



## Årsregnskap for regnskapsåret 2021

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

Brønnøysundregistrene  
24.08.2023

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### Brønnøysundregistrene

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Organisasjonsnummer: 974 760 673



Brønnøysundregistrene - Regnskapsregisteret

2022 100420



VEDLEGG TIL ÅRSREGNSKAP 2021



UNIHOUSE ODDZIAL UNIBEP W BIELSKU-PODLASKIM c/o Polish Connection Hovfaret 8 0275 OSLO	Organisasjonsnr.  994 859 242	NUF
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Registrerte opplysninger per 12.09.2022		Eventuelle endringer dette regnskapsåret	
Startdato 01.01.2021	Avslutningsdato 31.12.2021	Startdato	Avslutningsdato
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 frivillighetsregistertoven, kryss av  IFRS selskap     IFRS konsern

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

Følges regnskapsreglene for små foretak?  Ja     Nei

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

Sted/dato, Underskrift av representant for enheten

*vedl.*

Bare til bruk for Regnskapsregisteret *SKN*

*NUF-utla*

G  NYVE  Admr  Kregn Ja  Nei  Aktiv. regn

M  Rets  Ant.s **199**

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

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


BR-1001-11





Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 920538

**Enheten**

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

**Regnskapsår**

Årsregnskapets periode: 01.01.2021 - 31.12.2021

**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: LESZEK MAREK GOLABIECKI  
Dato for fastsettelse av årsregnskapet: 01.09.2022

**Grunnlag for avgivelse**

År 2021: Årsregnskap er elektronisk innlevert.  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

*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, 10.09.2022



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

## RESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt		2 726 301 761	2 912 335 145
Sum inntekter		2 726 301 761	2 912 335 145
<b>Kostnader</b>			
Varekostnad		674 283 178	659 017 950
Lønnskostnad		257 310 230	235 106 115
Avskrivninger på varige driftsmidler og immaterielle eiendeler		29 925 142	27 573 858
Annen driftskostnad		1 740 112 403	1 906 725 323
Sum kostnader		2 701 630 953	2 828 423 246
<b>Driftsresultat</b>		<b>24 670 808</b>	<b>83 911 899</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		12 730 700	11 339 014
Annen finansinntekt		24 254 466	16 298 988
Sum finansinntekter		36 985 166	27 638 002
Annen rentekostnad		6 220 743	23 275 508
Annen finanskostnad		11 299 001	34 787 684
Sum finanskostnader		17 519 744	58 063 192
<b>Netto finans</b>		<b>19 465 422</b>	<b>-30 425 190</b>
<b>Ordinært resultat før skattekostnad</b>		<b>44 136 228</b>	<b>53 486 709</b>
Skattekostnad på ordinært resultat		7 628 031	14 996 202
<b>Ordinært resultat etter skattekostnad</b>		<b>36 508 197</b>	<b>38 490 507</b>
<b>Årsresultat</b>		<b>36 508 197</b>	<b>38 490 507</b>
<b>Årsresultat etter minoritetsinteresser</b>		<b>36 508 197</b>	<b>38 490 507</b>
<b>Overføringer og disponeringer</b>			
Overføringer annen egenkapital		36 508 197	38 490 507
Sum overføringer og disponeringer		36 508 197	38 490 507



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

## BALANSE

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Konsesjoner, patenter, lisenser, varemerker o.l.		6 782 156	7 099 020
Godwill		12 231 219	12 925 835
<b>Sum immaterielle eiendeler</b>		<b>19 013 375</b>	<b>20 024 855</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger og annen fast eiendom		63 947 018	70 823 662
Maskin og anlegg		28 193 753	21 774 441
Driftsløsøre, inventar, verktøy, kontormaskiner l. o.		28 182 773	13 440 566
<b>Sum varige driftsmidler</b>		<b>120 323 544</b>	<b>106 038 669</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i aksjer og andeler		346 970 418	366 675 030
Andre langsiktige fordringer		285 310 893	214 726 667
<b>Sum finansielle anleggsmidler</b>		<b>632 281 311</b>	<b>581 401 697</b>
<b>Sum anleggsmidler</b>		<b>771 618 230</b>	<b>707 465 221</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		43 254 633	33 535 500
<b>Sum varer</b>		<b>43 254 633</b>	<b>33 535 500</b>
<b>Fordringer</b>			
Kundefordringer		311 706 975	441 007 248
Andre kortsiktige fordringer		462 717 782	266 052 182
<b>Sum fordringer</b>		<b>774 424 757</b>	<b>707 059 430</b>
<b>Investeringer</b>			
Andre Finansielle instrumenter		16 119	
<b>Sum investeringer</b>		<b>16 119</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter o. l.		232 865 380	419 739 431
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>232 865 380</b>	<b>419 739 431</b>



Sum omløpsmidler	1 050 560 889	1 160 334 361
<b>SUM EIENDELER</b>	<b>1 822 179 119</b>	<b>1 867 799 582</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>		
<b>Egenkapital</b>		
Innskutt egenkapital		
Selskapskapital	7 620 498	8 053 270
Overkurs	204 016 519	203 527 774
Sum innskutt egenkapital	211 637 017	211 581 044
Opptjent egenkapital		
Annen egenkapital	242 829 145	239 786 704
Sum opptjent egenkapital	242 829 145	239 786 704
Sum egenkapital	454 466 162	451 367 748
<b>Gjeld</b>		
Langsiktig gjeld		
Annen langsiktig gjeld		
Gjeld til kredittinstitusjoner	209 243 979	75 884 977
Øvrig langsiktig gjeld	245 312 318	243 812 473
Sum annen langsiktig gjeld	454 556 297	319 697 450
Sum langsiktig gjeld	454 556 297	319 697 450
Kortsiktig gjeld		
Leverandørgjeld	391 108 837	409 423 783
Betalbar skatt	3 945 463	23 188 058
Annen kortsiktig gjeld	518 102 361	664 122 543
Sum kortsiktig gjeld	913 156 661	1 096 734 384
Sum gjeld	1 367 712 957	1 416 431 834
<b>SUM EGENKAPITAL OG GJELD</b>	<b>1 822 179 119</b>	<b>1 867 799 582</b>



Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Bielsk Podlaski, 07 April 2022

# FINANCIAL STATEMENTS 2021





UNIBEP GROUP



Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

Bielsk Podlaski, 07 April 2022

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UNIBEP GROUP



Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

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Bielsk Podlaski, 07 April 2022

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**UNIBEP GROUP**

Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

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Bielsk Podlaski, 07 April 2022



UNIBEP GROUP



Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	as of 31/12/2021	as of 31/12/2020
<b>ASSETS</b>			
<b>LONG-TERM FIXED ASSETS</b>			
Fixed assets	6.1	141,193,775.94	128,406,693.56
Intangible assets	6.2	24,429,540.70	24,566,086.15
Investment property	6.3	24,929,600.07	3,903,062.25
Trade and other long-term receivables	6.5	7,076,634.04	4,713,073.61
Investments in entities measured using the equity method	6.4	4,707,824.92	11,221,015.49
Deposits on contracts with clients	6.18	21,125,899.35	25,776,324.20
Loans granted	6.9	62,270,500.21	52,608,562.76
Derivative financial instrument assets	5	168,138.49	0.00
Deferred tax assets	6.16	44,689,361.00	43,209,104.00
<b>Total (long-term) fixed assets</b>		<b>330,591,274.72</b>	<b>294,403,922.02</b>
<b>SHORT-TERM CURRENT ASSETS</b>			
Inventories	6.7	406,648,382.11	306,576,324.19
Trade and other short-term receivables	6.5	245,757,724.40	251,455,623.11
Deposits on contracts with clients	6.18	19,327,127.73	17,955,748.02
Contractual assets	6.17	233,824,009.24	90,947,732.76
Current income tax receivables		14,410,262.28	887,677.41
Derivative financial instrument assets	5	7,417.97	0.00
Loans granted	6.9	6,309,294.88	1,031,127.40
Cash and cash equivalents	6.8	271,460,786.84	264,064,942.76
<b>Current assets other than those held for sale or distribution to owners</b>		<b>1,197,745,005.45</b>	<b>932,919,175.65</b>
Non-current assets or disposal groups classified as held for sale or distribution to owners		0.00	0.00
<b>Total (short-term) current assets</b>		<b>1,197,745,005.45</b>	<b>932,919,175.65</b>
<b>TOTAL ASSETS</b>		<b>1,528,336,280.17</b>	<b>1,227,323,097.67</b>

Bielsk Podlaski, 07 April 2022

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UNIBEP GROUP



Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

	Note	as of 31/12/2021	as of 31/12/2020
<b>LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	6.10	3,507,063.40	3,507,063.40
Share premium account		62,153,761.02	62,153,761.02
Other reserves	6.10	- 1,290,402.90	-10,119,154.10
Retained profit (loss)	6.10	244,175,378.55	220,200,701.00
<b>Equity attributable to shareholders of the parent</b>		<b>308,545,800.07</b>	<b>275,742,371.32</b>
Equity attributable to non-controlling interests		68,467,278.85	54,993,510.55
<b>Total equity</b>		<b>377,013,078.92</b>	<b>330,735,881.87</b>
<b>Long-term liabilities</b>			
Trade and other long-term liabilities	6.15	2,009,299.80	814,835.80
Loans, borrowings and other financial liabilities – long-term	6.12	100,108,035.48	69,812,678.12
Long-term lease liabilities	6.13	39,812,948.71	25,681,799.54
Derivative financial instrument liabilities	5	4,659,028.29	3,063,900.31
Long-term provisions	6.14	58,545,105.75	40,351,181.21
Deposits on contracts with clients	6.18	51,622,922.04	54,230,216.60
Deferred tax provisions	6.16	1,182,400.00	10,033,634.00
<b>Total long-term liabilities</b>		<b>257,939,740.07</b>	<b>203,988,245.58</b>
<b>Short-term liabilities</b>			
Trade and other short-term liabilities	6.15	269,506,241.09	261,272,980.21
Contractual liabilities	6.17	295,417,277.83	152,490,593.73
Deposits on contracts with clients	6.18	47,560,900.09	49,462,462.15
Loans, borrowings and other financial liabilities – short-term	6.12	59,006,702.24	36,269,553.16
Short-term lease liabilities	6.13	28,166,607.82	27,783,931.69
Derivative financial instrument liabilities	5	7,318,083.88	9,948,708.90
Current income tax liabilities		10,545,600.75	5,879,462.53
Short-term provisions	6.14	175,862,047.48	149,491,277.85
<b>Short-term liabilities other than those related to assets held for sale</b>		<b>893,383,461.18</b>	<b>692,598,970.22</b>
<b>Total short-term liabilities</b>		<b>893,383,461.18</b>	<b>692,598,970.22</b>
<b>Total liabilities</b>		<b>1,151,323,201.25</b>	<b>896,587,215.80</b>
<b>TOTAL LIABILITIES</b>		<b>1,528,336,280.17</b>	<b>1,227,323,097.67</b>

Bielsk Podlaski, 07 April 2022

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UNIBEP GROUP



Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

## CONSOLIDATED INCOME STATEMENT

	Note	01/01 - 31/12/2021	01/01 - 31/12/2020
<b>Operating activities</b>			
Revenue from contracts with customers	6.20	1,712,390,377.83	1,682,336,959.67
Costs of products, goods and materials sold		1,578,725,459.26	1,543,609,517.21
<b>Gross profit (loss) on sales</b>		<b>133,664,918.57</b>	<b>138,727,442.46</b>
Sales costs	6.19	14,240,804.86	14,830,000.75
General administrative costs	6.19	61,143,299.40	56,453,705.70
Other operating revenue	6.22	19,544,221.80	7,267,205.86
Other operating expenses	6.22	16,345,295.13	14,918,599.75
<b>Profit (loss) on operating activities</b>		<b>61,479,740.98</b>	<b>59,792,342.12</b>
Financial revenue	6.23	7,164,665.40	6,817,041.49
Financial costs	6.23	12,771,748.87	14,493,699.90
Expected credit losses	6.23	2,582,327.18	13,053,573.78
Share in net profits (losses) of subsidiaries measured using the equity method	6.4	5,825,088.30	15,541,687.72
<b>Profit (loss) before tax</b>		<b>59,115,418.63</b>	<b>54,603,797.65</b>
Income tax	6.16	11,982,748.87	17,451,165.57
<b>Net profit (loss) on continued operations</b>		<b>47,132,669.76</b>	<b>37,152,632.08</b>
<b>Net profit (loss) on discontinued operations</b>		<b>0.00</b>	<b>0.00</b>
<b>Net profit (loss)</b>		<b>47,132,669.76</b>	<b>37,152,632.08</b>
of which attributable to:			
shareholders of the parent company		33,223,370.36	37,226,857.56
non-controlling interests		13,909,299.40	-74,225.48

## Profit per share

### Profit (loss) per ordinary share:

Basic profit (basic loss) per share on continued operations	1.05	1.17
Basic profit (basic loss) per share on discontinued operations	0.00	0.00

### Profit (loss) per ordinary share

1.05 1.17

### Diluted profit (loss) per ordinary share:

Diluted profit (diluted loss) per share on continued operations	1.05	1.17
Diluted profit (diluted loss) per share on discontinued operations	0.00	0.00

### Diluted profit (loss) per ordinary share

1.05 1.17

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	01/01 - 31/12/2021	01/01 - 31/12/2020
<b>Net profit (loss)</b>	<b>47,132,669.76</b>	<b>37,152,632.08</b>
<b>Other comprehensive income to be reclassified to profit or loss under specified conditions:</b>	<b>5,396,966.20</b>	<b>-12,986,757.64</b>
Exchange differences on translation of foreign operations	0.00	0.00
Effective portion of changes in fair value of cash flow hedges	5,396,966.20	-12,986,757.64
<b>Other comprehensive income not to be reclassified to profit or loss:</b>	<b>1,450,875.00</b>	<b>-111,863.00</b>
Actuarial gains (losses) on defined benefit plans	1,450,875.00	-111,863.00
<b>Other comprehensive income before tax</b>	<b>6,847,841.20</b>	<b>-13,098,620.64</b>
Income tax related to items that may be reclassified in later periods	1,025,424.00	-2,467,484.00
Income tax related to items not to be reclassified in later periods	275,666.00	-21,254.00
<b>Total other comprehensive income after tax</b>	<b>5,546,751.20</b>	<b>-10,609,882.64</b>
<b>Total comprehensive income</b>	<b>52,679,420.96</b>	<b>26,542,749.44</b>
of which attributable to:		
shareholders of the parent company	38,770,121.56	26,616,974.92
Non-controlling interests	13,909,299.40	-74,225.48

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the period from 01/01/2021 to 31/12/2021

	Share capital	Other reserves	Share premium account	Retained earnings	Equity attributable to owners of the parent	Equity of non-controlling shareholders	Total equity
As of 31 DECEMBER 2020	3,507,063.4	-10,119,154.10	62,153,761.02	220,200,701.00	275,742,371.32	54,993,510.55	330,735,881.87
Correction of an error	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As of 01 JANUARY 2021	3,507,063.40	-10,119,154.10	62,153,761.02	220,200,701.00	275,742,371.32	54,993,510.55	330,735,881.87
Increase (decrease) due to appropriation of retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend recognised as payments to owners	0.00	0.00	0.00	-9,684,223.91	-9,684,223.91	0.00	-9,684,223.91
Purchase of own shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loss of control	0.00	0.00	0.00	435,531.10	435,531.10	-435,531.10	0.00
Incentive scheme	0.00	3,282,000.00	0.00	0.00	3,282,000.00	0.00	3,282,000.00
Profit (loss)	0.00	0.00	0.00	33,223,370.36	33,223,370.36	13,909,299.40	47,132,669.76
Accumulated other comprehensive income	0.00	5,546,751.20	0.00	0.00	5,546,751.20	0.00	5,546,751.20
Comprehensive income	0.00	5,546,751.20	0.00	33,223,370.36	38,770,121.56	13,909,299.40	52,679,420.96
Changes in equity	0.00	8,828,751.20	0.00	23,974,677.55	32,803,428.75	13,473,748.30	46,277,197.05
As of 31 DECEMBER 2021	3,507,063.40	-1,290,402.90	62,153,761.02	244,175,378.55	308,545,800.07	68,467,278.85	377,013,078.92

For the period from 01/01/2020 to 31/12/2020

	Share capital	Other reserves	Share premium account	Retained earnings	Equity attributable to owners of the parent	Equity of non-controlling shareholders	Total equity
As of 31 DECEMBER 2019	3,507,063.40	490,728.54	62,153,761.02	204,686,597.87	270,838,150.83	5,890,206.14	276,728,356.97
Correction of an error	0.00	0.00	0.00	-775,692.48	-775,692.48	49,177,529.89	48,401,837.41
As of 01 JANUARY 2020	3,507,063.40	490,728.54	62,153,761.02	203,910,905.39	270,062,458.35	55,067,736.03	325,130,194.38
Increase (decrease) due to appropriation of retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend recognised as payments to owners	0.00	0.00	0.00	-7,087,561.95	-7,087,561.95	0.00	-7,087,561.95
Purchase of own shares	0.00	0.00	0.00	-13,849,500.00	-13,849,500.00	0.00	-13,849,500.00
Loss of control	0	0	0	0	0	0	0
Incentive scheme	0	0	0	0	0	0	0
Profit (loss)	0.00	0.00	0.00	37,226,857.56	37,226,857.56	-74,225.48	37,152,632.08
Accumulated other comprehensive income	0.00	-10,609,882.64	0.00	0.00	-10,609,882.64	0.00	-10,609,882.64
Comprehensive income	0.00	-10,609,882.64	0.00	37,226,857.56	26,616,974.92	-74,225.48	26,542,749.44
Changes in equity	0.00	-10,609,882.64	0.00	16,289,795.61	5,679,912.97	-74,225.48	5,605,687.49
As of 31 DECEMBER 2020	3,507,063.40	-10,119,154.10	62,153,761.02	220,200,701.00	275,742,371.32	54,993,510.55	330,735,881.87

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## CONSOLIDATED CASH FLOW STATEMENT

	01/01 - 31/12/2021	01/01 - 31/12/2020
<b>Cash flows from operating activities</b>		
I. Gross profit (loss)	59,115,418.63	54,603,797.65
II. Total adjustments:	-29,357,441.49	78,563,370.46
1. Amortisation and depreciation:	21,957,844.64	18,492,354.81
2. Foreign exchange gains (losses)	155,498.63	-312,856.47
3. Interest and profit sharing (dividend)	2,591,986.77	3,396,255.11
4. Profit (loss) on investing activities	-8,646,333.32	-14,758,028.68
5. Change in provisions	35,784,106.18	22,088,853.12
6. Change in inventories	-107,427,538.45	22,167,402.91
7. Change in receivables	-133,801,816.66	11,229,407.00
8. Change in short-term liabilities excluding financial liabilities	156,423,996.38	16,312,398.94
9. Other adjustments	3,604,814.34	-52,416.28
<b>Cash from operating activities</b>	<b>29,757,977.14</b>	<b>133,167,168.11</b>
10. Income tax paid/refunded	-32,770,416.04	-11,860,659.10
<b>Net cash from operating activities</b>	<b>-3,012,438.90</b>	<b>121,306,509.01</b>
<b>Cash flows from investing activities</b>		
Acquisition of fixed assets and intangible assets	-7,985,809.30	-18,680,495.41
Proceeds from disposal of fixed assets and intangible assets	3,974,644.46	1,465,627.37
Proceeds from the sale of shares	0.00	0.00
Proceeds from sales of investments accounted for using the equity method	4,226,000.00	7,199,000.00
Acquisition of shares and other capital assets (including additional capital contributions)	0.00	0.00
Acquisition of shares in investments accounted for using the equity method	-6,025,000.00	-6,650,000.00
Interest received	2,765,766.53	2,728,825.55
Dividend received	8,681,240.85	14,566,553.31
Loans repaid by third parties	0.00	20,918.95
Loans repaid by related parties	0.00	0.00
Loans granted to third parties	-14,943,432.44	-7,885,845.67
Loans granted to related parties	-979,520.00	-210,600.00
Other (including exercise of derivative instruments)	-867,150.53	104,639.50
<b>Net cash from investing activities</b>	<b>-11,153,260.43</b>	<b>-7,341,376.40</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans, borrowings, bonds and bills of exchange	120,875,766.66	68,408,324.76
Repayment of loans, borrowings, bonds and bills of exchange	-68,433,432.27	-57,307,195.97
Acquisition of own shares	0.00	-13,849,500.00
Payment of lease liabilities	-14,104,195.54	-10,839,088.20
Interest paid	-7,009,884.70	-7,600,153.91
Dividend paid	-9,643,747.50	-7,241,754.95
<b>Net cash from financing activities</b>	<b>21,684,506.65</b>	<b>-28,429,368.27</b>
<b>Net change in cash excluding exchange rate differences</b>	<b>7,518,807.32</b>	<b>85,535,764.34</b>
Exchange rate differences	-122,963.24	51,010.94
<b>Net change in cash</b>	<b>7,395,844.08</b>	<b>85,586,775.28</b>
<b>Cash opening balance</b>	<b>264,064,942.76</b>	<b>178,478,167.48</b>
<b>Cash closing balance</b>	<b>271,460,786.84</b>	<b>264,064,942.76</b>
- including: restricted cash	61,259,301.33	81,522,426.80

Explanatory notes to the cash flow statement are included in Note 6.26.

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## 1. General Information

### 1.1. Information on the Group and its activities

The UNIBEP Group was established in 2004 as a result of the establishment of the limited liability company UNIHOUSE, in which 100% of the capital was acquired by UNIBUD BEP Sp. z o.o. (currently UNIBEP SA).

As of 31/12/2021, the UNIBEP Group was composed of the following entities: Unidevelopment S.A., Budrex Sp. z o.o., UNEX Construction Sp. z o.o., Unibep PPP Sp. z o.o., Unihouse S.A., Seljedalen AS, Lovsetvegen 4 AS, MP Sp. z o.o., Idea Sp. z o.o., Nowa Idea Sp. z o.o. (formerly Idea Sp. z o.o. Sp. k.), Unigo Sp. z o.o., Lykke Szcześliwicka Sp. z o.o. S.K.A., Hevelia UDM Sp. z o.o. S.K.A., Szcześliwicka Sp. z o.o., Monday Development Sp z o.o., Sokratesa Sp. z o.o., Osiedle Idea Sp. z o.o., Osiedle Marywińska Sp. z o.o., Bukowska 18 Sp. z o.o. formerly Bukowska 18 MP Sp. z o.o. Sp.k.), Zielony Sotacz Tarasy MP Sp. z o.o. Sp.k., Monday Kosmanautów MP Sp. z o.o. Sp.k., URSA PARK Smart City Sp. z o.o., Sp.k. URSA Sky Smart City Sp. z o.o. Sp.k. Fama Development Sp. z o.o., Fama Development Sp. z o.o. Sp. j. formerly Fama Development Sp. z o.o. Sp.k.), Coopera Idea Sp. z o.o. formerly Coopera IDEA Sp. z o.o. Sp.k.), Mickiewicza Idea Sp. z o.o. Sp.k., Asset Idea Sp. z o.o. formerly Asset Idea Sp. z o.o. Sp.k.), UN11 Sp. z o.o. formerly UN11 Idea Sp. z o.o. Sp.k.), Szcześliwicka Sp. z o.o. Monday Mate Garbary Sp.k., 1 Fama Development Sp. z o.o. Sp.k., UN12 Sp. z o.o., UN13 Sp. z o.o., UN14 Sp. z o.o., UN15 Sp. z o.o., UN16 Sp. z o.o., UN17 Sp. z o.o., UN18 Sp. z o.o., UN19 Sp. z o.o., UN110 Sp. z o.o., UN111 Sp. z o.o., UN112 Sp. z o.o., UN113 Sp. z o.o.

A corporate structure chart of the UNIBEP Group is presented in Section 2.1.

Changes in the UNIBEP Group composition as compared to the information presented in previous reports are discussed in Sections 2, 6.27.

The Parent Company UNIBEP Spółka Akcyjna is registered in the District Court in Białystok, 12th Commercial Department of the National Court Register in the Register of Entrepreneurs under number 0000231271.

The Company is registered under the Tax Identification Number (NIP) 543-02-00-365 and the National Business Registry Number (REGON) 000058100.

The registered office of UNIBEP S.A. is located in Bielsk Podlaski, at ul. 3 Maja 19, Poland.

The address of the registered office of the entity is ul. 3 Maja 19, 17-100 Bielsk Podlaski, Poland.

There was no change in the name of the Company in the reporting period.

State of registration: Poland.

Principal place of business: Poland.

Unibep SA is not a subsidiary of any other entity which would hold a total or partial interest therein.

There is no entity controlling Unibep SA, therefore Unibep SA is the ultimate parent of the Group.

According to the Polish Classification of Activities, the core business of the parent Company is the performance of general construction work related to the erection of buildings in Poland and abroad. The Group's activities include a wide range of construction and assembly services, road construction, property development, manufacturing and other activities.

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

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

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

When preparing the financial statements for 2021, the Group applied the same accounting principles as when preparing the annual financial statements for 2020, except for amendments to the standards as well as new standards and interpretations as adopted by the European Union for the reporting periods beginning on or after 1 January 2021. In 2021, the Group adopted all new and approved standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Board, approved for use in the EU, applicable to its operations and binding for the reporting periods from 1 January 2021.

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

The financial statements present financial data for the period from 1 January 2021 to 31 December 2021 and comparative financial data for the period from 1 January 2020 to 31 December 2020.

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

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

The functional currency of the Parent Company and the presentation currency of these consolidated financial statements is the Polish zloty (PLN). All amounts in these consolidated financial statements are stated in Polish zloty and grosz, unless indicated otherwise.

## 1.4. Amendments to IFRS

### Amendments to existing standards applied to the Group's financial statements for 2021

The following amendments to existing standards and interpretation issued by the International Accounting Standards Board (IASB) enter into force for the first time in the Group's financial statements for 2021:

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases" - Interest Rate Benchmark Reform - Phase 2** (effective for annual periods beginning on or after 1 January 2021),
- **Amendments to IFRS 16 "Leases" - Covid-19-Related Rent Concessions** (effective for annual periods beginning on or after 1 June 2020. Earlier use is permitted).\*
- **Amendments to IFRS 4 "Insurance Contracts" - Extension of the Temporary Exemption from Applying IFRS 9** (the expiration date of the temporary exemption from IFRS 9 was extended for annual periods beginning on or after 1 January 2023).

The above-mentioned amendments to standards had no significant impact on the Group's financial statements for 2021.

**New standards and amendments to the existing standards issued by the IASB and adopted by the EU, but not yet effective.**

Amendments to the existing standards which have been issued by the IASB and approved for use in the EU, and

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which enter into force at a later date:

- **Amendments to IAS 1 "Presentation of Financial Statements"** – 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"** – Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 16 "Property, Plant and Equipment"** – Proceeds before Intended Use approved in the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** – Onerous Contracts – Cost of Fulfilling a Contract adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- **Amendments to IFRS 3 "Business Combinations"** – Reference to the Conceptual Framework with amendments to IFRS 3 adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),
- **IFRS 17 "Insurance Contracts" including amendments to IFRS 17 published by the IASB on 25 June 2020** – adopted by the EU on 19 November 2021 (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to various standards "Improvements to IFRSs (cycle 2018–2020)"** – amendments made under the annual improvement procedure to IFRSs (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording – adopted by the EU on 28 June 2021. (The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendments to IFRS 16 only regard an illustrative example, so no effective date is stated.)

**New standards and amendments to the existing standards issued by the IASB but not yet approved for use in the EU.**

As of the date of these financial statements, the following new standards and amendments to the existing standards have been issued by the IASB, but not yet approved for use in the EU:

- **IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016)** – the European Commission has decided not to launch the endorsement process of this interim standard for use within the EU until the final version of IFRS 14 is issued,
- **Amendments to IAS 1 "Presentation of Financial Statements"** – Classification of Liabilities as Current or Non-Current (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 12 "Income Taxes"** – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (the effective date of the amendments was deferred until the completion of research on the equity method),
- **Amendments to IFRS 17 "Insurance Contracts"** – Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023).

According to the estimates of the Group Companies, the above-mentioned new standards and amendments to the existing standards would have had no material effect on the financial statements had they been applied by the Group as of the balance sheet date.

The Company has decided not to take advantage of the early application of the above new standards, amendments to the existing standards and interpretations.

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## UNIBEP GROUP



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## 2. Information about the Group

The UNIBEP Group, apart from the Parent Company UNIBEP SA, comprises:

1. **Unidevelopment SA**, with its registered office in Warsaw, established on 09/04/2008 – notarial deed, repertory No. 2235/2008 and entered in the Register of Entrepreneurs on 29/04/2008 under KRS number 0000304859, National Business Registry Number (REGON) 141412526, Tax Identification Number (NIP) 5213483781. On 30/04/2013, the change of the legal form of the Company from a limited liability company to a joint-stock company – KRS0000454437 was registered. The Parent Company UNIBEP SA holds 97.63% shares in this Company. The entity is consolidated using the full method.
2. **UNEX Construction Sp. z o.o.**, with its registered office in Warsaw (formerly VIZELA Investments Sp. z o.o.). On 04/07/2011, 100% of shares in this Company were taken up by UNIBEP SA. The Company is entered in the National Court Register under KRS number 0000381511, National Business Registry Number (REGON) 142872709, Tax Identification Number (NIP) 5272651352. The Company is consolidated using the full method.
3. **BUDREX Sp. z o.o.**, with its registered office in Białystok, the Company entered in the National Court Register under KRS number 0000073755, National Business Registry Number (REGON) 051980964, Tax Identification Number (NIP) 9661544351. On 01/07/2015, 100% of shares in this Company were acquired by UNIBEP SA. On 20/12/2017, the share capital was increased to PLN 430,000. The Company implements bridge projects. The Company is consolidated using the full method.
4. **UNIBEP PPP Sp. z o.o.**, with its registered office in Bielsk Podlaski. On 12/12/2017, 100% of shares in this Company were taken up by UNIBEP SA. The Company is entered in the National Court Register under KRS number 0000708771, National Business Registry Number (REGON) 368966772, Tax Identification Number (NIP) 5432185055. The Company is consolidated using the full method.
5. **Unihouse SA**, with its registered office in Bielsk Podlaski. On 01/04/2019, Unihouse SA in the process of formation, with its registered office in Bielsk Podlaski, was established. The equity of the Company amounted to PLN 100,000.00. On 01/07/2019, the Company was entered in the National Court Register under the business name Unihouse SA under KRS number 0000793054, Tax Identification Number (NIP) 5432187657, National Business Registry Number (REGON) 383776590. On 01/11/2019, Unibep SA, in exchange for a contribution in kind of the Organised Part of the Enterprise, took up 21,500,000 new issue shares with a total nominal value of PLN 2,150,000.00. The capital increase was registered on 31/12/2019. The share capital on that date was PLN 2,250,000.00. Unibep SA is the sole owner of Unihouse SA. The Company is consolidated using the full method.
6. **Seljedalen AS** org. No. 912 118 169, with its registered office in Trondheim, Norway, was acquired on 10/09/2013. UNIBEP SA holds 50% of the shares. The Company was established for property development activity on the Norwegian market. The Company is measured using the equity method.
7. **Lovsetvegen 4 AS** org. No. 912 575 543, with its registered office in Melhus. The Company was established on 19/09/2013. 100% of the shares were acquired on 23/09/2015 by Seljedalen AS. The Company is engaged in property development and rental activities. The Company is measured using the equity method.
8. **Idea Sp. z o.o.**, with its registered office in Warsaw. The date of acquisition of control by Unidevelopment SA is 18/12/2015. Unidevelopment SA holds 100% of the shares. The Company is consolidated using the full method. The Company is entered in the National Court Register under KRS number 0000226688, Tax Identification Number (NIP) 5213418163, National Business Registry Number (REGON) 140696042. The Company is consolidated using the full method.
9. **Nowa Idea Sp. z o.o. (formerly Idea Sp. z o.o. Sp.k.)** with its registered office in Warsaw. On 09/09/2011, the Company's shares were acquired by Unidevelopment Sp. z o.o. In 2012, Unidevelopment Sp. z o.o. increased its share in profits to 48.99% on the basis of the amendment to the Articles of Association. On 18/12/2015, Unidevelopment SA increased its share in profit/loss to 98%. 2% of the share is held by Idea Sp. z o.o. On 1 July 2021, the transformation of "Idea spółka z ograniczoną odpowiedzialnością" spółka komandytowa from a limited partnership to a limited liability company was registered. Details of the transformed Company: Nowa Idea Sp. z o.o. KRS (National Court Register Number): 0000908454, National Business Registry Number (REGON): 142567076, Tax Identification Number (NIP): 5213578406. The Company is consolidated using the full method.
10. **MP Sp. z o.o.**, with its registered office in Poznań. Unidevelopment SA is the owner of 100% of the shares in the Company. The Company is entered in the National Court Register under KRS number 0000394406, Tax

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Identification Number (NIP) 9721235146, National Business Registry Number (REGON)301902422. The Company is consolidated using the full method.

11. **Unigo Sp. z o.o.**, with its registered office in Warsaw. Unidevelopment SA holds 100% of the shares. On 30/10/2012, the Company was entered in the National Court Register under KRS number 0000436818, Tax Identification Number (NIP) 5213639562, National Business Registry Number (REGON) 146366618. The Company is consolidated using the full method.
12. **Hevelia UDM Sp. z o.o. SKA**, with its registered office in Warsaw. Unidevelopment SA holds 100% of the shares. The general partner is Spółka Szczęśliwica Sp. z o.o., there is no limited partner. On 03/10/2013, the Company was entered in the National Court Register under KRS number 0000479378, National Business Registry Number (REGON) 146903861, Tax Identification Number (NIP) 5213656425. The Company is consolidated using the full method.
13. **Lykke Szczęśliwica Sp. z o.o. SKA**, with its registered office in Warsaw. Unidevelopment SA holds 100% of the shares. The general partner is Spółka Szczęśliwica Sp. z o.o. There is no limited partner. On 03/10/2013, the Company was entered in the National Court Register under KRS number 0000479375, National Business Registry Number (REGON) 146903855, Tax Identification Number (NIP) 5213656454. On 8 October 2021, the change of the general partner from UDM Sp. z o.o. to Szczęśliwica Sp. z o.o. was entered in the National Court Register. The Company is consolidated using the full method.
14. **Szczęśliwica Sp. z o.o.**, with its registered office in Warsaw. On 03/03/2014, the Company was entered in the National Court Register under KRS number 0000500220, National Business Registry Number (REGON) 147129636, Tax Registration Number (NIP) 5213667529. Currently, the shares in the Company are held by: Unidevelopment SA 92.93%, Hevelia UDM Sp. z o.o. SKA 3.31%, Lykke Szczęśliwica Sp. z o.o. SKA 2.82%, Monday Development Sp. z o.o. 0.86%, MP Sp. z o.o. 0.08%. The Company is consolidated using the full method.
15. **Monday Development Sp. z o.o.**, with its registered office in Poznań. The Company is entered in the National Court Register under KRS number 0000848409, National Business Registry Number (REGON) 301054767, Tax Identification Number (NIP) 7811832838. As of 31/12/2021. Unidevelopment SA is the sole shareholder of the Company. The core business of Monday Development Sp. z o.o. is property development. The Company is consolidated using the full method.
16. **Sokratesa Sp. z o.o.** (formerly: Kosmonautów Sp. z o.o.), with its registered office in Warsaw. Unidevelopment SA holds 100% of the shares. On 07/09/2016, the Company was entered in the National Court Register under KRS number 0000635566, National Business Registry Number (REGON) 365338348, Tax Identification Number (NIP) 9721266394. The Company is consolidated using the full method.
17. **Osiedle Idea Sp. z o.o.**, with its registered office in Warsaw. Unidevelopment SA holds 100% of shares. The Company was registered in the National Court Register on 07.11.2016 under number 0000645217, Business Registry Number (REGON) 365800901, Tax Identification Number (NIP) 5213754381. The Company is consolidated using the full method.
18. **Osiedle Marywilka Sp. z o.o.** with its registered office in Warsaw. Unidevelopment SA holds 100% of the shares. On 20/01/2009, the Company was entered in the National Court Register under KRS number 0000321850, National Business Registry Number (REGON) 141720541, Tax Identification Number (NIP) 5213518261. The Company is consolidated using the full method.
19. **Bukowska 18 Sp. z o.o. (formerly Bukowska 18 MP Sp. z o.o. Sp.k.)** with its registered office in Poznań. 99% of the contribution is owned by Monday Development Sp. z o.o. and 1% by MP Sp. z o.o. On 1 July 2021, the transformation of Bukowska 18 MP Sp. z o.o. Sp. k. from a limited partnership to a limited liability company was registered. Details of the transformed Company: Bukowska 18 Sp. z o.o. KRS (National Court Register Number): 0000908804, National Business Registry Number (REGON): 367998178, Tax Identification Number (NIP): 9721277340. The Company is consolidated using the full method.
20. **Zielony Solacz Tarasy MP Sp. z o.o. Sp.k.** with its registered office in Poznań. 99% of the contribution is owned by Monday Development Sp. z o.o. and 1% by MP Sp. z o.o. The Company is registered under number 0000689262, Tax Identification Number (NIP) 9721277334, National Business Registry Number (REGON) 367998066. The Company is consolidated using the full method.
21. **Monday Kosmonautów MP Sp. z o.o. Sp.k.** (formerly: Monday Malta Monday Palacza Sp. z o.o. Sp.k.), with its registered office in Poznań. 99% of the contribution is owned by Monday Development Sp. z o.o. and 1% by MP Sp. z o.o. The Company is registered under number 0000689250, Tax Identification Number (NIP) 9721277328, Business Registry Number (REGON) 367991928. The Company is consolidated using the full method.

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22. **URSA PARK Smart City Sp. z o.o. Sp.k.** with its registered office in Warsaw. On 03.08.2017, Unidevelopment SA joined URSA PARK Smart City Sp. z o.o. Sp.k. On 31/03/2010, the Company was entered in the National Court Register, National Business Registry Number (REGON) 142370014, Tax Identification Number (NIP) 5252476443. The share of Unidevelopment SA in the profits/losses of the Company is 50%. The Company is measured using the equity method.
23. **Urso SKY Smart City Sp. z o.o. Sp.k.**, with its registered office in Warsaw. On 22/09/2020, Unidevelopment SA became a partner (limited partner) in URSA SKY Smart City sp. z o.o. sp.k. The Company is consolidated using the equity method. The agreed contribution amounts to PLN 14,500,000.00. The contributions made as of 31/12/2021 amounted to PLN 7,250,000.00. National Court Register Number (KRS) 0000846053, National Business Registry Number (REGON) 386295418, Tax Identification Number (NIP) 5213899116.
24. **Fama Development Sp. z o.o.**, with its registered office in Poznań. On 22/02/2018, 50 shares were acquired by Unidevelopment SA. Unidevelopment SA holds 50% of the shares. The Company is entered in the National Court Register under KRS number 0000699449, National Business Registry Number (REGON) 368514780, Tax Identification Number (NIP) 6692540559. In 2020, the change of the company name from Wiepofama Development sp. z o.o. to Fama Development sp. z o.o. was registered. The Company is consolidated using the full method.
25. **Fama Development Sp. z o.o. Sp.j. (formerly Fama Development Sp. z o.o. Sp.k.)** with its registered office in Poznań. On 22/02/2018, Unidevelopment SA became a partner in the Company. As of 31/12/2021, the partners in the Company are Unidevelopment SA 49.95 % and Fama Development Sp. z o.o. 0.1%. The Company is entered in the National Court Register under KRS number 0000700179, National Business Registry Number (REGON) 368545131, Tax Identification Number (NIP) 6692540677. On 19 November 2021, the District Court Poznań-Nowe Miasto and Wilda in Poznań, 8th Commercial Division of the National Court Register registered the transformation of "Fama Development Sp. z o.o." Spółka komandytowa into a Company under the business name Fama Development Sp. z o.o. spółka jawna (National Court Register Number (KRS): 0000932842, National Business Registry Number (REGON): 368545131, Tax Identification Number (NIP) 6692540677). The Company is consolidated using the full method.
26. **1 FAMA DEVELOPMENT Sp. z o.o. Sp.k.** with its registered office in Poznań, entered in the National Court Register on 21/09/2020. Tax Identification Number (NIP): 7812012988, National Court Register Number (KRS): 0000860960, National Business Registry Number (REGON): 387069658. The shares in the Company are held by: 99% - Fama Development Sp. z o.o. sp. k. (limited partner) and 1% - Fama Development Sp. z o.o. (general partner). The Company is consolidated using the full method.
27. **Coopera IDEA Sp. z o.o. (formerly Coopera Idea Sp. z o.o. Sp.k.)** with its registered office in Warsaw. 98% of the contribution is owned by Unidevelopment SA and 2% by Idea Sp. z o.o. On 03/07/2018, the Company was entered in the National Court Register under KRS number 0000738151. On 1 July 2021, the transformation of "Coopera Idea spółka z ograniczoną odpowiedzialnością" spółka komandytowa from a limited partnership to a limited liability company was registered. Details of the transformed Company: Coopera Idea spółka z ograniczoną odpowiedzialnością National Court Register Number (KRS): 0000908591, National Business Registry Number (REGON): 380657725, Tax Identification Number (NIP) 5213832767. The Company is consolidated using the full method.
28. **Mickiewiczza IDEA Sp. z o.o. Sp.k.** with its registered office in Warsaw. 98% of the contribution is owned by Unidevelopment SA and 2% by Idea Sp. z o.o. On 11/07/2018, the Company was entered in the National Court Register under KRS number 0000740041, National Business Registry Number (REGON) 380731829, Tax Identification Number (NIP) 5213833821. The Company is consolidated using the full method.
29. **Asset IDEA Sp. z o.o. (formerly Asset IDEA Sp. z o.o. Sp.k.)** with its registered office in Warsaw. 98% of the contribution is owned by Unidevelopment SA and 2% by Idea Sp. z o.o. On 10/07/2018, the Company was entered in the National Court Register under KRS number 0000739776. On 1 July 2021, the transformation of "Asset Idea spółka z ograniczoną odpowiedzialnością" spółka komandytowa from a limited partnership to a limited liability company was registered. Details of the transformed Company: Asset Idea spółka z ograniczoną odpowiedzialnością National Court Register Number (KRS): 0000907612, National Business Registry Number (REGON): 380725639, Tax Identification Number (NIP) 5213833666. The Company is consolidated using the full method.
30. **UNI1 Sp. z o.o. (formerly UNI1 IDEA Sp. z o.o. Sp.k.)** with its registered office in Warsaw. 98% of the contribution is owned by Unidevelopment SA and 2% by Idea Sp. z o.o. On 29/11/2018, the Company was entered in the National Court Register under KRS number 0000759909. On 1 July 2021, the transformation of UNI 1 IDEA spółka z ograniczoną odpowiedzialnością spółka komandytowa from a limited partnership to a limited liability company was registered. Details of the transformed Company: UNI 1 spółka z ograniczoną odpowiedzialnością National Court Register Number (KRS): 0000904419, National Business

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Registry Number (REGON): 381908750, Tax Identification Number (NIP) 5213848047. The Company is consolidated using the full method.

31. **Szczęśliwicka Sp. z o.o. Monday Mate Garbary Sp.k.** with its registered office in Poznań is entered in the National Court Register under KRS number: 0000445096, Tax Identification Number (NIP) 2090002698, National Business Registry Number (REGON): 302317298. 60% of the contributions are owned by Szczęśliwicka Sp. z o.o. On 20 October 2021, the partners in the partnership passed a resolution on the amendment to the limited partnership agreement in connection with the change of the general partner of the partnership from Idea sp. z o.o. to Szczęśliwicka sp. z o.o. The resolution on the amendment to the limited partnership agreement included, among other things, changing the name of the company to Szczęśliwicka spółka z ograniczoną odpowiedzialnością Monday Mate Garbary sp.k. The Company is consolidated using the full method.
32. **UNI2 Sp. z o.o.** with its registered office in Warsaw. 100% of the shares are held by Unidevelopment S.A. On 14/07/2021, the Company was entered in the National Court Register under KRS number 0000910953, National Business Registry Number (REGON) 38947680100000, Tax Identification Number (NIP) 5242922237. The Company is consolidated using the full method.
33. **UNI3 Sp. z o.o.**, with its registered office in Warsaw. 100% of the shares are held by Unidevelopment S.A. On 14/03/2021, the Company was entered in the National Court Register under KRS number 0000888651, National Business Registry Number (REGON) 38842810200000, Tax Identification Number (NIP) 5242915208. The Company is consolidated using the full method.
34. **UNI4 Sp. z o.o.**, with its registered office in Warsaw. 100% of the shares are held by Unidevelopment S.A. On 03/03/2021, the Company was entered in the National Court Register under KRS number 0000888653, National Business Registry Number (REGON) 38834703600000, Tax Identification Number (NIP) 5242914605. The Company is consolidated using the full method.
35. **UNI5 Sp. z o.o.**, with its registered office in Poznań. 98% of the shares are held by Monday Development Sp. z o.o. and 2% by MP Sp. z o.o. On 15/03/2021, the Company was entered in the National Court Register under KRS number 0000888712, National Business Registry Number (REGON) 38840855900000, Tax Identification Number (NIP) 9721315460. The Company is consolidated using the full method.
36. **UNI6 Sp. z o.o.**, with its registered office in Poznań. 99.98% of the shares are held by Monday Development Sp. z o.o. and 0.02% by MP Sp. z o.o. On 23/03/2021, the Company was entered in the National Court Register under KRS number 0000890939, National Business Registry Number (REGON) 38847619900000, Tax Identification Number (NIP) 9721315715. The Company is consolidated using the full method.
37. **UNI7 Sp. z o.o.**, with its registered office in Poznań. 99.98% of the shares are held by Monday Development Sp. z o.o. and 0.02% by MP Sp. z o.o. On 18/03/2021, the Company was entered in the National Court Register under KRS number 0000889874, National Business Registry Number (REGON) 38843747200000, Tax Identification Number (NIP) 9721315589. The Company is consolidated using the full method.
38. **UNI8 Sp. z o.o.**, with its registered office in Poznań. 99.98% of the shares are held by Monday Development Sp. z o.o. and 0.02% by MP Sp. z o.o. On 23/07/2021, the Company was entered in the National Court Register under KRS number 0000909626, National Business Registry Number (REGON) 38951581400000, Tax Identification Number (NIP) 9721318895. The Company is consolidated using the full method.
39. **UNI9 Sp. z o.o.** with its registered office in Warsaw. 100% of the shares are held by Unidevelopment S.A. On 20/07/2021, the Company was entered in the National Court Register under KRS number 0000912510, National Business Registry Number (REGON) 38951531700000, Tax Identification Number (NIP) 5242922444. The Company is consolidated using the full method.
40. **UNI10 Sp. z o.o.** with its registered office in Warsaw. 100% of the shares are held by Unidevelopment S.A. On 10/06/2021, the Company was entered in the National Court Register under KRS number 0000905262, National Business Registry Number (REGON) 38917056800000, Tax Identification Number (NIP) 5242920451. The Company is consolidated using the full method.
41. **UNI11 Sp. z o.o.** with its registered office in Warsaw. 100% of the shares are held by Unidevelopment S.A. On 01/06/2021, the Company was entered in the National Court Register under KRS number 0000903948, National Business Registry Number (REGON) 38912487000000, Tax Identification Number (NIP) 5242920037. The Company is consolidated using the full method.
42. **UNI12 Sp. z o.o.** with its registered office in Warsaw. 100% of the shares are held by Unidevelopment S.A. On 11/06/2021, the Company was entered in the National Court Register under KRS number 0000905818, National Business Registry Number (REGON) 38919128600000, Tax Identification Number (NIP) 5242920505. The Company is consolidated using the full method.

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43. **UNI13 Sp. z o.o.** with its registered office in Warsaw. 100% of the shares are held by Unidevelopment S.A. On 20/07/2021, the Company was entered in the National Court Register under KRS number 0000912543, National Business Registry Number (REGON) 38951530000000, Tax Identification Number (NIP) 5242922450. The Company is consolidated using the full method.

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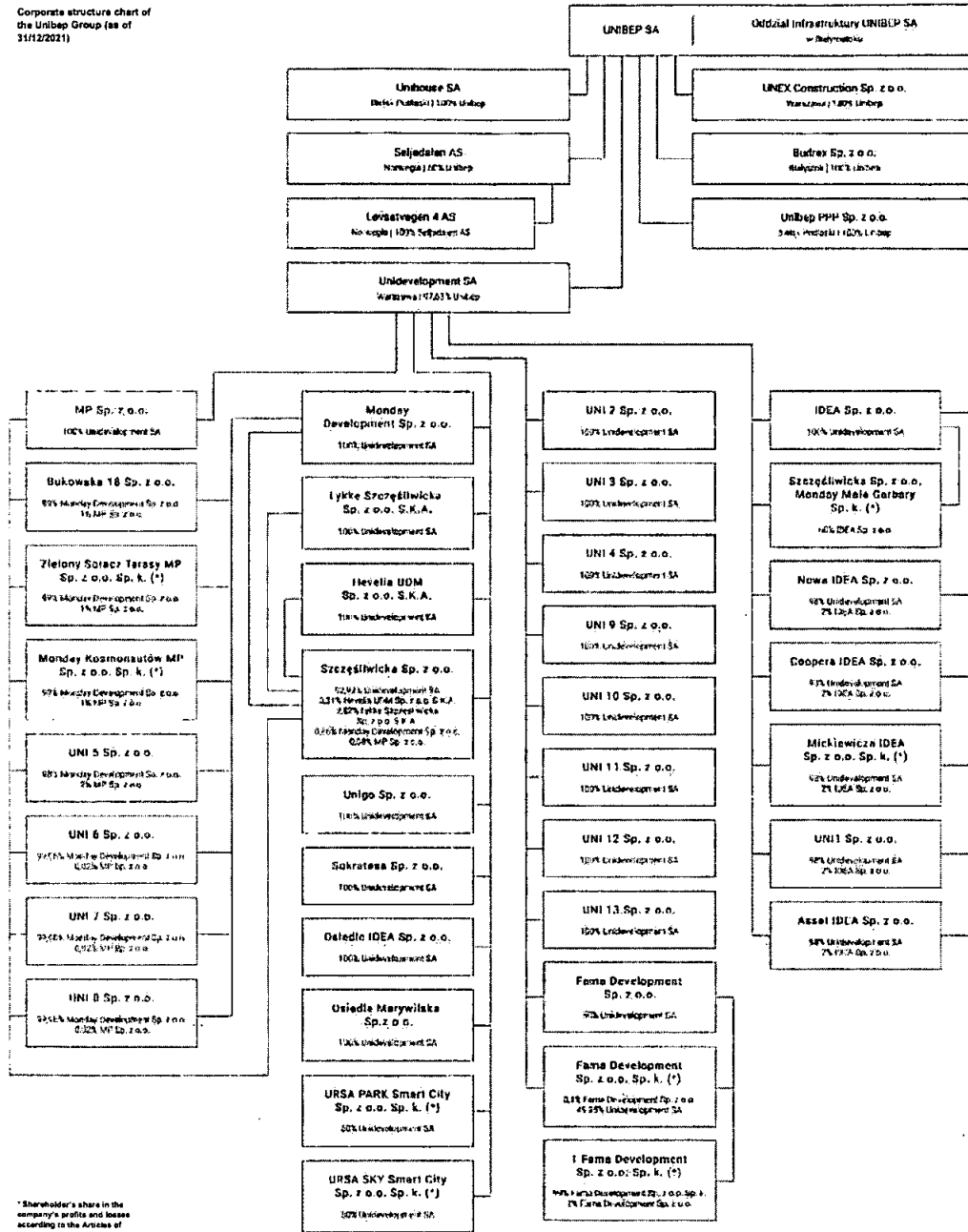


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Corporate structure chart of the Unibep Group (as of 31/12/2021)



\* Shareholder's share in the company's profits and losses according to the Articles of Association

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Name of the entity and legal form	Registered office	Objective of the enterprise	Nature of the relationship	Consolidation method applied	Date of obtaining control/shares	Percent of the share capital held	Share in total number of votes of the general meeting
Undevelopment S.A.	Warsaw	property development activity	subsidiary	full method	09/04/2008	97.63%	97.63%
UNEX Construction Sp. z o.o.	Warsaw	performance of construction projects	subsidiary	full method	04/07/2011	100%	100%
Rudex Sp. z o.o.	Behlövsk	works related to construction of bridges and tunnels	subsidiary	full method	01/07/2015	100%	100%
UNIBEP PPP Sp. z o.o.	Bełsk Podlaski	performance of construction projects	subsidiary	full method	04/11/2017	100%	100%
Unihouse S.A.	Bełsk Podlaski	performance of construction projects	subsidiary	full method	01/04/2019	100%	100%
Solparten AS	Trondheim, Norway	property development activity	jointly controlled entity	equity method	10/09/2013	50%	50%
Lovestegen 4 AS	Melhus, Norway	property development activity	indirectly jointly controlled entity	equity method	23/09/2015	50%	50%
MP Sp. z o.o.	Poznań	property development activity	indirect subsidiary	full method	10/08/2011	97.63%	97.63%
IDEA Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	07/07/2011	97.63% (*)	97.63% (*)
Nowa IDEA Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	09/09/2011	97.63% (*)	97.63% (*)
Unigo Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	26/10/2012	97.63%	97.63%
Lytko Szcześniwka Sp. z o.o. S.K.A.	Warsaw	property development activity	indirect subsidiary	full method	03/10/2013	97.63%	97.63%
Hevelio UDM Sp. z o.o. S.K.A.	Warsaw	property development activity	indirect subsidiary	full method	03/10/2013	97.63%	97.63%
Szcześniwka Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	04/02/2014	97.63%	97.63%
Monday Development Sp. z o.o.	Poznań	property development activity	indirect subsidiary	full method	05/01/2016	97.63%	97.63%
Sakratosa Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	14/07/2016	97.63%	97.63%
Oscadia Inna Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	14/07/2016	97.63%	97.63%
Oscadia Marcehka Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	08/12/2016	97.63%	97.63%
Budowka 18 Sp. z o.o.	Poznań	property development activity	indirect subsidiary	full method	11/08/2017	97.63% (*)	97.63%
Zielony Słońce (ang.)/MIP Sp. z o.o. Sp. k.	Poznań	property development activity	indirect subsidiary	full method	11/08/2017	97.63% (*)	97.63%
Monday (romani) / MIP Sp. z o.o. Sp. k.	Poznań	property development activity	indirect subsidiary	full method	11/08/2017	97.63% (*)	97.63%
USKA PARK Smart City Sp. z o.o. Sp. k.	Warsaw	property development activity	indirect affiliate	equity method	03/08/2017	48.82% (*)	0% (*)
USKA SKY Smart City Sp. z o.o. Sp. k.	Warsaw	property development activity	indirect affiliate	equity method	22/09/2020	48.82% (*)	0% (*)
Farma Development Sp. z o.o.	Poznań	property development activity	indirect subsidiary	full method	22/02/2018	48.82% (*)	48.82% (*)
Farma Development Sp. z o.o. Sp. k.	Poznań	property development activity	indirect subsidiary	full method	22/02/2018	48.82% (*)	48.82% (*)
T-Farma Development Sp. z o.o. Sp. k.	Poznań	property development activity	indirect subsidiary	full method	21/09/2020	48.82% (*)	48.82% (*)
Cooperta IDEA Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	03/07/2018	97.63% (*)	97.63% (*)
Microwecka IDEA Sp. z o.o. Sp. k.	Warsaw	property development activity	indirect subsidiary	full method	11/07/2018	97.63% (*)	97.63% (*)
Aszet IDEA Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	10/07/2018	97.63% (*)	97.63% (*)
UNI Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	29/11/2018	97.63% (*)	97.63% (*)
Szcześniwka Sp. z o.o. Monday More	Poznań	property development activity	indirect subsidiary	full method	17/04/2019	58.58% (*)	58.58% (*)
Carbony Sp. k.	Warsaw	property development activity	indirect subsidiary	full method	10/03/2021	97.63%	97.63%
UNI 3 Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	25/02/2021	97.63%	97.63%
UNI 4 Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	09/03/2021	97.63%	97.63%
UNI 5 Sp. z o.o.	Poznań	property development activity	indirect subsidiary	full method	09/03/2021	97.63%	97.63%
UNI 6 Sp. z o.o.	Poznań	property development activity	indirect subsidiary	full method	16/03/2021	97.63%	97.63%
UNI 7 Sp. z o.o.	Poznań	property development activity	indirect subsidiary	full method	12/05/2021	97.63%	97.63%
UNI 8 Sp. z o.o.	Poznań	property development activity	indirect subsidiary	full method	12/05/2021	97.63%	97.63%
UNI 9 Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	12/05/2021	97.63%	97.63%
UNI 10 Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	12/05/2021	97.63%	97.63%
UNI 11 Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	12/05/2021	97.63%	97.63%
UNI 12 Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	12/05/2021	97.63%	97.63%
UNI 13 Sp. z o.o.	Warsaw	property development activity	indirect subsidiary	full method	12/05/2021	97.63%	97.63%

\* 100% share including the share in the general partner company  
 \*\* share in the participations of the Company  
 \*\*\* share in the participations of the Company of holding partner in the general partner company - influence through the management board  
 \*\*\*\* the share in the participations of the Company of distributor in the register in the first stage the shareholder contributions are returned and in the second stage the remaining profits is distributed among the shareholders with the Unibep Group receiving 48.82%



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## 3. Accounting and consolidation principles adopted

### 3.1. Accounting principles

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

#### FIXED ASSETS

Fixed assets include own items: *Fixed assets and Tangible fixed assets in progress, and Right-of-use assets.*

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

Fixed assets include, in particular, the following groups:

- land (including land intended for surface mining, e.g. gravel mine);
- buildings, premises and civil engineering structures;
- plant and machinery;
- vehicles;
- other fixed assets;
- investments in third-party fixed assets;

Fixed assets are recognised if, and only if, the following two criteria are met simultaneously:

- there is a probability that the Group will obtain future economic benefits related to a given asset;
- the cost of an asset can be measured reliably by the Group.

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

Construction in progress relating to fixed assets under construction is measured at total costs directly attributable to their acquisition or construction, including financing costs, less impairment losses.

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

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

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

Depreciation rates are determined based on the expected useful life, which is reviewed annually by the Group Companies. The useful lives of particular groups of fixed assets are presented below:

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

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

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

Low-value fixed assets with a value not exceeding PLN 3,500, except for power tools, may be depreciated once in the month in which they are purchased, if the simplification adopted in this way does not materially distort financial results and assets. A one-off purchase of a larger number of low-value fixed assets may be recognised and depreciated as a single aggregate item. For items classified as equipment, due to their low value, the Group applies the simplified approach consisting in a one-off recognition of the asset value in the cost of material consumption at the time of putting the assets into use. In subsequent periods, off-balance sheet equipment records are kept.

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

Where there are indications that fixed 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 items 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 to determine whether there is any objective indication that an impairment loss may be reversed. Any reversal of a previously recognised impairment loss is recognised in profit or loss under "Other operating revenue", respectively.

Subsequent expenditure is recognised in the carrying amount of a given fixed asset or recognised as a separate fixed asset only when it is probable that this item will generate economic benefits for the Group, and the cost of the item can be measured reliably.

