18 015 371 | 732 390 |
| Årsresultat | | -79 931 963 | 20 544 916 |
| Årsresultat etter minoritetsinteresser | | -79 931 963 | 20 544 916 |
| Overføringer og disponeringer | | | |
| overføring til/fra fonds | | -79 931 963 | 20 544 916 |
| Sum overføringer og disponeringer | | -79 931 963 | 20 544 916 |



Organisasjonsnr: 923 351 426
UNIHOUSE SPOLKA ARCYJNA

BALANSE

| <u>Beløp i: NOK</u> | <u>Note</u> | <u>2022</u> | <u>2021</u> |
|--|-------------|--------------------|--------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| konsensjoner, patenter | | 9 641 470 | 10 231 478 |
| Utsatt skattefordel | | 23 039 875 | 7 100 969 |
| Sum immaterielle eiendeler | | 32 681 345 | 17 332 447 |
| Varige driftsmidler | | | |
| tomter, bygninger og annen fast eiendom | | 117 920 808 | 104 345 808 |
| maskiner og anlegg | | 17 686 172 | 18 800 709 |
| Driftsløsøre, inventar, verktøy, kontorm. | | 9 197 928 | 10 299 529 |
| Sum varige driftsmidler | | 144 804 908 | 133 446 046 |
| Finansielle anleggsmidler | | | |
| Andre langsiktige fordringer | | 3 620 212 | 2 672 886 |
| Sum finansielle anleggsmidler | | 3 620 212 | 2 672 886 |
| Sum anleggsmidler | | 181 106 465 | 153 451 379 |
| Omløpsmidler | | | |
| Varer | | | |
| varer | | 31 895 153 | 28 194 864 |
| Sum varer | | 31 895 153 | 28 194 864 |
| Fordringer | | | |
| Kundefordringer | | 99 977 237 | 49 196 679 |
| Andre kortsiktige fordringer | | 164 582 247 | 337 175 889 |
| Sum fordringer | | 264 559 484 | 386 372 568 |
| Investeringer | | | |
| Andre finansielle instrumenter | | 2 146 969 | |
| Sum investeringer | | 2 146 969 | |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter o. l. | | 14 430 461 | 17 556 375 |
| Sum bankinnskudd, kontanter og lignende | | 14 430 461 | 17 556 375 |
| Sum omløpsmidler | | 313 032 067 | 432 123 807 |
| SUM EIENDELER | | 494 138 532 | 585 575 186 |



BALANSE - EGENKAPITAL OG GJELD

| | | |
|---|--------------------|--------------------|
| Egenkapital | | |
| Innskutt egenkapital | | |
| Selskapskapital | 5 053 950 | 4 889 025 |
| Overkurs | 82 098 610 | 79 419 495 |
| Annen innskutt egenkapital | 53 613 816 | 21 317 885 |
| Sum innskutt egenkapital | 140 766 376 | 105 626 405 |
| Opptjent egenkapital | | |
| Annen egenkapital | | 723 190 |
| Udekket tap | 78 236 783 | |
| Sum opptjent egenkapital | -78 236 783 | 723 190 |
| Sum egenkapital | 62 529 593 | 106 349 595 |
| Gjeld | | |
| Langsiktig gjeld | | |
| Utsatt skatt | 4 435 041 | 4 366 006 |
| Sum avsetninger for forpliktelsler | 4 435 041 | 4 366 006 |
| Annen langsiktig gjeld | | |
| Gjeld til kredittinstitusjoner | 55 921 851 | 25 707 838 |
| øvrig langsiktig gjeld | 34 108 630 | 21 350 446 |
| Sum annen langsiktig gjeld | 90 030 481 | 47 058 284 |
| Sum langsiktig gjeld | 94 465 522 | 51 424 290 |
| Kortsiktig gjeld | | |
| gjeld til | | |
| kredittinstitusjoner | 34 248 647 | 64 114 707 |
| Leverandørgjeld | 100 466 550 | 74 622 902 |
| Skyldig offentlige avgifter | | |
| Annen kortsiktig gjeld | 202 428 220 | 289 063 696 |
| Sum kortsiktig gjeld | 337 143 417 | 427 801 305 |
| Sum gjeld | 431 608 939 | 479 225 595 |
| SUM EGENKAPITAL OG GJELD | 494 138 532 | 585 575 190 |



FINANCIAL
STATEMENT
FOR THE YEAR ENDED
31 DECEMBER 2022

Prepared in accordance with the International
Financial Reporting Standards accepted by the
European Union

www.unihouse.pl



UNIHOUSE SA

Financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards (amounts in tables expressed in PLN unless otherwise stated)



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Bielsk Podlaski, 21 April 2023

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INDIVIDUAL FINANCIAL STATEMENT

Bielsk Podlaski, 21 April 2023
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UNIHOUSE SA

Financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards (amounts in tables expressed in PLN unless otherwise stated)



| | Note | as at 31.12.2022 | as at 31.12.2021 |
|---|------|-----------------------|-----------------------|
| ASSETS | | | |
| LONG-TERM FIXED ASSETS | | | |
| Tangible assets | 6.1 | 62 505 303,01 | 61 413 801,95 |
| Intangible assets | 6.2 | 4 292 347,95 | 4 708 674,44 |
| Investment property | 6.3 | 1 961 310,93 | - |
| Receivables due for deliveries and services as well as other long-term receivables | 6.4 | 1 611 705,19 | 1 061 962,29 |
| Assets due to derivatives | | - | 168 138,49 |
| Deferred tax assets | 6.15 | 10 257 268,00 | 3 267 969,00 |
| Total fixed assets (long-term) | | 80 627 935,08 | 70 620 546,17 |
| SHORT-TERM CURRENT ASSETS | | | |
| Inventory | 6.6 | 14 199 605,68 | 12 975 684,47 |
| Receivables due for deliveries and services as well as other short-term receivables | 6.4 | 39 977 971,01 | 34 519 489,59 |
| Contract assets | 6.16 | 73 271 411,76 | 142 241 716,23 |
| Accounts receivable for deferred tax liabilities | | 4 531 528,40 | 1 053 037,11 |
| Assets from derivative financial instruments | 5.0 | 955 822,24 | - |
| Cash and cash equivalents | 6.7 | 6 424 388,58 | 8 079 697,71 |
| Current assets other than assets intended for sale | | 139 360 727,67 | 198 869 625,11 |
| Total current (short-term) assets | | 139 360 727,67 | 198 869 625,11 |
| TOTAL ASSETS | | 219 988 662,75 | 269 490 171,28 |

INDIVIDUAL FINANCIAL STATEMENT

Bielsk Podlaski, 21 April 2023
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UNIHOUSE SA

Financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards (amounts in tables expressed in PLN unless otherwise stated)



| | Note | as at 31.12.2022 | as at 31.12.2021 |
|---|------|-----------------------|-----------------------|
| LIABILITIES | | | |
| Own capital | | | |
| Basic capital | 6.9 | 2 250 000,00 | 2 250 000,00 |
| Capital made of sales of shares in excess of the nominal price | | 36 550 000,00 | 36 550 000,00 |
| Other reserve capital | 6.9 | 23 868 673,83 | 9 388 934,63 |
| Deferred revenues (losses) | 6.9 | -34 830 729,41 | 754 686,82 |
| Own capital for the shareholders of the parent company | | 27 837 944,42 | 48 943 621,45 |
| Total equity | | 27 837 944,42 | 48 943 621,45 |
| Long-term liabilities | | | |
| Liabilities due for deliveries and services as well as other long-term liabilities | 6.14 | 1 974 463,58 | 2 009 299,80 |
| Credits, loans and other financial liabilities - long-term | 6.11 | 20 183 663,23 | 1 800 165,16 |
| Long-term leasing liabilities | 6.12 | 4 712 540,09 | 5 371 925,38 |
| Long-term liabilities from derivative financial instruments | 5.0 | - | 4 659 028,29 |
| Long-term reserves | 6.13 | 12 485 483,48 | 7 492 499,35 |
| Deposits due to agreements with clients | 6.17 | 2 699 553,70 | 2 333 284,88 |
| Total long-term liabilities | | 42 055 704,08 | 23 666 202,86 |
| Short-term liabilities | | | |
| Liabilities due for deliveries and services as well as other short-term liabilities | 6.14 | 44 727 340,40 | 48 019 330,35 |
| Contract liabilities | 6.16 | 74 980 637,05 | 108 860 867,04 |
| Deposits due to agreements with clients | 6.17 | 3 043 050,10 | 3 000 421,98 |
| Credits, loans and other financial liabilities - short-term | 6.11 | 13 880 150,33 | 23 013 921,69 |
| Short-term leasing liabilities | 6.12 | 1 367 221,86 | 1 211 761,13 |
| Short-term liabilities from derivative financial instruments | 5.0 | 2 213 169,32 | 5 280 832,36 |
| Short-term reserves | 6.13 | 9 883 445,19 | 7 493 212,42 |
| Short-term liabilities other than for assets intended for sale | | 150 095 014,25 | 196 880 346,97 |
| Total short-term liabilities | | 150 095 014,25 | 196 880 346,97 |
| Total short- and long-term liabilities | | 192 150 718,33 | 220 546 549,83 |
| TOTAL LIABILITIES | | 219 988 662,75 | 269 490 171,28 |



UNIHOUSE SA

Financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards (amounts in tables expressed in PLN unless otherwise stated)



INDIVIDUAL PROFIT AND LOSS ACCOUNT

| | Note | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|------|-----------------------|---------------------|
| Operating activities | | | |
| Revenues due to agreements with clients | 6.19 | 223 278 534,35 | 273 345 906,31 |
| Costs of the sold products, services, goods and materials | 6.20 | 252 000 209,00 | 258 127 730,81 |
| Gross profit (loss) from sales | | -28 721 674,65 | 15 218 175,50 |
| Administration costs | 6.20 | 8 977 266,22 | 8 382 114,79 |
| Remaining operating revenues | 6.21 | 581 597,60 | 854 100,22 |
| Other operating expenditures | 6.21 | 1 251 292,22 | 1 658 269,42 |
| Operating profit (loss) | | -38 368 635,49 | 6 031 891,51 |
| Financial revenues | 6.22 | 4 816 382,66 | 264 239,13 |
| Financial expenses | 6.22 | 5 421 159,51 | 6 070 273,89 |
| Expected credit losses | 6.22 | 4 632 381,68 | -444 023,02 |
| Profit (loss) before tax | | -43 605 794,02 | 669 879,77 |
| Income tax | 6.15 | -8 020 377,79 | 337 056,86 |
| Net profit (loss) from continuing operations | | -35 585 416,23 | 332 822,91 |
| Profit (loss) from discontinued operations | | - | - |
| Net profit (loss) | | -35 585 416,23 | 332 822,91 |

| | | |
|--|-----------------------|-------------------|
| Net profit/loss from continuing operations | -35 585 416,23 | 332 822,91 |
| Net profit/loss from continuing operations attributable to equity holders of the entity per share (in PLN) | -1,58 | 0,01 |
| Diluted net profit/loss from continuing operations attributable to equity holders of the entity per share (in PLN) | -1,58 | 0,01 |

INDIVIDUAL FINANCIAL STATEMENT FROM TOTAL INCOME

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|-----------------------|---------------------|
| Net profit (loss) | -35 585 416,23 | 332 822,91 |
| Other total revenues which are to be requalified for income or losses after meeting specific conditions: | 3 762 880,99 | 3 679 409,00 |
| Foreign exchange differences on translation of foreign operations | - | - |
| Effective portion of changes of the fair value of the cash flow hedging instruments | 3 762 880,99 | 3 679 409,00 |
| Other total revenues which are not going to be requalified for income or losses: | 1 797 290,21 | 700 430,00 |
| Actuarial income (losses) from defined benefits plans | 498 752,00 | 700 430,00 |
| Valuation of investment property at fair value on reclassification | 1 298 538,21 | - |
| Other total income before tax | -30 025 245,03 | 4 379 839,00 |
| Income tax relating to components that may be reclassified in later periods* | 714 947,00 | 699 088,00 |
| Income tax relating to components that will not be reclassified in later periods* | 341 485,00 | 133 082,00 |
| Total other total income after tax | 4 503 739,20 | 3 547 669,00 |
| Total revenue | -31 081 677,03 | 3 880 491,91 |
| out of this, falling to: shareholders of the parent company | -31 081 677,03 | 3 880 491,91 |

*change of sign method



UNIHOUSE SA

Financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards (amounts in tables expressed in PLN unless otherwise stated)



INDIVIDUAL STATEMENT FROM CHANGES IN EQUITY

for the period of 01.01.2022 – 31.12.2022

| | Basic capital | Other reserve capital | Capital made of sales of shares in excess of the nominal price | Deferred revenue | Total equity |
|---|---------------|-----------------------|--|------------------|----------------|
| Equity at the beginning of the period | 2 250 000,00 | 9 388 934,63 | 36 550 000,00 | 754 686,82 | 48 943 621,45 |
| Revenue (loss) of the current year | - | - | - | -35 585 416,23 | -35 585 416,23 |
| Increase/decrease in equity due to transactions with owners | - | 9 976 000,00 | - | - | 9 976 000,00 |
| Other total income | - | 4 503 739,20 | - | - | 4 503 739,20 |
| Total revenue | - | 4 503 739,20 | - | -35 585 416,23 | 31 081 677,03 |
| Change in equity | - | 14 479 739,20 | - | -25 585 416,23 | -21 105 677,03 |
| Equity at the end of the period | 2 250 000,00 | 23 868 673,83 | 36 550 000,00 | -34 830 729,41 | 27 837 944,42 |

for the period of 01.01.2021 – 31.12.2021

| | Basic capital | Other reserve capital | Capital made of sales of shares in excess of the nominal price | Deferred revenue | Total equity |
|---------------------------------------|---------------|-----------------------|--|------------------|---------------|
| Equity at the beginning of the period | 2 250 000,00 | 5 841 265,63 | 36 550 000,00 | 421 863,91 | 45 063 129,54 |
| Revenue (loss) of the current year | - | - | - | 332 822,91 | 332 822,91 |
| Other total income | - | 3 547 669,00 | - | - | 3 547 669,00 |
| Total revenue | - | 3 547 669,00 | - | 332 822,91 | 3 880 491,91 |
| Change in equity | - | 3 547 669,00 | - | 332 822,91 | 3 880 491,91 |
| Equity at the end of the period | 2 250 000,00 | 9 388 934,63 | 36 550 000,00 | 754 686,82 | 48 943 621,45 |



UNIHOUSE SA

Financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards (amounts in tables expressed in PLN unless otherwise stated)



INDIVIDUAL FINANCIAL STATEMENT FROM FINANCIAL FLOWS

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|--|-----------------------|----------------------|
| Cash flow from operating activities | | |
| I. Gross profit (loss) | -43 605 794,02 | 669 879,77 |
| II. Total adjustments: | 42 286 635,67 | -4 033 637,79 |
| 1. Depreciation: | 5 056 625,20 | 5 083 812,65 |
| 2. Profits (losses) on exchange rate | -93 258,64 | 142 689,64 |
| 3. Interest and shares in profits (dividends) | 4 175 270,39 | 1 259 435,62 |
| 4. Profit (loss) from investment activity | 310 178,67 | 4 300 363,09 |
| 5. Change in reserves | 7 881 968,90 | 3 894 806,34 |
| 6. Change in inventories | -1 223 921,21 | -6 230 042,62 |
| 7. Change in the balance of receivables | 62 962 080,15 | -96 928 418,64 |
| 8. Change in the status of short-term liabilities, excluding financial obligations | -36 798 159,22 | 84 452 019,15 |
| 9. Other adjustments | 15 851,43 | -8 303,02 |
| Financial assets from operating activities | -1 319 158,35 | -3 363 758,02 |
| Income tax paid / returned | -3 457 915,00 | -3 450 714,00 |
| Net financial assets from operating activities | -4 777 073,35 | -6 814 472,02 |
| Cash flows from investment activities | | |
| Purchase of tangible and intangible assets | -5 741 280,22 | -1 150 881,37 |
| Income on the disposal of fixed and intangible assets | 40 835,70 | 4 146,33 |
| Other (including the performance of derivatives) | -5 094 814,90 | - |
| Net financial resources on investment activities | -10 795 259,42 | -1 146 735,04 |
| Net cash flows on financial activity | | |
| Incomes from loans, credits, government bonds, bills of exchange | 33 746 693,19 | 23 388 075,57 |
| Repayment of loans, credits, government bonds, bills of exchange | -24 654 519,19 | -20 160 000,00 |
| Net proceeds from share issues | 9 976 000,00 | - |
| Payment of liabilities by virtue of leasing agreements | -1 179 226,21 | -1 241 672,01 |
| Interest paid | -4 030 124,36 | -1 273 230,13 |
| Net financial resources on financial activity | 13 858 823,43 | 713 173,43 |
| Net change in the state of financial assets excluding exchange rate differences | -1 713 509,34 | -7 248 033,63 |
| Currency exchange rate differences | 58 200,21 | -142 689,64 |
| Net change of the state of financial assets | -1 655 309,13 | -7 390 723,27 |
| Financial assets at the beginning of the period | 8 079 697,71 | 15 470 420,98 |
| Financial assets at the end of the period | 6 424 388,58 | 8 079 697,71 |
| - including: with restricted disposing capacity | 83 088,98 | 35 262,48 |

The explanatory notes to the statement of cash flows are included in note 6.25.



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1. General information

1.1. Information on the Company and its activities

UNIHOUSE S.A. was established on 1 April 2019 in accordance with the resolution of the Extraordinary General Meeting of UNIBEP S.A. of 28 February 2019. On 1 July 2019, UNIHOUSE S.A. was registered in the District Court in Białystok, XII Economic Department of the National Court Register in the Register of Entrepreneurs under the number 0000793054. The share capital of UNIHOUSE S.A. at the moment of registration amounted to PLN 100 000,00 and consisted of 1,000,000 shares with nominal value of PLN 0,10 each. The Company has a Polish tax identification number (NIP) 5432187657 and statistical identification number REGON 383776590. The company headquarters are situated in Bielsk Podlaski at 5 Rejonowa St.

On 1 November 2019, UNIBEP S.A. acquired, in exchange for a contribution in kind of an organised part of the enterprise (OCP) in the form of UNIHOUSE Branch of UNIBEP S.A. in Bielsk Podlaski, 21 500 000 shares of a new issue with a value of PLN 2 150 000,00. The capital increase was registered with the KRS on 31 December 2019.

The primary scope of activity of UNIHOUSE S.A. in accordance with the Polish Classification of Business Activity includes realisation of building projects related to erection of buildings in Poland and abroad.

UNIHOUSE S.A. conducts activity in the field of modular construction based on timber-frame modular technology buildings. Production of these buildings takes place in production halls in Bielsk Podlaski.

1.2. Method for preparing the financial statement

These financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board as endorsed by the European Union, under the IFRS Regulation (European Commission 1606/2002), hereinafter "EU IFRS".

EU IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and endorsed for use in the EU.

The Company has adopted all new and approved standards and interpretations issued by the International Accounting Standards Board and the International Accounting Standards Interpretations Committee and endorsed for use in the EU, applicable to its operations and effective for reporting periods from 1 January 2019.

The financial statements have been prepared on the historical cost basis, except for derivative financial instruments measured at fair value and assets measured at fair value through other comprehensive income, in accordance with the *Accounting Policies* presented later in this report. These separate financial statements, except for the separate statement of cash flows, have been prepared on an accrual basis.

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

Indication whether the financial statements were prepared on a going concern basis: As at the date of signing these financial statements, the Management Board of UNIHOUSE S.A. does not confirm the existence of facts and circumstances that would indicate a threat to the possibility of continuing operations for 12 months after the balance sheet date as a result of deliberate or compulsory abandonment or significant limitation of the current activities.

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1.3. Functional currency and presentation currency of the financial statements

The functional currency of the Company and the presentation currency of these financial statements is the Polish zloty. All amounts in these financial statements are stated in Polish zlotys and grosz unless otherwise indicated.

1.4. IFRS amendments;

Changes to the existing standards applied in the financial statements of the Company for 2022.

The following new standards, amendments to existing standards and new interpretations issued by the International Accounting Standards Board (IASB) become effective for the first time in the Company's 2022 financial statements:

- Amendments to IFRS 3 'Business Combinations', IAS 16 'Property, Plant and Equipment' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'; IFRS9 'Financial Instruments', IFRS16 '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 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

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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-time Adoption 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.

2. Key accounting principles

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

TANGIBLE ASSETS

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

Tangible assets are assets held by the Company for use in the production process or in the supply of goods and services or for administrative purposes with an expected useful economic life of more than one year.

Tangible assets in particular include the following groups:

- usufruct
- buildings, premises and civil engineering works.
- technical equipment and machinery
- means of transport
- investments in third-party tangible assets;
- other tangible assets

Tangible assets shall be entered in the accounts if and only if the following two criteria are met simultaneously:

- it is probable that future economic benefits associated with the asset will flow to the Company;
- the cost of the asset to the Company can be measured reliably.

Upon initial recognition, a tangible asset item that qualifies for recognition as an asset shall be measured at its cost.

Investments in progress relating to tangible assets under construction are measured at total cost directly attributable to their acquisition or construction, including financing costs, less any impairment losses.

After initial recognition, tangible assets are stated at cost ("cost") less accumulated depreciation and accumulated impairment losses.

Tangible assets are depreciated on a straight-line basis to spread their initial value, less residual value and accumulated depreciation and impairment losses, over the period corresponding to their estimated useful lives.

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



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Depreciation rates are determined based on the expected useful life, which is reviewed annually by the Company. The useful lives of the various groups of tangible assets are shown below:

- buildings, premises and civil engineering works – between 5 and 40;
- plant and machinery - between 2 and 15 years;
- means of transport - between 3 and 8 years;
- other tangible assets - between 2 and 10 years.

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

The above useful lives and residual values of individual items of property, plant and equipment are reviewed at least at the end of each financial year and where expectations differ from previous estimates, the changes are recognised prospectively as a change in estimate.

Low-value tangible assets with a value not exceeding PLN 3 500, except for power tools, may be depreciated once in the month in which they are acquired if the simplification so adopted does not materially distort financial results and assets. A one-off purchase of a number of low-value tangible assets may be accounted for and depreciated as a single collective item. For items classified as equipment, due to their low value, the Company applies the simplified approach of recognising the value of the asset once in the cost of consumable materials when the assets are placed in service. Off-balance sheet equipment records are maintained in subsequent periods.

Depreciation of a tangible asset begins when it is available for use, which is defined as bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. In practice, the Company adopts a simplification in this regard and depreciation begins at the beginning of the month following the month in which the fixed asset became available for use.

When there are indications that tangible assets may be impaired, these assets are reviewed for possible impairment.

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

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

At each reporting date, an assessment shall be made as to whether there are any objective indications that the write-down may be reversed. Any reversal of a previously recognised impairment loss is recognised in profit or loss under Other operating income respectively.

Subsequent expenditure is included in the carrying amount of a tangible asset or recognised as a separate tangible asset item only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably.

The costs of day-to-day maintenance and upkeep of tangible assets affect the financial result for the period in which they are incurred.

INTANGIBLE ASSETS

Intangible assets are recognised when it is probable that they will result in future economic benefits. Initial recognition of intangible assets is at acquisition or production cost. In the subsequent period of use, valuation is carried out at cost less accumulated depreciation 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. generally 2-10 years. This period may be extended in justified cases.

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

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

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

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If it is difficult to separate research and development work in an ongoing project, the Company treats all work as research work.

Research work does not result in the creation of an asset and therefore the costs of such work are recognised as an expense in the period as they are incurred, as are development costs that do not meet the criteria for capitalisation.

Development costs are capitalised as intangible assets that are technically possible to complete so that the intangible asset is suitable for use or sale.

LEASING

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

- the asset is identified (note: an asset is not identified if the supplier has a significant right to substitute the asset),
- the customer is entitled to virtually all economic benefits,
- the customer determines how and for what purpose the asset is used, or it is predetermined, but the customer operates or designs the asset.

Leasing by the lessee

If an arrangement meets the definition of a lease, then, at the inception of the lease, the lessee recognises a right-of-use asset and a lease liability in the statement of financial position.

The right-of-use asset is initially recognised at the value of the lease liability, and is subsequently increased by

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

After the start date, it measures the right-of-use asset using the cost model.

To apply the cost model, the right-of-use asset is measured at cost:

- less accumulated depreciation (amortisation) and accumulated impairment losses,
- adjusted for any revaluation of the lease liability.

The lease liability is initially measured at the present value of future lease payments over the lease term discounted using the rate in the lease agreement. Otherwise, in the absence of the possibility to determine this rate, the lessee's marginal interest rate should be used.

Lease payments to be included in the measurement of the lease liability on the date of initial recognition include:

- fixed lease payments minus lease incentives payable - fixed lease payments generally comprise fixed lease payments that may, in their form, contain elements of variability but are generally unavoidable,
- variable fees which depend only on an index or a rate,
- amounts paid by the lessee in respect of the guaranteed residual value,
- the strike price of the call option,
- lease termination penalties - recognised only if, in determining the lease term, it was assumed that it was reasonably certain that the lessee would exercise the option to terminate.

After initial recognition, the lease liability is measured by:

- increase in carrying amount to reflect interest on lease liability,
- a reduction in the carrying amount to take account of lease payments made,
- revise the measurement of the carrying amount to reflect any reassessment or modification of the lease or to reflect updated substantially fixed lease payments.

The amount of the revaluation of the lease liability is recognised as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset has been 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 profit or loss.

Where an arrangement meets the definition of a lease but the lease payments are variable payments (independent of the index or rate but, for example, of turnover), then the costs of such arrangements are not included in the measurement of the lease liability but are charged directly to the income statement.

The Company has identified the following types of material leases:

- the right of perpetual usufruct of land,
- office leases,

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- lease agreements for means of transport
- lease agreements for other tangible assets.

The Company allows simplifications for all short-term leases (less than 12 months) and leases where the underlying asset is of low value (less than PLN 20 000). Financial liabilities and related right-of-use assets are not recognised for these contracts. Lease payments in such a situation are recognised as an expense on a straight-line basis over the lease term.

In identifying leases, the Company makes estimates and judgements that significantly affect the value of lease liabilities and right-of-use assets. This mainly concerns the discount rate adopted for the valuation of the liabilities and the duration of the leases (taking into account the possibility of renewal or early termination of the lease). Estimates that affect subsequent reporting periods also include the depreciation rate applied to individual assets.

The lease term is the non-cancellable term of the lease, covering a total of:

- possible periods of lease renewal, if the lessee is reasonably certain to exercise this option; and
- possible periods of notice of termination of the lease if the lessee is reasonably certain not to exercise this option.

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

Costs associated with leasing the right to use office space and means of transport are charged to depreciation and finance costs on leases. The asset is shown in the balance sheet under fixed assets, while the liability is shown under long-term or short-term liabilities respectively.

INVENTORY

Inventory items include assets that meet the following criteria:

- held for sale in the ordinary course of the Company's business;
- being in the process of production for sale, or
- which take the form of materials or raw materials consumed in the production process or in the provision of services.

Items stored at construction sites for a specific purpose or processed in-house or by a subcontractor that are not certain to be readily usable for other contracts or sold are not considered as a component of inventory. Such items are charged directly to contract costs and are thus included in the measurement of the contract by stage of completion.

Inventories are valued at the lower of cost and selling price.

The net selling price is the selling price obtainable at the balance sheet date net of value added tax and excise duty, after deducting discounts, rebates and similar price adjustments, as well as costs associated with preparing the item for sale and effecting that sale.

Disposal of goods from the warehouse is valued using the "first in, first out" method (FIFO).

The Company recognises inventory write-downs based on current sales or inventory utilisation plans. Net recoverable amount is the estimated net selling price as defined above (section 'measurement after initial recognition').

Write-downs on inventories are recognised in profit or loss for the period at production cost.

NEED FOR EXTERNAL FINANCE;

Borrowing costs directly attributable to qualifying assets are capitalised as part of the cost of those assets.

Capitalisation of borrowing costs allocated to assets shall commence when:

- expenditure is incurred on that asset;
- borrowing costs are incurred; and
- activities necessary to prepare the asset for its intended use or sale are in progress

Capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.



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Adjustable assets in the Company may be, for example, inventories relating to modular operations, tangible assets, intangible assets.

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

CASH AND CASH EQUIVALENTS

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

- cash in transit (as of the balance sheet date) between different bank accounts of entities, including cash withdrawn from an entity's bank account, via an ATM, using a credit card;
- term deposits with a bank with a maturity of less than 3 months.

At initial recognition, cash is stated at nominal value and after initial recognition at the balance sheet date, cash is stated at nominal value taking into account any impairment losses. In the case of cash equivalents, the nominal value of bank term deposits is the value of funds at the Company's disposal, which also includes interest accrued by the bank on the deposits up to the balance sheet date.

RECEIVABLES DUE FOR DELIVERIES AND SERVICES AS WELL AS REMAINING RECEIVABLES

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

Trade receivables represent amounts due from customers for goods sold or services rendered in the ordinary course of the Company's business.

Trade and other receivables that are financial assets are classified as "measured at amortised cost" (part *Financial Instruments*).

Trade and other financial receivables that are financial assets are classified as 'measured at amortised cost'.

Trade and other financial receivables are measured in accordance with the principles outlined for this category under *Financial Instruments*.

At initial recognition, trade and other receivables that are financial assets are recognised at fair value. For short-term receivables, the fair value equals the nominal amount.

Receivables that are not financial assets are carried at the amount due.

After initial recognition, trade and other receivables representing financial assets are stated at amortised cost (corresponding to the amount payable in the case of short-term receivables) less any impairment losses recognised.

At the end of each reporting period, the Company measures expected credit losses in accordance with the methodology described under "Financial Instruments". The allowance for expected credit losses is recognised as a deduction from the carrying amount of receivables and secondarily as a charge to profit or loss under the separate heading *Expected credit losses*.

Prepayments and accrued income are expenses incurred at the balance sheet date that represent deferred costs. Recognition shall be made if the costs incurred relate to more than one reporting period. Accruals include, inter alia, insurance, guarantees, structured VAT and other costs meeting the above definition.

Prepayments are recognised initially at the amount paid. Write-offs of repayments and deferred expenses are made in relation to the time passed. The time and method of billing should be justified by the nature of the costs billed.

In order to account for costs over time, it is necessary to meet the requirement that they be included in the Company's assets, so it must be certain that the asset will generate future economic benefits.

CONTRACTUAL ASSETS AND LIABILITIES

Contract assets and liabilities arise from the application of IFRS 15 *Revenue from Contracts with Customers*.

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The company transfers the control of the good or service over time and thereby satisfies the performance obligation and recognises revenue over time if one of the following conditions is met:

- the customer simultaneously receives and benefits from the benefit as the benefit is provided,
- the performance causes to creation or an improvement of an asset and the customer has control of the asset as it arises or is improved,
- the performance does not result in the creation of an asset of an alternative use to the Company and the Company has an enforceable right to receive payment for the performance to date.

Generally, the Company recognises the transfer of control over time for construction contracts, including the construction of facilities from modules and panels manufactured by the Company, real estate construction contracts.

Where the Company transfers control over time, revenue is determined using the stage of completion method. The Company determines the stage of completion of an agreement by determining the share of costs, incurred from the date of the agreement to the date of determining revenue, in the estimated total costs of the agreement. In cases justified by the nature of the agreement, the Company may determine the stage of agreement completion using other methods.

The contractual liabilities item also includes advances received from customers for contract performance.

LIABILITIES DUE FOR DELIVERIES AND SERVICES AS WELL AS OTHER LIABILITIES

Trade liabilities are liabilities due for goods or services that have been delivered or performed and have been invoiced or their delivery has been otherwise formally confirmed with the supplier. Reverse factoring liabilities (reverse factoring, confirmations - supply financing, etc.) are treated as trade liabilities.

Other liabilities represent tax, customs and insurance liabilities, payroll liabilities, advances received for deliveries and other liabilities of a similar nature.

Trade and other liabilities are classified as 'financial liabilities' and are measured in accordance with the policy set out in the *Financial Instruments* section.

Also included under "Trade and other liabilities" are "Deferred income" and "Accrued expenses".

Deferred revenue represents funds received for services to be rendered in subsequent reporting periods, which will give rise to the recognition of the corresponding revenue. They are accounted for over time in order to maintain the principle of matching revenues and costs. The Company classifies under deferred income:

- grants
- deferred interest on promissory notes;
- accounting for perpetual usufruct of land received free of charge.

