



Årsregnskap for regnskapsåret 2020

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

Brønnøysundregistrene

13.09.2022

Brønnøysundregistrene

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Organisasjonsnummer: 974 760 673



Brønnøysundregistrene - Regnskapsregisteret

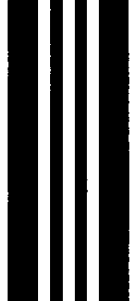
2021 100429



VEDLEGG TIL ÅRSREGNSKAP 2020



UNIHOUSE SPOLKA AKCYJNA c/o Omega Accounting AS Hovfaret 8 0275 OSLO	Organisasjonsnr. 923 351 426	NUF []
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Registrerte opplysninger per 14.12.2021		Eventuelle endringer dette regnskapsåret	
Startdato 01.01.2020	Avslutningsdato 31.12.2020	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 frivillighetsregisterloven, kryss av IFRS selskap IFRS konsern

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

Følges regnskapsreglene for små foretak? Ja Nei

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

Sted/dato, Underskrift av representant for enheten

Emot

Bare til bruk for Regnskapsregisteret

UTLA

G NYVE Admr Kregn Ja Nei Aktiv. regn

M Rets Ant.s

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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BR-1001-11





Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 902490

Enheten

Organisasjonsnummer: 923 351 426
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: UNIHOUSE SPOLKA AKCYJNA
Forretningsadresse: Rejonowa 5
PL-17-100 BIELSK PODLASKI

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: MARCIN KAZIMIERZ GOLEBIEWSKI
Dato for fastsettelse av årsregnskapet: 09.12.2021

Grunnlag for avgivelse

År 2020: Årsregnskap er elektronisk innlevert.
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020.

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, 14.12.2021



Organisasjonsnr: 923 351 426
UNIHOUSE SPOLKA AKCYJNA

RESULTATREGNSKAP

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		518 308 706	70 393 917
Sum inntekter		518 308 706	70 393 917
Kostnader			
Varekostnad		162 183 983	17 929 645
Lønnskostnad		119 434 326	18 605 573
Avskrivning på varige driftsmidler		9 412 116	1 417 651
Annen driftskostnad		207 449 855	33 396 180
Sum kostnader		498 480 280	71 349 049
Driftsresultat		19 828 426	-955 132
Finansinntekter og finanskostnader			
Annen renteinntekt		128 908	18
Annen finansinntekt		2 797 657	1 398 889
Sum finansinntekter		2 926 565	1 398 907
Annen rentekostnad		1 610 105	228 954
Annen finanskostnad		1 751 692	33 777
Sum finanskostnader		3 361 797	262 731
Netto finans		-435 232	1 136 176
Ordinært resultat før skattekostnad		19 393 194	181 044
Skattekostnad på ordinært resultat		1 160 595	-520 787
Ordinært resultat etter skattekostnad		18 232 599	701 831
Årsresultat		18 232 599	701 831
Årsresultat etter minoritetsinteresser		18 232 599	701 831
Overføringer og disponeringer			
Overføring til annen egenkapital		18 232 599	701 831
Sum overføringer og disponeringer		18 232 599	701 831



Organisasjonsnr: 923 351 426
UNIHOUSE SPOLKA ARCYJNA

BALANSE

Beløp i: NOK Note 2020 2019

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Konsesjoner, patenter, lisenser, varemerker o.l.	11 310 262	11 898 460
Utsatt skattefordel	9 750 763	1 283 738
Sum immaterielle eiendeler	21 061 025	13 182 198

Varige driftsmidler

Tomter, bygninger og annen fast eiendom	114 518 215	94 006 079
Maskiner og anlegg	21 155 136	11 167 974
Driftsløsøre, inventar, verktøy, kontorm.	8 048 450	18 919 100
Sum varige driftsmidler	143 721 801	124 093 153

Finansielle anleggsmidler

Andre langsiktige fordringer	995 055	274 474
Sum finansielle anleggsmidler	995 055	274 474

Sum anleggsmidler	165 777 881	137 549 825
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Omløpsmidler

Varer

Varer	15 490 017	17 981 496
Sum varer	15 490 017	17 981 496

Fordringer

Kundefordringer	84 753 984	47 961 498
Andre kortsiktige fordringer	99 751 711	97 171 354
Sum fordringer	184 505 695	145 132 852

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter o. l.	35 524 728	37 641 621
Sum bankinnskudd, kontanter og lignende	35 524 728	37 641 621

Sum omløpsmidler	235 520 440	200 755 969
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SUM EIENDELER	401 298 321	338 305 794
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BALANSE - EGENKAPITAL OG GJELD



Egenkapital		
Innskutt egenkapital		
Aksjekapital	5 166 675	5 213 700
Overkurs	83 929 765	84 693 660
Annen innskutt egenkapital	14 108 799	22 691 933
Sum innskutt egenkapital	103 205 239	112 599 293
Opptjent egenkapital		
Annen egenkapital	273 225	701 831
Sum opptjent egenkapital	273 225	701 831
Sum egenkapital	103 478 464	113 301 124
Gjeld		
Langsiktig gjeld		
Utsatt skatt	1 871 107	2 036 271
Sum avsetninger for forpliktelser	1 871 107	2 036 271
Annen langsiktig gjeld		
Gjeld til kredittinstitusjoner	26 493 797	35 388 884
Øvrig langsiktig gjeld	16 655 838	3 656 332
Sum annen langsiktig gjeld	43 149 635	39 045 216
Sum langsiktig gjeld	45 020 742	41 081 487
Kortsiktig gjeld		
Gjeld til kredittinstitusjoner	56 174 531	13 470 684
Leverandørgjeld	75 234 770	51 609 841
Betalbar skatt	4 924 028	8 161 245
Skyldig offentlige avgifter	25 941 370	14 461 941
Annen kortsiktig gjeld	90 524 416	96 219 472
Sum kortsiktig gjeld	252 799 115	183 923 183
Sum gjeld	297 819 857	225 004 670
SUM EGENKAPITAL OG GJELD	401 298 321	338 305 794



MANAGEMENT BOARD REPORT ON
UNIHOUSE S.A.
OPERATIONS
IN 2020

www.unihouse.pl



Management Board Report on Unihouse S.A. operations in 2020 3

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Blekk Podliski 27 May 2021



1. LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD

Dear Shareholders,

The first year of independent operations of Unihouse has passed. I wish to remind you that on 1 November 2019 Unihouse S.A. became an independent company, with Unibep S.A. as its 100% shareholder. It was a very difficult year - unfortunately we did not achieve the assumed financial results, but the priority for the new organisation was to introduce new processes and new activities which involved a massive change for all employees of Unihouse S.A.

An extremely challenging time due to the unprecedented scale of COVID-19 cases in Poland and abroad. Virtually since March 2020, we have faced crisis management measures. Unlike other segments of the economy, the construction industry was not forced to suspend work - this was true both for the Polish market and other markets where Unihouse operates. Despite the increasing number of cases and absences caused by the change in work organisation at the Factory, none of the construction sites or our manufacturing and service activities were halted. The company operations have been and continue to be stable, although this requires a great deal of flexibility from our entire staff. All employees deserve thanks for understanding and finding their way through the hard lockdown.

It should be noted that the past year was used to develop a new strategy for company growth, review all processes related to sales, design, production and construction and development of directions for company growth through Standardisation, Digitisation and Automation. I am convinced that in the nearest future, barring any unforeseen situations, the production segment will achieve the assumed business goals.

The entire year 2020 was about working on broadly understood Product and Process Standardisation.

Despite the pandemic, the company acquired new clients and retained the existing ones, i.e. in Sweden - a long-term framework contract was signed with SVERIGES Kombihus and the contract with ADAPTEO was extended; in Norway - a new client from the MONTINVESTOR Group was acquired, in Germany - a contract was signed with SWGS Activhaus, in Poland - a contract was signed with Polskie Domy Drewniane S.A.

At Unihouse, we have developed the Concept of Distinctive Factors: Comprehensiveness, Speed and Ecology, on the basis of which we provide our clients with unique values. We have redefined the distribution channels, specifying that architectural offices are the most important. We recognised that product standardisation begins with the Sales Department, where we disseminate modular technology through UNIHOUSE Product Group Libraries (BIM Implementation project). Naturally, we are implementing CRM.

Bartek Podlaski, 27 May 2021



In 2020, the productivity of the Design Department was increased, the design cost of 1 sq. m. was reduced. We have gained experience in the area of building rigidity. We have designed, manufactured and constructed Project Vestbyen, a building located at a seismic site, and the tallest building in the history of our operations, the 8-storey Project HeimdalsPorten in Trondheim. The BIM concept is becoming omnipresent: architecture and construction in one BIM environment. We have started designing for the sanitary industry.

In 2020, we established the UNIHOUSE Product Standard, Technology and Quality Council, Technology Department. We performed a research experiment titled "Fire-safe timber frame house". A fire experiment with the use of a life-size multi-storey building.

Many changes have been made or initiated at the Factory: Productivity has been increased, we have started monitoring basic production indicators. We are in the process of remodelling relationships with subcontractors (sanitary and electrical tradesmen). A waste segregation system has been developed. New module carriers have been acquired. A change was introduced to the system of remuneration of the blue-collar workers at the factory - a switch from piecework to hourly wages.

A major change was redefining the role of the Contract



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Manager who, together with their team: lead architect, lead constructor, production project manager and site manager manages the project just before signing the contract with the investor up to the moment of handing the contract over for service.

In my opinion, all the changes initiated in 2020 are the foundation for a standalone and sustainable business in a very promising, growing and attractive market of modular wood construction which very well fits into the sustainable development perspective of Europe. At the same time, I would like to add that certain processes are ongoing and continuous, i.e. product quality improvement, standardisation, development of sales and marketing, and building the Unihouse brand on foreign markets and in Poland.

Our primary goals for 2021 remain the same: to acquire quality contracts and complete all contracts on time, to ensure the highest quality, to monitor the financial stability of the company, and to look after the health and safety of our employees.

I would like to invite you to read the 2020 report.

Stawomir Kiszycki,
President of the Management Board of Unihouse S.A. in
2020

Blekit Podatki 27 May 2021



2. INTRODUCTION

2.1 Introductory information

UNIHOUSE S.A. was established on 1 April 2019 pursuant to the resolution of the Extraordinary General Meeting of Shareholders of Unibep S.A. of 28 February 2019. On 1 July 2019, Unihouse S.A. was registered in the District Court in Białystok, 12th Commercial Division of the National Court Register in the Register of Entrepreneurs under the number 0000793054. At the time of registration, the share capital of Unihouse S.A. amounted to PLN 100,000.00 and consisted of 1,000,000 shares with a nominal value of PLN 0.10 each. The Company holds the Tax Identification Number (NIP) 543-21-87-657 and the Business Registry Number (REGON) 383776590. The registered office of the Company is located in Bielsk Podlaski, at ul. Rejonowa 5.

On 1 November 2019, Unibep S.A. took up, in exchange for a contribution in kind of organised part of an enterprise in the form of Unihouse Oddział Unibep S.A. in Bielsk Podlaski, 21,500,000 new issue shares worth PLN 2,150,000.00. The capital increase was registered in the National Court Register on 31 December 2019. Unibep S.A. is a 100% owner of Unihouse S.A.

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

Unihouse S.A. continues operations which have been carried out since 2009 (previously under Unibep S.A. as Unihouse Branch) in the field of modular construction based on buildings with modular timber frame technology. Production of these buildings takes place at production halls in Bielsk Podlaski.

Modular Construction has been well known and present in Europe for many years. This segment performs really well even on the challenging Scandinavian markets. It continues to gain popularity in our country. It is used by Unihouse S.A. which pioneered production of modern, modular timber frame buildings designed for use in the construction hotels and motels, multi-family buildings, office buildings, dormitories, kindergartens, and retail outlets. The main market where UNIHOUSE S.A. operates is Norway, but it also has contracts in Poland, Germany and Sweden. In the future, further expansion into Swedish and German markets is planned, as well as further organic growth in markets where UNIHOUSE S.A. has already been present for many years. This is a continuation of the strategy adopted to diversify the order portfolio and, as a result, ensure the stability of production orders.

The Bielsk Podlaski-based production company has completed many vital and ambitious construction projects, mainly in Norway but also in Poland and Sweden. In 2020, the company had several challenging and interesting projects underway, including the first 8-storey modular technology building in Trondheim, on the Norwegian market. It is the first building this tall to be constructed using modular technology.

The Nardobakken project - a dormitory in Trondheim, Norway - has also been completed. It is a dormitory consisting of 251 turnkey residential rooms, ready to receive guests. In 2020, Unihouse S.A. also acquired the competence to implement investments at seismic sites. The Vestbyen project is one example of such investment.



HeimdalsParten, Trondheim, Norway

Bielsk Podlaski, 27 May 2021



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NET PROFIT

119
PLN thousand

176 512
PLN thousand

CONTRACTS SIGNED IN 2020

5 211
PLN thousand
EBITDA

REVENUE

225 715
PLN thousand

CASH

15 470
PLN thousand

540
persons

AVERAGE EMPLOYMENT
(BY FULL-TIME EQUIVALENT)

PORTFOLIO OF ORDERS
TO BE EXECUTED IN 2021

238 999
PLN thousand

Biotek Podcast: 27 May 2021



2.2 Event timeline

Below are some of the events which took place in 2020.

February

- On 11 February 2020, UNIHOUSE S.A. signed a contract for the execution of the investment project on the Norwegian market, in Strømmen, using modular technology. Investor: Strømsveien 81 Uthvikling AS. The value of the contract is NOK 24 million net.
- On 18 February 2020, UNIHOUSE S.A. signed a contract for the execution of the first stage of modular technology hotel project in Olszówka, Mszczonów commune. The value of the project is PLN 6.4 million net.

March

- On 3 March 2020, a Crisis Team has been formed in the Unibep Capital Group. Its tasks included informing the managers of the business units of the Unibep Capital Group about procedures to be followed in order to ensure the safety of their subordinate employees.

June

- On 1 June 2020, Unibep S.A. concluded a framework agreement (Framework Agreement) concerning the implementation of the "Almąnyftans Kombahus"

residential construction programme in Sweden (Programme). The Framework Agreement provides for a possibility to commission Unihouse S.A., under separate contracts, to perform activities related to the design and turnkey construction of standard residential buildings using modular technology as part of the "Almąnyftans Kombahus" apartment construction programme.

- On 22 June 2020, by virtue of a decision of the General Meeting of Shareholders, Ms. Bożenna Lachocka was appointed a member of the Supervisory Board of Unihouse S.A.

July

- On 22 July 2020, Unihouse S.A. in Bielsk Podlaski signed a contract for two-stage construction of six modular buildings for the consortium of AH Aktiv-Haus GmbH, with its registered office in Stuttgart, and Wolff & Müller Hoch- und Industriebau GmbH & Co. KG with its registered office in Stuttgart. The project will be located in Stuttgart and the total value of the remuneration is approx. EUR 16.35 million net. This is the first such large project of the company on the German market.



A fire experiment with the use of a life-size multi-storey building

Bielsk Podlaski, 27 May 2021



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Aktiv-Haus, Stuttgart, Germany

August

- An event titled "Fire-safe timber frame house. A fire experiment with the use of a life-size multi-storey building" took place at the training centre of State Fire Service in Pionki near Radom (Masovian Voivodeship) on 25 and 26 August 2020. This is where a two-storey residential building was built by Unihouse S.A. for the purpose of organising a series of fires in it on the initiative of the Building Research Institute. The basic purpose of the experiment was to develop new fire safety regulations for timber-structure buildings and thus enable development of the timber construction industry in Poland.

September

- In September, the Supervisory Board of Unihouse S.A. adopted the development strategy of the company for 2021-2025, submitted by the Management Board.

October

- On 9 October 2020, UNIHOUSE S.A. signed a contract for the execution of the investment project titled "Storgatan 66" on the Swedish market, using modular technology. Investor: PICEA BYGG AB. The value of the

contract is SEK 38.5 million net.

- On 14 October 2020, UNIHOUSE S.A. signed a contract under the PDD programme. Execution of a project using modular technology in Choroszcz. The value of the project is PLN 8.9 million net.

November

- On 24 November 2020, UNIHOUSE S.A. signed a contract for the execution of the next stage of the Vestbyen II (Kloverlunet) project on the Norwegian market, in Jessheim. The value of the contract is NOK 147 million net.
- "Kaldnes Dockside bygg F" – in the multi-family residential building category and "Gdańsk Family Integration House 'Under Sails'" – in the public utility building category won the contest organised by the Ministry of Climate, conducted as part of a campaign titled "Dom z Klimatem" ["House with a Climate"]. The results were announced on 9 November 2020 during the on-line "Ekosfera" Conference. The winners of the contests organised as part of the "Dom z Klimatem" and "Miasto z Klimatem" ["City with a Climate"] campaigns were presented during the Conference. Both of the above-mentioned projects were carried out by Unihouse SA.

Bleisk Podlaski, 27 May 2021



2.3 Summary of selected financial data of the Unihouse S.A.

SELECTED FINANCIAL DATA FROM THE PROFIT AND LOSS ACCOUNT

	In PLN thousand, as at		In EUR thousand, as at	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Revenue from sales	225,715	30,379	50,448	7,060
EBITDA	5,211	705	1,165	164
EBIT	1,112	93	249	22
Net profit	119	303	27	70

SELECTED FINANCIAL BALANCE SHEET DATA

	In PLN thousand, as at		In EUR thousand, as at	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Fixed assets	72,193	59,360	15,644	13,939
Current assets	102,565	86,637	22,225	20,344
Assets/liabilities	174,758	145,997	37,869	34,284
Equity	45,063	48,896	9,765	11,482
Outsourced capital	129,695	97,102	28,104	22,802
Cash closing balance	15,470	16,244	3,352	3,814

SELECTED FINANCIAL DATA FROM THE CASH FLOW ACCOUNT

	In PLN thousand, as at		In EUR thousand, as at	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Operating cash flow	7,054	-13,035	1,577	-3,029
Investment cash flow	-11,027	-37	-2,465	-9
Financial activity cash flow	3,274	29,078	732	6,757
Total net cash flow	-699	16,006	-156	3,720

Conversion rules adopted

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 in force on the last day of each month in the given period, determined by the NBP on that day, i.e. the rate of PLN/EUR 4.4742.

To convert the data of the statement of comprehensive income for the period from 01/04/2019 to 31/12/2019, the average EUR exchange rate was adopted, calculated as the arithmetic mean of the rates in force on the last day of

each month in the given period, determined by the NBP on that day, i.e. the rate of PLN/EUR 4.3031.

For conversion of the data from the statements of financial position as of 31 December 2020, the EUR exchange rate set by the NBP of that date, i.e. the rate of PLN/EUR 4.6148, was adopted.

For conversion of the data from the statements of financial position as of 31 December 2019, the EUR exchange rate set by the NBP of that date, i.e. the rate of PLN/EUR 4.2585, was adopted.



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SELECTED FINANCIAL RATIOS

	31/12/2020	31/12/2019	Ratio calculation principles
EBIT margin	0.49%	0.31%	= EBIT in the period/sales revenue in the period
Return on sales (ROS)	0.05%	1.00%	= net profit in the period/sales revenue in the period
Return on equity (ROE)	0.26%	0.62%	= net profit in the period/average equity balance in the period
Overhead costs to revenue ratio	3.27%	4.75%	= costs of management in the period/sales revenue in the period
Debt ratio	0.74	0.67	= (long-term and short-term liabilities)/total liabilities
Current liquidity ratio	0.93	1.09	= current assets/current liabilities
Cash liquidity ratio	0.14	0.20	= cash/current liabilities

The efficiency of Unihouse S.A. is increasing, but in the opinion of the Management Board opinion it is still lower than the company potential within its infrastructure.

Year by year, the order portfolio is looking increasingly better which allows us to think about increasing the margin and turnover by increasing efficiency. A significant problem in 2020 was the very low exchange rate of the Norwegian krone, the currency of contracts concluded on the Norwegian market. In order to reduce the adverse impact of the single currency (NOK) exchange rate, a diversification process was initiated in 2020. The first contract was signed on the German market, expansion on the Polish and Swedish markets was increased.

Liquidity ratios are at a safe level. The situation of the Company with respect to cash flow is stable.

The 2020 results show an increase in efficiency in the area of overhead costs. Systematic approach to their planning and control makes them predictable. The overhead costs to revenue ratio is at just over 3% and lower compared to 2019, when the ratio was at 4.75%.

The major factors underlying the results achieved in 2020:

- a stable portfolio of contracts executed on the Scandinavian market;
- good relations with investors based on punctual delivery and high quality;
- timely and effective execution of contracts;
- cash discipline in contract execution;
- consistent supervision over planning and settlement of Company overhead costs;
- unfavourable NOK/PLN and SEK/PLN exchange rates limiting the achievement of more satisfactory results;
- continuous improvement of production and organisational processes at the factory resulting in a significant increase in production volume;
- work on a rigorous quality improvement process;
- review of own structures, process optimisation and continuous monitoring of fixed costs;
- good liquidity, access to external sources of financing;
- continuous improvement of processes with the use of IT tools.

Apart from the internal factors, the external factors were equally important for the obtained results. These included the unfavourable NOK/PLN and SEK/PLN exchange rates which limited the achievement of better results.

Blekt Podatiri, 27 May 2021



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3. OPERATIONS OF UNIHOUSE S.A.