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

## INTANGIBLE ASSETS

Intangible assets are recognised if it is probable that they will generate economic benefits in the future. Intangible assets are initially recognised at cost. Over their useful lives, they are measured at cost less accumulated amortisation and impairment losses.

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

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

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

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

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

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

## LEASE

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

- the asset is identified (note: an asset is not identified if the supplier has a significant right to replace the asset),
- the client is entitled to virtually all economic benefits.

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- the client determines how and for what purposes the asset is used or it is determined by a higher level of authority, but the client operates the asset or has designed it.

### Lease with a lessee

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

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

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

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

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

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

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

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

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

After initial recognition, the lease liability is measured through:

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

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

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

The Group identified the following types of significant lease contracts:

- right of perpetual usufruct of land,
- office lease contracts,
- machines and equipment lease contracts,
- vehicle lease contracts.

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

When identifying lease contracts, the Group makes estimates and applies judgements that have a significant effect on the value of lease liabilities and right-of-use assets. This mainly concerns the discount rate adopted for the valuation of 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 and residual values adopted for individual assets.

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

- possible renewal periods of the lease contract if the lessee has reasonable assurance that it will

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

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

The Group qualifies the right of perpetual usufruct of land on the implemented development projects in inventories and discloses it as an asset in the inventories note under the line "Right-of-use assets".

Costs associated with the lease of the right of perpetual usufruct of land during the development project are charged to inventories. The above allocation method is related to the fact that it applies to land on which the Group implements development projects, which are subject to adjustments (including utilities, obtaining land development conditions, removing legal defects, etc.). In connection with the entry into force of the Act on transformation of the right of perpetual usufruct of developed land for housing purposes into the right of ownership of such land, the Group treats transformation fees analogously to fees for perpetual usufruct.

Liabilities under the lease of the rights of perpetual usufruct of development land are disclosed in short-term liabilities, which is related to the so-called operating cycle of sales of inventories (current assets). At the moment of handing over the finished products, which takes the form of deeds of sale, the obligation to pay the perpetual usufruct or transformation fee is transferred to the purchaser of the share in the land belonging to the premises sold. Until then, this asset and liability under the lease of the right of perpetual usufruct of development land remain on the Group's balance sheet.

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

## INVENTORIES

Inventories include assets that meet the following criteria:

- held for sale in the ordinary course of the Group's business;
- being produced for sale or in the form of materials or raw materials consumed in the production process or in the provision of services;
- the right of perpetual usufruct of land (in the case of property development companies).

In the case of property development projects, the Group's specialised companies provide support services in the form of services aimed at leading to the selection and subsequent acquisition of properties while incurring the associated costs. If a decision is made to discontinue a particular project, these costs are transferred to Other operating expenses.

Items stored at construction sites for construction-specific purposes 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 an inventory item. Such items are charged directly to contract costs and are thus included in the measurement of the contract according to the percentage of completion.

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

Net selling price is the selling price which can be obtained as of the balance sheet date, excluding value added tax and excise tax, less rebates, discounts and similar price adjustments, as well as costs related to adapting the item to be sold and making this sale.

Inventory disposals, except for land and inventories acquired for development activity, are determined using the first-in, first-out (FIFO) method. The disposal of land and inventories related to property development activity, such as apartments, premises, etc., is determined using the specific identification method.

The Group recognises inventory write-downs based on current sales or inventory utilisation plans. Net recoverable amount is the estimated net selling price as defined above ("Measurement after initial recognition" Section).

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

## BORROWING COSTS

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

Capitalisation of borrowing costs attributable to assets commences when:

- expenditure on that asset is incurred;

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

In the case of property development activity, in the opinion of the Group, the above conditions are jointly met at the time of commencement of work on the land designated for development (including commencement of necessary technical and administrative work prior to commencing physical construction, such as obtaining permits) and obtaining financing.

Capitalisation of borrowing costs is discontinued when substantially all activities necessary to prepare the qualifying asset for its intended use or sale have been completed. In the case of development projects, in the Group's view, this occurs when the occupancy permit is obtained.

The items of qualifying assets in the UNIBEP Group may include inventories relating to property development activity, fixed assets, intangible assets.

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

### CASH AND CASH EQUIVALENTS

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

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

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

### TRADE AND OTHER RECEIVABLES

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

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

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

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

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

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

After initial recognition, trade and other receivables constituting financial assets are carried 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 Group measures the expected credit losses in accordance with the methodology described in the "Financial instruments" Section. Allowances for expected credit losses are recognised as a deduction from the carrying amount of receivables and, on the other side, as an expense in the profit or loss, under the separate *Expected credit losses* item.

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

Prepayments and accrued income are initially recognised at the amount paid. Prepayments and accrued

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income may be written off according to the passage of time or the amount of benefits. The timing and method of settlement should be justified by the nature of the costs being accounted for.

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

#### CONTRACTUAL ASSETS AND LIABILITIES

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

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

- the customer simultaneously receives and benefits from the service as it is performed;
- as a result of performance, an asset is created or improved and control over that asset is exercised by the customer as it is created or improved;
- as a result of service provision, there is no item with an alternative use for the Group, and the Group has an enforceable right to payment for the provision of service to date.

Generally, the Group recognises the transfer of control over time in the case of construction contracts, including construction of facilities from modules and panels manufactured by the Group, property construction contracts and contracts for the execution of a development project commissioned by an investor, provided that the item related to land sales is not included in revenues and expenses related to the performance of the contract (the sale of land is carried as *Revenues from sales of goods and materials*).

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

The "Contractual liabilities" item also includes advances received from clients for the performance of the contract, including advances received as part of property development activity and initial fees paid by lessees during the construction of investment properties.

Development advances and initial fees paid by lessees during the construction period of development properties are initially recognised at the nominal value of cash received. Development advances are part of the selling price and will affect profit or loss when sales revenue is recognised.

#### TRADE AND OTHER LIABILITIES

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

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

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

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

Deferred income constitutes funds received for services to be rendered in future reporting periods, which will give rise to the recognition of the corresponding revenue. It is accounted for over time in order to maintain the principle of matching revenue and expenses.

The Group classifies the following items as deferred income:

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

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

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## CONTINGENT LIABILITIES AND RECEIVABLES

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

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

## TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

Transactions denominated in foreign currencies are recognised in PLN, using simplification, at the average exchange rate announced by the Central Bank on the day preceding the date of the transaction/operation. Monetary items of assets and liabilities expressed in a foreign currency are converted as of the balance sheet date according to the rate effective on this day. Exchange rate differences resulting from the settlement of transactions in foreign currencies and from the balance sheet valuation of monetary assets and liabilities denominated in foreign currencies are recognised as financial revenue or expenses.

Realised exchange rate differences on the Group's operating receivables, payables and foreign exchange are recognised in operating revenue or expenses. Unrealised exchange rate differences relating to operating activities and other realised and unrealised exchange rate differences are recognised under financial revenue or expenses and presented per balance under the "Financial revenue" or "Financial expenses" item, respectively.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are converted at the rate preceding the date of the transaction/operation (especially for entities using PLN as their functional currency, the conversion is made at the average exchange rate of the National Bank of Poland applicable on the day preceding the transaction). Non-monetary foreign currency balance sheet items measured at fair value are converted at the exchange rate effective on the date when the fair value was estimated (in particular for entities with PLN as their functional currency, the conversion is made on the basis of the average rate of exchange published by the NBP on the date when the fair value was estimated).

## EQUITY

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

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

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

The share capital as of the initial recognition is presented at nominal value.

Other reserves include in particular:

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

Share premium account is also created.

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

Non-controlling interests are the capital established in accordance with the rules presented in the *Consolidation rules* Section.

The share capital as of the initial recognition is presented at nominal value.

Where a reserve (special purpose) capital is created for share buy-backs, the share buy-backs are presented as a reduction of this reserve. The acquisition, sale, issue or cancellation of own equity instruments by the Group does not result in any profit or loss being recognised in consolidated profit or loss. Amounts paid or received are recognised directly in equity. Own shares may be acquired and retained by the Parent Company or another entity that is a member of the Group. Redemption of own shares is recognised as a derecognition of the value of own shares in correspondence with other capital lines e.g.: share capital, capital allocated for redemption of shares in accordance with shareholders' resolutions concerning redemption of own equity instruments.

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The liability to pay a dividend as adopted is recognised when the shareholder's right to receive the dividend is established as a deduction from equity.

As for the recipient of a dividend, revenue and a receivable are recognised when the shareholder's right to receive the dividend is established.

Advance dividends are recognised in accordance with the principles set out above.

### LOANS, OTHER FINANCIAL LIABILITIES

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

- loans, borrowings and other financial liabilities,
- lease liabilities,
- derivative financial instrument liabilities.

The item "Loans, borrowings and other financial liabilities" includes liabilities in respect of:

- loans and borrowings,
- bonds,
- purchase of shares,
- settlements with shareholders.

Financial liabilities are recognised in accordance with the principles described in the *Financial instruments* Section.

### PROVISIONS

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

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

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

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

#### Provision for warranty repairs

The provision is created in connection with the warranty obligations of companies of the Group, resulting from the construction services provided. The amount of the provision is determined on the basis of the experience of the Group as to the number of warranty repairs performed. As a rule, a provision is created in the amount of 0.5% of net income resulting from individual construction contracts. The exception is modular construction and construction, where a provision is created up to 2% - 3% of net revenue, as well as residential construction – a provision amounting to 1% of net revenue. In justified cases, on the basis of a decision of the Management Board, a provision is created in an individually determined amount, which may deviate from the above-mentioned framework.

#### Provision for repairs under the developer's statutory warranty granted

In the case of execution of development projects, the Group is obliged to provide a statutory warranty for defects in the finished products sold. Therefore, provisions are created for the estimated costs of performing the obligation resulting from the statutory warranty. The value of the provision is calculated according to the following formula:

$$R = \sum P_i * W_i$$

where:

R – the value of the provision in PLN

P<sub>i</sub> – the estimated number of flats (in units) after expiry of the warranty granted by the general contractor

W<sub>i</sub> – estimated value of warranty repair (in PLN)

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The value of the W indicator is estimated by the Execution Department and approved by the Unit Manager.

The provision in question is recognised on the date on which the occupancy permit is granted and is recognised on the other side in the selling costs.

### **Provision for losses on construction contracts**

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

### **Provision for estimated costs of completion of a development project**

At the date of obtaining the occupancy permit for the investment project, the Group estimates the value of costs which have to be incurred before the completion of the development project. The above applies in particular to the costs of subcontractor services which have not been provided as of the date of obtaining the occupancy permit.

### **Provision for disputes**

In the case of legal proceedings against the Group, the legal department and external law firms providing services to the Group in consultation with the Management Board make a detailed analysis of potential risks associated with the proceedings and on this basis a decision is made on the necessity to recognise a provision for disputes.

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

### **Other provisions**

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

### **Recognition of provisions**

In principle, provisions on the other side are included in the current period expenses. The provision for the estimated costs of development project completion is an exception.

The provision for the estimated costs of development project completion is recognised on the other side, as an inventory item. At the time of sales of the relevant finished goods, the sale is transferred (together with the cost of the finished product sold) to the manufacturing cost of products and services sold. The write-down is determined proportionally to the share of finished products sold in the total investment cost.

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

- an increase in the manufacturing costs of products and services sold – in the case of a provision for costs of subcontractors, for warranty repairs, for construction and a provision for disputes concerning contracts currently executed;
- an increase in selling costs – in the case of a provision for repairs covered by the developer's statutory warranty;
- an increase in other operating expenses – if they are related indirectly to operating and financing activities of the Group or if they are related to random events and provisions for disputes concerning the contracts submitted to the service.

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

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

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

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

- a decrease in the manufacturing costs of products and services sold – in the case of a provision for warranty repairs, construction provision and a provision for disputes concerning contracts currently executed;
- a decrease in selling costs – in the case of a provision for repairs under the developer's statutory warranty;

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- a decrease in other operating expenses – if the provision concerns indirectly operating activities, financing activities or random events, as well as a provision for disputes concerning contracts submitted to the service.

### EMPLOYEE BENEFITS

The Group is obliged by the applicable legal provisions to collect and pay contributions towards employee pension benefits. In accordance with IAS 19 "Employee Benefits", these benefits constitute a state plan in the form 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, these costs are recognised as social security and other benefits, except for benefits that have been capitalised in property, plant and equipment or inventories.

#### Provisions for retirement and pension severance pay

Employees of the Group Companies are entitled to receive retirement severance pay of a certain amount upon retirement. This benefit is classified as a post-employment plan of specific benefits.

Provisions for the above are estimated by an actuary using the projected unit credit method. Actuarial gains/losses are recognised in other comprehensive income. Other changes in the provision are recognised in profit or loss or capitalised in inventories if the changes concern production employees.

#### Other provisions for employee benefits

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

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

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

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

Provisions for employee bonuses are recognised when:

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

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

### DEFERRED TAX

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

- except where the deferred tax provision arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business merger and, at the time of the transaction, affects neither the gross financial result nor taxable profit or tax loss, and
- except when the timing of the reversal of temporary differences is controlled by the investor and it is

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probable that temporary differences will not reverse in the foreseeable future in the case of taxable temporary differences associated with investments in subsidiaries or associates and interests in joint ventures,

- in the case of lease contracts, the Group 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 negative temporary differences, as well as unused tax credits and unused tax losses carried forward to subsequent years, to the extent that it is probable that taxable income will be available, against which the above-mentioned differences, assets and losses can be utilised:

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

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

Deferred tax assets and provisions are measured at the tax rates that are expected to apply in the period when the asset is realised or the provision is released, based on tax rates (and tax laws) effective on the reporting date or which are certainly going to be effective as of the reporting date. In the case of taxable foreign operations conducted within one entity, e.g.: a foreign branch, representative office, for the purposes of calculating deferred tax a simplified tax rate appropriate to the tax residency of the entity is applied.

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

The Group offsets deferred tax assets against deferred tax provisions 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 taxable entity and is levied by the same taxation authority.

## CURRENT INCOME TAX

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

## SEGMENT REPORTING

The operating segments of the Group constitute a part of business activities of the Group, in connection with which the Group may earn revenues and incur expenses, and its performance is regularly reviewed by the main decision-making body, while the results of the review are used to make decisions on the allocation of resources to individual segments. Operating segments identified on the basis of internal reports are subject to periodic reviews by the chief operating decision maker – the Management Board of the Parent Company.

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

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

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

- recognised segment revenues (both those generated from sales to external clients and from exchanges between segments) constitute 10 percent or more of total external and internal revenue of all operating segments;
- the segment profit or loss recognised in absolute value constitutes 10 per cent or more of the greater of the following absolute values: the combined profit of all operating segments that did not recognise

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- a loss; and the combined loss of all operating segments that recognised a loss;  
• assets assigned to a segment constitute 10 per cent or more of total assets.

If total external revenue attributable to operating segments is less than 75 per cent of the Group's consolidated revenue, additional reportable segments are identified, even if they do not reach the 10 per cent thresholds set out above. The above approach is applied until the revenue from the reportable segments reaches at least 75 per cent of the Group's consolidated revenue.

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

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

### REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is the gross inflow of economic benefits for the period arising in the ordinary course of the Group's activities resulting in an increase in equity, other than an increase in equity resulting from shareholders' contributions. Revenue includes only the inflows of economic benefits received or receivable and therefore amounts collected on behalf of third parties (e.g. value added tax) do not constitute the Group revenue. In addition, revenue is recognised less of any returns, rebates and discounts.

The Group recognises revenue taking into account the 5-step model described below. This model may be applied to individual contracts or to a portfolio of contracts (or obligations to provide services) with similar characteristics if an entity reasonably expects that the effect of applying the principles listed below on its financial statements will not differ materially from applying the principles listed below to individual contracts (or obligations to provide services). The Group Companies analyse whether they act as a contractor or an agent.

#### Identification of a contract with a customer

A contract with a customer meets its definition when all the following criteria are satisfied:

- the parties to the contract have approved the contract and are bound to perform their obligations;
- the entity can identify each party's rights regarding the goods or services to be transferred;
- the entities can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance, i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract;
- it is probable that the entity will collect the consideration to which it will be 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 Group Companies assess the goods or services promised in a contract with a customer and identify as a performance obligation any promise to transfer to the customer: a good or service (or a 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.

#### Transaction price determination

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

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

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

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

Each contract is one performance obligation.

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## Allocation of the transaction price to individual performance obligations

The Group assigns a transaction price to each performance obligation (or to separate goods or services) in an amount reflecting the amount of remuneration which the Group expects to receive in return for the delivery of the promised goods or services to the customer.

## Recognition of revenue at the time of (or in the course of) meeting performance obligations

Performance obligations may be fulfilled over time or at a certain time. The Group recognises revenue when the performance obligations is met by transferring significant risks to the customer, as a result of which the customer obtains control over this asset. In property development activity, the moment of performance is considered to be the moment of signing the acceptance report and receiving the keys to the flat. Revenue is recognised as amounts equal to the transaction price allocated to a given performance obligation. In other activities, the moment of performance is the moment of issuance of the invoice.

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

- the customer simultaneously receives and benefits from the service as it is performed;
- as a result of performance, an asset is created or improved and control over that asset is exercised by the customer as it is created or improved;
- as a result of the performance, there is no asset with an alternative use for the Group and the Group has an enforceable right to payment for the performance to date.

In general, the Group recognises the transfer of control over time in the case of construction contracts, including construction of facilities from modules and panels manufactured by the Group, property construction contracts and contracts for the execution of a development project commissioned by an investor, provided that the item related to the sale of land is not included in revenue and expenses related to the performance of the contract (the sale of land is recognised as Revenue from sales of goods and materials).

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

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

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

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

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

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

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

Realised exchange rate differences on transactions with customers and the result of the exercise of derivative financial instruments are also recognised in revenue from sales if the hedged item had an impact on revenue from sales, as well as the discount on deposit receivables.

Revenue from sales of goods and materials includes, in particular, sales of land where the Group does not carry

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out development projects, sales of flats purchased for further resale, sales of design documentation purchased for further resale and sales of other assets classified as materials.

### OTHER OPERATING REVENUE AND EXPENSES

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

- creation and reversal of revaluation write-downs on property, plant and equipment, intangible assets, equity instruments, cash and cash equivalents and inventories other than in property development activity
- sales of tangible fixed assets, fixed assets in progress and intangible assets;
- creation and reversal of provisions, except for provisions recognised in manufacturing costs, selling costs or general administrative costs;
- received or charged penalties and fines, compensation for contracts transferred to the service and court fees incurred and received;
- on account of being charged with penalties and fines; compensation for contracts transferred to the service;
- revenue from warranty deposits;
- revenue from operating leases and the result on the sale of property, plant and equipment leased back under operating leases;
- profits or losses arising from the reclassification of investment property from/to inventories;
- received subsidies to revenue and expenses;
- costs of membership fees;
- profit on a bargain purchase;
- result on disposal of subsidiaries;
- acquisitions of undertakings;
- revaluation of financial assets;
- and other revenue and expenses not directly related to the core operating activities of the Group.

### FINANCIAL REVENUE AND EXPENSES AND EXPECTED CREDIT LOSSES

Financial revenue and expenses include mainly items of revenue and expenses related to the financing of the Group's activities.

Financial revenue related to the financing of the Group's activities include, in particular:

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

Financial expenses related to the financing of the Group's activities include, in particular:

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

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Expected credit losses include:

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

### CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, whereby the pre-tax result is adjusted for the effects of non-monetary transactions or cash payments not related to operating activities and for items of revenue and expenses associated with cash flows from investing or financing activities.

The Group classifies interests received as investing activities, as they result mainly from investments undertaken by the Group. On the other hand, interest paid is shown in financing activities, as it constitutes, in particular, an element of the financing cost.

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

### FINANCIAL INSTRUMENTS

#### Financial assets

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

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

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

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

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

- the entity's business model for financial asset management

and

- characteristics of contractual cash flows for a financial asset.

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

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

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

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

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

Notwithstanding the above, at the time of initial recognition, the Management Board may classify a financial

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asset as measured at fair value through profit or loss, if such classification reduces or eliminates an inconsistency in measurement or recognition.

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

#### Equity (share) Instruments

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

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

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

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

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

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

Unquoted equity instruments are measured at fair value.

#### Debt instruments

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

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

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

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

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

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

The recognition of a financial asset is discontinued only if:

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

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

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

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## Impairment

IFRS9 requires the determination of stages to assess whether a financial instrument is performing (Stage 1), underperforming (Stage 2) or non-performing (Stage 3). In Stage 1, the expected credit loss is calculated as the loss that arises during the 12 months following the balance sheet date, in Stage 2 - over the lifetime of the instrument. Assets classified as Stage 3 are impaired and expert knowledge is required to estimate the expected credit loss (in principle, such assessment should be performed outside the tool). The tool supports the stage assignment process and helps classify instruments into Stage 1, Stage 2 or Stage 3. This qualitative assessment is built into the tool in the form of questions that should confirm the existence or non-existence of a specific condition ("yes" or "no" answers in the questionnaire). The initial decision as to whether an instrument will qualify for Stage 1, Stage 2, or Stage 3 is shown in the "Result" tab. The user makes the final assessment after taking into account all facts and circumstances, including information (if any) that is not included in the tool (i.e. an arbitrary decision may be made, regardless of the results provided by the tool).

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

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

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

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

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

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

As a result of individual analysis, when the Group has a reliable declaration of payment from the contractor despite significant overdue receivables, the creation of a write-down may be withheld.

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

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

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### Financial liabilities

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

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

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

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

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

### HEDGE ACCOUNTING

The Group companies use derivative instruments to hedge the risk of exchange rate fluctuations on transactions settled in foreign currencies.

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

#### Criteria for applying hedge accounting

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

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

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

#### Cash flow hedges

This is a hedge of the risk of fluctuations in cash flows that (i) is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and (ii) may affect 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 *Financial revenue* or *Financial expenses*, respectively;
- if a hedged planned transaction results in the recognition of a financial asset or a financial liability, the associated gains or losses recognised in other comprehensive income (an effective hedge) are reclassified into profit or loss in the same period or periods in which the hedged flows affect profit or loss and presented in the same item as the hedged item;
- if a hedged planned transaction results in the recognition of a non-financial asset or a non-financial liability, the amounts recognised directly in other comprehensive income (effective hedge) are recognised in profit or loss in the same period or periods in which the assets acquired or liabilities assumed affect profit or loss for the period and presented in the same item in which the effect of the hedged item is presented.

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### EQUITY METHOD

In accordance with this method, at the date of acquisition of shares in a jointly controlled entity or an associate, the shares are recognised at cost, including transaction costs, and in subsequent periods after acquisition this value is adjusted for changes in the net assets of the entity over which the Group has significant influence, in accordance with its share in that entity. This means that profit or loss attributable to the Group is included in the profit or loss of the Group and other comprehensive income attributable to the Group is included in its other comprehensive income. In other words, the Group recognises within profit or loss its share in the profit or loss of the associate or joint venture in the line *Share in net profits (losses) of entities measured using the equity method* and separately recognises within other comprehensive income the Group's share of other comprehensive income of the associate or joint venture.

Any distribution of results of an entity transferred to the Group (e.g. an associate or a joint venture paying a dividend to the Group) reduces the value of the investment in the associate, and/or joint venture when the dividend is approved (the right of the Group to receive the dividend arises).

Investments in entities measured using the equity method are tested for impairment if objective evidence of impairment exists.

The amount of the impairment loss on investments in entities measured using the equity method is determined in accordance with the requirements of IAS 36 Impairment, i.e. it corresponds to the difference between the carrying amount of the financial asset and its recoverable amount (the higher of its value in use and fair value less costs to sell the asset). No impairment loss is allocated to the individual assets making up the book value of investments in entities measured using the equity method. The amount of the impairment loss is recognised in the line *impairment of investments in entities measured using the equity method*.

When objective evidence of impairment of an investment ceases to exist, the investment must be tested for impairment again and, if necessary, the impairment loss recognised must be reversed, up to an amount not exceeding the carrying amount of the investment that would have been determined had no impairment loss been recognised.

### GOODWILL

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

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

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

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

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

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

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



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## 3.2. Consolidation principles

Consolidated financial statements include financial statements of the parent company and statements of entities controlled by the parent company (subsidiaries), jointly controlled entities and associates prepared as of the balance sheet date or other reporting date.

In order to determine whether the Group exercises control over the entity, a detailed analysis of facts and circumstances indicating the existence of control is performed. In particular, the following elements shall be considered:

- exercising power over an entity – where power is understood as the Group's possession of currently existing and significant rights that enable it to manage on an ongoing basis the relevant activities of the entity, i.e. those that have a significant impact on the returns generated by the entity, e.g. sales and purchases of goods and services, management of financial assets, acquisition or disposal of assets, and financing activities;
- exposure to, or right to, variable returns on investments – variable returns are returns that are not fixed and can change as a result of the actions of the unit invested in, for example, dividends, interest, service charges, changes in the fair value of the investment, tax benefits.

Transactions involving exchanges of shares between entities under common control, in the absence of specific regulations in IAS/IFRS, are recognised in the parent company's separate financial statements with no impact on profit or loss, and any difference from the measurement of the exchanged shares is credited to the share exchange reserve.

The profit or loss of entities acquired or disposed of during the year is recognised in the consolidated financial statements from/until they are acquired or disposed of, respectively.

Full consolidation of subsidiaries is carried out in accordance with the following principles:

- all relevant assets and liabilities of subsidiaries and the parent company are aggregated in full, regardless of the proportion of ownership of the subsidiary by the parent company;
- after aggregation, consolidation adjustments and exclusions are made;
- all relevant items of revenue and expense of subsidiaries and the parent company are aggregated in full regardless of the proportion of ownership of the subsidiary by the parent company;
- after aggregation, consolidation adjustments and exclusions are made.

Jointly controlled entities and associates are consolidated using the equity method.

Non-controlling interest is the capital of subsidiaries that is not attributable, directly or indirectly, to the parent company.

These shares are presented in the Group's consolidated statement of financial position within equity (separately from the equity of the owners of the parent company) in the *Non-controlling interests* item.

Transactions with non-controlling shareholders that do not result in a loss of control are reported as equity transactions. The difference between the fair value of the consideration transferred and the share acquired in the carrying amount of net assets of the subsidiary is recognised in equity under the *Retained earnings* item. Gains or losses on the disposal of non-controlling interests are determined similarly. These gains or losses are also disclosed in equity under the *Retained earnings* item.

The consolidated net result is attributed to the shareholders of the parent company and non-controlling interests.

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### 3.3. Rules adopted for conversion of financial data

The financial statements of foreign entities are converted for consolidation purposes into the Polish currency in the following manner:

- particular items of assets and liabilities of the balance sheet, except for equity, are converted according to the average exchange rate announced for the given currency by the National Bank of Poland as of the balance sheet date;
- the relevant items of the income statement are converted at the exchange rate being the arithmetic mean of average exchange rates as at the end of each month of the reporting period announced for a given currency by the National Bank of Poland;
- the equity of the entity is converted according to the average exchange rate as of the day of taking control, announced for a given currency by the National Bank of Poland,
- exchange gains and losses arising as a result of such conversion are recognised in the consolidated balance sheet directly in equity, as a separate item.

The financial data in EUR have been converted according to the following rules:

- particular items of assets and liabilities of the balance sheet, except for equity - according to the average exchange rate of the National Bank of Poland applicable on 31 December 2021 - PLN/EUR 4.5994, 31 December 2020 - PLN/EUR 4.6148
- relevant items of the income statement – at the average exchange rate in the period from 1 January 2021 to 31 December 2021 – PLN/EUR 4.5775 and in the period from 1 January 2020 to 31 December 2020 – PLN/EUR 4.4742
- equity of the entity - according to the average exchange rate of the National Bank of Poland as at the date of taking control over the entity.

The financial data in NOK have been converted according to the following rules:

- particular items of assets and liabilities of the balance sheet, except for equity - according to the average exchange rate of the National Bank of Poland applicable on 31 December 2021 - PLN/NOK 0.4608, 31 December 2020 - PLN/NOK 0.44
- relevant items of the income statement – at the average exchange rate in the period from 1 January 2021 to 31 December 2021 – PLN/NOK 0.4505 and in the period from 1 January 2020 to 31 December 2020 – PLN/NOK 0.4147
- equity of the entity - according to the average exchange rate of the National Bank of Poland as at the date of taking control over the entity.

### 3.4. Selected financial data converted into EUR

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

	as of 31/12/2021		as of 31/12/2020	
	PLN	EUR	PLN	EUR
Fixed assets	330,591,274.72	71,877,043.68	294,403,922.02	63,795,597.21
Current assets	1,197,745,005.45	260,413,315.97	932,919,175.65	202,158,094.75
<b>Total assets</b>	<b>1,528,336,280.17</b>	<b>332,290,359.65</b>	<b>1,227,323,097.67</b>	<b>265,953,691.96</b>
Equity	377,013,078.92	81,970,056.73	330,735,881.87	71,668,519.08
Liabilities and provisions for liabilities	1,151,323,201.25	250,320,302.92	896,587,215.80	194,285,172.88
<b>Total liabilities</b>	<b>1,528,336,280.17</b>	<b>332,290,359.65</b>	<b>1,227,323,097.67</b>	<b>265,953,691.96</b>

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

To convert the data of the statement of financial position as of 31 December 2020, the EUR exchange rate established by the NBP at that date, i.e. the rate of PLN/EUR 4.6148, was adopted.



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## 3.4.2. Basic items of the statement of comprehensive income converted into EUR

	01/01- 31/12/2021		01/01- 31/12/2020	
	PLN	EUR	PLN	EUR
Revenue from contracts with customers	1,712,390,377.83	374,088,558.78	1,682,336,959.67	376,008,439.42
Costs of products, goods and materials sold	1,578,725,459.26	344,888,139.65	1,543,609,517.21	345,002,350.63
Gross profit (loss) on sales	133,664,918.57	29,200,419.13	138,727,442.46	31,006,088.79
Profit (loss) on operating activities	61,479,740.98	13,430,855.48	59,792,342.12	13,363,806.29
<b>Gross profit (loss)</b>	<b>59,115,418.63</b>	<b>12,914,345.96</b>	<b>54,603,797.65</b>	<b>12,204,147.70</b>
<b>Net profit (loss)</b>	<b>47,132,669.76</b>	<b>10,296,596.34</b>	<b>37,152,632.08</b>	<b>8,303,748.62</b>
<b>Total comprehensive income</b>	<b>52,679,420.96</b>	<b>11,508,338.82</b>	<b>26,542,749.44</b>	<b>5,932,401.20</b>

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 comprehensive income for the period from 01/01/2020 to 31/12/2020, 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 4.4742.



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

	01/01- 31/12/2021		01/01- 31/12/2020	
	PLN	EUR	PLN	EUR
A. Cash flows from operating activities	-3,012,438.90	-658,096.97	121,306,509.01	27,112,446.70
B. Cash flows from investing activities	-11,153,260.43	-2,436,539.69	-7,341,376.40	-1,640,824.37
C. Cash flows from financing activities	21,684,506.65	4,737,194.24	-28,429,368.27	-6,354,067.38
D. Total net cash flows (A +/- B +/- C)	7,518,807.32	1,642,557.58	85,535,764.34	19,117,554.95
E. Exchange rate differences	-122,963.24	-26,862.53	51,010.94	11,401.13
F. Cash opening balance	264,064,942.76	57,221,318.97	178,478,167.48	41,911,040.85
G. Cash closing balance	271,460,786.84	59,020,912.91	264,064,942.76	57,221,318.97

To convert the data of the cash flow statement for the period from 01/01/2021 to 31/12/2021, the following EUR exchange rates were adopted:

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

To convert the data of the cash flow statement for the period from 01/01/2020 to 31/12/2020, the following EUR exchange rates were adopted:

- to calculate data from items A, B, C, D, E – average exchange rate calculated as the arithmetic mean of the exchange rates applicable on the last day of each month in the given period, established by the NBP on that day, i.e. the rate of PLN/EUR 4.4742;
- to calculate data from the F item – the exchange rate established by the NBP as of 31 December 2019, i.e. the rate of PLN/EUR 4.2585,
- to calculate data from the G item – the exchange rate established by the NBP as of 31 December 2020, i.e. PLN/EUR 4.6148.

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## 4. Financial risk management

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

### Foreign exchange risk

As a part of its operating activities, the Group enters into contracts which are (or may be) denominated or expressed in foreign currencies. In terms of export earnings, hedging against foreign exchange risk is primarily effected through a natural hedging mechanism, which consists in signing contracts with subcontractors in the currency of the contract, thus transferring the risk to them. Therefore, the Company's foreign exchange risk in the case of export contracts is limited to an amount close to the realised margin – this is related to contracts performed in Belarus and Ukraine in 2021. In the case of contracts performed in Norway and Sweden, the natural hedging mechanism is estimated at approx. 20%. Natural hedging for contracts performed in Poland and expressed in EUR does not exceed 10%.

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

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

- 1) hedging amounts not greater than the planned net foreign currency flows,
- 2) using simple and predictable tools, e.g. forward options, purchase of put options.

Analysing the planned foreign currency transactions that may occur in 2022, based on the current order portfolio, the Group estimates the maximum total foreign exchange risk exposure to be approx. EUR 44.3 million, NOK 261.6 million and SEK 54.8 million (a year ago it was: EUR 19 million, NOK 440 million and SEK 136 million).

The table below shows the estimated sensitivity of net profit or loss to EUR, NOK and SEK exchange rate fluctuations (assuming no hedging through financial instruments):

	EXCHANGE RATE INCREASE/DECREASE	IMPACT ON NET PROFIT OR LOSS 2022	IMPACT ON NET PROFIT OR LOSS 2021
RATE INCREASE	PLN/EUR +0.20	+7,501,410	+3,078,000
	PLN/SEK +0.05	+2,218,266	+5,508,000
	PLN/NOK +0.05	+10,594,962	+17,820,000
RATE DECREASE	PLN/EUR -0.20	-7,501,410	-3,078,000
	PLN/SEK +0.05	-2,218,266	-5,508,000
	PLN/NOK +0.05	-10,594,962	-17,820,000

Some of the Group's assets and liabilities are denominated in foreign currencies and then converted into Polish zloty on the basis of the average rate of exchange published by the National Bank of Poland on the valuation date. The carrying value of the Group's assets and liabilities of significant value determined in foreign currencies as at the balance sheet date is as follows:

Assets	31/12/2021	31/12/2020
<b>EUR</b>	<b>6,369,196.77</b>	<b>6,218,227.65</b>
- fixed assets	142,345.16	-
- inventories	98,631.12	73,472.49
- receivables	5,944,419.28	5,962,776.03
- cash	183,801.21	174,949.93
- other	-	7,029.20
<b>NOK</b>	<b>86,977,242.75</b>	<b>98,007,272.38</b>
- fixed assets	120,972.20	15,000.00
- inventories	116,068.52	101,068.52
- receivables (including loans granted)	68,706,033.60	86,039,492.67
- cash	18,034,168.43	8,601,291.78
- other	-	3,250,419.41
<b>SEK</b>	<b>10,552,335.41</b>	<b>6,490,021.86</b>
- fixed assets	202,200.00	-
- inventories	1,042,366.73	859,986.93
- receivables	9,213,968.53	5,328,261.41
- cash	93,800.15	209,850.18
- other	-	91,923.34
<b>Liabilities</b>	<b>31/12/2021</b>	<b>31/12/2020</b>

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<b>EUR</b>	<b>4,435,545.73</b>	<b>5,887,318.19</b>
- liabilities	4,435,545.73	2,993,201.59
- provisions for liabilities and accruals	-	2,894,116.60
<b>NOK</b>	<b>41,891,824.29</b>	<b>52,282,627.63</b>
- liabilities	41,891,824.29	52,282,627.63
<b>SEK</b>	<b>4,101,417.39</b>	<b>2,528,626.64</b>
- liabilities	4,101,417.39	2,528,626.64

Taking into account the above-mentioned values of the Group's assets and liabilities expressed in foreign currencies, the sensitivity of net profit or loss to changes in exchange rates is as follows:

	EXCHANGE RATE INCREASE/DECREASE	IMPACT ON NET PROFIT OR LOSS 2022	IMPACT ON NET PROFIT OR LOSS 2021
RATE INCREASE	PLN/EUR +0.20	+313,251	+53,607
	PLN/SEK +0.05	+261,262	+160,437
	PLN/NOK +0.05	+1,825,959	+1,851,848
RATE DECREASE	PLN/EUR -0.20	-313,251	-53,607
	PLN/SEK -0.05	-261,262	-160,437
	PLN/NOK -0.05	-1,825,959	-1,851,848

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

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

The total nominal value of FX Forward contracts as at 31 December 2021 was EUR 41 million, SEK 75 million and NOK 211.7 million (as at 31 December 2020, it was EUR 32.8 million, SEK 101 million and NOK 485 million).

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

	EXCHANGE RATE INCREASE/DECREASE	IMPACT ON NET PROFIT OR LOSS 2022	IMPACT ON NET PROFIT OR LOSS 2021
RATE INCREASE	PLN/EUR +0.20	-6,649,290	-5,316,354
	PLN/SEK +0.05	-3,037,500	-4,090,500
	PLN/NOK +0.05	-8,572,433	-19,642,500
RATE DECREASE	PLN/EUR -0.20	+6,649,290	+5,316,354
	PLN/SEK -0.05	+3,037,500	+4,090,500
	PLN/NOK -0.05	+8,572,433	+19,642,500

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

	EXCHANGE RATE INCREASE/DECREASE	IMPACT ON NET PROFIT OR LOSS 2022	IMPACT ON NET PROFIT OR LOSS 2021
RATE INCREASE	PLN/EUR +0.20	+1,165,371	-2,184,747
	PLN/SEK +0.05	-557,972	+1,577,937
	PLN/NOK +0.05	+3,848,489	+29,348
RATE DECREASE	PLN/EUR -0.20	-1,165,371	+2,184,747
	PLN/SEK -0.05	+557,972	-1,577,937
	PLN/NOK -0.05	-3,848,489	-29,348

#### Interest rate risk

Interest rate risk is mainly related to the use of bank loans, lease and bank deposits by the Group. 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 Group to the risk of changes in profit or loss and cash flows.

Lease is not decisive in the financing of the Group companies (it concerns mainly purchases of vehicle fleet and specialised road machinery).

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

Given the current level of loan financing, it is assumed that the effects of a change in interest rates will not have a material impact on the 2022 results; however, the Group continuously analyses potential interest rate changes by creating appropriate scenarios. All interest-bearing liabilities in the Group amount to 15% of the balance sheet total and no significant changes are expected by the end of 2022.

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

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

	31/12/2021	31/12/2020
Loans granted	68,579,795	53,218,970
Bank loans, bonds, lease	227,094,294	108,435,255
Cash	271,460,787	264,064,943
<b>TOTAL</b>	<b>567,134,876</b>	<b>425,719,168</b>

In order to carry out the interest rate sensitivity analysis, on the basis of historical changes in value and on the basis of the Group's knowledge and experience in the financial markets, changes in interest rates which are "reasonably possible" were estimated as at 31/12/2021 at -2 / +2 percentage points for the Polish zloty in the case of bank loans, bonds and lease liabilities, and -1 / +1 percentage point for other areas (a year ago it was -1/+1 and -0.5/+0.5, respectively).

The table below shows the sensitivity of net profit or loss to changes in interest rates.

	Changes in interest rates	Impact on net profit or loss for 2022	Impact on net profit or loss for 2021
Loans granted	+/-200 bps	+/-1,110,993	+/-431,074
Bank loans, bonds, lease	+/-200 bps	+/-3,678,928	+/-878,326
Cash	+/-100 bps	+/-2,198,832	+/-1,069,463

### Credit risk

The Group's financial assets that are exposed to credit risk are primarily cash held in bank accounts or deposits, loans granted to external entities, and trade receivables.

In order to minimise the risk related to the loss of cash 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 Group companies take steps to disperse the cash in such a way that a significant amount of it is not located in just one financial institution. Cash is sent to bank accounts held outside Poland only in such an amount as to secure the next payments to be made from those accounts.

When granting loans to external entities, the Group follows the general rule that they may be granted only in connection with projects implemented by the Group. If loans were granted to unrelated entities, this was done only in connection with the implemented projects, when the projects had secured financing and when the loans were covered by at least 100% of the established securities.

Before signing a contract, each counterparty is assessed in terms of its ability to meet its financial obligations. Most of the current contracts are performed for proven and reliable partners (subsequent contracts). In the case of doubts regarding the counterparty's ability to pay, entering into a contract is subject to the provision of appropriate security (financial or on property). In addition, contracts signed with investors include clauses providing for the right to suspend the performance of works, if there is a delay in the payment of amounts due for the provided services. However, it cannot be ruled out that a possible downturn in the property market will affect investors' ability to pay, and thus increase the Group's credit risk.

When determining the risk of impairment of receivables from counterparties (trade receivables increased and deposits retained by investors), the Group performs both individual assessment of receivables and uses a model to estimate the expected credit losses (receivables not covered by individual assessment). The model uses historical data on the rotation of receivables between individual overdue baskets. On this basis, the probability



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of non-payment is determined for each basket. The product of the probability thus calculated and the volume of receivables from a given basket determines the expected credit loss for each basket. Data on expected credit losses as at 31/12/2021 are presented in the table below:

Details/days of delay	0	up to 90	91-180	181-360	361-720	Over 720	Total
Receivables from counterparties	126,992,067	14,055,106	1,541,201	5,641,376	15,958,488	40,981,855	205,170,093
Expected loss rate	0.06%	3.21%	3.07%	3.97%	34.14%	100.00%	23.02%
Expected loss	70,217	451,184	47,268	223,844	5,448,272	40,981,855	47,222,640
Deposits withheld by counterparties	41,832,638	-	-	-	-	-	41,832,638
Expected loss rate	3.30%	-	-	-	-	-	3.30%
Expected loss	1,379,611	-	-	-	-	-	1,379,611
Contractual assets	233,925,665	-	-	-	-	-	233,925,665
Expected loss rate	0.04%	-	-	-	-	-	0.04%
Expected loss	101,656	-	-	-	-	-	101,656
<b>Total expected loss</b>	<b>1,551,484</b>	<b>451,184</b>	<b>47,268</b>	<b>223,844</b>	<b>5,448,272</b>	<b>40,981,855</b>	<b>48,703,907</b>

The comparative data for 2020 are presented in the summary below:

Details/days of delay	0	up to 90	91-180	181-360	361-720	Over 720	Total
Receivables from counterparties	165,504,023	41,269,929	1,373,441	6,221,754	11,452,758	37,915,377	263,737,282
Expected loss rate	2.99%	1.23%	10.30%	15.90%	45.18%	92.81%	17.80%
Expected loss	4,945,298	507,034	141,532	989,529	5,174,507	35,190,703	46,948,603
Deposits withheld by counterparties	41,578,585	1,845,146	-	1,744	3,078	1,591,740	45,020,293
Expected loss rate	0.05%	0.01%	-	3.44%	32.15%	79.49%	2.86%
Expected loss	21,681	186	-	60	990	1,265,304	1,288,221
Contractual assets	90,983,551	-	-	-	-	-	90,983,551
Expected loss rate	0.04%	-	-	-	-	-	0.04%
Expected loss	35,819	-	-	-	-	-	35,819
<b>Total expected loss</b>	<b>5,002,798</b>	<b>507,220</b>	<b>141,532</b>	<b>989,589</b>	<b>5,175,497</b>	<b>36,456,007</b>	<b>48,272,643</b>

In 2021, the Group wrote down receivables for a total of PLN 480.7 thousand, and in 2020 these were receivables for PLN 2,527.8 thousand.

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

	31/12/2021	31/12/2020
Cash	271,460,787	264,064,943
Receivables from counterparties	198,400,481	260,520,750
Loans granted	68,579,795	53,683,023
<b>Total</b>	<b>538,441,063</b>	<b>578,268,716</b>

### Liquidity risk

In order to minimise the liquidity risk, the Group tries to maintain an adequate amount of cash (as at 31 December 2021, the Group's bank accounts had PLN 271 million in cash) and concludes credit facility contracts, which serve as additional security of liquidity. In addition, it forecasts and monitors cash flows on an ongoing basis. These activities are supported by systemic solutions for determining expected and measuring actually realised revenue and expenses by the Group's individual business lines. The relevant departments in the Group forecast cash flows over the next 12 months and analyse a very detailed statement of receipts and expenditure over the next 30 days. If necessary, an increase in the available credit limits is negotiated in advance.

As at 31 December 2021, the Group had the following credit limits in current accounts with the following banks:

- PKO BP S.A. in the amount of PLN 15 million, valid until November 2022,
- BNP Paribas Bank Polska S.A. in the amount of PLN 20 million, valid until September 2022,
- Santander Bank Polska S.A. in the amount of PLN 10 million, valid until September 2022,
- mBank S.A. in the amount of PLN 10 million, valid until February 2022,
- mBank S.A. in the amount of PLN 3 million, valid until June 2022,
- BGK in the amount of PLN 25 million, valid until February 2022,
- BGK in the amount of PLN 5 million, valid until February 2022,
- ING Bank Śląski S.A. in the amount of PLN 5 million, valid until June 2022,
- ING Bank Śląski S.A. in the amount of PLN 5 million, valid until June 2022,
- Santander Bank Polska S.A. in the amount of PLN 8 million, valid until September 2022,
- Santander Bank Polska S.A. in the amount of PLN 10 million, valid until June 2022,

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

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

The Group tries to sign contracts only with reliable, financially sound partners who have access to bank financing. Moreover, in contracts for specific construction or road works, the Company always tries to establish performance bonds and warranty bonds in the form of bank or insurance guarantees, and not in the form of its own cash retained by investors. This is possible thanks to the Group's wide access to guarantee limits both in banks and insurance companies. As of 31 December 2021, the Group had such limits in the total amount of PLN 1,021 million. Their use amounted to 56.4%, i.e. PLN 576 million. At the same time, in contracts with subcontractors, if possible, contractual provisions are created which make the payments to subcontractors conditional upon receipt of funds from the investor.

In order to finance investment purchases, the Group uses its own funds and long-term bank credits, ensuring appropriate durability of the financing structure for this type of assets. Large residential and commercial projects are and will be implemented in the form of special purpose vehicles. New projects will be financed from the Group's own funds and from bank loans. In addition, the Company issued own bonds with a nominal value of PLN 120 million. PLN 20 million is due to series F with a redemption date specified for June 2022. The remaining PLN 100 million relates to series G and H with redemption dates in March and November 2024, respectively.

Taking into account the actions taken and described above, the financial condition of the Group, the current liquidity ratio of 1.3 and the collateral provided by the credit lines, in the Group's opinion the risk of loss of liquidity is negligible:

The aging of the Group's undiscounted liabilities as at 31 December 2021 is presented in the table below (data in PLN):

	up to 1 month	from 2 to 3 months	from 4 to 12 months	over 1 year	TOTAL
- trade liabilities and other liabilities	193,136,455	74,710,009	1,273,494	252,445	269,372,403
- deposits withheld from suppliers	22,658,268	12,898,728	12,607,427	66,220,220	114,384,643
- lease liabilities	978,524	1,957,574	90,225,736	44,738,388	137,900,222
- liabilities due to loans and borrowings (excluding overdrafts)	430,000	860,000	25,364,534	3,799,893	30,454,427
- bond liabilities	-	19,850,000	-	100,057,000	119,907,000
- off-balance sheet liabilities (guarantees, sureties, etc.)	240,000	2,142,880	128,380,063	445,203,571	575,966,514
<b>Total</b>	<b>217,443,247</b>	<b>112,419,191</b>	<b>257,851,254</b>	<b>660,271,517</b>	<b>1,247,985,209</b>

### Capital management

The main objective of the Group's capital management is to maintain a good credit rating and safe capital ratios which would support the operating activities of the Group companies and increase the value for their shareholders.

The Group 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 Group companies may buy back their own shares, return capital to shareholders, issue new shares and pay dividends. In 2021, no changes were made to the objectives and process rules in this area.

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

### CAPITAL MANAGEMENT (PLN)

	31/12/2021	31/12/2020
	<b>Group</b>	<b>Group</b>
Interest-bearing loans, borrowings and bonds	227,094,294	172,560,572
Trade and other liabilities	688,639,354	523,448,945
Cash and cash equivalents	271,460,787	264,064,943
Net debt	644,272,861	431,944,574
Equity	377,013,079	330,371,080
Net capital and debt	1,021,285,940	762,315,654
	63.08%	56.66%

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

For the period from 01/01/2020 to 31/12/2021

	Financial assets measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Interest revenue/expenses	5,061,077.45	-	-3,990,477.03	1,070,600.42
Foreign exchange gains/losses	-2,165,772.26	-	-426,743.80	-2,592,516.06
Expected credit losses (creation/release) *	-2,516,627.00	-	-	-2,516,627.00
Gains/losses on disposal/exercise of financial instruments	-	-905,523.82	-	-905,523.82
<b>Total</b>	<b>378,678.19</b>	<b>-905,523.82</b>	<b>-4,417,220.83</b>	<b>-4,944,066.46</b>

\* - trade and other receivables -744,804.66  
 - deposits under construction contracts -91,390.34  
 - loans -1,680,432.00

For the period from 01/01/2019 to 31/12/2020

	Financial assets measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Total
Interest revenue/expenses	4,316,044.24	-	-11,037,706.01	-6,721,661.77
Foreign exchange gains/losses	3,950,215.74	-	-2,762,252.09	1,187,963.65
Expected credit losses (creation/release) *	-13,219,258.80	-	-	-13,219,258.80
Gains/losses on disposal/exercise of financial instruments	-	-186,740.27	-	-186,740.27
<b>Total</b>	<b>-4,952,998.82</b>	<b>-186,740.27</b>	<b>-13,799,958.10</b>	<b>-18,939,697.19</b>

\* - trade and other receivables -15,719,520.27  
 - deposits under construction contracts 3,014,366.65  
 - loans -514,105.18

### Financial assets and liabilities measured at fair value

#### Financial assets measured at fair value

For the period from 01/01/2019 to 31/12/2021

	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value through profit or loss	-	-	-	-
Derivative financial instruments in cash flow hedge accounting	-	175,556.46	-	175,556.46
<b>Total</b>	-	<b>175,556.46</b>	-	<b>175,556.46</b>

For the period from 01/01/2020 to 31/12/2020

There were no financial assets measured at fair value.

#### Financial liabilities measured at fair value

For the period from 01/01/2021 to 31/12/2021

	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value through profit or loss	-	-	-	-
Derivative financial instruments in cash flow hedge accounting	-	11,977,112.17	-	11,977,112.17
<b>Total</b>	-	<b>11,977,112.17</b>	-	<b>11,977,112.17</b>

For the period from 01/01/2020 to 31/12/2020

	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value through profit or loss	-	929,081.19	-	929,081.19
Derivative financial instruments in cash flow hedge accounting	-	12,083,528.02	-	12,083,528.02

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Total - 13,012,609.21 - 13,012,609.21

**Derivative financial instruments**

**Financial assets under measurement of derivative instruments**

**Forward foreign exchange contracts**

	as of 31/12/2021	as of 31/12/2020
measured in hedge accounting		
Forward	175,556.46	-
<b>TOTAL:</b>	<b>175,556.46</b>	<b>-</b>

**Financial liabilities under measurement of derivative instruments**

**Forward foreign exchange contracts**

	as of 31/12/2021	as of 31/12/2020
measured through profit or loss		
IRS	-	929,081.19
<b>TOTAL:</b>	<b>-</b>	<b>929,081.19</b>
measured in hedge accounting		
Forward	11,977,112.17	12,083,528.02
<b>TOTAL:</b>	<b>11,977,112.17</b>	<b>12,083,528.02</b>

The total nominal value of FX Forward contracts as at 31 December 2021 was NOK 211.7 million, EUR 41 million and SEK 75 million (SEK 101million, EUR 32.8 million and NOK 485 million as at 31 December 2020). The periods of expected settlements related to the hedges held are presented in the table below:

Hedged currency/deadline	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	TOTAL
NOK	33,665,000.00	-	43,000,000.00	65,000,000.00	70,000,000.00	-	-	211,665,000.00
EUR	-	8,245,000.00	6,800,000.00	14,000,000.00	-	7,000,000.00	5,000,000.00	41,045,000.00
SEK	-	20,000,000.00	-	30,000,000.00	-	-	25,000,000.00	75,000,000.00

NOK forward rate (average) 0.4405 EUR forward rate (average) 4.6688 SEK forward rate (average) 0.4573

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

	as of 31/12/2021	as of 31/12/2020
less than 1 year	7,417.97	-
from 1 to 3 years	168,138.49	-
<b>TOTAL:</b>	<b>175,556.46</b>	<b>-</b>

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

	as of 31/12/2021	as of 31/12/2020
less than 1 year	7,318,083.88	9,948,708.90
from 1 to 3 years	4,659,028.29	3,063,900.31
<b>TOTAL:</b>	<b>11,977,112.17</b>	<b>13,012,609.21</b>

The impact of derivative instruments and hedging transactions on the items of the income statement and on the statement of comprehensive income is presented below:

	as of 31/12/2021	as of 31/12/2020
Revenue from sales	-11,057,892.60	4,904,447.00
Financial revenue and expenses:	-5,091,436.52	-872,502.76
Under exercise of derivative instruments	-905,523.82	-186,740.27
Under measurement of derivative instruments	-4,185,912.70	-685,762.49
<b>The impact of derivative instruments on the profit or loss for the period</b>	<b>-16,149,329.12</b>	<b>4,031,944.24</b>
<b>Statement on comprehensive income in the part concerning other comprehensive income</b>		
<b>Impact of hedging transactions:</b>	<b>5,396,966.20</b>	<b>-12,986,757.64</b>
Impact of measurement of hedging transactions (effective part)	-15,693,829.50	-8,101,261.84
Reclassification to revenue from sales due to realisation of a hedged item	21,090,795.70	-4,885,495.80
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-10,752,362.92</b>	<b>-8,954,813.40</b>

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## 6. Notes to the consolidated financial statements

### 6.1. Fixed assets

	as of 31/12/2021	as of 31/12/2020
Own fixed assets	86,794,007.53	90,058,336.34
Right-of-use assets	54,399,768.41	38,348,357.22
<b>Total fixed assets</b>	<b>141,193,775.94</b>	<b>128,406,693.56</b>

#### Own fixed assets

	as of 31/12/2021	as of 31/12/2020
Land	7,884,050.12	7,288,543.86
Buildings, premises and civil engineering structures	57,500,508.31	60,749,618.99
Plant and machinery	15,522,478.62	17,861,812.36
Vehicles	514,419.33	615,727.64
Other fixed assets	2,991,687.52	3,135,436.55
Fixed assets in progress	2,380,863.63	407,196.94
<b>Own fixed assets</b>	<b>86,794,007.53</b>	<b>90,058,336.34</b>

#### Right-of-use assets

	as of 31/12/2021	as of 31/12/2020
Land	5,267,160.51	5,579,680.60
Buildings, premises and civil engineering structures	13,039,911.75	11,062,776.00
Plant and machinery	11,701,257.65	7,658,467.49
Vehicles	21,640,978.58	10,475,533.77
Other right-of-use assets	2,750,459.92	3,571,899.36
<b>Right-of-use assets</b>	<b>54,399,768.41</b>	<b>38,348,357.22</b>

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**Change in own fixed assets**

**For the period from 01/01/2020 to 31/12/2021**

	Land	Buildings, premises and civil engineering structures	Plant and machinery	Vehicles	Other fixed assets	Fixed assets in progress	Total fixed assets
Gross opening balance	7,434,842.90	78,431,281.89	45,389,057.47	4,505,040.34	8,298,597.82	407,174.94	146,449,014.34
Increases	880,806.60	374,780.78	4,885,570.04	2,320,370.98	1,135,618.82	3,318,622.60	12,715,801.84
Purchase	-	104,006.40	3,180,656.11	106,704.50	797,183.24	3,318,622.60	7,509,213.45
Transfer from construction in progress	680,600.60	470,774.38	1,697,913.93	2,211,866.48	238,246.20	-	1,420,883.91
Transfer from lease	-	-	1,553,587.80	-	671,544.83	-	3,935,702.46
Decreases	84,162.54	844,671.95	8,970,422.36	1,757,831.54	244,672.72	1,344,995.91	9,971,927.89
Sales	-	895,824.05	1,793,187.4	1,757,831.54	330,872.11	1,264,585.91	2,171,905.75
Liquidation	-	4,784.90	60,500.00	-	76,000.00	-	1,420,883.91
Transfer out from construction in progress	-	-	60,500.00	-	-	80,410.00	70,910.00
Other	-	-	10,500.00	-	-	-	1,420,883.91
Gross closing balance	8,051,280.96	78,051,390.42	41,375,204.95	7,087,779.68	8,742,469.91	2,380,863.63	145,709,187.45
Opening balance of accumulated depreciation	148,297.04	17,471,442.40	27,518,245.11	5,489,312.40	5,143,161.27	-	54,390,440.42
Increases	18,931.80	3,304,437.14	4,822,349.45	2,233,057.57	1,093,557.44	-	11,472,353.40
Current depreciation	18,931.80	3,304,437.14	3,413,366.56	242,456.07	888,333.14	-	7,867,524.71
Accumulated depreciation of transfers from lease	-	-	1,409,983.09	1,990,601.50	205,224.50	-	3,604,809.09
Decreases	-	425,217.43	6,447,888.43	1,549,009.82	485,734.42	-	8,947,850.10
Accumulated depreciation of fixed assets sold and liquidated	-	425,217.43	6,447,888.43	1,549,009.82	485,734.42	-	8,947,850.10
Closing balance of accumulated depreciation	147,230.84	20,550,842.11	25,872,724.33	4,553,340.35	5,770,982.39	-	58,915,181.22
Net opening balance	7,286,545.86	60,949,818.99	17,841,812.34	8,157,727.44	3,154,536.55	407,174.94	90,658,334.34
Net closing balance	7,884,050.12	57,800,508.31	15,522,478.62	5,141,419.33	2,791,487.52	2,380,863.63	86,794,007.53

**For the period from 01/01/2020 to 31/12/2020**

	Land	Buildings, premises and civil engineering structures	Plant and machinery	Vehicles	Other fixed assets	Fixed assets in progress	Total fixed assets
Gross opening balance	7,434,842.90	70,943,934.88	37,379,404.09	5,517,778.04	7,222,341.97	2,078,244.44	130,598,740.34
Increases	20,509.45	8,111,442.43	12,057,185.45	3,534,278.65	1,495,433.28	12,453,248.15	37,653,998.95
Purchase	-	404,078.29	1,810,320.12	254,737.24	897,530.74	12,453,248.15	15,769,879.56
Transfer from construction in progress	-	7,707,564.13	6,240,861.66	18,234.94	377,492.52	-	14,944,959.33
Transfer from lease	-	-	3,486,063.67	3,292,312.43	105,400.00	-	6,884,774.10
Other	-	-	-	-	935,000.00	-	935,000.00
Decreases	654,287.71	654,287.71	4,054,734.07	2,549,017.47	619,387.43	14,124,335.67	20,603,772.45
Sales	222,019.20	222,019.20	2,192,171.11	2,434,322.85	159,139.00	-	4,939,771.36
Liquidation	-	340,839.56	1,934,562.96	112,664.62	460,248.43	-	2,848,315.57
Transfer out from construction in progress	-	-	-	-	-	14,124,335.67	14,124,335.67
Other	-	71,389.95	-	-	-	-	71,389.95
Gross closing balance	7,434,842.90	78,421,281.59	45,389,057.47	6,905,040.34	8,298,597.82	407,174.94	146,449,014.34
Opening balance of accumulated depreciation	137,789.59	15,534,232.53	24,770,634.57	4,790,924.57	4,902,149.31	-	50,127,521.57
Increases	20,509.45	2,700,399.21	6,399,495.06	2,781,155.28	742,389.77	-	12,443,949.77
Current depreciation	20,509.45	2,700,399.21	3,124,988.49	677,514.07	235,406.54	-	7,548,317.76
Accumulated depreciation of accepted from lease	-	-	3,275,206.57	2,103,641.21	26,783.23	-	5,405,630.81
Decreases	-	544,949.14	3,451,846.32	1,482,747.25	501,397.81	-	6,401,020.52
Accumulated depreciation of fixed assets sold and liquidated	-	544,949.14	3,451,846.32	1,482,747.25	501,397.81	-	6,401,020.52
Closing balance of accumulated depreciation	148,297.04	17,471,442.40	27,518,245.11	5,489,312.40	5,143,161.27	-	54,390,440.42
Net opening balance	7,289,053.31	55,437,704.35	12,408,919.72	24,861,641.94	2,643,197.24	2,078,244.44	90,121,031.74
Net closing balance	7,884,050.12	60,242,618.99	17,841,812.34	4,157,727.64	3,135,436.55	407,174.94	90,658,334.34



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

For the period from 01/01/2021 to 31/12/2021

	Land	Buildings, premises and civil engineering structures	Plant and machinery	Vehicles	Other right-of-use assets	Total
Gross opening balance	7,749,503.88	13,010,475.56	15,604,075.92	20,474,361.58	5,705,554.58	62,544,000.52
Increases	-	3,244,185.66	9,384,563.86	16,574,798.58	334,974.44	29,488,525.54
Contract conclusion and change	-	3,244,185.66	9,384,563.86	16,574,798.58	334,974.44	29,488,525.54
Decreases	-	-	-	-	-	-
Contract expiry and change	-	-	3,870,935.63	4,492,785.58	238,246.20	8,601,967.41
Contract expiry and change	-	-	3,870,935.63	4,492,785.58	238,246.20	8,601,967.41
Gross closing balance	7,749,503.88	16,254,661.22	21,117,704.15	32,506,382.58	5,802,282.82	83,430,558.65
Opening balance of accumulated depreciation	2,169,823.28	1,947,720.56	7,945,608.43	9,998,832.61	2,133,655.22	24,195,643.30
Increases	312,520.09	1,247,052.91	4,984,424.75	5,197,932.26	1,123,392.18	12,887,324.19
Current depreciation	312,520.09	1,247,052.91	4,984,424.75	5,197,932.26	1,123,392.18	12,887,324.19
Decreases	-	-	3,515,588.68	4,351,364.07	205,224.50	8,052,177.25
Accumulated depreciation on contract expiry	-	-	3,515,588.68	4,351,364.07	205,224.50	8,052,177.25
Closing balance of accumulated depreciation	2,482,343.37	3,214,773.47	9,416,446.50	10,845,404.00	3,051,822.90	29,030,790.24
Net opening balance	5,579,680.60	11,062,748.00	7,659,467.49	10,475,533.77	3,571,899.36	36,348,357.22
Net closing balance	5,267,160.51	13,039,887.75	11,701,257.65	21,640,978.58	2,750,459.92	54,399,748.41

For the period from 01/01/2020 to 31/12/2020

	Land	Buildings, premises and civil engineering structures	Plant and machinery	Vehicles	Other right-of-use assets	Total
Gross opening balance	7,340,433.66	13,149,034.62	12,825,030.44	19,257,735.80	4,833,234.60	57,905,471.34
Increases	605,833.87	127,922.71	6,245,108.93	4,651,983.43	977,719.98	12,528,088.92
Contract conclusion and change	605,833.87	127,922.71	6,245,108.93	4,651,983.43	977,719.98	12,528,088.92
Decreases	196,293.67	246,462.77	3,486,063.67	3,835,547.65	105,400.00	7,889,587.76
Contract expiry and change	-	62,310.71	3,486,063.67	3,315,826.14	-	6,864,200.52
Other	196,293.67	204,152.06	-	519,523.51	105,400.00	1,025,369.24
Gross closing balance	7,749,503.88	13,010,496.56	15,604,075.92	20,474,361.58	5,705,554.58	62,544,000.52
Opening balance of accumulated depreciation	1,936,858.44	828,506.61	7,661,075.01	9,118,475.43	1,176,407.03	20,721,322.52
Increases	287,800.82	1,119,213.95	3,587,205.27	4,144,031.43	984,031.42	10,122,282.89
Current depreciation	287,800.82	1,119,213.95	3,587,205.27	4,144,031.43	984,031.42	10,122,282.89
Decreases	54,835.98	-	3,302,671.85	3,263,671.05	24,783.23	6,447,962.11
Accumulated depreciation on contract expiry	-	-	3,302,671.85	3,263,671.05	24,783.23	6,447,962.11
Closing balance of accumulated depreciation	2,169,823.28	1,947,720.56	7,945,608.43	9,998,832.61	2,133,655.22	24,195,643.30
Net opening balance	5,403,575.24	12,320,530.01	5,163,955.65	10,639,260.37	3,658,827.57	37,184,148.84
Net closing balance	5,579,680.60	11,062,776.00	7,659,467.49	10,475,533.77	3,571,899.36	38,348,357.22



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Depreciation of fixed assets was recognised in the following items of the income statement:

	01/01-31/12/2021	01/01-31/12/2020
Manufacturing costs of products and services sold	16,323,852.69	13,427,482.84
<i>residential and commercial construction</i>	1,627,866.76	1,241,708.09
<i>infrastructure</i>	9,895,458.23	8,219,846.15
<i>property development activity</i>	215,608.26	276,244.18
<i>modular construction</i>	4,584,919.44	3,689,684.42
Sales costs	464,588.17	226,972.16
Overhead costs	3,919,584.39	3,732,365.19
<b>TOTAL</b>	<b>20,708,025.25</b>	<b>17,386,820.19</b>

As of 31/12/2021, security for the value of PLN 110,227,000.00 in the form of registered pledges and mortgages for loans, borrowings, letters of credit and bank guarantees up to PLN 63,500,000 was established over fixed assets and the right of perpetual usufruct of land.