Grants received in cash are recognised at nominal value while non-monetary grants are recognised at fair value. Grants shall be recognised when there is reasonable assurance that the grant will be received and the entity will comply with the criteria to receive such a grant. Grants related to fixed assets and development work, which are classified as deferred income, are gradually recognised in profit or loss through equal write-offs over the estimated useful lives of the assets

Grants of costs are recognised as income in the period in which the entity recognises the cost that the grant is intended to compensate.

CONTINGENT LIABILITIES AND RECEIVABLES

A contingent liability is considered to be an obligation to provide performance that is dependent on the occurrence of specific events. Contingent liabilities are not shown on the balance sheet but are disclosed in the notes.

Contingent receivables are not recognised in the balance sheet; however, they are disclosed in the notes where an inflow of resources embodying economic benefits is probable.

TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

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Transactions denominated in foreign currencies are recorded in PLN, using 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 denominated in foreign currency are translated at the balance sheet date using the exchange rate prevailing at that date. Exchange differences arising on the settlement of transactions in foreign currencies and on the balance sheet valuation of monetary assets and liabilities denominated in foreign currencies are recognised as financial income or expenses, except when they represent an adjustment to borrowing costs.

Realised exchange differences on receivables, payables from the Company's operations and foreign exchange are recognised in operating income or expenses. Unrealised exchange rate differences on operating activities and other realised and unrealised exchange rate differences are recognised in financial income or costs and presented per balance under financial income or costs, respectively.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated at the exchange rate at the date prior to the transaction/operation (in particular, for entities that have a functional currency of PLN, translation is made using the average NBP exchange rate prevailing at the date prior to the transaction). Non-monetary balance sheet items expressed in a foreign currency, measured at fair value, are translated using the exchange rate at the date when the fair value was estimated (in particular, for entities that have a functional currency of PLN, translation is performed using the average NBP exchange rate 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 presented under the following separate headings: share capital, other reserves, share premium account, retained earnings. The Company's share capital is recognised at par value in accordance with the regulations of the Companies Act (CCC) and its Articles of Association. Capital created in accordance with the requirements of the Companies Act is not distributable but may be used to absorb the entity's losses.

Other reserves include in particular:
- revaluation capital;

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

Where a reserve (special purpose) capital has been created for the repurchase of own shares, the repurchase of own shares is presented as a reduction of this reserve. The purchase, sale, issue or cancellation of the Company's own equity instruments does not result in any gain or loss being recognised in profit or loss. Amounts paid or received are recognised directly in equity. Treasury shares may be acquired and retained by the entity. Redemption of own shares is recognised as a derecognition of the value of own shares in correspondence with other capital, e.g.: share capital, capital allocated for redemption of shares in accordance with shareholders' resolutions concerning redemption of own equity instruments.

A liability for dividend payments is recognised when the shareholder's right to receive payment is established as a deduction from equity.

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

CREDITS, LOANS, OTHER FINANCIAL LIABILITIES

Financial liabilities are presented in the statement of financial position under the following separate headings:

- credits, loans and other financial liabilities
- lease liabilities
- liabilities due to derivatives

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

- repayment of credits and loans
- bonds;
- purchase of shares,

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– settlements with shareholders,
Financial liabilities are recognised in accordance with the principles described under *Financial instruments*.

PROVISIONS

Provisions are obligations arising from past events to provide benefits of a reliably determinable amount that will result in the use of an entity's existing or future assets of uncertain amount or timing.

Provisions are recognised for an amount equal to the estimated expenditure required to settle the present obligation at the balance sheet date. The most appropriate estimate of the expenditure required to settle the present obligation is the amount that the Company would reasonably pay, at the balance sheet date, to settle the obligation or for which it would transfer the obligation to a third party.

Where the expected impact of a change in the time value of money is material, the amount of the provision is determined by discounting the forecast future cash flows to present value, using an interest rate that reflects current market assessments of the time value of money and risk factors specific to the liability type. Subsequent increases in the provision due to the passage of time reflecting the reversal of the discounting made are recognised as financial expenses.

The amount of the provision also takes into account future events that may affect the amount necessary for the Company to meet its obligation, if there is sufficient and objective evidence that these events will occur.

PROVISION FOR REPAIR FOR GUARANTEES

A provision is recognised in respect of the Company's warranty obligations arising from its construction services. The value of the provision is determined based on the Company's experience of the volume of warranty repairs performed. As a general rule, a provision is created in the amount of 2%-3% of the net revenues resulting from individual construction contracts. In justified cases, on the basis of a decision of the Management Board, a reserve shall be established in an individually determined amount, which may deviate from the framework indicated above.

PROVISION FOR LOSSES ON CONSTRUCTION CONTRACTS

When it is probable that the total costs directly attributable to the performance of a contract will exceed the total revenue, the expected loss (the excess of total estimated costs over total estimated revenue) is charged to the period's costs and recognised in the cost of products and services sold.

PROVISION FOR LITIGATION

In the case of legal proceedings against the Company, the legal department and external law firms servicing the Company, in consultation with the Management Board, perform a detailed analysis of the potential risks associated with the proceedings and on this basis a decision is made on the need to recognise a provision for litigation.

The estimates and related assumptions are based on historical experience or the opinions of independent experts and various other factors that are considered reasonable under the circumstances and the results provide a basis for professional judgement as to the carrying amount that is not directly derived from other sources.

OTHER PROVISIONS

The company may also make provisions for audit, other or other costs.

ACCOUNTING TREATMENT OF PROVISIONS

Provisions are charged to the current period's expenses.

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

- increase in the cost of products and services sold - in the case of provisions for costs of subcontractors, for warranty repairs, for construction and provisions for disputes concerning contracts in the process of performance;

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- increase in other operating expenses - if they indirectly relate to the Company's operating and financing activities or if they relate to contingencies and a provision for litigation relating to contracts transferred for servicing.

Provisions shall be increased in an identical manner if the risk of performance of the obligation has increased.

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

The conversion of a provision into a liability, in view of the transformation of the expected risk of performance into a certainty, results in a decrease in the provision and an increase in the liability.

The release of part or all of an unused provision in the event of a reduction or cessation of the risk justifying its creation, as at the date on which it proved to be unnecessary, consists of a reduction in the balance of the provision and:

- a decrease in the cost of products and services sold - in the case of a provision for warranty repairs, a construction provision and a provision for disputes concerning contracts in the course of performance;
- a decrease in other operating expenses or an increase in other operating income - if the provision relates indirectly to operating activities, financial activities or contingencies, and a provision for litigation relating to contracts transferred for servicing.

EMPLOYEE BENEFITS

The Company is obliged, under current legislation, to collect and pay contributions for employees' retirement benefits. These benefits, in accordance with IAS 19 "Employee Benefits", constitute a state plan and have the nature of a defined contribution plan. The obligation to contribute to the pension plan is recognised as an employee benefit expense charged to profit or loss in the period in which the employees render service. By nature, the above costs are recognised as social security and other benefits, except for benefits that have been capitalised in fixed assets or inventories.

PROVISIONS FOR RETIREMENT AND DISABILITY BONUSES

The Company's employees are entitled to receive retirement benefits of a certain amount upon retirement. This benefit is classified as a defined benefit post-employment plan. The provision for this is estimated by an actuary using the projected unit credit method. Actuarial gains/losses are recognised in other comprehensive income. Other changes in provisions are recognised in profit or loss or capitalised in inventories if the changes relate to production employees.

OTHER STAFF PROVISIONS

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

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

- 1) a provision for the performance of physical tasks;
- 2) provision for facility bonuses;
- 3) provision for monthly bonuses;
- 4) provision for annual awards;
- 5) provision for annual management bonuses;
- 6) provision for bonuses for the Management Board;
- 7) provision for unused leave.

The basis for the calculation of the provision for unused holiday is a statement of the number of unused holiday days by employees as at the balance sheet date. The amount of the reserve per employee is determined by multiplying the number of unused holiday days of the employee concerned by her/his gross daily wage plus the employer's social security contributions.

Provisions for employee bonuses are recognised when:

- the entity has a present legal or constructive obligation to make such payments as a result of meeting certain criteria; and

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- a reliable estimate of such a reserve is possible. For example: a provision for site bonuses is recognised when it becomes probable that a contract will be successfully completed and site bonuses are due to employees. The valuation of the provision takes into account the fact that some employees may leave without being entitled to receive payments.

Generally, the above provisions are recognised as an expense in the period. Exceptions are provisions relating to production workers, which are capitalised as a cost of stock.

DEFERRED INCOME TAX

For financial reporting purposes, deferred tax is calculated in relation to temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. A deferred tax liability is recognised for all taxable temporary differences:

- except when a deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss; and
- except where the timing of the reversal of the temporary difference is controlled by the investor and it is probable that the temporary difference will not reverse in the foreseeable future for taxable temporary differences arising from investments in subsidiaries, associates and interests in joint ventures
- In the case of lease agreements, 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 book value of the right-of-use assets and the book 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 the extent that it is probable that taxable profit will be available against which the differences, assets and losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss; and
- in the case of deductible temporary differences associated with investments in subsidiaries or associates and interests in joint ventures, a deferred tax asset is only recognised in the statement of financial position to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the deductible temporary differences can be utilised.

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 utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. In the case of taxable foreign activities conducted within a single 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 relates 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 offsets deferred tax assets against deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax relates to the same taxpayer and is levied by the same tax authority.

CURRENT INCOME TAX

Current tax liabilities and receivables for the current and prior periods are measured at the amounts expected to be paid to (recoverable from) the tax authorities using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

SEGMENT REPORTING

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The Company's operating segments are a component of the Company engaged in business activities in connection with which it may earn revenues and incur expenses, and its results are regularly reviewed by the chief operating decision maker and the results of the review are used to make decisions about allocating resources to the segments.

Operating segments with similar long-term financial performance and business characteristics may be aggregated into reportable segments if qualitative criteria are met and quantitative thresholds are met. Under the qualitative criteria, operating segments must be similar in each of the following aspects:

- the type of products and services offered;
- optimising production process
- the type or groups of customers buying the goods or services offered;
- the methods used to distribute products or provide services;
- type of regulatory environment (if applicable).

Operating segments shall be reported separately if any of the following quantitative thresholds are met:

- reported segment revenue (whether generated from sales to external customers or from inter-segment exchange) represents 10 per cent or more of the total external and internal revenue of all operating segments;
- reported absolute segment profit or loss is 10 per cent or more of the greater of: the combined profit of all operating segments that did not report a loss; and the combined loss of all operating segments that reported a loss;
- assets attributable to the segment represent 10 per cent or more of total assets.

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

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

UNIHOUSE S.A. operates within one operating segment "Modular construction".

REVENUES DUE TO AGREEMENTS WITH CLIENTS

Revenue is the gross inflow of economic benefits for the period arising from the ordinary activities of the Company, resulting in an increase in equity, other than an increase in capital arising from shareholders' contributions. Revenues include only economic benefits received or receivable, therefore amounts collected on behalf of third parties (e.g. value added tax) do not constitute the Company's revenues. In addition, revenue shall be shown net of any refunds, 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 performance obligations) with similar characteristics if the entity reasonably expects that the effect on the financial statements of applying the following principles would not be materially different from applying the following principles to individual contracts (or performance obligations). The company analyses whether it acts as a contractor or agent.

Identification of the contract with the customer

A customer contract meets its definition when all of the following criteria are met:

- the parties to the contract have approved it and are obliged to fulfil the obligations arising from it;
- entities are able to identify the rights of each party concerning the goods or services to be transferred;
- individuals can identify the terms of payment for the goods or services to be transferred;
- the contract has economic substance, i.e. the risk, timing 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 consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

Identification of performance obligations

In terms of a portfolio of contracts with similar characteristics, the Company evaluates the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to

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the customer; a good or service (or bundle of goods or services) that can be distinguished or a group of separate goods or services that are substantially the same and for which the transfer to the customer is of the same nature.

Determination of the transaction price

In determining the transaction price, the Company takes into account the terms of the contract and its customary business practices. The transaction price is the amount of consideration that the Company expects to receive in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, certain sales taxes, fuel duty, excise duty).

In determining the transaction price, the Company takes into account all of the following factors:

- variable remuneration,
- conditions restricting the inclusion of variable remuneration elements,
- the existence of a significant element of funding,
- remuneration in kind,
- the remuneration paid to the purchaser.

Allocation of the transaction price to individual performance obligations

The Company attributes a transaction price to each performance obligation (or to a distinct good or distinct service) in an amount that reflects the amount of consideration that the Company expects to receive in exchange for transferring the promised goods or services to the customer.

Revenue recognition when (or while) performance obligations are met

The performance obligation may be fulfilled over time or at a specific point in time. The Company recognises revenue when the performance obligation is satisfied by transferring significant risks to the customer resulting in the customer obtaining control of the asset. Revenue is recognised as amounts equal to the transaction price that has been allocated to the performance obligation. In other activities, the time of performance shall be deemed to be the time of issue of the invoice.

The company transfers the control of the good or service over time and thereby satisfies the performance obligation and recognises revenue over time if one of the following conditions is met:

- the customer simultaneously receives and benefits from the benefit as the benefit is provided,
- the performance causes to creation or an improvement of an asset and the customer has control of the asset as it arises or is improved,
- the performance does not result in the creation of an asset of an alternative use to the Company and the Company has an enforceable right to receive payment for the performance to date.

Generally, the Company recognises a transfer of control over time for construction contracts, including the construction of facilities from modules and panels manufactured by the Company.

Where the Company transfers control over time, revenue is determined using the stage of completion method. The Company determines the stage of completion of an agreement by determining the share of costs, incurred from the date of the agreement to the date of determining revenue, in the estimated total costs of the agreement. In cases justified by the nature of the agreement, the Company may determine the stage of agreement completion using other methods.

When the outcome of a contract cannot be estimated reliably, revenue is recognised to the extent of costs incurred that are probable of being recoverable and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that the total contract costs will exceed the total revenue, the expected loss (the excess of total estimated costs over total estimated revenue) is charged to the period's costs and recognised in the cost of products and services sold.

When the value of estimated revenues using the percentage of completion method exceeds invoiced revenues, the resulting difference is recognised under *Net revenues from sales of products and services* and assets are recognised under *Contract assets*. On the other hand, if the value of estimated revenues using the

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percentage of completion method is lower than the invoiced revenues, the resulting difference is recognised under *Net revenues from sales of products and services* and a liability is recognised under *Contract liabilities*.

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

- 1) Net revenues from sale of products and services
- 2) Net revenues from sales of goods and materials

However, other operating income does not represent revenue from core operating activities.

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 damages accrued by recipients of services to the Company during the course of the project are recognised as a reduction in net revenue from sales of products and services.

Realised exchange rate differences on transactions with customers and the result of the realisation of derivatives are also recognised in sales revenue if the hedged item had an impact on sales revenue, as well as the discounting of deposit receivables.

OTHER REVENUES, OPERATING COSTS

Other operating income and expenses include costs and income related indirectly to the operating activities of the entity, in particular income and expenses related to

- the creation and reversal of impairment losses on tangible assets, intangible assets, receivables, loans, equity instruments, cash and inventories;
- disposal of tangible assets, tangible assets under construction and intangible assets;
- the creation and release of provisions, except for provisions recognised in manufacturing costs, selling or administrative expenses,
- penalties and fines received or accrued, damages relating to contracts transferred for servicing and legal costs incurred and received
- from charges of penalties and fines, damages relating to contracts transferred to the service,
- revenue from guaranteed deposits;
- subsidies received to revenue and costs;
- from membership fees
- Revaluation of financial assets
- and other income and expenses not directly related to the Company's principal operating activities.

FINANCE INCOME AND EXPENSES AND EXPECTED CREDIT LOSSES

Finance income and expenses primarily comprise items of income and expenses related to the financing of the Company's operations.

Financial income related to the financing of the Company's activities includes in particular:

- net exchange gains arising exclusively on liabilities linked to the financing of operations (loans, borrowings, leases, etc.);
- interest on receivables and on funds collected in the form of bank deposits;
- unwinding revenue and changes in the estimate of the discount recovery period of receivables;
- gains on unrealised exchange differences on settlements; income on fair value measurement of derivatives for which hedge accounting was not applied;
- gains on realisation of derivative instruments for which cash flow hedge accounting is used, if the hedged item affects financial income;
- the ineffective portion of gains related to hedging instruments.

Financial costs related to the financing of the Company's activities, include in particular:

- interest on bank overdraft;
- interest on short-term and long-term loans, borrowings, debt instruments and other sources of financing;
- unwinding and changes to the estimate of the discount recovery period on long-term liabilities;

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- net exchange losses arising on liabilities that are a source of financing for the Company's operations;

Expected credit losses

- income and expenses related to the creation and reversal of allowances and expected credit losses on receivables, deposits, contract assets and loans.

STATEMENT OF CASH FLOWS

The cash flow statement is prepared using the indirect method, whereby the pre-tax result is adjusted for the effects of non-monetary transactions, for prepayments and accruals of past or future cash receipts or payments relating to operating activities and for items of revenue and expense associated with cash flows from investing or financing activities.

The Company classifies interest received into investing activities as it mainly results from investments undertaken by the Company. Interest paid, on the other hand, is shown under financing activities as it is specifically part of the financing cost.

The cash flow statement discloses, under a separate heading, the value of cash and cash equivalents in respect of which the Company has a restricted right of disposal.

FINANCIAL INSTRUMENTS

Financial assets

In particular, the Company holds such financial assets as:

- accounts receivable due for deliveries and services;
- derivatives
- cash and cash equivalents
- accounts receivable due for deliveries and services;
- deposits under construction contracts (i.e., deposits retained by recipients of construction services);
- other financial receivables.

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

Upon initial recognition, all financial instruments are measured at fair value.

For financial assets not carried at fair value through profit or loss after initial recognition, the initial fair value is adjusted for transaction costs that are directly attributable to the acquisition.

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

- the entity's business model for managing financial assets
and
- the contractual cash flow characteristics of the financial asset.

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

- the financial asset is held in accordance with a business model whose objective is to hold the financial asset to collect the contractual cash flows,
and
- on specified dates the terms of the agreement for the financial asset give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

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 whose objective is both to receive the contractual cash flows and to sell the financial asset,
and
- on specified dates the terms of the agreement for the financial asset give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

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

Notwithstanding the above, management may upon initial recognition classify a financial asset as at fair value through profit or loss if such classification reduces or eliminates a measurement or recognition inconsistency.

Derivatives not subject to hedge accounting are measured at fair value through profit or loss.

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 the cash flows represent only principal and interest. According to the basic terms of a credit agreement may include time value of money, credit risk, liquidity risk, administrative costs, profit margin. Conversely, the test shall be regarded as failed if the exposure is not exposed to risks and volatilities unrelated to the underlying terms of the credit agreement, e.g. exposure to equity or commodity price volatility, interest rate on an asset expressed as a multiplier of the base rate, bonds convertible into equity.

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

An entity's business model means the way in which the entity manages its financial assets to generate cash flows and create value for the Company. The entity's business model determines whether cash flows will come from collecting contractual cash flows, selling 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, in addition, it 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 only payments (SPPI) requirement and are held in a portfolio in which the company holds both assets to collect cash flows and sells assets. Financial assets that do not contain cash flows that are derived solely from payments of principal and interest (SPPI) must be measured at fair value through profit or loss.

Recognition of a financial asset is discontinued if, and only if:

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

When recognition of a financial asset ceases in full, the difference between the carrying amount carrying amount calculated at the date when recognition is discontinued and the consideration received (including any new asset obtained net of any new liability assumed) is recognised in profit or loss at

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

Impairment

IFRS9 requires a step determination to assess whether a financial instrument is functioning effectively (Step 1), functioning ineffectively (Step 2) or not functioning (Step 3). In Step 1, the expected credit loss is calculated as the loss that arises during the 12 months following the balance sheet date, in Step 2, - over the lifetime of the instrument. Assets classified as Grade 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 degree assignment process and helps classify instruments into Grade 1, Grade 2 or Grade 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 "no" answers in the questionnaire). The initial decision as to whether an instrument will qualify for Grade 1, Grade 2, or Grade 3 is shown on the "Score" 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).



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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 contract, e.g. default or non-payment of interest or principal
- the granting to the borrower/recipient by the Company, 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 is analysed individually.

At the balance sheet date, the Company used the simplified model permitted by IFRS 9 based on group analysis of a homogeneous portfolio of receivables to estimate expected credit losses in relation to trade receivables and guarantee deposits. The model uses data on invoices issued in the 2-5 years prior to the analysis date to create an allowance matrix that establishes default rates for specific payment delays, i.e. past due periods. The default rates are then used to calculate expected credit losses for the entire homogeneous portfolio of receivables.

Taking into account the above methodology for calculating expected credit losses, the value of receivables may also be updated individually, in particular with regard to
- receivables from counterparties in liquidation or bankruptcy,
- receivables disputed by debtors and past due, and according to an assessment of the debtor's assets and financial situation, repayment of the contractual receivable is subject to significant risk.

As a result of individual analysis, when, despite significant overdue receivables, the Company has a reliable declaration of payment from the counterparty, the creation of an allowance 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 which embeds a methodology based on the requirements of the standard) or external ratings if available. The module estimates the probability of default at the date of initial recognition and at the balance sheet date. This is based on a comparison of the borrower's financial data at the date of the loan and at the balance sheet date and takes into account additional information arising from the answers to supplementary questions that are part of the model. The module classifies the exposure into one of the three steps (1-3) of the expected credit loss model. In the case of classification to Grade 1 or Grade 2, the module calculates the amount of the impairment loss based on: (1) the individually assigned rating (as determined by the financial data provided) and the market default profiles for the rating; (2) the repayment schedule for the loan or long-term receivable; and (3) the expected recoveries from collateral and other credit risk mitigation instruments.

The Company also estimates expected credit losses on contract assets using a default rate calculated for receivables in the first past due range.

Financial liabilities

At initial recognition, financial liabilities are recognised at cost, which is 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, except:

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

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

Recognition of a financial liability is discontinued when, and only when, the obligation is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or the time for claiming it expires.

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HEDGE ACCOUNTING

The Company may use derivatives to hedge the risk of exchange rate volatility on transactions settled in foreign currencies.

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

Criteria for application of hedge accounting

For these derivatives, hedge accounting can only be applied if all the conditions for applying hedge accounting are met, i.e.:

- at the inception of the hedge there is formalised documentation of the hedging relationship that sets out the risk management objective and hedging strategy adopted. The documentation shall designate the hedging instrument that hedges the position or transaction and shall specify the type of risk being hedged. The company shall determine how the effectiveness of the hedging instrument in offsetting changes in the cash flows of the hedged transaction will be assessed in terms of reducing the risks against which the company is hedged;
- the hedge is expected to be highly effective in offsetting changes in cash flows, in accordance with the documented risk management strategy for that particular hedging relationship;
- for cash flow hedge accounting, the cash flow hedge relates to a forecast transaction that is highly probable and is exposed to risks of variations in cash flows that could affect profit or loss;
- the effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item and the fair value of the hedging instrument can be reliably measured;
- the security is reviewed on an ongoing basis and found to be highly effective for all reporting periods for which the security is designated.

If these conditions are not met, the derivative is subject to the measurement principles applicable to financial assets measured through profit or loss.

Cash flow hedges

It is a hedge of the risk of variability 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) could affect profit or loss. Cash flow hedges are recognised as follows:

- the portion of the gain or loss on the hedging instrument that is an effective hedge is recognised in other comprehensive income and included in the revaluation reserve, while the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss under *finance income* or *finance costs*, as appropriate;
- if a hedged forecast transaction results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income (an effective hedge) shall be reclassified into profit or loss in the same period or periods during which the hedged flows affect profit or loss and presented in the same line item as the hedged item;
- if a hedge of a forecast transaction results in the recognition of a non-financial asset or a non-financial liability, amounts that are recognised directly in other comprehensive income (an effective hedge) shall be recognised in profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss and presented in the same line item as the hedged item.

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 principally through a sale transaction and the sale is considered highly probable. Fixed assets or disposal group are measured at the lower of their carrying amount and fair value less costs to sell. Fixed assets held for sale or assets of a disposal group held for sale shall be shown under a separate item within current assets. The liabilities of the disposal group held for sale are shown under a separate heading within current liabilities.

A discontinued operation is an element of an entity that has been disposed of or is classified as held for sale and:

- constitutes a separate major field of activity or a geographical area of activity;

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- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as a discontinued operation, the presentation of the data in the statement of comprehensive income and statement of cash flows for the year is amended in accordance with the detailed guidance in IFRS 5 *Fixed Assets Held for Sale and Discontinued Operations* and the figures for the comparative period are restated to reflect the operations that have been discontinued at the balance sheet date.

3. Selected financial data converted into EUR

3.1. Key items of the statement of financial position converted into EUR (as at the last day of the period)

| | as at 31.12.2022 | | as at 31.12.2021 | |
|--|-----------------------|----------------------|-----------------------|----------------------|
| | PLN | EUR | PLN | EUR |
| Fixed assets | 80 627 935,08 | 17 191 823,94 | 70 620 546,17 | 15 354 295,38 |
| Current assets | 139 360 727,67 | 29 715 074,45 | 198 869 625,11 | 43 238 166,96 |
| Total assets | 219 988 662,75 | 46 906 898,39 | 269 490 171,28 | 58 592 462,34 |
| Own fund | 27 837 944,42 | 5 935 722,39 | 48 943 621,45 | 10 641 305,70 |
| Liabilities and provisions for liabilities | 192 150 718,33 | 40 971 176,00 | 220 546 549,83 | 47 951 156,64 |
| Total liabilities | 219 988 662,75 | 46 906 898,39 | 269 490 171,28 | 58 592 462,34 |

The data included in the financial statement – as at 31 December 2022 was calculated using the EUR exchange rate established by Narodowy Bank Polski (National Bank of Poland) as at that day, i.e. 4,6899 PLN/EUR.

The data included in the financial statement – as at 31 December 2021 was calculated using the EUR exchange rate established by Narodowy Bank Polski (National Bank of Poland) as at that day, i.e. 4,5994 PLN/EUR.

3.2. Key items in the statement of comprehensive income converted into EUR

| | 01.01-31.12.2022 | | 01.01-31.12.2021 | |
|---|-----------------------|----------------------|---------------------|-------------------|
| | PLN | EUR | PLN | EUR |
| Revenues due to agreements with clients | 223 278 534,35 | 47 624 626,06 | 273 345 906,31 | 59 715 107,88 |
| Costs of the sold products, services, goods and materials | 252 000 209,00 | 53 750 871,10 | 258 127 730,81 | 56 390 547,42 |
| Gross profit (loss) from sales | -28 721 674,65 | -6 126 245,04 | 15 218 175,50 | 3 324 560,46 |
| Operating profit (loss) | -38 368 635,49 | -8 183 912,18 | 6 031 891,51 | 1 317 726,16 |
| Gross profit/(loss) | -43 605 794,02 | -9 300 982,02 | 669 879,77 | 146 341,84 |
| Net profit (loss) | -35 585 416,23 | -7 590 260,06 | 332 822,91 | 72 708,45 |
| Total revenue | -31 081 677,03 | -6 629 626,31 | 3 880 491,91 | 847 731,71 |

The data included in the statement of total income for the period from 01.01.2022 to 31.12.2022 was calculated on the basis of an average EUR exchange rate, determined as the arithmetic mean of the exchange rates applicable as at the final day of each month in the specific period pursuant to the values published by Narodowy Bank Polski (The National Bank of Poland) for that day, i.e. the exchange rate of 4,6883 PLN/EUR.

The data included in the statement of total income for the period from 01.01.2021 to 31.12.2021 was calculated on the basis of an average EUR exchange rate, determined as the arithmetic mean of the exchange rates



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applicable as at the final day of each month in the specific period pursuant to the values published by Narodowy Bank Polski (The National Bank of Poland) for that day, i.e. the exchange rate of 4,5775 PLN/EUR.

3.3. Key items of the statement of cash flows converted into EUR

| | 01.01-31.12.2022 | | 01.01-31.12.2021 | |
|---|------------------|---------------|------------------|---------------|
| | PLN | EUR | PLN | EUR |
| A. Cash flow from operating activities | -4 777 073,35 | -1 018 935,08 | -6 814 472,02 | -1 488 688,59 |
| B. Cash flows from investment activities | -10 795 259,42 | -2 302 595,70 | -1 146 735,04 | -250 515,57 |
| C. Net cash flows on financial activity | 13 858 823,43 | 2 956 044,50 | 713 173,43 | 155 799,77 |
| D. Przepływy pieniężne netto razem (A+/- B+/-C) | -1 713 509,34 | -365 486,28 | -7 248 033,63 | -1 583 404,40 |
| E. Currency exchange rate differences | 58 200,21 | 12 413,93 | -142 689,64 | -31 171,96 |
| F. Cash at the beginning of the period | 8 079 697,71 | 1 756 685,16 | 15 470 420,98 | 3 352 349,18 |
| G. Financial assets at the end of the period | 6 424 388,58 | 1 369 834,87 | 8 079 697,71 | 1 756 685,16 |

The data for the financial flow statement for the period of 01.01.2022 - 31.12.2022 was calculated on the basis of the EUR exchange rates specified below:

- the data stated in items A, B, C, D, E – an average exchange rate calculated as an arithmetic mean of exchange rates applicable on the last day of each month in a specific period as defined by Narodowy Bank Polski (the National Bank of Poland) for that specific date i.e. 4,6883 PLN/EUR.
- for calculating the data stated in item F – exchange rate defined by the NBP for 31 December 2021, i.e. the exchange rate of 4,5994 PLN/EUR,
- for calculating the data stated in item G – exchange rate defined by the NBP for 31 December 2022, i.e. the exchange rate of 4,6899 PLN/EUR.

The data for the financial flow statement for the period of 01.01.2021 - 31.12.2021 was calculated on the basis of the EUR exchange rates specified below:

- the data stated in items A, B, C, D, E – an average exchange rate calculated as an arithmetic mean of exchange rates applicable on the last day of each month in a specific period as defined by Narodowy Bank Polski (the National Bank of Poland) for that specific date i.e. 4,5775 PLN/EUR.
- for calculating the data stated in item F – exchange rate defined by the NBP for 31 December 2020, i.e. the exchange rate of 4,6148 PLN/EUR,
- for calculating the data stated in item G – exchange rate defined by the NBP for 31 December 2021, i.e. the exchange rate of 4,5994 PLN/EUR.

4. Governance of the financial instrument

In conducting its business, the Company is exposed to various financial risks: currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and establishes policies to manage each of the risks listed above.

Currency risk

As part of its operations, the Company enters into contracts that are (or may be) denominated or denominated in foreign currencies. With regard to revenue from export activities, hedging against currency risk is primarily carried out through the natural hedging mechanism of contracting with subcontractors in the currency of the contract and thereby transferring this risk to them. For contracts executed in currency, the natural hedging mechanism is estimated to be around 20%.

The Company intends to close the currency position by equalising the currency transactions related to income and costs. The company has entered into bank agreements regarding foreign exchange forward transactions, which gives the possibility of using the hedging instruments, if closing the natural position is not possible within this period.

The Company's strategy for financial instruments to hedge foreign exchange risk is based on the Group's procedure for managing foreign exchange risk, which involves:

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- 1) hedging of amounts that are no larger than projected net foreign currency flows,
- 2) use of simple and predictable tools, e.g. forwards, purchase of PUT options.

Analysing the planned currency transactions that may occur in 2023, based on the current order book, the Company estimates a maximum total foreign exchange risk exposure of NOK 41 million, SEK 34 million and EUR 34 million. A year ago it was NOK 262 million, SEK 55 million and EUR 26 million.