3.1 Subject of activity

Sales markets

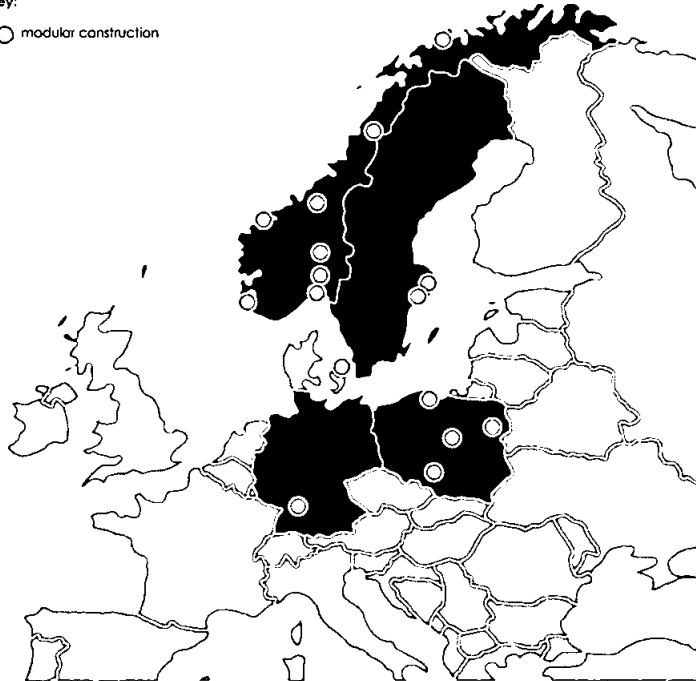
Long-term cooperation with the largest developers of this market and the execution of new contracts for them are of great importance on the Norwegian market. In 2020, the order portfolio of the Company has diversified significantly. New investors were acquired on the Norwegian market, a project was commenced on the Swedish market, a contract was signed on the German market, and works continued on the Polish market. Z

From the point of view of sale factory occupancy, such actions are most compliant with the adopted strategy of Unihouse S.A. The operations of Unihouse S.A. are based on the production of ecological modular houses at Fabryka Domów [the Houses Factory] in Bielsk Podlaski and their assembly at the construction site. The presence of Unihouse S.A. on several markets allows us to limit the risk related to foreign exchange rates and eliminate the risk of economic fluctuations related to the presence on a single market, such as Norway.

WE ARE A COMPANY OPERATING ON MULTIPLE MARKETS

Key:

○ modular construction

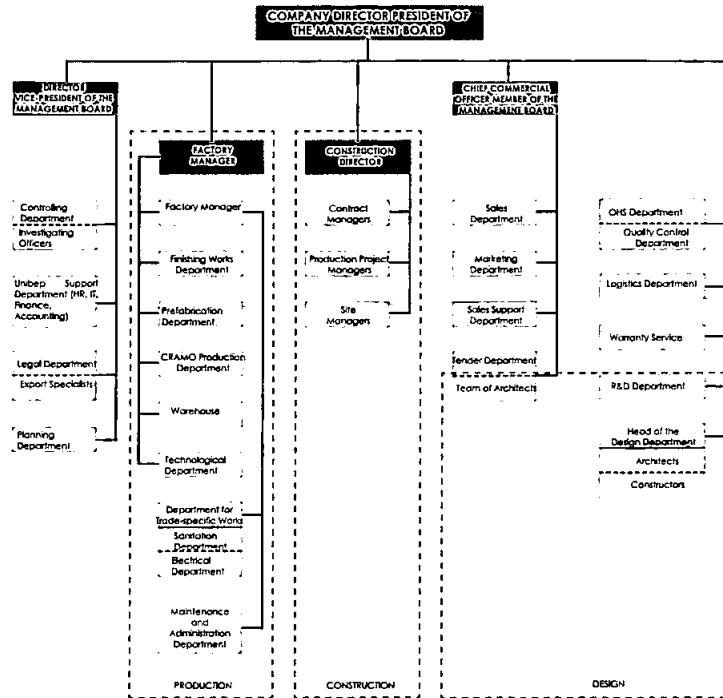


Bielsk Podlaski, 27 May 2021



3.2 Description of Unihouse S.A.

DIAGRAM OF UNIHOUSE S.A. (AS AT 31/12/2020)



Changes in the structure of Unihouse S.A. in 2020

Information on significant changes in the structure of the Unihouse S.A. which took place in the period from 01/01/2020 is presented below:

- On 22 June 2020, by virtue of a decision of the General Meeting of Shareholders, Ms. Bożenna Lachocka was appointed a member of the Supervisory Board of Unihouse S.A.
- On 10 November 2020, Mr. Przemysław Pruszyński resigned from the position of the Vice-President of the Management Board of Unihouse S.A.

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

1. Change in composition of the Management Board of the Company:

On 1 January 2021, Mr. Marcin Gałębiewski became the President of the Management Board of Unihouse S.A., and Mr. Sławomir Kiszycki became the Vice-President of the Management Board of Unihouse S.A.

In 2020 and after the balance sheet date, there were no significant changes in the principles of management of Unihouse S.A.



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3.3 Information on procurement

The supply of materials and services is based on internal procedures regulating the area related to quality management.

Responsibility for purchasing services as part of construction projects lies mostly with the Logistics Department and as part of construction - with contract managers directly involved in supervision over implementation of construction projects. The purchase of services is supervised by the plant manager and the construction manager or by higher level management in each case, depending on the scale of the contract.

Purchases of building materials are a separate process developed and improved within the Group and Unihouse S.A. The materials have been divided into categories. Depending on the category, responsibility for the purchasing

process, beginning with demand, through enquiries, negotiations to the signing of the contract and monitoring its execution, rests with the logistics, the construction management, the directors, with the involvement of the Management Board and the support of the Legal Team. Maintaining continuity in the supply of strategic building materials is an important element. Continuous work is being carried out to improve the process on one hand, and its continuity on the other.

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

The price risk involved with purchases is described in item 8.1. *Description of risks and threats.*



Nordbakken, Trondheim, Norway

Біліт Покіраш, 27 May 2021



3.4 Development activities

As part of the activities of Unihouse S.A. in 2020, the above topics should include:

- continuation of activities aimed at strengthening supervision and improving efficiency with a process approach to the execution of construction projects (from tender to warranty service);
- building structures enabling development of competences within the framework of branch works (electrical and sanitary), as well as acquisition of competences within the framework of module statics;
- continuation of the so-called efficiency and stabilisation measures aimed at improving or maintaining efficiency in all areas of operations of the Company;
- establishing directions for the digitisation of operational processes and their automation;
- continuation of activities aimed at popularisation of the BIM (Building Information Modelling) technology with the use of Revit, AGACAD or UNIHOUSE Product Group Libraries (BIM Implementation project);
- structuring the Unihouse Product Standard, Technology and Quality Council which plays a leading role in the process of increasing the know-how of Unihouse S.A. and at the same time participates in the optimisation of processes related to the execution of individual contracts;
- further improvement of the OHS activities in terms of raising standards and active participation in the Agreement for Safety in Construction programme within the Group;
- execution of necessary projects influencing the production capacity and improving the effectiveness of production facilities;
- continuation of activities related to the preparation of products enabling production standardisation;
- further strengthening of acquisition activities allowing for conducting business on the Polish market;
- taking joint actions within the Group to take advantage of the synergy effect enabling cost optimisation or seizure of market opportunities, further development of quality management systems.

4. MARKET AND PROSPECTS FOR THE FUTURE

4.1 Current economic situation and forecasts

SITUATION IN 2020 and future forecasts

The prefabricated buildings market will grow at a rate of more than 10% between 2019 and 2024 on the DACH, PL, GB and FR markets. The growth is expected in almost all segments except the hotel segment. The modular hotel market is expected to grow less rapidly due to COVID-19.

According to analyses carried out by independent experts, the Scandinavian market will be characterised by

a slightly smaller growth regarding multi-apartment buildings, although the average annual growth will still remain at the level of 5% to 10%. Adding to this the size of the Scandinavian market, which is the most developed European market in terms of prefabricated buildings, it is the most promising market on which the Company plans to continue its presence. Analyses show that the modular market in Scandinavia may grow to 39% within 5 years. Its value in 2024 may reach approx. PLN 7.7 billion.



Care and educational institutions, Gdańsk, Poland

Biekt Podlaski, 27 May 2021

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

The separation of Unihouse as a company in 2019 provided the opportunity for faster growth and specialisation, without closing the path for synergy between our companies and other branches. Unihouse S.A. aspires to be a serious player on the modular construction market both abroad and in Poland. Unihouse S.A. currently has a stable order portfolio which allows us to be optimistic about the further development of the company.

2020 was full of changes aimed at organisational improvement, process flexibility and defining the market position.

We continue processes aimed at increasing efficiency and making better use of the existing and potential production capacities compared to previous years. However, the pandemic poses a risk of bringing the undertaken measures to a halt. The extended factory now provides opportunities

for expansion into other markets. The first projects from the Polish market are in progress or have been completed. Comfortable, fully equipped and furnished Unihouse bungalows were erected in Park of Poland - the largest rooted water park in Europe. Unihouse S.A. is interested in participating in the initiatives comprising a part of the Polskie Domy Drewniane (Polish Timber Houses) programme. Further steps have been taken in this direction in 2020. The first contract under the Polskie Domy Drewniane project has been signed. There is a possibility to participate in programmes with the option of PPP financing, or long-term programmes in Sweden, where Unihouse S.A. is a subcontractor under a long-term contract signed by Unibep S.A. (owner of Unihouse S.A.) for the construction of housing estates included in the "Allmännyttans Kombohus" programme.



Visualisation of housing estates included in the "Allmännyttans Kombohus" programme



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Group of companies



Visualisation of housing estates included in the "Allmännyttans Kombohus" programme

The main directions of development of the company are to promote and act in accordance with its main distinctive factors: SPEED, COMPREHENSIVENESS, ECOLOGY. These are key elements on the Norwegian, Swedish and German markets. The best experiences are also used on the Polish market, allowing Unihouse to be the Leader in the field of modular timber buildings. Another factor of the development strategy is to focus on "repeatable" projects, i.e. Adapteo and housing programmes, i.e. SVERIGES Kombohus, Veidekke, other programmes such as BoKlok, Aktiv-Haus, PFRNieruchomości - LONG, REPEATABLE AND STANDARD RUNS, long-term programmes, searching for standardised products, i.e. hotels (corridor-type buildings), care homes, continuing cooperation with the best developers in Norway such as Heimdal, Fredensborg, PULS EIENDOM, cooperation with significant architectural offices (in Norway, Poland and Sweden) and developers at the stage of project concept arrangements. The standardisation of "own" products for the German market on the basis of cooperation with Aktiv-Haus, hotel projects, dormitories and care homes also fits well into the development concept. The known standard

and the possibility to multiply finishing margins: furnishings and equipment (additional higher margins with low expenditures of resources), preparation of profitable products as a part of the possibility to execute projects commissioned by Polskie Domy Drewniane. The world is moving forward and with it the development of IT technology. Working on BIM 5D, firstly mapping processes and using the Revit software. UNIHOUSE Product Groups (BIM Implementation project) - UNIHOUSE BIM SUITE - as the first element of standardisation of UNIHOUSE product groups and UNIHOUSE product details, using previous projects and achievements for positioning and building the Unihouse brand.

A very important factor influencing business efficiency is the exchange rate, mainly that of the Norwegian currency, however, in view of market diversification, also of SEK and EUR. In 2020, NOK remained at a very low level. This situation was not favourable to maintaining profitability and sales effectiveness. It is extremely important to reverse the downward trend and thus minimise the risks associated with it.



HeimdalsPorten, Trondheim, Norway

Bilski Paokark, 27 May 2021



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HeimdalsParten, Trondheim, Norway

BACK OFFICE

Its role is, i.e., to support the planning, organisation and control of all areas of company operations. The activities conducted in 2020 were aimed at improving and optimising processes connected with functioning of the company.

The topics currently ongoing and relevant for the future include:

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

MAJOR FACTORS WHICH COULD AFFECT THE FUTURE FINANCIAL RESULTS OF UNIHOUSE S.A.

External factors:

- related to COVID-19 - forecasts of a significant decline in gross domestic product in the countries where the company operates;
- maintaining strong competition, fierce price competition;
- dynamic situation on the currency market – highly volatile exchange rates over short periods;
- increase in prices of construction materials and subcontractor services;
- the Mieszkanie+ [Apartment+] programme and its impact on the housing segment, also in terms of modular construction;
- acquisition on new markets - Swedish, Polish and German;
- limited availability of external financing;
- temporary closure of particular economic sectors and foreign markets;
- movement restrictions and quarantine imposed by the countries where the company operates;
- disruption to maintaining the supply chain and the resulting impact on the timely completion of all orders, including liabilities towards ordering parties;
- the possibility of taking advantage of EU funding for research and development activities;
- low interest rates - relatively inexpensive external financing;

Bielik Podkości, 27 May 2021

unihouse
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- lack of sufficient labour on the labour market or labour continuity;
 - high volatility on the foreign exchange market, large fluctuations in exchange rates and currency spreads;
 - lack of currently reliable basic macroeconomic indicators describing the situation and forecasts for the markets where the company operates.
- Internal factors:**
- stable financial position, financial liquidity, access to credit and guarantee limits in banks and insurance companies;
 - order portfolio;
 - geographical diversification - activities related to the presence on the Polish and German markets as well as strengthening the position on the Swedish market;
 - optimisation of Microsoft Dynamics AX 2012 enterprise management system and other systems supporting operational processes of the company, such as Microsoft Dynamics CRM, AX People, IBM Cognos;
 - development and use of new electronic communication tools - caused by the epidemiological situation;
 - activities related to the implementation of the widely-understood BIM technology;
 - efficiency of processes and production through the use of organisational units: Implementation Quality and Technology Office, R&D Department;
 - optimisation of production processes at the factory.



Unihouse S.A. Modular Houses Factory, Bielsk Podlaski, Poland

Bielsk Podlaski, 27 May 2021



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5. FINANCIAL POSITION OF UNIHOUSE S.A.

5.1 Description of the essential economic and financial data

STATEMENT OF FINANCIAL POSITION (IN PLN THOUSAND)

ASSETS	31.12.2020	31.12.2019	Change	Change (%)
Fixed assets				
Tangible fixed assets	62,588	53,553	9,035	17%
Intangible assets	4,925	5,135	-209	-4%
Long-term prepayments and accruals	433	118	315	265%
Deferred income tax assets	4,246	554	3,692	666%
Total fixed assets	72,193	59,340	12,853	22%
Current assets				
Inventory	6,746	7,760	-1,014	-13%
Trade and other receivables	47,144	20,698	26,446	128%
Deposits on contracts with clients	0	0	0	
Contractual assets	31,991	41,466	-9,475	-23%
Short-term prepayments and accruals	1,213	489	725	159%
Cash and cash equivalents	15,470	16,244	-774	-5%
Total current assets	102,566	86,437	15,928	18%
TOTAL ASSETS	174,759	145,998	28,761	20%
LIABILITIES				
Equity				
Share capital	2,250	2,250	0	0%
Other capitals	42,894	46,343	-3,449	-8%
including supplementary capital from sale of shares at premium	36,550	36,550	0	0%
Retained earnings (loss)	119	303	184	-60%
Equity attributable to shareholders of the parent company	45,063	48,896	-3,833	-8%
Minority capital	0	0	0	
Total equity	45,063	48,896	-3,833	-8%
Long-term liabilities				
Credits, loans and other financial liabilities	11,538	15,272	-3,734	-24%
Long-term provisions	5,841	1,410	4,431	314%
Deferred tax provisions	0	0	0	
Deposits on contracts with clients	1,412	168	1,244	741%
Deferred revenue	815	879	-64	-7%
Total long-term liabilities	19,406	17,729	1,677	11%
Short-term liabilities				
Trade and other liabilities	46,712	29,908	16,804	56%
Deposits on contracts with clients	1,760	250	1,510	604%
Contractual liabilities	28,996	36,915	-7,919	-21%
Credits, loans and other financial liabilities	24,463	5,813	18,650	321%
Current income tax liabilities	2,144	3,522	-1,378	-39%
Short-term provisions	5,950	2,902	3,048	105%
Deferred revenue	64	64	0	0%
Total short-term liabilities	110,090	79,373	30,717	39%
TOTAL LIABILITIES	174,759	145,998	28,761	20%

Bilski Podatki: 27 May 2021



22 PROFIT AND LOSS ACCOUNT (IN PLN THOUSAND)

OPERATING ACTIVITIES

	31/12/2021	31/12/2020	Change	Change (%)
Revenue from contracts with customers, including:	225,715	30,379	195,336	443%
from sales transactions for which the value of revenue was not finally determined as at the end of the reporting period (IFRS 15)	-13,298	22,022	-35,320	-160%
Costs of products, goods and materials sold	217,080	28,845	188,235	653%
Gross profit (loss) on sales	8,434	1,534	7,100	463%
Sales costs	0	0	0	
General and administrative costs	7,392	1,444	5,948	412%
Other operating revenue	445	40	405	1012%
Other operating expenses	576	37	539	1457%
Profit (loss) on operating activities	1,112	93	1,019	1094%
Financial revenue, including:	1,274	604	671	111%
interest income calculated using the effective interest rate method	54	0	54	
Financial costs	1,464	113	1,351	1196%
Expected credit losses	298	506	-207	-41%
Pre-tax profit (loss)	424	78	346	700%
Income tax	505	-225	730	324%
Net profit (loss)	119	303	-184	-61%

CASH FLOW STATEMENT (IN PLN THOUSAND)

	31/12/2021	31/12/2020
Cash flows from operating activities		
I. Gross profit (loss)	424	78
II. Total adjustments:	6,430	-13,092
1. Amortisation:	4,099	612
2. Exchange rate profits (losses)	-331	-260
3. Interest and profit sharing (dividend)	743	113
4. Profit (loss) on investment activities	-374	0
5. Change in provisions	7,493	1,015
6. Change in inventory	1,014	-2,239
7. Change in receivables	-16,972	-35,239
8. Change in short-term liabilities excluding financial liabilities	12,003	22,789
9. Change in prepayments and accruals	-1,123	117
10. Other adjustments	-22	-21
11. Income tax paid/refunded	-102	0
Net cash from operating activities	7,054	-13,035
Cash flows from investment activities		
Purchase of tangible fixed assets and intangible assets	-11,367	-37
Proceeds from sales of tangible fixed assets in use and intangible assets	17	0
Other (including execution of derivative instruments)	323	0
Net cash from investment activities	-11,027	-37
Cash flows from financial activities		
Inflows from loans, credits, bonds and bills of exchange	10,204	0
Repayment of loans, credits, bonds and bills of exchange	-5,364	-860
Net inflow from issue of shares and other equity assets	0	100
Inflows of funds under contribution in kind of organised part of an enterprise	0	30,054
Payment of lease liabilities	-850	-108
Interest paid	-717	-110
Net cash from financial activities	3,274	29,078
Net change in cash	-499	16,006
including: exchange differences	163	238
Cash opening balance	16,006	0
Cash closing balance	15,307	16,006
including: of limited disposability		

Betek Podlaski, 27 May 2021



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN PLN THOUSAND)

FOR THE PERIOD FROM 01/01/2020 TO 31/12/2020	Share capital	Reserves	Retained earnings	Share premium	Other reserves	Equity	
As of 01 January 2020	2,250		9,793		36,550	303	48,894
Previous year result carried to profit brought forward				303			303
Other changes			3,712				3,712
Profit distribution						-303	-303
Current year result						119	119
Other comprehensive income		-7,663					-7,663
Comprehensive income		-7,663				119	-7,645
As of 31 December 2020	2,250	-7,663	13,504	303	36,550	119	45,043

FOR THE PERIOD FROM 01/04/2019 TO 31/12/2019	Share capital	Reserves	Retained earnings	Share premium	Other reserves	Equity	
As of 01 April 2019	100						100
Issue of shares	2,150		9,793		36,550		48,493
Current year results						303	303
Other comprehensive income							0
As of 31 DECEMBER 2019	2,250	0	9,793	0	36,550	303	48,894

As of 31 December 2020, the asset value of Unihouse S.A. increased by PLN 28,761 thousand compared to the end of December 2019. This was due to the increase in the value of fixed assets by 22% (PLN 12,833 thousand) and the increase of current assets value by 18% (PLN 15,928 thousand).

Fixed assets

The change in the fixed assets value as of 31 December 2020 compared to 31 December 2019 was first and foremost due to the following: + increase in the value of fixed assets by PLN 9,035 thousand; + increase in deferred income tax assets by PLN 3,692 thousand.

Current assets

The increase in current assets was mainly due to:

- + increase in the value of trade and other receivables by PLN 26,446 thousand;
- decrease in the value of contractual assets by PLN 9,475 thousand;
- decrease in the value of inventories by PLN 1,014 thousand.

Liabilities

Changes in liabilities resulted from:

- decrease in own capitals by PLN 3,833 thousand;
- increase in long-term liabilities by PLN 1,877 thousand, where the greatest changes included
 - a decrease in credits, loans and other financial liabilities by PLN 3,734 thousand;
 - increase in long-term provisions by PLN 4,431 thousand;
 - increase in deposits under contracts by PLN 1,244 thousand;
- increase in short-term liabilities by PLN 30,717 thousand, where the most significant changes involved:
 - decrease in contractual liabilities by PLN 7,919 thousand;
 - increase in short-term provisions by PLN 3,048 thousand;
 - increase in trade and other liabilities by PLN 16,804 thousand;
 - increase in credits, loans and other financial liabilities by PLN 18,650 thousand.

In 2020, profitability increased within Unihouse S.A., at the EBIT level, while the net profit ratio decreased.

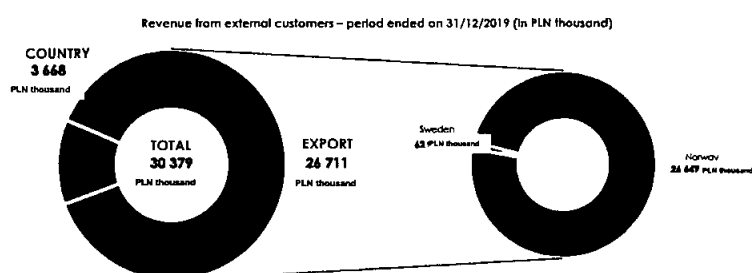
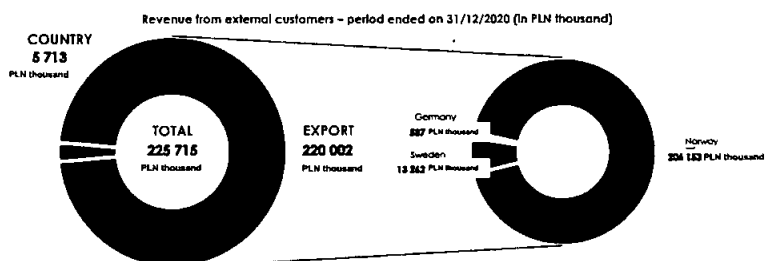
Liquidity and debt ratios in 2020 were at levels similar to 2019.