As of 31/12/2021, the use of loans and borrowings amounted to PLN 6,384,000, bank guarantees amounted to PLN 9,460,151, the net value of fixed assets pledged as security amounted to PLN 47,118,622.75.

As of 31/12/2020, security was established on fixed assets for the total value of PLN 115,138,578.00 in the form of registered pledges and mortgages for loans, borrowings and performance bonds.

As of 31/12/2020, the use of loan and borrowings amounted to PLN 11,665,167.32. The net value of fixed assets constituting security – PLN 52,411,169.22.

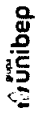
As of 31/12/2021, liabilities due to purchase of property, plant and equipment and intangible assets amounted to PLN 578,038.50

The total value of compensation received or due in respect of those fixed assets that were impaired or lost in the respective reporting periods amounted to:

- for the year ended 31/12/2021 – PLN 38,192.68
- for the year ended 31/12/2020 – PLN 24,328.07

## 6.2. Intangible assets

	as of 31/12/2021	as of 31/12/2020
Research and development expenses	4,253,597.28	4,489,908.13
Goodwill	15,390,373.20	15,390,373.20
Acquired concessions, patents, licences and similar assets, including:	3,380,617.67	3,477,928.52
<i>computer software</i>	2,267,419.76	2,299,995.07
<i>other intangible assets, including licences</i>	1,113,197.91	1,177,933.45
Intangible assets in progress	1,404,952.55	1,207,876.30
<b>Intangible assets</b>	<b>24,429,540.70</b>	<b>24,566,086.15</b>



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**Change in intangible assets**

For the period from 01/01/2021 to 31/12/2021

	Research and development expenses	Goodwill	Computer software	Acquired concessions, licences, patents	Intangible assets in progress	Total
Gross opening balance	5,053,387.26	15,390,373.20	5,944,604.17	2,053,831.16	1,207,876.30	29,650,072.09
Increase	-	-	770,763.09	215,000.00	723,766.39	1,709,529.48
Purchase	-	-	329,072.95	-	723,766.39	1,052,839.34
Transfer from work in progress	-	-	441,690.14	215,000.00	-	656,690.14
Decreases	-	-	184,291.07	-	526,690.14	710,981.21
Liquidation	-	-	134,701.07	-	-	134,701.07
Transfer out from work in progress	-	-	49,590.00	-	526,690.14	576,280.14
Gross closing balance	5,053,387.26	15,390,373.20	6,531,076.19	2,268,831.16	1,404,952.55	30,648,620.36
Operating balance of accumulated amortisation						
Increase	543,479.13	-	3,644,409.10	875,897.71	-	5,083,985.94
Current amortisation	236,310.85	-	753,515.04	279,735.54	-	1,269,561.43
Decreases	-	-	236,310.85	279,735.54	-	516,046.39
Accumulated amortisation of liquidated items	-	-	134,467.71	-	-	134,467.71
Closing balance of accumulated amortisation	799,789.98	-	4,263,658.43	1,155,633.25	-	6,219,079.66
Net opening balance	4,487,908.13	15,390,373.20	4,299,995.07	1,177,935.45	1,207,876.30	24,566,088.15
Net closing balance	4,253,597.28	15,390,373.20	2,267,419.76	1,113,197.91	1,404,952.55	24,429,540.70

For the period from 01/01/2020 to 31/12/2020

	Research and development expenses	Goodwill	Computer software	Acquired concessions, licences, patents	Intangible assets in progress	Total
Gross opening balance	5,053,387.26	15,747,474.94	5,677,015.87	1,107,356.66	1,548,047.39	29,153,282.12
Increase	-	-	349,983.88	946,474.50	572,963.89	1,869,422.27
Purchase	-	-	263,583.88	70,362.00	572,963.89	906,909.77
Transfer from work in progress	-	-	86,400.00	876,112.50	-	962,512.50
Decreases	-	-	82,395.58	-	933,134.98	1,372,632.30
Liquidation	-	-	82,395.58	-	-	82,395.58
Transfer out from work in progress	-	-	-	-	933,134.98	933,134.98
Other adjustments	-	-	357,101.74	-	-	357,101.74
Gross closing balance	5,053,387.26	15,390,373.20	5,944,604.17	2,053,831.16	1,207,876.30	29,650,072.09
Operating balance of accumulated amortisation						
Increase	324,079.52	-	3,035,889.90	638,612.13	-	3,998,581.55
Current amortisation	239,399.61	-	691,114.78	237,285.58	-	1,167,799.97
Decreases	239,399.61	-	691,114.78	237,285.58	-	1,167,799.97
Depreciation of liquidated items	-	-	82,395.58	-	-	82,395.58
Closing balance of accumulated amortisation	563,479.13	-	3,644,609.10	875,897.71	-	5,083,985.94
Net opening balance	4,729,307.74	15,747,474.94	2,641,125.97	468,744.53	1,548,047.39	25,154,700.57
Net closing balance	4,487,908.13	15,390,373.20	2,299,995.07	1,177,935.45	1,207,876.30	24,566,088.15

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The Group companies created development works for new products on their own.

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

	01/01 - 31/12/2021	01/01 - 31/12/2020
Manufacturing costs of products and services sold	501,480.76	439,158.14
Overhead costs	748,338.63	728,641.83
<b>Total amortisation of intangible assets</b>	<b>1,249,819.39</b>	<b>1,167,799.97</b>

Ownership structure of intangible assets:

	as of 31/12/2021	as of 31/12/2020
Own	24,429,540.70	24,566,086.15
<b>Total ownership structure of intangible assets</b>	<b>24,429,540.70</b>	<b>24,566,086.15</b>

As of 31 December 2021 and 31 December 2020, entities comprising the Group did not have any encumbrances on intangible assets of a legal or bond nature.

In 2021, the main component of intangible assets was goodwill arising from the acquisition of:

- companies currently referred to as Infrastructure Branch of UNIBEP SA in the amounts of: PLN 1,954,050.88 and PLN 3,674,932.90, respectively;
- road and bridge construction company Budrex Sp. z o.o.;
- Monday Development SA and several other development companies on the Poznań market;
- a trademark recognised as a result of the acquisition of control over Monday Development SA.

**Infrastructure Branch UNIBEP SA** - goodwill as of 31/12/2021 amounts to PLN 5,628,983.78.

In order to determine the value in use of the acquired goodwill, a discounted cash flow (DCF) analysis was carried out for the cash generating unit to which the goodwill was allocated, using a weighted average cost of capital (WACC) of 8.35%. These analyses were based on forecasts of future cash flows and planned cash inflows and outflows. The residual value for discounted cash flows was calculated on the basis of the perpetuity formula with a 1% increase.

The forecasts approved by the management of the Company cover the period of 2022-2026. They take into account the planned financial results for the period, as well as assumptions concerning capital expenditure and the current situation, the order portfolio held, current production capacities and human resources. In addition, they take into account the current and projected market situation, capabilities of companies and opportunities related to acquiring new contracts for implementation. The Company analysed potential orders offered by the infrastructure investment market.

The value in use was determined as part of the Company's tests for impairment of goodwill as at 31 December 2021 and amounted to PLN 79,766 thousand.

**Budrex Sp. z o.o.** - goodwill as of 31/12/2021 amounts to PLN 1,056,851.38.

In order to determine the value in use of the acquired goodwill, a discounted cash flow (DCF) analysis was carried out for the cash generating unit to which the goodwill was allocated, using a weighted average cost of capital (WACC) of 8.02%. These analyses were based on forecasts of future cash flows and planned cash inflows and outflows. The residual value for discounted cash flows was calculated on the basis of the perpetuity formula with a 1% increase.

The forecasts approved by the management of the Company cover the period of 2022-2026. They take into account the planned financial results in the period, as well as assumptions concerning capital expenditures and the current situation of the Company, the order portfolio held, current production capacities and human resources. In addition, they take into account the current and projected market situation, capabilities of the company and opportunities related to acquiring new contracts for implementation. The Company analysed potential orders offered by the infrastructure investment market.

The value in use was determined as part of the Company's goodwill impairment test as of 31 December 2021 at PLN 32,386 thousand.

**Development companies on the Poznań market** - as of 31/12/2021, goodwill - PLN 4,193,539.11 and a trademark in the amount of PLN 4,372,372.00.

In accordance with IAS 36, the Group performed an impairment test of the goodwill of Monday Development S.A., MP sp. z o.o. and the trademark that arose at the date of acquisition. When testing for impairment, a cash generating unit (CGU Poznań) was identified. The valuation of CGU Poznań was carried out using the income method - discounted cash flows generated by development projects planned to be implemented on the

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Poznań market by such entities as: Monday Development Sp. z o.o., Bukowska 18 MP sp. z o.o., Fama Development sp. z o.o. Sp. Monday Development Sp. z o.o. plans to carry out new development projects in the form of special purpose vehicles. CGU Poznań is a group of assets owned by the Unidevelopment Group, including intangible assets, which are responsible for the operations in Poznań.

The valuation of CGU Poznań was carried out using the income method of discounted cash flows based on financial projections for the years 2021-2028.

The discounted cash flow valuation takes into account elements of the business such as:

- growth rate expressed in terms of sales revenue growth rate,
- operating expense structure,
- capital expenditure to purchase new land and carry out further investments,
- net working capital requirements,
- the cost of capital reflecting the risk of the business.

On the basis of the obtained data, the carrying amount was compared with the recoverable value of the cash generating unit. No indication of impairment losses on assets was identified.

As of 31/12/2021

Total goodwill subject to impairment test	4,193,539.11
Trademark assigned to a cash generating unit	4,372,372.00
Residual value	273,513,000.00
Market value of equity	770,767,000.00

Details	P 2021	P 2022	P 2023	P 2024	P 2025	P 2026	P 2027	P 2028
Discount rate over time (WACC)	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%	4.94%
Discount factor	1.00	0.95	0.91	0.87	0.82	0.79	0.75	0.71

As of 31/12/2020

Total goodwill subject to impairment test	4,193,539.11
Trademark assigned to a cash generating unit	4,372,372.00
Residual value	41,804,000.00
Market value of equity	126,639,000.00

Details	P 2021	P 2022	P 2023	P 2024	P 2025	P 2026
Discount rate over time (WACC)	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%
Discount factor	0.93	0.87	0.82	0.76	0.71	0.66

Sensitivity analysis of the valuation of CGU Poznań as of 31/12/2021

	Market value of equity (PLN thousand)	
<b>Base value</b>	<b>770,767</b>	<b>770,767</b>
Change from base value (+/-)	+3pp	+3pp
Impact of changes in inflation	1,965,806	570,267
Impact of changes in weighted average cost of debt (without tax shield)	675,242	927,398
Impact of simultaneous changes in inflation and weighted average cost of debt (without tax shield)	527,802	-8,689,737

### 6.3. Investment property

Investment property held by the Group as of 31/12/2021 includes:

- in Fama Development Sp. z o.o. Sp.j, it is land. There is a building on the plot which is rented out to tenants,
- in Nowa Idea Sp. z o.o., it is land designated for commercial purposes.

	as of 31/12/2021	as of 31/12/2020
<b>Opening balance of gross carrying amount</b>	<b>3,903,062.25</b>	<b>0.00</b>
<b>Increases</b>	<b>21,026,537.82</b>	<b>3,903,062.25</b>
- reclassification of investment property	5,626,594.61	3,885,058.50
- revaluation to fair value	15,399,943.21	18,003.75
<b>Closing balance</b>	<b>24,929,600.07</b>	<b>3,903,062.25</b>

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The fair value model 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 income statement includes the following amounts:

- income from rental of investment property PLN 827,691.97,
- direct operating expenses (including repair and maintenance costs) incurred in connection with the use of the investment property that generated rental income during the period PLN 2,147,808.25,
- direct operating expenses (including repair and maintenance costs) incurred in connection with the use of the investment property that did not generate rental income during the period PLN 14,526.54.

#### 6.4. Investments in entities measured using the equity method

Investments in entities measured using the equity method are presented in the table below:

	as of 31/12/2021	as of 31/12/2020
<b>Opening balance</b>	<b>11,221,015.49</b>	<b>24,627,212.38</b>
<b>Increases</b>	<b>18,135,693.99</b>	<b>30,041,687.72</b>
Share in profits	7,904,231.00	15,541,687.72
Contributions made	-	14,500,000.00
Companies measured using the equity method - change in presentation	10,231,462.99	-
<b>Decreases</b>	<b>24,648,884.56</b>	<b>43,447,884.61</b>
Shares in losses	8,613,998.35	-
Dividend payment	8,681,240.85	14,448,884.61
Refunded contributions	7,251,000.00	28,999,000.00
Disposal of shares	102,645.36	-
<b>Investments in entities measured using the equity method</b>	<b>4,707,824.92</b>	<b>11,221,015.49</b>

List of jointly controlled entities and associates as of 31 December 2021:

Name of the entity	Nature of the relationship	Registered office	Share in the share capital and in voting power (%)	
			31/12/2021	31/12/2020
Seljedalen AS	Jointly controlled entity	Trondheim/Norway	50%	50%
Lovsetvegen 4 AS	Indirectly jointly controlled entity	Melhus/Norway	50%	50%
Smart City Sp z o.o Sp.k.	indirect affiliate	Warsaw/Poland	-	48.82%*
URSA PARK Smart City Sp z o.o. Sp.k.	indirect affiliate	Warsaw/Poland	48.82%*	48.82%*
URSA SKY Smart City Sp z o.o. Sp.k.	indirect affiliate	Warsaw/Poland	48.82%*	48.82%*

\*) share in the total voting power of the General Meeting is 0

On 31/03/2021, Unidevelopment SA sold all the rights and obligations it had in Smart City Sp. z o.o. Sp. k.

Selected financial data of entities measured using the equity method:

Selected financial data of the jointly controlled entity Seljedalen AS are as follows:

Seljedalen AS	as of 31/12/2021	as of 31/12/2020
Fixed assets	-	36,740.00
Current assets	778.98	1,455.53
Long-term liabilities	21,196.80	-
Short-term liabilities	1,536,434.54	1,435,859.27
Revenue from sales	-	-
Profit (loss) on continued operations	-91,035.84	-47,082.09
Profit (loss) on discontinued operations after tax	-	-
Other comprehensive income	-	-
Comprehensive income for the period	-91,035.84	-47,082.09
Dividends received from an associate / jointly controlled entity	-	-
<b>Seljedalen AS</b>	<b>as of 31/12/2021</b>	<b>as of 31/12/2020</b>
Net assets	-1,556,852.36	-1,397,663.74
Group share in a jointly controlled entity	50%	50%
Other adjustments	-6,184,772.02	-7,226,267.43
Carrying amount of the Group's shares in an associate	<b>-6,963,198.20</b>	<b>-7,925,099.30</b>

Selected financial data of the jointly controlled entity Lovsetvegen 4 AS are as follows:

Lovsetvegen 4 AS	as of 31/12/2021	as of 31/12/2020
Fixed assets	21,196.80	11,220.00
Current assets	1,149,109.84	2,369,103.71
Long-term liabilities	-	16.61
Short-term liabilities	7,706,836.22	4,608,475.95

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Revenue from sales	104,111.11	2,553.55
Profit (loss) on continued operations	-2,858,833.76	-741,226.06
Profit (loss) on discontinued operations after tax	-	-
Other comprehensive income	-	-
Comprehensive income for the period	-2,858,833.76	-741,226.06
Dividends received from an associate / jointly controlled entity	-	-
<b>Lovshvegen 4 AS</b>	<b>as of 31/12/2021</b>	<b>as of 31/12/2020</b>
Net assets	-6,536,529.58	-2,228,166.85
Group share in a jointly controlled entity	50%	50%
Other adjustments	-	-
Carrying amount of the Group's shares in an associate	-3,268,264.79	-1,114,084.43

**Selected financial data of the indirect affiliate Smart City Sp z o.o. Sp.k. are as follows:**

<b>Smart City Sp. z o.o. Sp.k.</b>	<b>as of 31/12/2021</b>	<b>as of 31/12/2020</b>
Fixed assets	-	75,671.98
Current assets	-	233,299.25
Long-term liabilities	-	-
Short-term liabilities	-	71,015.08
Revenue from sales	-	731,726.00
Profit (loss) on continued operations	-	266,203.87
Profit (loss) on discontinued operations after tax	-	-
Other comprehensive income	-	-
Comprehensive income for the period	-	266,203.87
Dividends received from an associate / jointly controlled entity	-	-
<b>Smart City Sp. z o.o. Sp.k.</b>	<b>as of 31/12/2021</b>	<b>as of 31/12/2020</b>
Net assets	-	237,956.15
Group share in a jointly controlled entity	48.82%	48.82%
Other adjustments	-	13,790.54
Carrying amount of the Group's shares in an associate	-	129,960.73

**Selected financial data of the indirect affiliate URSA PARK Smart City Sp. z o.o. Sp.k. are as follows:**

<b>URSA PARK Smart City Sp. z o.o. Sp.k.</b>	<b>as of 31/12/2021</b>	<b>as of 31/12/2020</b>
Fixed assets	668,979.00	-
Current assets	6,108,856.83	56,689,887.03
Long-term liabilities	-	4,073,819.93
Short-term liabilities	4,567,526.16	69,535,749.65
Revenue from sales	68,046,842.35	131,608,920.58
Profit (loss) on continued operations	22,492,473.92	37,956,757.82
Profit (loss) on discontinued operations after tax	-	-
Other comprehensive income	-	-
Comprehensive income for the period	22,492,473.92	37,956,757.82
Dividends received from an associate / jointly controlled entity	-	-
<b>URSA PARK Smart City Sp. z o.o. Sp.k.</b>	<b>as of 31/12/2021</b>	<b>as of 31/12/2020</b>
Net assets	2,210,309.67	-16,919,682.55
Group share in a jointly controlled entity	48.82%	48.82%
Other adjustments	-1,078,962.67	14,428,297.84
Carrying amount of the Group's shares in an associate	110.51	6,170,852.64

**Selected financial data of the indirect affiliate URSA SKY Smart City Sp. z o.o. Sp. K. are as follows:**

<b>URSA SKY Smart City Sp. z o.o. Sp.k.</b>	<b>as of 31/12/2021</b>	<b>as of 31/12/2020</b>
Fixed assets	12,755,230.76	140,784.38
Current assets	84,345,488.04	62,614,612.46
Long-term liabilities	21,700,683.70	99,007.70
Short-term liabilities	55,356,898.13	18,554,922.63
Revenue from sales	82,046,383.51	10,000.00
Profit (loss) on continued operations	12,912,428.44	-408,008.24
Profit (loss) on discontinued operations after tax	-	-
Other comprehensive income	-	-
Comprehensive income for the period	12,912,428.44	-408,008.24
Dividends received from an associate / jointly controlled entity	8,681,240.85	-
<b>URSA SKY Smart City Sp. z o.o. Sp.k.</b>	<b>as of 31/12/2021</b>	<b>as of 31/12/2020</b>
Net assets	20,043,136.97	44,101,466.51
Group share in a jointly controlled entity	48.82%	48.82%
Other adjustments	-5,077,345.06	-7,570,950.10
Carrying amount of the Group's shares in an associate	4,707,714.41	13,959,385.85

As of 31/12/2021, contingent liabilities related to jointly controlled companies and associates amounted to PLN 19,742,006.59, and as of 31/12/2020 amounted to PLN 10,560,000.00.

Contingent liabilities related to loan guarantees and issued guarantees (including corporate guarantees).

Share in profits / (losses) of entities measured using the equity method:

	<b>01/01-31/12/2021</b>	<b>01/01-31/12/2020</b>
Share in profits	7,904,231.00	18,658,552.06
Share in losses	2,079,142.70	3,116,864.34

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<b>Total</b>	<b>5,825,088.30</b>	<b>15,541,687.72</b>
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## 6.5. Trade and other receivables

### Trade and other long-term receivables

	as of 31/12/2021	as of 31/12/2020
<b>Long-term prepayments and accruals</b>	<b>7,076,634.04</b>	<b>4,713,073.61</b>
Insurance	5,845,430.02	4,271,991.58
Other	1,231,204.02	441,082.03
<b>Trade and other long-term receivables</b>	<b>7,076,634.04</b>	<b>4,713,073.61</b>

### Trade and other short-term receivables

	as of 31/12/2021	as of 31/12/2020
<b>Trade and other receivables (net)</b>	<b>239,969,512.06</b>	<b>246,331,345.24</b>
Trade receivables	157,947,453.56	216,788,677.89
Receivables from taxes, subsidies, customs duties, social security contributions and health insurance, and other benefits	32,948,227.04	18,004,311.56
Other non-financial receivables	14,880,154.93	3,973,196.16
Other financial receivables	2,047,119.26	53,325.39
Advances granted for deliveries:	32,146,557.27	7,511,834.24
for the purchase of goods, materials and services	32,146,557.27	7,511,834.24
<b>Short-term prepayments and accruals</b>	<b>5,788,212.34</b>	<b>5,124,277.87</b>
Insurance	3,645,292.89	2,854,166.05
Other	2,142,919.45	2,270,111.82
<b>Trade and other short-term receivables</b>	<b>245,757,724.40</b>	<b>251,455,623.11</b>
Expected credit losses on receivables	47,222,638.50	46,948,603.68
<b>Trade and other short-term receivables (gross)</b>	<b>292,980,362.90</b>	<b>298,404,226.79</b>

### Trade receivables – maturing from the balance sheet date:

	as of 31/12/2021	as of 31/12/2020
up to 1 month	91,103,497.54	80,706,929.53
over 1 month up to 3 months	29,542,438.64	74,485,452.96
over 3 months up to 6 months	6,275,913.57	5,339,086.31
over 6 months up to 1 year	-	27,255.49
overdue receivables	31,025,603.81	56,229,953.60
<b>NET TRADE RECEIVABLES</b>	<b>157,947,453.56</b>	<b>216,788,677.89</b>

Trade receivables do not bear interest and usually have a payment period of 30-60 days.

As of 31 December 2021, the estimated expected credit losses amounted to PLN 47,222,638.50. Changes in the expected credit losses are presented in Note 6.6. Expected credit losses have been created to the best of the Group entities' knowledge and experience through a detailed analysis of the receivables repayment risk. Costs and revenue related to expected credit losses are recognised in the income statement under "Expected credit losses".

Overdue trade receivables – broken down by overdue receivables in the period of:

	as of 31/12/2021	as of 31/12/2020
up to 1 month	12,612,960.88	29,668,348.41
over 1 month up to 3 months	990,961.16	11,094,546.53
over 3 months up to 6 months	1,493,932.52	1,231,908.48
over 6 months up to 1 year	5,417,532.77	5,232,224.75
over 1 year	10,510,216.48	9,002,925.43
<b>OVERDUE TRADE RECEIVABLES (NET)</b>	<b>31,025,603.81</b>	<b>56,229,953.60</b>

	as of 31/12/2021	as of 31/12/2020
<b>Short-term receivables</b>	<b>245,757,724.40</b>	<b>251,455,623.11</b>
from related entities not subject to consolidation exclusions	2,912,135.01	24,126,256.49
from other entities	242,845,589.39	227,329,366.62
Expected credit losses on receivables (positive value)	47,222,638.50	46,948,603.68
<b>Gross short-term receivables</b>	<b>292,980,362.90</b>	<b>298,404,226.79</b>

The trade and other receivables currency structure is as follows:

	as of 31/12/2021	as of 31/12/2020
<b>Receivables in PLN</b>	<b>190,003,641.81</b>	<b>196,258,160.87</b>
Receivables in USD	650.00	322,553.59
<b>Receivables in USD after conversion into PLN</b>	<b>2,639.00</b>	<b>1,275,799.52</b>

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Receivables in EUR	4,685,755.12	4,996,198.44
<b>Receivables in EUR after conversion into PLN</b>	<b>21,456,643.45</b>	<b>23,034,716.63</b>
Receivables in RUB	73,893.00	51,551.00
<b>Receivables in RUB after conversion into PLN</b>	<b>5,030.69</b>	<b>3,952.57</b>
Receivables in NOK	60,637,622.82	67,213,290.79
<b>Receivables in NOK after conversion into PLN</b>	<b>27,936,685.59</b>	<b>29,298,655.02</b>
Receivables in BYN	515,514.66	579,454.72
<b>Receivables in BYN after conversion into PLN</b>	<b>818,743.36</b>	<b>756,702.22</b>
Receivables in SEK	3,879,293.87	1,555,698.41
<b>Receivables in SEK after conversion into PLN</b>	<b>1,737,956.93</b>	<b>693,162.39</b>
Receivables in UAH	25,497,325.24	748,965.50
<b>Receivables in UAH after conversion into PLN</b>	<b>3,795,810.98</b>	<b>133,938.04</b>
Receivables in GBP	104.40	104.40
<b>Receivables in GBP after conversion into PLN</b>	<b>572.59</b>	<b>535.85</b>
<b>Total</b>	<b>245,757,724.40</b>	<b>251,455,623.11</b>

Advances are presented according to the historical rate.

The Group's credit risk is primarily assigned to trade receivables. The amounts presented in the balance sheet are net of expected credit losses. As of the balance sheet date 31/12/2021 and as of 31/12/2020, there were no receivables from a single external counterparty exceeding 10% of total receivables.

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

## 6.6. Write-downs and expected credit losses

### EXPECTED CREDIT LOSSES

	01/01-31/12/2021	01/01-31/12/2020
<b>Opening balance</b>	<b>53,545,466.09</b>	<b>46,135,124.23</b>
Trade and other receivables	46,948,603.68	36,804,315.95
Deposits on construction contracts	1,288,220.31	4,302,586.96
Contractual assets	35,955.68	269,640.08
Loans granted	5,272,686.42	4,758,581.24
<b>Increases</b>	<b>12,100,021.55</b>	<b>21,623,513.72</b>
Trade and other receivables	9,643,463.40	19,771,881.38
Deposits on construction contracts	687,933.73	1,226,914.47
Contractual assets	87,368.42	110,612.69
Loans granted	1,681,256.00	514,105.18
<b>Decreases</b>	<b>9,988,464.21</b>	<b>14,213,171.86</b>
Trade and other receivables	9,369,428.58	9,627,593.65
Deposits on construction contracts	596,543.39	4,241,281.12
Contractual assets	21,668.24	344,297.09
Loans granted	824.00	-
<b>Closing balance</b>	<b>55,657,023.43</b>	<b>53,545,466.09</b>
Trade and other receivables	47,222,638.50	46,948,603.68
Deposits on construction contracts	1,379,610.65	1,288,220.31
Contractual assets	101,655.86	35,955.68
Loans granted	6,953,118.42	5,272,686.42

### WRITE-DOWNS

	01/01-31/12/2021	01/01-31/12/2020
<b>Opening balance</b>	<b>12,518,737.53</b>	<b>10,668,076.33</b>
Inventories	11,622,575.47	9,771,914.27
Cash	896,162.06	896,162.06
<b>Increases</b>	<b>15,285,557.65</b>	<b>2,342,841.77</b>
Inventories	8,750,702.01	2,342,841.77
Write-down on shares valued using the equity method	6,534,855.64	-
<b>Decreases</b>	<b>8,350,480.09</b>	<b>492,180.57</b>
Inventories	8,350,480.09	492,180.57
<b>Closing balance</b>	<b>19,453,815.09</b>	<b>12,518,737.53</b>
Inventories	12,022,797.39	11,622,575.47
Cash	896,162.06	896,162.06
Write-down on shares valued using the equity method	6,534,855.64	-



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## 6.7. Inventories

	as of 31/12/2021	as of 31/12/2020
Materials	37,788,079.01	24,769,215.51
Semi-finished products and work in progress	253,723,607.44	172,695,827.76
Finished products	73,735,236.53	21,782,461.12
Goods	37,873,966.61	81,002,648.67
Right-of-use assets	15,550,289.91	17,948,746.60
<b>GROSS INVENTORIES</b>	<b>418,671,179.50</b>	<b>318,198,899.66</b>
Inventory write-downs	12,022,797.39	11,622,575.47
<b>Inventories</b>	<b>406,648,382.11</b>	<b>306,576,324.19</b>

Information on inventory write-downs is presented in Note 6.6.

As of 31/12/2021, the value of inventories on which the security in the form of mortgages was established amounted to PLN 53,611,820.52. In accordance with the loan agreements, the security constituted from 150% of the loan amount. As of 31/12/2021, the liability under these loans amounted to PLN 2,010,765.70.

As of 31/12/2020, the value of inventories on which the security in the form of mortgages was established amounted to PLN 96,446,396.35. In accordance with the loan agreements, the security was between 130% and 160% of the loan amount. As of 31/12/2020, the liability under these loans amounted to PLN 8,585,654.19.

By 31/12/2021, borrowing costs of PLN 10,909.6 thousand were capitalised in inventories, while in 2020, borrowing costs of PLN 11,197.1 thousand were capitalised in inventories. The capitalisation rate was 3%.

The value of inventories expected to be used/sold in more than 12 months from 31/12/2021 amounted to PLN 226,101 thousand, while as of 31/12/2020, it amounted to PLN 179,563 thousand.

In the period from 01/01/2021 to 31/12/2021, an amount of PLN 135,405.7 thousand was recognised in the manufacturing costs of products and services sold and in the costs of goods and materials sold, due to the sale of inventories. In 2020, this was PLN 208,220.6 thousand.

### As of 31/12/2021

	Residential and commercial construction	Infrastructure	Property development activity	Modular construction	Total
Gross inventories	10,448,838.30	15,000,626.48	380,125,905.85	13,095,808.87	418,671,179.50
Inventory write-downs	-	-	11,904,247.39	118,550.00	12,022,797.39
<b>Net inventories</b>	<b>10,448,838.30</b>	<b>15,000,626.48</b>	<b>368,221,658.46</b>	<b>12,977,258.87</b>	<b>406,648,382.11</b>

### As of 31/12/2020

	Residential and commercial construction	Infrastructure	Property development activity	Modular construction	Total
Gross inventories	6,013,760.07	12,108,064.69	293,211,308.65	6,865,766.25	318,198,899.66
Inventory write-downs	-	-	11,504,025.47	118,550.00	11,622,575.47
<b>Net inventories</b>	<b>6,013,760.07</b>	<b>12,108,064.69</b>	<b>281,707,283.18</b>	<b>6,747,216.25</b>	<b>306,576,324.19</b>

## 6.8. Cash and cash equivalents

	as of 31/12/2021	as of 31/12/2020
Cash in PLN	261,486,049.41	258,493,403.39
Cash in EUR	341,910.03	351,438.75
<b>Cash in EUR after conversion into PLN</b>	<b>1,572,580.98</b>	<b>1,621,819.56</b>
Cash in USD	1,936.37	2,842.57
<b>Cash in USD after conversion into PLN</b>	<b>7,861.66</b>	<b>10,683.52</b>
Cash in RUB	15,087,428.68	15,087,428.68
<b>Cash in RUB after conversion into PLN</b>	<b>896,162.06</b>	<b>896,162.06</b>
Cash in NOK	18,034,168.46	8,601,291.78

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<b>Cash in NOK after conversion into PLN</b>	<b>8,310,144.82</b>	<b>3,784,568.39</b>
Cash in BYN	24,899.44	40,138.73
<b>Cash in BYN after conversion into PLN</b>	<b>40,180.23</b>	<b>57,378.31</b>
Cash in UAH	12,716.81	4,528.51
<b>Cash in UAH after conversion into PLN</b>	<b>1,890.99</b>	<b>600.48</b>
Cash in SEK	93,800.13	209,850.18
<b>Cash in SEK after conversion into PLN</b>	<b>42,078.75</b>	<b>96,489.11</b>
<b>Total</b>	<b>272,356,948.90</b>	<b>264,961,104.82</b>
Cash write-down	896,162.06	896,162.06
<b>Cash and cash equivalents</b>	<b>271,460,786.84</b>	<b>264,064,942.76</b>

Cash at bank bears interest at variable rates. Short-term deposits are made for various periods, depending on the Group's current demand for cash and are subject to interest rates set for them. As of the balance sheet date of 31/12/2021, the fair value of cash and cash equivalents amounted to PLN 271,460,786.84. The disclosed cash write-down resulted from the Parent Company's estimates regarding the possibility of withdrawal of cash accumulated on accounts in OAO AKB "Probiznesbank" – in bankruptcy. UNIBEP SA reported its claims and they were accepted and confirmed by the receiver. By 31/12/2021, the receiver paid PLN 207,849.60, with no payments recorded in 2021.

The risks associated with this asset are described in Section 4 of the financial statements *Financial risk management*.

## 6.9. Loans granted

As of 31/12/2021

Name of the borrower	Agreement date	Amount granted	Repayment date	Closing balance
JB Investment Societe En Commandite Speciale	10/06/2021	PLN 3,000,000.00	31/12/2022	PLN 3,095,834.27
JB Investment Societe En Commandite Speciale	27/10/2021	PLN 7,000,000.00	31/12/2024	PLN 6,971,310.75
JB Investment Societe En Commandite Speciale	10/12/2020	PLN 3,000,000.00	31/12/2022	PLN 2,365,833.80
JB Investment Societe En Commandite Speciale	09/10/2020	PLN 499,380.00	31/12/2023	PLN 487,650.28
JB Investment Societe En Commandite Speciale	22/02/2018	PLN 55,251,231.18	30/09/2024	PLN 54,811,539.18
JB Investment Societe En Commandite Speciale	02/04/2018	PLN 853,600.18	31/12/2022	PLN 847,626.81
<b>Total</b>				<b>PLN 68,579,795.09</b>

On 23/04/2021, an agreement was signed concerning the consent to change the party to the concluded agreements on loans granted by the Unidevelopment Group from Wiepofama S.A to JB Investment Societe en Commandite Speciale. As a result, the rights and obligations arising from the loans received were assumed by JB Investment S.c. Sp.

As of 31/12/2020

Name of the borrower	Agreement date	Amount granted	Repayment date	Closing balance
Lovsetvegen 4 AS	01/09/2020	NOK 500,000.00 / PLN 220,000.00	01/09/2021	PLN 221,610.57
Wiepofama S.A.	22/02/2018	PLN 52,672,678.76	31/12/2022	PLN 52,143,802.40
Wiepofama S.A.	02/04/2018	PLN 815,748.65	31/12/2021	PLN 809,516.82
Wiepofama S.A.	09/10/2020	PLN 499,380.00	31/12/2023	PLN 464,760.37
<b>Total</b>				<b>PLN 53,639,690.16</b>

As of 31/12/2021, the expected credit losses on loans granted amount to PLN 6,953,118.42. The risk management of this asset is described in Section 4 of these financial statements.



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## 6.10. Capitals

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

All shares of the Group are dematerialised and traded on the regulated market of the Warsaw Stock Exchange.

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

As of 31/12/2021

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

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

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

(3) 1,500,000 own shares purchased on 27 February 2020 on the basis of the Resolution of the Company's Management Board of 4 February 2020 on the buy-back of own shares, Resolution No. 32 of the Annual General Meeting of the Company of 13 June 2017 on authorising the Company's Management Board to purchase own shares and adopting the UNIBEP S.A. own share buy-back programme, amended by Resolution No. 4 of the Extraordinary General Meeting of the Company of 28 February 2019 and Resolution No. 33 of the Annual General Meeting of the Company of 13 June 2017 on increasing the amount of the reserve capital from the funds coming from the reserve capital for the buy-back of own shares, amended by Resolution No. 5 of the Extraordinary General Meeting of the Company of 28 February 2019.

As of 31/12/2020

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

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

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

(3) 1,500,000 own shares purchased on 27 February 2020 on the basis of the Resolution of the Company's Management Board of 4 February 2020 on the buy-back of own shares, Resolution No. 32 of the Annual General Meeting of the Company of 13 June 2017 on authorising the Company's Management Board to purchase own shares and adopting the UNIBEP S.A. own share buy-back programme, amended by Resolution No. 4 of the Extraordinary General Meeting of the Company of 28 February 2019 and Resolution No. 33 of the Annual General Meeting of the Company of 13 June 2017 on increasing the amount of the reserve capital from the funds coming from the reserve capital for the buy-back of own shares, amended by Resolution No. 5 of the Extraordinary General Meeting of the Company of 28 February 2019.

The shareholding structure at the date of publication of these financial statements is shown in the table below:\*

SHAREHOLDER	Number of shares held	Percentage of the share capital (%)	Number of votes	Percentage of the total number of votes (%)
Zofia Mikołuszko**	8,800,000	25.09	8,800,000	25.09
Beata Maria Skowrońska	5,500,000	15.68	5,500,000	15.68
Wojciech Stajkowski	2,500,000	7.13	2,500,000	7.13
Bożenna Lachocka	2,500,000	7.13	2,500,000	7.13
AVIVA OFE AVIVA BZ WBK	3,418,920	9.75	3,418,920	9.75
PKO BP Bankowy OFE	2,098,756	5.98	2,098,756	5.98
Free float	6,752,958	19.26	6,752,958	19.26
Own shares (1)(2)(3)	3,500,000	9.98	3,500,000	9.98
<b>Total</b>	<b>35,070,634</b>	<b>100.00</b>	<b>35,070,634</b>	<b>100.00</b>

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

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

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

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

(3) 1,500,000 own shares purchased on 27 February 2020 on the basis of the Resolution of the Company's Management Board of 4 February 2020 on the buy-back of own shares, Resolution No. 32 of the Annual General Meeting of the Company of 13 June 2017 on authorising the Company's Management Board to purchase own shares and adopting the UNIBEP S.A. own share buy-back programme, amended by Resolution No. 4 of the Extraordinary General Meeting of the Company of 28 February 2019 and Resolution No. 33 of the Annual General Meeting of the Company of 13 June 2017 on increasing the amount of the reserve capital from the funds coming from the reserve capital for the buy-back of own shares, amended by Resolution No. 5 of the Extraordinary General Meeting of the Company of 28 February 2019.

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No non-cash contributions were made to the Parent Company's share capital.

As of 31/12/2021 and 31/12/2020, subsidiaries did not hold any shares of the parent company.

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

- issue of the Company's shares on the WSE - PLN 57,113,921.99,
- sales of own shares - PLN 2,312,569.03,
- acquisition of shares under the Incentive Scheme - PLN 2,727,270.

On the basis of Resolution No. 18 of the Annual General Meeting of 17 June 2021, the earned net profit for 2020 in the amount of PLN 16,761,967.84 was divided as follows:

1. The amount of PLN 9,471,190.20 was allocated to dividends for shareholders,
2. The amount of PLN 7,290,777.64 was allocated to supplementary capital.

Own shares held by the Company were excluded from the dividend payment.

Details of other equity items are shown in the tables below:

### Other reserves

	as of 31/12/2021	as of 31/12/2020
Actuarial gains (losses) on defined benefit plans	1,084,600.00	-90,609.00
Effective part of changes in fair value of hedging instruments in hedge accounting	-6,147,731.44	-10,519,273.64
Revaluation of fixed assets	490,728.54	490,728.54
Reserve capital for the incentive scheme	3,282,000.00	-
<b>Other reserves</b>	<b>-1,290,402.90</b>	<b>-10,119,154.10</b>

### Retained earnings

	as of 31/12/2021	as of 31/12/2020
Supplementary capital created from retained earnings	205,586,214.76	162,617,623.32
Reserve capital for the buy-back of own shares created from retained earnings	14,413,500.00	14,413,500.00
Share premium account to cover losses	-1,759,894.03	-1,759,894.03
Revaluation reserve intended to cover losses	-1,092,358.40	-1,092,358.40
Net profit (loss) brought forward	-6,195,454.14	8,794,972.55
Net current profit (loss)	33,223,370.36	37,226,857.56
<b>Retained earnings (losses)</b>	<b>244,175,378.55</b>	<b>220,200,701.00</b>

Accounting value	308,545,800.07	275,742,371.32
Number of ordinary shares	31,570,634.00	31,570,634.00
Accounting value per share (in PLN)	9.77	8.73

### INCENTIVE SCHEME

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

On 4 November 2020, the Supervisory Board of UNIBEP SA adopted the Rules of the Incentive Scheme of UNIBEP SA (hereinafter referred to as the "Scheme"). Further information on the assumptions and rules is presented in the Consolidated Financial Statements of the UNIBEP SA Group for the year ended 31 December 2020.

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

In accordance with the decision of the Supervisory Board:

- [I] the list of participants in the Incentive Scheme includes members of the Management Board of the Company;
- [II] the criteria for the allocation of the Company's shares for the assessment year 2021 include, in particular,



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remaining a member of the Management Board of the Company as well as meeting the set financial targets of the Company and the Unibep Group;

[III] the selling price of shares which may be allocated for purchase by an eligible participant of the Incentive Scheme for the assessment year 2021 is 3 PLN per share.

[IV] the eligible participants of the Incentive Scheme (provided that the aforementioned allocation criteria are met) will be offered for the assessment year 2021 at least 600,000 shares, including at least 220,000 shares to Mr Leszek Marek Gołqbiecki, at least 190,000 shares to Mr Sławomir Kiszycki, at least 140,000 shares to Mr Krzysztof Mikołajczyk and at least 50,000 shares to Mr Adam Poliński.

Managers have no other entitlements to the Issuer's shares.

The valuation of entitlements carried out by the actuary determining the value of the Scheme for 2021 at PLN 3,282,000.00 is based on the finite difference method. The valuation was made as at 28/01/2021 with an underlying asset exchange rate of PLN 9.10. A volatility of 36% and a risk-free interest rate of 0.1% were assumed.

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

In accordance with the decision of the Supervisory Board of UNIBEP SA:

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

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

At present, there are no known restrictions on the exercise of voting rights by holders of a certain proportion or number of shares or restrictions on the transfer of ownership of the Company's securities.

## 6.12. Loans, borrowings and other financial liabilities

	as of 31/12/2021	as of 31/12/2020
<b>Loans, borrowings and other financial liabilities – long-term</b>	<b>100,108,035.48</b>	<b>69,812,678.12</b>
Liabilities in respect of loans	2,010,765.70	33,182,475.39
Liabilities in respect of borrowings	1,800,165.17	3,583,572.64
Bond liabilities	96,297,104.61	33,046,630.09

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Loans, borrowings and other financial liabilities – short-term	59,006,702.24	36,269,553.16
Liabilities in respect of bank overdrafts	8,388,075.57	-
Liabilities in respect of loans	24,795,976.46	3,406,311.39
Liabilities in respect of borrowings	1,847,528.46	1,784,555.19
Bond liabilities	23,975,121.75	31,078,686.58
<b>Total</b>	<b>159,114,737.72</b>	<b>106,082,231.28</b>

## LONG-TERM LIABILITIES IN RESPECT OF LOANS 31/12/2021

Bank name	Loan amount	Value as of the balance sheet date	Repayment date	Type of loan
Santander Bank Polska S.A.	PLN 46,507,500.00	PLN 2,010,765.70	30/04/2023	property development loan
Santander Bank Polska S.A.	PLN 3,000,000.00	PLN 0.00	30/04/2023	VAT loan
<b>Total:</b>		<b>PLN 2,010,765.70</b>		

## LONG-TERM LIABILITIES IN RESPECT OF LOANS 31/12/2020

Bank name	Loan amount	Value as of the balance sheet date	Repayment date	Type of loan
ING Bank Śląski SA	PLN 15,000,000.00	PLN 2,754,190.77	22/10/2022	investment loan
Bank Millennium SA	PLN 21,800,000.00	PLN 21,842,630.43	02/09/2022	working capital loan
Getin Noble Bank SA	PLN 70,000,000.00	PLN 8,585,654.19	20/09/2022	non-revolving property development loan
mBank SA	PLN 53,746,002.00	PLN 0.00	31/10/2024	property development loan
mBank SA	PLN 2,500,000.00	PLN 0.00	31/10/2023	VAT loan
<b>Total:</b>		<b>PLN 33,182,475.39</b>		

## SHORT-TERM LIABILITIES IN RESPECT OF LOANS 31/12/2021

Bank name	Loan amount	Value as of the balance sheet date	Repayment date	Type of loan
PKO BP S.A.*	PLN 10,000,000.00	PLN 0.00	30/11/2022	working capital overdraft facility
Santander Bank Polska S.A.**	PLN 10,000,000.00	PLN 0.00	30/09/2022	working capital overdraft facility
BNP Paribas Bank Polska S.A.	PLN 20,000,000.00	PLN 0.00	30/09/2022	working capital overdraft facility
mBank S.A.	PLN 10,000,000.00	PLN 0.00	24/02/2022	working capital overdraft facility
Bank Gospodarstwa Krajowego	PLN 25,000,000.00	PLN 0.00	28/02/2022	working capital overdraft facility
Santander Bank Polska S.A.	PLN 8,000,000.00	PLN 0.00	30/09/2022	working capital overdraft facility
ING Bank Śląski S.A.	PLN 5,000,000.00	PLN 0.00	29/06/2022	working capital overdraft facility
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 overdraft facility
PKO BP S.A.*	PLN 5,000,000.00	PLN 0.00	30/11/2022	working capital overdraft facility
Bank Gospodarstwa Krajowego	PLN 5,000,000.00	PLN 0.00	28/02/2022	working capital overdraft facility
ING Bank Śląski S.A.	PLN 5,000,000.00	PLN 0.00	07/06/2022	revolving loan
mBank S.A.	PLN 3,000,000.00	PLN 0.00	30/06/2022	working capital overdraft facility
Bank Millennium S.A.	PLN 21,800,000.00	PLN 22,017,658.78	02/09/2022	working capital loan
Santander Bank Polska S.A.	PLN 10,000,000.00	PLN 0.00	30/06/2021	working capital overdraft facility
<b>Total</b>		<b>PLN 33,184,052.03</b>		

\*Under the tripartite agreement: UNIBEP S.A., UNIHOUSE S.A., PKO BP S.A.

\*\*Overdraft drawn on Santander Bank Polska S.A. for the amount of 10,000,000.00 to be repaid on 30/09/2022 is to be used jointly by UNIBEP S.A. and UNIHOUSE S.A.

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## SHORT-TERM LIABILITIES IN RESPECT OF LOANS 31/12/2020

Bank name	Loan amount	Value as of the balance sheet date	Repayment date	Type of loan
PKO BP SA*	PLN 5,000,000.00	PLN 0.00	30/11/2021	working capital overdraft facility
Santander Bank Polska SA**	PLN 10,000,000.00	PLN 0.00	30/09/2021	working capital overdraft facility
BNP Paribas Bank Polska SA	PLN 20,000,000.00	PLN 0.00	30/06/2021	working capital overdraft facility
mBank SA	PLN 10,000,000.00	PLN 0.00	25/02/2021	working capital overdraft facility
Bank Gospodarstwa Krajowego	PLN 25,000,000.00	PLN 0.00	28/02/2022	working capital overdraft facility
ING Bank Śląski SA	PLN 15,000,000.00	PLN 3,285,778.45	22/10/2022	investment loan
PKO BP SA*	PLN 5,000,000.00	PLN 0.00	30/11/2021	working capital overdraft facility
Bank Gospodarstwa Krajowego	PLN 5,000,000.00	PLN 0.00	03/02/2021	working capital overdraft facility
ING Bank Śląski SA	PLN 5,000,000.00	PLN 0.00	09/02/2021	revolving loan
Santander Bank Polska SA	PLN 900,000.00	PLN 120,532.94	31/07/2021	investment loan
Santander Bank Polska SA	PLN 8,000,000.00	PLN 0.00	30/09/2021	working capital overdraft facility
ING Bank Śląski SA	PLN 5,000,000.00	PLN 0.00	29/06/2021	working capital overdraft facility
mBank SA	PLN 3,000,000.00	PLN 0.00	30/06/2021	working capital overdraft facility
Santander Bank Polska SA	PLN 7,000,000.00	PLN 0.00	30/06/2021	working capital overdraft facility
<b>Total</b>		<b>PLN 3,406,311.39</b>		

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

\*\*Overdraft drawn on Santander Bank Polska S.A. for the amount of 10,000,000.00 to be repaid on 30/09/2021 is to be used jointly by UNIBEP S.A. and UNIHOUSE S.A.

## LONG-TERM LIABILITIES IN RESPECT OF BORROWINGS 31/12/2021

Lender's name	Amount of borrowing	Value as of the balance sheet date	Repayment date	Type of borrowing
ING Bank Śląski SA	PLN 10,000,000.00	PLN 1,800,165.17	29/12/2023	corporate borrowing
<b>TOTAL:</b>		<b>PLN 1,800,165.17</b>		

## LONG-TERM LIABILITIES IN RESPECT OF BORROWINGS 31/12/2020

Lender's name	Amount of borrowing	Value as of the balance sheet date	Repayment date	Type of borrowing
ING Bank Śląski SA	PLN 10,000,000.00	PLN 3,583,572.64	29/12/2023	corporate borrowing
<b>TOTAL:</b>		<b>PLN 3,583,572.64</b>		

## SHORT-TERM LIABILITIES IN RESPECT OF BORROWINGS 31/12/2021

Lender's name	Amount of borrowing	Value as of the balance sheet date	Repayment date	Type of borrowing
ING Bank Śląski SA	PLN 10,000,000.00	PLN 1,847,528.46	29/12/2023	corporate borrowing - short-term part
<b>TOTAL:</b>		<b>PLN 1,847,528.46</b>		

## SHORT-TERM LIABILITIES IN RESPECT OF BORROWINGS 31/12/2020

Lender's name	Amount of borrowing	Value as of the balance sheet date	Repayment date	Type of borrowing
ING Bank Śląski SA	PLN 10,000,000.00	PLN 1,784,555.19	29/12/2023	corporate borrowing - short-term part
<b>TOTAL:</b>		<b>PLN 1,784,555.19</b>		

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## ISSUED BONDS AS OF 31/12/2021

Name of liability	Issue amount PLN	Value as of the balance sheet date PLN	Issue date	Redemption date
Series F bonds, 3-year, unsecured, interest-bearing	PLN 34,000,000.00 / 340,000 pieces, PLN 100.00 each	20,073,317.39	15/02/2019	15/02/2022
Series G bonds, 3-year, unsecured, interest-bearing	PLN 50,000,000.00 / 500,000 pieces, PLN 100.00 each	50,188,999.20	31/03/2021	31/03/2024
Series H bonds, 3-year, unsecured, interest-bearing	PLN 50,057,000.00 / 500,570 pieces, PLN 100.00 each	50,009,909.77	24/11/2021	24/11/2024
		<b>120,272,226.36</b>		

## ISSUED BONDS AS OF 31/12/2020

Name of liability	Issue amount PLN	Value as of the balance sheet date PLN	Issue date	Redemption date
Series E bonds, 3-year, unsecured, interest-bearing	PLN 30,000,000.00 / 300,000 pieces, PLN 100.00 each	29,936,391.06	06/06/2018	06/06/2021
Series F bonds, 3-year, unsecured, interest-bearing	PLN 34,000,000.00 / 340,000 pieces, PLN 100.00 each	34,188,925.61	15/02/2019	15/02/2022
		<b>64,125,316.67</b>		

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

Interest payment date of series F bonds: 15/02/2022

Interest payment date of series G bonds: 31/03/2022, 30/09/2022, 31/03/2023, 30/09/2023, 31/03/2024

Interest payment date of series H bonds: 24/05/2022, 24/11/2022, 24/05/2023, 24/11/2023, 24/05/2024, 24/11/2024

The maturity structure of loans, borrowings and long-term bonds is as follows:

	as of 31/12/2021	as of 31/12/2020
over 1 year to 3 years	100,108,035.48	69,812,678.12
<b>Total</b>	<b>100,108,035.48</b>	<b>69,812,678.12</b>

Loans taken out in foreign currency were converted at the balance sheet valuation rate, i.e. 31/12/2021.

Loans and long-term bonds were measured using the adjusted purchase price method.

The contractual maturity structure of undiscounted cash flows from loans, borrowings and bonds is as follows:

### As of 31/12/2021

	Carrying amount	Undiscounted contractual cash flows
up to one year	59,006,702.24	60,432,306.23
over 1 year to 3 years	100,108,035.48	110,752,380.69
<b>Total</b>	<b>159,114,737.72</b>	<b>171,184,686.92</b>

### As of 31/12/2020

	Carrying amount	Undiscounted contractual cash flows
up to 1 year	36,269,553.16	38,084,671.33
over 1 year to 3 years	69,812,678.12	71,999,817.46
<b>Total</b>	<b>106,082,231.28</b>	<b>110,084,488.79</b>

During the reporting period, none of the loan agreements were terminated and there was no request for early redemption of bonds.



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## 6.13. Lease

The Group's entities have concluded lease contracts concerning the use of land, commercial premises, storage yards, vehicles and machines.