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

| | INCREASE/DECREASE OF FOREIGN EXCHANGE RATE | IMPACT ON 2023 NET FINANCIAL RESULT | IMPACT ON 2022 NET FINANCIAL RESULT |
|--------------------------------|--|-------------------------------------|-------------------------------------|
| FOREIGN EXCHANGE RATE INCREASE | + 0,20 PLN/EUR | + 5.504.693 | + 4.253.310 |
| | + 0,02 PLN/SEK | + 556.138,6 | + 887.306,4 |
| | + 0,02 PLN/NOK | + 663.762,6 | + 4.237.984,8 |
| FOREIGN EXCHANGE RATE DECREASE | - 0,20 PLN/EUR | - 5.504.693 | - 4.253.310 |
| | + 0,02 PLN/SEK | - 556.138,6 | - 887.306,4 |
| | + 0,02 PLN/NOK | - 663.762,6 | - 4.237.984,8 |

Some of the Company's asset and liability items are expressed in foreign currency and then translated into Polish zloty at the average exchange rate of the National Bank of Poland applicable on the measurement date. The carrying amount of the Company's assets and liabilities of significant value denominated in foreign currencies at the balance sheet date is as follows:

| Assets | 31.12.2022 | 31.12.2021 |
|-----------------------|----------------------|----------------------|
| EUR | 2 958 616,09 | 1 69 310,66 |
| - inventory | - | 18 062,91 |
| - accounts receivable | 2 788 447,72 | 132 265,35 |
| - financial resources | 170 168,37 | 18 982,40 |
| - other | - | - |
| NOK | 29 099 237,14 | 68 779 337,26 |
| - inventory | - | 15 000,00 |
| - accounts receivable | 27 184 903,77 | 52 558 366,20 |
| - financial resources | 1 914 333,37 | 16 205 971,06 |
| - other | - | - |
| SEK | 2 744 761,04 | 5 091 782,80 |
| - inventory | - | 136 886,23 |
| - accounts receivable | 91 065,58 | 4 944 958,18 |
| - financial resources | 2 653 695,46 | 9 938,39 |
| - other | - | - |
| Liabilities | 31.12.2022 | 31.12.2021 |
| EUR | 492 440,90 | 1 001 314,43 |
| - liabilities | 492 440,90 | 1 001 314,43 |
| NOK | 13 311 597,02 | 32 426 413,17 |
| - liabilities | 13 311 597,02 | 32 426 413,17 |
| SEK | 8 162 589,16 | 2 726 109,39 |
| - liabilities | 8 162 589,16 | 2 726 109,39 |

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Taking into account the above values of the Company's assets and liabilities expressed in foreign currencies, the sensitivity of the net financial result to changes in exchange rates is as follows:

| | INCREASE/DECREASE OF FOREIGN EXCHANGE RATE | IMPACT ON 2023 NET FINANCIAL RESULT | IMPACT ON 2022 NET FINANCIAL RESULT |
|--------------------------------|--|-------------------------------------|-------------------------------------|
| FOREIGN EXCHANGE RATE INCREASE | + 0,20 PLN/EUR | + 399.520 | -134.785 |
| | + 0,02 PLN/SEK | - 87.769 | + 38.324 |
| | + 0,02 PLN/NOK | + 255.760 | + 588.917 |
| FOREIGN EXCHANGE RATE DECREASE | - 0,20 PLN/EUR | - 399.520 | +134.785 |
| | - 0,02 PLN/SEK | + 87.769 | - 38.324 |
| | - 0,02 PLN/NOK | - 255.760 | - 588.917 |

In order to hedge the exchange rate risk, the Company may enter into derivative transactions. The rules applicable to the use of derivatives are contained in the previously mentioned exchange rate risk management procedure.

Derivative assets are valued as at the balance sheet date in a reliably defined fair value. The fair value of derivatives is assessed using a model based, among others, on the value of foreign exchange rates (average rates of the National Bank of Poland) as at the balance sheet date and the differences in the level of interest rates in quoted and base currency. The periodic valuation of financial instruments is charged partly to equity (intrinsic value of derivatives) and partly to financial income or expenses of the reporting period (time value of derivatives). Gains and losses determined at the settlement date are recognised in the income statement.

As at 31 December 2022, the Company had entered into derivative transactions. Their total value was: NOK 40 million, SEK 15 million and EUR 17,7 million. At 31.12.2021 this was: NOK 211,7 million, SEK 55 million and EUR 21 million. Below is a table showing the impact on currency fluctuations.

| | INCREASE/DECREASE OF FOREIGN EXCHANGE RATE | IMPACT ON 2023 NET FINANCIAL RESULT | IMPACT ON 2022 NET FINANCIAL RESULT |
|--------------------------------|--|-------------------------------------|-------------------------------------|
| FOREIGN EXCHANGE RATE INCREASE | + 0,20 PLN/EUR | + 2.268.000 | + 3.402.000 |
| | + 0,02 PLN/SEK | + 243.000 | + 891.000 |
| | + 0,02 PLN/NOK | + 648.000 | + 3.428.973 |
| FOREIGN EXCHANGE RATE DECREASE | - 0,20 PLN/EUR | - 2.268.000 | - 3.402.000 |
| | - 0,02 PLN/SEK | - 243.000 | - 891.000 |
| | - 0,02 PLN/NOK | - 648.000 | - 3.428.973 |

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

| | INCREASE/DECREASE OF FOREIGN EXCHANGE RATE | IMPACT ON 2023 NET FINANCIAL RESULT | IMPACT ON 2022 NET FINANCIAL RESULT |
|--------------------------------|--|-------------------------------------|-------------------------------------|
| FOREIGN EXCHANGE RATE INCREASE | + 0,20 PLN/EUR | + 8.172.213 | + 7.520.525 |
| | + 0,02 PLN/SEK | + 711.370 | + 1.816.630 |
| | + 0,02 PLN/NOK | + 1.567.522 | + 8.255.875 |
| FOREIGN EXCHANGE RATE DECREASE | - 0,20 PLN/EUR | - 8.172.213 | - 7.520.525 |
| | - 0,02 PLN/SEK | - 711.370 | - 1.816.630 |



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| | | | |
|--|----------------|-------------|-------------|
| | - 0,02 PLN/NOK | - 1,567.522 | - 8.255.875 |
|--|----------------|-------------|-------------|

Interest rate risk

Interest rate risk occurs mainly in connection with the Company's use of bank loans, leases, and bank deposits. These transactions are mainly based on variable interest rates (based on WIBOR for transactions denominated in PLN or on EURIBOR for some leases) which exposes the Company to the risk of changes in earnings and cash flows.

Leasing is not decisive in the financing of the Company (it mainly relates to the purchase of the vehicle fleet and the financing of photovoltaic facilities).

The Company may invest surplus funds 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 earned will depend, inter alia, on the level of interest rates.

Derivative assets are valued as at the balance sheet date in a reliably defined fair value. The effects of the periodic valuation of derivatives are included in the financial income or expenses of the reporting period, as appropriate.

Given the current level of loan funding, it is assumed that the impact of the change in interest rates will not have a material impact on 2023 results nevertheless, their current level has a significant impact on the amount of financial costs. The Company analyses potential interest rate changes on an ongoing basis, creating appropriate scenarios. All interest-bearing liabilities amount to 11,7% of total assets in the Company and no significant changes are expected until the end of 2023.

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

| Specification | 31.12.2022 | 31.12.2021 |
|------------------------------|-------------------|-------------------|
| | PLN | PLN |
| Bank credits, leasing, loans | 40 143 576 | 31 397 773 |
| Financial resources | 6 424 389 | 8 079 698 |
| TOTAL | 46 567 965 | 39 477 471 |

In order to carry out an interest rate sensitivity analysis, based on historical value changes and on the Company's knowledge and experience of the financial markets, the interest rate changes that are "reasonably possible" were estimated as at 31.12.2022 to be -1 / +1 percentage point for PLN for bank loans, bonds and lease liabilities, and -0,5 / + 0,5 percentage points for other areas.

| Specification | Interest rate swaps | Impact on 2023 net financial result | Impact on 2022 net financial result |
|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Bank loans, leases | +/- 100 pb | +/- 325 163 | +/- 254 322 |
| Financial resources | +/- 50 pb | +/- 26 019 | +/- 32 723 |

Credit risk

The financial assets of the Company which are at credit risk include in particular pecuniary assets stored at the bank accounts or bank deposits, as well as receivables due for deliveries and services.

In order to minimise the risk associated with 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 Company's financial services take measures to disperse cash in such a way that a significant amount of cash is not placed with just one financial institution.

In determining the risk of impairment of receivables from counterparties (trade receivables and deposits retained by investors), the Company uses a model to estimate expected credit losses. The model uses historical data in terms of the rotation of receivables between different baskets of their overdue status. On this basis, the



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probability of default is determined for each basket. The product of the probability thus calculated and the volume of receivables in a given basket determines the expected credit loss for each basket. For 2022, the expected loss rate was calculated on the basis of historical data Unihouse S.A., except for the EUR/PLN currency pair, where historical data was taken into account for the modular segment at UNIBEP S.A. and then multiplied by the actual values of receivables in individual baskets at UNIHOUSE S.A. In this way, expected credit losses were calculated.

Data on expected credit losses as at 31.12.2022 is presented in the table below:

As at 31.12.2022

| Specification/days past due | 0 | up to 90 | 91-180 | 181-360 | 361-720 | Over 720 | Subtotal |
|---|---------------|---------------|----------------|----------------|------------|----------------|----------------|
| Accounts receivable from counterparties | 515 415 | 18 832 055 | 1 906 496 | 3 877 638 | 457 | 249 537 | 25 381 598 |
| Expected loss percentage | 0,62% | 0,13% | 7,70% | 4,33% | 100,00% | 100,00% | 2,34% |
| Expected loss | 3 220 | 24 813 | 146 866 | 168 025 | 457 | 249 537 | 592 918 |
| Contract assets | 73 278 740 | - | - | - | - | - | 73 278 740 |
| Expected loss percentage | 0,01% | - | - | - | - | - | 0,01% |
| Expected loss | 7 328 | - | - | - | - | - | 7 328 |
| Total expected loss | 10 548 | 24 813 | 146 866 | 168 025 | 457 | 249 537 | 600 246 |

As at 31.12.2021

| Specification/days past due | 0 | up to 90 | 91-180 | 181-360 | 361-720 | Over 720 | Subtotal |
|---|---------------|----------------|---------------|---------------|----------|----------|----------------|
| Accounts receivable from counterparties | 14 138 942 | 8 370 515 | 88 334 | 43 232 | - | - | 22 641 023 |
| Expected loss percentage | 0,24% | 4,73% | 16,64% | 78,86% | - | - | 2,12% |
| Expected loss | 34 228 | 396 144 | 14 697 | 34 093 | - | - | 479 162 |
| Contract assets | 142 241 716 | - | - | - | - | - | 142 241 716 |
| Expected loss percentage | 0,04% | - | - | - | - | - | 0,04% |
| Expected loss | 56 897 | - | - | - | - | - | 56 897 |
| Total expected loss | 91 125 | 396 144 | 14 697 | 34 093 | - | - | 536 059 |

Each counterparty, before a contract is signed, is assessed as to its ability to meet its financial obligations. Most of the current contracts are performed for proven and reliable partners (subsequent contracts). In the event of doubts about the counterparty's ability to pay, entry into the contract is subject to the establishment of appropriate security (financial or property). In addition, clauses are included in contracts with investors providing for the right to suspend the execution of works if there is a delay in payment for services rendered. However, it cannot be ruled out that a possible downturn in the property market will affect investors' ability to pay and thus increase the Company's credit risk.

The Company's exposure to maximum credit risk is shown in the table below:

| Specification | 31.12.2022 | 31.12.2021 |
|---|-------------------|-------------------|
| | PLN | PLN |
| Financial resources | 6 424 389 | 8 079 698 |
| Accounts receivable from counterparties | 24 956 247 | 22 641 023 |
| TOTAL | 31 380 636 | 30 720 721 |



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Liquidity risk

In order to minimise liquidity risk, the Company seeks to maintain an adequate amount of cash (as at 31 December 2022, the Company's bank accounts held PLN 6,4 million of cash) and also enters into credit line agreements which serve as an additional liquidity buffer. Moreover, it continues to forecast and monitor financial flows on an ongoing basis. These activities are supported by systematic arrangements for determining expected and measuring actually realised receipts and expenditure by currency. The relevant departments in the Company forecast cash flows over the next 12 months and analyse a very detailed statement of receipts and expenditures over the next 30 days. Should the need arise, an increase in available credit limits is negotiated in advance.

As at 31 December 2022, The Company had overdraft limits in current accounts with the following banks:

- PKO BP S.A. in the amount of PLN 5 million under the Unibep SA agreement,
- Santander Bank Polska S.A. in the amount of PLN 10 million (to be used jointly with UNIBEP S.A.)
- ING Bank Śląski S.A. in the amount of PLN - 5 million,
- Bank Gospodarstwa Krajowego a loan of - PLN 5 million,
- Bank Polska Kasa Opieki S.A. – PLN 10 million

The utilisation of the above limits at 31 December 2022 amounted to PLN 12,1 million.

The Company is not concerned about the loss of access to financing despite the fact that financial institutions analyse the Company's financial results on an ongoing basis (quarterly). There are provisions in the loan agreements to maintain minimum financial ratios, such as solvency, interest coverage, capitalisation, EBITDA, which are checked and analysed. The Company monitors the above provisions on an ongoing basis and in advance in order to renegotiate the above restrictions if an opportunity arises to "get closer" to the required thresholds.

This provides the Company with financial security in the event of the fulfilment of risks relating to, inter alia, a deterioration in the market situation, a reduction in banks' lending, and also enables it to take advantage of market opportunities (e.g. acquisitions).

The company seeks to sign contracts only with reliable partners, with good financial standing and with access to bank financing. Furthermore, in contracts for certain construction work, it always seeks to establish performance and defect rectification security in the form of bank or insurance guarantees, rather than in the form of self-certified cash retained by investors. This is possible thanks to the Company's wide access to guarantee limits in both banks and insurance companies. At 31 December 2022, The Company had guarantee limits totalling PLN 512 million, of which PLN 482 million were for joint use with Unibep S.A. The utilisation of the limits amounted to PLN 97 million, i.e. 19%. At the same time, contracts with subcontractors shall, as far as possible, include contractual provisions making payments to subcontractors conditional on receipt of funds from the investor.

To finance investment purchases, the Company uses its own funds and long-term bank loans, ensuring that the financing structure for this type of asset is sufficiently sustainable.

Taking into account the actions taken and described above, the Company's financial condition and the security provided by the credit lines, the risk of loss of liquidity should be considered negligible.

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

As at 31 December 2022

| Specification | up to 1 month | between 2 and 3 months | between 4 and 12 months | Over a year | TOTAL |
|--|---------------|------------------------|-------------------------|-------------|------------|
| Liabilities due for deliveries and services as well as other liabilities | 31 687 668 | 13 039 672 | 0 | 0 | 44 727 340 |
| - deposits for construction agreements | 195 544 | 390 947 | 1 325 396 | 5 069 702 | 6 981 589 |
| - liabilities due to leasing agreements | 124 303 | 350 527 | 1 161 426 | 9 483 730 | 11 119 986 |

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| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| - liabilities due to credits and loans | 152 000 | 304 000 | 13 408 250 | 20 000 000 | 33 864 250 |
| TOTAL | 32 159 515 | 14 085 146 | 15 895 072 | 34 553 432 | 96 693 165 |

As at 31 December 2021

| Specification | up to 1 month | between 2 and 3 months | between 4 and 12 months | Over a year | TOTAL |
|--|-------------------|------------------------|-------------------------|-------------------|-------------------|
| Liabilities due for deliveries and services as well as other liabilities | 31 165 968 | 16 752 561 | 2 852 | 97 949 | 48 019 330 |
| - deposits for construction agreements | 2 323 101 | 52 730 | 626 634 | 3 116 569 | 6 119 034 |
| - liabilities due to leasing agreements | 139 799 | 278 207 | 888 799 | 5 484 760 | 6 791 565 |
| - liabilities due to credits and loans | 430 000 | 860 000 | 23 537 604 | 1 792 000 | 26 619 604 |
| TOTAL | 34 058 868 | 17 943 498 | 25 055 889 | 10 491 278 | 87 549 533 |

Capital management

The main objective of the Company's capital management is to maintain a good credit rating and safe capital ratios that would support the Company's operations and increase 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 return capital to shareholders, return capital to shareholders, issue new shares, as well as pay dividends.

The Company monitors its capital position using the leverage ratio, calculated as the ratio of net debt to total capital plus net debt. The Company includes in net debt interest-bearing loans and borrowings and other external financing, trade and other liabilities, deposits under construction contracts, amounts due to customers 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 loans, borrowings | 40 143 575,51 | 31 397 773,36 |
| Liabilities due for deliveries and services as well as other liabilities | 129 638 214,15 | 174 163 064,70 |
| Cash and cash equivalents | 6 424 388,58 | 8 079 697,71 |
| Net debt | 163 357 401,08 | 197 481 140,35 |
| Own capital | 27 837 944,42 | 48 943 621,45 |
| Net equity and debt | 191 195 345,50 | 246 424 761,80 |
| | 85,4% | 80,1% |

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5. Financial instruments

CARRYING AMOUNT


The following tables set out the carrying amounts of the Company's financial instruments, by class and category of assets and liabilities.

As of 31.12.2022

| | Financial assets valued at amortised cost | Financial assets valued of fair value through financial result | Financial liabilities designated of fair value through profit or loss | Financial liabilities valued of amortised cost | Hedging instruments in cash flow hedge accounting | Total |
|---|---|--|---|--|---|-----------------------|
| Deposits due to construction agreements | - | - | - | -5 742 603,80 | - | -5 742 603,80 |
| Receivables due for deliveries and services as well as remaining receivables* | 24 956 247,06 | - | - | - | - | 24 956 247,06 |
| Derivative financial instruments in cash flow hedge accounting | - | 955 822,24 | -181 969,31 | - | -2 031 200,01 | -1 257 347,08 |
| Cash and cash equivalents | 6 424 368,58 | - | - | - | - | 6 424 368,58 |
| Credit, loans and other external sources of finance | - | - | - | -40 143 575,51 | - | -40 143 575,51 |
| Liabilities due for deliveries and services as well as other liabilities | - | - | - | -34 154 752,47 | - | -34 154 752,47 |
| | 31 380 635,64 | 955 822,24 | -181 969,31 | -80 040 931,78 | -2 031 200,01 | -49 917 643,32 |

*excluding receivables due to advance payments



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as at 31.12.2021

| | Financial assets valued at amortised cost | Financial assets valued at fair value through financial result | Financial liabilities designated at fair value through profit or loss | Financial liabilities valued at amortised cost | Hedging instruments in cash flow hedge accounting | Total |
|---|---|---|---|---|---|-----------------------|
| Deposits due to construction agreements | - | - | - | -5 333 706,86 | - | -5 333 706,86 |
| Receivables due for deliveries and services as well as remaining receivables* | 22 441 023,07 | - | - | - | - | 22 441 023,07 |
| Derivative financial instruments in cash flow hedge accounting | - | 168 138,49 | -4 145 779,65 | - | -5 794 081,00 | -9 771 722,16 |
| Cash and cash equivalents | 8 079 697,71 | - | - | - | - | 8 079 697,71 |
| Credits, loans and other external sources of finance | - | - | - | -31 397 773,36 | - | -31 397 773,36 |
| Liabilities due for deliveries and services as well as other liabilities | - | - | - | -34 342 538,72 | - | -34 342 538,72 |
| | 30 720 720,78 | 168 138,49 | -4 145 779,65 | -71 074 018,65 | -5 794 081,00 | -50 125 020,32 |

*excluding receivables due to advance payments

Derivative assets are valued as at the balance sheet date in a reliably defined fair value. The fair value of derivatives is assessed using a model based, among others, on the value of foreign exchange rates (average rates of the National Bank of Poland) as at the balance sheet date and the differences in the level of interest rates in quoted and base currency.

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Items of income, expenses, gains and losses recognised in the statement of comprehensive income by category of financial instrument

For the period of 01.01.2022 – 31.12.2022

| | Financial assets valued at amortised cost | Financial liabilities at fair value through profit or loss | Financial liabilities valued at amortised cost | Total |
|---|---|---|--|-----------------------|
| Profits / costs due to interest rates | 64 052,82 | - | -3 906 225,70 | -3 842 172,88 |
| Profits / losses on exchange rate discrepancies | 2 380 891,14 | - | -7 298 582,64 | -4 917 691,50 |
| Expected losses (creation/reversal) * | -4 632 381,68 | - | - | -4 632 381,68 |
| Profits/losses on disposal/realisation of financial instruments | - | -5 094 814,90 | - | - 5 094 814,90 |
| Total | -2 187 437,72 | -5 094 814,90 | -11 204 808,34 | -18 487 060,96 |

* - receivables due for deliveries and services, as well as remaining receivables -4 632 381,68

For the period of 01.01.2021 – 31.12.2021

| | Financial assets valued at amortised cost | Financial liabilities valued at amortised cost | Total |
|---|--|---|----------------------|
| Profits / losses due to interest rates | 151 676,36 | -1 110 706,23 | -959 029,87 |
| Profits / losses on exchange rate discrepancies | -1 575 399,71 | -22 292,76 | -1 597 692,47 |
| Expected losses (creation/reversal) * | -491 962,36 | - | -491 962,36 |
| Total | -1 915 685,71 | -1 132 998,99 | -3 048 684,70 |

* - receivables due for deliveries and services, as well as remaining receivables -491 962,36

Financial assets and liabilities measured at fair value

Financial assets measured at fair value

For the period between 01.01.2022 to 31.12.2022

| | Level 1 | Level 2 | Level 3 | Subtotal |
|--|----------|-------------------|----------|-------------------|
| Derivative financial instruments in cash flow hedge accounting | - | 955 822,24 | - | 955 822,24 |
| Total | - | 955 822,24 | - | 955 822,24 |

For the period between 01.01.2021 to 31.12.2021

| | Level 1 | Level 2 | Level 3 | Subtotal |
|--|----------|-------------------|----------|-------------------|
| Derivative financial instruments in cash flow hedge accounting | - | 168 138,49 | - | 168 138,49 |
| Total | - | 168 138,49 | - | 168 138,49 |

Financial liabilities measured at fair value

For the period between 01.01.2022 to 31.12.2022

| | Level 1 | Level 2 | Level 3 | Subtotal |
|--|----------|---------------------|----------|---------------------|
| Derivative financial instruments in cash flow hedge accounting | - | 2 213 169,32 | - | 2 213 169,32 |
| Total | - | 2 213 169,32 | - | 2 213 169,32 |

for the period between 01.01.2021 to 31.12.2021

| | Level 1 | Level 2 | Level 3 | Subtotal |
|--|----------|---------------------|----------|---------------------|
| Derivative financial instruments in cash flow hedge accounting | - | 9 939 860,65 | - | 9 939 860,65 |
| Total | - | 9 939 860,65 | - | 9 939 860,65 |

Derivate financial instruments

Financial assets from valuation of derivatives

Foreign currency futures contract

| | as at 31.12.2022 | as at 31.12.2021 |
|------------------------------|-------------------|-------------------|
| - valued in hedge accounting | | |
| Forward | 955 822,24 | 168 138,49 |
| TOTAL | 955 822,24 | 168 138,49 |

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Financial liabilities from valuation of derivatives

Foreign currency futures contract

| | as at 31.12.2022 | as at 31.12.2021 |
|------------------------------|---------------------|---------------------|
| - valued in hedge accounting | | |
| Forward | 2 213 169,32 | 9 939 860,65 |
| TOTAL | 2 213 169,32 | 9 939 860,65 |

The total notional value of FX Forward contracts as at 31 December 2022 was NOK 40 million, EUR 14 million and SEK 15 million (as at 31 December 2021 forward transactions amounted to NOK 211,7 million, EUR 21 million and SEK 55 million). The periods of expected settlements related to the securities held are set out in the table below:

| Secured currency/term | I Q 2023 | II Q 2023 | III Q 2023 | TOTAL |
|-----------------------|---------------|--------------|---------------|---------------|
| NOK | 40 000 000,00 | - | - | 40 000 000,00 |
| EURO | 1 000 000,00 | 8 000 000,00 | 5 000 000,00 | 14 000 000,00 |
| SEK | - | - | 15 000 000,00 | 15 000 000,00 |

Financial assets arising from forwards and IRS transactions measured at fair value

Age structure

| | as at 31.12.2022 | as at 31.12.2021 |
|--------------------------|-------------------|-------------------|
| b) between 1 and 3 years | 955 822,24 | 168 138,49 |
| TOTAL | 955 822,24 | 168 138,49 |

Financial liabilities arising from forwards and IRS transactions measured at fair value

Age structure

| | as at 31.12.2022 | as at 31.12.2021 |
|--------------------------|---------------------|---------------------|
| (a) less than one year | 2 213 169,32 | 5 280 832,36 |
| b) between 1 and 3 years | - | 4 659 028,29 |
| TOTAL | 2 213 169,32 | 9 939 860,65 |

The impact of derivatives and hedging transactions on items in the statement of profit or loss and the statement of comprehensive income is set out below:

Result report

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|---------------------|-----------------------|
| Sales revenues | -5 094 814,90 | -9 962 246,50 |
| Financial income and expenses: | 4 751 494,08 | -4 300 634,54 |
| on realisation of derivatives | - | - |
| on account of valuation of derivatives | 4 751 494,08 | -4 300 634,54 |
| Effect of derivatives on the financial result of the period | -343 320,82 | -14 262 881,04 |
| Statement of comprehensive income, part relating to other comprehensive income | 3 762 880,99 | 3 679 409,00 |
| Impact of hedging transactions: | 3 762 880,99 | 3 679 409,00 |
| impact of the valuation of hedging transactions (effective portion) | -13 549 249,51 | -15 956 308,50 |
| reclassification to sales revenue due to realisation of hedged item | 17 312 130,50 | 19 635 717,50 |
| ŁĄCZNE CAŁKOWITE DOCHODY | 3 419 560,17 | -10 583 472,04 |

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6. Notes to the financial statement

6.1. Tangible assets

| | as at 31.12.2022 | as at 31.12.2021 |
|--------------------------------|----------------------|----------------------|
| Own tangible assets | 54 904 587,27 | 52 972 238,31 |
| Assets due to the right to use | 7 600 715,74 | 8 441 563,64 |
| Total tangible assets | 62 505 303,01 | 61 413 801,95 |

Own tangible assets

| | as at 31.12.2022 | as at 31.12.2021 |
|---|----------------------|----------------------|
| Land | 1 266 019,00 | 1 266 019,00 |
| Buildings, premises and civil engineering works | 40 555 036,67 | 41 866 002,26 |
| Technical equipment and machinery | 7 518 607,50 | 8 420 486,95 |
| Means of transport | 13 679,39 | 40 634,84 |
| Other tangible assets | 986 978,84 | 1 222 125,35 |
| Tangible assets under construction | 4 564 265,87 | 156 969,91 |
| Own tangible assets | 54 904 587,27 | 52 972 238,31 |

Assets due to the right to use

| | as at 31.12.2022 | as at 31.12.2021 |
|---|---------------------|---------------------|
| Land | 3 124 341,02 | 3 279 273,65 |
| Buildings, premises and civil engineering works | 1 026 938,97 | 1 453 186,41 |
| Technical equipment and machinery | 355 210,34 | 231 871,28 |
| Means of transport | 2 366 806,80 | 2 608 148,16 |
| Other assets due to the right of use | 727 418,61 | 869 084,14 |
| Assets due to the right to use | 7 600 715,74 | 8 441 563,64 |



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Change in own fixed assets

For the period between 01.01.2022 to 31.12.2022

| | Land | Buildings, premises and civil engineering works | Technical equipment and machinery | Means of transport | Other fixed assets | Fixed assets under construction | Total fixed assets |
|---|--------------|---|-----------------------------------|--------------------|--------------------|---------------------------------|--------------------|
| Gross value as at the beginning of the period | 1 244 019,00 | 52 855 837,37 | 17 339 720,92 | 1 285 417,77 | 4 283 992,07 | 154 949,91 | 77 117 957,04 |
| Increases in | - | 474 244,61 | 318 154,75 | 441 288,89 | 331 484,90 | 5 271 569,30 | 7 038 742,45 |
| Purchase | - | - | 130 126,02 | - | 331 484,90 | 5 733 190,22 | 5 733 190,22 |
| Investment admission | - | 474 244,61 | 188 028,73 | - | - | - | 664 273,34 |
| Leasing admission | - | - | - | 441 288,89 | - | - | 441 288,89 |
| Reductions | - | 470 116,20 | 339 222,01 | 199 038,33 | 48 449,89 | 844 273,34 | 2 141 209,77 |
| Sale | - | - | 30 700,59 | 95 000,00 | - | - | 125 700,59 |
| Winding-up and other | - | - | 308 521,42 | 104 038,33 | 68 649,89 | - | 481 209,64 |
| Transfer to investment property | - | 470 116,20 | - | - | - | - | 470 116,20 |
| Transfer from investment | - | - | - | - | - | 864 273,34 | 864 273,34 |
| Gross value as at the end of the period | 1 244 019,00 | 62 841 965,78 | 17 318 653,66 | 1 477 648,33 | 4 544 827,08 | 4 544 245,87 | 82 015 379,72 |
| Redemption as at the beginning of the period | - | 10 949 835,11 | 8 919 233,97 | 1 194 782,93 | 3 041 844,72 | - | 24 145 718,73 |
| Increases in | - | 1 401 512,90 | 1 215 995,86 | 448 244,34 | 562 349,52 | - | 3 648 102,62 |
| Current depreciation | - | 1 401 512,90 | 1 215 995,86 | 33 361,48 | 562 349,52 | - | 3 213 219,76 |
| Depreciation of leased assets | - | - | - | 434 887,86 | - | - | 434 887,86 |
| Reductions | - | 84 418,90 | 335 183,67 | 199 038,33 | 64 368,00 | - | 683 008,90 |
| Depreciation of sold and liquidated tangible assets | - | 84 418,90 | 335 183,67 | 199 038,33 | 64 368,00 | - | 683 008,90 |
| Redemption as at the end of the period | - | 12 286 929,11 | 9 800 046,14 | 1 463 988,94 | 3 559 848,24 | - | 27 110 812,45 |
| Net value as at the beginning of the period | 1 244 019,00 | 41 846 002,26 | 8 420 484,95 | 40 434,84 | 1 222 125,35 | 154 949,91 | 52 972 238,31 |
| Net value as at the end of the period | 1 244 019,00 | 40 555 034,67 | 7 518 407,50 | 13 679,39 | 984 978,84 | 4 544 245,87 | 54 904 587,27 |

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for the period between 01.01.2021 to 31.12.2021

| | Land | Buildings, premises and civil engineering works | Technical equipment and machinery | Means of transport | Other fixed assets | Fixed assets under construction | Total fixed assets |
|---|--------------|---|-----------------------------------|--------------------|--------------------|---------------------------------|--------------------|
| Gross value as at the beginning of the period | 1 264 019,00 | 52 832 344,94 | 14 850 748,02 | 1 034 080,39 | 3 835 375,34 | 44 174,25 | 75 844 741,94 |
| Increases in | - | 7 429,43 | 580 288,38 | 305 570,44 | 553 004,22 | 231 436,02 | 1 677 728,49 |
| Purchase | - | - | 471 264,83 | - | 426 146,34 | 231 436,02 | 1 128 847,19 |
| Investment admission | - | 7 429,43 | 109 023,55 | - | 4 187,38 | - | 120 640,34 |
| Leasing admission | - | - | - | 305 570,44 | 122 670,50 | - | 428 240,94 |
| Reductions | - | 3 937,00 | 91 315,48 | 104 233,04 | 104 407,49 | 120 640,36 | 424 833,39 |
| Sale | - | - | 7 992,49 | 104 233,06 | - | - | 114 225,55 |
| Winding-up and other | - | 3 937,00 | 83 322,99 | - | 104 407,49 | - | 191 647,48 |
| Transfer from investment | - | - | - | - | - | 120 640,36 | 120 640,36 |
| Gross value as at the end of the period | 1 264 019,00 | 52 835 837,37 | 17 339 720,92 | 1 234 417,77 | 4 283 992,07 | 154 949,91 | 77 117 957,04 |
| Redemption as at the beginning of the period | - | 9 375 582,28 | 7 638 042,32 | 940 940,03 | 2 585 534,39 | - | 20 540 101,02 |
| Increases in | - | 1 598 189,83 | 1 372 507,13 | 340 075,94 | 575 493,85 | - | 3 884 246,77 |
| Current depreciation | - | 1 598 189,83 | 1 372 507,13 | 40 184,08 | 452 823,35 | - | 3 443 704,39 |
| Depreciation of leased assets | - | - | - | 299 891,88 | 122 670,50 | - | 422 842,38 |
| Reductions | - | 3 937,00 | 91 315,48 | 104 233,04 | 99 143,52 | - | 300 649,04 |
| Depreciation of sold and liquidated tangible assets | - | 3 937,00 | 91 315,48 | 104 233,06 | 99 143,52 | - | 300 649,04 |
| Redemption as at the end of the period | - | 10 949 835,11 | 8 919 235,97 | 1 194 782,93 | 3 041 844,72 | - | 24 145 718,73 |
| Net value as at the beginning of the period | 1 264 019,00 | 43 456 762,44 | 9 212 705,70 | 75 140,36 | 1 249 858,95 | 44 174,25 | 55 304 440,92 |
| Net value as at the end of the period | 1 264 019,00 | 41 844 002,26 | 8 420 484,95 | 40 434,84 | 1 222 125,35 | 154 949,91 | 52 972 238,31 |