In 2020, sales revenue at Unihouse S.A. was significantly higher than the year before.

Bilski Podatki 27 May 2021



INFORMATION ON GEOGRAPHICAL AREAS – UNIHOUSE S.A.



CASH FLOW STATEMENT (IN PLN THOUSAND)

	2020	2019
COUNTRY	5,713	3,668
EXPORT, including:	220,002	26,711
Scandinavia, including:	219,415	26,711
Norway	206,153	26,649
Sweden	13,262	62
Germany	587	0
TOTAL	225,715	30,379

Biebi Podziński, 27 May 2021



5.2 Information on credits, loans, guarantees and sureties

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

- ING Bank Śląski S.A.
- Bank Gospodarstwa Krajowego
- Santander Bank Polska S.A.
- PKO BP S.A.
- BNP Paribas Bank Polska S.A.
- mBank S.A.

Under the following contracts for:

- investment credit in ING Bank Śląski S.A. taken over together with the contribution in kind from Unibep S.A., the initial value of PLN 15 million, repayment by the end of October 2022;
- corporate loan in ING Bank Śląski S.A. taken over together with the contribution in kind from Unibep S.A., the initial value of PLN 10 million, repayment by the end of December 2023;

- bank overdraft in Santander Bank Polska S.A. for joint use with UNIBEP S.A. – PLN 10 million;
- bank overdraft in PKO BP S.A. under the UNIBEP S.A. contract – PLN 5 million;
- bank overdraft in ING Bank Śląski S.A. – PLN 5 million;
- bank overdraft in Bank Gospodarstwa Krajowego – PLN 5 million;
- guarantee line in PKO BP S.A. under the UNIBEP S.A. contract – PLN 20 million;
- guarantee line in Santander Bank Polska S.A. for joint use with UNIBEP S.A. – PLN 60 million;
- guarantee line in BNP Paribas Bank Polska S.A. for joint use with UNIBEP S.A. – PLN 30 million;
- guarantee line in ING Bank Śląski S.A. – PLN 30 million;
- guarantee line in mBank S.A. under the UNIBEP S.A. contract – PLN 5 million;
- guarantee line in Bank Gospodarstwa Krajowego – PLN 15 million.

5.3 Investments

Assessment of potential for achieving investment objectives

The current financial position of Unihouse S.A. enables execution of the investment plans. The development potential of the company and its ability to achieve financial objectives allowed for the establishment of special purpose investment programmes. However, the original investment intentions assumed for 2021 may in effect be reduced or postponed, depending on market developments caused by the epidemiological situation.

In 2019, the part of the business related to modular construction was separated from the structures of Unibep S.A. Unihouse S.A. was established as a result of this separation. The capital expenditures which occurred in 2020 were mainly related to the optimisation of manufacturing processes and increasing production capacity. The expansion of the potential of the Houses Factory in Bielsk Podlaski was a response to the need to increase production capacity and to take advantage of the opportunities which presented themselves on the Scandinavian and, more recently, Polish and German markets. In total, the company has invested over PLN 11 million in 2020. Computerisation, digitisation and automation of processes is

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

The capital expenditures to be incurred in 2021 will be mainly related to the optimisation of production processes, increasing efficiency and reducing unused production capacity. Directions for the development of the company through Standardisation, Digitisation and Automation were developed. The BIM concept is becoming omnipresent: architecture and construction in one BIM environment. Expenditures on IT systems will improve the element of supervision over production and the entire organisation. The planned activities are related to the expectations of the staff regarding the needs and possibilities of using newer information technologies. It also increasingly results from the needs of the market, including those of the investors and ordering parties.

Ensuring financial liquidity is a priority.

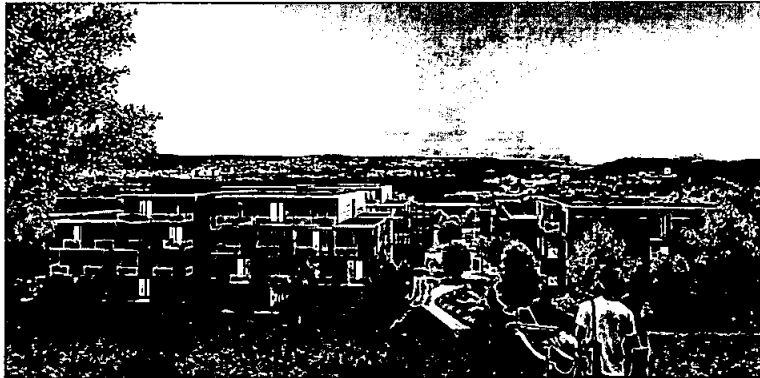
5.4 Forecasts of financial results

Unihouse S.A. did not publish financial result forecasts for 2020.

6. DESCRIPTION OF SIGNIFICANT EVENTS

6.1 Material agreements related to operations

1. On 24 November 2020, UNIHOUSE S.A. signed a contract for the execution of the investment project titled "Klavertunet" in Jessheim, Norway, constituting the second stage of the residential project titled "Vestbyen", currently executed by UNIHOUSE. The ordering party is Bekkefarei Bolig AS with its registered office in Oslo, Norway. The remuneration for the performance of the Contract amounts to NOK 147 million, net.
2. On 11 February 2020, UNIHOUSE S.A. signed a contract for the execution of the investment project titled "Strømsveien 81" in Strømsveien, Norway. The Ordering Party is Strømsveien 81 Ulvikling AS, Norway. The remuneration for the performance of the Contract amounts to NOK 24 million, net.
3. On 09 October 2020, UNIHOUSE S.A. signed a contract for the execution of the investment project titled "Storgatan 66" in Sundsvall, Sweden. The contract was awarded by PICEA BYGG AB, with its registered office in Sundsvall, Sweden. The remuneration for the performance of the Agreement amounts to approx. SEK 38.5 million, net.
4. On 18 February 2020, UNIHOUSE S.A. signed a contract for the execution of the first stage of modular technology hotel project in Olszówka, Mszczonów commune. The Ordering Party is Expo Apartments spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw (a company from the Adept Investment group). The remuneration for the performance of the Contract amounts to PLN 6.3 million, net. The project remains on hold.
5. On 14 October 2020, UNIHOUSE S.A. signed a contract for timber construction of a building project located in Choroszcz between ul. Rybacka and Aleja Niepodległości. The Ordering Party is Polskie Domy Drewniane S.A. with its registered office in Warsaw. The remuneration for the performance of the Agreement amounts to approximately 9.0 million PLN, net.
6. On 22 July 2020, Unihouse S.A. signed a contract for the execution of a modular technology project for the consortium of AH Aktiv-Haus GmbH with its registered office in Stuttgart, and Wolff & Müller Hoch- und Industriebau GmbH & Co. KG with its registered office in Stuttgart. The execution of contractual works has been divided into two stages, and the Contractor will construct 3 modular buildings within each of the stages. The project will be located in Stuttgart. Total remuneration for executing the Subject of the Contract is approx. EUR 16.35 million, net.

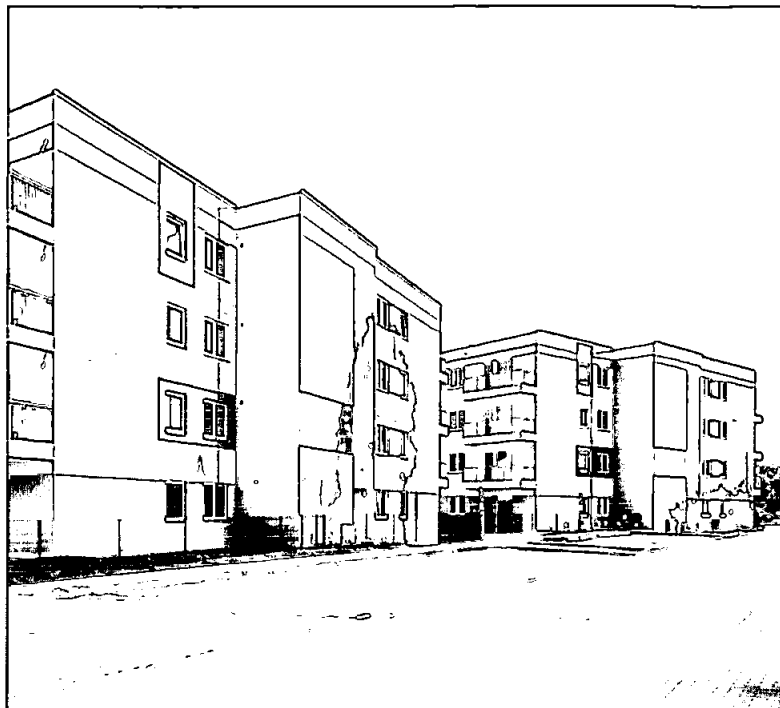


Aktiv-Haus, Stuttgart, Germany

Bekke Podlaski, 27. maj 2021



Management Board Report on Unihouse S.A. operations in 2020 27



Mieszkania Mickiewicza [Mickiewiczza Flats], Bielsk Podlaski, Poland

6.2 Events and agreements signed after the balance sheet date

1. On 2 February 2021, UNIHOUSE S.A. signed a contract for the execution of the investment project titled "Signaturhagen" in Kongsberg, Norway, using modular technology. The ordering party is Signaturhagen Kongsberg AS with its registered office in Oslo, Norway. The remuneration for the performance of the Contract amounts to approx. NOK 80.2 million, net.
2. On 05 February 2021, UNIHOUSE S.A. signed a contract for the execution of the investment project titled "Sentrumgården Buvika" in Buvika near Trondheim, Norway (Contract). The ordering party is Saltnessand Utbygging AS with its registered office in Trondheim, Norway. The remuneration for the performance of the Contract amounts to approx. NOK 56.7 million, net.
3. On 1 March 2021, UNIHOUSE S.A. signed a contract for the execution of the investment project titled "Bjertnes" in Nittedal near Oslo, Norway. The ordering party is Bjertnes AS with its registered office in Skjetten, Norway. The remuneration for the performance of the Contract amounts to NOK 104.5 million, net.
4. On 16 March 2021, UNIHOUSE S.A. received a signed contract for the execution of the next stage of the investment project titled "Cienista" in Gdańsk, using modular technology. The Ordering Party is Gdańska Infrastruktura Społeczna Sp. z o.o. with its registered office in Gdańsk. The remuneration for the performance of the Contract amounts to PLN 2.8 million, net.

Bielsk Podlaski, 27 May 2021



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6.3 Managing bodies of Unihouse S.A.

MANAGEMENT BOARD

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

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

- Marcin Kazimierz Gotębiewski – President of the Management Board
- Sławomir Kiszycki – Vice-President of the Management Board
- Roman Jakubowski – Member of the Management Board

SUPERVISORY BOARD

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

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

- Leszek Marek Golański – Chairman of the Supervisory Board
- Jan Mikoluszek – Deputy Chairman of the Supervisory Board
- Dariusz Tomasz Skawrański – Member of the Supervisory Board
- Bożenna Anna Lachocka – Member of the Supervisory Board

6.4 Information on the auditing firm

In 2019, Deloitte Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, with its registered office in Warsaw at Al. Jana Pawła II 22 was selected to audit the financial statements of UNIHOUSE S.A.

and a contract was concluded accordingly. The amount of remuneration under this contract for 2020 is PLN 60,000. The above-mentioned amount is a net amount.



Persaunet dormitories in Trondheim, Norway

Belti Podkani, 27 May 2021

7. OTHER INFORMATION

7.1 Description of risks and hazards

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

RISKS ASSOCIATED WITH OCCURRENCE OF EPIDEMIOLOGICAL SITUATION

In connection with the emergence of the coronavirus around the world and in the area of activity of the Company, the Management Board of Unihouse S.A. once again analysed its own current situation and that of its environment, as well as its possible impact on the prospects of the Company. It assessed the opportunities and risks associated with the business, the feasibility of achieving business objectives and the potential effect of the coronavirus epidemic on tangible and intangible resources, the development of business contacts, sales opportunities and activity on the markets of interest to Unihouse S.A., the effects of administrative decisions and decisions of ordering parties. Credit risk and liquidity have been assessed. The situation was analysed in both short- and long-term. In the opinion of the Management Board, there are no significant circumstances limiting the possibility of the Company realising its business and investment plans.

Despite the volatile and highly dynamic market situation, no significant event has been reported to date, which has had a negative impact on sales or the supply chain at either the construction sites or the factory. However, future negative financial impacts caused by the COVID-19 pandemic cannot be ruled out.

All deliveries of materials and services do not currently have a negative effect on our obligations towards the ordering parties, however, this cannot be excluded for the future. Closed borders may limit imports from other countries in Europe and the world, as well as reduce the human resources of our subcontractors over the Eastern border. This may also limit the ability of the Company to fulfil contractual obligations outside Poland.

The effects of disruption to raw material supply chains and the free flow of human resources are difficult to assess. Despite Norwegian restrictions on the movement of people, this has not yet had a material impact on the current operations of the Company. Unihouse S.A. has taken intensive measures to ensure uninterrupted supplies of raw materials and materials necessary for the production and execution of construction contracts. It cannot be ruled out that future developments may result in further restrictions.



Slinningen Brygge, Ålesund, Norway

Bielt Podkasz 27 May 2021



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Development plans within the Company take into account the current market situation. The analysis performed to date allows us to conclude that the Management Board does not see any risk of threat to the continuation of activities in all areas of operations of the Company, in line with current expectations. Depending on the development of the epidemiological situation, it cannot be ruled out that revenue from some activities will be reduced compared to that expected in certain markets. We see some sensitivity among investors regarding further developments, but this is less profound than at the start of the pandemic. We take into account behaviour leading to postponing investment decisions until the pandemic is contained. We do not rule out that the situation caused by the next wave of the pandemic may limit the investment spending of the ordering parties, but we are counting on the fact that, similarly to 2020, the tendency to invest will return to the levels similar to those before the pandemic in a few months.

The above situation encourages the sales staff to intensify their preparation and identification of client needs. Activities related to activation in new market and product areas are being developed. Diversification of operations may reduce any future negative economic impact associated with the state of pandemic.

At present, the sales markets where the Company operates have not been closed completely. Restrictions on transport and movement are a part of a continuous analysis and have not been a significant restriction so far. This situation may change, depending on administrative decisions of the authorities. Alternative scenarios for meeting our commitments are being considered. Uncertainty regarding foreign markets is connected with the Norwegian market due to its location outside the Eurozone.

The slowdown in the work of governmental and self-government administration bodies and supervision on the part of the ordering parties related to off-site work in a way became a constraint on the operations of the Company during the period covered by these statements.

We see additional constraints of the organisational efficiency of the back office. The pandemic situation also resulted in new channels of communication and the development of electronic systems. The implementation of remote and rotational work for some staff in order to counter the spread of the coronavirus has caused organisational difficulties within the annual report preparation process. However, remote work did not significantly affect the achievement of the business objectives of the Company.

We assess the current liquidity situation as good. We do not expect significant potential payment turbulence on

ongoing contracts and its impact on our liquidity. Each of the currently executed contracts has its financing secured. Our credit situation is in order.

Unihouse S.A. will continue to monitor the potential impact of the coronavirus outbreak and, depending on how the situation develops, will take appropriate steps to mitigate its negative impact. At the same time, in the face of current variables, it sees no risk of continued operations.

In response to the crisis, and the unprecedented situation, a crisis team chaired by the President of the Management Board of Unibep S.A. was established within the Group as early as the first half of 2020. The team monitors the risks which may affect operations of the entire Group, timely completion of contracts and cost increase.

The above assessment has been made to the best knowledge of the Management Board of Unihouse S.A. The actual scale of the future effects of the COVID-19 pandemic and its impact on the operations of the Company are currently unknown and cannot be estimated and depend on factors that are beyond the control of Unihouse S.A. and subject to dynamic change. As a result, it is currently impossible to clearly determine the impact of the COVID-19 pandemic on operations, performance, forecasts and the financial position of Unihouse S.A.

FOREIGN EXCHANGE RISK

As part of its operating activities, Unihouse S.A. enters into contracts which are (or may be) denominated or expressed in foreign currencies. In the case of contracts executed in Norway, Sweden and Germany, the natural hedging mechanism is estimated at approx. 20%. It is the intention of the Company to close the foreign currency position by balancing foreign currency transactions related to revenue and expenses. The Company has signed agreements with banks, concerning currency futures, which offers the possibility of using hedging instruments, provided that closing a natural item in a given period is not possible.

PRICE CHANGE RISK

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



Management Board Report on Unihouse S.A. operations in 2020 31

CREDIT RISK

The credit risk related to trade receivables is mitigated by ongoing monitoring of the receivables and assessment of the payment capacity of the partner before signing a contract. The Company continuously undertakes actions aimed at shortening the collection period of receivables. As far as possible, clauses are included in the contracts with principals to allow for the interruption of the task and the imposing contractual penalties in the case of a delay in payment. The credit risk related to the bank loans held is mitigated by analysing the level of risk of interest rate changes to the financial result. In addition, the Company is negotiating the most favourable credit terms.

LIQUIDITY RISK

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

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

RISK RELATED TO THE LEGAL ENVIRONMENT

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

RISKS ASSOCIATED WITH THE EMERGENCE OF DISPUTES

Unihouse S.A. strives to perform contracts in accordance with the contractual terms and conditions. There may be events related to different or non-uniform interpretation of contractual provisions, during the implementation period. This may result in untimely payments from investors or claims challenging their legitimacy. In such cases, it cannot be excluded that our rights would be finally enforced by means of court proceedings. The company monitors potential disputes, which might arise while performing contracts. Legal services are provided for each market separately and preventive measures are taken, if necessary and in advance, in order to minimise the risk of a dispute.



Sfinningen Brygge, Ålesund, Norway

Beskr Podcast1, 27 May 2021



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RISKS RELATED TO THE EMPLOYMENT OF WORKERS AND KEEPING PROFESSIONAL STAFF

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

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

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

7.2 Awards and distinctions

Unihouse S.A. projects awarded the Champion title.

"Projekt z Klimatem - Konkurs dla Championów" ["Project with a Climate - Competition for Champions"] concerned the construction of environmentally-friendly buildings in three categories:

- I. Single-family residential building or a housing estate of such;
- II. Multi-family building;
- III. Public buildings.

"Kaldnes Dockside bygg F" – in the multi-family residential building category and "Gdańsk's Family Integration House 'Under Sails'" – in the public building category won the

contest organised by the Ministry of Climate, conducted as part of a campaign titled "Dom z Klimatem" ["House with a Climate"]. The results were announced on 9 November 2020 during an on-line "Ekosfera" Conference.

The substantive assessment of competition candidates was based on the following criteria: the degree of positive impact on the climate; the architectural quality; compliance with the principles of technical knowledge with regard to design and execution, with particular emphasis on the correctness of the timber structure; the degree of innovation; the attractiveness of the competition presentation.

7.3 Court proceedings

To the best of our knowledge, the financial statements of UNIHOUSE S.A. for the 12-month period ended on 31 December 2020, and the comparable data, were prepared in compliance with the applicable accounting principles and reflect the economic and financial position, and

financial result of Unihouse S.A. in a true, fair, and transparent manner, and this Report of the Management Board offers a true picture of the development, achievements, risks and hazards, and the situation of the Company, including a description of the primary hazards and risks.



Management Board Report on Unihouse S.A. operations in 2020 33

8. STATEMENTS OF THE MANAGEMENT BOARD

To the best of our knowledge, the financial statements of UNIHOUSE S.A. for the 12-month period ended on 31 December 2020, and the comparable data, were prepared in compliance with the applicable accounting principles and reflect the economic and financial position, and

financial result of Unihouse S.A. in a true, fair, and transparent manner, and this Report of the Management Board offers a true picture of the development, achievements, risks and hazards, and the situation of the Company, including a description of the primary hazards and risks.