Present value of lease payments:

	as of 31/12/2021	as of 31/12/2020
Less than 1 year	28,166,607.82	27,783,931.69
From 1 year to 5 years	30,563,912.16	16,537,569.82
Over 5 years	9,249,036.54	9,144,229.72
<b>Total</b>	<b>67,979,556.52</b>	<b>53,465,731.23</b>

	as of 31/12/2021	as of 31/12/2020
Long-term lease liabilities	39,812,948.71	25,681,799.54
Short-term lease liabilities	28,166,607.82	27,783,931.69
<b>Total</b>	<b>67,979,556.52</b>	<b>53,465,731.23</b>

Lease – supplementary data

	01/01/-31/12/2021	01/01/-31/12/2020
Depreciation	12,887,324.19	10,476,315.76
Depreciation capitalised in inventory	66,018.00	272,764.00
Interest expenses	1,946,430.25	1,794,200.49
Interest capitalised in inventory	3,328,702.75	1,356,526.00
Total expenditure on lease contracts	15,985,549.99	11,748,256.89
Short-term lease expenses	7,780,441.84	4,096,332.57
Low value lease expenses below 20 thousand PLN	372,378.06	377,668.37

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

## 6.14. Provisions

Employee benefit liabilities recognised in the statement of financial position:

	as of 31/12/2021	as of 31/12/2020
<b>Retirement severance pay</b>	<b>3,341,902.00</b>	<b>3,948,479.06</b>
present value of the liability as at the balance sheet date	3,341,902.00	3,948,479.06
<b>Pension severance pay</b>	<b>280,934.00</b>	<b>505,715.04</b>
present value of the liability as at the balance sheet date	280,934.00	505,715.04
<b>Pension liabilities, including:</b>	<b>3,622,836.00</b>	<b>4,454,194.10</b>
- long-term part	3,309,777.00	4,133,694.08
- short-term part	313,059.00	320,500.02

Changes in the liability in respect of retirement and pension severance pay are included in the table below:

	as of 31/12/2021	as of 31/12/2020
<b>Opening balance of present value of liability</b>	<b>4,454,194.10</b>	<b>3,807,899.68</b>
interest expenses	66,827.00	77,341.77
current service cost	725,397.62	680,253.12
current service cost - adjustment of previous year	36,492.00	-
benefits paid	-217,915.72	-223,785.47
past service cost - adjustment of previous year	58,991.00	-
actuarial gains/losses, including those arising from:	-1,501,150.00	112,485.00
- adjustments of actuarial assumptions ex post	-119,314.00	-97,419.00
- changes in demographic assumptions	-386,740.00	-193,658.00
- changes in financial assumptions	-995,096.00	403,562.00
<b>Closing balance of present value of liability</b>	<b>3,622,836.00</b>	<b>4,454,194.10</b>

Charges to the income statement for retirement and pension severance pay are as follows:

	as of 31/12/2021	as of 31/12/2020
employment value	761,890.00	680,253.12
interest expenses	66,827.00	77,341.77
past service cost - adjustment of previous year	8,716.00	-
<b>Costs recognised in the income statement</b>	<b>837,433.00</b>	<b>757,594.89</b>

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actuarial gains/losses recognised in the period	-1,450,875.00	112,485.00
<b>Costs recognised in other comprehensive income</b>	<b>-1,450,875.00</b>	<b>112,485.00</b>
including costs of employee benefits recognised in the income statement under:		
- manufacturing costs	675,699.41	574,538.77
- general administrative costs	161,733.59	183,056.12

The actuarial assumptions are based on the following parameters for the years 2021-2024:

- discount rate in 2022 3.92%
- discount rate in 2021 1.57%
- the projected long-term increase in the Group's salary base in 2022 and beyond is -6.5%, and -5.0% in subsequent years.

As of 31/12/2022, the actuarial projection of the current values of the Group's future liabilities towards its employees is as follows:

ITEM/BENEFIT	Retirement severance pay	Pension severance pay	TOTAL
current liability value as of 31/12/2021	3,341,902.00	280,934.00	3,622,836.00
current liability value as of 31/12/2022	3,693,252.00	309,206.00	4,002,458.00
including:			
short-term part	115,199.0	47,892.00	163,091.00
long-term part	3,578,053.00	261,314.00	3,839,367.00

As of 31/12/2021, the projection of the amount of provisions for employee benefits presented above is only indicative. The amount of liabilities as of the above date, in accordance with IAS 19, may differ significantly from the above forecast, in particular due to the failure to take into account actuarial gains and losses, which will be known only at the date of provision creation.

According to IAS 19, the amount of the provision for the above date should take into account any significant change in assumptions that occurs in the meantime, in particular significant changes in the structure, current workforce, engagement of new employees, actual rather than projected salary increases, turnover levels, discounts, etc.

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

#### Provision sensitivity analysis

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

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

The results of the calculations are as follows as of 31/12/2021:

PARAMETER/BENEFIT	Retirement severance pay	Pension severance pay	Unused holiday leaves	TOTAL
Initial amounts of provisions	3,341,902.00	280,934.00	6,930,464.00	10,553,300.00
Turnover coefficient -1.0%	3,506,799.00	294,488.00	6,930,464.00	10,731,751.00
Turnover coefficient +1.0%	3,194,911.00	268,567.00	6,930,464.00	10,393,942.00
Technical discount rate -1.0%	3,553,505.00	290,696.00	6,930,464.00	10,774,665.00
Technical discount rate +1.0%	3,149,483.00	271,770.00	6,930,464.00	10,351,717.00
base increases				
Salary in the Company -1.0%	3,295,986.00	278,360.00	6,930,464.00	10,504,810.00
Salary in the Company +1.0%	3,413,879.00	284,498.00	6,930,464.00	10,628,841.00
Minimum salary -1.0%	3,040,104.00	266,622.00	6,930,464.00	10,237,190.00

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Minimum salary +1.0%	3,718,178.00	297,679.00	6,930,464.00	10,946,321.00
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The results of the calculations are as follows as of 31/12/2020:

PARAMETER/BENEFIT	Retirement severance pay	Pension severance pay	Unused holiday leaves	TOTAL
Initial amounts of provisions	4,150,485.00	303,709.00	6,448,179.00	10,902,373.00
Turnover coefficient -1.0%	4,423,851.00	321,744.00	6,448,179.00	11,193,774.00
Turnover coefficient +1.0%	3,911,011.00	287,456.00	6,448,179.00	10,646,646.00
Technical discount rate -1.0%	4,467,250.00	316,637.00	6,448,179.00	11,232,066.00
Technical discount rate +1.0%	3,866,602.00	291,610.00	6,448,179.00	10,606,391.00
<b>base increases</b>				
Salary in the Company -1.0%	4,120,980.00	302,020.00	6,448,179.00	10,871,179.00
Salary in the Company +1.0%	4,194,885.00	305,854.00	6,448,179.00	10,948,918.00
Minimum salary -1.0%	3,665,873.00	283,109.00	6,448,179.00	10,397,161.00
Minimum salary +1.0%	4,748,749.00	327,382.00	6,448,179.00	11,524,310.00

The last valuation of an independent actuary was performed as of 31 December 2021.

	01/01-31/12/2021	01/01-31/12/2020
<b>OPENING BALANCE OF OTHER LONG-TERM PROVISIONS</b>	<b>36,217,487.13</b>	<b>29,292,505.00</b>
Warranty repairs	36,217,487.13	29,292,505.00
<b>Increases</b>	<b>25,524,516.25</b>	<b>13,030,000.02</b>
Warranty repairs	15,293,053.26	13,030,000.02
Companies measured using the equity method - change in presentation	10,231,462.99	-
<b>Release</b>	<b>6,506,674.63</b>	<b>6,105,017.89</b>
Warranty repairs - transfer to short-term	6,474,174.63	6,105,017.89
Warranty repairs	32,500.00	-
<b>CLOSING BALANCE OF OTHER LONG-TERM PROVISIONS</b>	<b>55,235,328.75</b>	<b>36,217,487.13</b>
Warranty repairs	45,003,865.76	36,217,487.13
Companies measured using the equity method	10,231,462.99	-

	01/01-31/12/2021	01/01-31/12/2020
<b>OPENING BALANCE OF OTHER SHORT-TERM PROVISIONS</b>	<b>149,170,777.83</b>	<b>134,564,565.26</b>
Employee benefits	25,879,909.70	18,729,996.74
Warranty repairs	6,267,781.07	5,841,045.14
Planned losses in long-term contracts	925,628.02	85,597.47
Costs of subcontractors	113,101,018.63	105,520,177.93
Disputes	918,042.00	1,747,701.00
Other costs	2,078,398.41	2,640,046.98
<b>Increases</b>	<b>1,015,653,980.57</b>	<b>890,962,651.68</b>
Employee benefits	35,007,052.50	28,747,964.09
Warranty repairs	6,558,434.63	7,239,426.15
Planned losses in long-term contracts	870,971.05	957,744.92
Costs of subcontractors	965,950,404.09	848,598,772.94
Disputes*	1,949,622.00	2,419,334.13
Other costs	5,225,376.30	2,999,409.45
Warranty repairs - change in presentation	92,120.00	-
<b>Utilisation</b>	<b>989,224,666.41</b>	<b>876,353,732.28</b>
Employee benefits	31,241,561.34	21,598,051.13
Warranty repairs	8,091,073.52	6,812,690.22
Planned losses in long-term contracts	231,544.36	117,714.37
Costs of subcontractors	943,920,498.89	841,017,932.24
Disputes	72,132.00	3,248,993.13
Other costs	5,667,856.30	3,558,351.19
<b>Other decreases</b>	<b>51,103.51</b>	<b>2,706.83</b>
Disputes	13,000.00	-
Other costs	38,103.51	2,706.83
<b>CLOSING BALANCE OF OTHER SHORT-TERM PROVISIONS</b>	<b>175,548,988.48</b>	<b>149,170,777.83</b>
Employee benefits	29,645,400.86	25,879,909.70
Warranty repairs	4,827,262.18	6,267,781.07
Planned losses in long-term contracts	1,565,054.71	925,628.02
Costs of subcontractors	135,130,923.83	113,101,018.63
Disputes	2,782,532.00	918,042.00
Other costs	1,597,814.90	2,078,398.41

\*As of 31/12/2021, a provision for liabilities in Ukraine in the amount of PLN 500 thousand and in Belarus in the amount of PLN 700 thousand was created.

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## 6.15. Trade and other liabilities

Long-term trade and other liabilities:

	as of 31/12/2021	as of 31/12/2020
<b>Deferred income – long-term</b>	<b>2,009,299.80</b>	<b>814,835.80</b>
Received subsidies	1,974,805.38	758,555.38
Other	34,494.42	56,280.42
<b>Trade and other long-term liabilities</b>	<b>2,009,299.80</b>	<b>814,835.80</b>

Short-term trade and other liabilities:

	as of 31/12/2021	as of 31/12/2020
Trade liabilities	237,691,553.51	220,336,170.45
Tax, customs, insurance liabilities	17,682,094.57	23,317,579.37
Payroll liabilities	2,972,385.02	3,254,661.48
Accruals and deferred income	9,646,203.59	4,109,297.32
Special funds	15,450.16	15,450.16
Other liabilities	1,364,715.60	10,160,177.60
<b>Trade and other liabilities</b>	<b>269,372,402.45</b>	<b>261,193,336.38</b>
<b>Deferred income – short-term</b>	<b>133,838.64</b>	<b>79,643.83</b>
Other	21,786.00	37,501.87
Received subsidies	112,052.64	42,141.96
<b>Trade and other short-term liabilities</b>	<b>269,506,241.09</b>	<b>261,272,980.21</b>

Trade liabilities – maturing from the balance sheet date:

	as of 31/12/2021	as of 31/12/2020
up to 1 month	143,162,890.52	120,280,618.48
over 1 month up to 3 months	43,029,159.80	35,717,756.89
over 3 months up to 6 months	1,057,465.24	1,058,279.92
over 6 months up to 1 year	216,029.03	243,569.55
over 1 year	252,444.90	38,399.90
overdue liabilities	49,973,564.02	62,997,545.71
<b>TRADE LIABILITIES</b>	<b>237,691,553.51</b>	<b>220,336,170.45</b>

Overdue trade liabilities:

	as of 31/12/2021	as of 31/12/2020
up to 1 month	44,376,400.79	54,534,108.14
over 1 month up to 3 months	3,868,720.00	7,145,127.02
over 3 months up to 6 months	541,144.38	190,203.62
over 6 months up to 1 year	301,317.31	79,142.33
over 1 year	885,981.54	1,048,964.60
<b>OVERDUE TRADE LIABILITIES</b>	<b>49,973,564.02</b>	<b>62,997,545.71</b>

Short-term liabilities – by currency:

	as of 31/12/2021	as of 31/12/2020
<b>Liabilities in PLN</b>	<b>249,506,814.19</b>	<b>233,959,225.44</b>
Liabilities in RUB	307.60	307.60
<b>Liabilities in RUB after conversion into PLN</b>	<b>16.67</b>	<b>15.41</b>
Liabilities in EUR	1,088,112.12	2,326,463.66
<b>Liabilities in EUR after conversion into PLN</b>	<b>5,004,662.88</b>	<b>10,736,164.49</b>
Liabilities in UAH	996.66	13,277,418.75
<b>Liabilities in UAH after conversion into PLN</b>	<b>148.20</b>	<b>1,760,585.72</b>
Liabilities in NOK	31,079,878.67	32,130,263.31
<b>Liabilities in NOK after conversion into PLN</b>	<b>14,321,608.10</b>	<b>14,137,315.89</b>
Liabilities in SEK	1,348,249.88	1,428,799.25
<b>Liabilities in SEK after conversion into PLN</b>	<b>604,824.89</b>	<b>656,961.89</b>
Liabilities in BYN	42,242.12	15,887.63
<b>Liabilities in BYN after conversion into PLN</b>	<b>68,166.16</b>	<b>22,711.37</b>
<b>Total</b>	<b>269,506,241.09</b>	<b>261,272,980.21</b>

Advances are presented according to the historical rate.

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## 6.16. Current and deferred tax

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

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

For the period from 01/01/2021 to 31/12/2021

	Opening balance of assets	Creation / (use) of an asset through the income statement	Creation/ (use) of an asset through other comprehensive income	Closing balance of assets
Provision for warranty repairs	8,072,202.00	1,303,216.00	-	9,375,418.00
Provision for employee benefits	5,530,128.00	1,041,177.00	-	6,571,305.00
Provision for costs of subcontractors	21,985,103.00	1,696,224.00	-	23,681,329.00
Provision for liabilities	42,155.00	365,958.00	-	408,113.00
Contracts (decrease in revenue "-")	3,712,029.00	-1,545,367.00	-	2,166,662.00
Contracts - provision for losses	175,870.00	121,491.00	-	297,361.00
Production not completed for tax purposes	9,242,267.00	19,780,354.00	-	29,022,621.00
Unrealised foreign exchange rate losses	727,973.00	-56,739.00	-	671,234.00
Unpaid interest	12,742.00	-1,202.00	-	11,540.00
Receivables discounting	6,710.00	189,516.00	-	196,226.00
Difference between tax base and carrying amount of inventories	4,361,361.00	5,802,674.00	-	10,164,035.00
Write-down on other assets	8,625,780.00	378,218.00	-	9,003,998.00
Valuation of derivative instruments	337,498.00	1,074,507.00	-	1,412,005.00
Costs of acquisition of shares	188,844.00	0.00	-	188,844.00
Valuation of loans, borrowings, bonds, bills of exchange	29,111.00	42,912.00	-	72,023.00
Other titles	556,353.00	-34,942.00	-	521,411.00
Tax loss	2,989,742.00	4,279,752.00	-	7,269,494.00
Actuarial gains and losses accounted for in the revaluation capital	278,826.00	-	-142,584.00	136,242.00
Revaluation capital - valuation of derivative instruments	2,349,917.00	-	-1,025,424.00	1,324,493.00
<b>Total</b>	<b>69,224,611.00</b>	<b>34,437,751.00</b>	<b>-1,168,008.00</b>	<b>102,494,354.00</b>

For the period from 01/01/2020 to 31/12/2020

	Opening balance of assets	Creation / (use) of an asset through the income statement	Creation/ (use) of an asset through other comprehensive income	Closing balance of assets
Provision for warranty repairs	6,601,943.00	1,270,259.00	-	8,072,202.00
Provision for employee benefits	4,324,990.00	1,205,138.00	-	5,530,128.00
Provision for costs of subcontractors	20,874,178.00	1,110,925.00	-	21,985,103.00
Provision for liabilities	254,272.00	-212,117.00	-	42,155.00
Contracts (decrease in revenue "-")	4,929,020.00	-1,216,991.00	-	3,712,029.00
Contracts - provision for losses	15,998.00	159,872.00	-	175,870.00
Production not completed for tax purposes	12,621,125.00	-3,378,858.00	-	9,242,267.00
Unrealised foreign exchange rate losses	554,270.00	173,703.00	-	727,973.00
Unpaid interest	21,765.00	-9,023.00	-	12,742.00
Receivables discounting	392,502.00	-385,792.00	-	6,710.00
Difference between tax base and carrying amount of inventories	2,933,508.00	1,427,853.00	-	4,361,361.00
Write-down on other assets	7,232,925.00	1,392,855.00	-	8,625,780.00
Valuation of derivative instruments	51,992.00	285,506.00	-	337,498.00
Costs of acquisition of shares	172,884.00	15,960.00	-	188,844.00
Valuation of loans, borrowings, bonds, bills of exchange	145,877.00	-116,766.00	-	29,111.00
Other titles	571,981.00	-15,628.00	-	556,353.00
Tax loss	11,439,114.00	-8,449,372.00	-	2,989,742.00
Actuarial gains and losses accounted for in the revaluation capital	255,134.00	-	23,692.00	278,826.00
Revaluation capital - valuation of derivative instruments	-	-	2,349,917.00	2,349,917.00
<b>Total</b>	<b>73,593,478.00</b>	<b>-6,742,476.00</b>	<b>2,373,609.00</b>	<b>69,224,611.00</b>

For the period from 01/01/2021 to 31/12/2021

	Opening balance of provisions	Creation / (use) of a provision through the income statement	Creation / (use) of a provision through other comprehensive income	Closing balance of provisions
Contracts (increase in revenue "+")	17,286,383.00	27,140,180.00	-	44,426,563.00
Lease (net value of fixed assets - lease liability)	51,419.00	45,175.00	-	96,594.00
Liabilities discounting	1,740,719.00	1,103,702.00	-	2,844,421.00
Penalties accrued, but not received	2,452,746.00	39,600.00	-	2,492,346.00
Interest not received	172,939.00	521,043.00	-	693,982.00
Unrealised foreign exchange gains	673,242.00	-274,822.00	-	398,420.00
Difference between tax base and carrying amount of	10,197,508.00	-10,197,508.00	-	-

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<b>Inventories</b>				
Valuation of bonds, loans, borrowings, bills of exchange	60,143.00	-24,187.00	-	35,956.00
Valuation of derivative instruments	215,020.00	279,183.00	-	494,203.00
Compensation accrued, but not received	-	1,374,809.00	-	1,374,809.00
Difference between tax value and balance sheet value of tangible fixed assets	3,196,584.00	2,797,995.00	-	5,994,579.00
Actuarial gains and losses accounted for in the revaluation capital	2,438.00	-	133,082.00	135,520.00
<b>Total</b>	<b>36,049,141.00</b>	<b>22,805,170.00</b>	<b>133,082.00</b>	<b>58,987,393.00</b>

**For the period from 01/01/2020 to 31/12/2020**

	Opening balance of provisions	Creation / (use) of a provision through the income statement	Creation / (use) of a provision through other comprehensive income	Closing balance of provisions
Contracts (increase in revenue "+")	23,694,351.00	-6,407,968.00	-	17,286,383.00
Lease (net value of fixed assets - lease liability)	326,472.00	-275,053.00	-	51,419.00
Liabilities discounting	2,358,922.00	-618,203.00	-	1,740,719.00
Penalties accrued, but not received	2,538,167.00	-85,421.00	-	2,452,746.00
Interest not received	151,552.00	21,387.00	-	172,939.00
Unrealised foreign exchange gains	333,968.00	339,274.00	-	673,242.00
Difference between tax base and carrying amount of inventories	7,832,295.00	2,365,213.00	-	10,197,508.00
Valuation of bonds, loans, borrowings, bills of exchange	2,404.00	57,739.00	-	60,143.00
Valuation of derivative instruments	59,808.00	155,212.00	-	215,020.00
Difference between tax value and balance sheet value of tangible fixed assets	3,232,985.00	-36,401.00	-	3,196,584.00
Revaluation capital - valuation of derivative instruments	117,567.00	-	-117,567.00	0.00
Actuarial gains and losses accounted for in the revaluation capital	-	-	2,438.00	2,438.00
<b>Total</b>	<b>40,648,491.00</b>	<b>-4,484,221.00</b>	<b>-115,129.00</b>	<b>36,049,141.00</b>

**RECONCILIATION**

	01/01-31/12/2021	01/01-31/12/2020
<b>Gross profit before tax</b>	<b>59,115,418.63</b>	<b>54,603,797.65</b>
At a tax rate of 19%	11,231,929.54	10,374,721.55
Difference in burden for foreign operations	531,868.90	262,359.60
Permanent differences not covered by current and deferred tax	-1,204,489.41	4,630,560.46
Other	1,423,439.84	2,183,523.96
<b>Actual income tax expense</b>	<b>11,982,748.87</b>	<b>17,451,165.57</b>
Effective tax rate	20.27%	31.96%

**INCOME TAX RECOGNISED IN THE INCOME STATEMENT**

	01/01-31/12/2021	01/01-31/12/2020
<b>Current income tax</b>	<b>23,615,329.87</b>	<b>15,192,910.57</b>
Related to the financial year	23,615,329.87	15,192,910.57
<b>Deferred tax</b>	<b>-11,632,581.00</b>	<b>2,258,255.00</b>
Related to the creation and reversal of temporary differences	-11,632,581.00	2,258,255.00
<b>Tax burden recognised in the income statement</b>	<b>11,982,748.87</b>	<b>17,451,165.57</b>
Effective interest rate	20.27%	31.96%

**INCOME TAX RECOGNISED IN EQUITY**

	01/01-31/12/2021	01/01-31/12/2020
<b>Current income tax</b>	-	-
<b>Deferred tax</b>	<b>1,301,090.00</b>	<b>-2,488,738.00</b>
Net profit/loss tax on revaluation of cash flow hedges	1,025,424.00	-2,467,484.00
Tax on actuarial gains and losses under the defined benefit plan recognised in accordance with paragraph 128 of IAS 19	275,666.00	-21,254.00
Employee Benefits	-	-
<b>(Tax advantage)/tax burden recognised in other comprehensive income</b>	<b>1,301,090.00</b>	<b>-2,488,738.00</b>

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

- Republic of Belarus - 18%
- Ukraine - 18%
- Kingdom of Norway - 22%
- Kingdom of Sweden - 20.6%



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As of 31/12/2021, the Group recognised tax loss assets of PLN 7,269.5 thousand. All tax losses were subject to deferred taxation.

When creating the deferred tax asset related to tax losses in the above amount, the Group estimated the probability of generating such tax income within the next 5 years, which would allow for the settlement of tax losses. The estimation was made on the basis of financial plans and historical values within the scope of activity taxation.

Since 1 April 2019, the Parent Company has been in the process of tax inspection in Germany for the years 2014-2016 in respect of corporate tax, value added tax and tax on industrial and commercial activities. At the date of publication of these financial statements, there have been no changes to the information presented in the consolidated financial statements for 2020.

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

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

## 6.17. Contractual assets and liabilities

For the period from 01/01/2021 to 31/12/2021

	Opening balance	Change in the valuation of long-term contracts	Revenue recognised in the current period included in the balance of previous year's liabilities	Reduction as a result of acquiring an unconditional right to payment	Advances received for execution of contracts	Closing balance
Valuation of long-term contracts	90,947,732.76	228,948,435.51	-	-86,072,159.03	-	233,824,009.24
<b>Contractual assets</b>	<b>90,947,732.76</b>	<b>228,948,435.51</b>		<b>-86,072,159.03</b>		<b>233,824,009.24</b>
Advances received from contracts with customers	132,514,396.39	-	-55,303,981.52	-	206,803,380.70	284,013,795.57
Valuation of long-term contracts	19,976,197.34	11,316,961.78	-19,889,676.86	-	-	11,403,482.26
<b>Contractual liabilities</b>	<b>152,490,593.73</b>	<b>11,316,961.78</b>	<b>-75,193,658.38</b>		<b>206,803,380.70</b>	<b>295,417,277.83</b>

For the period from 01/01/2020 to 31/12/2020

	Opening balance	Change in the valuation of long-term contracts	Revenue recognised in the current period included in the balance of previous year's liabilities	Reduction as a result of acquiring an unconditional right to payment	Advances received for execution of contracts	Closing balance
Valuation of long-term contracts	124,445,233.95	177,835,367.70	-	-211,332,868.89	-	90,947,732.76
<b>Contractual assets</b>	<b>124,445,233.95</b>	<b>177,835,367.70</b>		<b>-211,332,868.89</b>		<b>90,947,732.76</b>
Advances received from contracts with customers	142,483,154.82	-	-84,183,631.77	-	74,214,873.34	132,514,396.39
Valuation of long-term contracts	25,943,208.54	17,075,107.84	-23,042,119.04	-	-	19,976,197.34
<b>Contractual liabilities</b>	<b>168,426,363.36</b>	<b>17,075,107.84</b>	<b>-107,225,750.81</b>		<b>74,214,873.34</b>	<b>152,490,593.73</b>

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

	as of 31/12/2021	as of 31/12/2020
The total amount of the transaction price attributed to the provision of service which remained unfulfilled at the end of the reporting period, to be provided during the period:		
up to 1 year	1,336,263,376.63	1,055,917,684.68
over 1 year	884,497,933.88	376,346,838.57
<b>Total</b>	<b>2,220,761,310.51</b>	<b>1,432,264,523.25</b>

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## 6.18. Deposits on contracts with customers

	as of 31/12/2021	as of 31/12/2020
Retained by recipients – to be returned after 12 months	21,125,899.35	25,776,324.20
Retained by recipients – to be returned within 12 months	19,327,127.73	17,955,748.02
<b>Total deposits on contracts with customers retained by recipients (net)</b>	<b>40,453,027.08</b>	<b>43,732,072.22</b>
Write-down on deposit receivables	1,379,610.65	1,288,220.31
<b>Total deposits on contracts with customers retained by recipients after write-down (gross)</b>	<b>41,832,637.73</b>	<b>45,020,292.53</b>
Retained from suppliers – to be returned after 12 months	51,622,922.04	54,230,216.60
Retained from suppliers – to be returned within 12 months	47,560,900.09	49,462,462.15
<b>Total deposits retained from suppliers</b>	<b>99,183,822.13</b>	<b>103,692,678.75</b>

### DISCOUNT

Description	as of 31/12/2021	as of 31/12/2020
Discount of deposits on contracts with customers retained by recipients	1,032,464.74	35,309.78
Discount of deposits retained from suppliers	15,200,820.54	9,459,798.28

Information on expected credit losses on the deposit is presented in Note 6.6.

As of 31 December 2021, the largest deposits retained by one recipient amounted to 49.37% (8.34% for one project) of all the receivables from deposits. As of 31 December 2020, the largest deposits retained by one recipient amounted to 46.80% (7.80% for one project) of all the receivables from deposits. The table below presents the age analysis of deposits on construction contracts at nominal value after discount which are overdue as of the reporting date but for which no impairment losses have been incurred:

### Deposits due on construction contracts, overdue, unpaid in the period:

	as of 31/12/2021	as of 31/12/2020
up to 1 month	4,265,308.10	1,623,099.40
over 1 month up to 3 months	1,627,484.60	888,617.22
over 3 months up to 6 months	1,659,220.66	259,463.71
over 6 months up to 1 year	825,731.27	158,380.47
over 1 year	2,176,395.00	1,776,336.03
<b>Total overdue deposits on contracts with customers</b>	<b>10,554,139.63</b>	<b>4,705,896.83</b>



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## 6.19. Information on operating segments

### SEGMENT REPORTING AS OF 31/12/2021

	Residential and commercial construction	Infrastructure	Property development activity	Modular construction	Sales adjustments for other segments	Total amount regarding the entire Group
Revenue from contracts with customers	941,795,425.25	380,252,554.86	285,890,491.80	261,799,570.41	-157,347,667.49	1,712,390,377.83
external sales	785,634,093.13	380,047,440.70	284,909,271.59	261,799,570.41	-	1,712,390,377.83
sales to other segments	156,161,332.12	205,112,116	981,223.21	0.00	-157,347,667.49	0.00
Costs of products, goods and materials sold	884,695,666.23	366,020,473.36	220,630,636.20	254,609,531.31	-147,230,847.84	1,578,725,459.26
<b>Gross profit on sales</b>	<b>57,099,759.02</b>	<b>14,232,081.50</b>	<b>45,259,856.60</b>	<b>7,190,039.10</b>	<b>-10,116,819.65</b>	<b>133,664,918.57</b>
% gross profit on sales	6.06%	3.74%	22.83%	2.75%	6.43%	7.81%
Selling costs						14,240,804.86
Overhead costs						61,143,299.40
Profit/loss on other operating activities						3,198,976.67
<b>Operating profit</b>						<b>61,479,740.98</b>
Financial revenue including: interest revenue derivative instruments	6,804.68	2,754,187.35	2,334,304.76	205,712.09	-	5,301,008.88
Financial expenses including: interest expenses derivative instruments	1,420,803.53	-	-	80,156.39	-	1,501,059.92
Financial expenses						12,771,748.87
including: interest expenses derivative instruments	3,658,449.73	758,324.19	1,470,972.42	715,064.35	-	6,602,810.69
Expected credit losses	2,199,599.49	-	-	4,392,896.95	-	6,592,496.44
Share in net profits (losses) of subsidiaries measured using the equity method						2,582,327.18
<b>Profit before tax</b>						<b>59,115,418.63</b>
Income tax						5,825,088.30
<b>Net profit</b>						<b>11,982,748.87</b>
						47,132,669.76

### SEGMENT REPORTING AS OF 31/12/2020

	Residential and commercial construction	Infrastructure	Property development activity	Modular construction	Sales adjustments for other segments	Total amount regarding the entire Group
Revenue from contracts with customers	943,109,605.73	378,950,206.86	242,523,907.99	211,228,046.00	-93,574,806.91	1,682,336,959.67
external sales	850,719,422.32	378,803,484.54	241,520,643.96	211,293,408.83	-	1,682,336,959.67
sales to other segments	92,390,183.41	146,722.32	1,003,264.03	34,637.15	-93,574,806.91	-
Costs of products, goods and materials sold	879,482,138.36	340,729,011.83	185,325,283.40	217,728,546.05	-79,655,462.43	1,543,609,517.21
<b>Gross profit on sales</b>	<b>63,627,467.37</b>	<b>38,221,195.03</b>	<b>57,198,624.59</b>	<b>-6,400,500.05</b>	<b>-13,119,344.48</b>	<b>138,727,442.46</b>
% gross profit on sales	6.75%	10.09%	23.58%	-3.03%	14.88%	8.23%
Selling costs						14,830,000.75
Overhead costs						56,453,705.70
Profit/loss on other operating activities						-7,651,393.89
<b>Operating profit</b>						<b>59,792,342.12</b>
Financial revenue including: interest revenue derivative instruments	61,794.74	255,238.43	2,400,529.31	122,084.54	-	2,839,647.02
Financial expenses including: interest expenses derivative instruments	175,624.97	-	-	717,405.31	-	893,030.28
Financial expenses						14,482,679.90
including: interest expenses derivative instruments	3,649,037.39	886,448.94	872,890.96	756,981.90	-	5,965,359.19
Expected credit losses	1,341,729.85	-	-	-792,838.05	-	548,891.80
Share in net profits (losses) of subsidiaries measured using the equity method						13,053,573.78
<b>Profit before tax</b>						<b>15,541,687.72</b>
Income tax						54,403,797.45
<b>Net profit</b>						<b>17,451,165.57</b>
						37,152,432.08

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## As of 31/12/2021

	Residential and commercial construction	Infrastructure	Property development activity	Modular construction	Amounts not allocated to segments	Total
Assets	232,709,836.63	166,818,828.04	526,747,894.89	267,769,586.43	334,290,934.38	1,528,336,280.17
<b>Total assets</b>	<b>232,709,836.63</b>	<b>166,818,828.04</b>	<b>526,747,894.89</b>	<b>267,769,586.43</b>	<b>334,290,934.38</b>	<b>1,528,336,280.17</b>
Equity	328,463,589.56	147,727,284.87	319,927,624.00	218,941,068.86	136,263,633.96	1,151,323,201.25
<b>Total liabilities</b>	<b>328,463,589.56</b>	<b>147,727,284.87</b>	<b>319,927,624.00</b>	<b>218,941,068.86</b>	<b>513,274,712.88</b>	<b>1,528,336,280.17</b>
Depreciation	4,220,764.81	10,297,032.55	2,374,619.42	5,065,437.66	-	21,957,844.64

## As of 31/12/2020

	Residential and commercial construction	Infrastructure	Property development activity	Modular construction	Amounts not allocated to segments	Total
Assets	224,162,028.90	151,913,770.59	376,224,439.47	153,280,775.83	321,742,082.88	1,227,323,097.67
<b>Total assets</b>	<b>224,162,028.90</b>	<b>151,913,770.59</b>	<b>376,224,439.47</b>	<b>153,280,775.83</b>	<b>321,742,082.88</b>	<b>1,227,323,097.67</b>
Equity	374,483,255.10	162,053,323.41	150,718,995.10	131,083,099.41	896,587,215.80	330,735,881.87
<b>Total liabilities</b>	<b>374,483,255.10</b>	<b>162,053,323.41</b>	<b>150,718,995.10</b>	<b>131,083,099.41</b>	<b>78,248,632.58</b>	<b>896,587,215.80</b>
Depreciation	3,886,789.03	8,453,707.22	2,000,185.84	4,151,872.72	408,184,514.45	1,227,323,097.67
						18,492,354.81

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

## INFORMATION ON GEOGRAPHICAL AREAS

COUNTRY	Revenue from external customers		Fixed assets*	
	01/01/2021	31/12/2020	as of 31/12/2021	as of 31/12/2020
EXPORT, including:	1,379,148,374.74	1,238,720,534.11	102,456,194.43	86,423,737.18
Scandinavia, including:	332,742,003.09	443,616,423.56	43,947,120.01	64,349,042.53
- Norway	202,710,716.46	232,353,338.64	51,694,305.25	65,675,703.54
- Sweden	186,168,041.39	235,868,895.53	47,397,542.29	780,657.10
- Finland	16,542,675.07	3,271,507.91	4,294,762.96	3,085,659.26
Eastern market, including:	83,786,722.41	13,214,935.20	233,894.79	499,710.88
- Belarus	3,569,481.11	190,674,187.64	152,677.68	332,909.54
- Ukraine	80,217,241.30	31,542,278.23	181,217.11	166,801.34
Germany	46,244,564.22	159,131,909.41	11,038,919.97	173,628.11
<b>Total</b>	<b>1,712,390,377.83</b>	<b>1,482,336,959.67</b>	<b>165,423,316.64</b>	<b>152,972,779.71</b>

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



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

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

In both 2021 and 2020, the Group did not generate revenue from individual external customers exceeding 10% of total revenue.

## 6.20. Revenue from contracts with customers

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

	01/01/-31/12/2021	01/01/-31/12/2020
<b>Total revenue from sales of products – domestic</b>	<b>1,366,814,811.05</b>	<b>1,278,101,062.98</b>
Sales of construction services	1,081,230,658.33	1,034,996,327.82
Sales of development property	282,094,422.84	239,947,157.49
Sales of other services	3,489,729.88	3,157,577.67
<b>Total revenue from sales of products – export</b>	<b>332,694,768.61</b>	<b>01,417,780.70</b>
Sales of construction services	332,694,688.49	401,264,397.68
Sales of other services	80.12	153,383.02
<b>Net revenue from sales of products and services</b>	<b>1,699,509,579.66</b>	<b>1,679,518,843.68</b>

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

	01/01/-31/12/2021	01/01/-31/12/2020
<b>Sales of goods – domestic</b>	<b>191,759.02</b>	-
Property development activity	191,759.02	-
<b>Sales of materials – domestic</b>	<b>12,641,804.67</b>	<b>2,818,115.99</b>
Construction activities	12,641,804.67	2,818,115.99
<b>Sales of materials – export</b>	<b>47,234.48</b>	-
Construction activities	47,234.48	-
<b>Net revenue from sales of goods and materials</b>	<b>12,880,798.17</b>	<b>2,818,115.99</b>

### Breakdown of revenue by customer category

	01/01/-31/12/2021	01/01/-31/12/2020
Public customer	436,865,829.06	433,018,063.32
Private customer	1,275,524,548.77	1,249,318,896.35
<b>Revenue from contracts with customers</b>	<b>1,712,390,377.83</b>	<b>1,682,336,959.67</b>

### Breakdown of revenue by price category

	01/01/-31/12/2021	01/01/-31/12/2020
Flat rate	1,516,593,342.16	1,558,771,967.86
Cost estimation	195,797,035.67	123,564,991.81
<b>Revenue from contracts with customers</b>	<b>1,712,390,377.83</b>	<b>1,682,336,959.67</b>

## 6.21. Costs by type

	01/01/-31/12/2021	01/01/-31/12/2020
Depreciation	21,957,844.64	18,492,354.81
Consumption of materials and energy	556,726,889.18	425,384,809.47
Outsourced services	969,716,443.24	997,436,951.72
Taxes and charges	7,356,065.22	6,825,154.44
Payroll	171,368,623.31	148,318,223.63
Social security contributions and other benefits	36,608,399.19	32,667,532.38
Other costs by type	26,093,540.56	44,477,033.74
<b>Total costs by type</b>	<b>1,789,827,805.34</b>	<b>1,673,602,060.19</b>
Change in inventories, products and deferrals & accruals	-70,740,925.70	17,711,318.08
Own work capitalised	79,757,071.16	79,761,876.25
Overhead costs	-61,143,299.40	-56,453,705.70
Sales costs	-14,240,804.86	-14,830,000.75
<b>Manufacturing costs of products and services sold</b>	<b>1,563,945,704.22</b>	<b>1,540,267,795.57</b>

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## 6.22. Other operating revenue and expenses

### OTHER OPERATING REVENUE

	01/01-31/12/2021	01/01-31/12/2020
Profit on disposal of non-financial fixed assets	928,299.00	1,202,217.01
Release of provisions and revaluation of non-financial assets	14,392,076.14	1,770,490.50
Liabilities written down	810,493.62	1,765,141.60
Penalties and compensation	1,288,951.44	723,581.79
Other	2,124,401.60	1,805,774.96
<b>Other operating revenue</b>	<b>19,544,221.80</b>	<b>7,267,205.86</b>

### OTHER OPERATING EXPENSES

	01/01-31/12/2021	01/01-31/12/2020
Provision for liabilities	1,200,000.00	49,200.00
Creation of provisions and revaluation of non-financial assets	6,847,963.64	2,042,841.77
Costs of disputes	1,104,066.68	1,064,019.15
Damage to assets and compensation	2,375,274.73	3,799,289.60
Other	4,817,990.08	7,963,249.23
<b>Other operating expenses</b>	<b>16,345,295.13</b>	<b>14,918,599.75</b>

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

### FINANCIAL REVENUE

	01/01-31/12/2021	01/01-31/12/2020
Interest:	5,127,331.59	4,362,827.64
including interest calculated using the effective interest rate	5,073,355.81	4,359,027.75
interest on loans granted	2,326,085.51	2,376,300.17
interest on receivables	2,908,669.23	416,563.45
valuation of loans, borrowings and bonds	752,044.49	-524,385.89
interest revenue from deposits	-925,721.78	2,047,566.51
bank interest	12,278.36	42,983.51
other interest	53,975.78	3,799.89
Total other financial revenue	2,037,333.81	2,454,213.85
<b>Financial revenue</b>	<b>7,164,665.40</b>	<b>6,817,041.49</b>

### Other financial revenue

	01/01-31/12/2021	01/01-31/12/2020
Foreign exchange gains	123,197.11	1,187,963.65
Other, including:	1,914,136.70	1,266,250.20
exercise of derivative instruments	-	30,163.84
valuation of derivative instruments	571,978.73	862,866.44
commissions on financial operations	409,821.23	247,863.08
dividend	-	125,357.47
Other	3,255.55	-0.63
reversal of valuation of derivative instruments	929,081.19	-
<b>Total other financial revenue</b>	<b>2,037,333.81</b>	<b>2,454,213.85</b>

### FINANCIAL EXPENSES

	01/01-31/12/2021	01/01-31/12/2020
Interest, including:	4,637,790.35	11,246,333.54
interest on loans, borrowings and bonds	3,835,627.86	3,757,310.50
interest on lease	1,961,905.82	1,794,310.51
Other	647,520.88	208,627.53
valuation of loans, borrowings and bonds	593,486.65	-716,528.95
interest on liabilities	157,756.13	205,110.65
interest expenses on deposits	-2,558,506.99	5,997,503.30
Total other financial expenses	8,133,958.52	3,247,366.36
<b>Financial expenses</b>	<b>12,771,748.87</b>	<b>14,493,699.90</b>

### Other financial expenses

	01/01-31/12/2021	01/01-31/12/2020
Other, including:	8,133,958.52	3,247,366.36

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commissions	1,264,439.51	1,261,403.45
bank guarantees	15,335.00	0.00
exercise of derivative instruments	905,523.82	216,904.11
valuation of derivative instruments	5,686,972.62	1,548,628.93
Other	261,687.57	220,429.87
<b>Total other financial expenses</b>	<b>8,133,958.52</b>	<b>3,247,366.36</b>

**EXPECTED CREDIT LOSSES**

	as of 31/12/2021	as of 31/12/2020
Trade receivables	744,804.66	15,719,520.27
Deposits on contracts with customers	91,390.34	-3,014,366.65
Loans granted	1,680,432.00	514,105.18
Contractual assets	65,700.18	-165,685.02
<b>Expected credit losses</b>	<b>2,582,327.18</b>	<b>13,053,573.78</b>

## 6.24. Profit (loss) per share

Calculation of the weighted average number of ordinary shares and the number of diluting shares

	Balance as of 31/12/2021	Balance as of 31/12/2020
Number of ordinary shares	31,570,634.00	31,570,634.00
Weighted average number of ordinary shares in the period	31,570,634.00	31,808,338.92
Number of ordinary diluted shares	31,570,634.00	31,570,634.00
Net profit (loss)	47,132,669.76	37,152,632.08
of which attributable to:		
shareholders of the parent company	33,223,370.36	37,226,857.56
Profit (loss) per share	1.05	1.17

## 6.25. Discontinued operations

In 2021 and 2020, discontinued operations did not occur.

## 6.26. Notes to the cash flow statement

	01/01:31/12/2021	01/01:31/12/2020
<b>Amortisation and depreciation:</b>	<b>21,957,844.64</b>	<b>18,492,354.81</b>
depreciation of property, plant and equipment and amortisation of intangible assets	21,957,844.64	18,492,354.81
<b>Foreign exchange gains (losses)</b>	<b>155,498.63</b>	<b>-312,856.47</b>
exchange rate differences on cash, loans, borrowings, leases, income tax	155,498.63	-312,856.47
<b>Interest and profit sharing (dividend)</b>	<b>2,591,986.77</b>	<b>3,396,255.11</b>
interest received on bills of exchange, loans granted, bonds – total	-2,326,085.51	-2,371,619.00
interest paid on loans, borrowings, bonds and factoring – total	3,835,736.95	3,758,398.54
commissions on loans, bonds, guarantees, factoring – paid	1,217,812.67	1,194,322.67
commissions received	-411,540.67	-44,853.47
accrued commissions	-	-203,009.61
accrued commissions – costs of issue of bonds	297,603.04	215,166.72
total other interest received	-129,242.02	-312,782.99
other unreceived accrued interest	-2,783,805.33	-105,730.47
valuation of loans, bonds, borrowings received	595,097.22	-716,528.95
interest calculated on loans granted	-	-8,249.51
remaining interest to be paid	72,462.03	61,139.88
other interest paid – total	198,395.58	212,126.72
interest paid on lease	2,025,552.81	1,843,232.05
Dividend received	-	-125,357.47
<b>Profit (loss) on investing activities results from:</b>	<b>-8,646,333.32</b>	<b>-14,758,028.68</b>
proceeds from disposal of property, plant and equipment	-3,974,284.46	-1,465,987.37
net value of property, plant and equipment disposed of	2,990,079.43	275,278.05
proceeds from disposal of financial assets	-64,266.95	-
costs of disposal of financial assets	1,000.00	84,000.00
revaluation of financial assets and liabilities	-6,111,554.50	493,479.08
valuation of loans granted, bills of exchange, bonds receivable and investment certificates	-753,655.06	524,386.52
share in net profits/losses of subsidiaries measured using the equity method	-5,825,088.30	-15,541,687.12
derivative instruments - valuation	5,091,436.52	872,502.76
<b>Change in provisions results from the following items:</b>	<b>35,784,106.18</b>	<b>22,088,853.12</b>
balance sheet change in provisions for liabilities	44,564,694.17	22,177,489.12
Change in provisions not affecting the current profit or loss	-8,780,587.99	-88,636.00
<b>Change in inventories results from the following items:</b>	<b>-107,427,538.45</b>	<b>22,167,402.91</b>

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balance sheet change in inventories	-107,427,538.45	22,167,402.91
<b>Change in receivables</b>	<b>-133,801,816.66</b>	<b>11,229,407.00</b>
balance sheet change in short-term receivables	-138,549,757.48	4,656,799.79
balance sheet change in long-term receivables	2,286,864.42	6,690,227.31
change in financial and investment receivables	2,103,505.87	78,046.62
change in prepayments and accruals – assets	-	-3,215,615.03
change in prepayments and accruals of financial expenses	357,570.53	-195,666.72
<b>Change in short-term liabilities, excluding financial liabilities, results from the following items:</b>	<b>156,423,996.38</b>	<b>16,312,398.94</b>
balance sheet change in short-term liabilities	149,258,382.92	-3,693,952.79
balance sheet change in long-term liabilities	-1,412,830.56	4,000,282.82
change in investment liabilities	-62,049.65	16,096,797.81
other adjustments	8,640,493.67	-90,728.90
<b>The value of the item "Other adjustments" consists of:</b>	<b>3,604,814.34</b>	<b>-52,416.28</b>
Other adjustments	322,814.34	-52,416.28
incentive scheme	3,282,000.00	-
<b>Income tax paid/refunded</b>	<b>-32,770,416.04</b>	<b>-11,860,659.10</b>

## Change in financial liabilities

	01/01-31/12/2021	01/01-31/12/2020
Opening balance of loans, borrowings and other financial liabilities	106,082,231.28	95,550,167.79
Opening balance of lease liabilities	53,465,731.23	52,943,565.78
<b>Opening balance</b>	<b>159,547,962.51</b>	<b>148,493,733.57</b>
Capital flow (+) loans, borrowings and other financial liabilities	120,875,766.66	68,408,324.76
Capital flow (-) loans, borrowings and other financial liabilities	-68,433,432.27	-57,307,195.97
Increase in lease liabilities (+)	30,356,665.78	13,163,397.19
Capital flow (-) of lease liabilities	-14,104,195.54	-10,839,088.20
Accrued interest (+)	6,718,661.58	6,450,867.92
Interest paid (-)	-6,718,661.58	-6,450,867.92
Valuation (+/-) loans, borrowings and other financial liabilities	595,097.22	-672,566.69
Valuation (+/-) of lease liabilities	-44,121.74	-156,990.39
Other (-/+ ) loans, borrowings and other financial liabilities	-4,925.17	103,501.39
Other (-/+ ) lease liabilities	-1,694,523.20	-1,645,153.15
<b>Closing balance, including:</b>	<b>227,094,294.25</b>	<b>159,547,962.51</b>
Loans, borrowings and other financial liabilities	159,114,737.72	106,082,231.28
Lease liabilities	67,979,556.53	53,465,731.23

The balance of cash and cash equivalents disclosed in the consolidated cash flow statement consists of the following items:

	as of 31/12/2021	as of 31/12/2020
<b>Cash at bank and in hand</b>	<b>271,460,786.84</b>	<b>264,064,942.76</b>
<b>Including:</b>		
exchange rate differences on balance sheet valuation	-114,517.62	-237,480.86
<b>TOTAL</b>	<b>271,346,269.22</b>	<b>263,827,461.90</b>

The restricted cash disclosed in the cash flow statement relates to cash held in escrow accounts in property development activity and VAT accounts kept in connection with the split payment mechanism.

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

Information on the Group Companies established in 2021 is provided in Section 2 of these financial statements.

On 31/03/2021, the final redemption of all investment certificates of UNIDE FIZ AN took place. Thus, all liquidation activities were completed and an application was filed to remove the fund from the Register of Investment Funds. On 31/05/2021, the fund was removed from the Register of Investment Funds.

## 6.28. Transactions with related entities

As of 31/12/2021

	Trade and other receivables	Trade and other liabilities	Contractual assets:
Jointly controlled, indirectly jointly controlled entities	1,525,467.68	33,088.47	-
indirect affiliates	1,386,667.33	12,095.61	1,957,897.17
<b>Total transactions with related entities</b>	<b>2,912,135.01</b>	<b>45,184.08</b>	<b>1,957,897.17</b>

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As of 31/12/2020

	Trade and other receivables	Trade and other liabilities	Contractual assets	Contractual liabilities	Loans granted
Jointly controlled, indirectly jointly controlled entities	1,456,609.77	32,785.80	-	-	221,610.57
indirect affiliates	22,669,646.72	9,108,056.36	17,736.40	1,531,842.72	-
<b>Total transactions with related entities</b>	<b>24,126,256.49</b>	<b>9,140,842.16</b>	<b>17,736.40</b>	<b>1,531,842.72</b>	<b>221,610.57</b>

For the period from 01/01/2021 to 31/12/2021

	Revenue from contracts with customers	Purchase of products, goods and materials	Financial revenue	Other operating expenses
Jointly controlled, indirectly jointly controlled entities	-	-	-1,610.57	1,279,044.00
indirect affiliates	83,899,533.85	47,507.90	8,775,710.03	-
<b>Total transactions with related entities</b>	<b>83,899,533.85</b>	<b>47,507.90</b>	<b>8,774,099.46</b>	<b>1,279,044.00</b>

For the period from 01/01/2020 to 31/12/2020

	Revenue from contracts with customers	Purchase of products, goods and materials	Financial revenue
Jointly controlled, indirectly jointly controlled entities	-	-	1,610.57
indirect affiliates	74,262,325.55	48,674.17	14,448,884.61
<b>Total transactions with related entities</b>	<b>74,262,325.55</b>	<b>48,674.17</b>	<b>14,450,495.18</b>

In 2021, the members of the Management Board of the Parent Company made purchases in the Group companies totalling PLN 1,350.9 thousand.

## 6.29. Management Board and Supervisory Board

The Management Board and Supervisory Board of the UNIBEP GROUP are represented by the Management Board and Supervisory Board of the Parent Company UNIBEP SA.

### MANAGEMENT BOARD

The Management Board of UNIBEP SA acts on the basis of the provisions of the Commercial Companies Code, the Company's 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 is determined by the Supervisory Board.

As of the day of preparing these financial statements, the Management Board of UNIBEP S.A. is composed of the following persons:

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

On 4 November 2020, the Supervisory Board of Unibep SA adopted a resolution on appointing Mr Adam Poliński as a member of the Management Board of the Company effective from 1 January 2021.

### SUPERVISORY BOARD

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

As of the day of preparing these financial statements, the Supervisory Board of UNIBEP SA is composed of the following persons:

- Jan Mikołuszko – Chairman of the Supervisory Board
- Beata Maria Skowrońska – Deputy Chairman of the Supervisory Board
- Wojciech Jacek Stajkowski – Member of the Supervisory Board
- Jarosław Mariusz Beldowski – Member of the Supervisory Board (independent)
- Michał Kotosowski – Member of the Supervisory Board (independent)

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- Paweł Markowski – Member of the Supervisory Board (independent)
- Dariusz Marian Kacprzyk – Member of the Supervisory Board (independent)

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

#### Management Board

No.	Name and surname (company)	Position	Number of shares held	Number of votes	Share in the total number of votes (over 5%)
1	Leszek Marek Gołqbiecki	President of the Management Board	690,000	690,000	1.97%
2	Sławomir Kiszycki	Vice-President of the Management Board	-	-	---
3	Krzysztof Mikołajczyk	Vice-President of the Management Board	-	-	---
4	Adam Poliński	Member of the Management Board	-	-	---

#### Supervisory Board

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

According to the knowledge of UNIBEP SA as of 31/12/2021

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

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

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



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

#### MANAGEMENT BOARD OF THE PARENT COMPANY

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

#### SUPERVISORY BOARD OF THE PARENT COMPANY

- **Jan Mikołuszko** is the husband of a shareholder (Mrs Zofia Mikołuszko) holding at least 5% of votes at the General Meeting of UNIBEP SA.
- **Beata Maria Skowrońska** – shareholder holding at least 5% of votes at the General Meeting of UNIBEP SA.
- **Wojciech Jacek Stajkowski** – shareholder holding at least 5% of votes at the General Meeting of UNIBEP SA.
- **Jarosław Mariusz Beldowski** – is not related to any shareholder holding at least 5% of votes at the General Meeting of UNIBEP SA.
- **Michał Kołosowski** – is not related to any shareholder holding at least 5% of votes at the General Meeting of UNIBEP SA.
- **Paweł Markowski** – is not related to any shareholder holding at least 5% of votes at the General Meeting of UNIBEP SA.
- **Dariusz Marjan Kacprzyk** – is not related to any shareholder holding at least 5% of votes at the General Meeting of UNIBEP SA.

### 6.32. Salaries of members of the Management and Supervisory Boards of the Parent Company

#### SALARIES OF THE MANAGEMENT BOARD:

For the period from 01/01/2021 to 31/12/2021

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

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

For the period from 01/01/2020 to 31/12/2020

Name and surname	Salary	Bonus for profit for 2019 paid in 2020	Total
Leszek Marek Gołąbiecki	744,000.00	450,797.81	1,194,797.81
Sławomir Kiszycki	672,000.00	450,797.81	1,122,797.81
Krzysztof Mikołajczyk	612,000.00	450,797.81	1,062,797.81
<b>Total:</b>	<b>2,028,000.00</b>	<b>1,352,393.43</b>	<b>3,380,393.43</b>

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## SALARIES OF THE SUPERVISORY BOARD:

For the period from 01/01/2021 to 31/12/2021

Name and surname	Revenue	Revenue of a member of the Supervisory Board under an employment contract with UNIBEP S.A.	Total
Jan Mikołuszek	456,000.00	-	456,000.00
Beata Skowrońska	144,000.00	-	144,000.00
Wojciech Stajkowski	60,000.00	60,000.00	120,000.00
Jarosław Betdowski	60,000.00	-	60,000.00
Michał Kołosowski	84,000.00	-	84,000.00
Paweł Markowski	60,000.00	-	60,000.00
Dariusz Kacprzyk	60,000.00	-	60,000.00
<b>Total:</b>	<b>924,000.00</b>	<b>60,000.00</b>	<b>984,000.00</b>

For the period from 01/01/2020 to 31/12/2020

Name and surname	Revenue	Revenue of a member of the Supervisory Board under an employment contract with UNIBEP SA	Total
Jan Mikołuszek	456,000.00	-	456,000.00
Beata Skowrońska	144,000.00	-	144,000.00
Wojciech Stajkowski	60,000.00	60,000.00	120,000.00
Jarosław Betdowski	60,000.00	-	60,000.00
Michał Kołosowski	85,576.40	-	85,576.40
Paweł Markowski	60,000.00	-	60,000.00
Dariusz Kacprzyk	61,689.00	-	61,689.00
<b>Total:</b>	<b>927,265.40</b>	<b>60,000.00</b>	<b>987,265.40</b>

In 2021, remuneration from the employment relationship was paid to relatives of the members of the Management Board and Supervisory Board in the amount of PLN 1,104.5 million, and in the comparable period PLN 883.7 thousand.

### 6.33. Transactions with related entities carried out by members of the supervisory bodies of the Company and of the Group companies

In 2021, there were no transactions other than those based on market conditions, the one-off or total value of which would exceed the equivalent of 500 thousand EUR converted into PLN.

### 6.34. Contracts concluded between the Parent Company UNIBEP S.A. and members of the management bodies

The President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board of UNIBEP SA, in relation to their work and function in the Management Board in 2021, were employed in UNIBEP SA under fixed-term managerial contracts - until the expiry of the term of office of the member of the Management Board in relation to the expiry of the three-year sixth term of the Management Board (fixed-term employment contract).

Leszek Marek Gołqbiecki, President of the Management Board and Company Director, Sławomir Kiszycki, Vice-President of the Management Board and Financial Director, and Krzysztof Mikołajczyk, Vice-President of the Management Board and Construction Director were bound by fixed-term employment contracts concluded on 16/06/2020 - until the expiry of the term of office of the member of the Management Board in relation to the expiry of the three-year sixth term of the Management Board.

Adam Poliński, Member of the Management Board and Director of the Infrastructure Branch, was bound by a fixed-term employment contract concluded on 30/12/2020 - until the expiry of the term of office of the member of the Management Board in relation to the expiry of the three-year sixth term of the Management Board. Mr Adam Poliński was appointed member of the Management Board of the Company for the sixth term of office as of 01/01/2021.

Pursuant to the provisions of the aforementioned contracts, the President of the Management Board of UNIBEP

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SA Leszek Marek Gołqbiecki and the Vice-Presidents of the Management Board of UNIBEP SA Sławomir Kiszycki and Krzysztof Mikołajczyk were entitled to an annual bonus for 2020 and for subsequent years, calculated from the consolidated net profit of the UNIBEP Group for each financial year in the amount of 1.5%, provided that the financial plan of the UNIBEP Group for a given year adopted by the Management Board and the Supervisory Board is implemented.

Pursuant to the provisions of the contract, the Member of the Management Board, Director of the Infrastructure Branch of UNIBEP SA Adam Poliński was entitled to an annual bonus for 2021 and for subsequent years, calculated from the consolidated net profit of the UNIBEP Group for each financial year in the amount of 1%, provided that the financial plan of the UNIBEP Group for a given year adopted by the Management Board and the Supervisory Board is implemented.

In addition to remuneration, the employer guaranteed to pay the President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board, in the event of termination of the employment contract by notice from the employer for reasons not attributable to the President, Vice-President or Member of the Management Board, compensation amounting to 3 times the employee's average monthly remuneration. The President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board were not entitled to other remuneration components as set out in the Corporate Collective Bargaining Agreement.

The President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board of UNIBEP S.A. had non-competition contracts concluded with the Company during the employment relationship (the non-competition clause is binding for the duration of the employment relationship) and non-competition contracts after termination of employment (the non-competition clause is binding for 6 months after termination of the employment relationship). For the duration of the non-competition clause (for a period of 6 months), the President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board were entitled to compensation amounting to 25% of the remuneration received by these persons prior to the termination of their employment relationship, to be paid in six equal instalments.

### Changes introduced in 2022

Since 20 January 2022, the Parent Company has separated the sources of remuneration for members of the Management Board based on two forms of remuneration, i.e. by appointment and under an employment contract.

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

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

In accordance with the Resolutions of the Supervisory Board:

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

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

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

The aforementioned employees, in the event of termination of the employment contract by notice from the

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employer for reasons not attributable to the employee, the employer will compensate the employee in the amount of 3 times the employee's average monthly remuneration. The amount of compensation will include compensation for refraining from competitive activities and the amount of severance pay due to the Employee in connection with the termination of the employment contract with notice for reasons not attributable to the Employee under the applicable legislation.