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Change of assets due to the right of use

For the period between 01.01.2022 to 31.12.2022

| Description | Land | Buildings, premises and civil engineering works | Technical equipment and machinery | Means of transport | Other assets due to the right of use | Subtotal |
|--|--------------|---|-----------------------------------|--------------------|--------------------------------------|---------------|
| Gross value as at the beginning of the period | 3 974 468,70 | 1 474 909,90 | 233 804,60 | 4 192 281,83 | 1 378 799,70 | 11 454 244,73 |
| Increase in conclusion and amendment of agreements | - | 14 447,05 | 172 982,85 | 409 039,89 | 199 576,00 | 998 245,79 |
| Reductions | 83 937,08 | 241 441,93 | - | 471 801,83 | - | 817 200,84 |
| expiration and amendment of agreements | - | 261 461,93 | - | 471 801,83 | - | 733 263,76 |
| Other | 83 937,08 | - | - | - | - | 83 937,08 |
| Gross value as at the end of the period | 3 890 531,42 | 1 432 095,02 | 406 787,45 | 4 329 519,89 | 1 578 375,70 | 11 437 309,48 |
| Redemption as at the beginning of the period | 495 195,05 | 223 723,49 | 1 933,32 | 1 884 133,47 | 509 715,54 | 3 014 701,07 |
| Increase in Current depreciation | 77 857,21 | 191 735,49 | 49 643,79 | 843 975,22 | 341 241,53 | 1 504 453,24 |
| Reductions | 4 841,44 | 10 302,93 | - | 465 395,80 | - | 482 540,17 |
| redemption due to the expiration of agreements | - | 10 302,93 | - | 465 395,80 | - | 475 698,73 |
| Other | 4 841,44 | - | - | - | - | 4 841,44 |
| Redemptions as at the end of the period | 744 190,40 | 403 186,05 | 31 577,11 | 1 942 713,09 | 850 957,09 | 4 034 593,94 |
| Net value as at the beginning of the period | 3 279 273,65 | 1 453 186,41 | 231 871,28 | 2 408 148,14 | 849 084,14 | 8 441 563,44 |
| Net value as at the end of the period | 3 124 341,02 | 1 026 938,97 | 355 210,34 | 2 346 804,80 | 727 418,61 | 7 600 713,74 |

Za okres od 01.01.2021 do 31.12.2021

| Description | Land | Buildings, premises and civil engineering works | Technical equipment and machinery | Means of transport | Other assets due to the right of use | Subtotal |
|--|--------------|---|-----------------------------------|--------------------|--------------------------------------|---------------|
| Gross value as at the beginning of the period | 3 974 468,70 | 809 914,44 | - | 3 375 123,88 | 1 340 002,20 | 9 499 509,42 |
| Increase in conclusion and amendment of agreements | - | 844 995,24 | 233 804,60 | 1 199 894,78 | 141 468,00 | 2 462 142,44 |
| Reductions | - | 866 995,26 | 233 804,60 | 1 199 894,78 | 141 468,00 | 2 462 142,44 |
| expiration and amendment of agreements | - | - | - | 382 734,83 | 122 670,50 | 505 405,33 |
| Other | - | - | - | 382 734,83 | 122 670,50 | 505 405,33 |
| Gross value as at the end of the period | 3 974 468,70 | 1 474 909,90 | 233 804,60 | 4 192 281,83 | 1 378 799,70 | 11 454 244,73 |
| Redemption as at the beginning of the period | 417 242,20 | 75 858,71 | - | 1 195 158,59 | 329 483,58 | 2 217 743,08 |
| Increase in Current depreciation | 77 952,85 | 147 844,78 | 1 933,32 | 759 532,68 | 302 900,48 | 1 290 184,11 |
| Reductions | - | - | - | 370 557,40 | 122 670,50 | 493 228,10 |
| redemption due to the expiration of agreements | - | - | - | 370 557,40 | 122 670,50 | 493 228,10 |
| Redemptions as at the end of the period | 495 195,05 | 223 723,49 | 1 933,32 | 1 884 133,47 | 509 715,54 | 3 014 701,07 |
| Net value as at the beginning of the period | 3 357 226,50 | 734 055,93 | - | 2 179 965,29 | 1 010 518,62 | 7 281 744,24 |
| Net value as at the end of the period | 3 279 273,65 | 1 453 186,41 | 231 871,28 | 2 408 148,14 | 849 084,14 | 8 441 563,44 |

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Depreciation of tangible assets has been recognised in the following items of the income statement:

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|---------------------|---------------------|
| Manufacturing costs of sold products and services | 4 579 666,83 | 4 620 497,70 |
| modular construction | 4 579 666,83 | 4 620 497,70 |
| General management expenses | 138 006,17 | 133 390,80 |
| TOTAL | 4 717 673,00 | 4 753 888,50 |

Leasing - supplementary data

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|------------------|------------------|
| Depreciation | 1 185 216,75 | 1 290 184,11 |
| Interest costs | 407 133,40 | 279 027,62 |
| Total expenses under leasing agreements | 1 586 359,61 | 1 420 670,52 |
| Short-term leasing costs | 865 933,02 | 2 499 347,72 |
| Costs of leasing with a low value below PLN 20 thousand | 155 306,56 | 116 073,70 |

As at 31.12.2022, collateral for the value of PLN 85 783 393 in the form of registered pledges and mortgages for loans, borrowings, letters of credit and bank guarantees up to PLN 48 500 000 was established on tangible assets and the right of perpetual usufruct of land. As at 31.12.2022, the use of credits and loans amounted to PLN 1 792 000,00, bank guarantees amounted to PLN 1 342 293,71, the net value of tangible assets constituting collateral amounted to PLN 36 832 487,49.

As at 31.12.2022, the value of liabilities related to purchases of tangible assets amounted to PLN 60,3 thousand.

6.2. Intangible assets

| | as at 31.12.2022 | as at 31.12.2021 |
|---|---------------------|---------------------|
| Costs of completed development work | 4 025 117,66 | 4 253 597,28 |
| Acquired concessions, patents, licences and similar values, of which: | | |
| Computer software | 267 230,29 | 380 570,70 |
| Intangible assets under construction | - | 74 506,46 |
| Intangible assets | 4 292 347,95 | 4 708 674,44 |



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Change in Intangible assets:

for the period of 01.01.2022 – 31.12.2022

| | Costs of completed development work | Computer software | Purchased concessions, licenses, patents | Intangible assets under construction | Subtotal |
|---|-------------------------------------|-------------------|--|--------------------------------------|--------------|
| Gross value as at the beginning of the period | 5 053 387,24 | 1 271 577,02 | 20 780,00 | 74 504,44 | 6 420 250,74 |
| Increase in | 8 100,00 | - | - | - | 8 100,00 |
| - Purchase | 8 100,00 | - | - | - | 8 100,00 |
| Reductions | - | - | - | 74 504,44 | 74 504,44 |
| - Windings-up | - | - | - | 74 504,44 | 74 504,44 |
| Gross value as at the end of the period | 5 061 487,24 | 1 271 577,02 | 20 780,00 | - | 6 353 844,26 |
| Redemption as at the beginning of the period | 799 789,98 | 891 004,33 | 20 780,00 | - | 1 711 574,30 |
| Increase in | 236 579,42 | 113 340,41 | - | - | 349 920,83 |
| - Current depreciation | 236 579,42 | 102 372,58 | - | - | 338 952,00 |
| Other | - | 10 967,83 | - | - | 10 967,83 |
| Redemption as at the end of the period | 1 036 369,40 | 1 004 344,73 | 20 780,00 | - | 2 061 494,13 |
| Net value as at the beginning of the period | 4 253 597,26 | 380 572,70 | - | 74 504,44 | 4 708 674,44 |
| Net value as at the end of the period | 4 025 117,84 | 267 230,29 | - | - | 4 292 347,95 |

For the period of 01.01.2021 – 31.12.2021

| | Costs of completed development work | Computer software | Purchased concessions, licenses, patents | Intangible assets under construction | Subtotal |
|---|-------------------------------------|-------------------|--|--------------------------------------|--------------|
| Gross value as at the beginning of the period | 5 053 387,24 | 1 217 771,45 | 20 780,00 | - | 6 291 938,71 |
| Increase in | - | 28 405,57 | - | 74 504,44 | 102 910,03 |
| - Purchase | - | 58 405,57 | - | 74 504,44 | 132 910,03 |
| Reductions | - | 4 400,00 | - | - | 4 400,00 |
| - Windings-up | - | 4 400,00 | - | - | 4 400,00 |
| Gross value as at the end of the period | 5 053 387,24 | 1 271 577,02 | 20 780,00 | 74 504,44 | 6 420 250,74 |
| Redemption as at the beginning of the period | 543 479,13 | 782 250,98 | 20 780,00 | - | 1 346 510,11 |
| Increase in | 236 310,85 | 113 353,34 | - | - | 349 664,19 |
| - Current depreciation | 236 310,85 | 113 353,34 | - | - | 349 664,19 |
| Reductions | - | 4 400,00 | - | - | 4 400,00 |
| - Depreciation of liquidated | - | 4 400,00 | - | - | 4 400,00 |
| Redemption as at the end of the period | 799 789,98 | 891 004,32 | 20 780,00 | - | 1 711 574,30 |
| Net value as at the beginning of the period | 4 489 908,13 | 435 520,47 | - | - | 4 925 428,60 |
| Net value as at the end of the period | 4 253 597,28 | 380 570,70 | - | 74 504,44 | 4 708 674,44 |

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Amortisation of intangible assets has been recognised in the following income statement items:

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|-------------------|-------------------|
| Manufacturing costs of sold products and services | 332 389,91 | 325 209,82 |
| General management expenses | 6 562,29 | 4 714,33 |
| Total amortisation of intangible assets | 338 952,20 | 329 924,15 |

Ownership structure of intangible assets:

| | as at 31.12.2022 | as at 31.12.2021 |
|---|---------------------|---------------------|
| Own | 4 292 347,95 | 4 708 674,44 |
| Total ownership structure of intangible assets | 4 292 347,95 | 4 708 674,44 |

As at 31 December 2022 The Company did not have any encumbrances on intangible assets of a legal or contractual nature.

6.3. Investment property

Investment properties held by the Company as at 31.12.2022 are:

- Office building with land ul. Rejonowa 9, Bielsk Podlaski (plot 1302/1 KW B11P/00012039/1) with an area of 1 438 m2 (including the usable area of the building of 310,08 m2)

| | as of 31.12.2022 | as of 31.12.2021 |
|--|---------------------|------------------|
| Gross carrying amount at the beginning of the period | - | - |
| Increases | 1 961 310,93 | - |
| - reclassification of investment property | 662 772,72 | - |
| - revaluation at fair value | 1 298 538,21 | - |
| Closing balance | 1 961 310,93 | - |

In accordance with the decision of the Company's Management Board, as of 01.12.2022, the above property previously used for office-administrative purposes has been reclassified to investment property in view of its use to generate benefits through the rental of premises and parking spaces. The second level of the fair value determination hierarchy was used to value the investment property. The fair value of investment property is based on an expert opinion issued by an independent appraiser.

The comparative approach, the pairmutuel comparison method, was used to determine the valuation of the property as a whole.

The rental income from the property in question has not yet commenced in 2022. In turn, the process of contracting tenants from 2023 onwards has been initiated. After the reclassification period, no costs were incurred for the maintenance of the property in question.

As at 31.12.2022, there was a security over the investment property for the value of PLN 1 543 607 in the form of registered pledges and mortgages for credits, loans and bank guarantees.

6.4. Receivables due for deliveries and services as well as remaining receivables

Receivables due for deliveries and services as well as other long-term receivables

| | as at 31.12.2022 | as at 31.12.2021 |
|--------------------|------------------|------------------|
| Long-term accruals | 1 611 705,19 | 1 061 962,29 |
| Insurance | 246 334,91 | 219 299,65 |

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| | | |
|---|---------------------|---------------------|
| Other | 1 365 370,28 | 842 662,64 |
| receivables due for deliveries and services as well as other long-term receivables | 1 611 705,19 | 1 061 962,29 |

Receivables due for deliveries and services as well as remaining short-term receivables

| | as at 31.12.2022 | as at 31.12.2021 |
|---|----------------------|----------------------|
| Accounts receivable due for deliveries and services | 24 956 247,06 | 22 641 023,07 |
| Receivables due from taxes, grants, customs, social securities, health insurance and other allowances | 11 203 581,05 | 8 790 554,34 |
| Other non-financial receivables | 2 004 290,51 | 644 223,29 |
| Advances received for deliveries | 238 664,89 | 942 132,03 |
| for purchase of goods, materials and services | 238 664,89 | 942 132,03 |
| Short-term accruals | 1 575 187,50 | 1 501 556,86 |
| Insurance | 435 796,63 | 437 759,68 |
| Other | 1 139 390,87 | 1 063 797,18 |
| Receivables due for deliveries and services as well as remaining short-term receivables | 39 977 971,01 | 34 519 489,59 |
| Expected credit losses on the value of receivables | 5 165 573,56 | 479 161,66 |
| GROSS TOTAL RECEIVABLES DUE FOR DELIVERIES AND SERVICES | 45 143 544,57 | 34 998 651,25 |

Receivables due for deliveries and services – with the repayment period remaining from the balance sheet date:

| | as at 31.12.2022 | as at 31.12.2021 |
|--|----------------------|----------------------|
| a) up to 1 month | 509 434,81 | 7 852 210,56 |
| b) above 1 month up to 3 months | - | 21 569,30 |
| c) above 3 months up to 6 months | 2 760,00 | 6 265 162,02 |
| (d) past due receivables | 24 444 052,25 | 8 502 081,19 |
| Receivables due for deliveries and services | 24 956 247,06 | 22 641 023,07 |

As at 31 December 2022, the expected credit losses on trade and other receivables calculated in accordance with the requirements of IFRS 9 amounted to PLN 5 165 573,56, and as at 31.12.2021 amounted to PLN 479 161,66. Costs and income associated with the creation and release of expected credit losses are recognised in the income statement under "Expected credit losses". The movement in expected credit losses is shown in note 6.5.

Past due trade receivables - broken down by receivables outstanding during the period:

| | as at 31.12.2022 | as at 31.12.2021 |
|---|----------------------|---------------------|
| a) up to 1 month | 11 214 777,96 | 8 355 268,99 |
| b) above 1 month up to 3 months | 7 592 464,17 | 15 246,08 |
| c) above 3 months up to 6 months | 1 759 629,55 | 88 333,71 |
| d) above 6 months up to 1 year | 3 877 180,57 | 43 232,41 |
| NET PAST RECEIVABLES DUE FOR DELIVERIES AND SERVICES | 24 444 052,25 | 8 502 081,19 |

| | as at 31.12.2022 | as at 31.12.2021 |
|---|----------------------|----------------------|
| Short-term receivables | 39 977 971,01 | 34 519 489,59 |
| from affiliates | 2 415 671,47 | 1 456 971,70 |
| From other companies | 37 562 299,54 | 33 062 517,89 |
| Expected credit losses on the value of receivables (positive value) | 5 165 573,56 | 479 161,66 |
| Gross short-term receivables | 45 143 544,57 | 34 998 651,25 |

The currency structure of trade and other receivables is as follows:



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| | as at 31.12.2022 | as at 31.12.2021 |
|--|----------------------|----------------------|
| receivables in PLN | 14 746 158,10 | 10 430 808,51 |
| receivables in EUR | 2 788 447,72 | 1 01 837,18 |
| receivables in EUR after converting to PLN | 13 066 522,31 | 468 389,86 |
| receivables in NOK | 27 184 903,77 | 48 539 673,56 |
| receivables in NOK after converting to PLN | 12 126 924,71 | 22 369 242,91 |
| receivables in SEK | 91 065,58 | 2 788 783,55 |
| receivables in SEK after converting to PLN | 38 365,89 | 1 251 048,31 |
| TOTAL | 39 977 971,01 | 34 519 489,59 |

The advances were valued at the historical exchange rate.

The Company's credit risk is primarily attributable to trade receivables. The amounts presented in the balance sheet are net of estimated expected credit risk.

At the balance sheet date of 31.12.2022, receivables from three external counterparties exceeded 10% of trade receivables.

Counterparty no. 1 – 52%

Counterparty no. 2 – 37%

Counterparty no. 3 – 12%

At the balance sheet date of 31.12.2021, receivables from four external counterparties exceeded 10% of trade receivables.

Counterparty no. 1 – 33%

Counterparty no. 2 – 31%

Counterparty no. 3 – 13%

Counterparty no. 4 – 11%

The risks relating to this financial asset are described in section 4 of this report Financial risk management sub-section "Credit risk".

6.5. Write-downs and expected credit losses

EXPECTED CREDIT LOSSES

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|--|---------------------|-------------------|
| Opening balance as at | 540 519,75 | 984 542,77 |
| Receivables due for deliveries and services as well as remaining receivables | 479 161,66 | 971 124,02 |
| Contract assets | 61 358,09 | 13 418,75 |
| a) Increases | 5 882 346,60 | 215 111,66 |
| Receivables due for deliveries and services as well as remaining receivables | 5 850 977,25 | 147 111,99 |
| Contract assets | 31 369,35 | 67 999,67 |
| (b) reductions | 1 249 964,92 | 659 134,68 |
| Receivables due for deliveries and services as well as remaining receivables | 1 164 565,35 | 639 074,35 |
| Contract assets | 85 399,57 | 20 060,33 |
| EXPECTED TOTAL CREDIT LOSSES | 5 172 901,43 | 540 519,75 |
| Receivables due for deliveries and services as well as remaining receivables | 5 165 573,56 | 479 161,66 |
| Contract assets | 7 327,87 | 61 358,09 |

WRITE-DOWNS

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|------------------------------|-------------------|-------------------|
| Opening balance as at | 118 550,00 | 118 550,00 |
| Inventory | 118 550,00 | 118 550,00 |
| Closing balance as at | 118 550,00 | 118 550,00 |
| Inventory | 118 550,00 | 118 550,00 |

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6.6. Inventory

| | as at 31.12.2022 | as at 31.12.2021 |
|------------------------------|----------------------|----------------------|
| Materials | 14 318 155,68 | 13 094 234,47 |
| GROSS INVENTORY VALUE | 14 318 155,68 | 13 094 234,47 |
| Write-downs on receivables | 118 550,00 | 118 550,00 |
| NET STOCK VALUE | 14 199 605,68 | 12 975 684,47 |

For information on write-downs of inventories, see note 6.5.

As at 31.12.2022, there was no pledged collateral on inventories.

No borrowing costs have been capitalised in inventories in 2022.

It is not envisaged to sell/utilise inventories not subject to write-down for a period longer than 31.12.2023.

In the period 01.01.2022 - 31.12.2022, an amount of PLN 612,3 thousand due to the sale of inventories was recognised in the costs of products and services sold and in the costs of goods and materials sold.

6.7. Cash and cash equivalents

| | as at 31.12.2022 | as at 31.12.2021 |
|--|---------------------|---------------------|
| Cash in PLN | 3 540 701,65 | 520 220,23 |
| Cash in EUR | 170 168,37 | 18 982,40 |
| Cash in EUR after conversion to PLN | 822 423,73 | 87 307,65 |
| Cash in NOK | 1 914 333,37 | 16 205 971,06 |
| Cash in NOK after conversion to PLN | 896 290,89 | 7 467 711,46 |
| Cash in SEK | 2 653 695,46 | 9 938,39 |
| Cash in SEK after conversion to PLN | 1 164 972,31 | 4 458,37 |
| Cash and cash equivalents | 6 424 388,58 | 8 079 697,71 |

Cash at the bank bears interest at variable rates. Short-term deposits are made for various periods depending on the Company's current cash requirements and earn interest at the rates set for them. The fair value of cash and cash equivalents as at the balance sheet date 31.12.2022 is PLN 6 424 388,58 and as at 31.12.2021 was PLN 8 079 697,71. The risks associated with this asset are described in section 4 of the Financial Risk Management report.

6.8. Loans granted

As at 31.12.2022 and 31.12.2021. The Company had no loans granted.

6.9. Equity

The share capital as at the balance sheet date of 31.12.2022 amounts to PLN 2 250 000,00.

The Company's share capital is divided into 22 500 000 (twenty-two million, five hundred thousand) shares with a par value of PLN 0,10 per share.

The specification of other equity items is shown in the table below:

Other reserve capital

| | as at 31.12.2022 | as at 31.12.2021 |
|--|----------------------|---------------------|
| Other reserve capital | 23 868 673,83 | 9 388 934,63 |
| Actuarial income (losses) from defined benefits plans benefits | 981 732,00 | 577 743,00 |
| Effective portion of changes in fair value of instruments valued in hedge accounting | -1 645 272,01 | -4 693 206,00 |
| Capital from valuation of investment property | 1 051 816,21 | - |

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| | | |
|------------------------------|---------------|---------------|
| Other (unregistered capital) | 9 976 000,00 | - |
| Contribution ZCP | 13 504 397,63 | 13 504 397,63 |

On 29.12.2022, the Extraordinary Meeting of Shareholders of Unihouse SA adopted Resolution No. 1/29/12/2022 on increasing the Company's share capital through the issue of new series C shares by PLN 580 000,00 (issue of new 5 800 000 series C registered shares numbered from 1 to 5 800 000 with a nominal value of PLN 0,10 each). The change in question was registered in the National Court Register on 23.03.2023

Deferred profits

| | as at 31.12.2022 | as at 31.12.2021 |
|--|-----------------------|-------------------|
| Current net profit (loss) | -35 585 416,23 | 332 822,91 |
| Reserve capital created from retained earnings | 754 686,82 | 421 863,91 |
| Deferred profits (losses) | -34 830 729,41 | 754 686,82 |

| | | |
|---------------------------|---------------|---------------|
| Measured | 27 837 944,42 | 45 063 129,54 |
| Number of ordinary shares | 22 500 000,00 | 22 500 000,00 |
| Book value per share | 1,24 | 2,00 |

6.10. Restrictions on transfer of securities

There are currently no restrictions agreed by shareholders on the disposal of their shares in the Company at any particular time.

6.11. Credits, loans and other financial liabilities

| | as at 31.12.2022 | as at 31.12.2021 |
|--|----------------------|----------------------|
| Credits, loans and other financial liabilities - long-term | 20 183 663,23 | 1 800 165,16 |
| Liabilities due to loans | 20 183 663,23 | 1 800 165,16 |
| Liabilities due to credits | - | - |
| Credits, loans and other financial liabilities - short-term | 13 880 150,33 | 23 013 921,69 |
| Liabilities on account of overdrafts | 12 072 249,57 | 8 388 075,57 |
| Liabilities due to credits | - | 2 778 317,68 |
| Liabilities due to loans | 1 807 900,76 | 11 847 528,44 |
| TOTAL | 34 063 813,56 | 24 814 086,85 |

LONG-TERM LIABILITIES DUE TO LOANS 31.12.2022

| Name of the loaner | Loan amount | Value as at the balance sheet date | Repayment date | Type of Loan |
|----------------------|-------------------|------------------------------------|----------------|--------------|
| ING Bank Śląski S.A. | PLN 20 000 000,00 | PLN 20 183 663,23 | 31.12.2025 | loan |
| TOTAL | | PLN 20 183 663,23 | | |

LONG-TERM LIABILITIES DUE TO LOANS 31.12.2021

| Name of the loaner | Loan amount | Value as at the balance sheet date | Repayment date | Type of Loan |
|----------------------|-------------------|------------------------------------|----------------|----------------|
| ING Bank Śląski S.A. | PLN 10 000 000,00 | PLN 1 800 165,16 | 29.12.2023 | corporate loan |
| TOTAL | | PLN 1 800 165,16 | | |



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LONG-TERM LIABILITIES DUE TO CREDITS 31.12.2022

There were none in Unihouse S.A. as at 31.12.2022 and 31.12.2021.

SHORT-TERM LIABILITIES DUE TO LOANS 31.12.2022

| Bank name | Credit name | Value as at the balance sheet date | Repayment date | Credit type |
|----------------------|-------------------|------------------------------------|----------------|----------------|
| ING Bank Śląski S.A. | PLN 10 000 000,00 | PLN 1 807 900,76 | 29.12.2023 | corporate loan |
| TOTAL | | PLN 1 807 900,76 | | |

SHORT-TERM LIABILITIES DUE TO LOANS 31.12.2021

| Name of the loaner | Loan amount | Value as at the balance sheet date | Repayment date | Type of Loan |
|----------------------|-------------------|------------------------------------|----------------|----------------|
| ING Bank Śląski S.A. | PLN 10 000 000,00 | PLN 1 847 528,44 | 29.12.2023 | corporate loan |
| UNIBEP S.A. | PLN 10 000 000,00 | PLN 10 000 000,00 | 28.02.2022 | rollover loan |
| TOTAL | | PLN 11 847 528,44 | | |

SHORT-TERM LIABILITIES DUE TO CREDITS 31.12.2022

| Name of the loaner | Loan amount | Value as at the balance sheet date | Repayment date | Type of Credit |
|------------------------------|-------------------|------------------------------------|----------------|---|
| Bank Polska Kasa Opleki S.A. | PLN 10 000 000,00 | PLN 9 972 664,79 | 31.01.2023 | working capital credit in the current account |
| Santander Bank Polska S.A.* | PLN 10 000 000,00 | - | 30.09.2023 | working capital credit in the current account |
| PKO BP S.A.** | PLN 5 000 000,00 | - | 30.11.2023 | working capital credit in the current account |
| Bank Gospodarstwa Krajowego | PLN 5 000 000,00 | PLN 2 099 584,78 | 28.02.2023 | working capital credit in the current account |
| ING Bank Śląski S.A. | PLN 5 000 000,00 | - | 29.06.2023 | rollover credit |
| TOTAL | | PLN 12 072 249,57 | | |

* Credit in the current bank account drawn in Santander Bank Polska S.A. for the amount of PLN 10 000 00,00 with repayment date 30.09.2023 is to be used jointly by UNIHOUSE S.A. and UNIBEP S.A.

** As part of a tripartite agreement: UNIBEP S.A., UNIHOUSE S.A., PKO BP S.A.

SHORT-TERM LIABILITIES DUE TO CREDITS 31.12.2021

| Bank name | Credit name | Value as at the balance sheet date | Repayment date | Type of Credit |
|-----------------------------|-------------------|------------------------------------|----------------|---|
| ING Bank Śląski S.A. | PLN 15 000 000,00 | PLN 2 778 317,68 | 22.10.2022 | investment loan |
| Santander Bank Polska S.A.* | PLN 10 000 000,00 | PLN 8 388 075,57 | 30.09.2022 | working capital credit in the current account |
| PKO BP S.A.** | PLN 5 000 000,00 | - | 30.11.2022 | working capital credit in the current account |
| Bank Gospodarstwa Krajowego | PLN 5 000 000,00 | - | 28.02.2022 | working capital credit in the current account |
| ING Bank Śląski S.A. | PLN 5 000 000,00 | - | 07.06.2022 | revolving credit |
| TOTAL | | PLN 11 166 393,25 | | |

*Overdraft drawn in Santander Bank Polska S.A. for the amount of PLN 10 000 00,00 with repayment date 30.09.2022 is to be used jointly by UNIHOUSE S.A. and UNIBEP S.A.

**As part of the contract with UNIBEP S.A.

Granted but unused loans as at 31.12.2022 amounted to PLN 22 927 750,43.

The maturity structure of long-term loans and credits is as follows:

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| | as at 31.12.2022 | as at 31.12.2021 |
|------------------------------|----------------------|---------------------|
| a) above 1 and up to 3 years | 20 183 663,23 | 1 800 165,16 |
| TOTAL | 20 183 663,23 | 1 800 165,16 |

The loans were valued using the adjusted cost method.
The contractual maturity structure of undiscounted cash flows on borrowings is as follows:

As of 31.12.2022

| | Carrying amount | Undiscounted contractual cash flows |
|------------------------------|----------------------|-------------------------------------|
| a) up to one year | 13 880 150,33 | 16 180 793,18 |
| b) above 1 and up to 3 years | 20 183 663,23 | 24 476 000,00 |
| TOTAL | 34 063 813,56 | 40 656 793,18 |

As of 31.12.2021

| | Carrying amount | Undiscounted contractual cash flows restated |
|------------------------------|----------------------|--|
| a) up to one year | 23 013 921,69 | 23 121 598,53 |
| b) above 1 and up to 3 years | 1 800 165,16 | 1 825 607,14 |
| TOTAL | 24 814 086,85 | 24 947 205,67 |

No loan agreements were terminated during the reporting period.

6.12. Leasing

The Company has concluded lease agreements relating in particular to the use of land, business premises, means of transport and machinery.

Liabilities due to credits

| | as at 31.12.2022 | as at 31.12.2021 |
|--------------------------------|---------------------|---------------------|
| Long-term leasing liabilities | 4 712 540,09 | 5 371 925,38 |
| Short-term leasing liabilities | 1 367 221,86 | 1 211 761,13 |
| TOTAL | 6 079 761,95 | 6 583 686,51 |

Age structure

| | as at 31.12.2022 | as at 31.12.2021 |
|--------------------------|---------------------|---------------------|
| (a) less than one year | 1 367 221,86 | 1 211 761,13 |
| b) between 1 and 5 years | 2 915 222,69 | 3 340 013,52 |
| c) over 5 years | 1 797 317,40 | 2 031 911,86 |
| TOTAL | 6 079 761,95 | 6 583 686,51 |

Leasing - supplementary data

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|------------------|------------------|
| Depreciation | 1 185 216,75 | 1 290 184,11 |
| Interest costs | 407 133,40 | 279 027,62 |
| Total expenses under leasing agreements | 1 586 359,61 | 1 420 670,52 |
| Short-term leasing costs | 865 933,02 | 2 499 347,72 |
| Costs of leasing with a low value below PLN 20 thousand | 155 306,56 | 116 073,70 |



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Information on risks is presented in section 4 of this report.

6.13. Provisions

Employee benefit liabilities recognised in the statement of financial position:

| | as at 31.12.2022 | as at 31.12.2021 |
|--|-------------------|---------------------|
| Retirement bonuses | 882 382,00 | 1 169 460,00 |
| current value as at the balance sheet date | 882 382,00 | 1 169 460,00 |
| Disability bonuses | 75 783,00 | 93 432,00 |
| current value as at the balance sheet date | 75 783,00 | 93 432,00 |
| Pension liability, of which: | 958 165,00 | 1 262 892,00 |
| - long-term part | 916 799,00 | 1 173 196,00 |
| - short-term part | 41 366,00 | 89 696,00 |

Movements in the liability for retirement benefits are included in the table below:

| | as at 31.12.2022 | as at 31.12.2021 |
|--|---------------------|---------------------|
| Current value of liability at the beginning of the period | 1 262 892,00 | 1 651 803,04 |
| interest costs | 48 055,00 | 25 845,00 |
| current employment costs | 242 290,00 | 352 873,96 |
| benefits paid | -96 320,00 | -67 200,00 |
| actuarial gains / losses, including those arising from: | -498 752,00 | -700 430,00 |
| - ex post adjustments of actuarial assumptions | -49 848,00 | -87 892,00 |
| - changes in demographic assumptions | -122 754,00 | -251 774,00 |
| - changes in financial assumptions | -326 150,00 | -360 764,00 |
| Current value of liability at the end of the period | 958 165,00 | 1 262 892,00 |

The charge to the income statement for severance payments is as follows:

| | as at 31.12.2022 | as at 31.12.2021 |
|--|--------------------|--------------------|
| employment value | 242 290,00 | 352 874,00 |
| interest costs | 48 055,00 | 25 845,00 |
| Employment value-correction of the previous year | -96 320,00 | - |
| Tax presented in profit and loss account: | 194 025,00 | 378 719,00 |
| actuarial gains / losses recognised in the period | -498 752,00 | -700 430,00 |
| Costs recognised in other comprehensive income | -498 752,00 | -700 430,00 |
| of which employee benefit costs recognised in the income statement within: | | |
| - production costs | 20 517,41 | 414 430,01 |
| - general management expenses | 173 507,59 | -35 711,01 |

The actuarial assumptions assume the following parameters for the period 2021-2024:

- discount rate in 2022 6,73%
- discount rate in 2021 3,92%
- the projected long-term growth in the Company's salary benefit base in 2022 is - 3,0% and in subsequent years - 5,0%

The actuarial projection of the present values of the Company's future liabilities to employees as at 31.12.2023 is as follows:

| POSITION / BENEFIT | retirement allowance | disability severance pay | Total |
|---|----------------------|--------------------------|--------------|
| present value of the liability as at 31.12.2022 | 882 382,00 | 75 783,00 | 958 165,00 |
| present value of the liability as at 31.12.2023 | 1 038 899,00 | 79 094,00 | 1 117 993,00 |
| <i>including:</i> | | | |
| - short-term part | 27 108,00 | 15 446,00 | 42 554,00 |
| - long-term part | 1 011 791,00 | 63 648,00 | 1 075 439,00 |

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

In accordance with IAS 19, the amount of the provision as at the above date should take into account any significant change in the assumptions made in the meantime, in particular significant changes in the structure, in the current employee population, the arrival of new employees, actual rather than projected salary increases, turnover levels, discounting, etc.