SIGNATURES OF MEMBERS OF MANAGEMENT BODIES

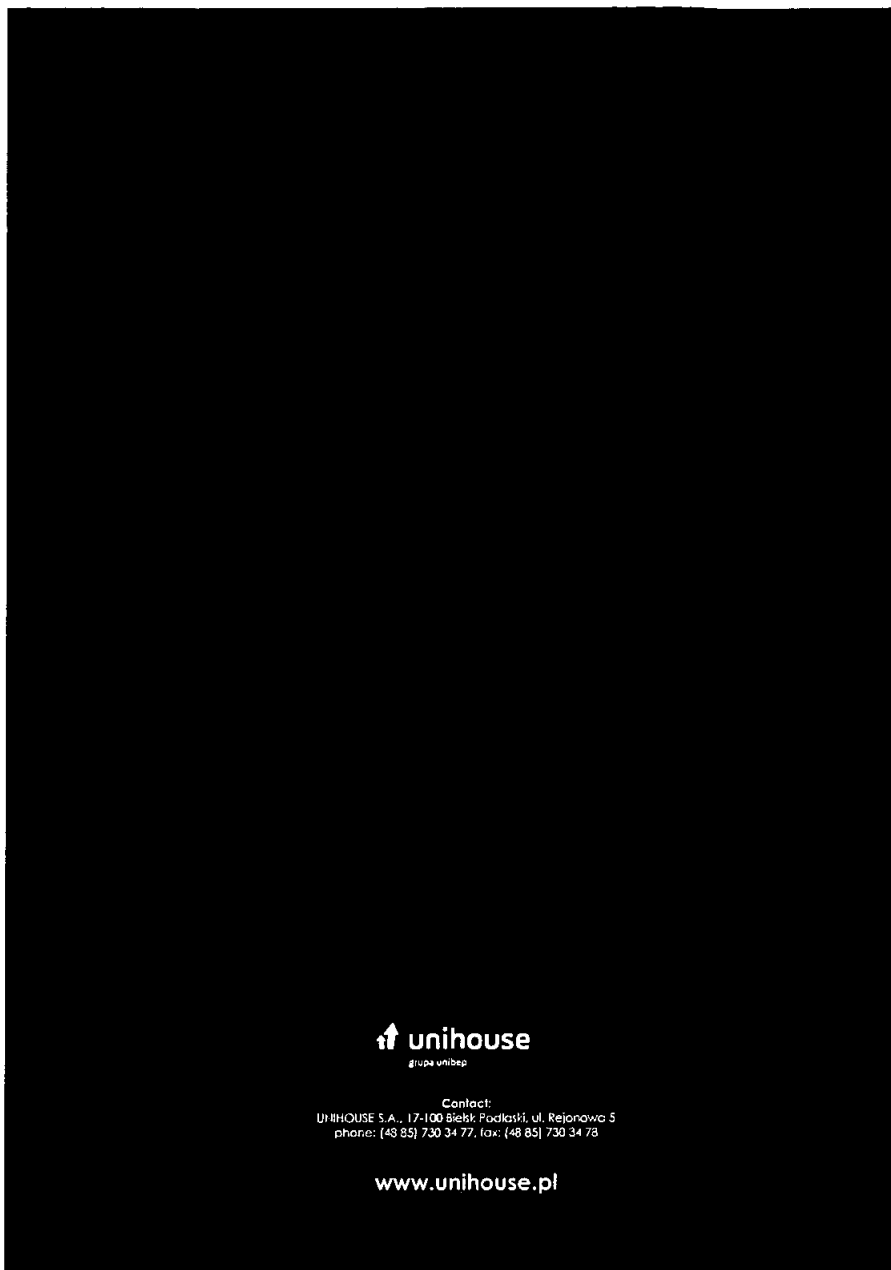
This Management Board's Report on Operations has been prepared and approved for publishing by the Management Board of Unihouse S.A. on 27 May 2021.

The Management Board of UNIHOUSE S.A.

Marcin Goręblewski
President of the Management Board
of UNIHOUSE S.A.

Sławomir Kiszycki
Vice-President of the Management Board
of UNIHOUSE S.A.

Roman Jakubowski
Member of the Management Board
of UNIHOUSE S.A.



grupa unibep

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UNHOUSE S.A., 17-100 Sielicki Podkarci ul. Rejonowa 5
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www.unihouse.pl



FINANCIAL
STATEMENTS
FOR THE YEAR ENDED ON 31
DECEMBER 2020

Prepared in accordance with the International Financial
Reporting Standards

www.unihouse.pl



UNIHOUSE S.A.

Financial statements for the year ended 31 December 2020 prepared in accordance with International Financial Reporting Standards (amounts in the tables are expressed in PLN unless otherwise stated)



SEPARATE STATEMENTS OF FINANCIAL POSITION

Description	Note	as of 31/12/2020	as of 31/12/2019
ASSETS			
LONG-TERM FIXED ASSETS			
Tangible fixed assets	6.1	62,588,425.26	53,553,061.09
Intangible assets	6.2	4,925,428.60	5,134,843.96
Long-term prepayments and accruals	6.8	433,330.24	118,450.57
Deferred income tax assets	6.16	4,246,293.00	554,004.00
Total (long-term) fixed assets		72,193,477.10	59,360,359.62
SHORT-TERM CURRENT ASSETS			
Inventory	6.6	6,745,641.85	7,760,010.19
Trade and other receivables	6.4	47,144,297.80	20,698,040.00
Contractual assets	6.17	31,991,353.64	41,465,989.94
Short-term prepayments and accruals	6.8	1,213,472.86	468,825.41
Cash and cash equivalents	6.7	15,470,420.98	16,244,441.83
Total (short-term) current assets		102,565,187.13	86,637,307.37
TOTAL ASSETS		174,758,664.23	145,997,666.99

SEPARATE STATEMENTS OF FINANCIAL POSITION

Description	Note	as of 31/12/2020	as of 31/12/2019
LIABILITIES			
Equity			
Share capital	6.10	2,250,000.00	2,250,000.00
Other capitals, including:		42,694,144.63	46,342,824.63
Supplementary capital from sales of shares at premium		36,550,000.00	36,550,000.00
Retained profit (loss)		118,984.91	302,879.00
Equity attributable to shareholders of the parent company		45,063,129.54	48,895,703.63
Total equity		45,063,129.54	48,895,703.63
Long-term liabilities			
Credits, loans and other financial liabilities – long-term	6.12	11,537,602.85	15,272,261.46
Long-term provisions	6.14	5,841,300.21	1,409,968.53
Deposits on contracts with clients	6.18	1,412,036.51	167,940.56
Deferred revenue – long-term	6.19	814,835.80	878,763.75
Total long-term liabilities		19,605,775.37	17,728,934.30
Short-term liabilities			
Trade and other liabilities	6.15	46,712,212.11	29,907,540.60
Deposits on contracts with clients	6.18	1,760,083.21	250,059.42
Contractual liabilities	6.17	28,996,106.44	36,914,612.49
Credits, loans and other financial liabilities – short-term	6.12	24,463,062.94	5,813,345.38
Current income tax liabilities		2,144,331.44	3,522,028.76
Short-term provisions	6.14	5,950,035.22	2,901,514.44
Deferred revenue – short-term	6.19	63,927.96	63,927.97
Total short-term liabilities		110,089,759.32	79,373,029.06
TOTAL LIABILITIES		174,758,664.23	145,997,666.99
Accounting value		45,063,129.54	48,895,703.63
Number of shares		22,500,000.00	22,500,000.00
Accounting value per share (in PLN)		2.00	2.17



UNIHOUSE S.A.

Financial statements for the year ended 31 December 2020 prepared in accordance with International Financial Reporting Standards (amounts in the tables are expressed in PLN unless otherwise stated)



SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

Description	Note	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Operating activities			
Revenue from contracts with customers, including:	6.21	225,714,717.53	30,378,869.94
- from sales transactions for which the value of revenue was not finally determined as of the end of the reporting period (IFRS 15)		-13,297,998.52	22,022,372.67
Costs of products, goods and materials sold	6.22	217,079,771.74	28,844,631.36
Gross profit (loss) on sales		8,634,945.79	1,534,238.58
General and administrative costs	6.22	7,391,794.65	1,443,698.68
Other operating revenue,	6.23	445,139.53	40,022.68
Other operating expenses	6.23	575,853.38	37,134.12
Profit (loss) on operating activities		1,112,437.29	93,428.46
Financial revenue	6.24	1,274,469.70	603,705.94
- including interest calculated using the effective interest rate		53,689.69	8.09
Financial costs	6.24	1,464,006.07	113,382.93
Expected credit losses	6.24	298,496.21	505,620.71
Pre-tax profit (loss)		624,404.71	78,130.76
Income tax	6.16	505,419.80	-224,748.24
Net profit (loss) on continued operations		118,984.91	302,879.00
Net profit (loss)		118,984.91	302,879.00

Description		
Net profit/loss on continued operations		118,984.91
Net profit/loss on continuing operations attributable to shareholders of the entity per share (in PLN)		0.01
Diluted net profit/loss on continuing operations attributable to shareholders of the entity per share (in PLN)		0.01

Description	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Net profit/loss on continued operations	118,984.91	302,879.00
Other comprehensive income related to continued operations to be reclassified to profit or loss under specified conditions:	9,473,490.00	-
Effective portion of changes in fair value of cash flows hedges	9,473,490.00	-
Other comprehensive income not to be reclassified to profit or loss:	-12,833.00	-
Actuarial gains (losses) on defined benefit plans	-12,833.00	-
Other pre-tax comprehensive income	-9,341,672.09	302,879.00
Income tax related to items that may be reclassified in later periods	1,799,963.00	-
Income tax related to items not to be reclassified in later periods	-2,438.00	-
Total other post-tax comprehensive income	-7,663,132.00	-
Total comprehensive income from continued operations	-7,544,147.09	302,879.00
including attributable to shareholders	-7,544,147.09	302,879.00



UNIHOUSE S.A.

Financial statements for the year ended 31 December 2020 prepared in accordance with International Financial Reporting Standards (amounts in the tables are expressed in PLN unless otherwise stated)



SEPARATE STATEMENTS OF CHANGES IN EQUITY

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

	Share capital	Revaluation reserve	Reserve capital	Supplementary capital	Supplementary capital from sales of shares at premium	Profit (loss) brought forward	Current net profit (loss)	Total equity
As of 01 January 2020	2,250,000.00	-	9,792,824.63	-	36,550,000.00	-	302,879.00	48,895,703.63
- previous year result carried to profit brought forward	-	-	-	-	-	302,879.00	-302,879.00	-
- profit distribution	-	-	-	302,879.00	-	-302,879.00	-	-
- current year result	-	-	-	-	-	-	118,984.91	118,984.91
- other changes	-	-	3,711,573.00	-	-	-	-	3,711,573.00
- other comprehensive income	-	-7,663,132.00	-	-	-	-	-	-7,663,132.00
Comprehensive income	-	-7,663,132.00	-	-	-	-	118,984.91	-7,544,147.09
As of 31 December 2020	2,250,000.00	-7,663,132.00	13,504,397.63	302,879.00	36,550,000.00	-	118,984.91	45,063,129.54

For the period from 01/04/2019 to 31/12/2019

	Share capital	Revaluation reserve	Reserve capital	Supplementary capital from sales of shares at premium	Current net profit (loss)	Total equity
As of 01 April 2019	100,000.00	-	-	-	-	100,000.00
- issue of shares	2,150,000.00	-	9,792,824.63	36,550,000.00	-	48,492,824.63
- current year result	-	-	-	-	302,879.00	302,879.00
- other comprehensive income	-	-	-	-	-	-
As of 31 DECEMBER 2019	2,250,000.00	-	9,792,824.63	36,550,000.00	302,879.00	48,895,703.63



UNHOUSE S.A.

Financial statements for the year ended 31 December 2020 prepared in accordance with International Financial Reporting Standards (amounts in the tables are expressed in PLN unless otherwise stated)



SEPARATE CASH FLOW STATEMENT

	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Cash flows from operating activities		
I. Gross profit (loss)	624,404.71	78,130.76
II. Total adjustments:	6,429,750.99	-13,112,785.83
1. Amortisation:	4,098,817.96	611,794.67
2. Exchange rate gains (losses)	-331,291.01	-259,759.65
3. Interest and profit sharing (dividend)	743,555.29	113,374.84
4. Profit (loss) on investment activities	-373,489.55	-
5. Change in provisions	7,492,685.46	1,015,410.76
6. Change in inventory	1,014,368.34	-2,239,109.30
7. Change in receivables	-16,971,621.50	-35,239,219.43
8. Change in short-term liabilities excluding financial liabilities	12,003,533.24	22,789,031.05
9. Change in prepayments and accruals	-1,123,455.07	116,826.81
10. Other adjustments	-21,756.16	-21,135.58
11. Income tax paid/refunded	-101,596.01	-
Net cash from operating activities	7,054,155.70	-13,034,655.07
Cash flows from investment activities		
Purchase of tangible fixed assets and intangible assets	-11,367,312.91	-36,768.43
Proceeds from sales of tangible fixed assets in use and intangible assets	17,102.62	-
Other (including execution of derivative instruments)	322,993.38	-
Net cash from investment activities	-11,027,216.91	-36,768.43
Cash flows from financial activities		
Inflows from loans, credits, bonds and bills of exchange	10,204,096.34	-
Repayment of loans, credits, bonds and bills of exchange	-5,364,096.34	-860,000.00
Net inflow from issue of shares and other equity assets	-	100,000.00
Inflows of funds under contribution in kind of organised part of an enterprise	-	30,055,667.07
Payment of lease liabilities	-849,614.41	-108,166.62
Interest paid	-716,591.71	-109,693.80
Net cash from financial activities	3,273,793.88	29,077,806.65
Net change in cash	-699,267.33	16,006,383.15
including:		
- exchange rates differences	163,305.16	238,058.68
Cash opening balance	16,006,383.15	-
Cash closing balance	15,307,115.82	16,006,383.15
- including: of limited disposability	-	-

Explanations to the cash flow statement included in Note 6.28.



UNIHOUSE S.A.

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1. General Information

1.1. Information about the Company and its activities

UNIHOUSE S.A. was established on 1 April 2019 pursuant to the resolution of the Extraordinary General Meeting of Shareholders of UNIBEP S.A. of 28 February 2019. On 1 July 2019, UNIHOUSE S.A. was registered in the District Court in Białystok, 12th Commercial Division of the National Court Register in the Register of Entrepreneurs under the number 0000793054. At the time of registration, the share capital of UNIHOUSE S.A. amounted to PLN 100,000.00 and consisted of 1,000,000 shares with a nominal value of PLN 0.10 each. The Company holds the Tax Identification Number (NIP) 543-21-87-657 and the Business Registry Number (REGON) 383776590. The registered office of the Company is located in Bielsk Podlaski, at ul. Rejonowa 5.

On 1 November 2019, UNIBEP S.A. took up, in exchange for a contribution in kind of organised part of an enterprise in the form of UNIHOUSE Oddział UNIBEP S.A. in Bielsk Podlaski, 21,500,000 new issue shares worth PLN 2,150,000.00. The capital increase was registered in the National Court Register on 31 December 2019.

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

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

1.2. Basis for preparation of financial statements

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

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

The Company adopted all new and approved standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Board, approved for use in the EU, applying to its activity and binding for the reporting periods from 1 January 2019.

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 2020 to 31 December 2020 and comparable financial data for the period from 1 April 2019 to 31 December 2019.

The financial statements have been prepared with the assumption that UNIHOUSE S.A. will continue as a going concern in the foreseeable future. As of the signing of these financial statements, the Management Board of UNIHOUSE S.A. 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 financial statements is Polish zloty. All amounts in these financial statements are presented in Polish zloty, unless indicated otherwise.

1.4. Changes to IFRS

Changes to the existing standards applied in the financial statements of the Company for 2020.

The following changes 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 2020:

- Changes to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – Definition of materiality (effective for annual periods beginning on or after 1 January 2020);
- Changes to IFRS 3 "Business Combinations" – definition of a business (applicable to mergers where the acquisition date falls at the beginning of the first annual period beginning on or after 1 January 2020 and to the acquisition of assets which took place on or after the date of the beginning of the aforementioned annual period);

Bielsk Podlaski, 27 May 2021

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- Changes to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures" – Reform of the Reference Interest Rate (effective for annual periods beginning on or after 1 January 2020);
- Changes to IFRS 16 "Leases" – relief from COVID-19-related rental payments (approved in the EU on 9 October 2020 and effective no later than 1 June 2020 for financial years beginning on or after 1 January 2020);
- Changes to references to the conceptual framework in IFRS – effective for the annual periods beginning on or after 1 January 2020.

The above-mentioned changes to the existing standards had no significant impact on the financial statements of the Company for 2020.

New standards and changes to existing standards which have already been issued by the IASB and endorsed by the EU but are not yet in force.

By approving these financial statements, the following new standards were issued by the IASB and approved for application in the EU, but have not yet come into force:

- Changes 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)";
- Changes 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" – Reform of the Reference Interest Rate – Phase 2 approved in the EU on 13 January 2021 (effective for annual periods beginning on or after 1 January 2021).

New standards and changes to the existing standards issued by the IASB but not yet approved for application in the EU.

As of the date of these financial statements, the following new standards and changes to existing standards have been issued by the IASB but are not yet in force:

- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016) – the European Commission decided not to commence the process of approving this temporary standard for application in the EU until the final version of IFRS 14 is issued;
- IFRS 17 "Insurance Contracts" as amended by IFRS 17 (effective for annual periods beginning on or after 1 January 2023);
- Changes to IAS 1 "Presentation of Financial Statements" – Classification of liabilities as short-term or long-term (effective for annual periods beginning on or after 1 January 2023);
- Changes to IAS 1 "Presentation of Financial Statements" – disclosures on accounting policies applied (effective for annual periods beginning on or after 1 January 2023);
- Changes to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – disclosures on accounting policies applied (effective for annual periods beginning on or after 1 January 2023);
- Changes to IAS 16 "Tangible Fixed Assets" – revenue generated before the tangible fixed asset is brought into use (effective for annual periods beginning on or after 1 January 2022);
- Changes to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – onerous contracts – cost of performing the contract (effective for annual periods beginning on or after 1 January 2022);
- Changes to IFRS 3 "Business Combinations" – changes in references to conceptual assumptions with changes to IFRS 3 (effective for annual periods beginning on or after 1 January 2022);
- Changes to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in affiliates and joint ventures" – Sale or contribution of assets between an investor and its affiliate or joint venture and subsequent changes (the effective date was deferred until the completion of research on the equity method);
- Changes to different standards "Improvements to IFRS (2018-2020 cycle)" – changes made as part of the procedure of making annual improvements to IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) aimed mainly at resolving inconsistencies and clarifying terminology (changes to IFRS 1, IFRS 9 and IAS 41 effective for annual periods beginning on or after 1 January 2022. Changes to IFRS 16 are for illustrative purposes only and therefore no effective date is provided).

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

The hedge accounting for the portfolio of financial assets and liabilities whose principles have not been approved for application in the EU is still outside the scope of regulations approved by the EU.

According to the estimates of the Company, the application of hedge accounting to a portfolio of financial assets or liabilities in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" would not have had a material effect on the financial statements had they been adopted for application as of the balance sheet date.

Effect on financial ratios

Due to the recognition of lease contracts in the statements of financial position, the implementation of IFRS 16 by the Company affected its financial ratios, including the debt to equity ratio and the debt to EBITDA ratio. Additionally, as a result of the implementation of IFRS 16, the measures of profit (including operating profit, EBITDA) and debt, as well as cash flows from operating activities were changed. The Company has analysed the effect of these changes on fulfilling the financial covenants included in the credit contracts to which it is a party and no risk of their violation has been identified.

2. Adopted accounting principles

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



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TANGIBLE FIXED ASSETS

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

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

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

- land;
- buildings, premises, civil and water engineering structures;
- technical equipment and machines;
- vehicles;
- expenditure in third party tangible fixed assets;
- other tangible fixed assets.

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

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

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

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

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

Tangible fixed assets are amortised on a straight-line basis in order to distribute their initial value, less their residual value and accumulated depreciation and revaluation write-downs, over the period corresponding to their estimated useful life.

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

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

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

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

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

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

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

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

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

Impairment losses are recognised in the income statement under "Other operating expenses".

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

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

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

INTANGIBLE ASSETS

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



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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.

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

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

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

In the case of difficulties in separating research and development work in the implemented project, the Company treats the entire work as research work. Research work does not lead to creation of an asset, therefore the costs of such work are recognised in the costs of the period when they are incurred, as well as the costs of development works that do not meet the criteria for capitalisation.

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

LEASE

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

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

Lease with a lessee

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

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

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

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

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

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

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

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

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

After initial recognition, the lease liability is measured through:

- an increase in the carrying amount to reflect interest on the lease liability,
- a decrease in the carrying amount to reflect the lease payments made,
- 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 the financial result.

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

The Company identified the following types of significant lease contracts:

- right of perpetual usufruct of land;
- office lease contract;
- vehicle lease contracts;
- lease contracts for other fixed assets.

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.



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

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

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

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

INVENTORY

The inventory includes assets that meet the following criteria:

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

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

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

Inventory outflows are determined using the first-in, first-out (FIFO) method.

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

Revaluation write-downs on inventory are recognised in the financial result for the given period, under the "Other operating expenses" item.

BORROWING COSTS

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

Capitalisation of borrowing costs allocated to assets begins when:

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

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

The items of qualifying assets of the Company may include, e.g. inventory relating to modular activities, tangible fixed assets in use, intangible assets.

CASH AND CASH EQUIVALENTS

Cash includes cash at bank. 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.:

- 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.

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.

SHORT-TERM AND LONG-TERM TRADE RECEIVABLES

Among items of trade and other receivables, mainly trade receivables, receivables from tax, subsidy, customs, social security, advances granted for deliveries of tangible fixed assets in use as well as goods, materials and services and other receivables not classified to other asset lines are distinguished.



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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 receivables constituting financial assets are classified as "measured at amortised cost" (the "Financial instruments" section).

Trade and other financial receivables are measured in accordance with the rules presented for this category in the "Financial instruments" section. At the time of initial recognition, trade and other receivables constituting financial assets are recognised at fair value. For short-term receivables, the fair value is equal to the nominal amount. Receivables that do not constitute financial assets are disclosed in the amount due.

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

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

CONTRACTUAL ASSETS AND LIABILITIES

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

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

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

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

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

The "Contractual liabilities" item also includes advances received from clients for the performance of the contract, including advances received within the framework of the development activity and initial fees paid by tenants during 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 an element of the selling price and will affect the financial result when the revenue on sales 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 include tax, customs and social security liabilities, payroll liabilities, advances received for deliveries and other liabilities of similar nature.

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

CONTINGENT LIABILITIES AND RECEIVABLES

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

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

TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

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

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



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

Non-monetary items under assets and liabilities measured according to their historical cost in a foreign currency are converted according to the average exchange rate valid for the day preceding the transaction/operation date.

EQUITY

The equity shown in the statements of financial position consists mainly of share capital, other capitals: supplementary capital, including capital from sales of shares at a premium, reserve capitals and retained earnings. Classification into the appropriate group in the statements of financial position is made taking into account dedicated resolutions and internal regulations of the Company.

The share capital of the Company corresponds to the value of issued and registered ordinary shares recognised at their nominal value in accordance with the Commercial Companies Code (CCC) and the Articles of Association of the Company.

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

Other capitals include in particular:

- reserve capital;
- supplementary capital from sales of shares at premium;
- supplementary capital;
- revaluation capital.