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

### 6.35. Contingent assets and liabilities, guarantees

#### 6.35.1. Contingent assets and liabilities

Contingent liabilities on guarantees and sureties granted to other entities are mainly guarantees issued by banks and insurance companies to the benefit of counterparties of the UNIBEP Group Companies to secure their claims under construction contracts. In the event that the clients make use of the guarantees issued in their favour, banks and insurance companies have a right of recourse against the Companies in this respect.

Guarantees provided to the clients are an alternative way of securing the retained guarantee deposits.

	as of 31/12/2021	as of 31/12/2020	IT
<b>CONTINGENT ASSETS</b>	<b>100,000.00</b>	<b>3,955,739.54</b>	
<b>From other entities</b>	<b>100,000.00</b>	<b>3,955,739.54</b>	
Bills of exchange received as security	100,000.00	100,000.00	
Sureties received	-	3,855,739.54	
<b>CONTINGENT LIABILITIES</b>	<b>174,289,622.11</b>	<b>147,571,461.98</b>	
<b>To related entities</b>	<b>50,889,581.17</b>	<b>17,033,748.41</b>	
Sureties granted	50,889,581.17	17,033,748.41	
<b>To other entities</b>	<b>123,400,040.94</b>	<b>130,537,713.57</b>	
Disputes	121,400,040.94	128,537,713.57	
Sureties granted	2,000,000.00	2,000,000.00	

#### Disputes

The following changes have taken place in relation to the information on disputes included in the Unibep Group's consolidated financial statements for 2020 and Q3 2021:

#### Claims against Unibep SA

- In the action for payment of PLN 1,249 thousand brought by **LC Corp Invest XV Sp. z o.o. PROJEKT 6 Spółka Komandytowa** due to defects occurring on the contract **LC Corp - Zabki**. Unibep SA does not accept the claim. In the case, the Court heard witnesses from both parties and appointed an expert in the case. The hearing originally scheduled for 2 July 2019 was first postponed until March 2020, after which it was adjourned sine die.
- The lawsuit claim of **Paweł Kardas** against Unibep SA for the amount of EUR 70 thousand was brought before the Court on 18 December 2019. The Company was sued on account of claims resulting from the final invoice for the execution of finishing works on the **Bad Oeynhausen** contract. Unibep SA is of the opinion that the works were not performed according to the technology and are faulty. In addition, contractual penalties were withheld for delays in works, which made it impossible to put the building into use on time. The plaintiff questions the legitimacy of the deductions and demands the full amount plus interest. The first hearing was held on 16 February 2022, at which a settlement was reached on the basis of which Unibep SA will pay to the plaintiff the amount of EUR 7.5 thousand. Upon the payment of this amount the dispute is terminated.
- On 26 November 2021, Unibep SA was sued by **Seniorenpark Wunstorf GmbH** for the payment of EUR 233 thousand for the costs of rectifying defects and faults on the contract **Retirement Home - Südbrookmerland**. Seniorenpark's actions may be related to the maturity of the guarantee deposit in

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- a similar amount. We are waiting for the date of the first hearing to be set.
- In a compensation case for PLN 4,873 thousand concerning **fatal accidents** at the Plaza construction site in Suwalki (conducted by a consortium of Unibep SA and Mostostal Białystok). The case is at the stage of supplementary expert opinions on occupational health and safety. The date of the next hearing has not been set yet. Due to the insurance held by the Company and the consortium member, the case should not encumber the costs of Unibep SA.
  - In the action brought by **FLAMPOL Tomasz Woźniak Sp. k.** for the payment of PLN 554 thousand the Court issued an order for payment. The plaintiff's claim for the payment of remuneration jointly and severally by Klimar Plus, Unibep and WX Office Development 2 in connection with the implementation of the project Ogrodowa Office in Łódź. Unibep SA takes the view that the plaintiff was not notified and therefore there is no joint and several liability of Unibep SA for the liability of Klimar Plus. In the case, the Court admitted expert witness evidence requested by the plaintiff. The opinion was prepared by an expert. The case is adjourned until June 2022.
  - On 20 January 2020, an order for payment was issued to **Deven sp. z o.o. Sp.k.** charging jointly and severally Unibep SA and Klimar Plus Sp. z o.o. with the amount of PLN 554 thousand. The plaintiff demands the payment of remuneration in connection with the performance of the contract Ogrodowa Office in Łódź. The first hearing was held on 1 December 2020, at which witnesses and the plaintiff were heard. The case is at the stage of preparation of an opinion by an expert witness requested by both parties. No date has been set for the next hearing.
  - **Partner Group Sp. z o.o.** filed a suit for the payment of PLN 86 thousand. It concerns the contract Ogrodowa Office in Łódź. The plaintiff claims payment of remuneration jointly and severally by Klimar Plus and Unibep. The first hearing was held in September 2021 at which the defendant's witnesses were heard. The next date was set for 6 June 2022.
  - **TEKNIKA AVG Sp. z o.o.** filed a suit against Unibep SA for the payment of PLN 103 thousand. The plaintiff demands payment for works performed at the construction site Ogrodowa Office in Łódź. Unibep SA takes the view that remuneration in the amount claimed is undue due to the fact that the plaintiff's works were not accepted and, moreover, were performed defectively. Consequently, the Company commissioned another contractor at its own expense to rectify the defects that had arisen and called on the plaintiff to pay by way of compensation. A hearing was held in the case during which the Court heard witnesses. Expert evidence was admitted. The case was adjourned sine die.
  - In the action brought by **P.P.H.U. Jan Wojaczek**, an order for payment of PLN 43 thousand was issued. The plaintiff's claim concerning payment for the lease of premises relates to the project Galeria Cieszyn. On 6 November 2020, the Court passed a judgement dismissing the claim. The plaintiff appealed against the judgement. The response to the appeal was filed on 10 September 2021. We are currently awaiting an appeal hearing date.
  - In the action brought by **RAFBUD Konstrukcje Sp. z o.o.** for the payment of PLN 52 thousand relating to the project Żoliborz Artystyczny. The Company received an order for payment under the writ-of-payment proceedings, against which an objection was filed, as the plaintiff's claim is unjustified due to the deduction of the amount claimed in connection with the imposition of contractual penalties for delay in the performance of the contract. On 19 January 2022, an online hearing was held at which the Court heard witnesses from Unibep SA and admitted evidence obtained by hearing the plaintiff and adjourned the hearing until 24 August 2022.
  - In the case of **RAFBUD Konstrukcje Sp. z o.o.** for the payment of PLN 71 thousand concerning the construction site Rondo Wiatraczna the company received an order for payment under the writ-of-payment proceedings. The case was originally filed with the District Court for the Capital City of Warsaw. The Court issued a decision declaring its lack of territorial jurisdiction and referring the case to the District Court in Białystok. A complaint was filed against the Court's decision, which was upheld and the case returned to the District Court for the Capital City of Warsaw. The parties were requested to submit settlement proposals, although the plaintiff did not do so. On 8 October 2021, the Court issued an order according to which it referred the case file to a mediator. The parties did not enter into mediation. We are waiting for the hearing date to be set.
  - In the action brought by **RAFBUD Konstrukcje Sp. z o.o. Sp. k.** for the payment of PLN 445,000 the construction site Żoliborz Artystyczny, for the payment of remuneration. The plaintiff's claim should be dismissed due to fact that the amount claimed was withheld in connection with charging the Contractor with a contractual penalty for delay in the performance of the subject of the contract and charging the Contractor with the costs of formwork repair. In Q4 2021, at a hearing, the Court of First Instance delivered a judgement awarding payment of PLN 183,000 plus interest and legal costs. An appeal was filed on 27 December 2021.
  - In the action brought by **RAFBUD Konstrukcje Sp. z o.o. Sp. k.** for the payment of PLN 590 thousand in connection with the construction site Rondo Wiatraczna. On 22 March 2021, a settlement was reached at a hearing pursuant to which the plaintiff waived the claim in its entirety and the Parties mutually waived their legal costs. The Court issued a decision on discontinuation of the proceedings

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- which became final on 12 April 2021.
- In the action brought by **Alu GLAS Sp. z o.o.** for the payment of the amount of PLN 337 thousand due to remuneration. In August 2021, a visual inspection with the expert and the Parties took place at the facility Ogradowa Office in Łódź. The plaintiff applied for the exclusion of the expert. We requested that the plaintiff's application be dismissed as there were no grounds for excluding the expert. The case file was transferred to the Court of Appeal in Białystok, 6th Judicial Supervision Division. On 15 February 2022, the witnesses requested by Unibep SA provided written answers to questions.
- In September 2021, Unibep SA received an order for payment for the amount of PLN 31 thousand under the writ-of-payment proceedings issued by the District Court in Płock. Action brought by **PPHU BENON**. The plaintiff claims repayment of the first part of the guarantee deposit from the contract Mlekovita milk powder factory. An objection was filed against the order for payment. The scheduled hearing for 26 January 2022 did not take place. The case was adjourned. A hearing was held on 16 March 2022 at which the defendant's witnesses were heard. The Court concluded the hearing of evidence and closed the hearing. On 1 April 2022, the Court passed a judgement awarding payment to the plaintiff of the sum of PLN 38 thousand plus interest. A request will be made for a statement of reasons for the judgement and then an appeal.
- On 14 January 2022, we received a statement of claim filed by **Bożena Machowicz doing business as "Machowicz Budownictwo"** for the payment of PLN 119 thousand. The amount claimed relates to the return of the guarantee deposits that were retained under 10 contracts. On 3 February 2022, a reply to the statement of claim was provided and it was alleged that the guarantee deposits had been set off in relation to charging the plaintiff for the cost of substitute removal of defects. The Court required the parties to submit a preparatory document. Both parties submitted the documents indicating their agreement to mediation.
- Daniel Modelski** brought an action against Unibep SA for the payment of the second part of the deposit retained in the amount of PLN 40 thousand as a performance security on the contract Okecie Business Centre. At the first hearing, the Parties presented their positions in the litigation, and the Court set a date for Unibep SA to submit a pleading with new requests for evidence. In April 2021, a judgement was passed awarding the claim in favour of the plaintiff. The judgement is not final, an appeal against the judgement was filed. We are waiting for the Court of Appeal hearing to be set and for the appeal to be decided.
- In the action brought by **Adam Karbowlak** for the payment of a claim in the amount of PLN 39 thousand on account of reimbursement of the second part of the guarantee deposit, which had been set off by Unibep SA against the costs of substitute repairs of defects and faults on the project Berensona residential development in Warsaw. Mediation was carried out which did not lead to a settlement. The Court admitted evidence from an expert witness in the field of construction. The court opinion was drawn up, Unibep SA raised objections to it. We are waiting for the expert witness to respond to the objections raised.
- The action from 2018 brought by **PRO PARTE Daniel Modelski**, the plaintiff claims payment of receivables due to return of the second part of the guarantee deposit in the amount of PLN 55 thousand obtained by virtue of transfer of receivables between him and the bankruptcy trustee representing AL-BUD Sp. z o. o. in liquidation bankruptcy. The case concerns the contract Okecie Business Centre. Due to the fact that the plaintiff questioned the effectiveness of the deduction made by Unibep SA, the Court obliged the defendant to justify the grounds for the set-off of the defendant's receivable under contractual penalties for delay in removing defects against the receivable originally due to AL-BUD under retained guarantee deposits. The date of the first hearing was set for 17 May 2022.
- On 2 February 2022, we received a statement of claim filed by **Daniel Modelski, doing business as PRO PARTE**, for the payment of PLN 20 thousand as reimbursement of the second part of the guarantee deposit retained on the contract Mozaika Mokotów Stage II. The receivable claimed is one of several receivables which the plaintiff acquired from the receiver of AL-BUD Sp. z o.o. by means of a receivables transfer agreement. An objection was lodged against the order for payment on 15 February 2022.
- By a lawsuit dated 19 November 2019, **ALHAR Sp. z o.o. Sp. k.** filed a claim for revocation of enforceability of the enforcement title in excess of the amount of PLN 124 thousand; it concerns the contract Kraków Romanowicza. On 8 December 2020, a judgement was delivered dismissing the claim. An appeal by the plaintiff was brought before the Court. Unibep SA also filed a response to the appeal. We are currently awaiting the appeal hearing date to be set.
- On 1 April 2021, a lawsuit for payment of the amount of PLN 50 thousand for the implementation of the agreement of 07 December 2016 made between Unibep SA and **Dariusz Żegunia** was filed with a court. In the agreement, Dariusz Żegunia undertook to vacate and deliver to Unibep SA the residential building, outbuildings and remove the unnecessary materials accumulated on the premises by 19

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December 2016, in return for which the Company undertook to pay him the sum of PLN 50,000. Dariusz Żegunia failed to comply with the above obligations on time and continued to reside in the residential building located on the property acquired by the defendant. On 8 June 2021, a hearing was held at which witnesses called by both parties, as well as the plaintiff, were heard. In a judgment rendered on 17 June 2021, the Court dismissed the claim and ordered the plaintiff to pay the costs of the litigation. On 14 July 2021, the Court received the plaintiff's appeal. We are waiting for the hearing date to be set.

- A claim for the amount of PLN 1,331 thousand for moral damages, compensation, reimbursement of medical expenses, care, fixed annuity, interest related to an accident on 16 November 2017 at a construction site in Heimdal, Norway involving a Unihouse SA employee who was crushed by a module during assembly. On 29 July 2020, the injured party's statement of claim was served against AXA Ubezpieczenia TUiR SA, Unibep SA and Unihouse SA. All three entities were sued in solidum. Three hearings were held during the proceedings at which witnesses were heard. The Regional Court ordered all defendants jointly and severally to pay monthly compensation to the plaintiff. The case is currently at the stage of preparation of opinions by court-appointed physicians. A nephrology expert witness gave their opinion. We are waiting for the hearing date to be set.
- On 31 December 2021, the plaintiff City Motive Group Sp. z o.o. brought an action against Unibep SA for payment of remuneration in connection with the implementation of the project Dzielnia 64 in the amount of PLN 268 thousand, which was not paid due substituted performance. Unibep SA filed a reply to the statement of claim on 17 February 2022. We are waiting for the first hearing before the Arbitration Court to be set.

### Actions brought by Unibep SA

- The investor, Aureus Residenzbau GmbH, withheld part of the remuneration due to Unibep SA for the execution of the Krefeld contract. On 27 August 2020, a hearing was held at which the Court awarded Unibep SA the sum of EUR 218 thousand plus interest. The investor lodged an appeal. Unibep SA has joined this appeal. We are waiting for the hearing date to be set.
- An action against Atelier Zollborz Sp. z o.o. for payment of PLN 2,174 thousand. The receivable includes a claim for the return of a guarantee deposit retained as a warranty bond. The case concerns the project Atelier - Zollborz. On 30 June 2021, the Court issued an order referring the case for a judgement in closed session and requiring the parties to present their final positions in the case. On 30 November 2021, the Court passed a judgement upholding Unibep SA's claim in its entirety. The case was referred to court enforcement in respect of the awarded principal with interest, whereas as an appeal was filed by Unibep SA in respect of litigation costs.
- On 21 November 2021, a claim was brought against SGB Posadzki Przemysłowe Sp. z o.o. for reimbursement by the defendant of costs for substituted removal of defects in the amount of PLN 897 thousand at the construction site of the ROSTI Bignor production building. The Court referred the case to mediation proceedings. The mediation did not lead to a settlement. The Court heard witnesses in the case. At present, the hearing of evidence is underway, including the taking of expert witness evidence.
- Unibep SA filed a lawsuit against Warszawska Spółdzielnia Mieszkaniowa for payment of remuneration in the amount of PLN 841 thousand for the performance of works on the Talarowa project. The Court is continuing with the hearing of evidence and has also admitted evidence in the form of an expert opinion, which is currently being drawn up.
- Unibep SA filed a lawsuit against Warszawska Spółdzielnia Mieszkaniowa. The claim includes the demand for repayment by the defendant of the amount paid from the bank guarantee in the amount of PLN 2,179 thousand constituting a warranty bond on the Niedzielskiego Stage II project. The lawsuit was filed in September 2021. We are waiting for the date of the first hearing to be set.
- On 31 December 2021, Unibep SA filed a motion to summon Sylvia Glogowska Art - Inox to a settlement conference in respect of a claim in the amount of PLN 513 thousand concerning the costs of substituted performance of remedy of defects in works which were not remedied by the defendant. The case concerns construction works performed as part of the Niedzielskiego Stage II project. A settlement conference was held, but the summoned person did not appear at the hearing.
- Unibep SA brought an action to determine that the Medical University of Łódź is not entitled to a payment of PLN 500 thousand secured by a bid bond. In addition, the Company applied for injunctive relief in respect of the claim to determine that the Medical University of Łódź is not entitled to receive a payout on account of the bid bond. On 1 December 2021, the Regional Court in Łódź, 10th Commercial Division granted injunctive relief to the Company as requested, by, among others, prohibiting the guarantor, Generali TU SA, from paying the amount secured by the bond. On 10 February 2022, the first hearing in the matter of determining that the Medical University of Łódź is not

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entitled to receive a payout on account of the bid bond was held, where the Court of First Instance passed a judgement stating that the Medical University of Łódź had no claim against Unibep SA. We are waiting for the hearing date in the Court of Second Instance to be set.

- On 23 June 2020, Unibep SA filed a lawsuit against **Piotr Górka DAWI Budownictwo**, subcontractor at the construction site of **Galeria Stela in Cieszyn** on account of granted and unsettled advances in the amount of **PLN 151 thousand**. During the course of the works, the Contractor stopped the works without notice and left the site. The Court referred the parties to mediation but despite settlement proposals from Unibep SA, no settlement was reached. Subsequently, the Court decided to have witnesses for both parties give written evidence. At the request of the plaintiff's attorney, the Court admitted evidence in the form of written statements of a witness called in the case and instructed the parties to submit a list of questions. Despite the fact that questions were sent to the witness three times, the witness did not collect correspondence from the Court. We are waiting for the hearing date to be set.
- In the lawsuit brought by the Consortium of Unibep SA and Most Sp. z o.o. against **Podlaskie Voivodeship Roads Authority (PZDW)** for payment of **PLN 8,286 thousand** as a contractual penalty due to withdrawal from the contract and the amount of **PLN 23,243 thousand** due to additional claims related to the **Sokolka - Dąbrowa Biłostocka** project. In mid-November 2018, the Company was served with a statement of claim filed by Podlaskie Voivodeship Roads Authority against the Consortium for payment of a contractual penalty in the amount of **PLN 8,286 thousand** due to withdrawal from the contract. At the first hearings, which took place in June and September 2019, witnesses were heard. Then, on 6 November 2019, an additional claim was brought for the amount of **PLN 4,807 thousand** in claims arising from the final settlement of the contract. On 26 November 2020, PZDW brought an additional claim for the additional amount of **PLN 103,998 thousand**. Further witnesses were heard and requests for evidence on the admission of expert opinions were examined in the course of the legal proceedings. In May 2021, the Court ordered the admission of evidence in the form of written witness statements and an opinion of the Scientific and Research Institute and set a deadline of one year for the opinion. The Court delivered a partial verdict, awarding Unibep SA the amount of **PLN 799 thousand** and awarding Most Sp. z o.o. in Sopot the amount of **PLN 61 thousand**. On 21 September 2021, the defendant PZDW filed a response to the statement of claim and limited its claim in respect of contractual penalty due to withdrawing its claim for the amount of **PLN 8,286,000** plus interest. The defendant PZDW also an opinion of the Scientific and Research Institute of Roads and Bridges to its pleading. On 31 December 2021, UNIBEP SA brought an additional claim for the amount of **PLN 8,286 thousand** drawn on the guarantee by PZDW. Witness statements given in the case are currently being analysed.

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

- On 26 June 2020, Unibep SA filed a lawsuit against insurer **Sopockie Towarzystwo Ubezpieczeniowe Ergo Hesla SA** for payment in the amount of **PLN 174 thousand** in connection with theft at the **Obrzeźna** construction site. Hearings were held at which witnesses were heard. We are currently waiting for the next hearing date to be set.
- In the case against the **Municipality of Łapy** for payment of **PLN 2,134 thousand** in connection with the implementation of the project: **development of investment areas in Łapy**: The defendant filed a reply to the statement of claim, which was served in August 2018. The case was referred to mediation which did not result in a settlement between the parties. A hearing was held in April 2019, at which the Municipality of Łapy announced that it had filed a counterclaim. The statement of counterclaim was served in August 2019, to which a reply was filed. The Court again referred the case to mediation – the parties again engaged in settlement discussions without success. Three hearings were held at which witnesses in the case were heard. An order was made for expert evidence to be admitted. In April 2021, an expert witness opinion was received by the Court which was favourable to Unibep SA. The expert maintained their position in the case, issuing a supplementary opinion in May 2021 and an oral opinion during the hearing in September 2021. On 8 October 2021, a judgement was delivered upholding Unibep S.A.'s claim in its entirety and dismissing Municipality of Łapy's counterclaim. The Municipality of Łapy filed an appeal in the case to which Unibep SA filed a reply on 1 February 2022. There is currently no date set for the next hearing.
- Unibep SA brought an action against **Podlaskie Voivodeship Roads Authority (PZDW)** in connection with the construction of the **DW 682 Łapy Markowszczyzna road** for **PLN 1,318 thousand** in additional electrical works. The case was brought to Court in July 2020, after PZDW filed its response the Court referred the case to mediation. The Court summoned Lafrentz Polska Sp. z o.o. with its registered office

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in Poznań to express its position in the case and join the case as an intervenor. At hearings held in January and March 2022, the Court heard witnesses in the case. The next hearing date has been set for 20 June 2022.

- In connection with the construction of the DW 682 Łapy Markowszczyzna road, Unibep SA brought further actions for additional works: on 22 December 2021, for the amount of PLN 5,731 thousand in additional works in various disciplines, on 21 January 2022, for the amount of PLN 3,338 thousand due to costs incurred in connection with the extended implementation of the project and on 23 March 2022, for the amount of PLN 92 thousand for payment for additional works in connection with soil replacement. We are waiting for the hearing dates to be set.
- On 29 March 2019, the Consortium of Unibep SA and PORR SA filed a lawsuit against the **General Directorate for National Roads and Motorways (GDDKIA)** for payment of PLN 16,926 thousand in total (including PLN 5,078 thousand to Unibep SA) for additional works on the project: reconstruction of the S8 national road. In April 2019, an order for payment in summary proceedings was issued against which the defendant filed an objection. After an exchange of pleadings, the first hearing was held on 9 April 2021. After hearing all witnesses in the case, on 8 December 2021, the court delivered a judgement granting the claim of PORR SA and Unibep SA in its entirety. An appeal against the judgement filed by GDDKIA was filed with the court, which has not yet been served on the parties.
- Unibep S.A. and Przedsiębiorstwo Budownictwa Komunikacyjnego Sp. z o.o. brought a joint action against **Podlaskie Voivodeship Roads Authority** for payment of PLN 4,453 thousand in total, of which PLN 1,391 thousand is Unibep S.A.'s claim for payment for additional works under a contract for the construction and extension of voivodeship road 645 along the Nowogród - Łomża section, including a bypass around Stare Kupiski. On 14 July 2020, the consortium received a copy of the response to the statement of claim. In response, the plaintiff agreed to mediation in the case, at the same time requesting the Court to set a date for a hearing should a settlement not be reached before a mediator. A mediation meeting was held on 26 March 2021, but did not lead to a settlement. On 22 September 2021, the first hearing was held, at which all witnesses called at the hearing were heard. The case was referred to an expert for an opinion on the case. The expert issued an opinion in the case, which was served on the parties. We are waiting for the next hearing date to be set.
- On 9 July 2021, Unibep SA filed a lawsuit against **Przedsiębiorstwo Robót Drogowo- Mostowych "Ostrada"** for payment of outstanding invoices for the delivery of asphalt in the amount of PLN 205 thousand. The Court issued an order for payment under summary proceedings and motions for injunctive relief were submitted to a bailiff. The bailiff seized the debtor's funds, which were transferred to a court deposit. The payment orders became final and three enforcement requests were submitted to the bailiff, on the basis of which the bailiff collected the entire debt. The case can be considered closed.
- The investor **Strandkanten Pluss II KS** suspended payment of the last invoice issued in connection with the Strandkanten in Tromsø construction project in the amount of NOK 2,266 thousand. In 2019, both parties filed a motion to summon to a settlement conference. The parties are currently engaged in discussions to resolve matters amicably and both parties are working constructively together to avoid further legal action. Several counterclaims were successfully settled, which contributed to the reduction of counterclaims.
- Action brought by Unibep SA against **Witraż Sp. z o.o.** for payment of PLN 408 thousand on account of defects in window joinery on the Kjeller Gard contract. The claim was brought against Witraż as a recourse claim, after the investor on the Kjeller Grad project had made a similar claim. In the course of the proceedings, the Court asked for documentation confirming the parameters of the joinery provided. Witraż never provided such documentation. The parties agreed on the terms of the settlement, but it was not concluded. Unibep SA requested that the case be referred back to mediation.
- On 16 June 2020, Unibep SA filed a lawsuit against **Sjusjøen Prima Utvikling AS** for payment of the total amount of NOK 8,599 thousand plus interest for additional works performed and charges for operating expenses on the Sjusjøen the View project. On 4 February 2022, a settlement was reached according to which Sjusjøen agreed to pay NOK 1,500 thousand to Unibep SA. The settlement covers all claims and counterclaims that were made in the case.

### Actions brought by Unibep S.A. and Budrex Sp. z o.o.

- On 20 August 2019, a lawsuit was filed against **Podlaskie Voivodeship Roads Authority** for payment of PLN 4,744 thousand for additional costs on the project Łapy Markowszczyzna. The claim relates to unforeseen costs due to performance of additional works connected, among others, with the change of the technology of the works in the amount of PLN 1,051 thousand incurred by Budrex sp. z o.o.; for increased costs of aggregate transport in the investment area caused by the diversions – PLN 3,658

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thousand incurred by Unibep and PLN 36 thousand incurred by Budrex sp. z o.o. The defendant filed a reply to the statement of claim and the designer was impleaded. At hearings in January and February 2020, witnesses in the case were heard. By order of the Court dated 6 March 2020, evidence in the form of an expert opinion of Instytut Analiz Budowlanych (Institute for Construction Analysis) was admitted. The Institute presented an opinion in the case in which it acknowledged Budrex's claim for the amount of PLN 207 thousand, and in the case of Unibep SA the amount of PLN 1,995 thousand. In September 2020, objections were submitted to the opinion issued. In June 2021, the expert finally confirmed that the contractor's additional remuneration for the diversions was due, but in the amount specified in the opinion, i.e. PLN 2,750 thousand. In respect of Budrex's claims, the expert concurred with the plaintiff's position. At the hearing on 24 January 2022, the Court dismissed the application for the admission of evidence in the form of live evidence given by the parties, required the Institute to take a final position in the case and closed the hearing. After receiving the Institute's position, the Court set a 14-day period for the parties to take their final positions, after which it would deliver its judgement.

### Actions brought by Budrex Sp. z o.o.

- Action brought by Budrex Sp. z o.o. for payment of PLN 2,589 thousand from the defendant **Polaqua Sp. z o.o.** The claim relates to the amount drawn by the defendant under an insurance guarantee. Under the pretext of contractual penalties due from the plaintiff for untimely performance of construction works on the contract extension of national road No. 8 Warsaw - the Białystok, Ostrów Mazowiecka bypass, the defendant drew on a guarantee in the amount of PLN 2,196,000. In the opinion of Budrex Sp. z o.o., the claim for contractual penalties had no basis. By order of 9 August 2021, the Court admitted evidence in the form of an expert witness opinion. We are currently waiting for an opinion to be issued.
- On 30 December 2021, Budrex Sp. z o. o. filed a lawsuit with the Regional Court in Warsaw against **Polaqua Sp. z o. o.** covering a claim for payment of remuneration for contractual and additional works performed, in the total amount of PLN 560 thousand in connection with the extension of national road No. 8 Warsaw - the Białystok, Ostrów Mazowiecka bypass. We are waiting for the hearing date to be set.

### Actions brought against Budrex Sp. z o.o.

- In April 2021, **Trakcja PRKIL SA** filed a lawsuit for payment of PLN 544 thousand for works performed in connection with tree felling in Łochów and works performed in Topór. In June 2021, Budrex Sp. z o. o. filed a reply to the statement of claim, requesting for the claim to be dismissed in its entirety. The case was referred to mediation. In September 2021, the mediation ended without a settlement. On 29 October 2021, a hearing was held at which witnesses from Budrex Sp. z o. o. gave evidence. In addition, the Court admitted evidence in the form of statements of further witnesses. At the next hearing on 25 March 2022, not all of the witnesses called appeared in Court and the hearing was therefore adjourned until 22 April 2022 at which the plaintiff's witness will be heard.

### Actions brought by Unihouse SA

- The investor **Eco Campus Sopot Sp. z o.o.** did not settle for the preparation of part of the construction project and claims that Unihouse did not complete this part of the contract. Unihouse takes the view that the investor had introduced too many deviations from the original concept and demanded payment of remuneration of PLN 246,000 before any further amendments were made. The case concerns the construction of Dormitories in Sopot. The lawsuit was filed in early June 2020. The Court decided to hear witnesses by correspondence and sent questions to witnesses. At the hearing on 9 June 2021, witnesses for Unihouse were heard. At the next hearing on 4 August 2021, further witnesses were heard. We are currently waiting for the Court's position on the admission of expert witness evidence.

### Actions brought against GN INVEST UDM Sp. z o. o. S.K.A.

- An action was initiated before the District Court for Warsaw Mokotów brought by the **purchaser of a residential unit** concerning the Project Point House. On 18 May 2017, the plaintiff filed a lawsuit against

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the Company for payment of PLN 40,000. On 25 May 2017, the Company sent a reply to the statement of claim, requesting that the claim be dismissed in its entirety. Court hearings were held on 16 May 2018 and 15 January 2019, at which the parties maintained their previous positions. The Court heard a witness and the plaintiff and also admitted expert witness evidence and adjourned the hearing sine die. At the next hearing on 16 December 2021, the Company received a copy of the supplementary expert opinion. On 30 December 2021, comments were submitted on the supplementary expert opinion received.

#### Action brought against Osiedle IDEA Sp. z o. o.

- On 16 December 2021, the Company received a statement of claim from a purchaser of premises for the payment of PLN 100 thousand as reimbursement of the cost of removal of a defect on the Osiedle Idea Ogrody Radom project. On 30 December 2021, the Company sent a reply to the statement of claim to the Regional Court in Radom, in which it requested that the claim be dismissed in its entirety.

### 6.35.2. Guarantees

	as of 31/12/2021	as of 31/12/2020
<b>GUARANTEES GRANTED</b>	<b>579,301,707.68</b>	<b>441,317,882.93</b>
To related entities	30,973,617.91	10,560,000.00
To other entities	548,328,089.77	430,757,882.93
<b>GUARANTEES RECEIVED</b>	<b>176,100,021.99</b>	<b>52,526,641.58</b>
From other entities	176,100,021.99	52,526,641.58

In 2021, guarantees for the amount of PLN 309,731,221.81 were granted and guarantees in the amount of PLN 142,057,340.03 were received.

### 6.36. Impact of the COVID-19 coronavirus epidemic on the operations of the UNIBEP GROUP

#### Introduction of the state of epidemic on the territory of the Republic of Poland. Information on the possible impact of the COVID-19 coronavirus epidemic on the operations of Unibep and the Group

The year 2021 was another period of the COVID-19 coronavirus pandemic, which forced construction companies to revise their existing plans and strategies from the outset. Ultimately, the construction industry proved to be one of the few sectors which resisted the crisis caused by the pandemic. Many "black scenarios" about the lack of availability of materials and workers, the necessity to interrupt ongoing contracts or not to start new investments did not materialise. In the past period, the Unibep Group companies did not experience any major turbulence in this respect. Periodic disruptions in the supply of materials, restrictions imposed by Norway on the movement of persons or the significantly slower issuing of necessary permits by public administration bodies than in previous years were felt. With disrupted supply chains and soaring material prices, contract efficiency and margins were under poor supervision, and maintaining expected margins required significant efficiency from the management.

The current development directions of the Unibep Group and the time perspective for their implementation largely take into account the situation related to the state of epidemic threat in our country. The actions taken now and in the past are aimed at ensuring a flexible approach to adapting its activities to the opportunities and constraints arising from the situation in the markets.

The situation in the Unibep Group has not changed significantly compared to the previous quarters of 2021. However, publicly available information on the state of the pandemic prompts us to take appropriate action both internally and with our business partners. A crisis team, established in 2020 and chaired by the President of the Management Board of Unibep SA, continues to operate and constantly monitors the risks associated with the threat and their potential impact on the Company's smooth operations, on-time delivery and increased costs.

The Management Board of Unibep SA continuously monitors its own current situation and the situation of its environment and its possible impact on the Group's operating prospects. The opportunities and risks associated with the business, the feasibility of achieving business objectives and the potential impact of the coronavirus epidemic on the tangible and intangible assets, the development of business contacts, sales opportunities and activity on the markets of interest to the Group, the effects of administrative decisions and decisions of

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contracting entities are assessed on an ongoing basis. Credit risk and liquidity were assessed. The situation was analysed both in the short- and long-term perspective. In the opinion of the Management Board, there are no significant circumstances limiting the possibility of completing the business and investment plans of the Parent Company and the Unibep Group companies.

Future negative financial effects caused by the COVID-19 pandemic cannot be ruled out, but for the time being the biggest negative impact on the market on a micro and macro level is caused by the hostilities in Ukraine. The possible closure of borders could limit imports from other countries in Europe and around the world. Consequently, this may limit the ability of the Unibep Group to perform its contractual obligations, particularly outside Poland.

Norway's imposition of restrictions on the movement of persons resulted in an increased cost of living of workers in Norway in comparison to previous periods. It cannot be ruled out that future developments may cause further restrictions, which could result in a reduction of human resources available both to the Group and to its subcontractors who employ workers from abroad.

The analysis of assets held by the Group indicates that there are no material premises for impairment of fixed and current assets and as of today, their adjustment is not necessary. We found that assets will be used for performing the current and future portfolio of contracts.

The Company's development plans also take the current market situation into account. The analysis to date allows us to conclude that in view of the current state of the epidemic, Management Board sees no risk for the continuation of operations in all areas of the Group, however, depending on further development of the epidemic, a reduction in revenue relative to that expected in some areas of operations cannot be ruled out. We do not rule out the possibility that the situation caused by the next wave of the pandemic may temporarily limit the investment expenditure of contracting entities.

Since the beginning of the pandemic, the Group has assumed that diversification of its business could limit any future negative economic impact associated with the state of the pandemic. The assumed development of energy and industrial construction in the next few years is one of the responses to the risk of reduced activity caused by the pandemic.

Transport and movement restrictions were not as limiting in the Polish market in 2021 as in the earlier period. Nor, in the opinion of management, will they have a material impact on the results for 2022 and subsequent periods for the business conducted in Poland.

A constraint on the operation of our businesses during the period covered by these financial statements was the slowdown in the work of government and local government administration bodies and supervision on the part of contracting entities as a result of work being carried out remotely. At present, the approach of administration bodies in this respect is becoming more lenient, which can only improve the operational efficiency of our businesses.

In 2021, temporary limitations were perceived in the organisational efficiency of the back office within the Group which was related to periodically higher sickness rates and the consequent introduction of remote working for some employees. The pandemic situation also resulted in new channels of communication and the development of electronic systems. However, remote work did not significantly affect the achievement of the business objectives of the Group within individual business segments.

Our liquidity situation is constantly monitored. We do not expect significant potential payment turbulence on ongoing contracts and its impact on our liquidity. As in previous periods, financing is secured for every ongoing contract in residential and commercial, modular and infrastructure construction. Our development group operates in a special purpose vehicle model, which means that, as a rule, for each new project, it ensures its financing before it is launched. Our credit situation is in order.

At the same time, the Unibep Group complies with all decisions and recommendations of the authorities and monitors the situation on an ongoing basis, and is guided by concern for the health of its employees and the long-term value of the Unibep Group in its decision-making process.

The above assessment has been made to the best knowledge of the Management Board of Unihouse S.A. The scale of the consequences of the COVID-19 pandemic and its impact on the Unibep Group's operations in 2021 was limited, but its further impact on the operations of the Group companies depends on factors that are beyond the control of the Unibep Group and subject to dynamic change. As a result, it is not possible to determine clearly the impact of the COVID-19 pandemic on the Unibep Group's further operations, performance, forecasts and financial position. The Unibep Group's experience gained in the period 2020-2021 in connection with the outbreak of the pandemic allows us to conclude that, in the face of today's variables, we do not see a risk of the continuation of operations.

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Additional extraordinary negative events for the Issuer and the industry as a whole and the consequences thereof cannot be ruled out 100%. However, phenomena of this type are monitored on an ongoing basis, and the actions taken within the Group are intended to minimise their potential effects should they occur.

## 6.37. Events after the balance sheet date

### Financial agreements

On 15 February 2022, Unibep SA redeemed 198,500 series E bonds with a total value of PLN 19,850,000 million. The redemption took place on the maturity date of this series of bonds.

On 17 February 2022, Unibep SA and mBank S.A. extended the agreement on the overdraft facility and the guarantee line in the total amount of PLN 50 million. The agreement was extended until 24 February 2023.

On 25 February 2022, Unibep SA and BGK extended the agreement on the overdraft facility and the guarantee line in the total amount of PLN 70 million. The agreements were extended until 28 February 2023.

On 28 February 2022, Unihouse SA and BGK extended the agreement on the overdraft facility and the guarantee line in the total amount of PLN 20 million. The agreements were extended until 28 February 2023.

On 2 March 2022, by virtue of Annex No. 4, the Investment Agreement dated 22 February 2017 (as amended) ("Investment Agreement") and the implementing agreements thereto were amended, pursuant to which Unidevelopment SA acquired the sole control over Ursa Park Smart City spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw ("Ursa Park") and Ursa Sky Smart City spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw ("Ursa Sky").

Accordingly, the following activities were also carried out on that day:

- amending the Articles of Association of Ursa Park and Ursa Sky – concerning the exclusion of decisions regarding the adoption of budgets and schedules of material and financial projects from matters exceeding the ordinary management of the company, i.e. requiring the consent of the limited partners,
- amending the Articles of Association of Smart City sp. z o.o. with its registered office in Warsaw ("Smart City") - concerning, among other things, the change in the principles of representation of Smart City and appointment of the management board, as well as the scope of the matters constituting the matters exceeding the ordinary management of the company and making the decisions on running the company's matters - and dismissing Ms Iwona Makarewicz from the Management Board of Smart City.
- appointing an independent proxy by Unidevelopment in Ursa Park and Ursa Sky.

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

An event affecting the Company's and the Group'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 against Russia. Apart from the design work carried out on the contract concerning the Szeginie road border crossing, Unibep is not currently carrying out any construction work in Ukraine, Belarus or Russia. Nor are there any of our employees, Polish citizens, in these territories. The Company's representative office remains located in Lviv. As at the date of publication of these financial statements, the Company's intention is not to withdraw from the Ukrainian market, and Unibep maintains its intention to implement its projects, while further cooperation and implementation of contracts in Ukraine depends on the development of the geopolitical situation in the region.

At the same time, the Company recalls that it has limited its operations on the Belarusian market due to the unstable social and economic situation in that country, which does not guarantee the safety of its activities there. Unibep does not carry out any construction work in the Republic of Belarus, nor does it make efforts to obtain new contracts. The Company's intention is to withdraw from the Belarusian market after fulfilling its service obligations to existing customers.

According to the information available to the Company, there are entities employing Ukrainian citizens among its subcontractors and companies cooperating with it on the Polish market. The Group is in ongoing contact with its business partners and monitors the impact of the conflict on the performance of contracts to which the Group entities are a party. At present, Unibep does not identify any risks in this area. Contractors are completing the works without any downtime.

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## UNIBEP GROUP



Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

As at the date of publication of these financial statements, the armed conflict in Ukraine is not an indication of impairment of the Unibep Group's assets. However, the war in Ukraine presents a huge challenge for the construction industry. Many private investors have held back their decisions and are waiting to see how the situation will develop. A positive aspect is the expected dynamic growth in demand for housing.

The main risks and threats mainly include abnormal increases in the prices of energy, fuel and construction materials, their low availability and disrupted supply chains. This causes difficulties today in terms of reliable contract valuation and, consequently, long-term planning.

The Group recognises the problems in the supply chain caused by the above-mentioned factors and observes an increase in material prices, but executes contracts on an ongoing basis and without major disruptions. The Group has not experienced any significant delays in the implementation of its projects due to the impact of the armed conflict in Ukraine. It cannot be ruled out that in the event of an escalation of the conflict or as a result of sanctions imposed on Russia by the international community, it may significantly affect the Group's operations, either directly or indirectly. Some of the limitations associated with this are noticeable. The problem affects areas such 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 Ukrainian workers, which may have an effect on the availability of workers in the construction sector
- increased investment financing costs
- assessment of Poland's attractiveness by foreign investors.

As at the date of publication of these financial statements, the impact of the aforementioned phenomena on the construction industry, including the Unibep Group's operations, as well as the scale of these phenomena, are difficult to assess. However, Unibep is continuously monitoring the possible impact of the conflict in Ukraine on the Group's operations, including the performance of concluded contracts. 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 its business partners (contracting entities, subcontractors, material suppliers), engage in a dialogue with non-governmental organisations, as well as contracting entities from the public sector.

The conflict is an event which occurred 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 01/01/2021 to 31/12/2021.

Information on other significant events after the balance sheet date is included in the Report of the Management Report on the UNIBEP Group's Activities for 2021 – Section 6.5.

## 6.38. Employment structure

### AVERAGE EMPLOYMENT

	01/01-31/12/2021	01/01-31/12/2020
White-collar workers	967	857
Blue-collar workers	621	569
<b>Total</b>	<b>1,588</b>	<b>1,426</b>



UNIBEP GROUP



Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

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

The Parent Company and the following subsidiaries: Unidevelopment SA, Osiedle Marywilska sp. z o.o., Coopera Idea Sp. z o.o., Monday Kosmonautów Sp. z o.o. Sp. k., Budrex Sp. z o.o., Unihouse SA concluded with Deloitte Audył Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Warsaw at ul. Al. Jana Pawła II 22 contracts for audits and reviews of financial statements.

The total annual remuneration for 2021 is PLN 594,000 plus additional costs (including within Unibep SA a value of PLN 222,000 for audits and PLN 97,000 for reviews). In addition, the remuneration for 2021 in connection with the contracts signed with Deloitte AS will be NOK 360,000 plus additional costs.

The total annual remuneration for 2020 is PLN 592,000 plus additional costs (including within Unibep SA a value of PLN 240,000 for audits and PLN 97,000 for reviews). In addition, the remuneration for 2020 in connection with the contracts signed with Deloitte AS was NOK 360,000 plus additional costs.

Cooperation in the scope of services involving auditing the company and consolidated financial statements of Unibep SA is based on the agreement on the provision of financial review services and other assurance engagements dated 26/07/2019. This agreement provides for the selected entity to perform audit/review activities for the annual and semi-annual company and consolidated financial statements of Unibep SA for the years 2019-2021, respectively.

The audit firm was selected by the Company's Supervisory Board on the basis of the recommendation of the Audit Committee. The recommendation of the Audit Committee for the selection of the audit firm met the applicable conditions. The recommendation was drawn up in accordance with the "Policy on the selection of an audit firm to carry out a statutory audit of the financial statements of UNIBEP SA and the UNIBEP Group". On 21/01/2019, the Parent Company also concluded an agreement with Deloitte AS Dronning Eufemias gate 14, NO-0103 Oslo for the audit of the financial statements of UNIBEP SA's operations in the Norwegian market, in accordance with Norwegian standards, for the value of NOK 370,000 plus additional costs. The subject matter of this agreement was the performance of services as part of the audit of the financial statements and thus the provision of services by the above-mentioned Deloitte Group entity did not require additional approval.

On 21/05/2021, Unihouse SA entered into an agreement with Deloitte AS Dronning Eufemias gate 14, NO-0103 Oslo for the audit in accordance with Norwegian standards of the financial statements of Unihouse SA's operations in the Norwegian market. The subject matter of this agreement was the performance of services as part of the audit of the financial statements and thus the provision of services by the above-mentioned Deloitte Group entity did not require additional approval.

On 10/05/2021, the Parent Company also entered into an agreement with Deloitte Audył Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Warsaw at ul. Al. Jana Pawła II 22, for the evaluation of the report on remuneration of the Management Board and Supervisory Board of UNIBEP SA for the years 2019-2020 for the value of PLN 16,000.

The entities authorised to audit financial statements did not provide any other services to the Parent Company and the Group in 2021.

However, the selected entity conducted audits/reviews of Unibep SA's financial statements for the years 2017-2020.

The Company implemented the "Policy on the selection of an audit firm to carry out a statutory audit of the financial statements of UNIBEP SA and the UNIBEP Group", drawn up by the Audit Committee and adopted by the Supervisory Board by way of a resolution on 6th February 2018. The aforementioned Policy stipulates that the appointment of an audit firm shall be made by the Supervisory Board on the basis of a recommendation of the Audit Committee, which (with the exception that such an audit was ordered again) shall submit to the Management Board at least two proposals of audit firms, at the same time recommending one of them and justifying their preference. The recommendation of the Audit Committee must not be influenced by third parties. Other objectives of the Policy include defining the following: criteria for verification of audit firms and the duration of cooperation with a selected audit firm.

Furthermore, on 6/02/2018, the Supervisory Board adopted the "Policy on the provision by the audit firm performing the audit, by entities related to the audit firm and by a member of the network of the audit firm of permitted non-audit services provided to UNIBEP SA". The main objective of this Policy is to eliminate the threat of lack of independence in the case of provision by statutory auditors, audit firms or members of their network of certain services other than statutory audit services. The aforementioned Policy provides for listing prohibited services, which do not constitute financial audit activities, as well as permitted services, which are not financial audit activities, and also specifies that the provision of permitted services, which do not constitute financial audit

Bielsk Podlaski, 07 April 2022

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activities is only possible after prior approval by the Audit Committee. The Policy applies to the Company and the Company Group.

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UNIBEP GROUP



Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

## 7. Approval of the financial statements

The Group prepared the financial statements for 2020 in accordance with the International Accounting Standards. On 17 June 2021, these financial statements were approved by the Annual General Meeting of UNIBEP SA.

These financial statements were authorised by the Management Board of UNIBEP SA on 07/04/2022.

The publication date of these financial statements is 07/04/2022.

Bielsk Podlaski, 07 April 2022

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**UNIBEP GROUP**

Consolidated financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)



**SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD OF THE PARENT COMPANY**

President of the Management Board

Vice-President of the Management Board

Vice-President of the Management Board

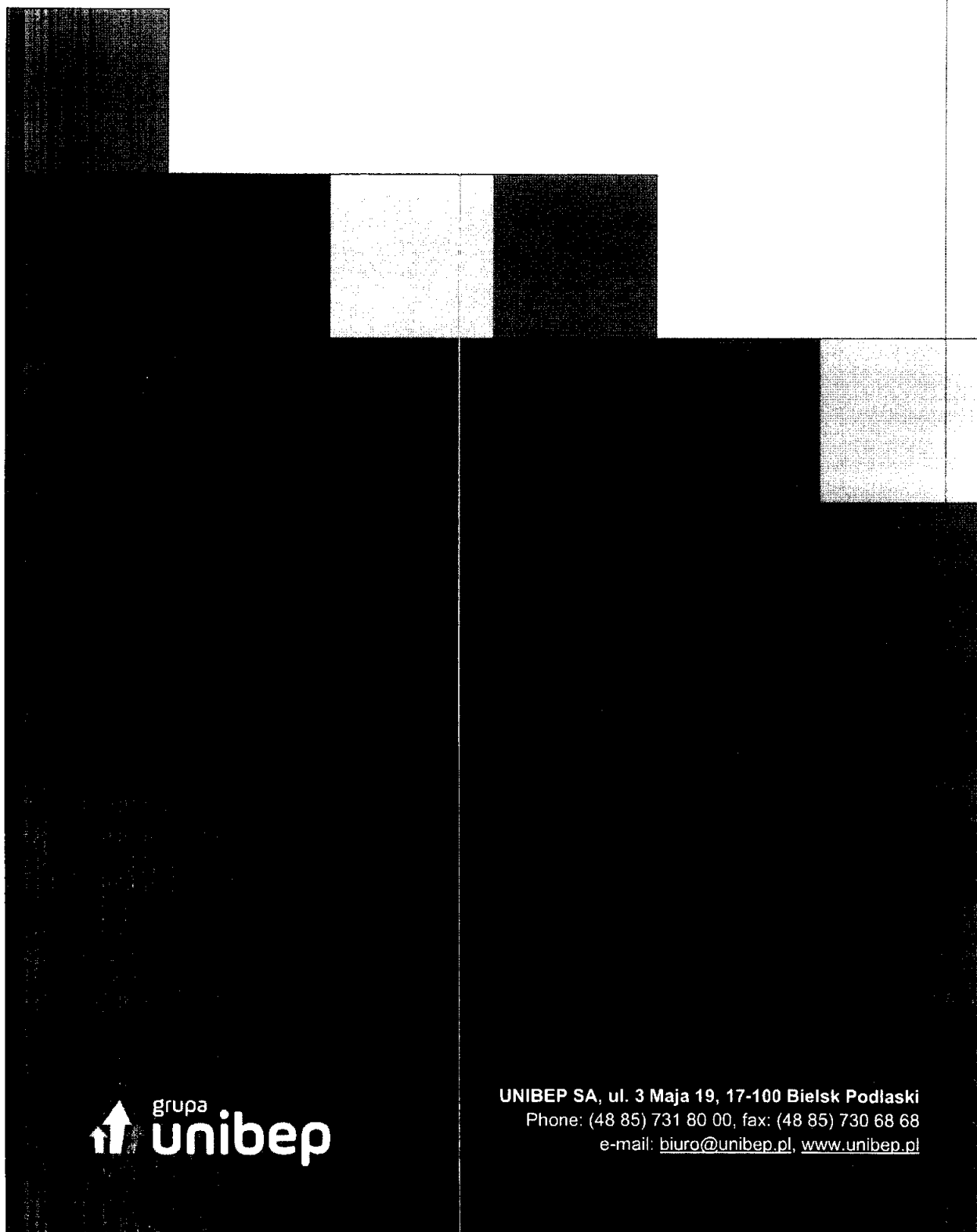
Member of the Management Board

**SIGNATURE OF THE PERSON ENTRUSTED WITH BOOKKEEPING**

Chief Accountant

Bielsk Podlaski, 07 April 2022

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grupa  
 unibep

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Phone: (48 85) 731 80 00, fax: (48 85) 730 68 68  
e-mail: [biuro@unibep.pl](mailto:biuro@unibep.pl), [www.unibep.pl](http://www.unibep.pl)





UNIBEP SA



Separate financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

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

President of the Management Board

\_\_\_\_\_  
Leszek Marek Gołbiewski

Vice-President of the Management Board

\_\_\_\_\_  
Sławomir Kiszycki

Vice-President of the Management Board

\_\_\_\_\_  
Krzysztof Mikołajczyk

Member of the Management Board

\_\_\_\_\_  
Adam Polński

**SIGNATURE OF THE PERSON ENTRUSTED WITH BOOKKEEPING**

Chief Accountant

\_\_\_\_\_  
Krystyna Kobylńska



UNIBEP SA



Separate financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

Information on other significant events after the balance sheet date is included in the Management Report on the UNIBEP Group's Activities for 2021 – Section 6.5.

### 6.39. Employment structure

#### AVERAGE EMPLOYMENT

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
White-collar workers	607	583
Blue-collar workers	208	227
<b>Total</b>	<b>815</b>	<b>810</b>

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

On 04/07/2019, the Supervisory Board of UNIBEP SA selected Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, with its registered office in Warsaw at Al. Jana Pawła II 22 to review and audit the financial statements for 2019-2021.

The contract concluded on 26/07/2019 for the review and audit of the separate and consolidated reports defines the annual remuneration of PLN 319,000 per year plus additional costs.

On 21/01/2019, a contract was concluded for the audit of the financial statements of the operations of UNIBEP SA on the Norwegian market according to Norwegian standards with Deloitte AS Dronning Eufemias gate 14, NO-0103 Oslo, for the amount of NOK 80,000 plus additional costs.

On 10/05/2021, a contract for the evaluation of the report on remuneration of the Management Board and Supervisory Board of UNIBEP SA for 2019 - 2020 was concluded with Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Warsaw, Al. Jana Pawła II 22, for the value of PLN 16,000.

The amounts stated above are net amounts.

## 7. Approval of the financial statements

The Company prepared the financial statements for 2020 in accordance with the International Accounting Standards. On 17 June 2021, these financial statements were approved by the Ordinary General Meeting of UNIBEP SA.

These financial statements were authorised by the Management Board of UNIBEP SA on 07/04/2022. The publication date of these financial statements is 07/04/2021.



UNIBEP SA



Separate financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (amounts in the tables are expressed in PLN, unless otherwise stated)

On 28 February 2022, Unihouse SA and BGK extended the overdraft and guarantee facility agreement in the total amount of PLN 20 million. The agreements were extended until 28 February 2023.

#### **Russia's Invasion of Ukraine. Information on the impact of the war situation on the operations of Unibep.**

The armed conflict that began on 24 February 2022 in Ukraine and its consequences, as well as the actions taken by international communities against Russia are events that affect the Company's operations and future financial performance. Apart from the design work carried out on the contract concerning the Shehyni road border crossing, Unibep does not currently carry out any construction work in Ukraine, Belarus or Russia. None of our Polish employees are based in these territories. The Company's representative office remains located in Lviv. As at the date of publication of these financial statements, the Company's has no intention of withdrawing from the Ukrainian market, and Unibep maintains its intention to implement its projects, while further cooperation and implementation of contracts in Ukraine depends on the development of the geopolitical situation in the region.

At the same time, the Company recalls that it has limited its operations on the Belarusian market due to the unstable social and economic situation in that country, which does not guarantee the safety of its activities there. Unibep does not carry out any construction work in the Republic of Belarus, nor does it make efforts to obtain new contracts. The Company's intention is to withdraw from the Belarusian market after fulfilling its service obligations to existing customers.

According to the information available to the Company, there are entities employing Ukrainian citizens among its subcontractors and collaborating companies on the Polish market. The Company is in ongoing contact with its business partners and monitors the impact of the conflict on the performance of contracts to which the Company is a party. At present, Unibep does not identify any risks in this area. Contractors are completing the works without any downtime.

As at the date of publication of these financial statements, the armed conflict in Ukraine is not an indication of impairment of assets. However, the war in Ukraine presents a huge challenge for the construction industry. Many private investors have held back their decisions and are waiting to see how the situation will develop. A positive aspect is the expected dynamic growth in demand for housing.

The main risks and threats mainly include abnormal increases in the prices of energy, fuel and construction materials, their low availability and disrupted supply chains. As of today, this causes difficulties in terms of reliable contract measurement and, consequently, long-term planning.

The Company recognises the problems in the supply chain caused by the above-mentioned factors and observes an increase in material prices, but executes contracts on an ongoing basis and without major disruptions. The Company has not experienced any significant delays in the implementation of its projects due to the impact of the armed conflict in Ukraine. It cannot be ruled out that in the event of an escalation of the conflict or as a result of sanctions imposed on Russia by the international community, the conflict may significantly affect the Company's operations, either directly or indirectly. Some of the limitations associated with this are noticeable. The problem affects areas such 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.

As at the date of publication of these financial statements, the impact of the aforementioned phenomena on the construction industry, including Unibep SA's operations, as well as the scale of these phenomena, are difficult to assess. However, Unibep is continuously monitoring the possible impact of the conflict in Ukraine on the Company's operations, including the performance of concluded contracts. 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.

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 01/01/2021 to 31/12/2021.

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UNIBEP SA



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#### Actions brought by Unibep S.A. and Budrex Sp. z o.o.

- On 20 August 2019, a lawsuit was filed against **Podlaskie Voivodship Roads Authority** for payment of PLN 4,744 thousand for additional costs on the project Lapy Markowszczyzna. The claim relates to unforeseen costs due to performance of additional works connected, among others, with the change of the technology of the works in the amount of PLN 1,051 thousand incurred by Budrex sp. z o.o.; for increased costs of aggregate transport in the investment area caused by the diversions – PLN 3,658 thousand incurred by Unibep and PLN 36 thousand incurred by Budrex sp. z o.o. The defendant filed a reply to the statement of claim and a third-party notice was served upon the designer. At hearings in January and February 2020, witnesses in the case were heard. By order of the Court dated 6 March 2020, evidence from the opinion of Instytut Analiz Budowlanych (Institute for Construction Analysis) was admitted. The Institute presented an opinion in the case in which it acknowledged Budrex's claim for the amount of PLN 207 thousand, and in the case of Unibep SA the amount of PLN 1,995 thousand. In September 2020, objections were submitted to the opinion issued. In June 2021, the expert finally confirmed that the contractor's additional remuneration for the diversions was due, but in the amount specified in the opinion, i.e. PLN 2,750 thousand. In respect of Budrex's claims, the expert took account of the plaintiff's position. At a hearing held on 24 January 2022, the Court dismissed a motion for the admission of live evidence given by the parties, instructed the Institute to express its final position in the case and closed the hearing. Following the service of the Institute's position, the Court set a 14-day period for the parties to take their final positions, after which it would deliver its judgement.

#### 6.36.2. Guarantees

	as at 31/12/2021	as at 31/12/2020
<b>GUARANTEES RECEIVED</b>	<b>41,131,436.18</b>	<b>15,887,529.85</b>
From other entities	41,131,436.18	15,887,529.85
<b>GUARANTEES GRANTED</b>	<b>499,300,670.84</b>	<b>390,728,165.89</b>
To related entities	22,873,140.91	10,560,000.00
To other entities	476,427,529.93	380,168,165.89

In 2021, a guarantee for the amount of PLN 246,281,148.31 was granted and guarantees in the amount of PLN 4,254,133.19 were received.

#### 6.37. Impact of the COVID-19 coronavirus epidemic on the operations of UNIBEP SA

Information on the possible impact of the COVID-19 coronavirus pandemic outbreak on the operations of Unibep SA has been included in the UNIBEP Group's consolidated financial statements for 2021 – section 6.36.

#### 6.38. Events after the balance sheet date

##### Financial agreements

On 15 February 2022, Unibep SA redeemed 198,500 series E bonds with a total value of PLN 19,850,000 million. The redemption took place on the maturity date of this series of bonds.

On 17 February 2022, Unibep SA and mBank S.A. extended the overdraft and guarantee facility agreement in the total amount of PLN 50 million. The agreement was extended until 24 February 2023.

On 25 February 2022, Unibep SA and BGK extended the overdraft and guarantee facility agreement in the total amount of PLN 70 million. The agreements were extended until 28 February 2023.