When estimating the forecast, it was assumed that at the moment at which the forecast is calculated the employees of the Entity will be neither persons who by that time have reached the retirement age nor persons who have already collected retirement or disability severance pay. If these assumptions are not fully realised, a deviation of the above forecast from the actual amount of future provisions must also be expected.

IUK Sensitivity analysis

The discount rate, salary increase rate and turnover rate are the key actuarial assumptions affecting employee benefit provisions. The choice of the discount rate is related to the current situation in the government bond market, while the choice of planned salary increases reflects the Company's strategy to shape its pay policy in the future. In addition, employee benefit provisions are affected by the employee turnover rate which depends on the historical turnover of the Company's 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 how the liability would be affected by changes in the relevant actuarial assumptions.

The results of the calculations carried out are as follows as at 31.12.2022:

| PARAMETER / BENEFIT | Retirement bonuses | Disability bonuses | Unused leaves | TOTAL |
|-----------------------------------|--------------------|--------------------|---------------|--------------|
| Initial reserve amounts | 882 382,00 | 75 783,00 | 1 281 604,00 | 2 239 769,00 |
| Rotation factor -1,0% | 908 048,00 | 78 572,00 | 1 281 604,00 | 2 268 224,00 |
| Rotation factor +1,0% | 859 044,00 | 73 202,00 | 1 281 604,00 | 2 213 850,00 |
| Technical discount rate -0,50% | 922 858,00 | 77 811,00 | 1 281 604,00 | 2 282 273,00 |
| Technical discount rate +0,50% | 844 778,00 | 73 847,00 | 1 281 604,00 | 2 200 229,00 |
| Increases in bases | - | - | - | - |
| Remuneration of the company -1,0% | 881 523,00 | 75 688,00 | 1 281 604,00 | 2 238 815,00 |
| Remuneration of the company +1,0% | 884 105,00 | 75 924,00 | 1 281 604,00 | 2 241 633,00 |
| Minimum wage -1,0% | 810 255,00 | 72 128,00 | 1 281 604,00 | 2 163 987,00 |
| Minimum wage +1,0% | 965 173,00 | 79 788,00 | 1 281 604,00 | 2 326 565,00 |

The results of the calculations carried out are as follows as at 31.12.2021:

| PARAMETER / BENEFIT | Retirement bonuses | Disability bonuses | Unused leaves | TOTAL |
|-----------------------------------|--------------------|--------------------|---------------|--------------|
| Initial reserve amounts | 1 169 460,00 | 93 432,00 | 1 125 869,00 | 2 388 761,00 |
| Rotation factor -1,0% | 1 220 790,00 | 97 811,00 | 1 125 869,00 | 2 444 470,00 |
| Rotation factor +1,0% | 1 123 715,00 | 89 435,00 | 1 125 869,00 | 2 339 019,00 |
| Technical discount rate -0,50% | 1 238 617,00 | 96 559,00 | 1 125 869,00 | 2 461 045,00 |
| Technical discount rate +0,50% | 1 106 313,00 | 90 477,00 | 1 125 869,00 | 2 322 659,00 |
| Increases in bases | - | - | - | - |
| Remuneration of the company -1,0% | 1 167 141,00 | 93 231,00 | 1 125 869,00 | 2 386 241,00 |
| Remuneration of the company +1,0% | 1 173 439,00 | 93 740,00 | 1 125 869,00 | 2 393 048,00 |
| Minimum wage -1,0% | 1 053 415,00 | 88 077,00 | 1 125 869,00 | 2 267 361,00 |
| Minimum wage +1,0% | 1 306 501,00 | 99 468,00 | 1 125 869,00 | 2 531 838,00 |

The most recent valuation by an independent actuary was as at 31 December 2022.

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|--|---------------------|---------------------|
| OTHER LONG-TERM PROVISIONS AT THE BEGINNING OF THE PERIOD | 6 319 303,35 | 4 225 161,19 |
| Warranty repairs | 6 319 303,35 | 4 225 161,19 |
| a) Increases | 7 519 873,88 | 3 509 709,75 |
| Warranty repairs | 7 519 873,88 | 3 509 709,75 |
| (c) Termination | 2 270 492,75 | 1 415 567,59 |
| Warranty repairs - transfer to short-term | 2 270 492,75 | 1 415 567,59 |

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| | | |
|--|----------------------|---------------------|
| OTHER LONG-TERM PROVISIONS AT THE END OF THE PERIOD | 11 568 684,48 | 6 319 303,35 |
| Warranty repairs | 11 568 684,48 | 6 319 303,35 |

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|----------------------|----------------------|
| OTHER SHORT-TERM PROVISIONS AT THE BEGINNING OF THE PERIOD | 7 403 516,42 | 5 914 371,20 |
| Employee benefits | 1 576 247,70 | 1 998 066,01 |
| Warranty repairs | 1 263 934,67 | 497 959,90 |
| Costs of subcontractors | 4 323 535,81 | 3 182 047,05 |
| Other costs | 239 798,24 | 236 298,24 |
| a) Increases | 61 370 895,78 | 98 997 124,16 |
| Employee benefits | 4 303 329,23 | 3 803 813,47 |
| Warranty repairs | 2 270 492,75 | 1 415 567,59 |
| Planned starts in long-term contracts | 1 813 436,70 | - |
| Costs of subcontractors | 52 541 824,88 | 93 517 243,10 |
| Other costs | 441 812,22 | 260 500,00 |
| b) Use | 58 932 333,01 | 97 507 978,94 |
| Employee benefits | 4 166 113,00 | 4 225 631,78 |
| Warranty repairs | 1 513 265,51 | 649 592,82 |
| Planned starts in long-term contracts | 1 080 077,97 | - |
| Costs of subcontractors | 51 913 376,53 | 92 375 754,34 |
| Other costs | 259 500,00 | 257 000,00 |
| OTHER SHORT-TERM RESERVES AT THE END OF THE PERIOD | 9 842 079,19 | 7 403 516,42 |
| Employee benefits | 1 713 463,73 | 1 576 247,70 |
| Warranty repairs | 2 021 161,91 | 1 263 934,67 |
| Costs of subcontractors | 733 358,73 | - |
| Costs of subcontractors | 4 951 984,16 | 4 323 535,81 |
| Other costs | 422 110,46 | 239 798,24 |

6.14. Liabilities due for deliveries and services as well as other liabilities

Long-term liabilities due for deliveries and services as well as other liabilities

| | as at 31.12.2022 | as at 31.12.2021 |
|---|---------------------|---------------------|
| Grants received | 1 974 463,58 | 1 974 805,38 |
| Other | 12 708,42 | 34 494,42 |
| Liabilities due for deliveries and services as well as other long-term liabilities | 1 974 463,58 | 2 009 299,80 |

Short-term liabilities due for deliveries and services as well as other liabilities

| | as at 31.12.2022 | as at 31.12.2021 |
|--|----------------------|----------------------|
| Liabilities due for deliveries and services | 34 154 752,47 | 34 342 538,72 |
| Liabilities for taxes, customs duties, insurance | 5 639 818,43 | 9 291 189,57 |
| Payroll liabilities | 1 321 622,74 | 1 830 915,09 |
| Accrued expenses | 3 462 468,00 | 2 323 924,85 |
| Any other liabilities | 9 339,96 | 96 923,48 |
| Liabilities due for deliveries and services as well as other liabilities | 44 588 001,60 | 47 885 491,71 |
| Deferred income - short-term of which: | 139 338,80 | 133 838,64 |
| Other | 21 786,00 | 21 786,00 |
| Grants received | 117 552,80 | 112 052,64 |
| Liabilities due for deliveries and services as well as other short-term liabilities | 44 727 340,40 | 48 019 330,35 |

Liabilities due for deliveries and services – with the repayment period remaining from the balance sheet date:

| | as at 31.12.2022 | as at 31.12.2021 |
|------------------|------------------|------------------|
| a) up to 1 month | 13 390 460,58 | 12 193 943,06 |



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| | | |
|---|----------------------|----------------------|
| b) above 1 month up to 3 months | 2 467 084,17 | 3 075 769,92 |
| c) above 3 months up to 6 months | - | 2 851,59 |
| d) above 6 months up to 1 year | - | 97 949,03 |
| e) above 1 year | - | - |
| f) past-due liabilities | 18 297 207,72 | 18 972 025,12 |
| LIABILITIES DUE FOR DELIVERIES AND SERVICES: | 34 154 752,47 | 34 342 538,72 |

Past due liabilities for deliveries and services:

| | as at 31.12.2022 | as at 31.12.2021 |
|---|----------------------|----------------------|
| a) up to 1 month | 14 268 273,54 | 14 544 002,05 |
| b) above 1 month up to 3 months | 3 519 175,28 | 4 085 523,94 |
| c) above 3 months up to 6 months | 119 198,12 | 14 141,22 |
| d) above 6 months up to 1 year | 94 825,76 | 109 860,08 |
| e) above 1 year | 295 735,02 | 218 497,83 |
| PAST DUE LIABILITIES FOR DELIVERIES AND SERVICES | 18 297 207,72 | 18 972 025,12 |

Short-term liabilities - currency structure:

| | as at 31.12.2022 | as at 31.12.2021 |
|---|----------------------|----------------------|
| Liabilities in PLN | 35 057 883,92 | 28 642 418,91 |
| Liabilities in EUR | 312 480,98 | 891 710,83 |
| Liabilities in EUR after converting to PLN | 1 465 504,55 | 4 101 334,79 |
| Liabilities in NOK | 10 691 434,57 | 30 643 239,62 |
| Liabilities in NOK after converting to PLN | 4 769 448,96 | 14 120 404,82 |
| Liabilities in SEK | 8 152 155,16 | 2 575 059,81 |
| Liabilities in SEK after converting to PLN | 3 434 502,97 | 1 155 171,83 |
| TOTAL | 44 727 340,40 | 48 019 330,35 |

6.15. Current and deferred income tax

Deferred tax assets and liabilities are created at a rate of 19% due to the assumed ability to account for a significant portion of assets and liabilities in Polish CIT also in respect of foreign markets for positive and negative temporary differences on assets and liabilities.

The movement in deferred tax assets and liabilities by title is as follows:

Deferred tax assets

for the period of 01.01.2022 – 31.12.2022

| | Opening balance of assets | Creation / (use) of an asset through profit or loss | Creation of / (use) of an asset through other comprehensive income | Other changes | Closing balance of assets |
|---|---------------------------|---|--|---------------|---------------------------|
| Provision for repair for guarantees | 1 440 815,00 | 1 141 256,00 | - | - | 2 582 071,00 |
| Provision for employee benefits | 687 244,00 | 142 998,00 | - | - | 830 242,00 |
| Provision for the costs of subcontractors | 1 263 018,00 | 335 728,00 | - | - | 1 598 746,00 |
| Provisions for liabilities | 10 304,00 | 23 564,00 | - | - | 33 868,00 |
| Contracts (reduction of revenue "-") | - | 799 199,00 | - | - | 799 199,00 |
| Contracts - provision for losses | - | 139 338,00 | - | - | 139 338,00 |
| Work in progress for tax purposes | 20 563 848,00 | -8 218 734,00 | - | - | 12 345 114,00 |
| Negative unrealised exchange differences | 127 103,00 | 61 393,00 | - | - | 188 496,00 |
| Unpaid interest | 3 195,00 | 683,00 | - | - | 3 878,00 |
| Reserve for other assets | 90 943,00 | 914 433,00 | - | - | 1 005 376,00 |
| Valuation of derivatives | 947 033,00 | - | - | - | 947 033,00 |
| Valuation of credits, loans, bonds, bills of exchange | 1 960,00 | 35 957,00 | - | - | 37 917,00 |
| Tax loss | 5 075 336,00 | 2 407,00 | - | - | 5 077 743,00 |
| Revaluation capital - valuation of derivatives | 1 100 875,00 | - | -714 947,00 | - | 385 928,00 |
| Asset - contribution in kind of the Organised Part of an Enterprise | 132 354,00 | -132 354,00 | - | - | - |
| Other titles | 45 562,00 | 34 639,00 | - | - | 80 201,00 |

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| | | | | | |
|--------------|----------------------|----------------------|--------------------|----------|----------------------|
| Total | 31 489 590,00 | -4 719 493,00 | -714 947,00 | - | 26 055 150,00 |
|--------------|----------------------|----------------------|--------------------|----------|----------------------|

For the period of 01.01.2021 – 31.12.2021

| | Opening balance of assets | Creation / (use) of an asset through profit or loss | Creation of / (use) of an asset through other comprehensive income | Other changes | Closing balance of assets |
|---|---------------------------|---|--|---------------|---------------------------|
| Provision for repair for guarantees | 897 393,00 | 543 422,00 | - | - | 1 440 815,00 |
| Provision for employee benefits | 855 978,00 | -168 734,00 | - | - | 687 244,00 |
| Provision for the costs of subcontractors | 691 080,00 | 571 938,00 | - | - | 1 263 018,00 |
| Provisions for liabilities | 727,00 | 9 577,00 | - | - | 10 304,00 |
| Contracts (reduction of revenue "-") | 813 875,00 | -813 875,00 | - | - | - |
| Work in progress for tax purposes | 5 238 282,00 | 15 325 566,00 | - | - | 20 563 848,00 |
| Negative unrealised exchange differences | 110 738,00 | 16 365,00 | - | - | 127 103,00 |
| Unpaid interest | 6 463,00 | -3 268,00 | - | - | 3 195,00 |
| Reserve for other assets | 175 307,00 | -84 364,00 | - | - | 90 943,00 |
| Valuation of derivatives | 115 581,00 | 831 452,00 | - | - | 947 033,00 |
| Valuation of credits, loans, bonds, bills of exchange | 5 588,00 | -3 628,00 | - | - | 1 960,00 |
| Tax loss | 91 739,00 | 4 983 597,00 | - | - | 5 075 336,00 |
| Revaluation capital - valuation of derivatives | 1 799 963,00 | - | -699 088,00 | - | 1 100 875,00 |
| Asset - contribution in kind of the Organised Part of an Enterprise | 317 650,00 | -185 296,00 | - | - | 132 354,00 |
| Other titles | 44 897,00 | 665,00 | - | - | 45 562,00 |
| Total | 11 165 261,00 | 21 023 417,00 | -699 088,00 | - | 31 489 590,00 |

*regarding note 6.27

The item "other titles" includes, inter alia, an asset arising from the possibility of including "goodwill" relating to the contribution in kind of ZCP in tax settlements in Norway.

Deferred tax provisions

for the period of 01.01.2022 – 31.12.2022

| | Opening balance of reserves | Creation / (use) of a reserve through profit or loss account | Creation of / (use) of a reserve through other comprehensive income | Other changes | Closing balance of reserves |
|---|-----------------------------|--|---|---------------|-----------------------------|
| Contracts (increase in revenues "+") | 27 037 585,00 | -13 114 623,00 | - | - | 13 922 962,00 |
| Lease (net value of tangible assets – liabilities due to leasing) | -7 190,00 | -38 405,00 | - | - | -45 595,00 |
| Discounting of liabilities | 149 212,00 | 86 195,00 | - | - | 235 407,00 |
| Penalties accrued and not received | 265,00 | 89 297,00 | - | - | 89 562,00 |
| Interest not received | 28 819,00 | 4 011,00 | - | - | 32 830,00 |
| Positive unrealised foreign exchange gains | 48 536,00 | -21 907,00 | - | - | 26 629,00 |
| Valuation of bonds, credits, loans, bills of exchange | -6 022,00 | -7 982,00 | - | - | 1 960,00 |
| Valuation of derivatives | 191 281,00 | 902 784,00 | - | - | 1 094 065,00 |
| Difference between tax and balance sheet value of tangible assets | 643 615,00 | -680 558,00 | - | - | -36 943,00 |
| Capital from revaluation of investment property | - | - | 246 722,00 | - | 246 722,00 |
| Actuarial gains and losses recognised in the revaluation capital | 135 520,00 | - | 94 763,00 | - | 230 283,00 |
| Total | 28 221 621,00 | -12 765 224,00 | 341 485,00 | - | 15 797 882,00 |

For the period of 01.01.2021 – 31.12.2021

| | Opening balance of reserves | Creation / (use) of a reserve through profit or loss account | Creation of / (use) of a reserve through other | Other changes | Closing balance of reserves |
|--|-----------------------------|--|--|---------------|-----------------------------|
|--|-----------------------------|--|--|---------------|-----------------------------|

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| | comprehensive income | | | | |
|---|----------------------|----------------------|----------|----------|----------------------|
| Contracts (increase in revenues "+") | 6 080 908,00 | 20 956 677,00 | - | - | 27 037 585,00 |
| Lease (net value of tangible assets – liabilities due to leasing) | 7 515,00 | -14 705,00 | - | - | -7 190,00 |
| Discounting of liabilities | 43 623,00 | 105 589,00 | - | - | 149 212,00 |
| Penalties accrued and not received | 669,00 | -404,00 | - | - | 265,00 |
| Interest not received | 7 881,00 | 20 938,00 | - | - | 28 819,00 |
| Positive unrealised foreign exchange gains | 207 993,00 | -159 457,00 | - | - | 48 536,00 |
| Valuation of bonds, credits, loans, bills of exchange | 9 764,00 | -15 786,00 | - | - | -6 022,00 |
| Valuation of derivatives | 176 950,00 | 14 331,00 | - | - | 191 281,00 |
| Difference between tax and balance sheet value of tangible assets | 381 227,00 | 262 388,00 | - | - | 643 615,00 |
| Actuarial gains and losses recognised in the revaluation capital | 2 438,00 | 133 082,00 | - | - | 135 520,00 |
| Total | 6 918 968,00 | 21 302 653,00 | - | - | 28 221 621,00 |

In the statement of financial position, deferred tax assets and provisions are presented per balance. The net value as at 31.12.2022 on the assets side amounts to PLN 10 257 268,00.

INCOME TAX DISCLOSED IN THE PROFIT AND LOSS ACCOUNT

| | 01.01-31.12.2022 | 01.04-31.12.2021 |
|---|-----------------------|-----------------------|
| Gross profit/(loss) | -43 605 794,02 | 669 879,77 |
| Adjustments arising from permanent differences between gross profit and taxable income | 2 245 127,33 | 1 204 153,11 |
| Adjustments arising from temporary differences between profit before tax and taxable income | 41 360 666,69 | -26 165 934,81 |
| Deductions from the tax base of foreign income | -210 135,24 | - |
| Tax base | - | -24 291 901,93 |
| Tax calculated according to national rates (19%) | - | -84 859,00 |
| Tax on income earned abroad at the rates applicable in the territory in which it is earned | 25 353,21 | 275 761,86 |
| Current income tax | 25 353,21 | 190 902,86 |
| Deferred income tax (continued) | -8 045 731,00 | 146 154,00 |
| Deferred income tax (continued) | - | - |
| Obligatory charges on the financial result due to income tax. | - 8 020 377,79 | 337 056,86 |
| Effective tax rate | 18,39% | 50,32% |

*asset resulting from the possibility to include in current tax settlements in Norway the tax "goodwill" related to the contribution in kind of ZCP

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|----------------------|-------------------|
| Deferred income tax | 25 353,21 | 190 902,86 |
| during the financial year | 25 353,21 | 190 902,86 |
| Deferred income tax | -8 045 731,00 | 146 154,00 |
| Relating to the origination and reversal of temporary differences | -8 045 731,00 | 146 154,00 |
| Tax expense reported in the profit and loss account | -8 020 377,79 | 337 056,86 |
| Effective tax rate | 18,39 | 50,32 |

The tax rates in the markets in which the Company operates are:

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Republic of Poland - 19%
Kingdom of Norway - 22%
Federal Republic of Germany - 15%
Kingdom of Sweden - 20,6%

6.16. Contract assets and liabilities

for the period of 01.01.2022 – 31.12.2022

| | Opening balance as at | Change in valuation of long-term contracts | Revenue recognised in the current period included in the balance of liabilities from the previous year | Reduction due to obtaining unconditional entitlement to payment | Advances received for the execution of agreements | Closing balance as at |
|---|-----------------------|--|--|---|---|-----------------------|
| Valuation of long-term agreements | 142 241 716,23 | 71 907 975,41 | - | -140 878 279,88 | - | 73 271 411,76 |
| Contract assets | 142 241 716,23 | 71 907 975,41 | - | -140 878 279,88 | - | 73 271 411,76 |
| Prepayments obtained due to agreements with clients | 108 860 867,04 | - | 10 146 416,95 | - | -48 232 957,25 | 70 774 326,74 |
| Valuation of long-term agreements | - | 4 206 310,31 | - | - | - | 4 206 310,31 |
| Contract liabilities | 108 860 867,04 | 4 206 310,31 | 10 146 416,95 | - | -48 232 957,25 | 74 980 637,05 |

For the period of 01.01.2021 – 31.12.2021

| | Opening balance as at | Change in valuation of long-term contracts | Revenue recognised in the current period included in the balance of liabilities from the previous year | Reduction due to obtaining unconditional entitlement to payment | Advances received for the execution of agreements | Closing balance as at |
|---|-----------------------|--|--|---|---|-----------------------|
| Valuation of long-term agreements | 31 991 353,64 | 141 361 849,06 | - | -31 111 486,47 | - | 142 241 716,23 |
| Contract assets | 31 991 353,64 | 141 361 849,06 | - | -31 111 486,47 | - | 142 241 716,23 |
| Prepayments obtained due to agreements with clients | 24 712 553,45 | -2 971 404,69 | - | - | 87 119 718,28 | 108 860 867,04 |
| Valuation of long-term agreements | 4 283 552,99 | -362 457,13 | -3 921 095,86 | - | - | - |
| Contract liabilities | 28 996 106,44 | -3 333 861,82 | -3 921 095,86 | - | 87 119 718,28 | 108 860 867,04 |

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 to the date of revenue determination in the total costs of service provision. When it is probable that the total costs associated with the performance of a contract will exceed the total revenue, the expected loss is charged to operating expenses.

| | as at 31.12.2022 | as at 31.12.2021 |
|---|-----------------------|-----------------------|
| The total amount of the transaction price attributed to the performance of the benefit that remained unfulfilled at the end of the reporting period, to be realized within: | | |
| up to 1 year | 310 123 966,00 | 378 908 736,00 |
| above 1 year | 231 154 921,00 | 324 936 580,00 |
| Total | 310 123 966,00 | 378 908 736,00 |

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6.17. Deposits due to agreements with clients

| | as of 31.12.2022 | as of 31.12.2021 |
|---|---------------------|---------------------|
| Retained from suppliers - to be returned after 12 months | 2 699 553,70 | 2 333 284,88 |
| Retained from suppliers - to be returned within 12 months | 3 043 050,10 | 3 000 421,98 |
| General deposits due to agreements with clients | 5 742 603,80 | 5 333 706,86 |

DISCOUNT STATUS

| | as of 31.12.2022 | as of 31.12.2021 |
|--|------------------|------------------|
| Discount of client contract deposits retained from suppliers | 1 238 985,94 | 785 327,15 |

Deposits from contracts with clients are discounted (liabilities: PLN – 10,98% (interest rate on bonds series F, G and H margin 3,5% + WIBOR 6M 7,14% + interest rate higher than at Unibep by 0,34% - comparison of long-term loans*), EUR – 5,53% (NBP average interest rate on contracts denominated in EUR 3,4% + EURIBOR 3M (2,132%)) and are recognised in the balance sheet at amortised cost. The tables indicate the effects of discounting recognised in the Company's balance sheet and income statement for each period. The discount amounts shown reduce the nominal value of the deposit liabilities accordingly. In addition, deferred tax is recognised in the balance sheet on the amounts stated, calculated at the applicable tax rate, and on the effect of the change in the value of the discount in the income statement.

The table below presents an age analysis of deposits that are past due but not impaired at their nominal value after discounting:

Deposits past due under agreements with clients, not repaid during the period:

| | as of 31.12.2022 | as of 31.12.2021 |
|--|---------------------|---------------------|
| a) up to 1 month | 147 885,72 | 172 959,19 |
| b) above 1 month up to 3 months | 197 497,66 | 93 277,69 |
| c) above 3 months up to 6 months | 965 132,30 | 758 382,11 |
| d) above 6 months up to 1 year | 215 285,73 | 823 856,27 |
| e) above 1 year | 1 131 910,91 | 431 120,82 |
| Deposits past due under agreements with clients | 2 657 712,32 | 2 279 596,08 |

6.18. Information on operating segments

UNIHOUSE S.A. operates within one operating segment "Modular construction".

The Company received revenue from five individual external customers in excess of 10% of total revenue in 2022:

Customer no. 1 – 21%
 Customer no. 2 – 18%
 Customer no. 3 – 18%
 Customer no. 4 – 17%
 Customer no. 5 – 13%

Information on geographical areas

Period ended 31.12.2022

| | Revenues from external clients | Fixed assets |
|---------------------------|--------------------------------|----------------------|
| Country | 14 342 234,26 | 4 359 168,69 |
| Export, including: | 208 936 300,09 | 62 438 482,27 |
| Scandinavia, including: | 133 245 992,13 | 39 679 989,70 |
| Norway | 75 987 058,58 | 22 987 677,69 |
| Sweden | 19 527 457,27 | 5 748 988,75 |

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| | | |
|----------------|-----------------------|----------------------|
| Finland | 21 496 844,00 | 6 235 200,52 |
| Denmark | 16 234 632,28 | 4 708 122,74 |
| Czech Republic | 276 000,00 | 80 041,35 |
| Germany | 75 414 307,96 | 22 678 451,22 |
| Total | 223 278 534,35 | 66 797 650,96 |

*Fixed assets, i.e. tangible and intangible assets

Period ended 31.12.2021

| | Revenues from external clients | Fixed assets |
|-------------------------|--------------------------------|----------------------|
| Country | 13 809 288,87 | 3 389 251,17 |
| Export, including: | 259 536 617,44 | 62 733 225,22 |
| Scandinavia, including: | 213 292 053,22 | 51 694 305,25 |
| Norway | 194 983 338,24 | 47 399 542,29 |
| Germany | 46 244 564,22 | 11 038 919,97 |
| Total | 273 345 906,31 | 66 122 476,39 |

The geographical breakdown of sales revenue corresponds to the location of customers and is in line with the Company's internal organisational structure.

The breakdown of the total amount of fixed assets and capital expenditure corresponds to their use in the activities of each territorial segment.

6.19. Revenues due to agreements with clients

NET REVENUE FROM SALES OF PRODUCTS AND SERVICES (MATERIAL STRUCTURE - TYPES OF ACTIVITY)

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|-----------------------|-----------------------|
| Total revenue from sales of products - domestic | 13 759 547,05 | 13 437 911,32 |
| Sales of construction services | 13 655 246,74 | 13 027 739,96 |
| Sales of other services | 104 300,31 | 410 171,36 |
| Total revenue from sales of products - export | 208 935 797,89 | 259 536 937,96 |
| Sales of construction services | 208 762 152,89 | 259 536 937,96 |
| Sales of other services | 173 645,00 | - |
| I. Net revenues from sale of products and services | 222 695 344,94 | 272 974 849,28 |

NET REVENUE FROM SALES OF GOODS AND MATERIALS (MATERIAL STRUCTURE - TYPES OF ACTIVITY)

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|-------------------|-------------------|
| Sales of materials - in the country | 583 189,41 | 371 057,03 |
| Construction activity | 583 189,41 | 371 057,03 |
| Net revenues from sales of goods and materials | 583 189,41 | 371 057,03 |

Revenue breakdown by customer category

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|--|-----------------------|-----------------------|
| Public customer | 320 978,17 | 20 537 289,23 |
| Private customer | 222 957 556,18 | 252 808 617,08 |
| Revenues due to agreements with clients | 223 278 534,35 | 273 345 906,31 |

Revenue breakdown by price category

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|--|-----------------------|-----------------------|
| Lump-sum | 223 278 534,35 | 273 345 906,31 |
| Revenues due to agreements with clients | 223 278 534,35 | 273 345 906,31 |

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6.20. Costs by type

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|-----------------------|-----------------------|
| Depreciation | 5 056 625,20 | 5 083 812,65 |
| Materials and energy consumption | 84 686 748,16 | 82 843 012,46 |
| Third-party services | 96 691 519,72 | 110 606 180,90 |
| Taxes and charges | 1 699 833,69 | 1 662 244,61 |
| Salaries | 50 349 609,54 | 47 202 947,48 |
| Social security and other benefits | 11 837 483,39 | 11 703 444,22 |
| Other costs by type | 5 878 365,18 | 3 896 986,88 |
| Total costs by type | 265 200 184,88 | 262 998 629,20 |
| Change in stocks, products and accruals | 4 164 970,46 | 3 131 233,91 |
| Cost of manufacturing products for the entity's own needs | - | - |
| General management expenses | -8 977 266,22 | -8 382 114,79 |
| Manufacturing costs of sold products and services | 251 387 889,12 | 257 747 748,32 |

6.21. Other revenues, operating costs

Remaining operating revenues

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|-------------------|-------------------|
| Profit from sales of non-financial fixed assets | 33 950,40 | 271,45 |
| Penalties and compensation | 170 883,77 | 23 239,54 |
| Other | 376 763,43 | 830 589,23 |
| Remaining operating revenues | 581 597,60 | 854 100,22 |

OTHER OPERATING EXPENDITURES

| OTHER OPERATING EXPENDITURES | 01.01-31.12.2022 | 01.01-31.12.2021 |
|-------------------------------------|---------------------|---------------------|
| Litigation costs | 999 396,75 | 817,00 |
| Damage to assets and compensation | 183 727,68 | 95 774,18 |
| Other | 68 167,79 | 1 561 678,24 |
| Other operating expenditures | 1 251 292,22 | 1 658 269,42 |

6.22. Financial revenues and expenses, expected credit losses

Financial revenues

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|---------------------|-------------------|
| Interest | 64 888,58 | 154 776,37 |
| of which, interest calculated using the effective interest rate | 64 052,82 | 151 676,36 |
| interest on receivables | 64 052,82 | 151 676,36 |
| bank interest | - | - |
| other interest | 835,76 | 3 100,01 |
| Total other financial revenue | 4 751 494,08 | 109 462,76 |
| Financial revenues | 4 816 382,66 | 264 239,13 |

Other financial revenue

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|--|------------------|------------------|
| capitalised currency exchange rate differences | - | - |
| Other, including: | 4 751 494,08 | 109 462,76 |
| derivatives valuation | 4 751 494,08 | 75 426,65 |

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| | | |
|--------------------------------------|---------------------|-------------------|
| commissions for financial operations | - | 33 600,00 |
| other | - | 436,11 |
| Total other financial revenue | 4 751 494,08 | 109 462,76 |

Financial expenses

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|--|---------------------|---------------------|
| From interest, including: | 3 978 842,03 | 1 057 926,95 |
| interest on loans, borrowings and bonds | 2 929 683,19 | 674 701,27 |
| interest on leasing | 411 277,79 | 279 027,62 |
| valuation of loans, borrowings and bonds | 157 552,71 | 87 116,53 |
| interest on liabilities | 140 102,74 | 63 996,42 |
| other | 456 736,18 | 137 684,51 |
| interest costs on deposits | -116 510,58 | -184 599,40 |
| Total other financial costs | 1 442 317,48 | 5 012 346,94 |
| Financial expenses | 5 421 159,51 | 6 070 273,89 |

Other financial costs

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|--|---------------------|-------------------|
| capitalised currency exchange rate differences | 1 266 772,68 | 389 396,53 |
| Other, including: | 175 544,80 | 4 622 950,41 |
| on account of commission | 175 544,80 | 235 505,33 |
| derivatives valuation | 4 376 061,19 | 608 320,62 |
| other | 11 383,89 | - |
| Total other financial costs | 5 012 346,94 | 762 832,36 |