Retained profit (losses) consist of retained profit (loss) brought forward and current net profit (loss).

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

Declared, but unpaid capital contributions are recognised as outstanding capital contributions and shown as a receivable if the Company has an unconditional claim against a shareholder to make payments.

If the Company acquires its own capital instruments, these instruments (acquired own shares) are included in a separate line of own capital with a negative sign, except for the situation of creating a reserve (special purpose) capital for the buy-back of own shares. In such a case, the buy-back of own shares is presented as a decrease in this reserve capital.

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

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

BANK LOANS, CREDITS AND OTHER FINANCIAL LIABILITIES

The "Other financial liabilities" item includes:

- lease liabilities;
- financial liabilities measured at fair value through financial result;
- derivative financial instruments used in hedge accounting;
- other financial liabilities.

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

PROVISIONS

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

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

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

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

PROVISION FOR WARRANTY REPAIRS

The provision is created in connection with the warranty obligations of the Company resulting from the construction services provided. The amount of the



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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 2% of net income resulting from individual construction contracts. In justified cases, a provision is created in an individually determined amount on the basis of a decision of the Management Board, which may deviate from the above-mentioned framework.

PROVISION FOR LOSSES ON CONSTRUCTION CONTRACTS

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.

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 disputable issues.

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

OTHER PROVISIONS

The Company may also create provisions for the audit of financial statements and other expenses, as decided by the Management Board.

In principle, provisions on the other side are included in the current period expenses.

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

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

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

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

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

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

a decrease in the manufacturing costs of products and services sold – in the case of provision for warranty repairs, construction provision and provision for disputes concerning contracts currently executed;

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

EMPLOYEE BENEFITS

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

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

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;



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- 6) provision for bonus for the Management Board;
- 7) provision for unused holiday leaves.

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

Provisions for employee bonuses are recognised when:

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

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

DEFERRED INCOME TAX

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

- except where the provision for deferred tax arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business merger and, at the time of the transaction, affects neither the gross financial result nor taxable profit or tax loss, and
- except when the timing of the reversal of temporary differences is controlled by the investor and it is probable that temporary differences will not reverse in the foreseeable future in the case of taxable temporary differences associated with investments in subsidiaries or affiliates and interests in joint ventures.

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 liability in a transaction which is not a business merger and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or tax loss, and
- in the case of deductible temporary differences arising from investments in subsidiaries or affiliates and interests in joint ventures, a deferred tax asset is recognised in the statements of financial position only to the extent that it is probable that the aforementioned temporary differences will be reversed in the foreseeable future and that taxable profit will be available, against which the 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 income 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.: foreign branch, a representative office, a simplified tax rate appropriate for the tax residence of the entity is applied for the purpose of calculating deferred tax.

Income tax is recognised in the financial result except when income tax is related to items recognised in other comprehensive income. It is then recognised in other comprehensive income and for items recognised in equity it is recognised directly in equity.

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

CURRENT INCOME TAX

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

PREPAYMENTS AND ACCRUALS

Active prepayments and accruals are expenses incurred as of the balance sheet date and constitute deferred expenses. 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 accruals are initially recognised at the amount paid. Prepayments and accruals are written off on the time basis or on the basis of the amount of service. The time and the method of settlement should depend on the nature of settled costs.

In order to settle the costs in time, the requirement to include them in the assets of the Company should be met, and therefore it must be certain that the given asset will bring economic benefits to the Company in the future.

Passive prepayments and accruals are liabilities due for goods or services which have been received/performed but not invoiced or formally agreed with the supplier. In particular, passive prepayments and accruals include costs of subcontractors not invoiced as of the balance sheet date. These settlements in the statements of financial position are shown as liabilities under "Long-term and short-term provisions".



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DEFERRED REVENUE

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

- subsidies;
- 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 obtained and the entity will comply with the criteria for receiving the subsidy. Subsidies to tangible fixed assets and development work included in deferred revenue are recognised gradually in the financial result, 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.

SEGMENT REPORTING

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

Operating segments 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:

- listed 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 profit or loss of the segment listed as absolute value constitutes 10 percent or more of the greater of the following absolute values: the combined profit of all operating segments that did not list a loss; and the combined loss of all operating segments that listed a loss;
- assets assigned to a segment constitute 10 percent or more of total assets.

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

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

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

REVENUE FROM SALES

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

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

Identification of a contract with a client

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

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

Identification of obligations to provide service

For a portfolio of contracts with similar characteristics, the Company assesses the goods or services promised in the contract with the client and identifies



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each promise to deliver to the client separately identifiable goods or services (or a package of goods or services) or groups of separate goods or services which are substantially the same and where the delivery to the client is of the same nature as an obligation to provide service.

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;
- remuneration in kind; - remuneration paid to the buyer.

Allocation of the transaction price to individual obligations to provide service

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

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

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

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

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

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

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

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

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

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

The following items of revenue from operating activities are disclosed in the financial statements of the Company:

- 1) Net revenue from sales of products and services;
- 2) Net revenue from sales of goods and materials;
- 3) Other operating revenue,

wherein other operating revenue does not constitute revenue from the main operating activity.

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

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



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OTHER OPERATING REVENUE AND EXPENSES

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

- creation and reversal of revaluation write-downs and expected credit losses on tangible fixed assets, intangible assets, receivables, loans, equity instruments, cash and inventory;
- sales of tangible fixed assets, tangible fixed assets under construction and intangible assets;
- creation and reversal of provisions, except for provisions recognised in manufacturing costs, selling costs or general and administrative costs;
- received or accrued penalties and fines, compensation for contracts transferred to the service and court fees incurred and received;
- on account of charges with penalties and fines, compensation for contracts transferred to the service;
- revenue from warranty deposits;
- received subsidies to revenue and expenses;
- costs of membership fees;
- revaluation of financial assets;
- and other revenue and expenses not directly related to the core operating activities of the Company.

FINANCIAL REVENUE AND EXPENSES AND EXPECTED CREDIT LOSSES

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

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

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

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

- interest on a bank overdraft in a current account;
- interest on short-term and long-term loans, credits, debt financial instruments and other sources of financing;
- unwinding and changing the estimation of the discount return period on long-term liabilities;
- net exchange rate losses arising from liabilities which are the source of financing for operations of the Company;

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

The cash flow statement shows the balance of cash and cash equivalents without taking into account the effects of periodical measurement of cash and cash equivalents denominated in foreign currencies, less liabilities on bank overdrafts. At the same time, the cash flow statement discloses the value of cash and cash equivalents in a separate item, in relation to which the Company has limited rights of disposal.

FINANCIAL INSTRUMENTS

Financial assets

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

- trade receivables;
- 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.



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

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

A financial asset is derecognised 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 accounting value and the payment received (including any newly acquired assets after deducting any newly incurred liabilities) is recognised in the profit and loss account.

Impairment

The application of IFRS 9 fundamentally changes the approach to the impairment of financial assets by moving from the concept of a loss under IAS 39 to an expected loss, regardless of whether there is an indication of impairment or not.

As of the balance sheet date, the Company applied a simplified model acceptable under IFRS 9, based on a group analysis of a homogeneous portfolio of receivables in order to estimate expected credit losses in relation to trade receivables and warranty deposits.

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

Financial liabilities

Upon initial recognition, financial liabilities are recognised at cost, which is the fair value of remuneration received for them. Transaction costs are included in the initial recognition of financial liabilities. This does not apply to financial liabilities measured at fair value through the financial result.

After initial recognition, all financial liabilities are measured at their amortised cost using the effective interest rate method.

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 may use derivative instruments in order to hedge against the risk of exchange rate volatility related to transactions settled in foreign currencies.

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

Criteria for applying hedge accounting

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

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

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

Cash flow hedges

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

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



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3. Selected financial data converted into EUR

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

	as of 31/12/2020		as of 31/12/2019	
	PLN	EUR	PLN	EUR
Fixed assets	72,193,477.10	15,643,901.60	59,360,359.62	13,939,264.91
Current assets	102,565,187.13	22,225,272.41	86,637,307.37	20,344,559.67
Total assets	174,758,664.23	37,869,174.01	145,997,666.99	34,283,824.58
Equity	45,063,129.54	9,764,914.96	48,895,703.63	11,481,907.63
Liabilities and provisions for liabilities	129,695,534.69	28,104,259.05	97,101,963.36	22,801,916.95
Total liabilities	174,758,664.23	37,869,174.01	145,997,666.99	34,283,824.58

For conversion of the data from the statements of financial position as of 31 December 2020, the EUR exchange rate set by the NBP of at that date, i.e. the rate of PLN/EUR 4.6148, was adopted.

For conversion of the data from the statements of financial position as of 31 December 2019, the EUR exchange rate set by the NBP of at that date, i.e. the rate of PLN/EUR 4.2585, was adopted.

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

	01/01/-31/12/2020		01/04/-31/12/2019	
	PLN	EUR	PLN	EUR
Revenue from contracts with customers	225,714,717.53	50,448,061.67	30,378,869.94	7,059,763.88
Costs of products, goods and materials sold	217,079,771.74	48,518,119.83	28,844,631.36	6,703,221.25
Gross profit (loss) on sales	8,634,945.79	1,929,941.84	1,534,238.58	356,542.63
Profit (loss) on operating activities	1,112,437.29	248,633.79	93,428.46	21,711.90
Gross profit (loss)	624,404.71	139,556.73	78,130.76	18,156.85
Total net profit (loss)	118,984.91	26,593.56	302,879.00	70,386.23
Total comprehensive income	-7,544,147.09	-1,686,144.36	302,879.00	70,386.23

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 in force on the last day of each month in the given period, determined by the NBP on that day, i.e. the rate of PLN/EUR 4.4742.

To convert the data of the statement of comprehensive income for the period from 01/04/2019 to 31/12/2019, the average EUR exchange rate was adopted, calculated as the arithmetic mean of the rates in force on the last day of each month in the given period, determined by the NBP on that day, i.e. the rate of PLN/EUR 4.3031.

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

	01/01/-31/12/2020		01/04/-31/12/2019	
	PLN	EUR	PLN	EUR
A. Cash flows from operating activities	7,054,155.70	1,576,629.50	-13,034,655.07	-3,029,131.34
B. Cash flows from investment activities	-11,027,216.91	-2,464,623.15	-36,768.43	-8,544.64
C. Cash flows from financial activities	3,273,793.88	731,704.86	29,077,806.65	6,757,409.00
D. Total net cash flows (A +/- B +/- C)	-699,267.33	-156,288.80	16,006,383.15	3,719,733.02
F. Cash opening balance	16,006,383.15	3,758,690.42	-	-
G. Cash closing balance	15,307,115.82	3,316,961.91	16,006,383.15	3,758,690.42



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To convert the data of 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 – average exchange rate calculated as an arithmetic mean of the exchange rates in force on the last day of each month in the given period, established by the NBP for that day, i.e. PLN/EUR 4.4742;
- to calculate data from the G item – the exchange rate established by the NBP as of 31 December 2019, i.e. 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.

To convert the data of cash flow statement for the period from 01/04/2019 to 31/12/2019, the following EUR exchange rates were adopted:

- to calculate data from items A, B, C, D – average exchange rate calculated as an arithmetic mean of the exchange rates in force on the last day of each month in the given period, established by the NBP for that day, i.e. PLN/EUR 4.3031;
- to calculate data from the G item – the exchange rate established by the NBP as of 31 December 2019, i.e. PLN/EUR 4.2585.



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4. Financial risk management

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

Currency risk

As a part of its operating activities, the Company enters into contracts which are (or may be) denominated or expressed in foreign currencies. In terms of export earnings, hedging against currency risk is primarily effected through a natural hedging mechanism, which consists of signing agreements with subcontractors in the currency of the agreement, thus transferring the risk to them. In the case of contracts executed in currency, the natural hedging mechanism is estimated at approx. 20%.

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

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

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

By analysing the planned foreign currency transactions which may occur in 2021, based on the current order portfolio, the Company estimates the maximum total foreign exchange risk exposure to be NOK 440 million, SEK 136 million and EUR 18 million.

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

	CURRENCY EXCHANGE RATE INCREASE/DECREASE	THE INFLUENCE ON NET PROFIT OR LOSS 2021	THE INFLUENCE ON NET PROFIT OR LOSS 2020
RATE INCREASE	+ 0.20 PLN/EUR	+ 1.296.000	
	+ 0.02 PLN/SEK	+ 2.204.780	
	+ 0.02 PLN/NOK	+ 7.123.140 PLN	+ 6.480.000 PLN
RATE DECREASE	- 0.20 PLN/EUR	- 1.296.000	
	+ 0.02 PLN/SEK	- 2.204.780	
	+ 0.02 PLN/NOK	- 7.123.140 PLN	- 6.480.000 PLN

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

Assets	31/12/2020	31/12/2019
EUR	343,776.81	1,241,519.16
- fixed assets	-	-
- inventory	-	-
- receivables	225,205.46	1,051,037.84
- cash	111,542.15	190,481.32
- other	7,029.20	-
NOK	73,243,802.74	35,479,329.69
- fixed assets	-	-
- inventory	-	-
- receivables (including loans granted)	62,194,161.13	15,684,246.83
- cash	7,799,222.20	19,620,582.86
- other	3,250,419.41	174,500.00
SEK	1,667,675.22	663,671.34
- fixed assets	-	-



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- inventory	-	-
- receivables	1,375,425.56	6,600.11
- cash	200,326.32	643,071.23
- other	91,923.34	14,000.00

Liabilities	31/12/2020	31/12/2019
EUR	77,206.98	105,019.67
- liabilities	77,206.98	87,352.67
- provisions for liabilities and accruals	-	17,667.00
NOK	31,570,727.44	15,306,949.13
- liabilities	31,570,727.44	15,218,199.13
- provisions for liabilities and accruals	-	88,750.00
SEK	3,058,377.65	85,385.00
- liabilities	3,058,377.65	85,385.00
- provisions for liabilities and accruals	-	-

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

	CURRENCY EXCHANGE RATE INCREASE/DECREASE	THE INFLUENCE ON NET PROFIT OR LOSS 2021	THE INFLUENCE ON NET PROFIT OR LOSS 2020
RATE INCREASE	+ 0.20 PLN/EUR	+ 43.184 PLN	+ 184.113 PLN
	+ 0.02 PLN/SEK	+ 4.569 PLN	+ 9.368 PLN
	+ 0.02 PLN/NOK	+ 675.104 PLN	+ 326.793 PLN
RATE DECREASE	- 0.20 PLN/EUR	- 43.184 PLN	- 184.113 PLN
	- 0.02 PLN/SEK	- 4.569 PLN	- 9.368 PLN
	- 0.02 PLN/NOK	- 675.104 PLN	- 326.793 PLN

In order to hedge against the foreign exchange risk, the Company may enter 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 of the balance sheet date at reliably determined fair value. The fair value of derivative instruments is estimated using a model based on, inter alia, the value of foreign exchange rates (average NBP rates) as of 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). Profits and losses determined as of the settlement date are disclosed in the result account.

As of 31 December 2020, the Company had derivative transactions concluded. The total value was: NOK 485 million, SEK 36 million and EUR 12.9 million. Below is a table showing the impact on exchange rate fluctuations.

	CURRENCY EXCHANGE RATE INCREASE/DECREASE	THE INFLUENCE ON NET PROFIT OR LOSS 2021	THE INFLUENCE ON NET PROFIT OR LOSS 2020
RATE INCREASE	+ 0.20 PLN/EUR	+ 2.081.700 PLN	-
	+ 0.02 PLN/SEK	+ 583.200 PLN	-
	+ 0.02 PLN/NOK	+ 7.857.000 PLN	-
RATE DECREASE	- 0.20 PLN/EUR	- 2.081.700 PLN	-
	- 0.02 PLN/SEK	- 583.200 PLN	-
	- 0.02 PLN/NOK	- 7.857.000 PLN	-

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

	CURRENCY EXCHANGE RATE INCREASE/DECREASE	THE INFLUENCE ON NET PROFIT OR LOSS 2021	THE INFLUENCE ON NET PROFIT OR LOSS 2020
RATE INCREASE	+ 0.20 PLN/EUR	+ 3.420.884 PLN	+ 184.113 PLN
	+ 0.02 PLN/SEK	+ 2.792.549 PLN	+ 9.368 PLN
	+ 0.02 PLN/NOK	+ 15.655.244 PLN	+ 6.806.793 PLN
RATE DECREASE	- 0.20 PLN/EUR	- 3.420.884 PLN	- 184.113 PLN
	- 0.02 PLN/SEK	- 2.792.549 PLN	- 9.368 PLN
	- 0.02 PLN/NOK	- 15.655.244 PLN	- 6.806.793 PLN

Interest rate risk

The interest rate risk is mainly related to the use of bank credits, lease and bank deposits by the Company. These transactions are based mainly on variable interest rates, making the Company exposed to the risk of changes in its financial result and cash flows.

Lease is not decisive in the financing of the Company (it concerns mainly purchases of vehicle fleet).

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 obtained depends, i.e., on the interest rates.

The mentioned instruments are measured as of the balance sheet date and at a reliably determined fair value. The effects of periodical measurement of derivative instruments are recognised either as financial revenue or expenses for the reporting period, respectively.

Given the current level of credit financing, it is assumed that the effects of interest rate changes will not have a significant impact on the result for 2021. All interest-bearing liabilities in the Company amount to 20.6% of the balance sheet total and no significant changes are expected by the end of 2021.

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

Item	31/12/2020	31/12/2019
	PLN	PLN
Bank credits, financial lease	36,000,666	21,085,607
Cash	15,470,421	16,244,442
TOTAL	51,471,087	37,330,049

In order to carry out the interest rate sensitivity analysis, changes in interest rates which are 'reasonably possible' were estimated on the basis of historical changes in value and on the basis of knowledge and experience of the Company in the financial markets, as of 31/12/2020 at -1 / +1 percentage point for the Polish zloty in the case of bank loans, bonds and lease liabilities, and -0.5 / +0.5 percentage point for other areas.

Item	Changes to interest rates	The influence on net financial result for 2021	The influence on net financial result for 2020
Bank credits, financial lease	+/- 100 pb	+/- 291,605	+/- 170,793
Cash	+/- 50 pb	+/- 62,655	+/- 65,790

Credit risk

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

In order to minimise the risk related to the loss of funds held in bank accounts or deposits, the Company cooperates in this respect only with institutions of stable and reliable financial standing. At the same time, the financial staff of the Company takes steps to disperse the cash in such a manner that a significant amount of it is deposited in more than just one financial institution.

In determining the risk of impairment of receivables from partners (trade receivables and deposits retained by investors), the Company uses a model to estimate expected credit losses. The model uses historical data on the rotation of receivables between individual overdue baskets. On this basis, the probability of non-payment is determined for each basket. The product of the probability thus calculated and the volume of receivables from the given basket determines the expected credit loss for each basket. For 2020, the expected loss rate was calculated on the basis of historical data of the modular segment in UNIBEP S.A. and then multiplied by the actual values of receivables in particular baskets in UNIHOUSE S.A. This way, expected credit losses were calculated.



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Data on expected credit losses as at 31/12/2020 are presented in the table below:

Balance as at 31/12/2020							
Item/days of delay	0	up to 90	91-180	181-360	361-720	Over 720	Total
Receivables from partners	18,834,609	16,618,370	350,894	970,094	247,047	-	37,021,014
Expected loss rate	0.92%	0.52%	21.13%	54.41%	44.00%	-	2.62%
Expected loss	173,397	87,089	74,139	527,805	108,694	-	971,124
Contractual assets	31,991,354	-	-	-	-	-	31,991,354
Expected loss rate	0.04%	-	-	-	-	-	0.04%
Expected loss	13,419	-	-	-	-	-	13,419
Total expected loss	186,816	87,089	74,139	527,805	108,694	-	984,543

Balance as of 31/12/2019							
Item/days of delay	0	up to 90	91-180	181-360	361-720	Over 720	Total
Receivables from partners	17,512,471	3,538,354	246,000	-	-	-	21,296,825
Expected loss rate	0.13%	15.12%	16.83%	-	-	-	2.81%
Expected loss	22,279	535,092	41,414	-	-	-	598,785
Contractual assets	41,553,252	-	-	-	-	-	41,553,252
Expected loss rate	0.21%	-	-	-	-	-	0.21%
Expected loss	87,262	-	-	-	-	-	87,262
Total expected loss	109,541	535,092	41,414	-	-	-	686,047

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

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

Item	31/12/2020	31/12/2019
	PLN	PLN
Cash	15,470,421	16,244,442
Receivables from partners	36,908,934	11,524,141
TOTAL	52,379,355	27,768,583

Liquidity risk

In order to minimise the liquidity risk, the Company tries to maintain an adequate amount of cash (as of 31 December 2020, bank accounts of the company had 15.0 million PLN in cash) and concludes credit facility contracts, which serve as additional security of liquidity. In addition, it forecasts and monitors cash flows on an ongoing basis. These activities are supported by systemic solutions for determining the expected revenue and measuring actual expenditures, broken down by individual currencies. The relevant services in the Company forecast cash flows over the next 12 months and analyse a very detailed statements of income and expenses over the next 30 days. If necessary, an increase in the available credit limits is negotiated in advance.

As of 31 December 2020, the Company had available (entirely unused) credit limits in current accounts in the banks listed below:

- PKO BP S.A. in the amount of PLN 5 million under the Unibep S.A. contract;
- Santander Bank Polska S.A. in the amount of PLN 10 million (for joint use with UNIBEP S.A.);
- ING Bank Śląski S.A. in the amount of PLN 5 million;
- Bank Gospodarstwa Krajowego, credit in the amount of PLN 5 million.

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

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



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The Company tries to sign contracts only with reliable, financially sound partners who have access to bank financing. Moreover, in contracts for specific construction work, the Company always tries to establish performance bonds and to remove defects in the form of bank or insurance guarantees, and not in the form of its own cash retained by investors. This is possible thanks to the wide access of the Company to guarantee limits both in banks and insurance companies. As of 31 December 2020, the Company had available, and 100% unused, limits in the total amount of 20 million PLN. 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.