UNIBEP SA



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- Unibep SA, in connection with the construction of the DW 682 Łapy Markowszczyzna road, brought further actions for additional works: on 22 December 2021, for the amount of PLN 5,731 thousand for additional works from various industries, on 21 January 2022, for the amount of PLN 3,338 thousand due to costs incurred in connection with the extended implementation of the project and on 23 March 2022, for the amount of PLN 92 thousand for payment for additional works in connection with soil replacement. We are waiting for the hearing dates to be set.
- On 29 March 2019, the Consortium of Unibep SA and PORR SA filed a lawsuit against the **General Directorate for National Roads and Motorways** for payment of PLN 16,926 thousand in total (including Unibep SA PLN 5,078 thousand) for additional works on the project: reconstruction of the S8 national road. In April 2019, an order for payment in summary proceedings was issued, which the defendant appealed against. After an exchange of pleadings, the first hearing was held on 9 April 2021. After hearing all witnesses in the case, on 8 December 2021, the court delivered a judgement accepting the claim of PORR SA and Unibep SA in its entirety. An appeal to the judgement filed by GDDKIA was submitted to the court, which has not yet been served on the parties.
- Unibep S.A. and Przedsiębiorstwo Budownictwa Komunikacyjnego Sp. z o.o. brought a joint action against **Podlaskie Voivodship Roads Authority** for payment of PLN 4,453 thousand in total, of which PLN 1,391 thousand is Unibep S.A.'s claim for payment for additional works under a contract for the construction and extension of voivodship road 645 along the Nowogród - Łomża section, including a bypass around Stare Kupiski. On 14 July 2020, the consortium received a copy of the response to the statement of claim. In response, the plaintiff will agree to mediate in the case, at the same time requesting the Court to set a date for a hearing should a settlement not be reached before a mediator. A mediation meeting was held on 26 March 2021, but did not lead to a settlement. On 22 September 2021, the first hearing was held, at which all witnesses called at the hearing were heard. The case was referred to an expert for an opinion on the case. The expert issued an opinion in the case, which was served on the parties. We are waiting for the next hearing date to be set.
- On 9 July 2021, Unibep SA filed a lawsuit against **Przedsiębiorstwo Robót Dragowo-Mostowych "Ostrada"** for payment of outstanding invoices for the delivery of asphalt in the amount of PLN 205 thousand. The Court issued an order for payment under proceedings by writ of payment and motions requesting security for claims were submitted to the bailiff. The bailiff seized the debtor's funds, which were transferred to a court deposit. The writs became final and three enforcement requests were submitted to the bailiff, on the basis of which the bailiff collected the entire debt. The case can be considered closed.
- The investor, **Strandkanten Pluss II KS**, suspended payment of the last invoice issued under the construction project Strandkanten in Tromsø in the amount of NOK 2,266 thousand. In 2019, both parties filed a motion to summon to a conciliation hearing. The parties are currently engaged in discussions to resolve matters amicably and both parties are working constructively together to avoid further legal action. Several counterclaims were successfully settled, which contributed to the reduction of counterclaims.
- The action brought by Unibep SA against **Witraz Sp. z o.o.** for payment of PLN 408 thousand on account of defects in window joinery on the contract Kjeller Gard. The claim was directed to Witraz as a recourse claim, after the investor on the Kjeller Grad project had made a similar claim. In the course of the proceedings, the Court asked for documentation confirming the parameters of the joinery provided. Witraz has never provided such documentation. The parties agreed on the terms of the settlement, but it was not concluded. Unibep SA requested that the case be referred back to mediation.
- On 16 June 2020, Unibep SA filed a lawsuit against **Sjusjøen Prima Utvikling AS** for payment of the total amount of NOK 8,599 thousand plus interest for additional works performed and charges for operating expenses on the project Sjusjøen the View. On 4 February 2022, a settlement was reached according to which Sjusjøen agreed to pay NOK 1,500 thousand to Unibep SA. The settlement covers all claims and counterclaims that were made in the case.

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questions. Despite the fact that questions were sent to the witness three times, the witness did not receive correspondence from the Court. We are waiting for the hearing date to be set.

- In action brought by the consortium of Unibep SA and Most sp. z o.o. against **Podlaskie Voivodship Roads Authority (PZDW)** for payment of PLN 8,286 thousand as a contractual penalty due to withdrawal from the contract and the amount of PLN 23,243 thousand due to additional claims related to the Sokółka - Dąbrowa Białostocka project. In mid-November 2018, the Company was served with a statement of claim filed by Podlaskie Voivodship Roads Authority against the Consortium for payment of a contractual penalty in the amount of PLN 8,286 thousand due to withdrawal from the contract. At the initial hearings held in June and September 2019, witnesses were heard. Then, on 6 November 2019, the claim was extended by PLN 4,807 thousand for claims arising from the final settlement of the contract. On 26 November 2020, PZDW extended the claim by an additional amount of PLN 103,998 thousand. Further witnesses were heard and requests for admitting evidence in the form of expert opinions were examined in the course of the proceedings. In May 2021, the Court ordered the admission of evidence in the form of written witness statements and an opinion of the Scientific and Research Institute and set a deadline of one year for the opinion. In the case, the Court delivered a judgement on part of the claim in favour of Unibep SA in the amount of PLN 799 thousand and in favour of Most Sp. z o.o. in Sopot in the amount of PLN 61 thousand. On 21 September 2021, the defendant PZDW filed a response to the statement of claim and limited the claim in the scope of the claimed contractual penalty due to withdrawal by the amount of PLN 8,286,000 with interest. The defendant PZDW additionally attached the submission with an opinion of the Scientific and Research Institute of Roads and Bridges. On 31 December 2021, an extension of the claim by UNIBEP SA for the amount paid by PZDW from the guarantee of PLN 8,286 thousand was filed. The witness statements are currently being analysed.

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

- On 26 June 2020, Unibep SA filed a lawsuit against the insurer **Sopockie Towarzystwo Ubezpieczeniowe Ergo Hestia SA** for payment in the amount of PLN 174 thousand in connection with theft at the construction site Obrzeźna. Hearings were held at which witnesses were heard. We are currently waiting for the next hearing date to be set.
- In the case against the **Municipality of Łapy** for payment of PLN 2,134 thousand in connection with the implementation of the project: development of investment areas in Łapy. The defendant filed a reply to the statement of claim, which was served in August 2018. The case was referred to mediation with no settlement result. A hearing was held in April 2019, at which the Municipality of Łapy announced that it had filed a counterclaim. The statement of counterclaim was served in August 2019, to which a reply was filed. The Court again referred the case to mediation – the parties again engaged in settlement discussions without success. Three hearings were held at which witnesses in the case were heard. An order was made for expert evidence to be admitted. In April 2021, an expert witness opinion was received by the Court which was favourable to Unibep SA. The expert maintained their position in the case, issuing a supplementary opinion in May 2021 and an oral opinion during the hearing in September 2021. On 8 October 2021, a judgement was delivered upholding Unibep S.A.'s claim in its entirety and dismissing Municipality of Łapy's counterclaim. The Municipality of Łapy filed an appeal in the case to which Unibep SA filed a reply on 1 February 2022. There is currently no date set for the next hearing.
- Unibep SA brought an action against **Podlaskie Voivodship Roads Authority (PZDW)** in connection with the construction of the DW 682 Łapy Markowszczyzna road for PLN 1,318 thousand for additional electrical works. The case was brought to Court in July 2020, after PZDW filed its response the Court referred the case to mediation. The Court summoned Lafrentz Polska Sp. z o.o. with its registered office in Poznań to take a stand in the case and join the case as a third party defendant. At hearings in January and March 2022, the Court heard witnesses in the case. The next hearing date has been set for 20 June 2022.

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## Actions brought by Unibep SA

- The investor, **Aureus Residenzbau GmbH**, retained part of the remuneration paid to Unibep SA for the execution of the Krefeld contract. On 27 August 2020, a hearing was held at which the Court awarded Unibep SA the sum of EUR 218 thousand plus interest. The investor lodged an appeal. Unibep SA has joined this appeal. We are waiting for the hearing date to be set.
- An action against **Atelier Żoliborz Sp. z o.o.** for payment of PLN 2,174 thousand. The receivable includes a claim for the return of a guarantee deposit retained for the proper performance of the contract during the guarantee period. The case concerns the project Atelier - Żoliborz. On 30 June 2021, the Court issued an order referring the case for a judgement in closed session and requiring the parties to present their final positions in the case. On 30 November 2021, the Court passed a judgement upholding Unibep SA's claim in its entirety. The case was referred to court enforcement in respect of the awarded principal with interest, and in respect of the litigation costs, a complaint was filed by Unibep SA.
- In the case of 21 November 2021 against **SGB Posadzki Przemysłowe Sp. z o.o.** for reimbursement by the defendant of costs for substitute removal of defects in the amount of PLN 897 thousand at the construction site of the ROSTI Biano production building. The Court referred the case to mediation proceedings. The mediation did not lead to a settlement. The Court heard witnesses in the case. At present, the hearing of evidence is underway, including the taking of expert witness evidence.
- Unibep SA filed a lawsuit against **Warszawska Spółdzielnia Mieszkaniowa** for payment of remuneration in the amount of PLN 841 thousand for the performance of works on the Talarowa project. The Court is continuing with the hearing of evidence and has also admitted expert witness evidence, which is currently being taken.
- Unibep SA filed a lawsuit against **Warszawska Spółdzielnia Mieszkaniowa**. The claim includes the demand for repayment by the defendant of the amount paid from the bank guarantee in the amount of PLN 2,179 thousand that was supposed to secure due performance of the contract during the statutory warranty period on the project Niedzielskiego Stage II. The lawsuit was filed in September 2021. We are waiting for the date of the first hearing to be set.
- On 31 December 2021, Unibep SA filed a motion to summon **Sylwia Głogowska Art - Inox** to a conciliation hearing, covering a claim in the amount of PLN 513 thousand concerning the costs of substitute removal of defects in works which were not removed by the defendant. The case concerns the construction site Niedzielskiego Stage II. A conciliation hearing was held, but the summoned person did not appear for the hearing.
- Unibep SA brought an action to establish that the right of **Medical University of Łódź** to payment of PLN 500 thousand secured by a bid guarantee did not exist. In addition, the Company applied for security for the claim to establish the non-existence of the right of the Medical University of Łódź to payment of the bid security amount under the bid guarantee. On 1 December 2021, the District Court in Łódź, 10th Commercial Division granted security to the Company, as requested, by, among others, prohibiting the guarantor, Generali TU SA, from paying the amount secured by the guarantee. On 10 February 2022, the first hearing to determine the non-existence of the right of the Medical University of Łódź to payment of the claim under the bid guarantee was held, at which the Court of First Instance passed a judgement stating that the Medical University of Łódź has no claim against Unibep SA. We are waiting for the hearing date in the Court of Second Instance to be set.
- On 23 June 2020, Unibep SA filed a lawsuit against the subcontractor **Piotr Górka DAVI Budownictwo** at the construction site Galeria Stela in Cieszyn on account of granted and unsettled advances in the amount of PLN 151 thousand. During the course of the works, the Contractor stopped the works without notice and left the site. The Court referred the parties to mediation but despite settlement proposals from Unibep SA, no settlement was reached. Subsequently, the Court decided to have witnesses from both parties give written evidence. At the request of the plaintiff's attorney, the Court admitted evidence of the written statements of the appointed witness and required the parties to submit a list of

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- In the action brought by **Adam Karbowski** for the payment of a claim in the amount of PLN 39 thousand on account of reimbursement of the second part of the guarantee deposit, which had been set off by Unibep SA against the costs of substitute repairs of defects and faults on the project Berensona residential development in Warsaw. Mediation was carried out which did not lead to a settlement. The Court admitted evidence from an expert witness in the field of construction. The court opinion was drawn up, Unibep SA raised objections to it. We are waiting for the expert witness to respond to the objections raised.
- The action from 2018 brought by **PRO PARTE Daniel Modelski**, the plaintiff claims payment of receivables due to return of the second part of the guarantee deposit in the amount of PLN 55 thousand obtained by virtue of transfer of receivables between him and the bankruptcy trustee representing AL-BUD Sp. z o. o. in liquidation bankruptcy. The case concerns the contract Okęcie Business Centre. Due to the fact that the plaintiff questioned the effectiveness of the deduction made by Unibep SA, the Court obliged the defendant to justify the grounds for the made deduction of the defendant's claim under contractual penalties for delay in removing defects with the claim originally due to AL-BUD under retained guarantee deposits. The date of the first hearing was set for 17 May 2022.
- On 2 February 2022, we received a statement of claim filed by **Daniel Modelski, doing business as PRO PARTE**, for the payment of PLN 20 thousand as reimbursement of the second part of the guarantee deposit retained on the contract Mozzika Mokotów Stage II. The receivable claimed is one of several receivables which the plaintiff acquired from the receiver of AL-BUD Sp. z o.o. by means of a receivables transfer agreement. An objection was lodged against the order for payment on 15 February 2022.
- By a lawsuit dated 19 November 2019, **ALHAR Sp. z o.o. Sp. k.** filed a claim for deprivation of enforceability of the enforcement title in the part exceeding the amount of PLN 124 thousand; it concerns the contract Kraków Romanowicza. On 8 December 2020, a judgement was delivered dismissing the claim. An appeal by the plaintiff was brought before the Court. Unibep SA also filed a response to the appeal. We are currently awaiting the appeal hearing date to be set.
- On 1 April 2021, the Court received a lawsuit for payment of the amount of PLN 50 thousand for the implementation of the agreement of 07 December 2016 made between Unibep SA and **Dariusz Żegunia**. In the agreement, Dariusz Żegunia undertook, by 19 December 2016, to vacate and deliver to Unibep SA the residential building, outbuildings and remove the unnecessary materials accumulated there, in return for which the Company undertook to pay him the sum of PLN 50,000. Dariusz Żegunia failed to comply with the above obligations on time and continued to reside in the residential building located on the property acquired by the defendant. On 8 June 2021, a hearing was held at which witnesses from both parties, as well as the plaintiff, were heard. 17 June 2021, in its judgement, the Court dismissed the claim and ordered the plaintiff to pay the costs of the litigation. On 14 July 2021, the Court received the plaintiff's appeal. We are waiting for the hearing date to be set.
- A claim for the amount of PLN 1,331 thousand for compensation, damages, reimbursement of medical expenses, care, fixed annuity, interest related to an accident on 16 November 2017 at a construction site in Heimdal, Norway of a **Unihouse SA employee** who was crushed by a module during assembly. On 29 July 2020, the injured party's statement of claim was served against AXA Ubezpieczenia TUIR SA, Unibep SA and Unihouse SA. All three entities were sued in solidum. Three hearings were held during the proceedings at which witnesses were heard. The District Court ordered all defendants jointly and severally to pay monthly compensation to the plaintiff. The case is currently at the stage of preparation of opinions by court-appointed physicians. A nephrology expert witness gave their opinion. We are waiting for the hearing date to be set.
- On 31 December 2021, the plaintiff **City Motive Group Sp. z o.o.** brought an action against Unibep SA for payment of remuneration in connection with the implementation of the project Dzielnia 64 in the amount of PLN 268 thousand, which was not paid due to the substitute works introduced. Unibep SA filed a reply to the statement of claim on 17 February 2022. We are waiting for the first hearing before the Arbitration Court to be set.

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- In the case of **RAFUD Konstrukcje Sp. z o.o.** for the payment of PLN 71 thousand concerning the construction site Rondo Wiatraczna the company received an order for payment under the writ-of-payment proceedings. The case was originally referred to the District Court for the Capital City of Warsaw. The Court issued a decision declaring its territorial jurisdiction and referring the case to the District Court in Białystok. A complaint was filed against the Court's decision, which was upheld and the case returned to the District Court for the Capital City of Warsaw. The parties were requested to submit settlement proposals, although the plaintiff did not do so. On 8 October 2021, the Court issued an order according to which it referred the case file to a mediator. The parties did not enter into mediation. We are waiting for the hearing date to be set.
- In the action brought by **RAFUD Konstrukcje Sp. z o.o. Sp. k.** for the payment of PLN 445,000 thousand for the construction site Żoliborz Artystyczny, for the payment of remuneration. The plaintiff's claim is dismissed due to the deduction of the amount claimed in connection with imposing on the Contractor a contractual penalty for delay in the performance of the subject of the contract and charging the Contractor with the costs of formwork repair. In Q4 2021, at a hearing, the Court of First Instance delivered a judgement awarding payment of PLN 183,000 plus interest and legal costs. An appeal was filed on 27 December 2021.
- In the action brought by **RAFUD Konstrukcje Sp. z o.o. Sp. k.** for the payment of PLN 590 thousand in connection with the construction site Rondo Wiatraczna. On 22 March 2021, a settlement was reached at a hearing pursuant to which the plaintiff waived the claim in its entirety and the Parties mutually waived their legal costs. The Court issued a decision on discontinuation of the proceedings which became final on 12 April 2021.
- In the action brought by **Alu GLAS Sp. z o.o.** for the payment of the amount of PLN 337 thousand due to remuneration. In August 2021, a visual inspection with the expert and the Parties took place at the facility Ogrodowa Office in Łódź. The plaintiff applied for the exclusion of the expert. We requested that the plaintiff's application be dismissed as there were no grounds for excluding the expert. The case file was transferred to the Court of Appeal in Białystok, 6th Inspection Division. On 15 February 2022, the witnesses requested by Unibep SA provided written answers to questions.
- In September 2021, Unibep SA received an order for payment for the amount of PLN 31 thousand under the writ-of-payment proceedings issued by the District Court in Płock. The action brought by **PPHU BENON**. The plaintiff claims repayment of the first part of the guarantee deposit from the contract Mlekovita milk powder factory. An objection was filed against the order for payment. The scheduled hearing for 26 January 2022 did not take place. The case was adjourned. A hearing was held on 16 March 2022 at which the defendant's witnesses were heard. The Court concluded the hearing of evidence and closed the hearing. On 1 April 2022, the Court passed a judgement awarding payment to the plaintiff of the sum of PLN 38 thousand plus interest. A request will be made for a statement of reasons for the judgement and then an appeal.
- On 14 January 2022, we received a statement of claim filed by **Bożena Machowicz doing business as "Machowicz Budownictwo"** for the payment of PLN 119 thousand. The amount claimed relates to the return of the guarantee deposits that were retained under 10 contracts. On 3 February 2022, a reply to the statement of claim was provided and it was alleged that the guarantee deposits had been set off in relation to charging the plaintiff for the cost of substitute removal of defects. The Court required the parties to submit a preparatory document. Both parties submitted the documents indicating their agreement to mediation.
- **Daniel Modelski** brought an action against Unibep SA for the payment of the second part of the deposit retained in the amount of PLN 40 thousand as a performance security on the contract Okecie Business Centre. At the first hearing, the Parties presented their positions in the litigation, and the Court set a date for Unibep SA to submit a pleading with new requests for evidence. In April 2021, a judgement was passed awarding the claim in favour of the plaintiff. The judgement is not final, an appeal against the judgement was filed. We are waiting for the Court of Appeal hearing to be set and for the appeal to be decided.

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amount plus interest. The first hearing was held on 16 February 2022, at which a settlement was reached on the basis of which Unibep SA will pay to the plaintiff the amount of EUR 7.5 thousand. Upon the payment of this amount the dispute is terminated.

- On 26 November 2021, Unibep SA was sued by **Seniorenpark Wunstorf GmbH** for the payment of EUR 233 thousand for the costs of rectifying defects and faults on the contract Retirement Home - Südbrookmerland. Seniorenpark's actions may be related to the maturity of the guarantee deposit in a similar amount. We are waiting for the date of the first hearing to be set.
- In a compensation case for PLN 4,873 thousand concerning **fatal accidents** at the Plaza construction site in Suwatki (conducted by a consortium of Unibep SA and Mostostal Białystok). The case is at the stage of supplementary expert opinions on occupational health and safety. The date of the next hearing has not been set yet. Due to the insurance held by the Company and the consortium member, the case should not encumber the costs of Unibep SA.
- In the action brought by **FLAMPOL Tomasz Woźniak Sp. k.** for the payment of PLN 554 thousand the Court issued an order for payment. The plaintiff's claim for the payment of remuneration jointly and severally by Klimar Plus, Unibep and WX Office Development 2 in connection with the implementation of the project Ogrodowa Office in Łódź. Unibep SA takes the view that the plaintiff was not notified and therefore there is no joint and several liability of Unibep SA for the liability of Klimar Plus. In the case, the Court admitted expert witness evidence requested by the plaintiff. The opinion was prepared by an expert. The case adjourned until June 2022.
- On 20 January 2020, an order for payment was issued to **Deven sp. z o.o. Sp.k.** charging jointly and severally Unibep SA and Klimar Plus Sp. z o.o. with the amount of PLN 554 thousand. The plaintiff demands the payment of remuneration in connection with the performance of the contract for Ogrodowa Office in Łódź. The first hearing was held on 1 December 2020, at which witnesses and the plaintiff were heard. The case is at the stage of preparation of an opinion by an expert witness requested by both parties. No date has been set for the next hearing.
- **Partner Group Sp. z o.o.** filed a suit for the payment of PLN 86 thousand. It concerns the contract for Ogrodowa Office in Łódź. The plaintiff's claim for the payment of remuneration jointly and severally by Klimar Plus and Unibep. The first hearing was held in September 2021 at which the defendant's witnesses were heard. The next date was set for 6 June 2022.
- **TEKNIKA AVG Sp. z o.o.** filed a suit against Unibep SA for the payment of PLN 103 thousand. The plaintiff demands payment for works performed at the construction site of Ogrodowa Office in Łódź. Unibep SA takes the view that remuneration in the amount claimed is undue due to the fact that the plaintiff's works were not accepted and, moreover, were performed defectively. Consequently, the Company commissioned another contractor at its own expense to rectify the defects that had arisen and called on the plaintiff to pay by way of compensation. A hearing was held in the case during which the Court heard witnesses. Expert evidence was admitted. The case was adjourned without a date being set.
- In the action brought by **P.P.H.U. Jan Wojaczek**, an order for payment of PLN 43 thousand was issued. The plaintiff's claim concerning payment for the lease of premises relates to the project Galeria Cieszyn. On 6 November 2020, the Court passed a judgement dismissing the claim. The plaintiff appealed against the judgement. The response to the appeal was filed on 10 September 2021. We are currently awaiting an appeal hearing date.
- In the action brought by **RAFBUD Konstrukcje Sp. z o.o.** for the payment of PLN 52 thousand relating to the project Żoliborz Artystyczny. The Company received an order for payment under the writ-of-payment proceedings, against which an objection was filed, as the plaintiff's claim is unjustified due to the deduction of the amount claimed in connection with the imposition of contractual penalties for delay in the performance of the contract. On 19 January 2022, an online hearing was held at which the Court heard witnesses from Unibep SA and admitted evidence obtained by hearing the plaintiff and adjourned the hearing until 24 August 2022.

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- Mr. Krzysztof Mikołajczyk is employed as Construction Director
- Mr. Adam Paliński is employed as Director of the Infrastructure Branch

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

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

## 6.36. Contingent assets and liabilities, guarantees

### 6.36.1. Contingent assets and liabilities

Contingent liabilities on guarantees and sureties granted to other entities are mainly guarantees issued by banks and insurance companies to the benefit of counterparties of UNIBEP SA to secure their claims under construction contracts. In the event that the clients make use of the guarantees issued in their favour, banks and insurance companies have a right of recourse against the Company in this respect. Guarantees provided to the UNIBEP SA clients are an alternative way of securing the retained guarantee deposits.

	as of 31/12/2021	as of 31/12/2020
<b>CONTINGENT ASSETS</b>	<b>100,000.00</b>	<b>100,000.00</b>
From other entities	100,000.00	100,000.00
Bills of exchange received as security	100,000.00	100,000.00
<b>CONTINGENT LIABILITIES</b>	<b>145,024,190.36</b>	<b>143,592,582.98</b>
To related entities	24,973,669.15	15,117,836.39
Sureties granted	24,973,669.15	15,117,836.39
To other entities	120,050,521.21	128,474,746.59
Disputes	120,050,521.21	128,474,746.59

#### DISPUTES

The following changes have taken place in relation to the information on disputes included in the UNIBEP Group's consolidated financial statements for 2020 and Q3 2021:

#### Claims against Unibep SA

- In the action for payment of PLN 1,249 thousand brought by LC Corp Invest XV Sp. z o.o. PROJEKT 6 Spółka Komandytowa due to defects occurring on the contract LC Corp - Zabki. Unibep SA does not accept the claim. In the case, the Court heard witnesses from both parties and appointed an expert in the case. The hearing originally scheduled for 2 July 2019 was first postponed until March 2020, after which it was postponed without a deadline.
- The lawsuit claim of **Pawel Kardas** against Unibep SA for the amount of EUR 70 thousand was brought before the Court on 18 December 2019. The Company was sued on account of claims resulting from the final invoice for the execution of finishing works on the Bad Oeynhausen contract. Unibep SA is of the opinion that the works were not performed according to the technology and are faulty. In addition, contractual penalties for delayed work were stopped, which in turn made it impossible to put the building into use on time. The plaintiff questions the legitimacy of the deductions and demands the full

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Leszek Marek Gotqbiecki, President of the Management Board and Company Director, Sławomir Kiszycki, Vice-President of the Management Board and Financial Director, and Krzysztof Mikołajczyk, Vice-President of the Management Board and Construction Director were bound by fixed-term employment contracts concluded on 16 June 2020 – until the expiry of the term of office of the member of the Management Board in relation to the expiry of the three-year sixth term of the Management Board.

Adam Poliński, Member of the Management Board and Director of the Infrastructure Branch, was bound by a fixed-term employment contract concluded on 30/12/2020 – until the expiry of the term of office of the member of the Management Board in relation to the expiry of the three-year sixth term of the Management Board. Mr. Adam Poliński was appointed member of the Management Board of the Company for the sixth term of office as of 01/01/2021.

Pursuant to the provisions of the aforementioned contracts, the President of the Management Board of UNIBEP SA Leszek Marek Gotqbiecki and the Vice-Presidents of the Management Board of UNIBEP SA Sławomir Kiszycki and Krzysztof Mikołajczyk were entitled to an annual bonus for 2020 and for subsequent years, calculated from the consolidated net profit of the UNIBEP Group for each financial year in the amount of 1.5%, provided that the financial plan of the UNIBEP Group for a given year adopted by the Management Board and the Supervisory Board is implemented.

Pursuant to the provisions of the contract, the Member of the Management Board, Director of the Infrastructure Branch of UNIBEP SA Adam Poliński was entitled to an annual bonus for 2021 and for subsequent years, calculated from the consolidated net profit of the UNIBEP Group for each financial year in the amount of 1%, provided that the financial plan of the UNIBEP Group for a given year adopted by the Management Board and the Supervisory Board is implemented.

In addition to remuneration, the employer guaranteed to pay the President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board severance amounting to 3 times the average monthly remuneration of an employee of the company in the event of termination of the employment contract from the employer for reasons not attributable to the President, Vice-President or Member of the Management Board. The President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board were not entitled to other remuneration components as set out in the Corporate Collective Labour Agreement.

The President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board of UNIBEP SA had concluded non-competition contracts with the Company for the duration of the employment relationship (the non-competition clause is binding for the duration of the employment relationship) and non-competition contracts after termination of employment (the non-competition clause is binding for 6 months after termination of the employment relationship). For the duration of the non-competition clause (for a period of 6 months), the President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board were entitled to compensation amounting to 25% of the remuneration received by these persons prior to the termination of their employment relationship, to be paid in six equal instalments.

### Changes introduced in 2022

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

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

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

In accordance with the Resolutions of the Supervisory Board:

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

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

- Mr. Leszek Marek Gotqbiecki is employed as Company Director
- Mr. Sławomir Kiszycki is employed as Financial Director

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**For the period from 01/01/2020 to 31/12/2020**

Name and surname	Remuneration	Bonus for profit for 2019 paid in 2020	Total
Leszek Marek Gołabiecki	744,000.00	450,797.81	1,194,797.81
Stawomir Kiszycki	672,000.00	450,797.81	1,122,797.81
Krzysztof Mikołajczyk	612,000.00	450,797.81	1,062,797.81
<b>Total</b>	<b>2,028,000.00</b>	<b>1,352,393.43</b>	<b>3,380,393.43</b>

**SALARIES OF THE SUPERVISORY BOARD:****For the period from 01/01/2021 to 31/12/2021**

Name and surname	Revenue	Revenue of a member of the Supervisory Board under an employment contract with UNIBEP SA	Total
Jan Mikołuszko	456,000.00	-	456,000.00
Beata Skawrońska	144,000.00	-	144,000.00
Wojciech Stajkowski	60,000.00	60,000.00	120,000.00
Jarosław Bełdowski	60,000.00	-	60,000.00
Michał Kołosowski	84,000.00	-	84,000.00
Paweł Markowski	60,000.00	-	60,000.00
Dariusz Kacprzyk	60,000.00	-	60,000.00
<b>Total</b>	<b>924,000.00</b>	<b>60,000.00</b>	<b>984,000.00</b>

**For the period from 01/01/2020 to 31/12/2020**

Name and surname	Revenue	Revenue of a member of the Supervisory Board under an employment contract with UNIBEP SA	Total
Jan Mikołuszko	456,000.00	-	456,000.00
Beata Skawrońska	144,000.00	-	144,000.00
Wojciech Stajkowski	60,000.00	60,000.00	120,000.00
Jarosław Bełdowski	60,000.00	-	60,000.00
Michał Kołosowski	85,576.40	-	85,576.40
Paweł Markowski	60,000.00	-	60,000.00
Dariusz Kacprzyk	61,689.00	-	61,689.00
<b>Total</b>	<b>927,265.40</b>	<b>60,000.00</b>	<b>987,265.40</b>

In 2021, remuneration from the employment relationship was paid to relatives of the members of the Management Board and Supervisory Board in the amount of PLN 1,104.5 million, and in the comparable period PLN 883.7 thousand.

### 6.34. Transactions with related entities by persons supervising the Company

In 2021, there were no transactions other than those based on market conditions, the one-off or total value of which would exceed the equivalent of EUR 500 thousand converted into PLN.

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

The President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board of UNIBEP SA, in relation to their work and function in the Management Board in 2021, were employed in UNIBEP SA under fixed-term managerial contracts - until the expiry of the term of office of the member of the Management Board in relation to the expiry of the three-year sixth term of the Management Board (fixed-term employment contract).

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According to the knowledge of UNIBEP SA as of 31/12/2020

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

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

There is no employee share scheme implemented in the Company. The Incentive Scheme is described in Section 6.11.

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

#### MANAGEMENT BOARD

- Leszek Marek Gołqbiecki – not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- Sławomir Kiszycki – not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- Krzysztof Mikołajczyk – not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- Adam Polński – not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.

#### SUPERVISORY BOARD

- Jan Mikołuszko is under joint property regime with a shareholder (Mrs. Zofia Mikołuszko) holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- Beata Maria Skowrońska – shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- Wojciech Jacek Stajkowski – shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- Jarosław Mariusz Beldowski – not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- Michał Kołowski – not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- Paweł Markowski – not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.
- Dariusz Marian Kacprzyk – not related to any shareholder holding at least 5% of votes at the General Meeting of Shareholders of UNIBEP SA.

### 6.33. Salaries of members of the Management and Supervisory Boards

#### SALARIES OF THE MANAGEMENT BOARD:

For the period from 01/01/2021 to 31/12/2021

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

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

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## 6.30. Management Board and Supervisory Board

### MANAGEMENT BOARD

The Management Board of UNIBEP SA acts on the basis of the provisions of the Commercial Companies Code, the Articles of Association, 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 is determined by the Supervisory Board.

As of the day of preparing these financial statements, the Management Board of UNIBEP S.A. is composed of the following persons:

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

### SUPERVISORY BOARD

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

As of the day of preparing these financial statements, the Supervisory Board of UNIBEP SA is composed of the following persons:

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

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

### Management Board

No.	Name and surname (company)	Position	Number of shares held	Number of votes	Share in the total number of votes (over 5%)
1	Leszek Marek Gotłbiecki	President of the Management Board	690.000	690.000	1.97%
2	Sławomir Kiszycki	Vice-President of the Management Board	-	-	---
3	Krzysztof Mikołajczyk	Vice-President of the Management Board	-	-	---
4	Adam Poliński	Member of the Management Board	-	-	---

### Supervisory Board

No.	Name and surname (company)	Position	Number of shares held	Number of votes	Share in the total number of votes (over 5%)
1	Jan Mikoluszko	Chairman of the Supervisory Board	21.620	21.620	0.06%
2	Beata Maria Skowrońska	Deputy Chairman of the Supervisory Board	5.500.000	5.500.000	15.68%
3	Wojciech Jacek Stajkowski	Member of the Supervisory Board	2.500.000	2.500.000	7.13%
4	Jarosław Mariusz Bętdowski	Member of the Supervisory Board	-	-	---
5	Michał Kołosowski	Member of the Supervisory Board	-	-	---
6	Paweł Markowski	Member of the Supervisory Board	-	-	---
7	Dariusz Marian Kacprzyk	Member of the Supervisory Board	-	-	---

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## 6.29. Transactions with related entities

As of 31/12/2021

	Trade and other receivables	Trade and other liabilities	Deposits on contracts with customers - receivables	Deposits on contracts with customers - liabilities	Contractual assets	Contractual liabilities	Loans granted	Loans, borrowings and other financial liabilities	Fixed assets	Provisions
Subsidiaries, indirect subsidiaries jointly controlled, indirectly jointly controlled entities	23,634,292.75	2,398,035.30	10,742,466.94	2,930.89	12,034,066.62	3,379,911.00	118,836,145.43	8,776,396.04	8,003,941.68	2,748,626.65
Indirect associates	1,525,467.68	33,088.47	-	-	1,957,897.17	-	-	-	-	-
Total transactions with related entities	25,159,760.43	2,443,219.38	10,742,466.94	2,930.89	13,991,963.79	3,379,911.00	118,836,145.43	8,776,396.04	8,003,941.68	2,748,626.65

As of 31/12/2020

	Trade and other receivables	Trade and other liabilities	Deposits on contracts with customers - receivables	Deposits on contracts with customers - liabilities	Contractual assets	Contractual liabilities	Loans granted	Loans, borrowings and other financial liabilities	Fixed assets
Subsidiaries, indirect subsidiaries jointly controlled, indirectly jointly controlled entities	24,843,383.54	9,708,470.51	6,212,857.86	3,034.47	2,893,053.59	2,295,233.58	62,964,401.22	9,219,777.73	8,730,196.50
Indirect associates	1,456,609.77	31,594.90	-	-	17,736.40	1,531,842.72	221,610.57	-	-
Total transactions with related entities	26,300,000.32	9,798,121.77	6,212,857.86	3,034.67	2,910,789.99	3,827,076.30	63,186,011.79	9,219,777.73	8,730,196.50

For the period from 01/01/2021 to 31/12/2021

	Revenue from contracts with customers	Purchase of products, goods and materials	Financial revenue	Financial expenses	Other operating expenses
Subsidiaries, indirect subsidiaries jointly controlled, indirectly jointly controlled entities	166,177,776.23	39,634,410.99	12,976,319.99	565,760.44	20,075.43
Indirect associates	81,655,854.94	47,502.80	-1,610.57	-	1,198,080.00
Total transactions with related entities	247,833,631.17	39,681,918.89	12,974,709.42	565,760.44	1,218,155.43

For the period from 01/01/2020 to 31/12/2020

	Revenue from contracts with customers	Purchase of products, goods and materials	Financial revenue	Financial expenses	Other operating revenue	Other operating expenses
Subsidiaries, indirect subsidiaries jointly controlled, indirectly jointly controlled entities	107,764,840.08	50,245,052.85	8,626,457.29	586,646.00	2,890.50	3,724.83
Indirect associates	72,577,608.40	48,674.17	1,610.57	-	-	-
Total transactions with related entities	180,342,448.48	50,293,727.02	8,628,067.86	586,646.00	2,890.50	3,724.83

In 2021, the members of the Management Board made purchases of PLN 4.2 thousand within the Company.



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## Change in financial liabilities

	as at 31/12/2021	as at 31/12/2020
Opening balance of loans, borrowings and other financial liabilities	64,125,316.67	68,761,589.08
Opening balance of lease liabilities	25,916,377.94	24,871,619.83
<b>Opening balance</b>	<b>90,041,694.61</b>	<b>93,633,208.91</b>
Capital flow (+) loans, borrowings and other financial liabilities	100,057,000.00	2,624,635.00
Capital flow (-) loans, borrowings and other financial liabilities	-44,150,000.00	-6,739,752.02
Increase in lease liabilities (+)	19,993,093.81	9,411,711.38
Capital flow (-) of lease liabilities	-10,238,774.87	-8,084,440.23
Accrued interest (+)	4,222,400.33	4,624,121.59
Interest paid (-)	-4,222,400.33	-4,624,121.59
Valuation (+/-) loans, borrowings and other financial liabilities	239,909.69	-648,467.77
Valuation (+/-) of lease liabilities	-41,793.27	-137,617.89
Other (-/+) loans, borrowings and other financial liabilities	-	127,312.38
Other (-/+) lease liabilities	-343,817.45	-144,895.15
<b>Closing balance, including:</b>	<b>155,557,312.52</b>	<b>90,041,694.61</b>
Loans, borrowings and other financial liabilities	120,272,226.36	64,125,316.67
Lease liabilities	35,285,086.16	25,916,377.94

The balance of cash and cash equivalents disclosed in the cash flow statement consists of the following items as of 31 December 2021:

	as at 31/12/2021	as at 31/12/2020
<b>Cash at bank and in hand</b>	<b>107,168,014.90</b>	<b>182,789,457.26</b>
<b>including:</b>		
exchange rate differences on balance sheet measurement	-50,660.67	-23,097.68
<b>Total</b>	<b>107,117,354.23</b>	<b>182,766,359.58</b>

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

In 2021 and 2020, there were no investment or financial transactions which did not require the use of cash or cash equivalents.

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

In 2021 and 2020, UNIBEP SA did not merge with any other economic entity and did not lose control.



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## 6.27. Notes to the cash flow statement

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
<b>Amortisation and depreciation:</b>	<b>13,771,983.24</b>	<b>12,007,951.06</b>
depreciation of property, plant and equipment and amortisation of intangible assets	13,771,983.24	12,007,951.06
<b>Foreign exchange profits (losses)</b>	<b>4,244.94</b>	<b>79,194.40</b>
exchange rate differences under measurement of cash, loans, borrowings, leases, income tax	4,244.94	79,194.40
<b>Interest and profit sharing (dividend)</b>	<b>-9,772,206.34</b>	<b>-4,622,312.78</b>
interest received on borrowings and bills of exchange granted - total	-3,346,085.29	-3,127,733.94
interest paid on loans, borrowings, bonds and factoring - total	3,113,900.04	3,271,924.14
commissions on loans, bonds, guarantees, factoring - paid	698,237.31	785,102.54
commissions received	-262,477.14	-223,591.46
accrued commissions	-165,063.36	-203,009.61
accrued commissions - costs of issue of bonds	297,603.04	215,166.72
total other interest received	-129,053.26	-253,972.94
other unreceived accrued interest	-2,632,128.97	-64,251.77
measurement of loans and borrowings received	-	-648,467.77
interest calculated on loans granted	-	-8,249.51
other interest to be paid	21,696.71	27,119.48
other interest paid	54,178.19	113,430.62
interest paid on lease	1,363,952.68	1,352,198.25
dividend received	-8,786,966.29	-5,857,977.53
<b>Profit (loss) on investing activities</b>	<b>15,093.50</b>	<b>1,449,735.95</b>
proceeds from disposal of property, plant and equipment	-3,870,217.80	-1,180,963.63
net value of property, plant and equipment disposed of	2,940,140.47	164,231.09
measurement of loans, bills of exchange, bonds receivable and investment certificates	-1,043,711.15	761,727.17
revaluation of financial assets and liabilities	1,198,080.00	509,245.18
derivative instruments	790,801.98	1,195,496.14
<b>Change in provisions</b>	<b>11,583,657.71</b>	<b>8,132,593.65</b>
balance sheet change in provisions for liabilities	10,861,175.71	8,234,062.65
change in provisions not affecting the current result	722,482.00	-101,469.00
<b>Change in inventories</b>	<b>-5,302,261.54</b>	<b>4,080,207.59</b>
balance sheet change in inventories	-5,302,261.54	4,080,207.59
<b>Change in receivables</b>	<b>-17,491,200.43</b>	<b>39,909,997.94</b>
balance sheet change in short-term receivables	-20,630,637.06	33,324,846.24
balance sheet change in long-term receivables	825,071.60	6,660,460.57
change in financial and investment receivables	2,001,865.63	120,357.85
change in prepayments and accruals of financial expenses	312,499.40	-195,666.72
<b>Change in short-term liabilities excluding financial liabilities</b>	<b>-58,708,321.42</b>	<b>1,507,556.20</b>
balance sheet change in short-term liabilities	-54,851,315.19	-3,902,609.44
balance sheet change in long-term liabilities	-3,712,036.53	3,492,907.33
change in investment liabilities	-144,969.70	1,917,258.31
<b>Other adjustments</b>	<b>3,497,694.41</b>	<b>115,718.26</b>
Other adjustments	215,694.41	115,718.26
incentive scheme	3,282,000.00	-
<b>Income tax paid/refunded</b>	<b>-18,416,545.04</b>	<b>-5,712,013.09</b>

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## Other financial expenses

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Other, including:	3,212,338.08	2,157,481.68
commissions	698,237.31	785,102.54
implementation of derivative instruments	905,523.82	216,904.11
measurement of derivative instruments	1,310,911.43	940,308.31
Other	297,665.52	215,166.72
<b>Total other financial expenses</b>	<b>3,212,338.08</b>	<b>2,157,481.68</b>

## EXPECTED CREDIT LOSSES

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Trade and other receivables	658,120.87	15,649,663.83
Deposits on contracts with customers	112,297.34	-3,004,608.09
Contractual assets	19,127.40	-162,331.90
Loans granted	1,198,080.00	509,245.18
<b>Total</b>	<b>1,987,625.61</b>	<b>12,991,969.02</b>

## 6.25. Profit (loss) per share

	as at 31/12/2021	as at 31/12/2020
Number of ordinary shares	31,570,634.00	31,570,634.00
Weighted average number of ordinary shares in the period	31,570,634.00	31,808,338.92
Number of ordinary diluted shares	31,570,634.00	31,570,634.00
Net profit (loss)	16,801,600.53	16,761,967.84
Basic profit per share	0.53	0.53

## 6.26. Discontinued operations

There were no discontinued operations in 2021 or the comparable year 2020.



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## 6.23. Other operating revenue and expenses

### OTHER OPERATING REVENUE

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Profit on disposal of non-financial fixed assets	874,171.30	1,029,916.13
Released provisions and revaluation write-downs	-	1,393,985.07
Liabilities written down	791,751.28	1,716,768.53
Penalties and compensation	783,529.16	495,708.31
Other	834,519.33	1,266,413.55
<b>Total</b>	<b>3,283,971.07</b>	<b>5,902,791.59</b>

### OTHER OPERATING EXPENSES

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Provision for liabilities	1,200,000.00	-
Costs of disputes	1,036,442.53	1,018,597.36
Damage to assets and compensation	1,339,973.48	3,460,582.50
Other	644,324.81	2,909,922.20
<b>Total</b>	<b>4,220,740.82</b>	<b>7,389,102.06</b>

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

### FINANCIAL REVENUE

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Interest:	5,858,851.99	4,937,949.76
including interest calculated using the effective interest rate	5,808,140.22	4,936,597.27
interest on loans granted	3,346,085.29	3,135,983.45
interest on receivables	2,754,153.60	298,314.30
measurement of loans, borrowings and bonds	1,043,711.15	-761,727.17
interest revenue from deposits	-1,342,838.45	2,244,116.28
bank interest	7,028.63	19,910.41
other interest	50,711.77	1,352.49
Total other financial revenue	11,162,255.91	7,097,934.99
<b>Total</b>	<b>17,021,107.90</b>	<b>12,035,884.75</b>

### Other financial revenue

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Foreign exchange gains	522,115.85	851,640.11
Other, including:	10,640,140.06	6,246,294.88
implementation of derivative instruments	-	30,163.84
measurement of derivative instruments	496,552.08	-68,447.56
commissions on financial operations	427,540.50	426,601.07
dividend	8,786,966.29	5,857,977.53
reversal of measurement of derivative instruments	929,081.19	-
<b>Total other financial revenue</b>	<b>11,162,255.91</b>	<b>7,097,934.99</b>

### FINANCIAL EXPENSES

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Interest, including:	2,862,876.01	10,136,092.19
interest on loans, borrowings and bonds	2,873,990.35	3,271,924.14
interest on lease	1,363,952.68	1,333,468.09
measurement of loans, borrowings and bonds	239,909.69	-648,467.77
interest on liabilities	60,492.56	140,550.10
Other	478,794.59	115,221.36
interest expenses on deposits	-2,154,263.86	5,923,396.27
Total other financial expenses	3,212,338.08	2,157,481.68
<b>Total</b>	<b>6,075,214.09</b>	<b>12,293,573.87</b>



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## 6.21. Revenue from contracts with customers

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

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
<b>Total revenue from sales of products – domestic</b>	<b>1,134,400,855.28</b>	<b>1,038,761,811.80</b>
Sales of construction services	1,130,894,017.95	1,035,386,776.52
Sales of other services	3,506,837.33	3,375,035.28
<b>Total revenue from sales of products – export</b>	<b>107,428,323.32</b>	<b>226,518,213.00</b>
Sales of construction services	107,428,243.20	226,364,829.98
Sales of other services	80.12	153,383.02
<b>Net revenue from sales of products and services</b>	<b>1,241,829,178.60</b>	<b>1,265,280,024.80</b>

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

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
<b>Sales of materials – domestic</b>	<b>12,807,079.56</b>	<b>2,992,911.92</b>
Construction activities	12,807,079.56	2,992,911.92
<b>Sales of materials – export</b>	<b>47,234.48</b>	-
Construction activities	47,234.48	-
<b>Net revenue from sales of goods and materials</b>	<b>12,854,314.04</b>	<b>2,992,911.92</b>

### Breakdown of revenue by customer category

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Public customer	388,175,640.78	381,633,610.11
Private customer	866,507,851.86	886,639,326.61
<b>Revenue from contracts with customers</b>	<b>1,254,683,492.64</b>	<b>1,268,272,936.72</b>

### Breakdown of revenue by price category

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Flat rate	1,111,931,913.56	1,167,737,135.74
Cost estimation	142,751,579.08	100,535,800.98
<b>Revenue from contracts with customers</b>	<b>1,254,683,492.64</b>	<b>1,268,272,936.72</b>

## 6.22. Costs by type

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Depreciation	13,771,983.24	12,007,951.06
Consumption of materials and energy	310,314,868.59	286,991,224.89
Outsourced services	843,645,965.99	885,623,680.42
Taxes and charges	1,796,183.96	1,744,982.65
Remuneration	98,337,967.67	83,947,437.38
Social security contributions and other benefits	20,079,920.95	18,437,318.52
Other costs by type	6,516,378.85	8,213,429.93
<b>Total costs by type</b>	<b>1,294,463,269.25</b>	<b>1,296,966,024.85</b>
Change in inventories, products and deferrals & accruals	8,375,834.26	10,014,277.82
Own work capitalised	-73,199,924.21	-79,718,716.15
General administrative costs	-45,300,758.82	-42,206,593.44
<b>Manufacturing costs of products and services sold</b>	<b>1,184,338,420.48</b>	<b>1,185,054,993.08</b>



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## As of 31/12/2021

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

## As of 31/12/2020

	Residential and commercial construction	Infrastructure	Other modular construction activities	Amounts not allocated to segments	Total
Assets	315,643,157.85	110,409,499.78	10,872,189.12	376,470,433.58	813,395,280.33
<b>Total assets</b>	<b>315,643,157.85</b>	<b>110,409,499.78</b>	<b>10,872,189.12</b>	<b>376,470,433.58</b>	<b>813,395,280.33</b>
Shareholders' equity	-	-	-	196,563,056.97	196,563,056.97
Liabilities	394,555,307.15	130,352,595.98	23,709,321.65	68,214,998.58	616,832,223.36
<b>Total liabilities</b>	<b>394,555,307.15</b>	<b>130,352,595.98</b>	<b>23,709,321.65</b>	<b>264,778,055.55</b>	<b>813,395,280.33</b>
Depreciation	4,850,151.73	7,157,799.33	128,713.47	-	12,007,951.06

In both 2021 and 2020, the Company did not generate revenue from individual external customers exceeding 10% of total revenue.

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

## Information on geographical areas

### Period ended 31/12/2021

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

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

### Period ended 31/12/2020

	Revenue from external customers	Fixed assets*
Country	1,044,658,318.30	54,375,793.94
<b>Export, including:</b>	<b>223,614,618.42</b>	<b>522,749.30</b>
Scandinavia, including:	32,940,430.78	23,038.42
Norway	29,716,011.41	23,038.42
Sweden	639,966.17	-
Finland	2,584,453.20	-
Eastern market, including:	190,674,187.64	499,710.88
Belarus	31,542,278.23	332,909.54
Ukraine	159,131,909.41	166,801.34
<b>Total</b>	<b>1,268,272,936.72</b>	<b>54,898,543.24</b>

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

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

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



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## 6.20. Information on operating segments

### SEGMENT REPORTING AS OF 31/12/2020

	Residential and commercial construction	Infrastructure	Other modular construction activities	Total
Revenue from contracts with customers	941,825,113.25	289,169,544.00	23,688,835.39	1,254,683,492.64
external sales	941,825,113.25	289,169,544.00	23,688,835.39	1,254,683,492.64
sales to other segments				
Costs of products, goods and materials sold	887,451,227.84	277,823,099.61	31,817,774.26	1,197,092,101.73
<b>Gross profit on sales</b>	<b>54,373,885.39</b>	<b>11,346,444.39</b>	<b>-8,128,938.87</b>	<b>57,591,390.91</b>
% gross profit on sales	5.77%	3.92%	-34.32%	4.59%
Selling costs		x		
General administrative costs		x		45,300,758.82
Profit/loss on other operating activities		x		-936,769.75
<b>Operating profit</b>		x		<b>11,353,862.34</b>
Financial revenue, including:				17,021,107.50
interest revenue	3,352,889.97		50,935.72	6,157,979.29
derivative instruments	1,420,903.53	2,754,153.60	4,729.74	1,425,633.27
Financial expenses, including:				6,075,214.09
interest expenses	4,091,939.42	647,451.73	37,839.03	4,777,230.18
derivative instruments	2,199,599.49		16,835.76	2,216,435.25
Expected credit losses				1,987,625.61
<b>Profit before tax</b>		x		<b>20,312,130.54</b>
Income tax		x		3,510,530.01
<b>Net profit</b>		x		<b>16,801,600.53</b>

### SEGMENT REPORTING AS OF 31/12/2020

	Residential and commercial construction	Infrastructure	Other modular construction activities	Total
Revenue from contracts with customers	943,141,225.73	291,780,968.01	33,350,742.98	1,268,272,936.72
external sales	943,141,225.73	291,780,968.01	33,350,742.98	1,268,272,936.72
Costs of products, goods and materials sold	879,486,306.78	260,250,894.21	48,300,612.07	1,188,037,813.06
<b>Gross profit on sales</b>	<b>63,654,918.95</b>	<b>31,530,073.80</b>	<b>-14,949,869.09</b>	<b>80,235,123.66</b>
% gross profit on sales	6.75%	10.81%	-44.83%	6.33%
General administrative costs		x		42,206,593.44
Profit/loss on other operating activities		x		-1,486,310.47
<b>Operating profit</b>		x		<b>36,542,219.75</b>
Financial revenue, including:				12,035,884.75
interest revenue	3,155,556.41		65,947.45	3,455,560.65
derivative instruments	175,624.97	234,056.79	-213,908.69	-38,283.72
Financial expenses, including:				12,293,573.87
interest expenses	4,278,432.87	491,059.59	129,131.55	4,898,624.01
derivative instruments	1,341,729.85		-184,517.43	1,157,212.42
Expected credit losses				12,991,569.02
<b>Profit before tax</b>		x		<b>23,292,561.61</b>
Income tax		x		6,530,593.77
<b>Net profit</b>		x		<b>16,761,967.84</b>

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## 6.19. Deposits on contracts with customers

	as at 31/12/2021	as at 31/12/2020
Retained by recipients – to be returned after 12 months	26,533,459.43	29,200,658.98
Retained by recipients – to be returned within 12 months	24,662,033.53	20,331,212.54
<b>Total deposits on contracts with customers retained by recipients (net)</b>	<b>51,195,492.96</b>	<b>49,531,871.52</b>
Write-down on deposit receivables	1,368,428.79	1,256,131.45
<b>Total deposits on contracts with customers retained by recipients after write-down (gross)</b>	<b>52,563,921.75</b>	<b>50,788,002.97</b>
Retained from suppliers – to be returned after 12 months	48,458,880.74	52,170,917.27
Retained from suppliers – to be returned within 12 months	41,112,283.90	45,727,968.41
<b>Total deposits retained from suppliers</b>	<b>89,571,164.64</b>	<b>97,898,885.68</b>

### DISCOUNT

	as at 31/12/2021	as at 31/12/2020
Discount of deposits on contracts with customers retained by recipients	1,521,718.69	42,813.91
Discount of deposits retained from suppliers	13,782,735.71	8,886,699.43

As at 31/12/2021, the expected credit losses on deposits amount to PLN 1,368,428.79. Information on expected credit losses on the deposit is presented in Note 6.7.

Deposits under construction contracts are discounted (receivables 1.63%, liabilities in PLN 6.34% and in currency 1.43%) and are disclosed in the balance sheet at amortised cost. The tables show the effects of discounting recognised in the balance sheet and the profit and loss account of the Company for individual periods. The discount amounts given decrease the nominal value of receivables from and liabilities on deposits, respectively. In addition, deferred tax is recognised in the balance sheet at the amounts given, calculated at the applicable tax rate and on the effect of the change in the discount value in the profit and loss account.

As at 31 December 2021, the largest deposits retained by one recipient amounted to 37.88% (8.49% for one project) of all the receivables from deposits. As at 31 December 2020, the largest deposits retained by one recipient amounted to 41.30% (9.10% for one project) of all the receivables from deposits.

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

### Deposits due on contracts with customers, overdue, unpaid in the period:

	as at 31/12/2021	as at 31/12/2020
up to 1 month	2,940,015.13	1,191,279.61
over 1 month up to 3 months	8,004.61	799,241.27
over 3 months up to 6 months	832,754.41	-
over 6 months up to 1 year	2,238,299.19	1,623.45
over 1 year	1,710,174.29	1,738,248.34
<b>Total overdue deposits on contracts with customers</b>	<b>7,729,247.63</b>	<b>3,730,392.67</b>



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As at 31/12/2021, the Company does not recognise an asset for tax losses.

Since 1 April 2019, the Company has been in the process of tax inspection in Germany for the years 2014-2016 in respect of corporate tax, value added tax and tax on industrial and commercial activities. At the date of publication of these financial statements, there have been no changes to the information presented in the financial statements for 2020.

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

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

## 6.18. Contractual assets and liabilities

For the period from 01/01/2021 to 31/12/2021

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

For the period from 01/01/2020 to 31/12/2020

	Opening balance	Change in the measurement of long-term contracts	Revenue recognised in the current period included in the balance of previous year's liabilities	Reduction as a result of acquiring an unconditional right to payment	Advances received for execution of contracts	Closing balance
Valuation of long-term contracts	86,549,862.91	38,792,819.96	-	-78,125,293.60	-	47,217,389.27
<b>Contractual assets</b>	<b>86,549,862.91</b>	<b>38,792,819.96</b>	-	<b>-78,125,293.60</b>	-	<b>47,217,389.27</b>
Advances received from contracts with customers	49,238,351.97	-	-47,211,667.22	-	54,700,658.06	56,727,342.81
Valuation of long-term contracts	24,085,165.55	12,930,635.53	-22,043,925.78	-	-	14,971,875.30
<b>Contractual liabilities</b>	<b>73,323,517.52</b>	<b>12,930,635.53</b>	<b>-69,255,593.00</b>	-	<b>54,700,658.06</b>	<b>71,699,218.11</b>

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

	as at 31/12/2021	as at 31/12/2020
The total amount of the transaction price attributed to the provision of service which remained unfulfilled at the end of the reporting period, to be provided during the period:		
up to 1 year	1,064,951,640.27	888,408,906.34
over 1 year	837,115,279.02	281,020,332.70

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## For the period from 01/01/2021 to 31/12/2021

	Opening balance of provisions	Creation / (use) of a provision through profit and loss account	Closing balance of provisions
Contracts (increase in revenue "+")	8,975,067.00	8,165,047.00	17,140,114.00
Lease (net value of fixed assets - lease liability)	-80,137.00	93,254.00	13,117.00
Liabilities discounting	1,688,473.00	930,247.00	2,618,720.00
Penalties accrued, but not received	2,452,077.00	40,004.00	2,492,081.00
Interest not received	165,059.00	500,104.00	665,163.00
Unrealised foreign exchange gains	455,544.00	-113,876.00	341,668.00
Valuation of bonds, loans, borrowings, bills of exchange	-	158,868.00	158,868.00
Valuation of derivative instruments	38,070.00	264,852.00	302,922.00
Difference between tax value and balance sheet value of tangible fixed assets	1,188,203.00	-371,338.00	816,865.00
<b>Total</b>	<b>14,882,356.00</b>	<b>9,667,162.00</b>	<b>24,549,518.00</b>

## For the period from 01/01/2020 to 31/12/2020

	Opening balance of provisions	Creation / (use) of a provision through profit and loss account	Creation / (use) of a provision through other comprehensive income	Closing balance of provisions
Contracts (increase in revenue "+")	16,479,080.00	-7,504,013.00	-	8,975,067.00
Lease (net value of fixed assets - lease liability)	86,480.00	-166,617.00	-	-80,137.00
Liabilities discounting	2,313,813.00	-625,340.00	-	1,688,473.00
Penalties accrued, but not received	2,538,167.00	-86,090.00	-	2,452,077.00
Interest not received	151,283.00	13,774.00	-	165,059.00
Unrealised foreign exchange gains	269,170.00	186,374.00	-	455,544.00
Valuation of bonds, loans, borrowings, bills of exchange	105,291.00	-105,291.00	-	-
Valuation of derivative instruments	59,808.00	-21,738.00	-	38,070.00
Difference between tax value and balance sheet value of tangible fixed assets	1,371,736.00	-183,533.00	-	1,188,203.00
Revaluation capital - measurement of derivative instruments	117,567.00	-	-117,567.00	-
<b>Total</b>	<b>23,492,395.00</b>	<b>-8,492,472.00</b>	<b>-117,567.00</b>	<b>14,882,356.00</b>

## RECONCILIATION

	01/01 - 31/12/2021	01/01 - 31/12/2020
<b>Gross profit before tax</b>	<b>20,312,130.54</b>	<b>23,292,561.61</b>
At a tax rate of 19%	3,859,305.00	4,425,587.00
Difference in burden for foreign operations	494,265.01	160,609.55
Permanent differences not covered by current and deferred tax	-706,767.00	1,944,397.22
Other	-136,273.00	-
<b>Actual income tax expense</b>	<b>3,510,530.01</b>	<b>6,530,593.77</b>
Effective tax rate	17.28%	28.04%

## INCOME TAX RECOGNISED IN THE INCOME STATEMENT

	01/01 - 31/12/2021	01/01 - 31/12/2020
<b>Current income tax</b>	<b>1,815,759.01</b>	<b>10,098,008.77</b>
Related to the financial year	1,815,759.01	10,098,008.77
<b>Deferred tax</b>	<b>1,694,771.00</b>	<b>-3,567,415.00</b>
Related to the creation and reversal of temporary differences	1,694,771.00	-3,567,415.00
<b>Tax burden recognised in the income statement</b>	<b>3,510,530.01</b>	<b>6,530,593.77</b>

## INCOME TAX RECOGNISED IN EQUITY

	01/01 - 31/12/2021	01/01 - 31/12/2020
<b>Deferred tax</b>	<b>463,607.00</b>	<b>-686,800.00</b>
Net profit/loss tax on revaluation of cash flow hedges	326,336.00	-667,521.00
Actuarial profits and losses under the defined benefit plan recognised in accordance with paragraph 128 of IAS 19 Employee Benefits	137,271.00	-19,279.00
<b>(Tax advantage)/tax burden recognised in other comprehensive income</b>	<b>463,607.00</b>	<b>-686,800.00</b>

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

Republic of Belarus - 18%

Ukraine - 18%

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## 6.17. Current and deferred tax

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

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

For the period from 01/01/2021 to 31/12/2021

	Opening balance of assets	Creation / (use) of an asset through the income statement	Creation/ (use) of an asset through other comprehensive income	Closing balance of assets
Provision for warranty repairs	6,663,502.00	556,653.00	-	7,220,155.00
Provision for employee benefits	3,546,413.00	734,082.00	-	4,280,495.00
Provision for costs of subcontractors	19,911,248.00	1,477,665.00	-	21,388,913.00
Provision for liabilities	-	228,000.00	-	228,000.00
Contracts (decrease in revenue "-")	2,844,656.00	-571,463.00	-	2,273,193.00
Contracts - provision for losses	167,419.00	436,905.00	-	604,324.00
Production not completed for tax purposes	2,327,548.00	3,986,577.00	-	6,314,125.00
Unrealised foreign exchange rate losses	617,235.00	-73,104.00	-	544,131.00
Unpaid interest	6,279.00	2,066.00	-	8,345.00
Receivables discounting	8,136.00	280,990.00	-	289,126.00
Write-down on other assets	8,263,612.00	377,649.00	-	8,641,261.00
Difference between tax base and carrying amount of inventories	24,700.00	-	-	24,700.00
Valuation of derivative instruments	221,917.00	243,055.00	-	464,972.00
Valuation of loans, borrowings, bonds, bills of exchange	63,247.00	6,146.00	-	69,393.00
Actuarial gains and losses accounted for in the revaluation capital	270,397.00	-	-137,271.00	133,126.00
Revaluation capital - measurement of derivative instruments	549,954.00	-	-326,336.00	223,618.00
Other titles	149,245.00	87,170.00	-	236,415.00
<b>Total</b>	<b>45,635,508.00</b>	<b>7,972,391.00</b>	<b>-443,607.00</b>	<b>53,144,292.00</b>

For the period from 01/01/2020 to 31/12/2020

	Opening balance of assets	Creation / (use) of an asset through the profit and loss account	Creation/ (use) of an asset through other comprehensive income	Closing balance of assets
Provision for warranty repairs	6,147,705.00	515,797.00	-	6,663,502.00
Provision for employee benefits	2,903,404.00	643,009.00	-	3,546,413.00
Provision for costs of subcontractors	19,906,015.00	5,233.00	-	19,911,248.00
Provision for liabilities	165,528.00	-165,528.00	-	-
Contracts (decrease in revenue "-")	4,576,182.00	-1,731,526.00	-	2,844,656.00
Contracts - provision for losses	16,263.00	151,156.00	-	167,419.00
Production not completed for tax purposes	5,089,814.00	-2,762,266.00	-	2,327,548.00
Unrealised foreign exchange rate losses	537,690.00	79,545.00	-	617,235.00
Unpaid interest	21,750.00	-15,471.00	-	6,279.00
Receivables discounting	429,755.00	-421,619.00	-	8,136.00
Write-down on other assets	6,845,244.00	1,418,368.00	-	8,263,612.00
Difference between tax base and carrying amount of inventories	24,700.00	-	-	24,700.00
Valuation of derivative instruments	51,992.00	169,925.00	-	221,917.00
Valuation of loans, borrowings, bonds, bills of exchange	147,019.00	-83,772.00	-	63,247.00
Tax loss	6,487,603.00	-6,487,603.00	-	-
Actuarial gains and losses accounted for in the revaluation capital	251,118.00	-	19,279.00	270,397.00
Revaluation capital - measurement of derivative instruments	-	-	549,954.00	549,954.00
Other titles	101,123.00	48,122.00	-	149,245.00
<b>Total</b>	<b>53,702,905.00</b>	<b>-8,636,630.00</b>	<b>569,233.00</b>	<b>45,635,508.00</b>

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## 6.16. Trade and other liabilities

### Long-term trade and other liabilities

Long-term trade and other liabilities as at both 31/12/2021 and 31/12/2020 did not occur.