EXPECTED CREDIT LOSSES

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|---|---------------------|--------------------|
| Contract assets | -54 030,22 | 47 939,34 |
| Accounts receivable due for deliveries and services | 4 686 411,90 | -491 962,36 |
| Expected credit losses | 4 632 381,68 | -444 023,02 |

6.23. Earnings (loss) per share

| | as at 31.12.2022 | as at 31.12.2021 |
|--|------------------|------------------|
| Number of ordinary shares | 22 500 000,00 | 22 500 000,00 |
| Weighted average number of ordinary shares in the period | 22 500 000,00 | 22 500 000,00 |
| Net profit (loss) | -35 585 416,23 | 332 822,91 |
| Basic earnings per share | -1,58 | 0,01 |

6.24. Investment expenditures incurred

CAPITAL EXPENDITURES

| | as at 31.12.2022 | as at 31.12.2021 |
|---|---------------------|---------------------|
| Tangible assets | 5 733 180,22 | 1 128 847,19 |
| buildings and structures, civil engineering works | 676 244,61 | 7 429,43 |
| technical equipment and machinery | 318 154,75 | 580 288,38 |
| other tangible assets | 331 484,90 | 430 333,72 |
| Tangible assets under construction | 4 407 295,96 | 110 795,66 |
| Intangible assets | 132 912,03 | 132 912,03 |
| TOTAL | 5 866 092,25 | 1 261 759,22 |

6.25. The explanatory notes to the statement of cash flows

| | 01.01-31.12.2022 | 01.01-31.12.2021 |
|--|------------------|------------------|
|--|------------------|------------------|

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| | | |
|--|-----------------------|-----------------------|
| Depreciation: | 5 056 625,20 | 5 083 812,65 |
| depreciation of tangible and intangible fixed assets | 5 056 625,20 | 5 083 812,65 |
| Profits (losses) on exchange rate | -93 258,64 | 142 689,64 |
| exchange differences on cash, borrowings, leases, income taxes | -93 258,64 | 142 689,64 |
| Interest and shares in profits (dividends) | 4 175 270,39 | 1 259 435,62 |
| total interest paid on loans, borrowings, bonds and factoring | 2 929 683,19 | 674 701,27 |
| commissions on loans, bonds, guarantees, factoring - paid | 175 544,80 | 235 505,33 |
| commissions received | - | -33 600,00 |
| total interest received other | - | - |
| accrued interest not received other | -64 052,82 | -151 676,36 |
| valuation of credits, bonds, loans received | 157 552,71 | 87 116,53 |
| interest remaining to be paid | 55 649,18 | 39 381,43 |
| other interest paid - total | 513 759,93 | 117 595,91 |
| lease interest paid | 407 133,40 | 279 027,62 |
| accrued interest on loans, borrowings, bonds | - | 11 383,89 |
| Profit (loss) from investment activity | 310 178,67 | 4 300 363,09 |
| revenue from disposal of tangible fixed assets | -40 835,70 | -4 146,33 |
| net value of tangible fixed assets disposed of | 7 693,55 | 3 874,88 |
| derivatives - valuation | 343 320,82 | 4 300 634,54 |
| Change in reserves | 7 881 968,90 | 3 894 806,34 |
| balance sheet change in provisions for liabilities | 7 383 216,90 | 3 194 376,34 |
| change in provisions not affecting the current result | 498 752,00 | 700 430,00 |
| Change in inventories | -1 223 921,21 | -6 230 042,62 |
| balance sheet change | -1 223 921,21 | -6 230 042,62 |
| Change in the balance of receivables | 62 962 080,15 | -96 928 418,64 |
| balance sheet change in short-term receivables | 63 511 823,05 | -96 299 786,59 |
| balance sheet change in long-term receivables | -549 742,90 | -628 632,05 |
| Change in the status of short-term liabilities, excluding financial obligations | -36 798 159,22 | 84 452 019,15 |
| balance sheet change in short-term financial liabilities | -36 599 835,25 | 83 174 635,10 |
| balance sheet change in long-term financial liabilities | -34 836,22 | 1 194 464,00 |
| change in the short-term financial liabilities | -163 487,75 | 82 920,05 |
| Other adjustments | 15 851,43 | -8 303,02 |
| Income tax paid / returned | -3 457 915,00 | -3 450 714,00 |

Change in financial liabilities

| | as at 31.12.2022 | as at 31.12.2021 |
|---|----------------------|----------------------|
| Balance at beginning of year credits, loans and other financial liabilities | 24 814 086,85 | 21 498 894,75 |
| Lease liabilities at the beginning of the year | 6 583 686,51 | 5 351 274,42 |
| Balance as at the beginning of the year | 31 397 773,36 | 26 850 169,17 |
| Capital flow (+) credits, loans and other financial liabilities | 33 746 693,19 | 23 388 075,57 |
| Capital flow (-) credits, loans and other financial liabilities | -24 654 519,19 | -20 160 000,00 |
| Increase in leasing liabilities (+) | 605 763,00 | 2 462 162,64 |
| Capital flow (-) of leasing liabilities | -1 179 226,21 | -1 241 672,01 |
| Interest Accrued | 3 336 816,59 | 1 189 234,22 |
| Interest paid | -3 336 816,59 | -1 189 234,22 |
| Valuation (+/-) credits, loans and other financial liabilities | 157 552,71 | 87 116,53 |
| Valuation (+/-) of leasing liabilities | 69 538,65 | -2 328,47 |
| Other (-/+) credits, loans and other financial liabilities | - | - |
| Other (-/+) leasing liabilities | - | 14 249,93 |
| Balance as at the end of the year | 40 143 575,51 | 31 397 773,36 |
| Credits, loans and other financial liabilities | 34 063 813,56 | 24 814 086,85 |
| Leasing liabilities | 6 079 761,95 | 6 583 686,51 |

The balance of cash and cash equivalents shown in the statement of cash flows consists of the following items:

| | as at 31.12.2022 | as at 31.12.2021 |
|---|---------------------|---------------------|
| Cash at hand | 6 345 572,85 | 8 079 697,71 |
| Including: | | |
| exchange differences on balance sheet valuation | -78 815,73 | -20 615,52 |
| TOTAL | 6 424 388,58 | 8 059 082,19 |

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Restricted funds as at 31.12.2022 amount to 83 088,98.

As at 31.12.2021 they amount to 35 262,48.

6.26. Business combinations

UNIHOUSE S.A. has not merged with any other business entity in 2022.

6.27. Investments in jointly controlled entities

None.

6.28. Investments in other entities

None.

6.29. Transactions with related parties

As at 31.12.2022

| | Receivables due for deliveries and services as well as remaining receivables | Liabilities due for deliveries and services as well as other liabilities | Contract liabilities | Credits, loans and other financial liabilities | Tangible assets | Intangible assets | Provisions |
|--|--|--|----------------------|--|-------------------|-------------------|-------------------|
| Subsidiaries, indirect subsidiaries | 2 415 671,47 | 1 412 846,64 | 16 492 393,41 | 21 242 812,22 | 874 274,10 | 10 000,00 | 437 179,08 |
| Total transactions with related parties | 2 415 671,47 | 1 412 846,64 | 16 492 393,41 | 21 242 812,22 | 874 274,10 | 10 000,00 | 437 179,08 |

As at 31.12.2021

| | Receivables due for deliveries and services as well as remaining receivables | Liabilities due for deliveries and services as well as other liabilities | Credits, loans and other financial liabilities | Tangible assets | Intangible assets |
|--|--|--|--|---------------------|-------------------|
| Subsidiaries, indirect subsidiaries | 1 456 971,70 | 2 019 813,98 | 11 091 107,06 | 1 038 084,91 | 10 000,00 |
| Total transactions with related parties | 1 456 971,70 | 2 019 813,98 | 11 091 107,06 | 1 038 084,91 | 10 000,00 |

for the period of 01.01.2022 – 31.12.2022

| | Revenues due to agreements with clients | Purchase of products, materials and products | Financial expenses | Other operating revenues | Other operating expenses |
|--|---|--|---------------------|--------------------------|--------------------------|
| Subsidiaries, indirect subsidiaries | 16 012 816,29 | 5 119 441,85 | 2 108 653,24 | 5 325,00 | 548,81 |
| Total transactions with related parties | 16 012 816,29 | 5 119 441,85 | 2 108 653,24 | 5 325,00 | 548,81 |

for the period of 01.01.2021 – 31.12.2021

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| | Revenues due to agreements with clients | Purchase of products, materials and products | Financial expenses | Other operating expenses |
|--|---|--|--------------------|--------------------------|
| Subsidiaries, indirect subsidiaries | 31 800 866,91 | 7 232 975,50 | 387 457,67 | 3 600,00 |
| Jointly controlled entities, indirectly jointly controlled | - | - | - | 80 964,00 |
| Total transactions with related parties | 31 800 866,91 | 7 232 975,50 | 387 457,67 | 84 564,00 |

6.30. Management Board and the Supervisory Board

MANAGEMENT BOARD

UNIHOUSE S.A. Management Board operates pursuant to the Commercial Code, the Company's Articles of Association, the Regulations of the Management Board. The Company's Management Board consists of at least one member. 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 Management Board is determined by the Supervisory Board.

As at the date of this statement, the Management Board of UNIHOUSE S.A. consists of:

- Marcin Gołębiewski – President of the Management Board
- Sławomir Kiszycycki – Vice-President of the Management Board
- Jacek Grzybowski – Member of the Management Board

On 22.11.2021, by decision of the Supervisory Board of Unihouse SA, Jacek Grzybowski became a new member of the Management Board.

SUPERVISORY BOARD

UNIHOUSE S.A. Supervisory Board operates pursuant to the Commercial Companies Code, the Company's Articles of Association, the Regulations of the Supervisory Board. The Supervisory Board consists of 3 to 7 members, appointed and recalled by the General Meeting for a joint term of office of three years.

As at the date of this report, the Supervisory Board of UNIHOUSE S.A. consists of:

- Leszek Marek Gołębiewski – Chair of the Supervisory Board
- Jan Mikotuszko – Vice-Chair of the Supervisory Board
- Bożenna Anna Lachocka – Member of the Supervisory Board

6.31. Ownership of shares or rights to shares by managing and supervising persons

Management and supervisory personnel do not hold shares in the Company and are not entitled to such shares.

6.32. Information on personal, actual and organisational relationships of members of the Management Board and Supervisory Board with specific shareholders holding at least 5% of votes at the General Meeting of Shareholders of UNIHOUSE S.A.

MANAGEMENT BOARD

Sławomir Kiszycycki, Vice-President of the Management Board, is Vice-President of UNIBEP S.A. the sole shareholder of UNIHOUSE S.A.

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SUPERVISORY BOARD

- Leszek Marek Gołąbiewski is the President of the Management Board of UNIBEP S.A.
- Jan Mikołuszko is Chairman of the Supervisory Board of UNIBEP S.A.
- Bożenna Anna Lachocka is a shareholder holding 7,13% of UNIBEP SA

6.33. Remuneration of the Management Board and the Supervisory Board

BOARD REMUNERATION:

| Full name: | 01.01-31.12.2022 | 01.01-31.12.2021 |
|------------------------------|---------------------|-------------------|
| Marcin Kazimierz Gołąbiewski | 399 488,00 | 384 000,00 |
| Sławomir Kiszycki | 1 40 240,00 | 120 000,00 |
| Jacek Grzybowski | 372 496,00 | 40 500,00 |
| Roman Jakubowski | 214 442,00 | 305 978,56 |
| Subtotal | 1 126 666,00 | 850 478,56 |

REMUNERATION OF THE SUPERVISORY BOARD:

Members of the Supervisory Board of UNIHOUSE S.A. do not receive remuneration for their membership of the Board with the exception of Bożenna Lachocka, who in 2022 received remuneration in the amount of PLN 36 000,00.

6.34. Transactions with related parties by persons supervising the company

In 2022, there were no transactions other than arm's length transactions with a single or aggregate value exceeding the equivalent of EUR 500 thousand. EUR converted into PLN.

6.35 Agreements concluded between UNIHOUSE S.A. and managers

President of the Management Board of UNIHOUSE S.A. Marcin Kazimierz Gołąbiewski and Member of the Management Board of UNIHOUSE S.A. Jacek Grzybowski, in connection with their work and function on the Management Board, are employed at UNIHOUSE S.A. under managerial contracts concluded for the duration of the Management Board's term of office (fixed-term employment contract).

Mr Roman Jakubowski had a B2B cooperation agreement with UNIHOUSE S.A. from 26.10.2021, from which he received remuneration in 2022 for the period from January to April 2022. On 26.11.2021, Mr Roman Jakubowski had concluded a non-competition agreement after termination of employment, which was valid until 31.10.2022.



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Changes introduced in 2022

Since 07.04.2022, UNIHOUSE 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 Mr Marcin Kazimierz Gołębiewski, President of the Management Board, and Mr Jacek Grzybowski, Member of the Management Board, are entitled by virtue of their appointment has been determined in the form of monthly rates.

Vice-President of the Management Board of UNIHOUSE S.A. Mr Sławomir Kiszycki performs his function on the basis of an appointment by the Supervisory Board until 06.04.2022 against payment, from 07.04.2022 free of charge.

Mr Sławomir Kiszycki has had a B2B cooperation agreement with UNIHOUSE S.A. since 07.04.2022.

Members of the Management Board, in connection with their function on the Management Board, are entitled to an annual bonus calculated on the Company's net profit for each financial year provided that the Company's financial plan adopted for the year by the Management Board and the Supervisory Board is implemented.

In accordance with the provisions of the Resolutions of the Supervisory Board, the above bonus is due in the following amounts to:

- a) President of the Management Board of UNIHOUSE S.A. Mr Marcin Kazimierz Gołębiewski is entitled to - 2%.
- b) Member of the Management Board of UNIHOUSE S.A. Mr Jacek Grzybowski - 2%.

Re 2.

The remuneration to which the members of the Management Board are entitled under employment contracts concluded for an indefinite period from 07.04.2022 was determined in the form of monthly rates.

- a) Mr Marcin Kazimierz Gołębiewski is employed as a Director of the Company.
- b) Mr Jacek Grzybowski is employed as Commercial Director.

According to the wording of the concluded employment contracts, in addition to wages, in the event of termination by notice from the employer for reasons not attributable to the employee, the employer guarantees to pay compensation in the amount of:

- for the Director of the Company, Mr Marcin Kazimierz Gołębiewski, 7,40 times the employee's average monthly salary.

- for the Commercial Director, Mr Jacek Grzybowski, 7,50 times the employee's average monthly salary.

The Director of the Company and the Commercial Director are not entitled to other remuneration components as set out in the Remuneration Regulations.

The amount of the above-mentioned compensation will include compensation for refraining from competitive activities (in the event that the Employer and the Employee conclude a non-competition agreement after the termination of the employment relationship) and the amount of the severance pay due to the Employee in connection with the termination of the employment contract with notice for reasons not related to the Employee under the applicable legislation.

Director of UNIHOUSE S.A. Mr Marcin Kazimierz Gołębiewski and the Commercial Director of UNIHOUSE S.A. Mr Jacek Grzybowski also entered into non-competition agreements with the Company during the employment relationship (the non-competition is effective for the entire duration of the employment relationship) and non-competition agreements after the termination of the employment relationship (the non-competition is effective for 6 months after the termination of the employment relationship). For the duration of the non-competition clause (for a period of 6 months), the Directors shall be entitled to compensation amounting to 60% of the salary received by such persons before termination of their employment relationship, for a period of six months, which shall be paid to the employee in six equal instalments.

6.36. Contingent assets and liabilities, guarantees

6.36.1. Contingent assets and liabilities

as of 31.12.2022

as of 31.12.2021



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| | | |
|---------------------------------------|---------------------|---------------------|
| CONTINGENT ASSETS | 1 500 000,00 | 1 500 000,00 |
| From related parties | 1 500 000,00 | 1 500 000,00 |
| Bills of exchange received as hedging | 1 500 000,00 | 1 500 000,00 |
| CONTINGENT LIABILITIES | 665 566,74 | 988 127,00 |
| Disputes | 665 566,74 | 988 127,00 |

DISPUTES

Cases filed by Unihouse S.A.

- In a statement of claim dated June 2020 Unihouse S.A. is demanding payment of remuneration in the amount of PLN 246 thousand from the investor Eco Campus Sopot Sp. z o.o. in connection with the construction of dormitories in Sopot. The Investor has not accounted for the preparation of part of the construction project. Unihouse's position is that the developer has made too many deviations from the original concept and has demanded payment of remuneration before making further amendments. The court decided to hear the witnesses by correspondence. At the hearing on 9 June 2021, witnesses from the Unihouse side and on 4 August 2021, other witnesses were heard. The court ordered the defendant to make an advance payment for producing evidence in the form of an opinion prepared by the Institute. In October 2022, Unihouse S.A. requested that the expert evidence be disregarded, but the Court did not grant the request. The Court ordered the defendant to make an advance payment for producing evidence in the form of an opinion. The advance has been paid. We are awaiting the drafting of an opinion.
- Unihouse S.A. has filed a lawsuit with the Oslo Court for the payment of NOK 900 thousand in connection with Taj Eiendom's failure to implement the provisions of the concluded agreement. The defendant is withholding payment of the aforementioned amount due to new defects appearing on the Nittebergia project. On 20 October 2022, the court issued a judgement ordering Taj Eiendom to pay to Unihouse the amount due including interest and court costs. On 12 December 2022, the investor paid NOK 615 thousand. Unihouse will claim the remaining amount once the defects identified in the judgement have been rectified and Unihouse has secured documentation for the rectification of the defects.

On 27 January 2023, Unihouse S.A. has filed with the court a demand for payment under a claim in the amount of NOK 22 852 thousand against Fidelis Insurance Ireland DAC. The claim under the guarantee was made in connection with the non-payment of receivables by the Investor Bekkefaret Bolig AS for the Klovertunet contract. Unihouse made several claims under the guarantee in November 2022, but the guarantor Fidelis (and their co-venturer Standard Garanti As) has not paid or responded to the company's claim. The Respondent disputes Unihouse S.A.'s entitlement to make a claim under the guarantee. The court summoned the parties to a hearing on 29 March 2023.

Claims against Unihouse S.A.

- On 27 January 2023, Unihouse S.A. has filed with the court a demand for payment under a claim in the amount of NOK 22 852 thousand against Fidelis Insurance Ireland DAC. The claim under the guarantee was made in connection with the non-payment of receivables by the Investor Bekkefaret Bolig AS for the Klovertunet contract. Unihouse made several claims under the guarantee in November 2022, but the guarantor Fidelis (and their co-venturer Standard Garanti As) has not paid or responded to the company's claim. The Respondent disputes Unihouse S.A.'s entitlement to make a claim under the guarantee. The court summoned the parties to a hearing on 29 March 2023.

6.36.2. Guarantees

| | as of 31.12.2022 | as of 31.12.2021 |
|----------------------------|-----------------------|-----------------------|
| GUARANTEES RECEIVED | 141 198 128,72 | 134 380 466,78 |
| From other entities | 141 198 128,72 | 134 380 466,78 |

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GUARANTEES GRANTED
To other entities

40 415 384,91
40 415 384,91

41 219 284,79
41 219 284,79

6.37. Impact of Russia's invasion of Ukraine and the COVID 19 coronavirus outbreak on Unihouse's operations

Introduction of the state of epidemic on the territory of the Republic of Poland. Information on the possible effect of the COVID-19 coronavirus epidemic on the operations of Unihouse S.A.

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 Company and the industry as a whole and the consequences thereof cannot be ruled out with 100% certainty.

The situation in the Company has not materially changed compared to previous quarters and the information contained in the 2021 Annual Report. 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.

Russia's Invasion of Ukraine. Information on the impact of the war situation on the operations of Unihouse S.A.

An event affecting Unihouse S.A.'s operations and future financial performance is the armed conflict that began on 24 February 2022 in Ukraine and its consequences, as well as the actions taken by international communities towards Russia.

The situation described in the Annual Report for 2021 remains unchanged. Unihouse S.A. is not currently carrying out any construction work in Ukraine, Belarus or Russia. None of our Polish employees are based in these territories.

According to the information available to the Company, there are no entities employing Ukrainian nationals among the subcontractors and companies cooperating with the Company. Unihouse S.A., on the other hand, works with subcontractors employing Belarusian nationals. At present, Unihouse S.A. does not identify any risks in this area. Contractors are completing the works without any downtime.

As at the date of publication of this report, the armed conflict in Ukraine is not an indication of impairment of Unihouse S.A.'s assets.

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 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.

Bielsk Podlaski, 21 April 2023
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UNIHOUSE SA

Financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards (amounts in tables expressed in PLN unless otherwise stated)



Unihouse S.A. monitors the development of the conflict in Ukraine and assesses its impact on the Company'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 Unihouse S.A.'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.

The conflict is an event occurring after the balance sheet date and did not affect the data presented for the period covered by these financial statements, i.e. the period from 01.01.2022 to 31.12.2022.

6.38. Events after the balance sheet date

Information on other significant events after the balance sheet date are included in the Report of the Management Board on Activities of the Unihouse S.A. for 2022 – Section 6.2.

6.39. Employment structure

AVERAGE EMPLOYMENT

| | as at 31.12.2022 | as at 31.12.2021 |
|----------------------|------------------|------------------|
| White collar workers | 215 | 223 |
| Manual workers; | 319 | 359 |
| TOTAL | 534 | 582 |

6.40. Information on agreements with entities authorised to audit financial statements

In 2022, Grant Thornton Polska Prosta spółka akcyjna with its registered office in Poznań at ul. Abpa Antoniego Baraniaka 88E was chosen to audit the financial statements of UNIHOUSE S.A. and a contract was concluded in this connection. The amount of remuneration under this agreement for 2022 is PLN 59 508,00. The amount stated above is net.

7. Approval of the financial statement

The Company has prepared its 2022 financial statements in accordance with International Accounting Standards. This report was approved by the Annual General Meeting of UNIHOUSE SA on 29 April 2022.

These financial statements were authorised in Bielsk Podlaski by the Management Board of UNIHOUSE S.A. 21.04.2023.

Bielsk Podlaski, 21 April 2023
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UNIHOUSE SA

Financial statements for the year ended 31 December 2022 prepared in accordance with International Financial Reporting Standards (amounts in tables expressed in PLN unless otherwise stated)



SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS OF UNIHOUSE S.A.

President of the
Management Board

Marcin Kazimierz Gołęblewski

Vice-President of the
Management Board

Sławomir Kiszycski

Member of the
Management Board

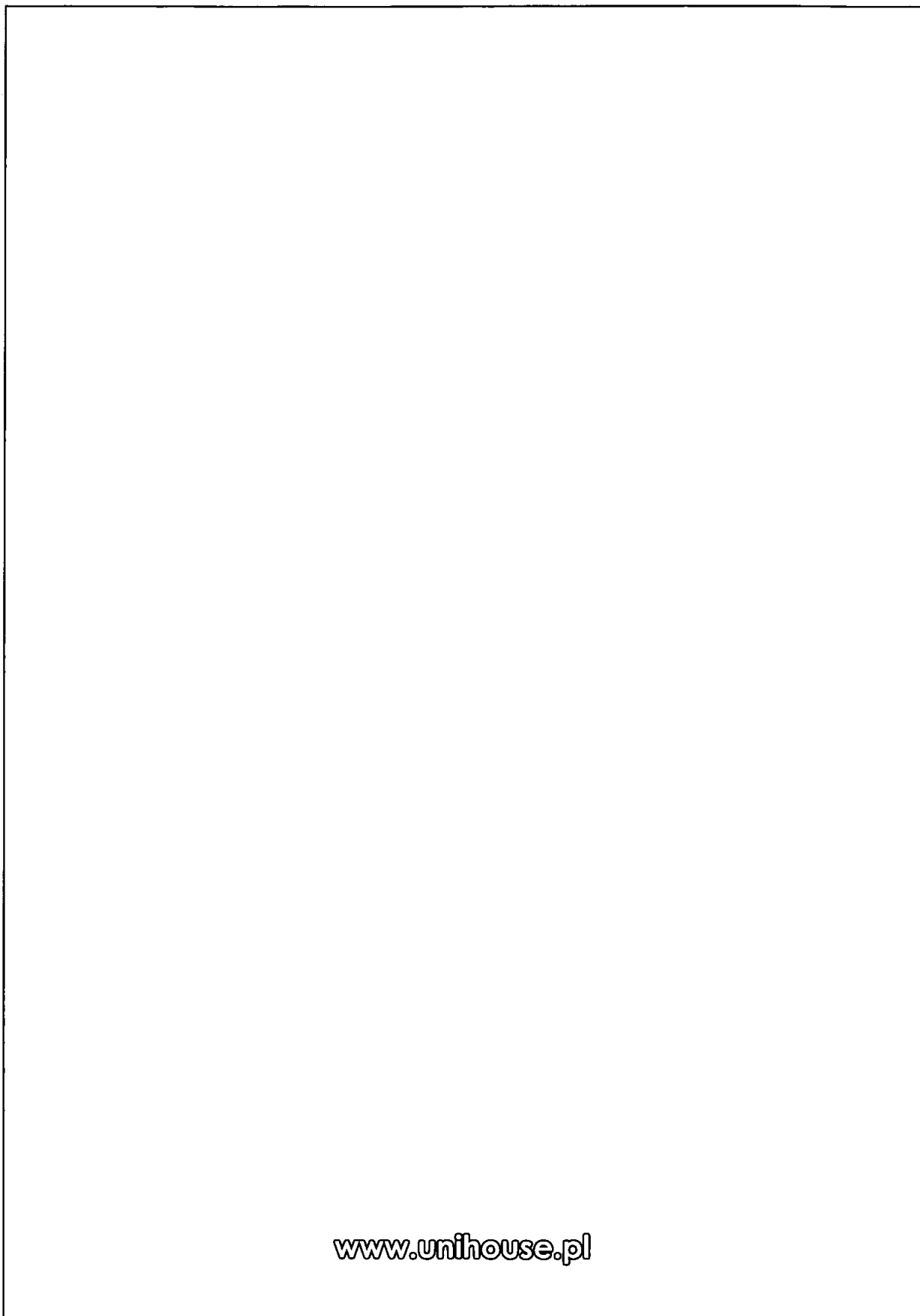
Jacek Grzybowski

Person entrusted with bookkeeping.

Chief Accountant

Eżbieta Mleczko

Bielsk Podlaski, 21 April 2023
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www.unihouse.pl



REPORT OF THE MANAGEMENT BOARD

ON THE

UNIHOUSE S.A.'S

OPERATIONS

IN 2022



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1 Financial data

| | |
|---|-------------|
| Revenues | 223,279 PLN |
| Net profit | -35,585 PLN |
| Cash | 6,424 PLN |
| EBITDA | -33,311 PLN |
| Contracts signed in 2022 | 165,700 PLN |
| Portfolio of orders to be executed in 2023 | 190,711 PLN |
| Average employment (per FTE) | 534 persons |



2 Introduction

2.1 Introductory information

UNIHOUSE S.A. was established on 1 April 2019 pursuant to the resolution of the Extraordinary General Meeting of Shareholders of Unibep S.A. of 28 February 2019. On 1 July 2019, Unihouse S.A. is registered in the District Court in Białystok, 12th Commercial Department of the National Court Register in the Register of Entrepreneurs under number 0000793054. At the time of registration, the share capital of Unihouse S.A. amounted to PLN 100,000.00 and consisted of 1,000,000 shares with a nominal value of PLN 0.10 each. The Company holds the Tax Identification Number (NIP) 543-21-87-657 and the Business Registry Number (REGON) 383776590. The registered office of the Company is located in Bielsk Podlaski, at ul. Rejonowa 5. On 1 November 2019, Unibep S.A. took up, in exchange for a contribution in kind of organised part of an enterprise in the form of Unihouse Oddział Unibep S.A. in Bielsk Podlaski, 21,500,000 new issue shares worth PLN 2,150,000.00. The capital increase was registered in the National Court Register on 31 December 2019.

On 29.12.2022, the Extraordinary General Meeting of Unihouse S.A. passed Resolution No. 1/29/12/2022 on increasing the Company's share capital through the issue of new series C shares by PLN 580,000.00. The capital increase was registered in the National Court Register on 23.03.2023. . Unibep S.A. is a 100% owner of Unihouse S.A.

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

Unihouse S.A. continues its activities, which have been carried out since 2009 (previously as part of Unihouse Oddział Unibep S.A.) in the modular construction industry based on timber-frame modular buildings. Production of these buildings takes place in production halls located in Bielsk Podlaski.

Modular Construction has been well known and present in Europe for many years. This segment performs really well even on the challenging Scandinavian markets. It continues to gain popularity in our country. Unihouse S.A. is a pioneer on the Polish market in the production of modern timber-frame modular buildings aimed at, among others, hotels and motels, multi-family buildings, dormitories and care homes. The main market in which UNIHOUSE S.A. operates is Norway and Germany, but it also has contracts in Poland and Sweden. In the future, further expansion into Swedish and German markets is planned, as well as further organic growth in markets where UNIHOUSE S.A. has already been present for many years. This



is a continuation of the strategy adopted to diversify the order portfolio and, as a result, ensure the stability of production orders.



Heimdals Porten, Trondheim, Norway

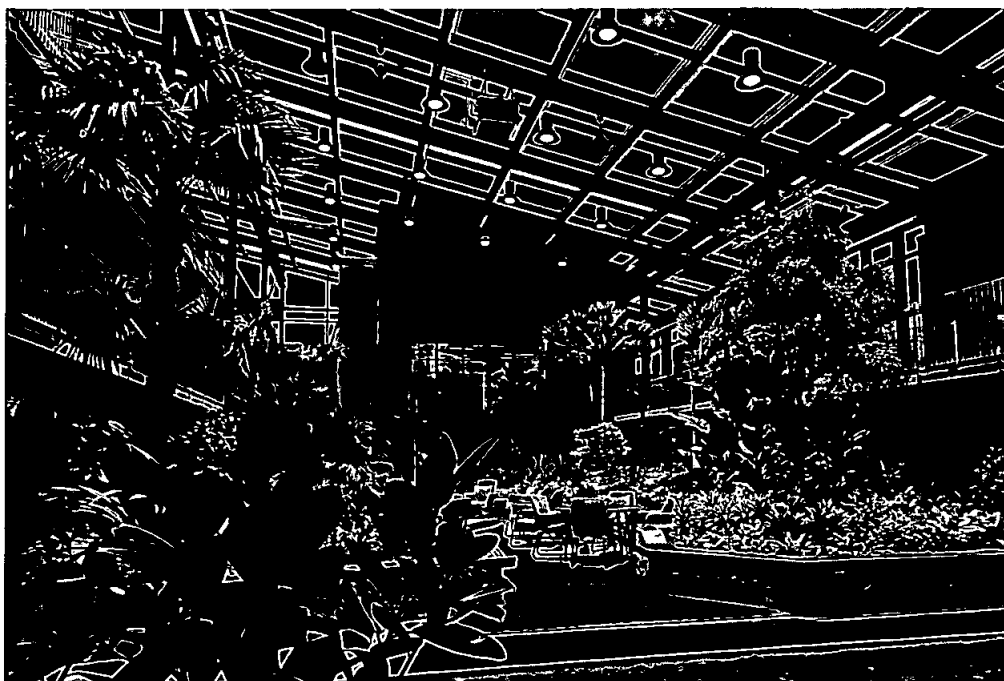
The production company from Bielsk Podlaski has completed many important and ambitious construction projects. In 2022, the company produced and built several challenging and interesting developments; including the commissioning of an estate with 8- and 7-storey timber-framed buildings in Trondheim in the Norwegian market. These are the first such tall buildings commissioned using modular technology.



Kernen, Germany

Another facility in the German market has been completed - in Kernen, Germany. The project consisted of three 3-storey buildings. These are seniors' homes with 24 flats, 3 units for carers with a total floor area of over 1,900 m². Unihouse S.A.

2.2 Event timeline



Signaturhagen, Kongsberg, Norway

Below are some of the events which took place in 2022.

January

- On 13 January 2022, UNIHOUSE S.A. signed a contract for the execution of the investment project on the German market, in Mittelkalbach, using modular technology. Investor: Carestone Projekt I GmbH. The value of the contract is EUR 6.6 million net.
- On 14 January 2022, UNIHOUSE S.A. signed a contract for the execution of the investment project on the German market, in Kriftel, using modular technology. Investor: the ARGE Wohnanlage Kriftel consortium of companies: AH Aktiv-Haus GmbH and WOLFF & MÜLLER Hoch-und Industrie-bau GmbH & Co. KG Zweigniederlassung Modulares Wohnen. The value of the project is EUR 6.5 million net.