Taking into account the actions taken and described above, the financial standing of the Company and hedging with credit lines, the liquidity risk should be considered as negligible.

The maturity structure of liabilities of the Company as at 31 December 2020 is presented in the table below (data in PLN):

As of 31 December 2020						
Item	up to 1 month	from 2 to 3 months	from 4 to 12 months	over 1 year	TOTAL	
- trade liabilities and other liabilities	13,783,445	3,684,961	204,435	15,090,636	32,763,476	
- deposits on construction contracts	18,336	29,049	813,199	2,593,245	3,453,829	
- lease liabilities	111,303	203,554	665,919	4,584,274	5,565,050	
- liabilities on credits and loans	458,566	911,285	14,458,399	6,263,272	22,091,522	
TOTAL	14,371,650	4,828,849	16,141,952	28,531,427	63,873,878	

As of 31 December 2019						
Item	up to 1 month	from 2 to 3 months	from 4 to 12 months	over 1 year	TOTAL	
- trade liabilities and other liabilities	18,029,857	11,877,684	-	-	29,907,541	
- deposits on construction contracts	71,238	11,219	167,603	220,053	470,113	
- lease liabilities	60,416	125,906	544,880	3,864,163	4,595,365	
- liabilities on credits and loans	471,309	936,823	4,170,440	11,956,985	17,535,557	
TOTAL	18,632,820	12,951,632	4,882,923	16,041,201	52,508,576	

Capital management

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

The Company manages its capital structure and makes changes to it as a result of economic conditions. To maintain or adjust the capital structure, the Company may return the capital to shareholders, issue new shares and pay dividend.

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

CAPITAL MANAGEMENT (PLN)	31/12/2020	31/12/2019
Interest-bearing credits and loans	36,000,666	21,085,607
Trade and other liabilities	79,799,300	70,762,182
Cash and cash equivalents	15,470,421	16,244,442
Net debt	100,329,545	75,603,347
Equity	45,690,468	48,895,704
Net capital and debt	146,020,013	124,499,051
	68.71%	60.73%



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5. Financial instruments

CARRYING AMOUNT

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

As of 31/12/2020

Classes of financial instruments	Financial assets measured at amortised cost	Financial assets measured at fair value through financial result	Financial liabilities measured at amortised cost	Hedging instruments in cash flow hedge accounting	Total
Deposits on construction contracts	-	-	-3,172,119.72	-	-3,172,119.72
Trade and other receivables *	45,622,691.25	-	-	-	45,622,691.25
Derivative financial instruments in cash flow hedge accounting	-	322,993.38	-	-9,473,490.00	-9,150,496.62
Cash and cash equivalents	15,470,420.98	-	-	-	15,470,420.98
Credits, loans and other external sources of financing	-	-	-26,850,169.17	-	-26,850,169.17
Trade and other liabilities	-	-	-46,712,212.11	-	-46,712,212.11
	61,093,112.23	322,993.38	-76,734,501.00	-9,473,490.00	-28,791,885.39

As of 31/12/2019

Classes of financial instruments	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
Deposits on construction contracts	-	-417,999.98	-417,999.98
Trade and other receivables *	17,883,861.46	-	17,883,861.46
Cash and cash equivalents	16,244,441.83	-	16,244,441.83
Credits, loans and other external sources of financing	-	-21,085,606.84	-21,085,606.84
Trade and other liabilities	-	-29,907,540.60	-29,907,540.60
	34,128,303.29	-51,411,147.42	-17,282,844.13

* excluding receivables from advances

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



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

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

	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
Interest revenue/expenses	53,689.69	-667,905.51	-614,215.82
Profits/losses on exchange differences	909,859.30	-618,942.05	290,917.25
Expected credit losses (creation/release) *	-372,339.29	-	-372,339.29
Total	591,209.70	-1,286,847.56	-695,637.86

* - trade and other receivables -372,339.29

For the period from 01/04/2019 to 31/12/2019

	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
Interest revenue/expenses	8.09	-46,693.30	-46,685.21
Profits/losses on exchange differences	137,560.91	-160,226.78	-22,665.87
Expected credit losses (creation/release) *	-476,015.49	0.00	-476,015.49
Total	-338,446.49	-206,920.08	-545,366.57

* - trade and other receivables -476,015.49

Financial assets and liabilities measured at fair value

There were no financial assets measured at fair value as of 31/12/2020 and 31/12/2019.

Financial liabilities measured at fair value

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

Financial liabilities measured at fair value	Level 1	Level 2	Level 3	Total
Derivative financial instruments in cash flow hedge accounting	-	9,150,496.62	-	9,150,496.62
Total	-	9,150,496.62	-	9,150,496.62

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

There were no financial liabilities measured at fair value.

Derivative financial instruments

Financial assets under measurement of derivative instruments

There were no financial assets under measurement of derivative instruments as of 31/12/2020 and as of 31/12/2019.



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Financial liabilities under measurement of derivative instruments

Exchange forward contracts

	as of 31/12/2020	as of 31/12/2019
Exchange forward contracts		
- measured through the financial result	-	-
IRS	-	-
TOTAL:	-	-
- measured in hedge accounting	-	-
Forward	9,150,496.62	-
TOTAL:	9,150,496.62	-

The total nominal value of FX-Forward-type exchange contracts as of 31 December 2020 was NOK 485 million, EUR 12.9 million and SEK 36 million (there were no forward transactions as of 31 December 2019). The periods of expected settlements related to the hedges held are presented in the table below:

Hedged currency/deadline	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q3 2023	TOTAL
NOK	-	25,000,000.00	105,000,000.00	355,000,000.00	-	485,000,000.00
EUR	2,850,000.00	5,000,000.00	-	-	5,000,000.00	12,850,000.00
SEK	12,000,000.00	12,000,000.00	-	12,000,000.00	-	36,000,000.00

Financial liabilities under Forwards and IRS transactions measured at fair value

Maturity structure

	as of 31/12/2020	as of 31/12/2019
Maturity structure		
a) less than 1 year	8,407,776.69	-
b) from 1 to 3 years	742,719.93	-
TOTAL:	9,150,496.62	-

6. Notes to the financial statements

6.1. Tangible fixed assets

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Own tangible fixed assets	55,306,660.92	47,043,396.26
Right-of-use assets	7,281,764.34	6,509,664.83
Total tangible fixed assets	62,588,425.26	53,553,061.09

Own tangible fixed assets

Description	as of 31/12/2020	as of 31/12/2019
Land	1,266,019.00	1,266,019.00
Buildings, premises, civil and water engineering structures	43,456,762.66	39,302,805.34
Technical equipment and machines	9,212,705.70	4,819,598.59
Vehicles	75,140.36	111,896.97
Other tangible fixed assets	1,249,858.95	1,032,055.95
Tangible fixed assets under construction	46,174.25	511,020.41
Own tangible fixed assets	55,306,660.92	47,043,396.26

Right-of-use assets

Description	as of 31/12/2020	as of 31/12/2019
Land	3,357,226.50	3,033,499.76
Buildings, premises, civil and water engineering structures	734,055.93	872,225.35
Vehicles	2,179,965.29	2,312,769.28
Other right-of-use assets	1,010,516.62	291,170.44
Right-of-use assets	7,281,764.34	6,509,664.83



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Change in own tangible fixed assets For the period from 01/01/2020 to 31/12/2020

	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	Vehicles	Other tangible fixed assets	Own tangible fixed assets under construction	Total own tangible fixed assets
Gross opening balance	1,266,019.00	47,249,339.48	12,732,802.13	1,049,931.08	3,379,059.05	511,020.41	66,188,171.15
Increase	-	5,583,005.46	5,662,147.02	109,189.15	615,130.88	10,095,849.41	22,065,321.92
- purchase	-	65,411.55	619,045.36	-	290,130.88	10,095,849.41	11,070,437.20
- acceptance from tangible assets under construction	-	5,517,593.91	5,043,101.66	-	-	-	10,560,695.57
- acceptance from lease	-	-	-	109,189.15	-	-	109,189.15
- other	-	-	-	-	325,000.00	-	325,000.00
Decreases	-	-	1,544,201.13	123,039.84	158,794.59	10,560,695.57	12,386,731.13
- sales	-	-	-	123,039.84	43,739.00	-	166,778.84
- liquidation and other	-	-	1,544,201.13	-	115,055.59	-	1,659,256.72
- transfer to fixed assets	-	-	-	-	-	10,560,695.57	10,560,695.57
Gross closing balance	1,266,019.00	52,832,344.94	16,830,748.02	1,036,080.39	3,835,395.34	46,174.25	75,866,761.94
Opening balance redemption	-	7,946,534.14	7,913,203.54	938,034.11	2,347,003.10	-	19,144,774.89
Increase	-	1,429,048.14	941,505.70	145,945.76	385,864.82	-	2,902,364.42
- current amortisation	-	1,429,048.14	941,505.70	36,756.61	385,864.82	-	2,793,175.27
- redemption of funds accepted from lease	-	-	-	109,189.15	-	-	109,189.15
Decreases	-	-	1,216,666.92	123,039.84	147,331.53	-	1,487,038.29
- redemption of sold and liquidated fixed assets	-	-	1,216,666.92	123,039.84	147,331.53	-	1,487,038.29
Closing balance redemption	-	9,376,582.28	7,638,042.32	960,940.03	2,585,516.39	-	20,560,101.02
Net opening balance	1,266,019.00	39,302,805.34	4,819,598.59	111,896.97	1,032,055.95	511,020.41	47,043,396.26
Net closing balance	1,266,019.00	43,456,762.66	9,212,705.70	75,140.36	1,249,838.95	46,174.25	55,306,660.92

*refer to Note 6.27



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For the period from 01/04/2019 to 31/12/2019

	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	Vehicles	Other tangible fixed assets	Own tangible fixed assets under construction	Total own tangible fixed assets
Gross opening balance	1,266,019.00	47,249,339.48	12,744,627.13	1,049,931.08	-	943,151.30	66,637,547.04
Increases	-	-	124,320.00	-	21,335.00	202,599.89	348,254.89
- purchase	-	-	426,991.01	-	-	-	426,991.01
- construction	-	5,139.88	-	-	-	-	5,139.88
- contribution in kind of organised part of an enterprise*	1,266,019.00	47,244,199.60	12,193,316.12	1,049,931.08	3,363,144.05	740,551.41	65,857,161.26
Decreases	-	-	11,825.00	-	-	5,420.00	17,245.00
- liquidation and other	-	-	11,825.00	-	-	5,420.00	17,245.00
- transfer to fixed assets	-	-	-	-	-	-	-
Gross closing balance	1,266,019.00	47,249,339.48	12,732,802.13	1,049,931.08	3,379,059.05	432,130.89	66,188,171.15
Opening balance redemption	-	-	-	-	-	-	-
Increases	-	7,946,534.14	7,925,028.54	938,034.11	2,351,476.27	-	19,161,073.06
- current amortisation	-	242,790.22	161,538.81	8,335.33	67,409.51	-	480,073.87
- contribution in kind of organised part of an enterprise*	-	7,703,743.92	7,763,489.73	929,698.78	2,284,066.76	-	18,680,999.19
Decreases	-	-	11,825.00	-	4,473.17	-	16,298.17
- redemption of sold and liquidated fixed assets	-	-	11,825.00	-	4,473.17	-	16,298.17
Closing balance depreciation	-	7,946,534.14	7,913,203.54	938,034.11	2,347,063.10	-	19,144,774.89
Net closing balance	1,266,019.00	39,302,805.34	4,819,598.59	111,896.97	1,032,055.95	511,020.41	47,043,396.26

* Refer to Note 6.2.7



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Change in right-of-use assets

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

	Land	Buildings and premises	Vehicles	Other right-of-use assets	Total right-of-use assets
Gross opening balance	3,576,614.75	872,225.35	2,975,069.81	455,227.22	7,879,137.13
Increases	397,853.95	-	532,756.93	884,774.98	1,815,385.86
- contract conclusion and change	397,853.95	-	532,756.93	884,774.98	1,815,385.86
Decreases	-	62,310.71	132,702.86	-	195,013.57
- contract expiry and change	-	62,310.71	132,702.86	-	195,013.57
Gross closing balance	3,974,468.70	809,914.64	3,175,123.88	1,340,002.20	9,499,509.42
Opening balance redemption	543,114.99	-	662,300.53	164,056.78	1,369,472.30
Increases	74,127.21	75,858.71	665,560.92	165,428.80	980,975.64
- current amortisation	74,127.21	75,858.71	665,560.92	165,428.80	980,975.64
Decreases:	-	-	132,702.86	-	132,702.86
- redemption under expiry of contracts	-	-	132,702.86	-	132,702.86
Closing balance redemption	617,242.20	75,858.71	1,195,138.59	329,485.58	2,317,745.08
Net opening balance	3,033,499.76	872,225.35	2,312,769.28	291,170.44	6,509,664.83
Net closing balance	3,357,426.50	734,055.93	2,179,965.29	1,010,516.62	7,281,764.34

For the period from 01/04/2019 to 31/12/2019

	Land	Buildings and premises	Vehicles	Other right-of-use assets	Total right-of-use assets
Gross opening balance	-	-	-	-	-
Increases	3,576,614.75	872,225.35	2,975,069.81	455,227.22	7,879,137.13
- conclusion of new leases	3,576,614.75	872,225.35	725,727.99	-	1,597,933.34
- contribution in kind of organised part of an enterprise*	-	-	2,249,341.82	455,227.22	6,281,183.79
Decreases	-	-	-	-	-
Gross closing balance	3,576,614.75	872,225.35	2,975,069.81	455,227.22	7,879,137.13
Opening balance redemption	543,114.99	-	662,300.53	164,056.78	1,369,472.30
Increases	12,035.72	-	86,813.46	15,174.24	114,023.42
- current amortisation	531,079.27	-	575,487.07	148,882.54	1,255,448.88
- contribution in kind of organised part of an enterprise*	-	-	662,300.53	164,056.78	1,369,472.30
Decreases:	-	-	-	-	-
Closing balance redemption	3,033,499.76	872,225.35	2,312,769.28	291,170.44	6,509,664.83
Net opening balance	-	-	-	-	-
Net closing balance	3,357,426.50	734,055.93	2,179,965.29	1,010,516.62	7,281,764.34

*refer to Note 6.27



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

SPECIFICATION	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Manufacturing costs of products and services sold	3,636,829.66	553,984.96
modular construction	3,636,829.66	553,984.96
Sales costs	-	18,804.05
General and administrative costs	137,321.25	20,320.88
TOTAL	3,774,150.91	593,109.89

Lease – supplementary data

	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Amortisation	980,975.64	114,023.42
Interest	237,339.07	11,004.83
Total expenditures on lease contracts	1,086,953.48	119,171.45
Short-term lease expenses	3,546.57	-
Low value lease expenses below 20 thousand PLN	271,791.13	48,760.49

As of 31/12/2020, hedge was established on tangible fixed assets in use and on the right of perpetual usufruct of land, as a security for the value of PLN 87,327,000 in the form of registered pledges and mortgages for the needs of credits, loans, letters of credit and bank guarantees up to the amount of PLN 63,500,000. As of 31/12/2020, the use of credits amounted to PLN 11,544,000, the use of bank guarantees - PLN 6,299,213, and the net value of fixed assets constituting the hedging amounted to PLN 40,086,868.33.

As of 31/12/2020, the value of liabilities related to purchases of tangible fixed assets amounted to 140 thousand PLN.

6.2. Intangible assets

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Costs of completed development works	4,489,908.13	4,729,307.74
Acquired concessions, patents, licences and similar assets, including:	435,520.47	405,536.22
computer software	435,520.47	405,536.22
Intangible assets	4,925,428.60	5,134,843.96



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Change in the value of intangible assets:

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

	Costs of completed development works	Computer software	Acquired concessions, licences, patents	Intangible assets under construction	Total
Gross opening balance	5,053,387.26	1,138,519.76	20,780.00	-	6,212,687.02
Increase	-	115,251.69	-	-	115,251.69
- purchase	-	115,251.69	-	-	115,251.69
Decreases	-	36,000.00	-	-	36,000.00
- liquidation	-	36,000.00	-	-	36,000.00
Gross closing balance	5,053,387.26	1,217,771.45	20,780.00	-	6,291,938.71
Opening balance redemption	324,079.52	732,983.54	20,780.00	-	1,077,843.06
Increase	239,399.61	85,267.44	-	-	324,667.05
- current amortisation	239,399.61	85,267.44	-	-	324,667.05
Decrease	-	36,000.00	-	-	36,000.00
- redemption of the liquidated	-	36,000.00	-	-	36,000.00
Closing balance redemption	563,479.13	782,250.98	20,780.00	-	1,366,510.11
Net opening balance	4,729,307.74	405,536.22	-	-	5,134,843.96
Net closing balance	4,489,908.13	435,520.47	-	-	4,925,428.60

For the period from 01/04/2019 to 31/12/2019

	Costs of completed development works	Computer software	Acquired concessions, licences, patents	Intangible assets under construction	Total
Gross opening balance	5,053,387.26	1,138,519.76	20,780.00	-	10,938,905.99
Increase	-	-	-	11,008.42	11,008.42
- purchase	-	-	-	11,008.42	11,008.42
- reception from intangible assets under construction	4,726,218.97	-	-	-	4,726,218.97
- contribution in kind of organised part of an enterprise*	327,168.29	1,138,519.76	20,780.00	4,715,210.55	6,201,678.60
Decreases	-	-	-	4,726,218.97	4,726,218.97
- transfer from intangible assets in progress	-	-	-	4,726,218.97	4,726,218.97
Gross closing balance	5,053,387.26	1,138,519.76	20,780.00	-	6,212,687.02
Opening balance redemption	324,079.52	732,983.54	20,780.00	-	1,077,843.06
Increase	6,177.54	12,507.24	-	-	18,684.78
- current amortisation	6,177.54	12,507.24	-	-	18,684.78
- contribution in kind of organised part of an enterprise*	317,901.98	720,476.30	20,780.00	-	1,059,158.28
Closing balance redemption	324,079.52	732,983.54	20,780.00	-	1,077,843.06
Net opening balance	4,729,307.74	405,536.22	-	-	5,134,843.96

*refer to Note 6.2.7



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

SPECIFICATION	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Manufacturing costs of products and services sold	317,489.43	12,195.26
General and administrative costs	7,177.62	6,489.52
Total amortisation of intangible assets	324,667.05	18,684.78

Ownership structure of intangible assets:

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Own	4,925,428.60	5,134,843.96
Total ownership structure of intangible assets	4,925,428.60	5,134,843.96

As of 31 December 2020, the Company did not have any encumbrances of a legal or bond nature on intangible assets.

6.3. Investment property

None.

6.4. Trade and other receivables

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Trade receivables	36,908,933.56	11,524,141.42
Receivables on taxes, subsidies, customs duties, social and health insurance, and other benefits	8,095,616.30	3,451,525.75
Other non-financial receivables	618,141.39	2,908,194.29
Advances granted for deliveries:	1,521,606.55	2,814,178.54
for the purchase of goods, materials and services	1,521,606.55	2,814,178.54
Trade and other receivables	47,144,297.80	20,698,040.00
Expected credit losses on receivables	971,124.02	598,784.73
TOTAL GROSS SHORT-TERM RECEIVABLES	48,115,421.82	21,296,824.73

Trade receivables – with maturity from the balance sheet date:

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
a) up to 1 month	9,652,364.99	6,687,564.32
b) between 1 and 3 months	14,748,834.80	1,610,492.33
c) between 3 and 6 months	675.00	3,501.36
d) overdue receivables	12,507,058.77	3,222,583.41
NET TRADE RECEIVABLES	36,908,933.56	11,524,141.42

As of 31 December 2020, the expected credit losses on trade receivables and other receivables, calculated in accordance with IFRS 9, amounted to PLN 971,124.02, while as at 31/12/2019 - PLN 598,784.73. Expenses and revenue related to creation and release of the expected credit losses are recognised 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 6.5.

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

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
a) up to 1 month	9,182,244.49	2,916,761.86
b) between 1 and 3 months	1,869,535.39	59,821.55
c) between 3 and 6 months	350,219.27	246,000.00
d) over 6 months and up to 1 year	858,012.55	-
e) over 1 year	247,047.07	-
OVERDUE NET TRADE RECEIVABLES	12,507,058.77	3,222,583.41



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SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Short-term receivables	47,144,297.80	20,698,040.00
from related parties	8,741,615.26	8,738,846.00
from other entities	38,402,682.54	11,959,194.00
Expected credit losses on receivables (positive value)	971,124.02	598,784.73
Gross short-term receivables	48,115,421.82	21,296,824.73

The trade and other receivables currency structure is as follows:

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Receivables in PLN	18,129,668.05	9,442,653.01
Receivables in EUR	225,205.46	1,051,037.84
Receivables in EUR after conversion into PLN	1,039,316.46	4,477,471.10
Receivables in NOK	62,194,161.13	15,684,246.83
Receivables in NOK after conversion into PLN	27,363,492.62	6,775,304.89
Receivables in SEK	1,375,425.56	6,600.11
Receivables in SEK after conversion into PLN	611,820.67	2,611.00
TOTAL	47,144,297.80	20,698,040.00

Advances have been measured according to the historical rate.

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

As of the balance sheet date of 31/12/2020, receivables from two external partners exceeded 10% of trade receivables.

Partner No. 1 – 28%

Partner No. 2 – 41%

As of the balance sheet date of 31/12/2019, receivables from three external partners exceeded 10% of trade receivables.