### Short-term trade and other liabilities

	as at 31/12/2021	as at 31/12/2020
<b>Trade and other liabilities</b>	<b>193,725,710.17</b>	<b>191,299,341.58</b>
Trade liabilities	179,993,942.12	178,297,166.51
Tax, customs, insurance liabilities	5,451,917.49	8,627,114.41
Payroll liabilities	945,661.42	992,655.41
Accruals and deferred income	7,088,604.12	2,999,489.62
Special funds	15,450.16	15,450.16
Other liabilities	230,134.86	367,465.47
<b>Deferred income – short-term</b>	<b>-</b>	<b>15,715.87</b>
Other	-	15,715.87
<b>Trade and other short-term liabilities</b>	<b>193,725,710.17</b>	<b>191,315,057.45</b>

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

	as at 31/12/2021	as at 31/12/2020
up to 1 month	110,591,554.84	102,857,722.88
over 1 month up to 3 months	38,808,003.03	30,118,083.90
over 3 months up to 6 months	1,012,761.53	859,474.61
over 6 months up to 1 year	118,080.00	239,998.00
over 1 year	216,480.00	-
overdue liabilities	29,247,062.72	44,221,887.12
<b>TRADE LIABILITIES</b>	<b>179,993,942.12</b>	<b>178,297,166.51</b>

### Overdue trade liabilities:

	as at 31/12/2021	as at 31/12/2020
up to 1 month	27,150,857.24	37,311,548.44
over 1 month up to 3 months	708,775.55	5,891,052.28
over 3 months up to 6 months	522,245.76	191,627.41
over 6 months up to 1 year	217,678.21	61,360.13
over 1 year	647,505.96	766,298.86
<b>OVERDUE TRADE LIABILITIES</b>	<b>29,247,062.72</b>	<b>44,221,887.12</b>

### Short-term liabilities – by currency:

	as at 31/12/2021	as at 31/12/2020
<b>Liabilities in PLN</b>	<b>191,202,041.45</b>	<b>170,096,606.29</b>
Liabilities in RUB	307.60	307.60
<b>Liabilities in RUB after conversion into PLN</b>	<b>16.67</b>	<b>15.41</b>
Liabilities in EUR	196,401.29	2,249,256.68
<b>Liabilities in EUR after conversion into PLN</b>	<b>903,328.09</b>	<b>10,379,869.72</b>
Liabilities in UAH	996.66	13,277,418.75
<b>Liabilities in UAH after conversion into PLN</b>	<b>148.20</b>	<b>1,760,585.72</b>
Liabilities in NOK	2,029,180.63	19,385,737.75
<b>Liabilities in NOK after conversion into PLN</b>	<b>935,046.43</b>	<b>8,529,724.62</b>
Liabilities in SEK	1,375,308.00	1,142,984.60
<b>Liabilities in SEK after conversion into PLN</b>	<b>616,963.17</b>	<b>525,544.32</b>
Liabilities in BYN	42,242.12	15,887.63
<b>Liabilities in BYN after conversion into PLN</b>	<b>68,166.16</b>	<b>22,711.37</b>
<b>Total</b>	<b>193,725,710.17</b>	<b>191,315,057.45</b>

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The results of the calculations are as follows as of 31/12/2021:

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

The results of the calculations are as follows as of 31/12/2020:

PARAMETER/BENEFIT	Retirement severance pay	Pension severance pay	Unused holiday leaves	Total
Initial amounts of provisions	2,253,850.00	159,342.00	3,896,452.00	6,309,644.00
Turnover coefficient -1.0%	2,398,586.00	168,917.00	3,896,452.00	6,463,955.00
Turnover coefficient +1.0%	2,127,106.00	150,686.00	3,896,452.00	6,174,244.00
Technical discount rate -0.50%	2,417,786.00	166,134.00	3,896,452.00	6,480,372.00
Technical discount rate +0.50%	2,107,065.00	152,976.00	3,896,452.00	6,156,493.00
<b>base increases</b>				
Salary in the Company -1.0%	2,238,697.00	158,364.00	3,896,452.00	6,293,513.00
Salary in the Company +1.0%	2,277,570.00	160,616.00	3,896,452.00	6,334,638.00
Minimum salary -1.0%	2,004,023.00	148,649.00	3,896,452.00	6,049,124.00
Minimum salary +1.0%	2,563,779.00	171,700.00	3,896,452.00	6,631,931.00

The last measurement of an independent actuary was made as of 31 December 2021.

	01/01 - 31/12/2021	01/01 - 31/12/2020
<b>OPENING BALANCE OF OTHER LONG-TERM PROVISIONS</b>	<b>30,890,994.24</b>	<b>28,274,276.73</b>
Warranty repairs	30,890,994.24	28,274,276.73
<b>Increases</b>	<b>8,791,330.93</b>	<b>8,373,320.24</b>
Warranty repairs	8,791,330.93	8,373,320.24
<b>Release</b>	<b>4,369,621.00</b>	<b>5,756,602.73</b>
Warranty repairs – transfer to short-term	4,369,621.00	5,756,602.73
<b>CLOSING BALANCE OF OTHER LONG-TERM PROVISIONS</b>	<b>35,312,704.17</b>	<b>30,890,994.24</b>
Warranty repairs	35,312,704.17	30,890,994.24

	01/01 - 31/12/2021	01/01 - 31/12/2020
<b>OPENING BALANCE OF OTHER SHORT-TERM PROVISIONS</b>	<b>125,327,514.53</b>	<b>120,415,471.04</b>
Employee benefits	17,164,242.85	13,950,685.01
Warranty repairs	4,180,068.25	4,082,067.22
Planned losses in long-term contracts	881,150.25	85,597.47
Costs of subcontractors	101,796,553.18	99,814,701.34
Disputes	520,000.00	1,568,200.00
Other costs	785,500.00	914,220.00
<b>Increases</b>	<b>801,810,085.72</b>	<b>746,471,901.74</b>
Employee benefits	21,164,387.22	18,576,788.14
Warranty repairs	4,369,621.00	5,756,602.73
Planned losses in long-term contracts	3,352,136.92	795,552.78
Costs of subcontractors	771,129,262.18	718,234,194.11
Disputes*	1,200,000.00	2,177,134.13
Other costs	594,678.40	931,629.85
<b>Utilisation</b>	<b>794,870,814.88</b>	<b>741,559,858.25</b>
Employee benefits	20,823,958.87	15,363,230.30
Warranty repairs	5,861,576.30	5,658,601.70
Costs of subcontractors	767,441,195.78	716,252,342.27
Disputes	-	3,225,334.13
Other costs	744,083.93	1,060,349.85
<b>CLOSING BALANCE OF OTHER SHORT-TERM PROVISIONS</b>	<b>132,266,785.37</b>	<b>125,327,514.53</b>
Employee benefits	17,504,671.20	17,164,242.85
Warranty repairs	2,688,112.95	4,180,068.25
Planned losses in long-term contracts	4,233,287.17	881,150.25
Costs of subcontractors	105,484,619.58	101,796,553.18
Disputes	1,720,000.00	520,000.00
Other costs	636,094.47	785,500.00

\*As of 31/12/2021, UNIBEP created a provision for liabilities in Ukraine in the amount of PLN 500 thousand and in Belarus in the amount of PLN 700 thousand.



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	as of 31/12/2021	as of 31/12/2020
employment value	338,383.00	334,016.12
interest expenses	35,010.00	40,002.00
<b>Costs recognised in the income statement</b>	<b>373,393.00</b>	<b>374,018.12</b>
actuarial gains/losses recognised in the period	-722,482.00	101,469.00
<b>Costs recognised in other comprehensive income</b>	<b>-722,482.00</b>	<b>101,469.00</b>
including costs of employee benefits recognised in the income statement under:		
- manufacturing costs	266,590.40	286,741.50
- general administrative costs	106,802.60	87,276.62

The actuarial assumptions are based on the following parameters for the years 2021-2024:

- discount rate in 2022 3.92%
- discount rate in 2021 1.57%
- the projected long-term increase in the Company's salary base in 2022 is -6.5%, and -5.0% in subsequent years.

As of 31/12/2022, the actuarial projection of the current values of the Company's future liabilities towards its employees is as follows:

ITEM/BENEFIT	Retirement severance pay	Pension severance pay	Total
current liability value as of 31/12/2021	1,761,331.00	152,056.00	1,913,387.00
current liability value as of 31/12/2022	1,887,078.00	166,777.00	2,053,855.00
including:			
short-term part	81,181.00	25,330.00	106,511.00
long-term part	1,805,897.00	141,447.00	1,947,344.00

As of 31/12/2022, the projection of the amount of provisions for employee benefits presented above is only indicative. The amount of liabilities as of the above date, in accordance with IAS 19, may differ significantly from the above forecast, in particular due to the failure to take into account actuarial gains and losses, which will be known only at the date of provision creation.

According to IAS 19, the amount of the provision for the above date should take into account any significant change in assumptions that occurs in the meantime, in particular significant changes in the structure, current workforce, engagement of new employees, actual rather than projected salary increases, turnover levels, discounts, etc.

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

#### Provision sensitivity analysis

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

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



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During the reporting period, none of the loan agreement were terminated and there was no request for early redemption of bonds.

## 6.14. Lease

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

### Present value of lease payments:

	as at 31/12/2021	as at 31/12/2020
less than 1 year	7,877,607.18	7,264,194.53
from 1 year to 5 years	21,072,074.48	11,412,151.71
over 5	6,335,404.50	7,240,031.70
<b>Total</b>	<b>35,285,086.16</b>	<b>25,916,377.94</b>

	as at 31/12/2021	as at 31/12/2020
Long-term lease liabilities	27,407,478.98	18,652,183.41
Short-term lease liabilities	7,877,607.18	7,264,194.53
<b>Total</b>	<b>35,285,086.16</b>	<b>25,916,377.94</b>

### Lease – supplementary data

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Depreciation	9,883,837.79	8,043,453.92
Interest expenses	1,348,409.98	1,352,198.25
Total expenditure on lease contracts	11,587,184.85	9,436,638.48
Short-term lease expenses	5,017,861.41	3,892,517.98
Low value lease expenses below 20 thousand PLN	244,879.32	97,571.04

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

## 6.15. Provisions

Employee benefit liabilities recognised in the statement of financial position:

	as at 31/12/2021	as at 31/12/2020
<b>Retirement severance pay</b>	<b>1,761,331.00</b>	<b>2,253,850.06</b>
present value as at the balance sheet date	1,761,331.00	2,253,850.06
<b>Pension severance pay</b>	<b>152,056.00</b>	<b>159,342.00</b>
present value as at the balance sheet date	152,056.00	159,342.00
<b>Pension liabilities, including:</b>	<b>1,913,387.00</b>	<b>2,413,192.06</b>
- long-term part	1,717,212.00	2,140,953.06
- short-term part	196,175.00	272,239.00

Changes in the liability in respect of retirement and pension severance pay are included in the table below:

	as at 31/12/2021	as at 31/12/2020
<b>Opening balance of present value of liability</b>	<b>2,413,192.06</b>	<b>2,119,890.41</b>
interest expenses	35,010.00	40,002.00
current service cost	338,382.66	334,016.12
benefits paid	-150,715.72	-182,185.47
actuarial gains/losses, including those arising from:	-722,482.00	101,469.00
- adjustments of actuarial assumptions ex post	-53,136.00	-41,254.00
- changes in demographic assumptions	-122,828.00	-73,199.00
- changes in financial assumptions	-546,518.00	215,922.00
<b>Closing balance of present value of liability</b>	<b>1,913,387.00</b>	<b>2,413,192.06</b>

Charges to the income statement for retirement and pension severance pay are as follows:

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

	as at 31/12/2021	as at 31/12/2020
over 1 year to 3 years	96,297,104.61	33,046,630.09
<b>Total</b>	<b>96,297,104.61</b>	<b>33,046,630.09</b>

Long-term bonds were measured using the adjusted purchase price method. The contractual maturity structure of undiscounted cash flows from loans, borrowings and bonds is as follows:

As of 31/12/2021

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

As of 31/12/2020

	Carrying amount	Undiscounted contractual cash flows
up to 1 year	31,078,686.58	31,849,400.00
over 1 year to 3 years	33,046,630.09	34,642,700.00
<b>Total</b>	<b>64,125,316.67</b>	<b>66,492,100.00</b>

#### SHORT-TERM LIABILITIES IN RESPECT OF LOANS 31/12/2021

As at 31/12/2021 and 31/12/2020, the Company had no short-term liabilities in respect of loans. The Company has available overdraft limits, their utilisation at the last day of the year is 0. The available limits are shown in the tables below:

Bank name	Loan amount	Value as at	Repayment date	Type of loan
PKO BP SA*	PLN 10,000,000.00	PLN 0.00	30/11/2022	working capital overdraft facility
Santander Bank Polska SA**	PLN 10,000,000.00	PLN 0.00	30/09/2022	working capital overdraft facility
BNP Paribas Bank Polska SA	PLN 20,000,000.00	PLN 0.00	30/09/2022	working capital overdraft facility
mBank SA	PLN 10,000,000.00	PLN 0.00	24/02/2022	working capital overdraft facility
Bank Gospodarstwa Krajowego	PLN 25,000,000.00	PLN 0.00	28/02/2022	working capital overdraft facility
	<b>PLN 75,000,000.00</b>			

\*Under the bilateral agreement: UNIBEP SA, UNIHOUSE SA, PKO BP SA

\*\*Overdraft drawn on Santander Bank Polska S.A. for the amount of 10,000,000.00 to be repaid on 30/09/2022 is to be used jointly by UNIBEP S.A. and UNIHOUSE S.A.

#### SHORT-TERM LIABILITIES IN RESPECT OF LOANS 31/12/2020

Bank name	Loan amount	Value as at	Repayment date	Type of loan
PKO BP SA*	PLN 5,000,000.00	PLN 0.00	30/11/2021	working capital overdraft facility
Santander Bank Polska SA**	PLN 10,000,000.00	PLN 0.00	30/09/2021	working capital overdraft facility
BNP Paribas Bank Polska SA	PLN 20,000,000.00	PLN 0.00	30/06/2021	working capital overdraft facility
mBank SA	PLN 10,000,000.00	PLN 0.00	25/02/2021	working capital overdraft facility
Bank Gospodarstwa Krajowego	PLN 25,000,000.00	PLN 0.00	28/02/2022	working capital overdraft facility
	<b>PLN 70,000,000.00</b>			

\*Under the bilateral agreement: UNIBEP SA, UNIHOUSE SA, PKO BP SA

\*\*Overdraft drawn on Santander Bank Polska S.A. for the amount of 10,000,000.00 to be repaid on 30/09/2021 is to be used jointly by UNIBEP S.A. and UNIHOUSE S.A.

#### LONG-TERM AND SHORT-TERM LOAN LIABILITIES

As at 31/12/2021 and 31/12/2020, the Company had no loan liabilities.

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

At present, there are no known restrictions on the exercise of voting rights by holders of a certain proportion or number of shares or restrictions on the transfer of ownership of the Company's securities.

## 6.13. Loans, borrowings and other financial liabilities

	as at 31/12/2021	as at 31/12/2020
<b>Loans, borrowings and other financial liabilities – long-term</b>	<b>96,297,104.61</b>	<b>33,046,630.09</b>
Bond liabilities	96,297,104.61	33,046,630.09
<b>Loans, borrowings and other financial liabilities – short-term</b>	<b>23,975,121.75</b>	<b>31,078,686.58</b>
Bond liabilities	23,975,121.75	31,078,686.58
<b>Total</b>	<b>120,272,226.36</b>	<b>64,125,316.67</b>

### ISSUED BONDS AS OF 31/12/2021

Name of liability	Issue amount PLN	Value as of the balance sheet date PLN	Issue date	Redemption date
Series F bonds, 3-year, unsecured, interest-bearing	PLN 34,000,000.00 / 340,000 pieces, PLN 100.00 each	20,073,317.39	15/02/2019	15/02/2022
Series G bonds, 3-year, unsecured, interest-bearing	PLN 50,000,000.00 / 500,000 pieces, PLN 100.00 each	50,188,999.20	31/03/2021	31/03/2024
Series H bonds, 3-year, unsecured, interest-bearing	PLN 50,057,000.00 / 500,570 pieces, PLN 100.00 each	50,009,909.77	24/11/2021	24/11/2024
		<b>120,272,226.36</b>		

### ISSUED BONDS AS OF 31/12/2020

Name of liability	Issue amount PLN	Value as of the balance sheet date PLN	Issue date	Redemption date
Series E bonds, 3-year, unsecured, interest-bearing	PLN 30,000,000.00 / 300,000 pieces, PLN 100.00 each	29,936,391.06	05/06/2018	06/06/2021
Series F bonds, 3-year, unsecured, interest-bearing	PLN 34,000,000.00 / 340,000 pieces, PLN 100.00 each	34,188,925.61	15/02/2019	15/02/2022
		<b>64,125,316.67</b>		

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

Interest payment days:

Interest payment date of series F bonds: 15/02/2022

Interest payment date of series G bonds: 31/03/2022, 30/09/2022, 31/03/2023, 30/09/2023, 31/03/2024

Interest payment date of series H bonds: 24/05/2022, 24/11/2022, 24/05/2023, 24/11/2023, 24/05/2024, 24/11/2024



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In accordance with the decision of the Supervisory Board:

(I) the list of participants in the Incentive Scheme includes members of the Management Board of the Company;  
(II) the criteria for the allocation of the Company's shares for the assessment year 2021 include, in particular, remaining a member of the Management Board of the Company as well as meeting the set financial targets of the Company and the Unibep Group;

(III) the selling price of shares which may be allocated for purchase by an eligible participant of the Incentive Scheme for the assessment year 2021 is 3 PLN per share.

(IV) the eligible participants of the Incentive Scheme (provided that the aforementioned allocation criteria are met) will be offered for the assessment year 2021 at least 600,000 shares, including at least 220,000 shares to Mr. Leszek Marek Gołąbiecki, at least 190,000 shares to Mr. Sławomir Kiszycki, at least 140,000 shares to Mr. Krzysztof Mikołajczyk and at least 50,000 shares to Mr. Adam Poliński.

Managers have no other entitlements to the Issuer's shares.

The measurement of entitlements carried out by the actuary determining the value of the Scheme for 2021 at PLN 3,282,000.00 is based on the finite difference method. The measurement was made as at 28/01/2021 with an underlying asset exchange rate of PLN 9.10. A volatility of 36% and a risk-free interest rate of 0.1% were assumed.

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

In accordance with the decision of the Supervisory Board of UNIBEP SA:

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



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

- issue of the Company's shares on the WSE - PLN 57,113,921.99,
- sales of own shares - PLN 2,312,569.03,
- acquisition of shares under the Incentive Scheme - PLN 2,727,270.

Pursuant to Resolution No. 18 of the Ordinary General Meeting of Shareholders 17 June 2021, the earned net profit for 2020 in the amount of PLN 16,761,967.84 was divided as follows:

1. The amount of PLN 9,471,190.20 was allocated to dividends for shareholders.
2. The amount of PLN 7,290,777.64 was allocated to supplementary capital.

Own shares held by the Company were excluded from the dividend payment.

Details of other equity items are shown in the tables below:

#### Other reserves

	as at 31/12/2021	as at 31/12/2020
Capital from exchange of shares in subsidiaries	28,884,090.00	28,884,090.00
Actuarial gains (losses) on defined benefit plans	-567,536.00	-1,152,747.00
Effective portion of changes in fair value of hedging instruments in hedge accounting	-953,321.30	-2,344,542.50
Revaluation of fixed assets	1,092,358.40	1,092,358.40
Reserve capital for the incentive scheme	3,282,000.00	-
<b>Other reserves</b>	<b>31,737,591.10</b>	<b>26,479,158.90</b>

#### Retained profits

	as at 31/12/2021	as at 31/12/2020
Supplementary capital created from retained earnings	81,630,741.85	74,339,964.21
Reserve capital for the buy-back of own shares created from retained earnings	14,413,500.00	14,413,500.00
Revaluation reserve intended to cover losses	-1,092,358.40	-1,092,358.40
Net current profit (loss)	16,801,600.53	16,761,967.84
<b>Retained profits (losses)</b>	<b>111,753,483.98</b>	<b>104,423,073.65</b>

Accounting value	209,151,899.50	196,563,056.97
Number of ordinary shares	31,570,634.00	31,570,634.00
Accounting value per share (in PLN)	6.62	6.23

#### INCENTIVE SCHEME

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

On 4 November 2020, the Supervisory Board of UNIBEP SA adopted the Regulations of the Incentive Scheme of UNIBEP SA (hereinafter referred to as the "Scheme"). More detailed information on the assumptions and the Regulations was presented in the Financial Statements of UNIBEP SA for the year ended 31 December 2020.

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



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## 6.11. Capitals

As at the balance sheet date of 31/12/2021, the share capital amounts to PLN 3,507,063.40.

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

All shares of the Company are dematerialised and traded on the regulated market of the Warsaw Stock Exchange.

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

### As of 31/12/2021

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

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

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

(3) 1,500,000 own shares purchased on 27 February 2020 on the basis of the Resolution of the Company's Management Board of 4 February 2020 on the buy-back of own shares, Resolution No. 32 of the Ordinary General Meeting of the Company of 13 June 2017 on authorising the Company's Management Board to purchase own shares and adopting the UNIBEP S.A. own share buy-back programme, amended by Resolution No. 4 of the Extraordinary General Meeting of the Company of 28 February 2019 and Resolution No. 33 of the Ordinary General Meeting of the Company of 13 June 2017 on increasing the amount of the reserve capital from the funds coming from the reserve capital for the buy-back of own shares, amended by Resolution No. 5 of the Extraordinary General Meeting of the Company of 28 February 2019.

### As of 31/12/2020

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

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

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

(3) 1,500,000 own shares purchased on 27 February 2020 on the basis of the Resolution of the Company's Management Board of 4 February 2020 on the buy-back of own shares, Resolution No. 32 of the Ordinary General Meeting of the Company of 13 June 2017 on authorising the Company's Management Board to purchase own shares and adopting the UNIBEP S.A. own share buy-back programme, amended by Resolution No. 4 of the Extraordinary General Meeting of the Company of 28 February 2019 and Resolution No. 33 of the Ordinary General Meeting of the Company of 13 June 2017 on increasing the amount of the reserve capital from the funds coming from the reserve capital for the buy-back of own shares, amended by Resolution No. 5 of the Extraordinary General Meeting of the Company of 28 February 2019.

The shareholding structure at the date of publication of these financial statements is shown in the table below:

SHAREHOLDER	Number of shares held	Percentage of the share capital (%)	Number of votes	Percentage of the total number of votes (%)
Zofia Mikoluszk	8,800,000	25.09	8,800,000	25.09
Beata Maria Skowrońska	5,500,000	15.68	5,500,000	15.68
Wojciech Stojkowski	2,500,000	7.13	2,500,000	7.13
Bożenna Lachocka	2,500,000	7.13	2,500,000	7.13
AVIVA OFE AVIVA BZ WBK	3,418,920	9.75	3,418,920	9.75
PKO BP Bankowy OFE	2,098,756	5.98	2,098,756	5.98
Free float	6,752,958	19.26	6,752,958	19.26
Own shares (1)(2)(3)	3,500,000	9.98	3,500,000	9.98
<b>Total</b>	<b>35,070,634</b>	<b>100.00</b>	<b>35,070,634</b>	<b>100.00</b>

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

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

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

(3) 1,500,000 own shares purchased on 27 February 2020 on the basis of the Resolution of the Company's Management Board of 4 February 2020 on the buy-back of own shares, Resolution No. 32 of the Ordinary General Meeting of the Company of 13 June 2017 on authorising the Company's Management Board to purchase own shares and adopting the UNIBEP S.A. own share buy-back programme, amended by Resolution No. 4 of the Extraordinary General Meeting of the Company of 28 February 2019 and Resolution No. 33 of the Ordinary General Meeting of the Company of 13 June 2017 on increasing the amount of the reserve capital from the funds coming from the reserve capital for the buy-back of own shares, amended by Resolution No. 5 of the Extraordinary General Meeting of the Company of 28 February 2019.

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Cash at bank bears interest at variable rates. Short-term deposits are made for various periods, depending on the Company's current demand for cash and are subject to interest rates set for them. As of the balance sheet date of 31/12/2020, the fair value of cash and cash equivalents amounted to PLN 107,168,014.90. The disclosed cash write-down resulted from the Company's estimates regarding the possibility of withdrawal of cash accumulated on accounts in OAO AKB "Probiznesbank" – in bankruptcy. UNIBEP SA reported its claims and they were accepted and confirmed by the receiver. By 31/12/2021, the receiver paid PLN 207,849.60, with no payments recorded in 2021.

The risks associated with this asset are described in Section 4 of the financial statements Financial risk management.

## 6.10. Loans granted

As of 31/12/2021

Name of the borrower	Agreement date	Amount granted	Repayment date	Closing balance
Unidevelopment SA	21/07/2016	PLN 30,000,000.00	30/06/2022	30,281,206.16
Unidevelopment SA	10/12/2021	PLN 20,000,000.00	09/12/2024	20,071,542.81
Unidevelopment SA	28/06/2021	PLN 50,000,000.00	31/03/2024	50,483,396.46
Budrex Sp. z o.o.	29/12/2021	PLN 8,000,000.00	31/12/2022	8,000,000.00
Unihouse SA	02/10/2020	PLN 10,000,000.00	28/02/2022	10,000,000.00
<b>Total</b>				<b>118,836,145.43</b>

As of 31/12/2020

Name of the borrower	Agreement date	Amount granted	Repayment date	Closing balance
Unidevelopment SA	21/07/2016	PLN 30,000,000.00	30/06/2022	29,777,140.03
Unidevelopment SA	17/09/2018	PLN 20,000,000.00	31/05/2021	19,922,885.98
Lovsetvegen 4 AS	01/09/2020	NOK 500,000.00 / PLN 220,000.00	01/09/2021	221,610.57
Budrex Sp. z o.o.	23/09/2020	PLN 3,173,577.51	30/12/2021	3,173,577.51
Unihouse SA	02/10/2020	PLN 10,000,000.00	31/12/2021	10,090,797.70
<b>Total</b>				<b>63,186,011.79</b>

As at 31/12/2021, loans granted amounted to: short-term - PLN 48,281,206.16, long-term - PLN 70,554,939.27.

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

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



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## As of 31/12/2021

	Residential and commercial construction	Infrastructure	Property development activity	Modular construction	Total
Gross inventories	10,448,838.30	9,440,843.72	145,151.05	1,574.40	20,036,407.47
Inventory revaluation write-downs	-	-	130,000.00	-	130,000.00
<b>Net inventories</b>	<b>10,448,838.30</b>	<b>9,440,843.72</b>	<b>15,151.05</b>	<b>1,574.40</b>	<b>19,906,407.47</b>

## As of 31/12/2020

	Residential and commercial construction	Infrastructure	Property development activity	Modular construction	Total
Gross inventories	6,013,760.07	8,573,660.41	145,151.05	1,574.40	14,734,145.93
Inventory revaluation write-downs	-	-	130,000.00	-	130,000.00
<b>Net inventories</b>	<b>6,013,760.07</b>	<b>8,573,660.41</b>	<b>15,151.05</b>	<b>1,574.40</b>	<b>14,604,145.93</b>

## 6.9. Cash and cash equivalents

	as at 31/12/2021	as at 31/12/2020
<b>Cash in PLN</b>	<b>105,479,960.66</b>	<b>182,070,891.03</b>
Cash in EUR	164,818.81	63,407.78
<b>Cash in EUR after conversion into PLN</b>	<b>758,067.62</b>	<b>292,614.23</b>
Cash in USD	1,936.37	2,842.57
<b>Cash in USD after conversion into PLN</b>	<b>7,861.66</b>	<b>10,683.52</b>
Cash in RUB	15,087,428.68	15,087,428.68
<b>Cash in RUB after conversion into PLN</b>	<b>896,162.06</b>	<b>896,162.06</b>
Cash in NOK	1,828,197.40	802,069.58
<b>Cash in NOK after conversion into PLN</b>	<b>842,433.36</b>	<b>352,910.62</b>
Cash in BYN	24,899.44	40,138.73
<b>Cash in BYN after conversion into PLN</b>	<b>40,180.23</b>	<b>57,378.31</b>
Cash in UAH	12,716.81	4,528.51
<b>Cash in UAH after conversion into PLN</b>	<b>1,890.99</b>	<b>600.48</b>
Cash in SEK	83,861.74	9,523.86
<b>Cash in SEK after conversion into PLN</b>	<b>37,620.38</b>	<b>4,379.07</b>
<b>Total</b>	<b>108,064,176.96</b>	<b>183,685,619.32</b>
Cash write-down	896,162.06	896,162.06
<b>Cash and cash equivalents</b>	<b>107,168,014.90</b>	<b>182,789,457.26</b>

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The Company's credit risk is primarily assigned to trade receivables. The amounts presented in the balance sheet are net of estimated expected credit loss.  
As at the balance sheet date of 31/12/2021 as well as at 31/12/2020 the receivable from one external counterparty exceeded 10% of total receivables.  
The risk related to this financial asset is described in Section 4 of these financial statements – Financial risk management, subsection "Credit risk".

## 6.7. Write-downs and expected credit losses

### EXPECTED CREDIT LOSSES

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
<b>Opening balance</b>	<b>46,417,140.13</b>	<b>39,041,046.12</b>
Trade and other receivables	44,226,312.38	34,192,523.56
Deposits on construction contracts	1,256,131.45	4,260,739.54
Contractual assets	19,805.30	182,137.20
Loans granted	914,891.00	405,645.82
<b>increases</b>	<b>10,603,332.98</b>	<b>20,925,042.09</b>
Trade and other receivables	8,786,035.25	19,164,305.74
Deposits on construction contracts	600,090.33	1,224,615.95
Contractual assets	19,127.40	26,875.22
Loans granted	1,198,080.00	509,245.18
<b>decreases</b>	<b>8,615,707.37</b>	<b>13,548,948.08</b>
Trade and other receivables	8,127,914.38	9,130,516.92
Deposits on construction contracts	487,792.99	4,229,224.04
Contractual assets	-	189,207.12
<b>Closing balance</b>	<b>48,404,765.74</b>	<b>46,417,140.13</b>
Trade and other receivables	44,884,433.25	44,226,312.38
Deposits on construction contracts	1,368,428.79	1,256,131.45
Contractual assets	38,932.70	19,805.30
Loans granted	2,112,971.00	914,891.00

### WRITE-DOWNS

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
<b>Opening balance</b>	<b>1,026,162.06</b>	<b>1,026,162.06</b>
Inventories	130,000.00	130,000.00
Cash	896,162.06	896,162.06
<b>Closing balance</b>	<b>1,026,162.06</b>	<b>1,026,162.06</b>
Inventories	130,000.00	130,000.00
Cash	896,162.06	896,162.06

## 6.8. Inventories

	as at 31/12/2021	as at 31/12/2020
Materials	19,608,862.88	14,587,420.48
Semi-finished products and work in progress	282,393.54	1,574.40
Finished products	145,151.05	145,151.05
<b>GROSS INVENTORIES</b>	<b>20,036,407.47</b>	<b>14,734,145.93</b>
Inventory revaluation write-downs	130,000.00	130,000.00
<b>NET INVENTORIES</b>	<b>19,906,407.47</b>	<b>14,604,145.93</b>

Information on inventory revaluation write-downs can be found in Note 6.7.

As at 31/12/2021 and 31/12/2020, there was no hedging provided for the inventories.  
In 2021 and 2020, no borrowing costs were capitalised in inventories.  
No sales/use of inventories not covered by the write-down is expected in the period exceeding 31/12/2022.  
In the period from 01/01/2021 to 31/12/2021, the amount of PLN 12,753.7 thousand related to materials was recognised in the costs of own sales.



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## Trade receivables – maturing from the balance sheet date:

	as at 31/12/2021	as at 31/12/2020
up to 1 month	76,460,193.11	81,596,903.44
over 1 month up to 3 months	38,939,133.16	60,047,714.76
over 3 months up to 6 months	13,603.14	5,338,411.31
over 6 months up to 1 year	-	27,255.49
overdue receivables	28,039,127.57	45,040,948.88
<b>NET TRADE RECEIVABLES</b>	<b>143,452,056.98</b>	<b>192,051,233.88</b>

As of 31 December 2021, the expected credit losses on trade receivables and other receivables calculated in accordance with IFRS 9 amounted to PLN 44,884,433.25. Costs and revenue related to creation and release of the expected credit losses are recognised from 2018 in the profit and loss account under the "Expected credit losses" item. The change in the balance of expected credit losses is presented in Note 6.7.

## Overdue trade receivables – broken down by overdue receivables in the period of:

	as at 31/12/2021	as at 31/12/2020
up to 1 month	8,164,602.09	20,789,734.57
over 1 month up to 3 months	3,361,779.87	10,329,648.29
over 3 months up to 6 months	1,053,914.81	1,953,257.32
over 6 months up to 1 year	4,731,794.45	3,652,558.21
over 1 year	10,727,036.35	8,315,750.49
<b>OVERDUE TRADE RECEIVABLES (NET)</b>	<b>28,039,127.57</b>	<b>45,040,948.88</b>

## Change in estimated values of receivables:

	as at 31/12/2021	as at 31/12/2020
<b>Net trade and other short-term receivables</b>	<b>180,161,570.90</b>	<b>206,816,564.24</b>
from related entities	25,159,760.43	49,104,513.63
from other entities	155,001,810.47	157,712,050.61
Expected credit losses on receivables (positive value)	44,884,433.25	44,226,312.38
<b>Trade and other short-term receivables (gross)</b>	<b>225,046,004.15</b>	<b>251,042,876.62</b>

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

	as at 31/12/2021	as at 31/12/2020
<b>Receivables in PLN</b>	<b>146,595,016.10</b>	<b>170,656,778.47</b>
Receivables in USD	650.00	322,553.59
<b>Receivables in USD after conversion into PLN</b>	<b>2,639.00</b>	<b>1,275,799.52</b>
Receivables in EUR	4,583,917.94	4,770,992.98
<b>Receivables in EUR after conversion into PLN</b>	<b>20,988,253.59</b>	<b>21,995,400.17</b>
Receivables in RUB	73,893.00	51,551.00
<b>Receivables in RUB after conversion into PLN</b>	<b>5,030.69</b>	<b>3,952.57</b>
Receivables in NOK	13,690,490.85	23,845,331.54
<b>Receivables in NOK after conversion into PLN</b>	<b>6,301,285.86</b>	<b>10,218,691.21</b>
Receivables in BYN	515,514.66	529,454.72
<b>Receivables in BYN after conversion into PLN</b>	<b>818,743.36</b>	<b>756,702.22</b>
Receivables in SEK	3,692,628.25	3,952,835.85
<b>Receivables in SEK after conversion into PLN</b>	<b>1,654,218.73</b>	<b>1,774,766.19</b>
Receivables in UAH	25,497,325.24	748,965.50
<b>Receivables in UAH after conversion into PLN</b>	<b>3,795,810.98</b>	<b>133,938.04</b>
Receivables in GBP	104.40	104.40
<b>Receivables in GBP after conversion into PLN</b>	<b>572.59</b>	<b>535.85</b>
<b>Total</b>	<b>180,161,570.90</b>	<b>206,816,564.24</b>

Advances were measured according to the historical rate.



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## Investments in other entities as at 31/12/2020

No.	Company name	Value of shares at purchase price	Revaluation adjustments	Share carrying amount	Percentage of shares held	Percentage of votes held	Consolidation method
1	Unidevelopment SA	60,555,486.00*	-	60,555,486.00*	97.63%	97.63%	full
2	Unihouse SA	52,304,397.63	-	52,304,397.63	100%	100%	full
3	Unex Construction Sp. z o.o.	16,959.80	-	16,959.80	100%	100%	full
4	Budrex Sp. z o.o.	18,000,150.00	-	18,000,150.00	100%	100%	full
5	Unibep PPP Sp. z o.o.	5,000.00	-	5,000.00	100%	100%	full

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

No.	Shareholders' equity	Share capital	Other capital*	Retained profit**	Value of assets	Fixed assets	Current assets	Value of liabilities	Revenue from sales
1	179,259,174.87	6,675,000.00	60,414,627.20	112,169,547.67	297,753,204.83	262,598,905.18	35,154,299.65	118,494,029.96	45,067,998.02
2	45,063,129.54	2,750,000.00	42,391,265.63	421,863.91	174,758,664.23	72,193,477.10	102,565,187.13	129,695,534.69	225,714,717.53
3	833,824.59	5,000.00	-	828,824.59	844,567.13	-	844,567.13	10,742.54	-
4	17,027,637.56	430,000.00	13,155,980.46	3,441,657.10	61,293,213.38	15,549,063.19	45,744,150.19	44,265,575.82	101,332,739.88
5	-42,454.27	5,000.00	-	-47,454.27	4,310.42	-	4,310.42	46,764.69	-

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

\*\* change in presentation compared to the 2020 publication

## 6.6. Trade and other receivables

### Trade and other long-term receivables

	as at 31/12/2021	as at 31/12/2020
<b>Long-term prepayments and accruals</b>	<b>5,621,025.93</b>	<b>3,778,897.98</b>
Insurance	5,271,242.45	3,751,453.46
Other	349,783.48	27,444.52
<b>Trade and other long-term receivables</b>	<b>5,621,025.93</b>	<b>3,778,897.98</b>

### Trade and other short-term receivables

	as at 31/12/2021	as at 31/12/2020
<b>Trade and other receivables (net)</b>	<b>176,499,956.25</b>	<b>204,184,006.88</b>
Trade receivables	143,452,056.98	192,051,233.88
Receivables from taxes, subsidies, customs duties, social security contributions and health insurance, and other benefits	13,393,795.69	2,993,656.84
Other non-financial receivables	12,374,514.28	3,085,152.34
Other financial receivables	2,122,223.48	120,357.85
Advances granted for deliveries:	5,157,365.82	5,933,605.97
for the purchase of goods, materials and services	5,157,365.82	5,933,605.97
<b>Short-term prepayments and accruals</b>	<b>3,661,614.65</b>	<b>2,632,557.36</b>
Insurance	2,931,787.95	2,039,298.97
Other	729,826.70	593,258.39
<b>Trade and other short-term receivables</b>	<b>180,161,570.90</b>	<b>206,816,564.24</b>
Expected credit losses on receivables	44,884,433.25	44,226,312.38
<b>TOTAL GROSS TRADE RECEIVABLES</b>	<b>225,046,004.15</b>	<b>251,042,876.62</b>



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## 6.5. Investments in jointly controlled entities

	as at 31/12/2021	as at 31/12/2020
<b>Opening balance</b>	<b>7,986.00</b>	<b>7,986.00</b>
Increases	-	-
Decreases	-	-
<b>Investments in jointly controlled entities</b>	<b>7,986.00</b>	<b>7,986.00</b>
- shares in Seljedalen AS	7,986.00	7,986.00

### Long-term

	as at 31/12/2021	as at 31/12/2020
<b>Opening balance:</b>	<b>159,672,817.69</b>	<b>155,961,244.69</b>
- shares of UNIDEVELOPMENT SA	60,555,486.00	60,555,486.00
- other, UNIDEVELOPMENT SA	28,790,824.26	28,790,824.26
- shares of BUDREX SP. Z O.O.	18,000,150.00	18,000,150.00
- shares of UNEX CONSTRUCTION SP. Z O.O.	16,959.80	16,959.80
- shares of UNIBEP PPP SP. Z O.O.	5,000.00	5,000.00
- shares of UNIHOUSE SA	52,304,397.63	48,592,824.63
<b>Increases:</b>	<b>-</b>	<b>3,711,573.00</b>
- contribution in kind, UNIHOUSE SA	-	3,711,573.00
<b>Decreases:</b>	<b>-</b>	<b>-</b>
<b>Closing balance:</b>	<b>159,672,817.69</b>	<b>159,672,817.69</b>
- shares of UNIDEVELOPMENT SA	60,555,486.00	60,555,486.00
- other, UNIDEVELOPMENT SA	28,790,824.26	28,790,824.26
- shares of BUDREX SP. Z O.O.	18,000,150.00	18,000,150.00
- shares of UNEX CONSTRUCTION SP. Z O.O.	16,959.80	16,959.80
- shares of UNIBEP PPP SP. Z O.O.	5,000.00	5,000.00
- shares of UNIHOUSE SA	52,304,397.63	52,304,397.63

### Investments in other entities as at 31/12/2021

No.	Company name	Value of shares at purchase price	Revaluation adjustments	Share carrying amount	Percentage of shares held	Percentage of votes held	Consolidation method
1	Unidevelopment SA	60,555,486.00 <sup>*)</sup>	-	60,555,486.00 <sup>*)</sup>	97.63%	97.63%	full
2	Unihouse SA	52,304,397.63	-	52,304,397.63	100%	100%	full
3	Unex Construction Sp. z o.o.	16,959.80	-	16,959.80	100%	100%	full
4	Budrex Sp. z o.o.	18,000,150.00	-	18,000,150.00	100%	100%	full
5	Unibep PPP Sp. z o.o.	5,000.00	-	5,000.00	100%	100%	full

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

No.	Shareholders' equity	Share capital	Other capital	Retained profit**	Value of assets	Fixed assets	Current assets	Value of liabilities	Revenue from sales
1	182,063,380.73	6,675,000.00	88,958,247.85	86,430,132.88	391,322,026.16	323,030,711.50	68,291,314.66	209,258,645.43	18,294,705.03
2	48,943,621.45	2,250,000.00	45,938,934.63	754,686.82	269,490,171.28	70,620,546.17	220,546,549.83	196,880,346.97	273,345,706.31
3	758,995.88	5,000.00	-	753,995.88	770,662.91	-	770,662.91	11,667.03	-
4	17,243,502.30	430,000.00	13,178,630.46	3,634,871.84	56,748,196.79	18,874,364.12	37,873,832.67	39,504,694.49	101,629,911.45
5	-62,691.40	5,000.00	-	-67,691.40	3,955.01	-	3,955.01	66,646.41	-

Bielsk Podlaski, 7 April 2022

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6.4. Investments in other entities

Related companies

Table with columns: Name of the entity and legal form, Registered office, Objective of the enterprise, Nature of the relationship, Consolidation method applied, Date of obtaining control/loss, Share carrying amount, Percent of the share capital held, Share in total number of votes of the general meeting.

\* Total share ownership of the share in the business partner company... \*\* share in the profit/loss of the Company... \*\*\* the share in the total number of votes of the Company...



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The Company created development works for new products on its own.

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

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Manufacturing costs of products and services sold	63,517.90	47,715.72
General administrative costs	730,711.44	710,155.18
<b>Total amortisation of intangible assets</b>	<b>794,229.34</b>	<b>757,870.90</b>

Ownership structure of intangible assets:

	as of 31/12/2021	as of 31/12/2020
Own	8,750,230.23	8,720,487.62
<b>Total ownership structure of intangible assets</b>	<b>8,750,230.23</b>	<b>8,720,487.62</b>

As of 31 December 2021 and 31 December 2020, the Company did not have any encumbrances of a legal or bond nature on intangible assets.

The main item of intangible assets in 2021 and 2020 was goodwill arising from the acquisition of companies currently called Oddział Infrastruktury UNIBEP SA in the amounts of PLN 1,954,050.88 and PLN 3,674,932.90, respectively.

**Infrastructure Branch UNIBEP SA** - goodwill as of 31/12/2021 amounts to PLN 5,628,983.78.

In order to determine the value in use of the acquired goodwill, a discounted cash flow (DCF) analysis was carried out for the cash generating unit to which the goodwill was allocated, using a weighted average cost of capital (WACC) of 8.35%. These analyses were based on forecasts of future cash flows and planned cash inflows and outflows. The residual value for discounted cash flows was calculated on the basis of the perpetuity formula with a 1% increase.

The forecasts approved by the management of the Company cover the period of 2022-2026. They take into account the planned financial results in the period, as well as assumptions concerning capital expenditures and the current situation of the Company, the order portfolio held, current production capacities and human resources. In addition, they take into account the current and projected market situation, capabilities of companies and opportunities related to acquiring new contracts for implementation. Potential orders offered by the infrastructure investment market were analysed.

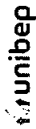
The value in use was determined as part of the Company's tests for impairment of goodwill as at 31 December 2021 and amounted to PLN 79,766 thousand.

### 6.3. Investment property

As at 31/12/2021 and 31/12/2020, the Company had no investment properties.



UNIBEP SA



Separate financial statements for the year ended 31. December 2021 prepared in accordance with International Financial Reporting Standards as compiled by the European Union (amounts in the tables are expressed in NOK, unless otherwise stated)

**Change in intangible assets**

**For the period from 01/01/2021 to 31/12/2021**

	Goodwill	Computer software	Acquired concessions, licences, patents	Intangible assets in progress	Total
Gross opening balance	5.628.983,78	4.698.819,90	1.212.451,18	725.098,54	12.265.353,40
Increase	-	545.719,52	215.000,00	570.175,93	1.350.895,45
Purchase	-	173.619,38	-	570.175,93	743.795,31
Acceptance from the investment	-	392.100,14	215.000,00	-	607.100,14
Decreases	-	130.101,07	-	526.690,14	656.792,21
Liquidation	-	130.101,07	-	-	130.101,07
Transfer from the investment	-	-	-	526.690,14	526.690,14
Gross closing balance	5.628.983,78	5.134.438,35	1.427.451,18	768.584,33	12.959.457,64
Opening balance of accumulated amortisation	-	2.857.254,74	687.611,04	-	3.544.865,78
Increase	-	620.660,04	173.569,30	-	794.229,34
Current depreciation	-	620.660,04	173.569,30	-	794.229,34
Decreases	-	129.867,71	-	-	129.867,71
Accumulated amortisation of liquidated items	-	129.867,71	-	-	129.867,71
Closing balance of accumulated amortisation	-	3.348.047,07	861.180,34	-	4.209.227,41
Net opening balance	5.628.983,78	1.841.565,16	524.840,14	725.098,54	8.720.487,62
Net closing balance	5.628.983,78	1.786.391,28	566.270,84	768.584,33	8.750.230,23

**For the period from 01/01/2020 to 31/12/2020**

	Goodwill	Computer software	Acquired concessions, licences, patents	Intangible assets in progress	Total
Gross opening balance	5.628.983,78	4.487.777,71	958.461,66	546.246,65	11.621.469,80
Increase	-	211.042,19	253.989,52	419.501,89	884.533,60
Purchase	-	124.642,19	70.362,00	419.501,89	614.506,08
Acceptance from the investment	-	86.400,00	183.627,52	-	270.027,52
Decreases	-	-	-	240.450,00	240.450,00
Transfer from the investment	-	-	-	240.450,00	240.450,00
Gross closing balance	5.628.983,78	4.698.819,90	1.212.451,18	725.098,54	12.265.353,40
Opening balance of accumulated amortisation	-	2.256.216,44	530.778,44	-	2.786.994,88
Increase	-	601.038,30	156.832,60	-	757.870,90
Current depreciation	-	601.038,30	156.832,60	-	757.870,90
Closing balance of accumulated amortisation	-	2.857.254,74	687.611,04	-	3.544.865,78
Net opening balance	5.628.983,78	2.231.561,27	427.683,22	546.246,65	8.834.474,92
Net closing balance	5.628.983,78	1.841.565,16	524.840,14	725.098,54	8.720.487,62



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Depreciation of fixed assets was recognised in the following items of the income statement:

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Manufacturing costs of products and services sold	11,018,687.47	9,251,217.98
Residential and commercial construction	2,487,175.73	2,076,357.32
Infrastructure	8,463,871.13	7,046,147.19
Modular construction	67,640.61	128,713.47
General administrative costs	1,959,066.43	1,998,862.18
<b>Total</b>	<b>12,977,753.90</b>	<b>11,250,080.16</b>

As of 31/12/2021, the contractual mortgage on fixed assets and the right of perpetual usufruct of land has been deleted.

As of 31/12/2020, a total contractual mortgage of up to PLN 4,911,578.00 was established on tangible fixed assets and fixed assets of land in connection with securing potential claims of PZU SA against UNIBEP SA, arising from a good performance bond issued by PZU and removal of defects and faults on the Dąbrowa Białostocka – Sokółka road contract. The net value of fixed assets constituting hedging – PLN 3,821,269.54.

The total value of compensation received or due in respect of those fixed assets which were impaired or lost in the reporting period for the year ended 31/12/2021 was PLN 30,826.83, while no such values were recorded in the comparative period ended 31/12/2020.

As of 31/12/2021, the value of liabilities related to purchases of tangible fixed assets amounted to 254 thousand PLN.