February

- On 7 February 2022, UNIHOUSE S.A. signed a contract for the execution of the investment project on the Norwegian market, in Drammen, using modular technology. Investor: Øvre Eikervei 126 AS. The value of the project is NOK 57.6 million net.
- On 10 February 2022, UNIHOUSE S.A. confirmed the acceptance of three orders for the delivery of modules received from Adapteo Oyj, Finland, in execution of the 2020-2022 supply framework agreement in force between the parties. The value of the project is PLN 38 million net.



May

- On 23 May 2022, the Hotel Investment Trends 2022 conference, the most important in the hotel industry, took place in Warsaw. Participation in the event is another step by Unihouse towards building Unihouse's recognition in Poland and building awareness of the advantages of timber-frame technology in areas with high potential for modular repeatability/product serialisation.

July

- In July 2022, the first phase of SWSG's Aktivhaus development in Germany was handed over for use.

September

- On 19 September 2022, it concluded a contract for the modular technology construction of 71 two-storey buildings at the Holiday Park & Resort in Jelenia Góra. Investor: Everest Development 2 Sp. z o.o. The value of the project is PLN 18.5 million net. The contract has been annexed to a net amount of PLN 8.4 million - it is currently under implementation.

October

- On 6 October 2022, Unihouse S.A. in Warsaw hosted the Green Industry Summit Conference, a follow-up to the Top Industry Summit industry conference. During the meetings, important topics were discussed - especially in the context of climate change and the challenges that are associated with the armed conflict in Ukraine.
- On 10 October 2022, the Hotel Trends Poland & CEE Conference took place in Warsaw. The event was attended by decision-makers in the Polish hotel industry - board members, executives of the largest hotels, representatives of developers and investors, as well as suppliers of the best products and services for the hotel industry. This is the second edition of the event, where Unihouse S.A. presented the advantages of modular timber technology at its stand.
- On 12-13 October 2022 in Katowice, Unihouse S.A. participated in the Local Government Forum on Capital and Finance. This is Poland's largest and most important meeting of leaders in local government, public administration, finance and business.
- On 18 October 2022, the 5th Developer Congress, a national industry conference organised by the Polish Association of Developer Companies, took place in Poznań with the aim of an open, multi-sector debate among the players shaping the development market in Poland. The title of this year's Congress is 'Cities of Tomorrow'.

November

- On 22-23 November 2022, Unihouse took part in the PRES Polish Real Estate Summit event - a two-day conference combined with a real estate fair, where experts in the industry discussed, among other things, inflation, the impact of the war in Ukraine on the Polish construction market, the enduring attractiveness of Polish office buildings and the condition of Polish condohotels.

December

- In December, another investment in the German market for the ARGE Kernen consortium was handed over for use.
- On 13 December 2022, UNIHOUSE S.A. concluded a contract with the Capital City of Warsaw - Białoleka District for the implementation in modular technology of the investment task "Construction of a nursery at ul. Ku Rzece" in Warsaw. The remuneration for the performance of the Contract amounts to approx. PLN 11.9 million, net.
- On 15 December 2022, UNIHOUSE S.A. concluded a contract with the Capital City of Warsaw - Ursus District for the implementation in modular technology of the investment task "Construction of a Kindergarten at ul. Hennela/Silnikowa in Warsaw, together with landscaping and technical infrastructure". The remuneration for the performance of the Contract amounts to approx. PLN 12.1 million, net.
- On 29 December 2022, the Extraordinary General Meeting of Unihouse S.A. adopted Resolution No. 1/29/12/2022 on increasing the Company's share capital through the issue of new series C shares by PLN 580,000.00 (issue of new 5,800,000 series C registered shares numbered from 1 to 5,800,000 with a nominal value of PLN 0.10 each). The change in question was registered in the National Court Register on 23.03.2023.



Marie Michelets, Trondheim, Norway



Report of the Management Board on the Unihouse S.A.'s operations in
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2.3 Summary of selected financial data of Unihouse S.A.

SELECTED FINANCIAL DATA FROM THE PROFIT AND LOSS ACCOUNT

| | <i>in PLN thousand, as at 31.12.2022</i> | <i>in PLN thousand, as at 31.12.2021</i> | <i>in EUR thousand, as at 31.12.2022</i> | <i>in EUR thousand, as at 31.12.2021</i> |
|---------------------|--|--|--|--|
| Revenues from sales | 223,279 | 273,346 | 47,625 | 59,715 |
| EBITDA | -33,311 | 11,116 | -7,105 | 2,428 |
| EBIT | -38,369 | 6,032 | -8,184 | 1,318 |
| Net profit | -35,585 | 333 | -7,590 | 73 |

SELECTED FINANCIAL DATA FROM THE BALANCE SHEET

| | <i>in PLN thousand, as at 31.12.2022</i> | <i>in PLN thousand, as at 31.12.2021</i> | <i>in EUR thousand, as at 31.12.2022</i> | <i>in EUR thousand, as at 31.12.2021</i> |
|-------------------------|--|--|--|--|
| Fixed assets | 80,628 | 70,620 | 17,192 | 15,354 |
| Current assets | 139,361 | 198,870 | 29,715 | 43,238 |
| Assets/Liabilities | 219,989 | 269,490 | 46,907 | 58,592 |
| Equity | 27,838 | 48,944 | 5,936 | 10,641 |
| Outsourced capital | 192,151 | 220,546 | 40,971 | 47,951 |
| Closing balance of cash | 6,424 | 8,080 | 1370 | 1,757 |

SELECTED FINANCIAL DATA FROM THE CASH FLOW STATEMENT

| | <i>in PLN thousand, as at 31.12.2022</i> | <i>in PLN thousand, as at 31.12.2021</i> | <i>in EUR thousand, as at 31.12.2022</i> | <i>in EUR thousand, as at 31.12.2021</i> |
|---------------------------------------|--|--|--|--|
| Cash flows from operating activities | -4,777 | -6,814 | -1,019 | -1,489 |
| Cash flows from investment activities | -10,795 | -1,147 | -2,303 | -251 |
| Cash flows from financing activities | 13,859 | 713 | 2,956 | 156 |
| Total net cash flows | -1,714 | -7,248 | -365 | -1,583 |

Conversion rules adopted

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.

To convert the data of the statement of cash flows 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 cash flows 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,

SELECTED FINANCIAL INDICATORS

| | 31.12.2022 | 31.12.2021 | Ratio calculation principles |
|---------------------------------|------------|------------|---|
| EBIT margin | -17.18% | 2.21% | = EBIT in the period/revenues from sales in the period |
| Return on sales (ROS) | -15.94% | 0.12% | = net profit in the period/revenues from sales in the period |
| Return on equity (ROE) | -127.83% | 0.68% | = net profit in the period/average equity balance in the period |
| Overhead costs to revenue ratio | 4.02% | 3.07% | = costs of management in the period/revenues from sales in the period |
| Debt ratio | 0.87 | 0.82 | = (long-term and short-term liabilities)/total liabilities |
| Current liquidity ratio | 0.93 | 1.01 | = current assets/current liabilities |
| Cash liquidity ratio | 0.04 | 0.04 | = cash/current liabilities |

A significant problem in 2022 was the slowdown in housing investment and the sharp rise in commodity prices and the very strong disruption to the supply chain caused by the outbreak of armed conflict in Ukraine. For the first few months, production was intermittent and the lack of continuity in production meant that the fixed costs of the plant were not fully covered. Disruptions in the area of material supply have also not helped to introduce production cost optimisation.

All of the above events had a significant impact on the 2022 results, but are nevertheless treated as non-recurring events with no impact on the Company's future operations.

According to the Management Board of Unihouse S.A., the potential of the modular construction market in Europe is growing all the time. The current green trend further confirms this. The future prospects for Unihouse S.A. are permanent partners on the German market, unlocking investments on the Norwegian market, which is already familiar to us. The launch of KPO funds means more investment on the Polish market. Reconstruction of Ukraine, here we have defined our product, which we are able to put into production immediately when sources of funding become available.

This situation allows us to think positively about current and future contracts. In 2022, we signed further contracts on the German market as well as contracts on the Polish market, which is becoming increasingly convinced of modular construction, in the portfolio.



The major factors underlying the results achieved in 2022:

- deceleration of residential investment due to uncertainty about the geopolitical situation;
- incomplete utilisation of production and sales potential related to postponements in signing contracts with contractors or changes in schedules by ordering parties;
- diversification of the order book and further development of the German market;
- developing the potential of the Polish market;
- maintaining good relations with Investors based on timeliness and quality of workmanship;
- cash discipline in contract execution;
- consistent supervision over planning and settlement of Company overhead costs;
- work on a rigorous quality improvement process;
- maintaining its own highly qualified staff.

Apart from the internal factors, the external factors were equally important for the obtained results. The key external factors include:

- unprecedented increases in the prices of materials, including timber, services and energy;
- significant increases in transport costs, including freight;
- broken supply chains;
- rising inflation;
- rising minimum wage;
- increases in the cost of living due to increases in the price of mine resources;
- hostilities in Ukraine;
- limited availability of external financing;
- rising costs of fuel, electricity, heat energy;
- an increase in the cost of servicing loans.

3 Unihouse S.A. activities

3.1 Subject of activity

Sales markets

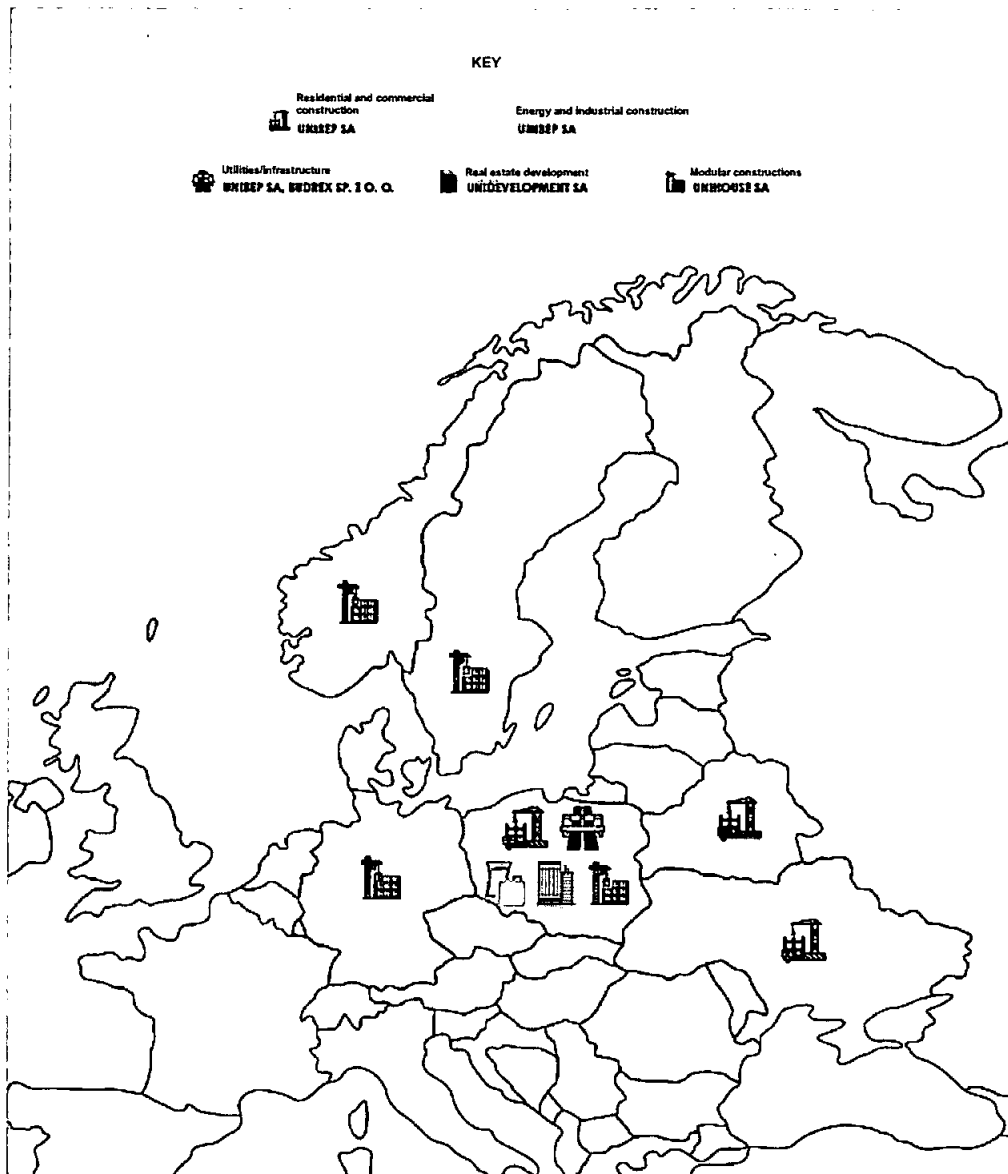
In the Norwegian market, long-term cooperation with major developers is important, winning and executing further orders for them. In 2022, the Company's order book has diversified. Cooperation with new clients continued in Norway: Toob, Fredensborg, Signaturhagen and Prodecon with project volumes for the coming years. There is a very dynamic development in the German market, which has equalled the sales volume of the Norwegian market and is becoming a core business in the future. In Poland, a project in Małkinia was produced and assembled and contracts were signed for further projects - a school in Pruszków, a nursery in Warsaw, a kindergarten in Warsaw.

These actions are in line with the adopted strategy, which is based on the production of ecological modular houses in the House Factory in Bielsk Podlaski and their assembly on the construction site, taking into account and maintaining the following distinctive features: speed, comprehensiveness and ecology. Unihouse S.A.'s presence in several markets makes it possible to minimise exchange rate risks, eliminate the risk of economic fluctuations of the home markets. This ensures a stable and secure order book, which influences the optimal occupancy of the factory.



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Bielsk Podlaski, 21.04.2023

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3.2 Description of Unihouse S.A.

Changes in the structure of Unihouse S.A. in 2022

There were no significant changes to the structure of Unihouse S.A. in 2022.

Changes in the structure of Unihouse S.A. after the balance sheet date

In 2022 and after the balance sheet date, there were no significant changes in the principles of management of Unihouse S.A.

3.3 Procurement

The procurement of materials and services is governed by internal procedures within the quality management area.

The main responsibility for the procurement of services for ongoing projects rests with the Logistics Department and, in terms of construction, with the contract managers, who are directly involved in supervising the implementation of construction projects. The purchase of services is supervised on a case-by-case basis by the chief operating officer and the markets directorates or at a higher level - depending on the scale of the contract.

Purchases of building materials are a separate process developed and improved within the Group and Unihouse S.A. Materials are divided into material groups and categories. Depending on the group, responsibility for the purchasing process, beginning with demand, through enquiries, negotiations to the signing of the contract and monitoring its execution, rests with the logistics, the construction management, the directors, with the involvement of the Management Board and the support of the Legal Team.

Maintaining continuity in the supply chain of strategic building materials is very important. To this end, continuous work is being carried out to improve the process on the one hand and maintain continuity on the other.

Unihouse S.A. did not depend on any supplier of materials and services during the analysed period. There were no suppliers with a share in purchases above 10%.

The price risk related to procurement is described in Section 7.1. *Description of risks and threats.*



Turnkey hotel rooms Park of Poland (Suntago Village), Wřęca, Poland

3.4 Development-oriented activities

As part of the activities of Unihouse S.A. in 2022, the above topics should include:

- A contract with 8- and 7-storey buildings was handed over for use, thus acquiring experience within the framework of high-rise building statics in modular technology;
- Continuation of building structures enabling development of competences within the framework of branch works (electrical and sanitary), as well as deepening the knowledge of the acquired competences within the framework of module statics;
- Continued work by the Unihouse Product Standard and Quality Council to introduce a standard applicable to the German and Swedish markets;
- Continued work by the Unihouse Product Standard and Quality Council on changes to optimise material consumption in response to unpredictable price increases for some materials;
- A model of design work has been implemented that continues through the entire process, i.e. from a promising offer through, architecture, trades, construction sketches and workshop drawings;
- Continuation of so-called efficiency and stabilisation measures aimed at improving or maintaining efficiency in all areas of the Company's operations;
- Work continues on BIM (Building Information Modelling) technology with the use of Revit or AGACAD;
- Continues improvement of the OHS activities aiming at raising standards and active participation in the Agreement for Safety in Construction programme within the Group;

- Implementation of necessary investments influencing the optimisation of the production process, aiming to improve efficiency and make optimal use of production facilities;
- Strengthening in acquisition activities to operate in four markets: Norway, Germany, Sweden and Poland;
- Undertaking joint activities within the Group to exploit synergies, allowing for cost optimisation or taking advantage of market opportunities;
- Continued development of quality management systems.

4 Market and prospects for the future

4.1 Current economic situation and forecasts

SITUATION IN 2022 and future forecasts

The Unihouse S.A.'s comprehensive turnkey construction projects are widely applicable and ideal for a wide variety of projects ranging from multi-family buildings to hotels, retirement homes and dormitories. The company owns a factory with a total area of 7.2 ha, of which the area of the production halls is 19,000 m². The production potential, depending on the configuration, is up to 2,000 modules per year. Based on our own technology, we are able to ensure perfect repeatability of objects while maintaining the highest quality of construction.

Factory area:

Total factory area: 7.2 ha

Production area: 19,000 m²

Factory capacity - depending on configuration, factory capacity is up to 2,000 modules per year

- total factory capacity of 2,000 repeatable modules
- 875 custom modules + 625 repeatable = 1,500 units



The company has been consistently carrying out projects in Scandinavian markets for years. In 2022, the main market was Norway, where 5 contracts were completed. In the Swedish market, 1 contract was in progress in 2022.

A large development of potential in 2022 was recorded in the German market, where the company was executing 5 contracts of which two facilities have already been commissioned, and more are under construction and will also be commissioned in the coming months. The Company's portfolio includes new contracts to be executed in this market.

In 2022, work was being carried out on the Malkinia project in the Polish market. A further 3 projects have also been signed, which started in 2022 and will continue in 2023. The Polish market, apart from the German market, is today the most dynamically developing area of Unihouse S.A.'s operations. A large



development potential is the Social Housing Initiative (SIM) programme under which the government, in cooperation with local authorities, builds tenant housing with preferential user fees. The second area is commercial orders, mainly hotels from representatives of international hotel chains, care homes and military administration facilities.

Looking ahead to 2023, it is very important to ensure continuity of production and efficient use of our own resources and capacities – taking into account the needs of investors and the growing awareness of the technology on offer. The current green trend further strengthens the prospects for the modular construction market. Building with wood fits in with the tenets of sustainable development (ESG), which consists of three pillars: environmental, social and economic. Timber building is economical because timber structures are energy optimised and therefore affordable in the long term. Wood is an ecological raw material because it is renewable and easy to recycle. In addition, building with wood is socially valuable due to the fact that wood provides a favourable microclimate and is a material characterised by its ability to 'breathe', thus ensuring adequate air circulation.



Signaturhagen, Kongsberg, Norway

4.2 Prospects and strategic directions for the development of Unihouse S.A.

Unihouse S.A. belongs to the structures of one of the largest Polish construction groups, the Unibep Group, with all-Polish capital. The company has been operating as a separate entity since 2019. Separation from the structures of Unibep S.A. enables an independent path of faster development and specialisation, while not closing the door to synergies between our companies and the other divisions. Unihouse S.A. aspires to be a serious player on the modular construction market both abroad and in Poland. Unihouse S.A. currently has a stable order portfolio which allows us to be optimistic about the further development of the company.

2022 was a year of very high volatility and uncertainty mainly related to the geopolitical situation caused by the armed conflict in Ukraine. Within the organisation, it has been a year of dynamic change due to rising commodity prices, disruptions in supply chains and high uncertainty for our Investors. The most important lessons and conclusions from this period have been learned. Steps have been taken to reduce the impact of external factors on the Company's operating area in the future.

Unihouse S.A. has diversified its order book by strengthening its position on the German market, and we have also entered the Polish market more widely, where we currently have several contracts in progress and prospects for further investments. We also remained in our core market in Scandinavia continuing to work on contracts in Norway.



Tomasjordnes Pir 6 in Tromsø, Norway

The company's development directions remain unchanged. In line with the adopted strategy, this is to promote and act in accordance with its key differentiators: SPEED, COMPREHENSIVENESS, ECOLOGY.

The potential of the modular construction market in Europe is growing all the time, which makes it possible to take a long-term view of the development of this business. Modular construction is part of the green trend and is consistent with the tenets of sustainable development (ESG). As a raw material, wood is regarded as ecological due to its renewability and its socially valuable qualities: it has a favourable microclimate, is breathable and ensures good air circulation, and is easily recyclable. These are also key elements in the Norwegian, Swedish and German markets. The best experiences are also used on the Polish market, allowing Unihouse to be the Leader in the field of modular timber buildings.

The future prospects for Unihouse S.A. are permanent partners on the German market, unlocking development investments on the Norwegian market, which is already familiar to us. The launch of KPO funds means more investment on the Polish market. Reconstruction of Ukraine, here we have specified our product, which we are able to put into production immediately when sources of funding become available.



Flats Heimdals Porten, Trondheim, Norway

The efficiency of the business is also affected by exchange rates and the development and maintenance of the Unihouse standard.



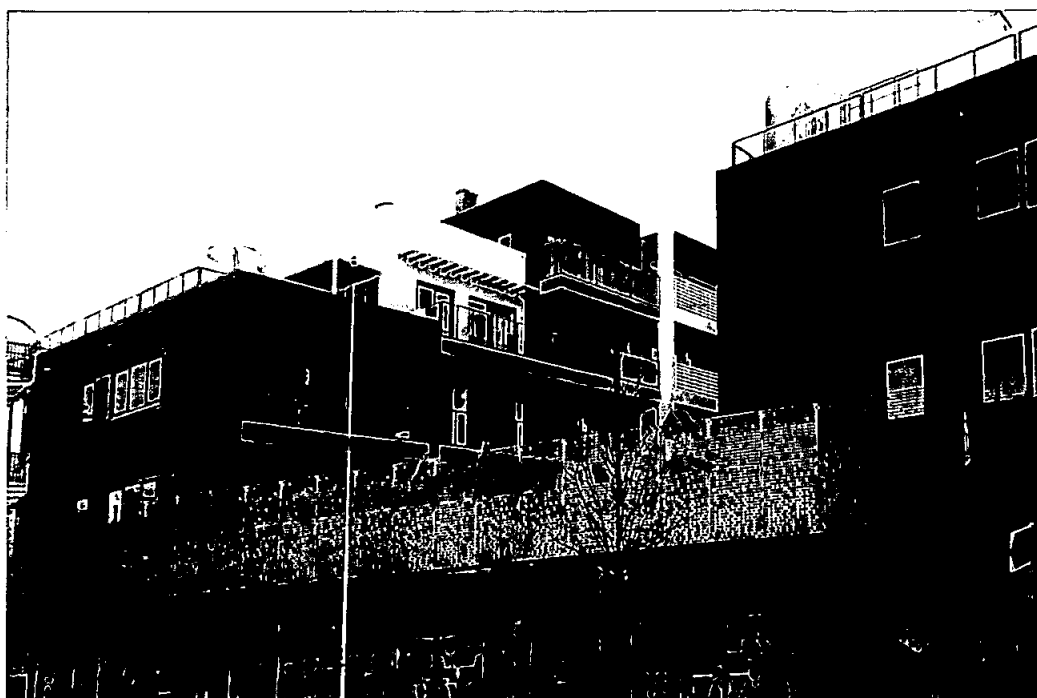
Kaldnes, Tønsberg, Norway

BACK OFFICE

The role of the back office is to support the planning, organisation and control of all areas of the company. Activities carried out in 2022 include further optimisation of the company's operational processes.

The topics currently ongoing and relevant for the future include:

- strengthening acquisition activities and developing structures responsible for winning contracts;
- effective functioning of the office responsible for processes related to quality, procurement and OHS in executed contracts;
- ensuring liquidity to provide operational efficiency and build confidence of market partners;
- implementation of an e-invoice flow process,
- adequate functioning of internal control and coordination of quality, risk management and internal audit activities within the framework of outsourcing services, development of IT systems providing access to management information (Microsoft Dynamics AX 2012, Microsoft Power BI, Microsoft MS Project, WEBCON BPS, Consolia),
- development of internal and external communication systems, i.e. Intranet, Microsoft Outlook, Microsoft Teams, Microsoft OneDrive, Microsoft SharePoint, Microsoft Yammer, Microsoft Planner,
- involvement in the development of BIM technology



Energiparken, Melhus, Norway

Key factors likely to affect Unihouse S.A.'s future financial performance.

External factors:

- high inflation and wage pressures on employees and subcontracted services;
- economic slowdown and potential crisis in global economies, including Poland;
- decline in GDP;
- the uncertain macroeconomic situation related to the war in Ukraine and the risk of the conflict spreading to other countries;
- an increase in the price of raw materials, and thus an increase in the price of construction materials and transport costs;
- maintaining strong competition, fierce price competition;
- availability of materials and changes in material prices related to the situation in the domestic market and aggravated by the situation in Ukraine;
- availability of subcontractors' services and changes in prices for construction work related to the situation in the domestic market and in Ukraine;
- the uncertain macroeconomic situation related to the tightened COVID policy in China, the impact on individual economies, including the markets that are the Company's area of operations;
- increases in the cost of living due to increases in the price of mine resources;
- high energy prices;



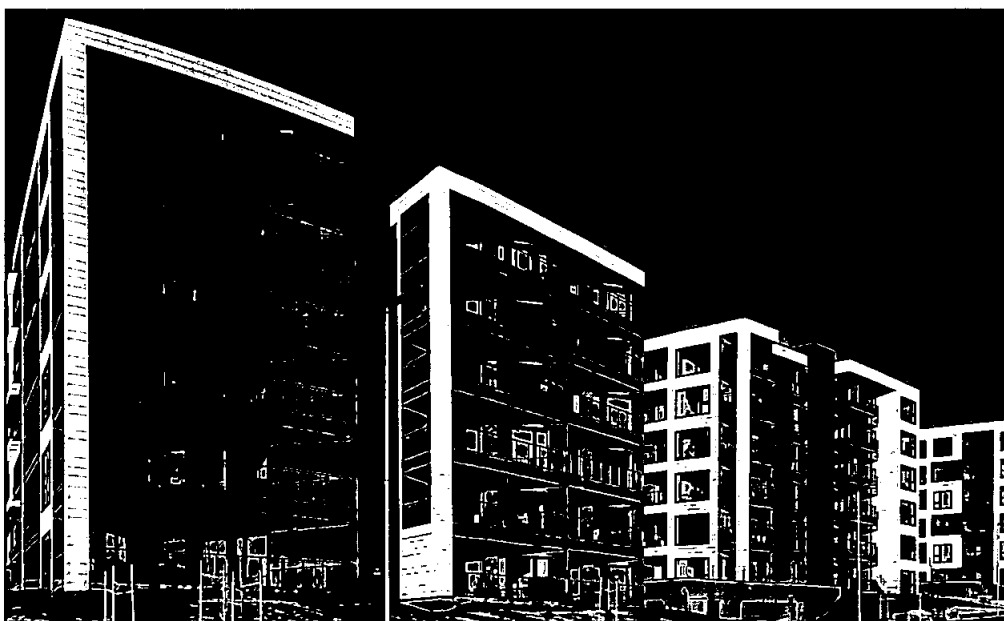
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- disruption to maintaining the supply chain and the resulting impact on the timely completion of all orders, including liabilities towards ordering parties;
- rising minimum wage;
- potential limited availability of external funding;
- high interest rates, affecting borrowing costs;
- lack of sufficient labour on the labour market or labour continuity;
- high volatility on the foreign exchange market, large fluctuations in exchange rates and currency spreads.

Internal factors:

- order portfolio;
- development and use of new electronic communication tools;
- optimisation of the business management system - development of management tools (Microsoft Power BI);
- geographical diversification - continued work in the Norwegian market, development of the German market and activities related to the Polish market presence;
- activities related to the implementation of broadly understood BIM technology;
- efficiency of processes and production through the use of organisational units: Implementation Quality and Technology Office, R&D Department;
- stable financial position, financial liquidity, access to credit and guarantee limits in banks and insurance companies;
- optimisation of production processes at the factory.