Partner No. 1 – 11%

Partner No. 2 – 13%

Partner No. 3 – 16%

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

6.5. Revaluation write-downs and expected credit losses

EXPECTED CREDIT LOSSES

Description	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Opening balance	686,046.56	-
Trade and other receivables	598,784.73	-
Contractual assets	87,261.83	-
a) increases	476,507.53	686,046.56
Trade and other receivables	415,483.26	476,015.49
Contribution in kind of organised part of an enterprise – trade and other receivables	-	122,769.24
Contractual assets	61,024.27	29,605.22
Contribution in kind of organised part of an enterprise – contractual assets	-	57,656.61
b) decreases	178,011.32	-
Trade and other receivables	43,143.97	-
Contractual assets	134,867.35	-
TOTAL EXPECTED CREDIT LOSSES	984,542.77	686,046.56
Trade and other receivables	971,124.02	598,784.73
Contractual assets	13,418.75	87,261.83

REVALUATION WRITE-OFFS

SPECIFICATION	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Opening balance	118,550.00	-



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SPECIFICATION	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Inventory	118,550.00	-
a) increases	-	118,550.00
Inventory	-	-
Contribution in kind – inventory*	-	118,550.00
b) decreases	-	-
Inventory	-	-
TOTAL REVALUATION WRITE-DOWNS	118,550.00	118,550.00
Inventory	118,550.00	118,550.00

*refer to Note 6.27

6.6. Inventory

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Materials	6,864,191.85	7,223,770.36
Semi-finished products and work in progress	-	654,789.83
GROSS INVENTORY	6,864,191.85	7,878,560.19
Inventory revaluation write-downs	118,550.00	118,550.00
NET INVENTORY	6,745,641.85	7,760,010.19

Information on inventory revaluation write-downs is presented in Note 6.5.

As of 31/12/2020, there was no hedging provided on the inventory.

In 2020, borrowing costs were not capitalised in the inventory.

No sales/use of inventory not covered by the write-down is expected in the period exceeding 31/12/2021.

In the period from 01/01/2020 to 31/12/2020, the amount of 298.9 thousand PLN related to sales of materials was recognised in the costs of own sales. The amount of 9,492.8 thousand PLN from sales of products and services was recognised in the manufacturing costs of products and services sold.

6.7. Cash and cash equivalents

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Cash in PLN	11,431,908.45	6,695,262.42
Cash in EUR	111,542.15	190,481.32
Cash in EUR after conversion into PLN	514,744.72	811,164.70
Cash in NOK	7,799,222.20	19,620,582.86
Cash in NOK after conversion into PLN	3,431,657.77	8,476,091.79
Cash in SEK	200,326.32	643,071.23
Cash in SEK after conversion into PLN	92,110.04	261,922.92
TOTAL	15,470,420.98	16,244,441.83
Cash and cash equivalents	15,470,420.98	16,244,441.83

Cash at bank bears interest at variable rates. Short-term deposits are made for various periods, depending on the current demand of the Company for cash and are subject to interest rates set for them. As at the balance sheet date of 31/12/2020, the fair value of cash and cash equivalents amounted to 15,470,420.98 PLN. The risk related to this asset is described in Section 4 of the Financial Risk Management report.

6.8. Prepayments and accruals

Active long-term prepayments and accruals

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Insurance	128,002.56	4,497.52
Other	305,327.68	113,953.05
Long-term prepayments and accruals	433,330.24	118,450.57



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Active short-term prepayments and accruals

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Insurance	334,865.78	134,897.16
Other	878,607.08	333,928.25
Short-term prepayments and accruals	1,213,472.86	468,825.41

6.9. Loans granted

As of 31/12/2020 and 31/12/2019, the Company did not hold any granted loans.

6.10. Capitals

As of the balance sheet date of 31/12/2020, the share capital amounts to 2,250,000.00 PLN.

The share capital of the Company is divided into 22,500,000 (in words: twenty-two million, five hundred thousand) shares with a nominal value of 0.10 PLN per share.

The specification of other equity items is presented in the table below: Other capitals

Other capitals	as of 31/12/2020	as of 31/12/2019
Other capitals, including:	42,694,144.63	46,342,824.63
Reserve capital	13,504,397.63	9,792,824.63
Supplementary capital	302,879.00	-
Supplementary capital from sales of shares at premium	36,550,000.00	36,550,000.00
Revaluation reserve	-7,663,132.00	-
*refer to Note 6.27		
Retained profit/loss	as of 31/12/2020	as of 31/12/2019
Current net profit (loss)	118,984.91	302,879.00
Net profit (loss) brought forward	-	-
Retained earnings (loss)	118,984.91	302,879.00

6.11. Limitations to transferring the title to securities

At present, there are no limitations agreed upon by the shareholders with respect to disposal of shares of the Company held by them within a specified period of time.

6.12. Credits, loans and other financial liabilities

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Credits, loans and other financial liabilities – long-term	11,537,602.85	15,272,261.46
Loan liabilities	3,583,572.64	5,434,030.47
Credit liabilities	2,754,190.77	6,098,598.05
Lease liabilities	4,457,119.51	3,739,632.94
Liabilities under derivative instruments in cash flow hedge accounting*	742,719.93	-
Credits, loans and other financial liabilities – short-term	24,463,062.94	5,813,345.38
Credit liabilities	3,285,778.45	3,328,762.88
Loan liabilities	11,875,352.89	1,819,484.48
Lease liabilities	894,154.91	665,098.02
Liabilities under hedge derivative instruments in cash flow accounting*	8,407,776.69	-
TOTAL	36,000,665.79	21,085,606.84

*described in Note No. 5



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LONG-TERM LIABILITIES ON CREDITS 31/12/2020

Bank name	Amount of credit	Value as of the balance sheet date	Interest rate conditions	Repayment date	Security	Type of credit
ING Bank Śląski S.A.	15,000,000.00 PLN each	2,754,190.77 PLN each	WIBOR 1M + margin	22/10/2022	total contractual mortgage up to the amount of 72,327,000.00 PLN on land property situated in Bielsk Podlaski, Al. Pilsudskiego, owned by the client, entered in the land and mortgage register, KW no. B1P/00102032/0 kept by the District Court in Bielsk Podlaski; land property located in Bielsk Podlaski, ul. Rejonowa, owned by the client, covered by the land and mortgage registers KW no. B1P/00093484/6, KW no. B1P/00092594/3, KW no. B1P/00041684/9, kept by the District Court in Bielsk Podlaski; property located in Bielsk Podlaski, being in perpetual usufruct by the Client, covered by the land and mortgage registers KW no. B1P/00043080/9, KW no. B1P/00055499/6, KW no. B1P/00101524/9, KW no. B1P/00012039/1, KW no. B1P/00078166/0, KW no. B1P/00079567/8 kept by the District Court in Bielsk Podlaski; assignment of rights under the insurance policy for the hedge subject described above; assignment of rights under the insurance policy for all risks of construction of the hedge subject described above; blank promissory note	investment credit
TOTAL:		2,754,190.77 PLN each				



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SHORT-TERM LIABILITIES ON CREDITS 31/12/2020

Bank name	Amount of credit	Value as of the balance sheet date	Interest rate conditions	Repayment date	Security	Type of credit
ING Bank Śląski S.A.	15,000,000.00 PLN each	3,285,778.45 PLN each	WIBOR 1M + margin	22/10/2022	total contractual mortgage up to the amount of 72,327,000.00 PLN on land property situated in Bielisk Podlaski, Al. Pilsudskiego, owned by the client, entered in the land and mortgage register KW no. B1P/0010202/0 kept by the District Court in Bielisk Podlaski; land property located in Bielisk Podlaski, ul. Rejonowa, owned by the client, covered by the land and mortgage registers KW no. B1P/00093484/6, KW no. B1P/00092594/3, KW no. B1P/00041684/9, kept by the District Court in Bielisk Podlaski; property located in Bielisk Podlaski, being in perpetual usufruct by the Client, covered by the land and mortgage registers KW no. B1P/00043080/9, KW no. B1P/00055499/6, KW no. B1P/00101524/9, KW no. B1P/00012039/1, KW no. B1P/00078166/0, KW no. B1P/00079567/8 kept by the District Court in Bielisk Podlaski; assignment of rights under the insurance policy for the hedge subject described above; assignment of rights under the insurance policy for all risks of construction of the hedge subject described above; blank promissory note	investment credit
Samander Bank Polska S.A.*	10,000,000.00 PLN each	0.00 PLN each	WIBOR 1M + margin	30/09/2021	assignment of receivables from contracts	revolving bank overdraft
PKO BP S.A.**	5,000,000.00 PLN each	0.00 PLN each	WIBOR 1M + margin	30/11/2021	assignment of receivables from contracts	revolving bank overdraft
Bank Gospodarswa Krajowego	5,000,000.00 PLN each	0.00 PLN each	WIBOR 1M + margin	03/02/2021	assignment of receivables from contracts	revolving bank overdraft
ING Bank Śląski S.A.	5,000,000.00 PLN each	0.00 PLN each	WIBOR 1M + margin	09/02/2021	total contractual mortgage up to the amount of 72,327,000.00 PLN on land property situated in Bielisk Podlaski, Al. Pilsudskiego, owned by the client, entered in the land and mortgage register KW no. B1P/0010202/0 kept by the District Court in Bielisk Podlaski; land property located in Bielisk Podlaski, ul. Rejonowa, owned by the client, covered by the land and mortgage registers KW no. B1P/00093484/6, KW no. B1P/00092594/3, KW no. B1P/00041684/9, kept by the District Court in Bielisk Podlaski; property located in Bielisk Podlaski, being in perpetual usufruct by the Client, covered by the land and mortgage registers KW no. B1P/00043080/9, KW no. B1P/00055499/6, KW no. B1P/00101524/9, KW no. B1P/00012039/1, KW no. B1P/00078166/0, KW no. B1P/00079567/8 kept by the District Court in Bielisk Podlaski; assignment of rights under the insurance policy for the hedge subject described above; assignment of rights under the insurance policy for all risks of construction of the hedge subject described above; blank promissory note	revolving credit
TOTAL:		3,285,778.45 PLN each				

*Bank overdraft drawn on Samander 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 UNIHOUSE S.A. and UNIBEP S.A.
**Under the tripartite contract UNIBEP S.A., UNIHOUSE S.A., PKO BP S.A.

Credits granted, but not used as at 31/12/2020 amounted to 25,000,000.00 PLN.



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LONG-TERM LIABILITIES ON CREDITS 31/12/2019

Bank name	Amount of credit	Value as of the balance sheet date	Interest rate conditions	Repayment date	Type of credit
ING Bank Śląski S.A.	15,000,000.00 PLN each	6,098,598.05 PLN each	WIBOR 1M + margin	22/10/2022	Security investment credit
					total contractual mortgage up to the amount of 22,500,000.00 PLN on land property situated in Bielsk Podlaski, Al. Pilsudskiego, owned by the client, entered in the land and mortgage register KW no. B11P/00102032/0 kept by the District Court in Bielsk Podlaski; land property located in Bielsk Podlaski, ul. Rejonowa, owned by the client, covered by the land and mortgage registers KW no. B11P/00093484/6, KW no. B11P/00092594/3, KW no. B11P/00041684/9, kept by the District Court in Bielsk Podlaski; property located in Bielsk Podlaski, being in perpetual usufruct by the Client, covered by the land and mortgage registers KW no. B11P/00043080/9, KW no. B11P/0005499/6, KW no. B11P/00101524/9, KW no. B11P/00012039/1, KW no. B11P/00078166/0, KW no. B11P/00079567/8 kept by the District Court in Bielsk Podlaski; assignment of rights under the insurance policy for the hedge subject described above; assignment of rights under the insurance policy for all risks of construction of the hedge subject described above; blank promissory note
TOTAL:		6,098,598.05 PLN each			

SHORT-TERM LIABILITIES ON CREDITS 31/12/2019

Bank name	Amount of credit	Value as of the balance sheet date	Interest rate conditions	Repayment date	Type of credit
ING Bank Śląski S.A.	15,000,000.00 PLN each	3,328,762.88 PLN each	WIBOR 1M + margin	22/10/2022	Security investment credit
					total contractual mortgage up to the amount of 22,500,000.00 PLN on land property situated in Bielsk Podlaski, Al. Pilsudskiego, owned by the client, entered in the land and mortgage register KW no. B11P/00102032/0 kept by the District Court in Bielsk Podlaski; land property located in Bielsk Podlaski, ul. Rejonowa, owned by the client, covered by the land and mortgage registers KW no. B11P/00093484/6, KW no. B11P/00092594/3, KW no. B11P/00041684/9, kept by the District Court in Bielsk Podlaski; property located in Bielsk Podlaski, being in perpetual usufruct by the Client, covered by the land and mortgage registers KW no. B11P/00043080/9, KW no. B11P/0005499/6, KW no. B11P/00101524/9, KW no. B11P/00012039/1, KW no. B11P/00078166/0, KW no. B11P/00079567/8 kept by the District Court in Bielsk Podlaski; assignment of rights under the insurance policy for the hedge subject described above; assignment of rights under the insurance policy for all risks of construction of the hedge subject described above; blank promissory note
Samander Bank Polska S.A.*	10,000,000.00 PLN each	0.00 PLN each	WIBOR O/N + margin	21/09/2020	revolving bank overdraft
PKO BP S.A.**	5,000,000.00 PLN each	0.00 PLN each	WIBOR 1M + margin	30/11/2020	revolving bank overdraft
TOTAL:		3,328,762.88 PLN each			

*Bank overdraft drawn on Santander Bank Polska S.A. for the amount of 10,000,000.00 to be repaid on 21/09/2020 is to be used jointly by UNIHOUSE S.A. and UNIHREP S.A.
**under agreement with UNIBEP S.A.

Credits granted, but not used as at 31/12/2019 amounted to 15,000,000.00 PLN.



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LONG-TERM LOAN LIABILITIES 31/12/2020

Lender name	Loan amount	Value as of the balance sheet date	Interest rate conditions	Repayment date	Security	Loan type
ING Bank Śląski S.A.	10,000,000.00 PLN each	3,583,372.64 PLN each	WIBOR 1M + margin	29/12/2023	total contractual mortgage up to the amount of 15,000,000.00 PLN on land property situated in Bielsk Podlaski, Al. Piłsudskiego, owned by the client, entered in the land and mortgage register K W no. B1/P/000102032/0 kept by the District Court in Bielsk Podlaski; land property situated in Bielsk Podlaski, ul. Rejzowa, owned by the client, covered by the land and mortgage registers K W no. B1/P/000093484/6, K W no. B1/P/000925942/3, K W no. B1/P/000416849 kept by the District Court in Bielsk Podlaski; property located in Bielsk Podlaski, being in perpetual usufruct by the Client, covered by the land and mortgage registers K W no. B1/P/000430809, K W no. B1/P/00055499/6, K W no. B1/P/000101524/9, K W no. B1/P/00012039/1, K W no. B1/P/00078166/0, K W no. B1/P/00079567/8 kept by the District Court in Bielsk Podlaski; assignment of rights under the insurance policy for all risks of construction of the security subject described above; blank promissory note	corporate loan
TOTAL:		3,583,372.64 PLN each				

SHORT-TERM LOAN LIABILITIES 31/12/2020

Lender name	Loan amount	Value as of the balance sheet date	Interest rate conditions	Repayment date	Security	Loan type
ING Bank Śląski S.A.	10,000,000.00 PLN each	1,794,555.19 PLN each	WIBOR 1M + margin	29/12/2023	total contractual mortgage up to the amount of 15,000,000.00 PLN on land property situated in Bielsk Podlaski, ul. Piłsudskiego, owned by the client, entered in the land and mortgage register K W no. B1/P/000102032/0 kept by the District Court in Bielsk Podlaski; land property located in Bielsk Podlaski, ul. Rejzowa, owned by the client, covered by the land and mortgage registers K W no. B1/P/000093484/6, K W no. B1/P/000925942/3, K W no. B1/P/000416849 kept by the District Court in Bielsk Podlaski; property located in Bielsk Podlaski, being in perpetual usufruct by the Client, covered by the land and mortgage registers K W no. B1/P/000430809, K W no. B1/P/00055499/6, K W no. B1/P/000101524/9, K W no. B1/P/00012039/1, K W no. B1/P/00078166/0, K W no. B1/P/00079567/8 kept by the District Court in Bielsk Podlaski; assignment of rights under the insurance policy for the hedge subject described above; assignment of rights under the insurance policy for all risks of construction of the hedge subject described above; blank promissory note	corporate loan
UNIBEP S.A.	10,000,000.00 PLN each	10,090,797.70 PLN each	WIBOR 3M + margin	31/12/2021	none	revolving loan
TOTAL:		11,875,352.89 PLN each				



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LONG-TERM LOAN LIABILITIES 31/12/2019

Lender name	Loan amount	Value as of the balance sheet date	Interest rate conditions	Repayment date	Security	Loan type
ING Bank Śląski S.A.	10,000,000.00 PLN each	5,434,030.47 PLN each	WIBOR 1M + margin	29/12/2023	total contractual mortgage up to the amount of 15,000,000.00 PLN on land property situated in Bielsk Podlaski, Al. Pilsudskiego, owned by the client, entered in the land and mortgage register KW no. B11P/00102032/0 kept by the District Court in Bielsk Podlaski; land property located in Bielsk Podlaski, ul. Rejonowa, owned by the client, covered by the land and mortgage registers KW no. B11P/00093484/6, KW no. B11P/00092594/3, KW no. B11P/00041684/9, kept by the District Court in Bielsk Podlaski; mortgage registers KW no. B11P/00043080/9, KW no. B11P/00055409/6, KW no. B11P/00101524/9, KW no. B11P/00012039/1, KW no. B11P/00078166/0, KW no. B11P/00079567/8 kept by the District Court in Bielsk Podlaski; assignment of rights under the insurance policy for all risks of construction of the security subject described above; blank promissory note	corporate loan
TOTAL:		5,434,030.47 PLN each				

SHORT-TERM LOAN LIABILITIES 31/12/2019

Lender name	Loan amount	Value as of the balance sheet date	Interest rate conditions	Repayment date	Security	Loan type
ING Bank Śląski S.A.	10,000,000.00 PLN each	1,819,484.48 PLN each	WIBOR 1M + margin	29/12/2023	total contractual mortgage up to the amount of 15,000,000.00 PLN on land property situated in Bielsk Podlaski, Al. Pilsudskiego, owned by the client, entered in the land and mortgage register KW no. B11P/00102032/0 kept by the District Court in Bielsk Podlaski; land property located in Bielsk Podlaski, ul. Rejonowa, owned by the client, covered by the land and mortgage registers KW no. B11P/00093484/6, KW no. B11P/00092594/3, KW no. B11P/00041684/9, kept by the District Court in Bielsk Podlaski; mortgage registers KW no. B11P/00043080/9, KW no. B11P/00055409/6, KW no. B11P/00101524/9, KW no. B11P/00012039/1, KW no. B11P/00078166/0, KW no. B11P/00079567/8 kept by the District Court in Bielsk Podlaski; assignment of rights under the insurance policy for the hedge subject described above; assignment of rights under the insurance policy for all risks of construction of the hedge subject described above; blank promissory note	corporate loan
TOTAL:		1,819,484.48 PLN each				



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

	as of 31/12/2020	as of 31/12/2019
a) over 1 year to 3 years	6,337,763.41	9,741,324.07
b) over 3 to 5 years	-	1,791,304.45
TOTAL	6,337,763.41	11,532,628.52

Credits were measured with the use of the adjusted purchase price method.

The contractual maturity structure of undiscounted cash flows under credits and loans is as follows:

As of 31/12/2020

	Carrying amount	Undiscounted contractual cash flows
a) up to 1 year	15,161,131.34	15,295,233.24
b) over 1 year to 3 years	6,337,763.41	6,458,153.32
TOTAL	21,498,894.75	21,753,386.56

As of 31/12/2019

	Carrying amount	Undiscounted contractual cash flows
a) up to 1 year	5,148,247.36	5,578,571.72
b) over 1 year to 3 years	9,741,324.07	10,137,014.12
c) over 3 to 5 years	1,791,304.45	1,819,970.76
TOTAL	16,680,875.88	17,535,556.60

None of the credit agreements were terminated during the reporting period.

6.13. Lease

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

Lease liabilities

Description	as of 31/12/2020	as of 31/12/2019
a) less than 1 year	894,154.91	665,098.02
b) from 1 year to 5 years	2,511,095.38	2,093,029.90
c) over 5 years	1,946,024.13	1,646,603.04
TOTAL	5,351,274.42	4,404,730.96

6.14. Provisions

Employee benefit liabilities recognised in the statements of financial position:

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Retirement severance pay	1,537,409.00	1,289,044.26
current liability as of the balance sheet date	1,537,409.00	1,289,044.26
Disability severance pay	114,394.04	103,790.01
current liability as of the balance sheet date	114,394.04	103,790.01
Liabilities for retirement and disability benefits, including:	1,651,803.04	1,392,834.27
- long-term part	1,616,139.02	1,350,093.26
- short-term part	35,664.02	42,741.01



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Changes in the liabilities for retirement and disability benefits are presented in the table below:

Description	as of 31/12/2020	as of 31/12/2019
Current liability opening balance	1,392,834.27	-
interest expenses	31,463.77	-
current employment costs	281,938.00	-
benefits paid	-41,600.00	-
contribution in kind of organised part of an enterprise	-	1,392,834.27
actuarial gains/losses, including those arising from:	-12,833.00	-
- adjustments of actuarial assumptions ex post	-39,810.00	-
- changes in demographic assumptions	-125,373.00	-
- changes in financial assumptions	152,350.00	-
Current liability closing balance	1,651,803.04	1,392,834.27

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

SPECIFICATION	as of 31/12/2020
employment value	281,938.00
interest expenses	31,463.77
Costs recognised in the profit and loss account	313,401.77
actuarial gains/losses recognised in the period	-12,833.00
Costs recognised in other comprehensive income	-12,833.00
including costs of employee benefits recognised in the profit and loss account under:	
- manufacturing costs	279,826.27
- general and administrative costs	33,575.50

There was no charge to the account under retirement and disability benefits in 2019.