## 6.2. Intangible assets

	as at 31/12/2021	as at 31/12/2020
Goodwill	5,628,983.78	5,628,983.78
Acquired concessions, patents, licences and similar assets, including:	2,352,662.12	2,366,405.30
<i>computer software</i>	1,786,391.28	1,841,565.16
<i>other intangible assets, including licences</i>	566,270.84	524,840.14
Intangible assets in progress	768,584.33	725,098.54
<b>Intangible assets</b>	<b>8,750,230.23</b>	<b>8,720,487.62</b>



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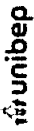
**Change in right-of-use assets**

For the period from 01/01/2021 to 31/12/2021

	Land	Buildings, premises and civil engineering structures	Plant and machinery	Vehicles	Other right-of-use assets	Total
Gross opening balance	3,775,035.18	9,874,204.69	12,909,258.61	11,797,881.04	4,039,634.24	42,396,013.76
Increases	-	114,405.75	9,150,759.26	10,486,469.58	173,506.44	19,925,141.03
Contract conclusion and change	-	114,405.75	9,150,759.26	10,486,469.58	173,506.44	19,925,141.03
Decreases	-	-	3,626,935.63	3,715,487.87	115,575.70	7,457,999.20
Contract expiry and change	-	-	3,626,935.63	3,715,487.87	115,575.70	7,457,999.20
Gross closing balance	3,775,035.18	9,988,610.44	18,433,082.24	18,548,842.75	4,097,564.98	54,863,155.59
Opening balance of accumulated amortisation	1,552,581.08	1,144,007.79	5,886,786.61	5,944,740.62	1,579,503.62	16,107,819.72
Increases	234,567.24	859,308.97	4,763,725.77	3,220,248.03	805,987.78	9,883,837.79
Current depreciation	234,567.24	859,308.97	4,763,725.77	3,220,248.03	805,987.78	9,883,837.79
Decreases	-	-	3,398,175.39	3,566,245.59	82,554.00	7,046,974.98
Accumulated depreciation on contract expiry	-	-	3,398,175.39	3,566,245.59	82,554.00	7,046,974.98
Closing balance of accumulated depreciation	1,787,148.32	2,003,316.76	7,252,536.97	5,598,743.06	2,302,937.40	18,944,682.53
Net opening balance	2,222,454.10	8,730,196.90	7,022,272.00	5,853,140.42	2,460,130.62	26,288,194.04
Net closing balance	1,987,886.86	7,985,293.68	11,180,545.25	12,970,119.69	1,794,627.58	35,918,473.06

For the period from 01/01/2020 to 31/12/2020

	Land	Buildings, premises and civil engineering structures	Plant and machinery	Vehicles	Other right-of-use assets	Total
Gross opening balance	3,763,818.93	9,680,595.77	10,130,213.35	11,329,558.96	4,145,034.24	39,049,221.25
Increases	207,509.92	193,608.92	6,265,108.93	2,624,827.08	-	9,291,054.85
Contract conclusion and change	207,509.92	193,608.92	6,265,108.93	2,624,827.08	-	9,291,054.85
Decreases	194,293.67	-	3,486,063.67	2,156,505.00	103,400.00	5,944,262.34
Contract expiry and change	-	-	3,486,063.67	1,636,981.49	-	5,123,045.16
Other	194,293.67	-	-	519,523.51	103,400.00	821,217.18
Gross closing balance	3,775,035.18	9,874,204.69	12,909,258.61	11,797,881.04	4,039,634.24	42,396,013.76
Opening balance of accumulated amortisation	1,393,743.45	309,358.56	5,861,374.39	5,439,460.80	799,089.99	13,803,027.19
Increases	213,673.61	834,649.23	3,328,284.07	2,534,738.76	807,196.86	7,718,542.53
Current depreciation	213,673.61	834,649.23	3,328,284.07	2,534,738.76	807,196.86	7,718,542.53
Decreases	54,835.98	-	3,302,671.85	2,029,458.94	26,783.23	5,413,750.00
Accumulated depreciation on contract expiry	-	-	3,302,671.85	2,029,458.94	26,783.23	5,413,750.00
Closing balance of accumulated depreciation	1,552,581.08	1,144,007.79	5,886,786.61	5,944,740.62	1,579,503.62	16,107,819.72
Net opening balance	2,370,075.48	9,371,237.21	4,268,638.96	5,890,098.16	3,345,944.25	25,246,194.06
Net closing balance	2,222,454.10	8,730,196.90	7,022,272.00	5,853,140.42	2,460,130.62	26,288,194.04



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**Change in own fixed assets**

For the period from 01/01/2021 to 31/12/2021

	Land	Buildings, premises and civil engineering structures	Plant and machinery	Vehicles	Other fixed assets	Fixed assets in progress	Total fixed assets
Gross opening balance	1,435,503.02	15,150,826.05	27,118,394.72	4,544,444.16	2,436,480.48	135,732.50	51,241,582.33
Increases	680,600.40	554,182.35	3,671,224.11	1,557,953.94	367,407.23	2,851,139.24	9,679,537.87
Purchase	-	90,837.40	2,379,634.31	48,248.78	266,831.33	2,851,139.24	5,636,691.26
Acceptance from the investment	680,600.40	-	-	-	-	-	1,143,945.35
Acceptance from lease	-	463,344.95	1,291,589.80	1,511,735.16	115,575.70	-	2,318,900.66
Decreases	64,162.54	940,734.95	8,671,954.95	1,434,076.54	376,040.39	1,224,355.55	12,713,324.93
Sales	-	898,824.05	6,978,532.10	1,434,076.54	160,134.87	-	9,535,730.10
Liquidation	-	43,970.90	1,693,422.86	-	215,905.52	1,143,945.55	1,443,945.55
Transfer from the investment	-	-	-	-	-	80,410.00	80,410.00
Other	-	-	-	-	-	-	-
Gross closing balance	2,249,941.08	14,764,724.45	22,117,645.87	4,690,351.56	2,643,047.32	1,782,516.19	48,227,795.47
Opening balance of accumulated amortisation	-	-	-	-	-	-	-
Increases	148,299.04	6,114,478.08	19,056,955.25	4,365,725.71	1,646,043.27	-	31,351,721.35
Current depreciation	18,931.80	986,557.59	3,059,218.59	1,551,388.75	358,704.30	-	5,944,801.03
Accumulated depreciation of accepted from lease	-	-	1,737,628.79	74,647.63	276,150.30	-	3,093,916.11
Decreases	-	-	1,291,589.80	1,476,741.12	82,554.00	-	2,850,864.92
Accumulated depreciation of fixed assets sold and liquidated	-	421,280.43	6,340,880.53	1,428,200.04	334,527.67	-	8,524,868.87
Closing balance of accumulated amortisation	167,230.84	6,679,955.04	15,745,993.31	4,488,914.42	1,690,239.90	-	28,771,433.51
Net opening balance	1,487,203.98	9,036,147.97	8,041,441.47	198,718.45	970,617.21	135,732.50	19,889,661.58
Net closing balance	2,082,710.24	8,084,318.41	6,372,372.56	201,437.14	952,807.42	1,782,516.19	19,456,161.96

For the period from 01/01/2020 to 31/12/2020

	Land	Buildings, premises and civil engineering structures	Plant and machinery	Vehicles	Other fixed assets	Fixed assets in progress	Total fixed assets
Gross opening balance	1,435,503.02	14,720,913.94	23,440,270.23	4,267,778.67	2,144,041.04	1,413,591.80	47,442,118.70
Increases	-	1,012,819.87	5,793,847.87	1,794,544.32	722,049.19	1,786,538.09	11,309,841.34
Purchase	-	-	789,984.30	157,584.73	312,269.19	-	3,046,376.31
Acceptance from the investment	-	1,012,819.87	1,717,800.00	1,636,981.49	304,400.00	-	3,035,019.87
Acceptance from lease	-	-	3,486,063.67	105,400.00	-	-	5,228,445.16
Decreases	-	-	-	-	-	-	-
Sales	-	582,907.76	2,335,721.48	1,497,900.73	229,449.75	-	7,210,377.11
Liquidation	-	222,068.20	2,122,171.11	1,403,481.07	115,400.00	-	3,863,120.38
Transfer from the investment	-	340,839.56	213,550.37	94,419.66	114,049.75	-	782,859.34
Gross closing balance	1,435,503.02	15,150,826.05	27,118,394.72	4,544,444.16	2,436,480.48	1,357,321.50	51,241,582.33
Opening balance of accumulated amortisation	-	-	-	-	-	-	-
Increases	127,785.59	5,897,024.41	16,035,328.19	3,705,406.75	1,591,135.45	-	27,356,674.59
Current depreciation	20,509.45	782,822.61	3,286,435.50	2,154,970.36	225,770.80	-	8,470,509.72
Accumulated depreciation of accepted from lease	-	-	2,011,429.13	317,988.87	198,987.57	-	3,531,537.63
Decreases	-	-	-	-	-	-	-
Accumulated depreciation of fixed assets sold and liquidated	-	564,949.14	2,245,008.44	1,494,851.40	150,832.98	-	4,475,641.96
Closing balance of accumulated amortisation	148,299.04	6,114,478.08	19,056,955.25	4,465,725.71	1,646,043.27	-	31,351,721.35
Net opening balance	1,507,713.43	8,833,889.33	7,424,942.04	562,171.92	552,935.59	1,413,591.80	20,285,244.11
Net closing balance	1,487,203.98	9,036,147.97	8,041,441.47	198,718.45	970,617.21	1,357,321.50	19,889,661.58



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## 6. Notes to the financial statements

### 6.1. Fixed assets

	as at 31/12/2021	as at 31/12/2020
Own fixed assets	19,456,161.96	19,889,861.58
Right-of-use assets	35,918,473.06	26,288,194.04
<b>Total fixed assets</b>	<b>55,374,635.02</b>	<b>46,178,055.62</b>

#### Own fixed assets

	as at 31/12/2021	as at 31/12/2020
Land	2,082,710.24	1,487,203.98
Buildings, premises and civil engineering structures	8,084,318.41	9,036,147.97
Plant and machinery	6,372,372.56	8,061,441.47
Vehicles	201,437.14	198,718.45
Other fixed assets	952,807.42	970,617.21
Fixed assets in progress	1,762,516.19	135,732.50
<b>Own fixed assets</b>	<b>19,456,161.96</b>	<b>19,889,861.58</b>

#### Right-of-use assets

	as at 31/12/2021	as at 31/12/2020
Land	1,987,886.86	2,222,454.10
Buildings, premises and civil engineering structures	7,985,293.68	8,730,196.90
Plant and machinery	11,180,545.25	7,022,272.00
Vehicles	12,970,119.69	5,853,140.42
Other right-of-use assets	1,794,627.58	2,460,130.62
<b>Right-of-use assets</b>	<b>35,918,473.06</b>	<b>26,288,194.04</b>



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

**Result statement**

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
Revenue from sales	-1,095,646.10	3,461,502.00
Financial revenue and expenses:	-790,801.98	-1,195,496.14
under implementation of derivative instruments	-905,523.82	-186,740.27
under measurement of derivative instruments	114,721.84	-1,008,755.87
<b>The impact of derivative instruments on the profit or loss for the period</b>	<b>-1,886,448.08</b>	<b>2,266,005.86</b>
<b>Statement on comprehensive income in the part concerning other comprehensive income</b>		
<b>Impact of hedging transactions:</b>	<b>1,717,557.20</b>	<b>-3,513,267.64</b>
impact of measurement of hedging transactions (effective part)	262,479.00	213,468.16
reclassification to revenue from sales due to realisation of a hedged item	1,455,078.20	-3,726,735.80
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-168,890.88</b>	<b>-1,247,261.78</b>

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	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value through profit or loss	-	929,081.19	-	929,081.19
Derivative financial instruments in cash flow hedge accounting	-	2,933,031.40	-	2,933,031.40
<b>Total</b>	-	<b>3,862,112.59</b>	-	<b>3,862,112.59</b>

## Derivative financial instruments

### Financial assets under measurement of derivative instruments

#### Forward foreign exchange contracts

	as at 31/12/2021	as at 31/12/2020
- measured through financial result		
IRS	-	-
<b>Total</b>	-	-
- measured in hedge accounting		
Forward	7,417.97	-
<b>Total</b>	<b>7,417.97</b>	-

### Financial liabilities under measurement of derivative instruments

#### Forward foreign exchange contracts

	as at 31/12/2021	as at 31/12/2020
- measured through financial result		
IRS	-	929,081.19
<b>Total</b>	-	<b>929,081.19</b>
- measured in hedge accounting		
Forward	2,037,251.52	2,933,031.40
<b>Total</b>	<b>2,037,251.52</b>	<b>2,933,031.40</b>

The total nominal value of FX Forward contracts as at 31 December 2021 was SEK 20 million and EURO 20 million (SEK 65 million and EURO 19.97 million as at 31 December 2020). The periods of expected settlements related to the hedges held are presented in the table below:

Hedged currency/deadline	Q2 2022	Q3 2022	Q4 2022	TOTAL
EUR	8,245,000.00	6,800,000.00	5,000,000.00	20,045,000.00
SEK	20,000,000.00	-	-	20,000,000.00

Forward EUR (average) rate 4.6529

Forward SEK (average) rate 0.4151

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

#### Maturity structure

	as at 31/12/2021	as at 31/12/2020
less than 1 year	7,417.97	-
from 1 to 3 years	-	-
from 3 to 5 years	-	-
<b>Total</b>	<b>7,417.97</b>	-

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

#### Maturity structure

	as at 31/12/2021	as at 31/12/2020
less than 1 year	2,037,251.52	1,540,932.21
from 1 to 3 years	-	2,321,180.38
<b>Total</b>	<b>2,037,251.52</b>	<b>3,862,112.59</b>



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

For the period from 01/01/2021 to 31/12/2021

	Financial assets measured at amortised cost	Financial liabilities measured at fair value through financial result	Financial liabilities measured at amortised cost	Total
Interest revenue/expenses	5,665,045.26	-	357,851.36	6,022,896.62
Foreign exchange gains/losses	-590,372.55	-	-404,451.04	-994,823.59
Expected credit losses (creation/release) *	-1,968,498.21	-	-	-1,968,498.21
Gains/losses on disposal/implementation of financial instruments	-	-905,523.82	-	-905,523.82
<b>Total</b>	<b>3,106,174.50</b>	<b>-905,523.82</b>	<b>-46,599.68</b>	<b>2,154,051.00</b>
- trade and other receivables	-658,120.87			
- deposits on construction contracts	-112,297.34			
- loans granted	-1,198,080.00			

For the period from 01/01/2020 to 31/12/2020

	Financial assets measured at amortised cost	Financial liabilities measured at fair value through financial result	Financial liabilities measured at amortised cost	Total
Interest revenue/expenses	4,891,625.70	-	-7,407,467.69	-2,515,841.99
Foreign exchange gains/losses	3,077,945.41	-	-2,143,310.04	934,635.37
Expected credit losses (creation/release) *	-13,154,300.92	-	-	-13,154,300.92
Gains/losses on disposal/implementation of financial instruments	-	-186,740.27	-	-186,740.27
<b>Total</b>	<b>-5,184,729.81</b>	<b>-186,740.27</b>	<b>-9,550,777.73</b>	<b>-14,922,247.81</b>
- trade and other receivables	-15,649,663.83			
- deposits on construction contracts	3,004,608.09			
- loans granted	-509,245.18			

## Financial assets and liabilities measured at fair value

### Financial assets measured at fair value

For the period from 01/01/2021 to 31/12/2021

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

For the period from 01/01/2020 to 31/12/2020

There were no financial assets measured at fair value.

### Financial liabilities measured at fair value

For the period from 01/01/2021 to 31/12/2021

	Level 1	Level 2	Level 3	Total
Financial instruments measured at fair value through profit or loss	-	-	-	-
Derivative financial instruments in cash flow hedge accounting	-	2,037,251.52	-	2,037,251.52
<b>Total</b>	<b>-</b>	<b>2,037,251.52</b>	<b>-</b>	<b>2,037,251.52</b>

For the period from 01/01/2019 to 31/12/2020

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Separate financial statements for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (amounts in this table are expressed in PLN, unless otherwise stated)

## 5. Financial instruments

### CARRYING AMOUNT

The tables below present the balance sheet values of the Company's financial instruments, broken down by classes and categories of assets and liabilities:

As of 31/12/2021

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Hedging instruments in cash flow hedge accounting	Total
Deposits on construction contracts	51,195,492.96	-	-	-89,571,164.64	-	-38,375,671.68
Trade and other financial receivables*	145,574,280.46	-	-	-	-	145,574,280.46
Loans granted	118,836,145.43	-	-	-	-	118,836,145.43
Derivative financial instruments in cash flow hedge accounting	-	7,417.97	-840,312.22	-	-1,176,939.30	-2,029,833.55
Cash and cash equivalents	107,168,014.90	-	-	-	-	107,168,014.90
Loans, borrowings and other external sources of financing	-	-	-	-155,557,312.52	-	-155,557,312.52
Trade liabilities	422,773,933.75	7,417.97	-840,312.22	-425,122,419.28	-1,176,939.30	-179,993,942.12
*excluding receivables from advances						-4,378,319.08

As of 31/12/2020

	Financial assets measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at amortised cost	Hedging instruments in cash flow hedge accounting	Total
Deposits on construction contracts	49,531,871.52	-	-97,898,885.68	-	-48,367,014.16
Trade and other financial receivables*	192,171,591.73	-	-	-	192,171,591.73
Loans granted	63,186,011.79	-	-	-	63,186,011.79
Derivative financial instruments measured through profit or loss	-	-929,081.19	-	-	-929,081.19
Derivative financial instruments in cash flow hedge accounting	-	-38,534.90	-	-2,894,496.50	-2,933,031.40
Cash and cash equivalents	182,789,457.26	-	-	-	182,789,457.26
Loans, borrowings and other external sources of financing	-	-	-90,041,694.61	-	-90,041,694.61
Trade liabilities	487,678,932.30	-987,616.09	-366,237,746.80	-2,894,496.50	-178,297,166.51
*excluding receivables from advances					117,579,072.91

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



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

#### CAPITAL MANAGEMENT (PLN)

	31/12/2021	31/12/2020
Interest-bearing loans, borrowings and bonds	155,557,312.52	93,903,807.20
Trade and other liabilities	304,391,090.79	364,280,999.46
Cash and cash equivalents	107,168,014.90	182,789,457.26
Net debt	352,780,388.41	275,395,349.40
Shareholders' equity	209,151,899.50	196,563,056.97
Net equity and debt	561,932,287.91	471,958,406.37
	62.78%	58.35%

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As of 31 December 2021, the Company had available (entirely unused) credit limits in current accounts in the banks listed below:

- PKO BP SA in the amount of PLN 5 million, valid until November 2022,
- BNP Paribas Bank Polska SA in the amount of PLN 20 million, valid until September 2022,
- Santander Bank Polska SA in the amount of PLN 10 million, valid until September 2022,
- mBank SA in the amount of PLN 10 million, valid until February 2022,
- BGK in the amount of PLN 25 million, valid until February 2022,

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

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

The Company tries to sign contracts only with reliable, financially sound partners who have access to bank financing. Moreover, in contracts for specific construction or road works, the Company always tries to establish performance bonds and to remove defects in the form of bank or insurance guarantees, and not in the form of its own cash retained by investors. This is possible thanks to the Company's wide access to guarantee limits both in banks and insurance companies. As of 31 December 2021, the Company had such limits in the total amount of PLN 976.1 million, of which 55.6%, i.e. PLN 577.4 million was unused. At the same time, in contracts with subcontractors, if possible, contractual provisions are created which make the payments to subcontractors conditional upon receipt of funds from the investor.

In order to finance investment purchases, the Company uses its own funds and long-term bank credits, ensuring appropriate durability of the financing structure for this type of assets. In view of the fact that the investment programme is also implemented through subsidiaries of Unibep SA (the majority of shares in the companies belong to Unibep SA or a daughter company, i.e. Unidevelopment SA), the Company grants loans for its implementation. Large residential and commercial projects are and will be implemented in the form of special purpose companies (from 2015, also on the Norwegian market). New projects will be financed from own funds of the Company and from bank loans. In addition, the Company issued own bonds with a nominal value of PLN 120 million. PLN 20 million is due to series E with a redemption date specified for June 2022. The remaining PLN 100 million relates to series G and H with redemption dates in March and November 2024, respectively.

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

The aging of the Company's undiscounted liabilities as at 31 December 2021 is presented in the table below (data in PLN):

	up to 1 month	from 2 to 3 months	from 4 to 12 months	over 1 year	Total
- trade liabilities and other liabilities	139,838,618	52,539,771	1,130,842	216,480	<b>193,725,710</b>
- deposits withheld from suppliers	3,455,457	6,915,061	31,111,554	61,871,828	<b>103,353,900</b>
- lease liabilities	753,780	1,508,466	6,786,738	29,944,403	<b>38,993,387</b>
- bond liabilities	-	19,850,000	-	100,057,000	<b>119,907,000</b>
- off-balance sheet liabilities (guarantees, sureties, etc.)	240,000	2,142,880	31,830,858	364,492,337	<b>398,706,075</b>
<b>Total</b>	<b>144,287,855</b>	<b>82,956,178</b>	<b>70,859,992</b>	<b>556,582,048</b>	<b>854,686,072</b>

## Capital management

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

The Company manages its capital structure and makes changes to it as a result of economic conditions. In order to maintain or adjust the capital structure, the Company may buy back its own shares, return capital to shareholders, issue new shares and pay dividends. In 2021, no changes were made to the objectives and process rules in this area.



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Contractual assets	90,172,199	-	-	-	-	-	90,172,199
Expected loss rate	0.03%	-	-	-	-	-	0.04%
Expected loss	38,933	-	-	-	-	-	38,933
<b>Total expected loss</b>	<b>103,113</b>	<b>53,657</b>	<b>31,846</b>	<b>189,557</b>	<b>1,451,967</b>	<b>44,461,655</b>	<b>46,291,795</b>

The comparative data for 2020 are presented in the summary below:

Details/days of delay	0	up to 90	91-180	181-360	361-720	Over 720	Total
Receivables from counterparties	151,778,303	31,531,891	2,006,400	4,079,230	8,966,346	37,915,377	236,277,546
Expected loss rate	3.14%	1.31%	2.65%	10.46%	76.81%	83.55%	18.72%
Expected loss	4,768,018	412,508	53,143	426,672	6,887,408	31,678,564	44,226,312
Deposits withheld by counterparties	47,359,718	1,844,914	-	1,684	-	1,581,688	50,788,004
Expected loss rate	0.00%	0.01%	-	3.57%	-	79.36%	2.47%
Expected loss	648	172	-	60	-	1,255,251	1,256,131
Contractual assets	47,237,195	-	-	-	-	-	47,237,195
Expected loss rate	3.14%	-	-	-	-	-	0.04%
Expected loss	19,805	-	-	-	-	-	19,805
<b>Total expected loss</b>	<b>4,788,471</b>	<b>412,680</b>	<b>53,143</b>	<b>426,732</b>	<b>6,887,408</b>	<b>32,933,815</b>	<b>45,502,249</b>

In 2021, the Company wrote off receivables with a total value of PLN 73,991.89. In 2020, the amount was PLN 2,494,552.02.

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

	31/12/2021	31/12/2020
	PLN	PLN
Cash	107,168,015	182,789,457
Receivables from counterparties	194,647,550	241,583,105
Loans granted	118,836,145	63,186,012
<b>Total</b>	<b>420,651,710</b>	<b>487,558,574</b>

## Liquidity risk

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



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the case of loans granted in Norway to associates, the interest rate is fixed (depending on NIBOR on the date of signing the loan) and therefore the loans are not exposed to the risk of interest rate changes.

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

	31/12/2021	31/12/2020
	PLN	PLN
Loans granted	118,836,145	63,173,578
Bank loans, bonds, lease	155,557,313	25,916,378
Cash	107,168,015	182,789,457
<b>Total</b>	<b>381,561,473</b>	<b>271,879,413</b>

In order to carry out the interest rate sensitivity analysis, on the basis of historical changes in value and on the basis of the Company's knowledge and experience in the financial markets, changes in interest rates which are "reasonably possible" were estimated as at 31/12/2019 at -2 / +2 percentage point for the Polish zloty in the case of bank loans, bonds and lease liabilities, and -1 / +1 percentage point for other areas (a year ago it was -1/+1 and -0.5/+0.5, respectively).

	Changes in interest rates	Impact on net profit or loss for 2022	Impact on net profit or loss for 2021
Loans granted	+/- 200 bp	+/- 1,925,146	+/- 511,706
Bank loans, bonds, financial lease	+/- 200 bp	+/- 2,520,028	+/- 209,923
Cash	+/- 100 bp	+/- 868,061	+/- 740,297

## Credit risk

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

In order to minimise the risk related to the loss of cash held in bank accounts or deposits, the Company cooperates in this respect only with institutions of stable and reliable financial standing. At the same time, the Financial Department of the Company takes steps to disperse the cash in such a way that a significant amount of it is not located in just one financial institution. Cash is sent to bank accounts held outside Poland only in such an amount as to secure the next payments to be made from those accounts.

As at 31 December 2021, all loans were granted to subsidiaries or associates. When granting any loans to external entities, the Company follows the general rule that such loans may be granted only in connection with projects implemented by the Company, if such projects have secured financing and if the loans were at least 100% covered by the established securities.

Before signing a contract, each counterparty is assessed in terms of its ability to meet its financial obligations. Most of the current contracts are performed for proven and reliable partners (subsequent contracts). In case of doubts regarding the counterparty's ability to pay, entering into a contract is subject to establishing appropriate security (in cash or on property). In addition, contracts signed with investors include clauses providing for the right to suspend the performance of works if there is a delay in the payment of amounts due for provided services. 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.

In determining the risk of impairment of receivables from partners (trade receivables increased and deposits retained by investors), the Company uses a model to estimate expected credit losses. The model uses historical data on the rotation of receivables between individual overdue baskets. On this basis, the probability of non-payment is determined for each basket. The product of the probability thus calculated and the volume of receivables from a given basket determines the expected credit loss for each basket. Data on expected credit losses as at 31/12/2021 are presented in the table below:

Details/days of delay	0	up to 90	91-180	181-360	361-720	Over 720	Total
Receivables from counterparties	115,448,184	11,580,009	1,085,761	4,921,352	12,093,702	43,207,482	188,336,490
Expected loss rate	0.03%	0.46%	2.93%	3.85%	11.30%	100.00%	23.83%
Expected loss	35,255	53,627	31,846	189,557	1,366,666	43,207,482	44,884,433
Deposits withheld by counterparties	51,216,443	8,005	-	-	85,302	1,254,173	52,563,922
Expected loss rate	0.06%	0.37%	-	-	100.00%	100.00%	2.60%
Expected loss	28,925	29	-	-	85,301	1,254,173	1,368,429

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

	EXCHANGE RATE INCREASE/DECREASE	IMPACT ON NET PROFIT OR LOSS 2022	IMPACT ON NET PROFIT OR LOSS 2021
RATE INCREASE	+ 0.20 PLN/EUR	+ PLN 2,765,654.81	+ PLN 10,423
	+ 0.05 PLN/SEK	+ PLN 4,085,244.61	+ PLN 149,014
	+ 0.05 PLN/NOK	+ PLN 8,732,494.37	+ PLN 164,089
RATE DECREASE	- 0.20 PLN/EUR	- PLN 2,765,654.81	- PLN 10,423
	- 0.05 PLN/SEK	- PLN 4,085,244.61	- PLN 149,014
	- 0.05 PLN/NOK	- PLN 8,732,494.37	- PLN 164,089

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

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

The total nominal value of FX Forward contracts as at 31 December 2021 was SEK 101 million and EUR 485 million (SEK 65 million and EUR 19.97 million as at 31 December 2020).

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

	EXCHANGE RATE INCREASE/DECREASE	IMPACT ON NET PROFIT OR LOSS 2022	IMPACT ON NET PROFIT OR LOSS 2021
RATE INCREASE	+ 0.20 PLN/EUR	- PLN 3,247,290	- PLN 3,234,654
	+ 0.02 PLN/SEK	- PLN 324,000	- PLN 1,053,000
RATE DECREASE	- 0.20 PLN/EUR	+ PLN 3,247,290	+ PLN 3,234,654
	- 0.02 PLN/SEK	+ PLN 324,000	+ PLN 1,053,000

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

	EXCHANGE RATE INCREASE/DECREASE	IMPACT ON NET PROFIT OR LOSS 2022	IMPACT ON NET PROFIT OR LOSS 2021
RATE INCREASE	+ 0.20 PLN/EUR	+ PLN 448,846	- PLN 1,442,231
	+ 0.05 PLN/SEK	- PLN 158,548	- PLN 903,986
	+ 0.05 PLN/NOK	+ PLN 353,666	+ PLN 164,089
RATE DECREASE	- 0.20 PLN/EUR	- PLN 448,846	+ PLN 1,442,231
	- 0.05 PLN/SEK	+ PLN 158,548	+ PLN 903,986
	- 0.05 PLN/NOK	- PLN 353,666	- PLN 164,089

### Interest rate risk

Interest rate risk is mainly related to the use of bank loans, lease, issued bonds, and bank deposits, by the Company. 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 profit or loss and cash flows. Lease is not decisive in the financing of the Company (it concerns mainly purchases of vehicle fleet and specialised road machinery).

The Company invests its financial surpluses in the form of short-term deposits. The 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, among other things, on the interest rates.

Given the current level of loan financing, it is assumed that the effects of a change in interest rates will not have a decisive impact on the 2022 results; however, the Company continuously analyses potential interest rate changes by creating appropriate scenarios. All interest-bearing liabilities in the Company amount to 18.6% of the balance sheet total and no significant changes are expected by the end of 2022.

At the same time, the entity grants loans whose interest rate is variable and based on WIBOR 6M or 3M plus an appropriate margin (in the case of loans in Poland). These loans are also exposed to interest rate changes. In



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## 4. Financial risk management

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

### Foreign exchange risk

As part of its operations, the Company enters into contracts which are (or may be) denominated or expressed in foreign currencies. In terms of export earnings, hedging against foreign exchange risk is primarily effected through a natural hedging mechanism, which consists of signing agreements with subcontractors in the currency of the agreement, thus transferring the risk to them. Therefore, the Company's foreign exchange risk in the case of export contracts is limited to an amount close to the achieved margin – this is related to contracts performed in Belarus and Ukraine in 2021.

It is the intention of the Company to close the foreign currency position by balancing foreign currency transactions related to revenue and expenses. The Company has signed contracts concerning foreign currency transactions with banks, enabling it to use hedging instruments, provided that closing a natural position in the given period is not possible.

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

- 1) hedging amounts not greater than the planned net foreign exchange flows,
- 2) using simple and predictable tools, e.g. forward options, purchase of put options.

By analysing the planned foreign currency transactions that may occur in 2022, based on the current order portfolio, the Company estimates the maximum total foreign exchange risk exposure to be approx. EUR 20 million (in 2021 – EUR 11 million).

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

	EXCHANGE RATE INCREASE/DECREASE	IMPACT ON NET PROFIT OR LOSS 2022	IMPACT ON NET PROFIT OR LOSS 2021
RATE INCREASE	+ 0.20 PLN/EUR	+ PLN 3,248,100	+ PLN 1,782,000
RATE DECREASE	- 0.20 PLN/EUR	- PLN 3,248,100	- PLN 1,782,000

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

	Assets	31/12/2021	31/12/2020
<b>EUR</b>		<b>6,199,886.11</b>	<b>5,874,450.84</b>
- fixed assets		142,345.16	-
- inventories		80,568.21	73,472.49
- receivables		5,812,153.93	5,737,570.57
- cash		164,818.81	63,407.78
<b>NOK</b>		<b>18,197,905.49</b>	<b>24,763,469.64</b>
- fixed assets		120,972.20	15,000.00
- inventories		101,068.52	101,068.52
- receivables (including loans granted)		16,147,667.40	23,845,331.54
- cash		1,828,197.37	802,069.58
<b>SEK</b>		<b>5,460,552.61</b>	<b>4,822,346.64</b>
- fixed assets		202,200.00	-
- inventories		905,480.50	859,986.93
- receivables		4,269,010.35	3,952,835.85
- cash		83,861.76	9,523.86
<b>Liabilities</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>EUR</b>		<b>3,434,231.30</b>	<b>5,810,111.21</b>
- liabilities		3,434,231.30	2,915,994.61
- provisions for liabilities and accruals		-	2,894,116.60
<b>NOK</b>		<b>9,465,411.12</b>	<b>20,711,900.19</b>
- liabilities		9,465,411.12	20,711,900.19
<b>SEK</b>		<b>1,375,308.00</b>	<b>1,142,984.60</b>
- liabilities		1,375,308.00	1,142,984.60

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

	01/01/ - 31/12/2021		01/01/ - 31/12/2020	
	PLN	EUR	PLN	EUR
A. Cash flows from operating activities	-60,505,730.43	-13,218,073.28	80,241,190.79	17,934,198.47
B. Cash flows from investing activities	-46,339,124.43	-10,123,238.54	-1,410,810.78	-315,321.35
C. Cash flows from financing activities	31,195,849.51	6,815,040.85	-38,625,798.15	-8,633,006.60
D. Total net cash flows (A +/- B +/- C)	-75,649,005.35	-16,526,270.97	40,204,581.86	8,985,870.52
E. Exchange rate differences	27,562.99	6,021.41	62,595.60	13,990.34
F. Cash opening balance	182,789,457.26	39,609,399.60	142,522,279.80	33,467,718.63
G. Cash closing balance	107,168,014.90	23,300,433.73	182,789,457.26	39,609,399.60

To convert the data of the cash flow statement for the period from 01/01/2021 to 31/12/2021, the following EUR exchange rates were adopted:

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

To convert the data of the cash flow statement for the period from 01/01/2020 to 31/12/2020, the following EUR exchange rates were adopted:

- to calculate data from items A, B, C, D, E – average exchange rate calculated as the arithmetic mean of the exchange rates applicable on the last day of each month in the given period, established by the NBP on that day, i.e. the rate of PLN/EUR 4.4742;
- to calculate data from the F item – the exchange rate established by the NBP as of 31 December 2019, i.e. the rate of PLN/EUR 4.2585,
- to calculate data from the G item – the exchange rate established by the NBP as of 31 December 2020, i.e. the rate of PLN/EUR 4.6148.



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### 3. Selected financial data converted into EUR

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

	as at 31/12/2021		as at 31/12/2020	
	PLN	EUR	PLN	EUR
Fixed assets	355,109,867.57	77,207,867.89	308,089,195.92	66,761,115.52
Current assets	483,483,311.78	105,118,778.92	505,306,084.41	109,496,854.56
<b>Total assets</b>	<b>838,593,179.35</b>	<b>182,326,646.81</b>	<b>813,395,280.33</b>	<b>176,257,970.08</b>
Shareholders' equity	209,151,899.50	45,473,735.60	196,563,056.97	42,594,057.59
Liabilities and provisions for liabilities	629,441,279.85	136,852,911.21	616,832,223.36	133,663,912.49
<b>Total liabilities</b>	<b>838,593,179.35</b>	<b>182,326,646.81</b>	<b>813,395,280.33</b>	<b>176,257,970.08</b>

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

To convert the data of the statement of financial position as of 31 December 2020, the EUR exchange rate established by the NBP at that date, i.e. the rate of PLN/EUR 4.6148, was adopted.

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

	01/01/ - 31/12/2021		01/01/ - 31/12/2020	
	PLN	EUR	PLN	EUR
Revenue from contracts with customers	1,254,683,492.64	274,097,977.64	1,268,272,936.72	283,463,621.81
Costs of products, goods and materials sold	1,197,092,101.73	261,516,570.56	1,188,037,813.06	265,530,779.37
Gross profit (loss) on sales	57,591,390.91	12,581,407.08	80,235,123.66	17,932,842.44
Profit (loss) on operating activities	11,353,862.34	2,480,363.15	36,542,219.75	8,167,319.24
<b>Gross profit (loss)</b>	<b>20,312,130.54</b>	<b>4,437,385.15</b>	<b>23,292,561.61</b>	<b>5,205,972.38</b>
Net profit (loss) on continued operations	16,801,600.53	3,670,475.27	16,761,967.84	3,746,360.88
<b>Total net profit (loss)</b>	<b>16,801,600.53</b>	<b>3,670,475.27</b>	<b>16,761,967.84</b>	<b>3,746,360.88</b>
Comprehensive income from continued operations	18,778,032.73	4,102,246.36	13,834,031.20	3,091,956.37
<b>Total comprehensive income</b>	<b>18,778,032.73</b>	<b>4,102,246.36</b>	<b>13,834,031.20</b>	<b>3,091,956.37</b>

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 comprehensive income for the period from 01/01/2020 to 31/12/2020, 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 4.4742.



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In accordance with this method, at the date of acquisition of shares in a jointly controlled entity or an associate, the shares are recognised at cost, including transaction costs, and in subsequent periods after acquisition this value is adjusted for changes in the net assets of the entity over which the Company has significant influence, in accordance with its share in that entity.

#### INVESTMENTS IN SUBSIDIARIES

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

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

#### GOODWILL

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

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

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

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

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

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



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

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

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

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

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

## HEDGE ACCOUNTING

The Company uses derivative instruments to hedge the risk of exchange rate fluctuations on transactions settled in foreign currencies.

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

### Criteria for applying hedge accounting

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

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

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

### Cash flow hedges

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

- the portion of the profit 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 profit or loss on the hedging instrument is recognised in financial result under *Financial revenue* or *Financial expenses*, respectively;
- if a hedged planned transaction results in the recognition of a financial asset or a financial liability, the associated profits or losses recognised in other comprehensive income (an effective hedge) are reclassified into financial result in the same period or periods in which the hedged flows affect the financial result and presented in the same item as the hedged item;
- if a hedged planned transaction results in the recognition of a non-financial asset or a non-financial liability, the amounts recognised directly in other comprehensive income (effective hedge) are recognised in the financial result in the same period or periods in which the assets acquired or liabilities assumed affect the financial result for the period and presented in the same item in which the effect of the hedged item is presented.

## EQUITY METHOD



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

#### Impairment

IFRS9 requires the determination of stages to assess whether a financial instrument is performing (Stage 1), under-performing (Stage 2) or non-performing (Stage 3). In Stage 1, the expected credit loss is calculated as the loss that arises during the 12 months following the balance sheet date, in Stage 2, - over the lifetime of the instrument. Assets classified as Stage 3 are impaired and expert knowledge is required to estimate the expected credit loss (in principle, such assessment should be performed outside the tool). The tool supports the stage assignment process and helps classify instruments into Stage 1, Stage 2 or Stage 3. This qualitative assessment is built into the tool in the form of questions that should confirm the existence or non-existence of a specific condition ("yes" or "no" answers in the questionnaire). The initial decision as to whether an instrument will qualify for Stage 1, Stage 2, or Stage 3 is shown on the "Result" tab. The user makes the final assessment after taking into account all facts and circumstances, including information (if any) that is not included in the tool (i.e. an arbitrary decision may be made, regardless of the results provided by the tool).

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

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

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

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

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

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

As a result of individual analysis, when the Company has a reliable declaration of payment from the contractor despite significant overdue receivables, the creation of a write-down may be withheld.

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

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

#### Financial liabilities

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and

- the terms of the agreement related to the financial asset give rise to cash flows on specified dates which are merely the repayment of principal amount and interest on the outstanding principal amount.

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

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

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

#### Equity (share) instruments

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

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

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

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

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

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

#### Debt instruments

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

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

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

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

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

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

The recognition of a financial asset is discontinued only if:

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

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



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

Expected credit losses include:

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

## CASH FLOW STATEMENT

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

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

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

## FINANCIAL INSTRUMENTS

### Financial assets

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

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

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

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

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

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

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

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

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

- the financial asset is held according to a business model which aims both to receive contractual cash flows and to sell the financial asset.

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

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

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

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

Realised exchange rate differences on transactions with customers and the result of the implementation of derivative financial instruments are also recognised in revenue from sales if the hedged item had an impact on revenue from sales, as well as the discount on deposit receivables.

#### Other operating revenue and expenses

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

- creation and reversal of revaluation write-downs on property, plant and equipment, intangible assets, equity instruments, cash and cash equivalents and inventories;
- sales of tangible fixed assets, fixed assets in progress and intangible assets;
- creation and reversal of provisions, except for provisions recognised in manufacturing costs, selling costs or general administrative costs;
- received or accrued penalties and fines, compensation for contracts transferred to the service and court fees incurred and received;
- on account of charged penalties and fines; compensation for contracts transferred to the service;
- revenue from warranty deposits;
- profits or losses arising from the reclassification of investment property from/to inventories;
- received subsidies to revenue and expenses;
- costs of membership fees;
- gain arising on a bargain purchase;
- gain on disposal of subsidiaries;
- acquisitions of undertakings;
- revaluation of financial assets;
- and other revenue and expenses not directly related to the core operating activities of the Company.

#### FINANCIAL REVENUE AND EXPENSES AND EXPECTED CREDIT LOSSES

Financial revenue and expenses include mainly items of revenue and expenses related to the financing of the Company's activities.

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

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

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

- interest on a bank overdraft in a current account;
- interest on short-term and long-term loans, borrowings, debt financial instruments and other sources of financing;

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- the entities can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance, i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract;
- it is probable that the entity will collect the consideration to which it will be 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 assesses the goods or services promised in a contract with a customer and identifies as a performance obligation any promise to transfer to the customer: a good or service (or a 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.

#### Transaction price determination

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

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

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

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

Each contract is one performance obligation.

#### Allocation of the transaction price to individual performance obligations

The Company assigns a transaction price to each performance obligation (or to separate goods or services) in an amount reflecting the amount of remuneration which the Company expects to receive in return for the delivery of the promised goods or services to the customer.

#### Recognition of revenue at the time of (or in the course of) meeting performance obligations

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

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

- the customer simultaneously receives and benefits from the service as it is performed;
- as a result of performance, an asset is created or improved and control over that asset is exercised by the customer as it is created or improved;
- as a result of the performance, there is no asset with an alternative use for the Company and the Company has an enforceable right to payment for the performance to date.

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

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

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

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

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

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

The Company offsets deferred tax assets against deferred tax provisions 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 taxable entity and is levied by the same taxation authority.

#### **CURRENT INCOME TAX**

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

#### **SEGMENT REPORTING**

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

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

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

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

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

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

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

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

#### **REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue is the gross inflow of economic benefits for the period arising in the ordinary course of the Company's activities resulting in an increase in equity, other than an increase in equity resulting from shareholders' contributions. Revenue includes only the inflows of economic benefits received or receivable and therefore amounts collected on behalf of third parties (e.g. value added tax) do not constitute the Company revenue. In addition, revenue is recognised less of any returns, rebates and discounts.

The Company recognises revenue taking into account the 5-step model described below. This model may be applied to individual contracts or to a portfolio of contracts (or obligations to provide services) with similar characteristics if an entity reasonably expects that the effect of applying the principles listed below on its financial statements will not differ materially from applying the principles listed below to individual contracts (or obligations to provide services). The Company analyses whether it acts as a contractor or an agent.

##### **Identification of a contract with a customer**

A contract with a customer meets its definition when all the following criteria are satisfied:

- the parties to the contract have approved the contract and are committed to perform their obligations;
- the entity can identify each party's rights regarding the goods or services to be transferred;

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estimated by an actuary using the projected unit credit method. Actuarial gains/losses are recognised in other comprehensive income. Other changes in the provision are recognised in profit or loss or capitalised in inventories if the changes concern production employees.

#### OTHER PROVISIONS FOR EMPLOYEE BENEFITS

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

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

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

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

Provisions for employee bonuses are recognised when:

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

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

#### DEFERRED TAX

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

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

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

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

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

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

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

#### **PROVISION FOR LOSSES ON CONSTRUCTION CONTRACTS**

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

#### **PROVISION FOR DISPUTES**

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

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

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

#### **OTHER PROVISIONS**

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

#### **RECOGNITION OF PROVISIONS**

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

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

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

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

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

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

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

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

#### **EMPLOYEE BENEFITS**

The Company is obliged by the applicable legal provisions to collect and pay contributions towards employee pension benefits. In accordance with IAS 19 "Employee Benefits", these benefits constitute a state plan in the form 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, these costs are recognised as social security and other benefits, except for benefits that have been capitalised

in property, plant and equipment or inventories.

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

The Company's employees are entitled to receive retirement severance pay of a certain amount upon retirement. This benefit is classified as a post-employment plan of specific benefits. Provision for the above is

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## EQUITY

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

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

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

Other reserves include in particular:

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

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

Where a reserve (special purpose) capital is created for share buy-backs, the share buy-backs are presented as a reduction of this reserve. The acquisition, sale, issue or cancellation of own equity instruments by the Company does not result in any profit or loss being recognised in the financial result. Amounts paid or received are recognised directly in equity. Own 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 capitals, e.g.: share capital, capital allocated for redemption of shares in accordance with shareholders' resolutions concerning redemption of own equity instruments.

The liability to pay a dividend as adopted is recognised when the shareholder's right to receive the dividend is established as a deduction from equity.

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

## LOANS, BORROWINGS AND OTHER FINANCIAL LIABILITIES

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

- loans, borrowings and other financial liabilities,
- lease liabilities,
- derivative financial instrument liabilities.

The item "Loans, borrowings and other financial liabilities" includes liabilities in respect of:

- loans and borrowings,
- bonds,
- purchase of shares,
- settlements with shareholders.

Financial liabilities are recognised in accordance with the principles described in the Financial Instruments Section.

## PROVISIONS

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

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

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

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

## PROVISION FOR WARRANTY REPAIRS

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

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

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

#### TRADE AND OTHER LIABILITIES

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

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

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

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

Deferred income constitutes funds received for services to be rendered in future reporting periods, which will give rise to the recognition of the corresponding revenue. It is accounted for over time in order to maintain the principle of matching revenue and expenses. The Company classifies the following items as deferred income:

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

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

#### CONTINGENT LIABILITIES AND RECEIVABLES

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

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

#### TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

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

Realised exchange rate differences on the Company's operating receivables, liabilities and foreign exchange are recognised in operating revenue or expenses. Unrealised exchange rate differences relating to operating activities and other realised and unrealised exchange rate differences are recognised under financial revenue or expenses and presented per balance under the "Financial revenue" or "Financial expenses" item, respectively.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are converted at the rate preceding the date of the transaction/operation (especially for entities using PLN as their functional currency, the conversion is made at the average exchange rate of the National Bank of Poland applicable on the day preceding the transaction). Non-monetary foreign currency balance sheet items measured at fair value are converted at the exchange rate effective on the date when the fair value was estimated (in particular for entities with PLN as their functional currency, the conversion is made on the basis of the average rate of exchange published by the NBP on the date when the fair value was estimated).

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## CASH AND CASH EQUIVALENTS

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

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

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

## TRADE AND OTHER RECEIVABLES

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

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

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

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

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

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

After initial recognition, trade and other receivables constituting financial assets are carried 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 the expected credit losses in accordance with the methodology described in the "Financial Instruments" Section. Allowances for expected credit losses are recognised as a deduction from the carrying amount of receivables and, on the other side, as an expense in the profit or loss, under the separate Expected credit losses item.

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

Prepayments and accrued income are initially recognised at the amount paid. Prepayments and accrued income may be written off according to the passage of time or the amount of benefits. The timing and method of settlement should be justified by the nature of the costs being accounted for.

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

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

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

- the customer simultaneously receives and benefits from the service as it is performed;
- as a result of performance, an asset is created or improved and control over that asset is exercised by the customer as it is created or improved;
- as a result of the performance, there is no asset with an alternative use for the Company and the Company has an enforceable right to payment for the performance to date.



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

When identifying lease contracts, the Company makes estimates and applies judgements that have a significant effect on the value of lease liabilities and right-of-use assets. This mainly concerns the discount rate adopted for the measurement 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 adopted for individual assets.

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

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

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

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

## INVENTORIES

Inventories include assets that meet the following criteria:

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

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

Items stored at construction sites for construction specific purposes 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 an inventory item. Such items are charged directly to contract costs and are thus included in the measurement of the contract according to the percentage of completion.

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

Net selling price is the selling price which can be obtained as of the balance sheet date, excluding value added tax and excise tax, less rebates, discounts and similar price adjustments, as well as costs related to adapting the item to be sold and making this sale.

Inventory disposals, except for land and inventories acquired, are determined using the first-in, first-out (FIFO) method.

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 ("Measurement after initial recognition" Section).

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

## BORROWING COSTS

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

Capitalisation of borrowing costs attributable to assets commences when:

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

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

Qualifying assets in the Company can be, e.g., fixed assets or intangible assets.

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



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

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

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

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

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

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

After initial recognition, the lease liability is measured through:

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

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

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

The Company identified the following types of significant lease contracts:

- right of perpetual usufruct of land,
- office lease contracts,
- machines and equipment lease contracts,
- vehicle lease contracts.



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

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

At each reporting date, an assessment shall be made to determine whether there is any objective indication that an impairment loss may be reversed. Any reversal of a previously recognised impairment loss is recognised in profit or loss under "Other operating revenue", respectively.

Subsequent expenditure is recognised in the carrying amount of a given fixed asset or recognised as a separate fixed asset only when it is probable that this item will generate economic benefits for the Company, and the cost of the item can be measured reliably.

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

## INTANGIBLE ASSETS

Intangible assets are recognised if it is probable that they will generate economic benefits in the future. Intangible assets are initially recognised at cost. Over their useful lives, they are measured at cost less accumulated amortisation and impairment losses.

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

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

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

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

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

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

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

## LEASE

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

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

### Lease with a lessee

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

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

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

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## 2. Accounting principles adopted

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

### FIXED ASSETS

Fixed assets include own items: Fixed assets and Tangible fixed assets in progress, and Right-of-use assets.

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

Fixed assets include, in particular, the following groups:

- land (including land intended for surface mining, e.g. gravel mine);
- buildings, premises and civil engineering structures;
- plant and machinery;
- vehicles;
- investments in third-party fixed assets;
- other fixed assets.

Fixed assets are recognised if, and only if, the following two criteria are met simultaneously:

- there is a probability that the Company will obtain future economic benefits related to a given asset;
- the cost of an asset can be measured reliably by the Company.

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

Construction in progress relating to fixed assets under construction is measured at total costs directly attributable to their acquisition or construction, including financing costs, less impairment losses.

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

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

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

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

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

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

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

Low-value fixed assets with a value not exceeding PLN 3,500, except for power tools, may be depreciated once in the month in which they are purchased, if the simplification adopted in this way does not materially distort financial results and assets. A one-off purchase of a larger number of low-value fixed assets may be recognised and depreciated as a single aggregate item. For items classified as equipment, due to their low value, the Company applies the simplified approach consisting in a one-off recognition of the asset value in the cost of material consumption at the time of putting the assets into use. In subsequent periods, off-balance sheet equipment records are kept.

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

Where there are indications that fixed assets may be impaired, these assets are reviewed for possible impairment.

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- **IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016)** - the European Commission has decided not to launch the endorsement process of this interim standard for use within the EU until the final version of IFRS 14 is issued,
- **Amendments to IAS 1 "Presentation of Financial Statements"** - Classification of Liabilities as Current or Non-Current (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IAS 12 "Income Taxes"** - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023),
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (the effective date of the amendments was deferred until the completion of research on the equity method),
- **Amendments to IFRS 17 "Insurance Contracts"** - Initial Application of IFRS 17 and IFRS 9 - Comparative Information (effective for annual periods beginning on or after 1 January 2023).

According to the estimates of the Company, the above-mentioned new standards and amendments 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 has decided not to take advantage of the early application of the above new standards, amendments to the existing standards and interpretations.



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## 1.4. Amendments to IFRS

### Amendments to the existing standards applied in the financial statements of the Company for 2021.

The following amendments to existing standards and interpretation issued by the International Accounting Standards Board (IASB) enter into force for the first time in the financial statements of the Company for 2021:

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases"** - Interest Rate Benchmark Reform - Phase 2 (effective for annual periods beginning on or after 1 January 2021).
- **Amendments to IFRS 16 "Leases"** - Covid-19-Related Rent Concessions (effective for annual periods beginning on or after 1 June 2020. Earlier use is permitted).\*
- **Amendments to IFRS 4 "Insurance Contracts"** - Extension of the Temporary Exemption from Applying IFRS 9 (the expiration date of the temporary exemption from IFRS 9 was extended for annual periods beginning on or after 1 January 2023).

The above-mentioned amendments to standards had no significant impact on the Company's financial statements for 2021.

### New standards and amendments to the existing standards issued by the IASB and adopted by the EU, but not yet effective.

Amendments to the existing standards which have been issued by the IASB and approved for use in the EU, and which enter into force at a later date:

- **Amendments to IAS 1 "Presentation of Financial Statements"** - 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"** - Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023).
- **Amendments to IAS 16 "Property, Plant and Equipment"** - Proceeds before Intended Use approved in the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022).
- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** - Onerous Contracts - Cost of Fulfilling a Contract adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022).
- **Amendments to IFRS 3 "Business Combinations"** - Reference to the Conceptual Framework with amendments to IFRS 3 adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022).
- **IFRS 17 "Insurance Contracts" including amendments to IFRS 17 published by the IASB on 25 June 2020** - adopted by the EU on 19 November 2021 (effective for annual periods beginning on or after 1 January 2023).
- **Amendments to various standards "Improvements to IFRSs (cycle 2018-2020)"** - amendments made under the annual improvement procedure to IFRSs (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 28 June 2021. (The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendments to IFRS 16 only regard an illustrative example, so no effective date is stated.)

### New standards and amendments to the existing standards issued by the IASB but not yet approved for use in the EU.

As of the date of these financial statements, the following new standards and amendments to the existing standards have been issued by the IASB, but not yet approved for use in the EU:

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## 1. General Information

### 1.1. Information on the Company and its operations

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

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

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

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

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

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

When preparing the financial statements for 2021, the entity applied the same accounting principles as when preparing the annual financial statements for 2020, except for amendments to the standards as well as new standards and interpretations as adopted by the European Union for the reporting periods beginning on or after 1 January 2021. In 2021, the Company adopted all new and approved standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Board, approved for use in the EU, applicable to its operations and binding for the reporting periods from 1 January 2021.

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

The financial statements present financial data for the period from 1 January 2021 to 31 December 2021 and comparative financial data for the period from 1 January 2020 to 31 December 2020.

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

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

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



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## COMPANY CASH FLOW STATEMENT

	01/01-31/12/2021	01/01/- 31/12/2020
<b>Cash flows from operating activities</b>		
I. Gross profit (loss)	20,312,130.54	23,292,561.61
II. Total adjustments:	-62,401,315.93	62,660,642.27
1. Amortisation and depreciation:	13,771,983.24	12,007,951.06
2. Foreign exchange profits (losses)	4,244.94	79,194.40
3. Interest and profit sharing (dividend)	-9,772,206.34	-4,622,312.78
4. Profit (loss) on investing activities	15,093.50	1,449,735.95
5. Change in provisions	11,583,657.71	8,132,593.65
6. Change in inventories	-5,302,261.54	4,080,207.59
7. Change in receivables	-17,491,200.43	39,909,997.94
8. Change in short-term liabilities excluding financial liabilities	-58,708,321.42	1,507,556.20
9. Other adjustments	3,497,694.41	115,718.26
<b>Cash from operating activities</b>	<b>-42,089,185.39</b>	<b>85,953,203.88</b>
Income tax paid/refunded	-18,416,545.04	-5,712,013.09
<b>Net cash from operating activities</b>	<b>-60,505,730.43</b>	<b>80,241,190.79</b>
<b>Cash flows from investing activities</b>		
Acquisition of fixed assets and intangible assets	-6,235,516.87	-5,566,784.26
Proceeds from disposal of fixed assets and intangible assets	3,870,217.80	1,180,963.63
Interest received	3,950,674.66	3,687,950.10
Dividend received	8,786,966.29	5,857,977.53
Loans repaid by related entities	55,773,577.51	21,000,000.00
Loans granted to related entities	-111,579,520.00	-27,384,177.51
Other (including exercise of derivative instruments)	-905,523.82	-186,740.27
<b>Net cash from investing activities</b>	<b>-46,339,124.43</b>	<b>-1,410,810.78</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans, borrowings, bonds and bills of exchange	100,057,000.00	2,624,635.00
Repayment of loans, borrowings, bonds and bills of exchange	-44,150,000.00	-6,739,752.02
Acquisition of own shares	-	-13,849,500.00
Payment of liabilities under lease contracts	-10,238,774.87	-8,084,440.23
Interest paid	-5,001,185.42	-5,631,201.42
Dividend paid	-9,471,190.20	-6,945,539.48
<b>Net cash from financing activities</b>	<b>31,195,849.51</b>	<b>-38,625,798.15</b>
<b>Net change in cash excluding exchange rate differences</b>	<b>-75,649,005.35</b>	<b>40,204,581.86</b>
Exchange rate differences	27,562.99	62,595.60
<b>Net change in cash</b>	<b>-75,621,442.36</b>	<b>40,267,177.46</b>
<b>Cash opening balance</b>	<b>182,789,457.26</b>	<b>142,522,279.80</b>
<b>Cash closing balance</b>	<b>107,168,014.90</b>	<b>182,789,457.26</b>
including restricted cash	17,949,412.73	19,810,184.69

Explanatory notes to the cash flow statement are included in Note 6.27.



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## SEPARATE STATEMENT OF CHANGES IN EQUITY

For the period from 01/01/2021 to 31/12/2021

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

For the period from 01/01/2020 to 31/12/2020

	Share capital	Other reserves	Share premium account	Retained profits	Total equity
<b>Opening balance of equity</b>	3,507,063.40	29,407,095.54	62,153,761.02	108,456,145.29	203,524,065.25
Dividend recognised as payments to owners	-	-	-	-6,945,539.48	-6,945,539.48
Purchase of own shares	-	-	-	-13,849,500.00	-13,849,500.00
Current year earnings (losses)	-	-	-	16,761,967.84	16,761,967.84
Other comprehensive income	-	-2,927,936.64	-	-	-2,927,936.64
<b>Comprehensive income</b>	-	<b>-2,927,936.64</b>	-	<b>16,761,967.84</b>	<b>13,834,031.20</b>
<b>Changes in equity</b>	-	<b>-2,927,936.64</b>	-	<b>-4,033,071.64</b>	<b>-6,961,008.28</b>
<b>Closing balance of equity</b>	<b>3,507,063.40</b>	<b>26,479,158.90</b>	<b>62,153,761.02</b>	<b>104,423,073.65</b>	<b>196,563,056.97</b>

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## SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	01/01/ - 31/12/2021	01/01/ - 31/12/2020
<b>Net profit (loss)</b>	<b>16,801,600.53</b>	<b>16,761,967.84</b>
<i>Other comprehensive income to be reclassified to profit or loss under specified conditions:</i>		
<i>Effective portion of changes in fair value of cash flows hedges</i>	1,717,557.20	-3,513,267.64
<b>Other comprehensive income not to be reclassified to profit or loss:</b>	<b>722,482.00</b>	<b>-101,469.00</b>
Actuarial gains (losses) on defined benefit plans	722,482.00	-101,469.00
<b>Other comprehensive income before tax</b>	<b>2,440,039.20</b>	<b>-3,614,736.64</b>
Income tax related to items that may be reclassified in later periods	326,336.00	-667,521.00
Income tax related to items not to be reclassified in later periods	137,271.00	-19,279.00
<b>Total other comprehensive income after tax</b>	<b>1,976,432.20</b>	<b>-2,927,936.64</b>
<b>Total comprehensive income</b>	<b>18,778,032.73</b>	<b>13,834,031.20</b>
of which attributable to:		
shareholders of the parent company	18,778,032.73	13,834,031.20



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## COMPANY INCOME STATEMENT

	Note	01/01 / - 31/12/2021	01/01 / - 31/12/2020
<b>Operating activities</b>			
Revenue from contracts with customers	6.21	1,254,683,492.64	1,268,272,936.72
Costs of products, goods and materials sold	6.22	1,197,092,101.73	1,188,037,813.06
<b>Gross profit (loss) on sales</b>		<b>57,591,390.91</b>	<b>80,235,123.66</b>
General administrative costs	6.20	45,300,758.82	42,206,593.44
Other operating revenue	6.23	3,283,971.07	5,902,791.59
Other operating expenses	6.23	4,220,740.82	7,389,102.06
<b>Profit (loss) on operating activities</b>		<b>11,353,862.34</b>	<b>36,542,219.75</b>
Financial revenue	6.24	17,021,107.90	12,035,884.75
Financial expenses	6.24	6,075,214.09	12,293,573.87
Expected credit losses	6.24	1,987,625.61	12,991,969.02
<b>Profit (loss) before tax</b>		<b>20,312,130.54</b>	<b>23,292,561.61</b>
Income tax	6.17	3,510,530.01	6,530,593.77
<b>Net profit (loss) on continued operations</b>		<b>16,801,600.53</b>	<b>16,761,967.84</b>
<b>Net profit (loss)</b>		<b>16,801,600.53</b>	<b>16,761,967.84</b>

<b>Net profit/loss on continued operations</b>	<b>16,801,600.53</b>	<b>16,761,967.84</b>
Net profit/loss on continuing operations attributable to shareholders of the entity per share	0.53	0.53
Diluted net profit/loss on continuing operations attributable to shareholders of the entity per share	0.53	0.53



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**SEPARATE STATEMENTS OF FINANCIAL POSITION**

	Note	as at 31/12/2021	as at 31/12/2020
<b>LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	6.11	3,507,063.40	3,507,063.40
Share premium account		62,153,761.02	62,153,761.02
Other reserves	6.11	31,737,591.10	26,479,158.90
Retained profits (losses)	6.11	111,753,483.98	104,423,073.65
<b>Equity attributable to shareholders of the parent</b>		<b>209,151,899.50</b>	<b>196,563,056.97</b>
<b>Total equity</b>		<b>209,151,899.50</b>	<b>196,563,056.97</b>
<b>Long-term liabilities</b>			
Loans, borrowings and other financial liabilities – long-term	6.13	96,297,104.61	33,046,630.09
Long-term lease liabilities	6.14	27,407,478.98	18,652,183.41
Long-term derivative financial instrument liabilities	5	-	2,321,180.38
Long-term provisions	6.15	37,029,916.17	33,031,947.30
Deposits on contracts with customers	6.19	48,458,880.74	52,170,917.27
<b>Total long-term liabilities</b>		<b>209,193,380.50</b>	<b>139,222,858.45</b>
<b>Short-term liabilities</b>			
Trade and other short-term liabilities	6.16	193,725,710.17	191,315,057.45
Contractual liabilities	6.18	19,052,934.71	71,699,218.11
Deposits on contracts with customers	6.19	41,112,283.90	45,727,968.41
Loans, borrowings and other financial liabilities – short-term	6.13	23,975,121.75	31,078,686.58
Short-term lease liabilities	6.14	7,877,607.18	7,264,194.53
Short-term derivative financial instrument liabilities	5	2,037,251.52	1,540,932.21
Current income tax liabilities		4,029.75	3,383,554.09
Short-term provisions	6.15	132,462,960.37	125,599,753.53
<b>Short-term liabilities other than those related to assets held for sale</b>		<b>420,247,899.35</b>	<b>477,609,364.91</b>
<b>Total short-term liabilities</b>		<b>420,247,899.35</b>	<b>477,609,364.91</b>
<b>Total liabilities</b>		<b>629,441,279.85</b>	<b>616,832,223.36</b>
<b>TOTAL LIABILITIES</b>		<b>838,593,179.35</b>	<b>813,395,280.33</b>

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**SEPARATE STATEMENTS OF FINANCIAL POSITION**

	Note	as at 31/12/2021	as at 31/12/2020
<b>ASSETS</b>			
<b>LONG-TERM FIXED ASSETS</b>			
Fixed assets	6.1	55,374,635.02	46,178,055.62
Intangible assets	6.2	8,750,230.23	8,720,487.62
Investments in subsidiaries	6.4	159,672,817.69	159,672,817.69
Investments in jointly controlled entities	6.5	7,986.00	7,986.00
Deposits on contracts with customers	6.19	26,533,459.43	29,200,658.98
Loans granted	6.10	70,554,939.27	29,777,140.03
Trade and other long-term receivables	6.6	5,621,025.93	3,778,897.98
Deferred tax assets	6.17	28,594,774.00	30,753,152.00
<b>Total (long-term) fixed assets</b>		<b>355,109,867.57</b>	<b>308,089,195.92</b>
<b>SHORT-TERM CURRENT ASSETS</b>			
Inventories	6.8	19,906,407.47	14,604,145.93
Trade and other short-term receivables	6.6	180,161,570.90	206,816,564.24
Deposits on contracts with customers	6.19	24,662,033.53	20,331,212.54
Contractual assets	6.18	90,172,198.68	47,217,389.27
Current tax receivables		13,124,462.17	138,443.41
Derivative financial instrument assets	5	7,417.97	-
Loans granted	6.10	48,281,206.16	33,408,871.76
Cash and cash equivalents	6.9	107,168,014.90	182,789,457.26
<b>Current assets other than those held for sale or distribution to owners</b>		<b>483,483,311.78</b>	<b>505,306,084.41</b>
<b>Total (short-term) current assets</b>		<b>483,483,311.78</b>	<b>505,306,084.41</b>
<b>TOTAL ASSETS</b>		<b>838,593,179.35</b>	<b>813,395,280.33</b>



Separate financial statements for the year ended 31 December 2021 prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Bielsk Podlaski, 07 April 2022



# FINANCIAL STATEMENTS 2021





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