Klovertunet, Jessheim, Norway



5 Financial position of Unihouse S.A.

5.1 Description of the essential economic and financial data

STATEMENT OF FINANCIAL POSITION (IN PLN THOUSAND)

| ASSETS | as of 31.12.2022 | as of 31.12.2021 | Change | Change % |
|--|------------------|------------------|----------------|-------------|
| LONG-TERM FIXED ASSETS | | | | |
| <i>Tangible fixed assets</i> | 62,505 | 61,414 | 1,091 | 2% |
| <i>Intangible assets</i> | 4,292 | 4,709 | -417 | -9% |
| <i>Investment property</i> | 1,961 | | 1,961 | |
| <i>Trade and other long-term receivables</i> | 1,612 | 1,062 | 550 | 52% |
| <i>Derivative financial instrument assets</i> | | 168 | -168 | -100% |
| <i>Deferred tax assets</i> | 10,257 | 3,268 | 6,989 | 214% |
| Total (long-term) fixed assets | 80,628 | 70,621 | 10,007 | 14% |
| SHORT-TERM CURRENT ASSETS | | | | |
| <i>Inventory</i> | 14,200 | 12,976 | 1,224 | 9% |
| <i>Trade and other short-term receivables</i> | 39,978 | 34,519 | 5,459 | 16% |
| <i>Contractual assets</i> | 73,271 | 142,242 | -68,971 | -48% |
| <i>Current income tax receivables</i> | 4,532 | 1,053 | 3,479 | 330% |
| <i>Derivative financial instrument assets</i> | 956 | | 956 | |
| <i>Cash and cash equivalents</i> | 6,424 | 8,080 | -1,656 | -20% |
| <i>Current assets other than held for sale</i> | 139,361 | 198,869 | -59,508 | -30% |
| <i>Non-current assets or disposal groups classified as held for sale or distribution to owners</i> | | | | |
| Total (short-term) current assets | 139,361 | 198,869 | -59,508 | -30% |
| TOTAL ASSETS | 219,989 | 269,490 | -49,502 | -18% |



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| LIABILITIES | as of 31.12.2022 | as of 31.12.2021 | Change | Change % |
|--|------------------|------------------|----------------|---------------|
| Equity | | | | |
| Share capital | 2,250 | 2,250 | 0 | 0% |
| Share premium account | 36,550 | 36,550 | 0 | 0% |
| Other reserve capitals | 23,869 | 9,389 | 14,480 | 154% |
| Retained profit (loss) | -34,831 | 755 | -35,585 | -4,715% |
| Equity attributable to shareholders of the parent company | 27,838 | 48,944 | -21,106 | -43% |
| Total equity | 27,838 | 48,944 | -21,106 | -43% |
| Long-term liabilities | | | | |
| Trade and other long-term liabilities | 1,974 | 2,009 | -35 | -2% |
| Credits, loans and other financial liabilities – long-term | 20,184 | 1,800 | 18,384 | 1,021% |
| Long-term lease liabilities | 4,713 | 5,372 | -659 | -12% |
| Long-term derivative financial instrument liabilities | | 4,659 | -4,659 | -100% |
| Long-term provisions | 12,486 | 7,493 | 4,993 | 67% |
| Deposits on contracts with clients | 2,700 | 2,333 | 366 | 16% |
| Total long-term liabilities | 42,056 | 23,666 | 18,390 | 78% |
| Short-term liabilities | | | | |
| Trade and other short-term liabilities | 44,727 | 48,019 | -3,292 | -7% |
| Contractual liabilities | 74,981 | 108,861 | -33,880 | -31% |
| Deposits on contracts with clients | 3,043 | 3,000 | 43 | 1% |
| Credits, loans and other financial liabilities – short-term | 13,880 | 23,014 | -9,134 | -40% |
| Short-term lease liabilities | 1,367 | 1,212 | 155 | 13% |
| Short-term derivative financial instrument liabilities | 2,213 | 5,281 | -3,068 | -58% |
| Current income tax liabilities | | | | |
| Short-term provisions | 9,884 | 7,493 | 2,390 | 32% |
| Short-term liabilities other than those related to assets held for sale | 150,095 | 196,880 | -46,785 | -24% |
| Total short-term liabilities | 150,095 | 196,880 | -46,785 | -24% |
| Total liabilities | 192,151 | 220,547 | -28,396 | -13% |
| TOTAL LIABILITIES | 219,989 | 269,490 | -49,501 | -18% |

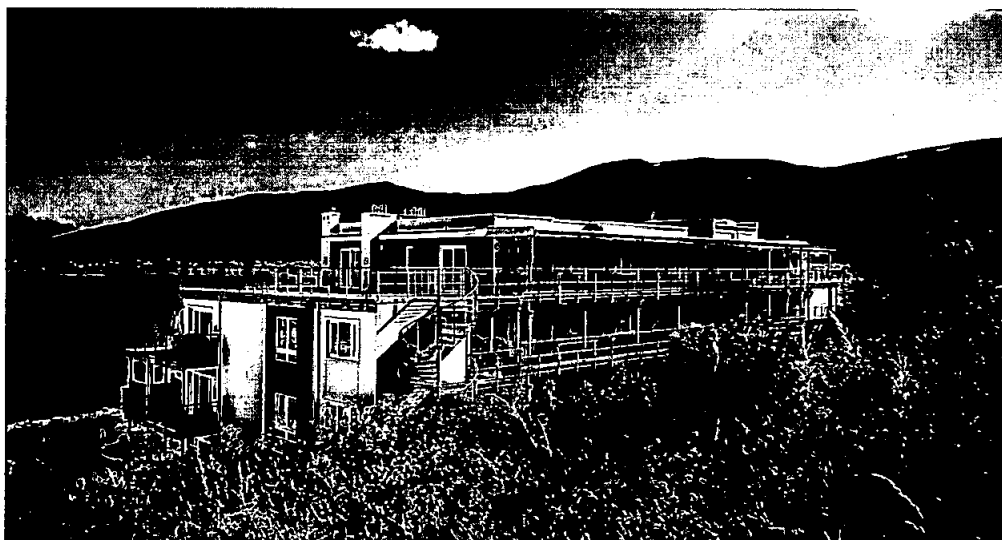


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PROFIT AND LOSS ACCOUNT (IN PLN THOUSAND)

| P&LA | as of 31.12.2022 | as of 31.12.2021 | Change |
|---|------------------|------------------|---------|
| Revenues from contracts with clients | 223,279 | 273,346 | -50,067 |
| Costs of products, goods and materials sold | 252,000 | 258,128 | -6,128 |
| Gross profit (loss) on sales | -28,722 | 15,218 | -43,940 |
| Overheads | 8,977 | 8,382 | 595 |
| Other operating revenues | 582 | 854 | -273 |
| Other operating expenses | 1,251 | 1,658 | -407 |
| Profit (loss) on operating activities | -38,369 | 6,032 | -44,401 |
| Financial revenues | 4,816 | 264 | 4,552 |
| Financial expenses | 5,421 | 6,070 | -649 |
| Expected credit losses | 4,632 | -444 | 5,076 |
| Pre-tax profit (loss) | -43,606 | 670 | -44,276 |
| Income tax | -8,020 | 337 | -8,357 |
| Net profit (loss) on continued operations | -35,586 | 333 | -35,918 |
| Gain (loss) on discontinued activities | | | |
| Net profit (loss) | -35,586 | 333 | -35,918 |



Slinningen Brygge, Alesund, Norway



STATEMENT OF CASH FLOWS (IN PLN THOUSAND)

| <i>Separate statements of cash flows</i> | <i>as of 31/12/2022</i> | <i>as of 31/12/2021</i> | <i>Change</i> |
|--|-------------------------|-------------------------|---------------|
| <i>I. Gross profit (loss)</i> | -43,606 | 670 | -44,276 |
| <i>II. Total adjustments:</i> | 42,287 | -4,034 | 46,320 |
| <i>1. Amortisation:</i> | 5,057 | 5,084 | -27 |
| <i>2. Exchange rate profits (losses)</i> | -93 | 143 | -236 |
| <i>3. Interest and profit sharing (dividend)</i> | 4,175 | 1,259 | 2,916 |
| <i>4. Profit (loss) on investment activities</i> | 310 | 4,300 | -3,990 |
| <i>5. Change in provisions</i> | 7,882 | 3,895 | 3,987 |
| <i>6. Change in inventory</i> | -1,224 | -6,230 | 5,006 |
| <i>7. Change in receivables</i> | 62,962 | -96,928 | 159,891 |
| <i>8. Change in short-term liabilities excluding financial liabilities</i> | -36,798 | 84,452 | -121,250 |
| <i>9. Other adjustments</i> | 16 | -8 | 24 |
| <i>Cash from operating activities</i> | -1,319 | -3,364 | 2,045 |
| <i>Income tax paid/refunded</i> | -3,458 | -3,451 | -7 |
| <i>Net cash from operating activities</i> | -4,777 | -6,815 | 2,037 |
| <i>Cash flows from investment activities</i> | | | |
| <i>Purchase of tangible fixed assets and intangible assets</i> | -5,741 | -1,151 | -4,590 |
| <i>Proceeds from sales of tangible fixed assets in use and intangible assets</i> | 41 | 4 | 37 |
| <i>Other (including execution of derivative instruments)</i> | -5,095 | | -5,095 |
| <i>Net cash from investment activities</i> | -10,795 | -1,147 | -9,649 |
| <i>Cash flows from financial activities</i> | | | |
| <i>Inflows from loans, credits, bonds and bills of exchange</i> | 33,747 | 23,388 | 10,359 |
| <i>Repayment of loans, credits, bonds and bills of exchange</i> | -24,655 | -20,160 | -4,495 |
| <i>Net proceeds from the issue of shares</i> | 9,976 | | 9,976 |
| <i>Payment of lease liabilities</i> | -1,179 | -1,242 | 63 |
| <i>Interest paid</i> | -4,030 | -1,273 | -2,757 |
| <i>Net cash from financial activities</i> | 13,859 | 713 | 13,146 |
| <i>Net change in cash excluding exchange rate differences</i> | -1,714 | -7,248 | 5,534 |
| <i>Exchange rate differences</i> | 58 | -143 | 201 |
| <i>Net change in cash</i> | -1,655 | -7,391 | 5,735 |
| <i>Opening balance of cash and cash equivalents</i> | 8,080 | 15,470 | -7,391 |
| <i>Closing balance of cash</i> | 6,424 | 8,080 | -1,655 |
| <i>- including: of limited disposability</i> | 83 | 35 | 48 |



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STATEMENT OF CHANGES IN EQUITY (IN PLN THOUSAND)

For the period 01.01.2021 - 31.12.2021

| SPECIFICATION | Share capital | Other reserve capitals | Share premium account | Retained earnings | Total equity |
|---|---------------|------------------------|-----------------------|-------------------|--------------|
| <i>Opening balance of equity</i> | 2,250 | 9,389 | 36,550 | 755 | 48,944 |
| <i>Current year earnings (losses)</i> | 0 | 0 | 0 | -35,585 | -35,585 |
| <i>Increase/decrease in equity</i> | | 9,976 | | | 9,976 |
| <i>Other comprehensive income</i> | 0 | 4,504 | 0 | 0 | 4,504 |
| <i>Comprehensive income</i> | 0 | 4,504 | 0 | -35,585 | 31,082 |
| <i>Changes in equity</i> | | 14,480 | | -25,585 | -21,106 |
| <i>Closing balance of equity</i> | 2,250 | 23,869 | 36,550 | -34,831 | 27,838 |

For the period 01.01.2021 - 31.12.2021

| SPECIFICATION | Share capital | Other reserve capitals | Share premium account | Retained earnings | Total equity |
|---|---------------|------------------------|-----------------------|-------------------|--------------|
| <i>Opening balance of equity</i> | 2,250 | 5,841 | 36,550 | 422 | 45,063 |
| <i>Current year earnings (losses)</i> | 0 | 0 | 0 | 333 | 333 |
| <i>other changes</i> | 0 | 3,548 | 0 | 0 | 3,548 |
| <i>Other comprehensive income</i> | 0 | 3,548 | 0 | 333 | 3,881 |
| <i>Comprehensive income</i> | 0 | 3,548 | 0 | 333 | 3,881 |
| <i>Closing balance of equity</i> | 2,250 | 9,389 | 36,550 | 755 | 48,944 |



As of 31 December 2022, the asset value of Unihouse S.A. decreased by PLN 49,501 thousand compared to the end of December 2021. This was influenced by a 30% decrease in current assets (PLN 59,508).

Fixed assets:

The change in the value of fixed assets as of 31 December 2022 compared to 31 December 2021 was first and foremost due to the following:

- increase of deferred income tax assets by PLN 6,989,000;
- value of investment property PLN 1,961,000.

Current assets:

The decrease in current assets was mainly due to:

- a decrease in the value of contract assets by PLN 68,971,000, (a natural situation resulting from the way in which revenues from sales are recognised);
- an increase in the value of trade and other receivables by PLN 5,459,000;
- an increase in the value of current tax receivables by PLN 3,479,000.

Liabilities:

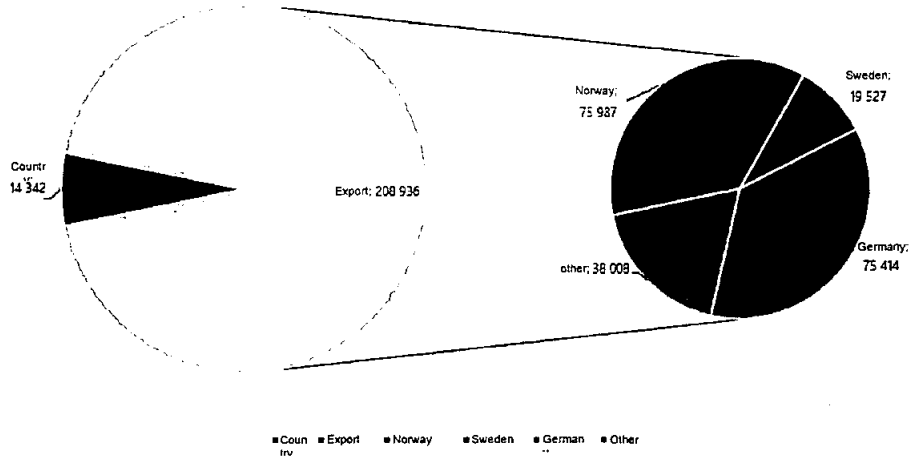
The changes in liabilities resulted from:

- a decrease in equity by PLN 21,106,000 (the main impact being the result of 2022);
- an increase in long-term liabilities by PLN 18,390,000, where the most significant changes involved:
 - an increase in credits, loans and other financial liabilities by PLN 8,384,000;
 - an increase in long-term provisions by PLN 4,993,000 (relating to provisions for guarantee repairs);
 - a decrease in derivative liabilities by PLN 4,659,000;
- a decrease in short-term liabilities by PLN 46,785,000, where the most significant changes involved:
 - a decrease in contractual liabilities by PLN 33,880,000 (a natural situation resulting from the way in which contracts are financed through advance payments from Investors)
 - a decrease on short-term credits and loans by PLN 9,134,000.

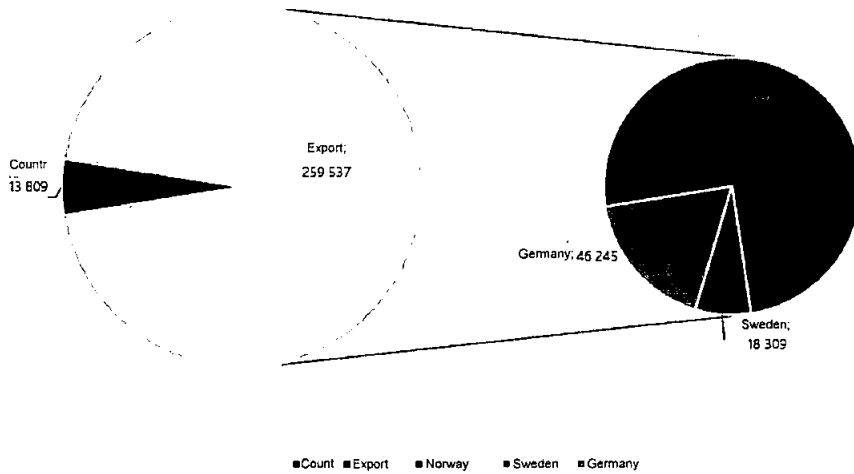


Information on geographical areas - Unihouse S.A.

REVENUES FROM EXTERNAL CUSTOMERS – PERIOD ENDED ON 31.12.2022 (IN PLN THOUSAND)



REVENUES FROM EXTERNAL CUSTOMERS – PERIOD ENDED ON 31.12.2021 (IN PLN THOUSAND)





REVENUES FROM EXTERNAL CUSTOMERS - UNIHOUSE S.A. DATA.

| | Period ended on 31.12.2022 | Period ended on 31.12.2021 |
|-------------------------|----------------------------|----------------------------|
| Country | 14,342 | 13,809 |
| Export, including: | 208,936 | 259,357 |
| Scandinavia, including: | 133,246 | 213,292 |
| Norway | 75,987 | 194,983 |
| Sweden | 19,528 | 18,309 |
| Finland | 21,497 | |
| Denmark | 16,235 | |
| Czech Republic | 276 | |
| Germany | 75,414 | 46,245 |
| Total | 223,279 | 273,346 |

5.2 Information on credits, loans, guarantees and sureties

By financing its activities, UNIHOUSE S.A. cooperates mainly with:

- ING Bank Śląski S.A.
- Bank Gospodarstwa Krajowego
- Santander Bank Polska S.A.
- PKO BP S.A.
- PEKAO S.A.

under the following contracts for:

- corporate loan in ING Bank Śląski S.A. taken over together with the contribution in kind from Unibep S.A., the initial value of PLN 10 million, repayment by the end of December 2023, remaining value to be repaid of PLN 1.8 million;
- bank overdraft in Santander Bank Polska S.A. for joint use with UNIBEP S.A. – PLN 10 million;
- bank overdraft in PKO BP S.A. under the UNIBEP S.A. contract – PLN 5 million;
- bank overdraft in ING Bank Śląski S.A. – PLN 5 million;
- bank overdraft in Bank Gospodarstwa Krajowego – PLN 5 million;
- bank overdraft in PEKAO S.A. – PLN 10 million;
- guarantee line in PKO BP S.A. under the UNIBEP S.A. contract – PLN 20 million;
- guarantee line in Santander Bank Polska S.A. for joint use with UNIBEP S.A. – PLN 70 million;
- guarantee line in BNP Paribas Bank Polska S.A. for joint use with UNIBEP S.A. – PLN 50 million;
- guarantee line in ING Bank Śląski S.A. – PLN 30 million;
- guarantee line in mBank S.A. under the UNIBEP S.A. contract – PLN 5 million;
- guarantee line in Bank Gospodarstwa Krajowego – PLN 15 million.
- guarantee line in PEKAO S.A. – PLN 60 mln.



5.3 Investments

Assessment of potential for achieving investment objectives

The investment plans assumed for 2023 largely depend on market developments caused by the geopolitical situation related to the armed conflict in Ukraine.

The capital expenditures that occurred in 2022 mainly related to the continuation of activities related to the optimisation of manufacturing processes and the improvement of quality and efficiency in production. In total, the company has invested over PLN 5.9 million in 2022.

Computerisation, digitisation and automation of processes is becoming a natural phenomenon implemented within Unihouse S.A. and as part of its key processes. The BIM philosophy will continue where the development of Microsoft Dynamics AX 2012 system is necessary. The decision to become involved in the development of BIM technology was of strategic importance.

The capital expenditures to be incurred in 2023 will be mainly related to the optimisation of production processes, increasing efficiency and reducing unused production capacity. Directions for the development of the company through Standardisation, Digitisation and Automation were developed. The BIM concept is becoming omnipresent: architecture and construction in one BIM environment. Expenditures on IT systems will improve the element of supervision over production and the entire organisation. The planned activities are related to the expectations of the staff regarding the needs and possibilities of using newer information technologies. It also increasingly results from the needs of the market, including those of the investors and ordering parties.

Ensuring financial liquidity is a priority.



Kernen, Germany

5.4 Forecasts of financial results

Unihouse S.A. did not publish financial result forecasts for 2022.

6 Description of significant events

6.1 Material agreements related to operations

1. On 13 January 2022, UNIHOUSE S.A. signed a contract for the execution of the investment project on the German market, in Mittelkalbach, using modular technology. Investor: Carestone Projekt I GmbH. The value of the contract is EUR 6.6 million net.
2. On 14 January 2022, UNIHOUSE S.A. signed a contract for the execution of the investment project on the German market, in Kriftel, using modular technology. Investor: the ARGE Wohnanlage Kriftel consortium consisting of the companies: AH Aktiv-Haus GmbH and WOLFF & MÜLLER Hoch-und Industrie-bau GmbH & Co. KG Zweigniederlassung Modulares Wohnen. The value of the project is EUR 6.5 million net.
3. On 7 February 2022, UNIHOUSE S.A. signed a contract for the execution of the investment project on the Norwegian market, in Drammen, using modular technology. Investor: Øvre Eikervei 126 AS. The value of the project is NOK 57.6 million net.
4. On 19 September 2022, it concluded a contract for the modular technology construction of 71 two-storey buildings at the Holiday Park & Resort in Jelenia Góra. Investor: Everest Development 2 Sp. z o.o.. The value of the project is PLN 18.5 million net.

5. On 13 December 2022, UNIHOUSE S.A. concluded a contract with the Capital City of Warsaw - Białołęka District for the implementation in modular technology of the investment task "Construction of a nursery at ul. Ku Rzece" in Warsaw. The remuneration for the performance of the Contract amounts to approx. PLN 11.9 million, net.
6. On 15 December 2022, UNIHOUSE S.A. concluded a contract with the Capital City of Warsaw - Ursus District for the implementation in modular technology of the investment task "Construction of a Kindergarten at ul. Hennela/Silnikowa in Warsaw, together with landscaping and technical infrastructure". The remuneration for the performance of the Contract amounts to approx. PLN 12.1 million, net.



Saffransgata, Goteborg, Sweden

6.2 Events and agreements signed after the balance sheet date

1. On 5 January 2023, UNIHOUSE S.A. concluded a contract with the Municipality of the City of Pruszków for the realisation in modular technology of the investment task called: "Extension, reconstruction and superstructure of Primary School No. 3 in Pruszków". The remuneration for the performance of the Contract amounts to approx. PLN 28 million, net.
2. On 16 February 2023, UNIHOUSE S.A. concluded with the consortium ARGE Flüchtlingswohnen Potsdam consisting of the companies: AH Aktiv-Haus GmbH, Stuttgart, and WOLFF & MÜLLER Hoch-und Industrie-bau GmbH & Co. KG Zweigniederlassung Modulares Wohnen with its registered office in Stuttgart, a contract for the implementation of the project called "Flüchtlingswohnen Potsdam" in the city of Potsdam, Germany. The remuneration for the performance of the Contract amounts to approx. EUR 7.9 million, net.

3. On 1 March 2023, UNIHOUSE S.A. concluded a contract with AS ÅRVOLLVEIEN 15, with its registered office in Oslo, for the development of the modular technology project called: "Arvollveien" in Oslo, Norway. The remuneration for the performance of the Contract amounts to approx. NOK 54 million, net.
4. On 23.03.2023, a change concerning the increase in the Company's share capital through the issue of new series C shares by PLN 580,000.00 (issue of new 5,800,000 series C registered shares numbered from 1 to 5,800,000 with a nominal value of PLN 0.10 each) was registered in the National Court Register.
5. On 3 April 2023, UNIHOUSE S.A. concluded a cooperation agreement with AH Aktiv-Haus GmbH, Stuttgart, for the production of modules intended for the German market for the period 2023-2025 with a production volume of several hundred modules per year.



Persaunet dormitories, Trondheim, Norway

6.3 Managing bodies of UNIHOUSE S.A.

MANAGEMENT BOARD

The Management Board of UNIHOUSE S.A. acts on the basis of the provisions of the Commercial Companies Code, the Articles of Association, 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 day of preparing these statements, the Management Board of UNIHOUSE S.A. includes the following persons:

- Marcin Kazimierz Gołbiewski – President of the Management Board
- Sławomir Kiszycki – Vice-President of the Management Board
- Jacek Grzybowski – Member of the Management Board

SUPERVISORY BOARD

The Supervisory Board of UNIHOUSE S.A. acts on the basis of the provisions of the Commercial Companies Code, the Articles of Association, and the By-Laws of the Supervisory Board. The Supervisory Board includes 3 to 7 members, appointed and dismissed by the General Meeting of Shareholders for a joint three-year term of office.

As of the day of preparing these statements, the Supervisory Board of UNIHOUSE S.A. includes of the following persons:

- Leszek Marek Gołąbiewski – Chairman of the Supervisory Board
- Jan Mikołuszko – Deputy Chairman of the Supervisory Board
- Bożenna Anna Lachocka – Member of the Supervisory Board

6.4 Information on the auditing firm

In 2022, Grant Thornton Polska Prosta spółka akcyjna with its registered office in Poznań, ul. JAbpa Antoniego Baraniaka 88E was selected to audit the financial statements of UNIHOUSE S.A. and a contract was concluded accordingly. The amount of remuneration under this contract for 2022 is PLN 59,508,00. The above-mentioned amount is a net amount.

7 Miscellaneous

7.1 Description of risks and hazards

The operations of the Company carry a potential risk. Risk, interpreted as an uncertain event, is an inherent part of every business activity. Each of the risks discussed below, should they occur, may have a material adverse effect on the operations, financial position, and development prospects of the Company, as well as on the results of its operations.



Sjusjoen, Ringsaker, Norway

RISKS ASSOCIATED WITH RISING INFLATION AND THE IMPACT ON THE COST OF LIVING

Further increases in inflation and interest rates cannot be ruled out, resulting in rising costs for servicing corporate debt. With an uncertain macroeconomic situation and high inflation, the Company's activities are directed towards securing good quality contracts. In addition, with rising maintenance, manufacturing and production costs, the Company is conducting a number of analyses and activities to optimise costs.

RISKS ASSOCIATED WITH RUSSIA'S INVASION OF UKRAINIAN TERRITORIES

An event affecting Unihouse S.A.'s operations and future financial performance is the armed conflict that began on 24 February 2022 in Ukraine and its consequences, as well as the actions taken by international communities towards Russia.

The situation described in the Annual Report for 2021 remains unchanged. Unihouse S.A. is not currently carrying out any construction work in Ukraine, Belarus or Russia. None of our Polish employees are based in these territories.

According to the information available to the Company, there are no entities employing Ukrainian nationals among the subcontractors and companies cooperating with the Company. Unihouse S.A., on the other hand, works with subcontractors employing Belarusian nationals. At present, Unihouse S.A. does not identify any risks in this area. Contractors are completing the works without any downtime.

The war in Ukraine poses challenges for the manufacturing and construction industries, including Unihouse S.A. War affects investors' investment decisions.



It cannot be ruled out that, should the conflict escalate further, it could significantly affect the Company's business both directly and indirectly. The problem affects such areas as: interrupted or disrupted supply chains, which may result in restrictions on the availability of raw materials from Ukraine and Russia; availability of raw materials and materials; influence on the level of prices of purchased materials (in particular steel, fuels and crude oil derivatives); an outflow of workers from Ukraine, which may have an impact on the availability of workers in the construction sector; increased investment financing costs; assessment of Poland's attractiveness by foreign investors.

This can result in difficulties in reliably valuing contracts and, consequently, in long-term planning.

The Company is analysing the situation and building scenarios for action in case the conflict escalates. 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 Unihouse S.A.'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 is reflected in the financial results.

RISKS ASSOCIATED WITH OCCURRENCE OF EPIDEMIOLOGICAL SITUATION

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

The situation in the Company has not materially changed compared to previous quarters and the information contained in the 2021 Annual Report. 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.

Risk of lack of production occupancy

There is a risk that the full capacity of the Factory will not be used and that fixed costs will not be covered. In recent years, a number of measures have been taken to diversify markets in order to minimise the risk of a lack of orders. However, confirmation of production by the Investor requires that it has a building permit as well as the funds to finance the contract. The unstable geopolitical situation caused by the armed conflict in Ukraine is causing great uncertainty and volatility in the market, which is reflected in the decisions of Investors. As a result, there is a real risk of not having full production occupancy. The company monitors contracts on an ongoing basis and is in constant contact with Investors to be able to mitigate potential risks of production occupancy shortfalls.

FOREIGN EXCHANGE RISK

As part of its operating activities, Unihouse S.A enters into contracts which are (or may be) denominated or expressed in foreign currencies. In the case of contracts executed in Norway, Sweden and Germany, the natural hedging mechanism is estimated at approx. 20%. It is the intention of the Company to close the foreign currency position by balancing foreign currency transactions related to revenue and expenses. 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.

PRICE CHANGE RISK

The Company is exposed to price risk related to the increase of prices of purchased construction materials. Moreover, as a result of the increase in the prices of materials - the prices of services provided to the Company by subcontracting companies may increase. The Company monitors prices of the most frequently purchased building materials on an ongoing basis, and signed contracts have parameters adjusted to the market situation, regarding, for example, the term of the contract and its value, in order to limit the price risk.

RISK OF DISRUPTED SUPPLY CHAINS

Problems in global logistics are again being exacerbated by the Russian invasion of Ukraine and Chinese policy towards COVID-19, with the emergence of even small outbreaks resulting in the closure of major urban centres and slowing economic activity. The Russian invasion of Ukraine caused disruptions to the supply of energy resources, agricultural raw materials and some industrial goods. At the same time, China's continued tough policy against the COVID-19 pandemic has caused the resurgence of disruptions in the technology and automotive industries. As a result, uncertainty is exacerbated and the cost of smoothly operating disrupted supply chains increases.

The Company recognises the problems in the supply chain caused by the record increase in the prices of energy, fuel and construction materials, but executes contracts on an ongoing basis and without major disruptions. It should be borne in mind that any significant increase in costs may adversely affect the profitability of the projects carried out and, consequently, its financial situation. When planning future projects, Unihouse takes into account the risks generated by disturbances in the supply chains that affect the implementation of projects, e.g. the availability and increase in prices of construction materials, labour and employees themselves.

CREDIT RISK



The financial assets of the Company exposed to credit risk are primarily cash held in bank accounts or deposits, 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 staff of the Company takes steps to disperse the cash in such a manner that a significant amount of it is deposited in more than just one financial institution.

The credit risk related to trade receivables is mitigated by ongoing monitoring of the receivables and assessment of the payment capacity of the partner before signing a contract. The Company continuously undertakes actions aimed at shortening the collection period of receivables. As far as possible, clauses are included in the contracts with principals to allow for the interruption of the task and the imposing contractual penalties in the case of a delay in payment.

The credit risk related to the bank loans held is mitigated by analysing the level of risk of interest rate changes to the financial result. In addition, the Company is negotiating the most favourable credit terms.

INTEREST RATE RISK

The Company has and will continue to have financial liabilities that are dependent on current interest rates. In view of the above, the Company is exposed to the risk of interest rate fluctuations on its liabilities, particularly significant in the event of high volatility of market interest rates (e.g. under conditions of significant uncertainty or crisis on financial markets). An increase in the level of interest rates will increase the cost of financing and thus reduce the profitability of Unihouse's results. The aforementioned factor has a significant negative impact on the Company's growth prospects, performance and ability to service its debt.

LIQUIDITY RISK

The Company manages its liquidity risk by monitoring payment deadlines and demand for cash, analysing its debt and ability to pay its liabilities. In addition, actions are taken to shorten the collection period of receivables and at the same time extend the payment period of liabilities. The Company also hedges the liquidity risk through the option of using a bank overdraft.

In order to minimise the liquidity risk, the Company tries to maintain an adequate amount of cash and enters into credit facility contracts with banks, which serve as additional liquidity protection. In addition, it forecasts and monitors cash flows on an ongoing basis.



RISK RELATED TO THE LEGAL ENVIRONMENT

While operating on foreign markets, Unihouse S.A. is exposed to the risk related to the results of audits carried out by various central and local government agencies and institutions. As of today, it is difficult to clearly determine the potential impact of such proceedings on the Company's results and operations, however, such events cannot be ruled out. The Company is also exposed to the risk related to the lack of full recognition of legal regulations in force on foreign markets. Unihouse S.A. enters into permanent cooperation with local advisers, in the area of accounting, taxes and human resources, as well as with reputable law firms, in order to mitigate the aforementioned risk.

RISKS ASSOCIATED WITH THE EMERGENCE OF DISPUTES

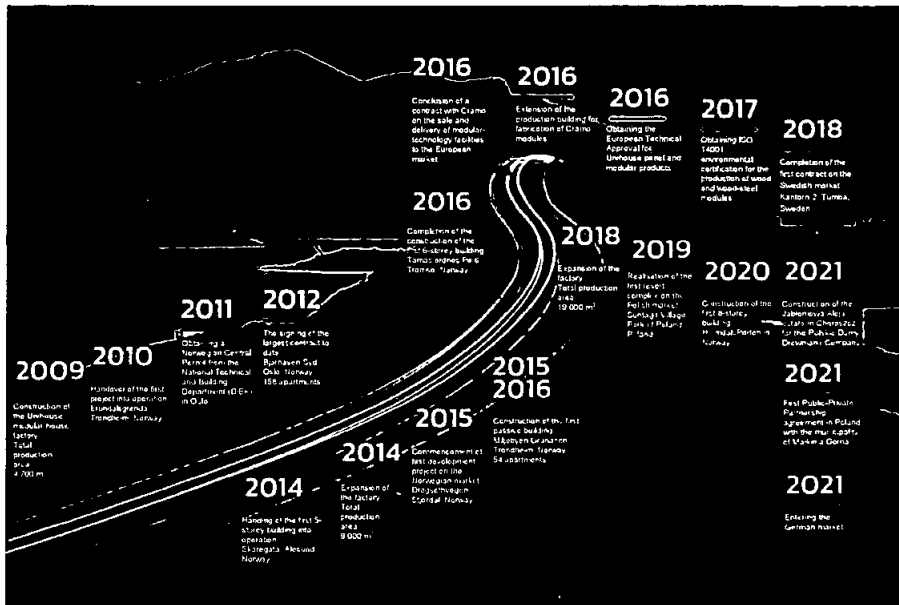
Unihouse S.A. makes every effort to ensure that the contracts performed are in accordance with the contractual terms. During the execution of contracts, situations may arise where detailed contractual provisions may be interpreted differently by two parties. This may result in untimely payments from investors or claims challenging their legitimacy. In such cases, it cannot be excluded that our rights would be finally enforced by means of court proceedings. The company monitors potential disputes, which might arise while performing contracts. Legal services are provided for each market separately and preventive measures are taken, if necessary and in advance, in order to minimise the risk of a dispute.

RISKS RELATED TO THE EMPLOYMENT OF WORKERS AND KEEPING PROFESSIONAL STAFF

In an effort to provide high quality products and services, Unihouse S.A. requires that the Company is managed by professional staff and hires qualified employees. The competitive position and strength of the Company is being built with the help of talented and experienced staff. Nevertheless, there is a risk of losing or of a reduction of the pool of experienced and professional management staff. To mitigate that risk, the Company applies an appropriate human resources policy aimed at minimising staff turnover. The occurrence of such a risk could expose Unihouse S.A. to negative effects on its operating activities.

RISK OF PENALTIES FOR FAILURE TO PERFORM OR DELAYED PERFORMANCE OF ORDERED WORK

Unihouse S.A. is exposed to penalties for non-performance or delayed performance of orders, resulting from the fact that it carries out projects in the construction sector. When carrying out construction projects, Unihouse S.A. negotiates such schedules with the ordering parties, which minimise the potential risk of delays. However, the Company assumes the risk of suffering such sanctions or penalties. In the case of receiving non-standard orders or signing a contract involving extreme terms and conditions (e.g. limited in time), the Company demands a higher margin from the project, in order to compensate for the incurred investment risk, and to protect itself against possible contractual penalties.



History of Unihouse

7.2 Awards and distinctions

1. In May 2022, Unihouse S.A. was nominated for the Norwegian Årets Leilighetsprosjekt 2022 Residential Project of the Year award for its development in Trondheim - HeimdalsPorten. Ultimately, our project made it into the top three.





7.3 Court proceedings

As at the date of this Report, Unihouse S.A. is a party to pending legal proceedings concerning liabilities and receivables.

For a detailed description of other court proceedings, see note no. 6.36.1 to the Financial Statements for 2022.

8 Statements of the Management Board

To the best of our knowledge, the financial statements of UNIHOUSE S.A. for the 12-month period ended on 31 December 2022, and the comparable data, were prepared in compliance with the applicable accounting principles and reflect the economic and financial position, and financial result of Unihouse S.A. in a true, fair, and transparent manner, and this Report of the Management Board offers a true picture of the development, achievements, risks and hazards, and the situation of the Company, including a description of the primary hazards and risks.