The actuarial assumptions are based on the following parameters for the years 2020-2021:

- discount rate in 2020 1.57%
- discount rate in 2019 1.96%
- the planned long-term increase in the salary base of the Company in 2021 and subsequent years is 3%

As of 31/12/2021, the actuarial projection of the current values of the future liabilities of the Company towards its employees is as follows:

ITEM/BENEFIT	retirement benefit	disability benefit	total
current liability value as of 31/12/2020	1,537,409.00	114,394.00	1,651,803.00
current liability value as of 31/12/2021	1,843,568.00	131,613.00	1,975,181.00
including:			
short-term part	68,357.00	15,609.00	83,966.00
long-term part	1,775,211.00	116,004.00	1,891,215.00

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 disability severance pay. If these assumptions are not fully met, a deviation of the above forecast from the actual amount of future provisions should also be expected.



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Provision sensitivity analysis

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

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

The results of the calculations are as follows as at 31/12/2020:

PARAMETER/BENEFIT	Retirement severance pay	Disability severance pay	Unused holiday leaves	TOTAL
Initial amounts of provisions	1,537,409.00	114,394.00	1,329,724.00	2,981,527.00
Turnover coefficient -1.0%	1,643,892.00	121,447.00	1,329,724.00	3,095,063.00
Turnover coefficient +1.0%	1,444,569.00	108,083.00	1,329,724.00	2,882,376.00
Technical discount rate -0.5%	1,661,083.00	119,407.00	1,329,724.00	3,110,214.00
Technical discount rate +0.5%	1,426,678.00	109,720.00	1,329,724.00	2,866,122.00
base increases				
Salary in the Company -1.0%	1,533,842.00	114,153.00	1,329,724.00	2,977,719.00
Salary in the Company +1.0%	1,543,133.00	114,693.00	1,329,724.00	2,987,550.00
Minimum salary -1.0%	1,338,519.00	105,966.00	1,329,724.00	2,774,209.00
Minimum salary +1.0%	1,779,774.00	124,007.00	1,329,724.00	3,233,505.00

The results of the calculations are as follows as of 31/12/2019:

PARAMETER/BENEFIT	Retirement severance pay	Disability severance pay	Unused holiday leaves	TOTAL
Initial amounts of provisions	1,289,044.00	103,790.00	1,058,865.00	2,451,699.00
Turnover coefficient -1.0%	1,382,462.00	110,255.00	1,058,865.00	2,551,582.00
Turnover coefficient +1.0%	1,207,501.00	97,992.00	1,058,865.00	2,364,358.00
Discount rate -1.0%	1,519,126.00	113,465.00	1,058,865.00	2,691,456.00
Discount rate +1.0%	1,105,117.00	95,569.00	1,058,865.00	2,259,551.00
base increases				
Salary in the Company -1.0%	1,286,899.00	103,586.00	1,058,865.00	2,449,350.00
Salary in the Company +1.0%	1,292,574.00	104,050.00	1,058,865.00	2,455,489.00
Minimum salary -1.0%	1,103,425.00	95,236.00	1,058,865.00	2,257,526.00
Minimum salary +1.0%	1,516,963.00	113,699.00	1,058,865.00	2,689,527.00

The last valuation of an independent actuary was performed as of 31 December 2020.

Description	01/01/ - 31/12/2020	01/04/ - 31/12/2019
OPENING BALANCE OF OTHER LONG-TERM PROVISIONS	59,875.27	-
a) Increases	4,165,285.92	59,875.27
Warranty repairs	4,165,285.92	59,875.27
CLOSING BALANCE OF OTHER LONG-TERM PROVISIONS	4,225,161.19	59,875.27
Warranty repairs	4,225,161.19	59,875.27

Description	01/01/ - 31/12/2020	01/04/ - 31/12/2019
OPENING BALANCE OF OTHER SHORT-TERM PROVISIONS	2,858,773.43	-
Employee benefits	1,884,956.41	-
Costs of subcontractors	863,817.02	-
Other costs	110,000.00	-
a) Increases	55,130,604.88	4,022,967.48
Employee benefits	3,805,428.63	550,111.38
Warranty repairs	497,959.90	-
Planned losses in long-term contracts	117,714.37	-
Contribution in kind of organised part of an enterprise – employee benefits*	-	1,761,049.47
Contribution in kind of organised part of an enterprise – planned losses in long-term contracts*	-	27,808.47
Costs of subcontractors	50,191,163.74	1,459,618.16
Contribution in kind of organised part of an enterprise – costs of subcontractors*	-	114,380.00
Other costs	518,338.24	110,000.00
b) Use	52,075,007.11	1,164,194.05
Employee benefits	3,692,319.03	426,204.44
Planned losses in long-term contracts	117,714.37	27,808.47
Costs of subcontractors	47,872,933.71	710,181.14
Other costs	392,040.00	-

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	5,914,371.20	2,858,773.43
CLOSING BALANCE OF OTHER SHORT-TERM PROVISIONS		
Employee benefits	1,998,066.01	1,884,956.41
Warranty repairs	497,959.90	-
Costs of subcontractors	3,182,047.05	863,817.02
Other costs	236,298.24	110,000.00

*refer to Note 6.27

6.15. Trade and other liabilities

Short-term trade and other liabilities:

	SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Trade liabilities		32,763,476.04	22,272,501.93
Tax, customs, insurance liabilities		11,297,030.21	6,241,127.85
Payroll liabilities		1,743,558.12	1,189,665.18
Accruals		455,217.60	204,245.25
Other liabilities		452,930.14	0.39
Trade and other liabilities		46,712,212.11	29,907,540.60

	SPECIFICATION	as of 31/12/2020	as of 31/12/2019
a) up to 1 month		13,783,444.86	12,125,247.02
b) between 1 and 3 months		3,684,960.51	4,242,565.25
c) between 3 and 6 months		201,190.00	80.00
d) over 6 months and up to 1 year		3,245.00	-
e) overdue liabilities		15,090,635.67	5,904,609.66
TRADE LIABILITIES		32,763,476.04	22,272,501.93

Overdue trade liabilities:

	SPECIFICATION	as of 31/12/2020	as of 31/12/2019
a) up to 1 month		11,654,631.52	5,354,342.43
b) between 1 and 3 months		2,286,496.22	524,376.25
c) between 3 and 6 months		860,956.92	24,245.92
d) over 6 months and up to 1 year		17,683.80	500.00
e) over 1 year		270,867.21	1,145.06
OVERDUE TRADE LIABILITIES		15,090,635.67	5,904,609.66

Short-term liabilities -- by currency:

	SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Liabilities in PLN		31,079,155.22	22,926,509.92
Liabilities in EUR		77,206.98	87,352.67
Liabilities in EUR after conversion into PLN		356,294.77	371,991.35
Liabilities in NOK		31,570,727.44	15,218,199.13
Liabilities in NOK after conversion into PLN		13,891,120.08	6,574,262.02
Liabilities in SEK		3,058,377.65	85,385.00
Liabilities in SEK after conversion into PLN		1,385,642.04	34,777.31
TOTAL		46,712,212.11	29,907,540.60

6.16. Current and deferred income tax

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

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



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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	Other changes	Closing balance of assets
Provision for warranty repairs	11,376.00	886,017.00	-	-	897,393.00
Provision for employee benefits	153,016.00	702,962.00	-	-	855,978.00
Provision for costs of subcontractors	180,630.00	510,450.00	-	-	691,080.00
Provision for liabilities	-	727.00	-	-	727.00
Contracts (decrease in revenue "-")	-328,774.00	1,142,649.00	-	-	813,875.00
Contracts – provision for losses	-5,284.00	5,284.00	-	-	0.00
Production not completed for tax purposes	7,244,250.00	-2,005,968.00	-	-	5,238,282.00
Unrealised foreign exchange rate losses	14,283.00	96,455.00	-	-	110,738.00
Unpaid interest	15.00	6,448.00	-	-	6,463.00
Write-off of other assets	61,787.00	113,520.00	-	-	175,307.00
Valuation of derivative instruments	-	115,581.00	-	-	115,581.00
Valuation of credits, loans, bonds, promissory notes	-	5,588.00	-	-	5,588.00
Tax loss	-	91,739.00	-	-	91,739.00
Revaluation capital – valuation of derivative instruments	-	-	1,799,963.00	-	1,799,963.00
Other titles	338,550.00	-293,653.00	-	-	44,897.00
Asset – contribution in kind of organised part of an enterprise*	1,113,870.00	0.00	-	-796,220.00	317,650.00
Total	8,783,719.00	1,377,799.00	1,799,963.00	-796,220.00	11,165,261.00

For the period from 01/04/2019 to 31/12/2019

	Opening balance of assets	Creation / (use) of an asset through the profit and loss account	Creation/ (use) of an asset through other comprehensive income	Other changes	Closing balance of assets
Provision for warranty repairs	-	11,376.00	-	0.00	11,376.00
Provision for employee benefits	-	153,016.00	-	0.00	153,016.00
Provision for costs of subcontractors	-	180,630.00	-	0.00	180,630.00
Contracts (decrease in revenue "-")	-	-328,774.00	-	0.00	-328,774.00
Contracts – provision for losses	-	-5,284.00	-	0.00	-5,284.00
Production not completed for tax purposes	-	7,244,250.00	-	0.00	7,244,250.00
Unrealised foreign exchange rate losses	-	14,283.00	-	0.00	14,283.00
Unpaid interest	-	15.00	-	0.00	15.00
Write-off of other assets	-	61,787.00	-	0.00	61,787.00
Other titles	-	338,550.00	-	0.00	338,550.00
Asset – contribution in kind of organised part of an enterprise*	-	0.00	-	1,113,870.00	1,113,870.00
Total	-	7,669,849.00	-	1,113,870.00	8,783,719.00

*refer to Note 6.27

The "other titles" item includes, i.e., an asset resulting from the possibility of including "goodwill" relating to the contribution in kind of organised part of an enterprise in the tax settlements in Norway.

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

	Opening balance of provisions	Creation / (use) of a provision through the profit and loss account	Creation / (use) of a provision through other comprehensive income	Other changes	Closing balance of provisions
Contracts (increase in revenue "+")	3,855,477.00	2,225,431.00	-	-	6,080,908.00
Lease (net value of tangible fixed assets – lease liability)	9,210.00	-1,695.00	-	-	7,515.00
Liabilities discounting	9,901.00	33,722.00	-	-	43,623.00
Penalties accrued, but not received	-	669.00	-	-	669.00
Interest not received	-	7,881.00	-	-	7,881.00
Unrealised foreign exchange gains	64,798.00	143,195.00	-	-	207,993.00
Valuation of bonds, credits, loans, promissory notes	-685.00	10,449.00	-	-	9,764.00
Valuation of derivative instruments	-	176,950.00	-	-	176,950.00

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Difference between tax value and balance sheet value of tangible fixed assets	-15,629.00	396,856.00	-	-	381,227.00
Provision – contribution in kind of organised part of an enterprise*	4,306,643.00	-	-	-4,306,643.00	-
Actuarial gains and losses accounted for in the revaluation capital	-	-	2,438.00	-	2,438.00
Total	8,229,715.00	2,993,458.00	2,438.00	-4,306,643.00	6,918,968.00

For the period from 01/04/2019 to 31/12/2019

	Opening balance of provisions	Creation / (use) of a provision through the profit and loss account	Creation / (use) of a provision through other comprehensive income	Other changes	Closing balance of provisions
Contracts (increase in revenue "+")	-	3,855,477.00	-	-	3,855,477.00
Lease (net value of tangible fixed assets – lease liability)	-	9,210.00	-	-	9,210.00
Liabilities discounting	-	9,901.00	-	-	9,901.00
Unrealised foreign exchange gains	-	64,798.00	-	-	64,798.00
Valuation of bonds, credits, loans, promissory notes	-	-685.00	-	-	-685.00
Difference between tax value and balance sheet value of tangible fixed assets	-	-15,629.00	-	-	-15,629.00
Provision – contribution in kind of organised part of an enterprise*	-	-	-	4,306,643.00	4,306,643.00
Total	-	3,923,072.00	-	4,306,643.00	8,229,715.00

*refer to Note 6.27

In the statement of financial position the deferred income tax assets and provisions are presented per balance. The net value of assets as of 31/12/2020 is PLN 4,246,293.00

INCOME TAX RECOGNISED IN THE PROFIT AND LOSS ACCOUNT

	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Gross profit / (loss)	624,404.71	78,130.76
Adjustments resulting from permanent differences between gross profit and taxable income	2,029,354.58	410,188.24
Adjustments resulting from temporary differences between gross profit and taxable income	5,049,321.33	18,048,037.00
Deductions from the foreign income tax base	-	-4,035.27
Tax base	7,703,080.62	18,532,320.73
Tax calculated acc. to national rates (19%)	-2,057,556.00	3,521,141.00
Tax on income earned abroad at the rates in force in the territory where it was earned	746,166.80	887.76
Current income tax	-1,311,389.20	3,522,028.76
Domestic deferred income tax	1,816,809.00	-3,429,127.00
Foreign deferred income tax*	-	-317,650.00
Charging the financial result under income tax	505,419.80	-224,748.24
Effective tax rate	80.94%	-287.66%

*an asset resulting from the possibility of including "goodwill" relating to the contribution in kind of organised part of an enterprise in the current tax settlements in Norway

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

Republic of Poland – 19%
Kingdom of Norway – 22%
Kingdom of Sweden – 22%



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6.17. Contractual assets and liabilities

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

Description	Opening balance	Change in the valuation of long-term contracts	Advances received for executed contracts	Closing balance
Valuation of long-term contracts	41,465,989.94	- 9,474,636.30	-	31,991,353.64
Contractual assets	41,465,989.94	-9,474,636.30	-	31,991,353.64
Advances received from contracts with clients	36,380,578.64	-	-11,668,025.19	24,712,553.45
Valuation of long-term contracts	534,033.85	-	3,749,519.14	4,283,552.99
Contractual liabilities	36,914,612.49	-	-7,918,506.05	28,996,106.44

For the period from 01/04/2019 to 31/12/2019

Description	Opening balance	Change in the valuation of long-term contracts	Advances received for executed contracts	Closing balance
Valuation of long-term contracts	-	41,465,989.94	-	41,465,989.94
Contractual assets	-	41,465,989.94	-	41,465,989.94
Advances received from contracts with clients	-	-	36,380,578.64	36,380,578.64
Valuation of long-term contracts	-	534,033.85	-	534,033.85
Contractual liabilities	-	534,033.85	36,380,578.64	36,914,612.49

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.

Description	as of 31/12/2020	as of 31/12/2019
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:	267,618,256.00	285,654,145.25
a) up to 1 year	186,223,865.00	193,970,066.00
b) above 1 year	81,394,391.00	91,684,079.25
Total	267,618,256.00	285,654,145.25

6.18. Deposits on contracts with clients

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Retained from suppliers – to be returned after 12 months	1,412,036.51	167,940.56
Retained from suppliers – to be returned within 12 months	1,760,083.21	250,059.42
Total deposits on contracts with clients retained from suppliers	3,172,119.72	417,999.98

DISCOUNT	as of 31/12/2020	as of 31/12/2019
Discount of deposits on contracts with clients retained from suppliers	281,709.88	52,113.13

Deposits on contracts with clients are subject to discounting (liabilities in PLN 3.75% and in currency 1.86%) 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 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.

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



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

	as of 31/12/2020	as of 31/12/2019
a) up to 1 month	426,672.29	44,190.03
b) between 1 and 3 months	65,606.15	5,271.94
c) between 3 and 6 months	259,463.71	3,515.13
d) over 6 months and up to 1 year	119,541.03	-
e) over 1 year	28,035.36	-
Total overdue deposits on contracts with clients	899,318.54	52,977.10

6.19. Deferred revenue

SPCIFICATION	as of 31/12/2020	as of 31/12/2019
Received subsidies*	758,555.38	800,697.33
Right of perpetual usufruct*	56,280.42	78,066.42
Deferred revenue – long-term	814,835.80	878,763.75
Received subsidies*	42,141.96	42,141.97
Right of perpetual usufruct*	21,786.00	21,786.00
Deferred revenue – short-term	63,927.96	63,927.97

*refer to Note 6.27

6.20. Information on operating segments

UNIHOUSE S.A. conducts operations within one operating segment - "Modular construction".

In 2020, the Company obtained revenue from four individual external clients exceeding 10% of total revenue:

- Client No. 1 – 21%
- Client No. 2 – 18%
- Client No. 3 – 14%
- Client No. 4 – 13%

The Company has no corresponding revenue in 2019.

Information on geographical areas

Period ended on 31/12/2020		Revenue from external clients	Fixed assets*
Country	Description		
		5,712,912.39	1,687,560.63
Export, including:		220,001,805.14	65,826,293.23
Scandinavia		219,414,907.86	65,652,665.12
including: Norway		206,152,884.12	61,786,548.76
Germany		586,897.28	173,628.11
Total		225,714,717.53	67,513,853.86

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

Period ended on 31/12/2019		Revenue from external clients	Fixed assets*
Country	Description		
		3,668,190.04	7,149,177.70
Export, including:		26,710,679.90	51,538,727.35
Scandinavia		26,710,679.90	51,538,727.35
including: Norway		26,648,836.36	51,391,937.80
Total		30,378,869.94	58,687,905.05

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

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



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6.21. Revenue from contracts with customers

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

NET REVENUE FROM SALES OF PRODUCTS AND SERVICES	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Total revenue from sales of products – domestic	5,320,444.66	3,629,486.86
Sales of construction services	3,485,243.54	2,072,002.86
Sales of other services	1,835,201.12	1,557,484.00
Total revenue from sales of products – export	220,114,579.16	26,710,679.90
Sales of construction services	220,114,579.16	26,710,679.90
Net revenue from sales of products and services	225,435,023.82	30,340,166.76

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

NET REVENUE FROM SALES OF PRODUCTS AND MATERIALS	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Sales of materials – country	279,693.71	38,703.18
Construction activities	279,693.71	38,703.18
Net revenue from sales of goods and materials	279,693.71	38,703.18

Breakdown of revenue by client category

	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Public client	5,760,221.08	2,133,846.40
Private client	219,954,496.45	28,245,023.54
Revenue from contracts with customers	225,714,717.53	30,378,869.94

Breakdown of revenue by price category

	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Flat rate	225,714,717.53	30,378,869.94
Cost estimation	-	-
Revenue from contracts with customers	225,714,717.53	30,378,869.94

6.22. Costs by type

SPECIFICATION	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Amortisation	4,098,817.96	611,794.67
Consumption of materials and energy	70,628,395.01	7,737,633.65
Outsourced services	89,225,227.33	12,154,053.83
Taxes and charges	1,537,880.76	443,918.32
Payroll	41,956,512.73	6,558,612.03
Social security and other benefits	10,055,126.13	1,470,722.28
Other costs by type	3,719,061.61	560,564.19
Total costs by type	221,221,021.53	29,537,298.97
Change in inventory, products and prepayments/accruals	3,293,704.96	714,000.42
Manufacturing cost of products for internal purposes	-43,160.10	-
General and administrative costs	-7,391,794.65	-1,443,698.68
Manufacturing costs of products and services sold	217,079,771.74	28,807,600.71

6.23. Other operating revenue and expenses

OTHER OPERATING REVENUE

OTHER OPERATING REVENUE	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Profit on disposal of non-financial fixed assets	17,030.38	-
Penalties and compensations	41,701.07	1,727.42
Other	386,408.08	38,295.26
Other operating revenue,	445,139.53	40,022.68

OTHER OPERATING EXPENSES



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OTHER OPERATING EXPENSES	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Loss on disposal of non-financial assets	-	946.83
Damage to property and compensations	31,169.12	-
Other	544,684.26	36,187.29
Other operating expenses	575,853.38	37,134.12

6.24. Financial revenue and expenses, expected credit losses

FINANCIAL REVENUE

SPECIFICATION	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Interest:	56,137.09	8.09
including interest calculated using the effective interest rate	53,689.69	8.09
interest on receivables	52,480.55	-
bank interest	1,209.14	8.09
Other interest	2,447.40	-
Total other financial revenue	1,218,332.61	603,697.85
Financial revenue	1,274,469.70	603,705.94

Other financial revenue

Other financial revenue	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Foreign exchange gains	275,268.61	603,697.85
Other, including:	943,064.00	-
valuation of derivative instruments	931,314.00	-
commissions on financial operations	11,750.00	-
Total other financial revenue	1,218,332.61	603,697.85

FINANCIAL EXPENSES

SPECIFICATION	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Interest, including:	701,173.71	98,806.43
interest on credits and loans	308,202.34	84,112.47
interest on lease	237,449.09	11,004.83
valuation of credits and loans	-21,981.13	3,605.49
interest on liabilities	52,976.16	83.64
Other	78,254.32	-
Interest expenses on deposit	46,272.93	-
Total other financial expenses	762,832.36	14,576.50
Financial costs	1,464,006.07	113,382.93

Other financial expenses

Other financial expenses	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Other, including:	762,832.36	14,576.50
commissions	154,511.74	14,576.50
Valuation of derivative instruments	608,320.62	-
Total other financial expenses	762,832.36	14,576.50

EXPECTED CREDIT LOSSES

EXPECTED CREDIT LOSSES	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Trade receivables	298,496.21	476,015.49
Contractual assets	-	29,605.22
Expected credit losses	298,496.21	505,620.71

6.25. Profit (loss) per share

Description	as of 31/12/2020	as of 31/12/2019
Number of ordinary shares as of	22,500,000	22,500,000
Weighted average number of shares in the period	22,500,000	1,116,847.83
Net profit	118,984.91	302,879.00
Basic profit per 1 share	0.01	0.27



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6.26. Incurred capital expenditures

CAPITAL EXPENDITURES

CAPITAL EXPENDITURES	as of 31/12/2020	as of 31/12/2019
Tangible fixed assets:	11,070,437.20	348,254.89
Buildings, premises, civil and water engineering structures	5,374,238.96	-
technical equipment and machines	5,405,393.11	127,074.27
other tangible fixed assets	290,130.88	21,335.00
tangible fixed assets under construction	674.25	199,845.62
Intangible assets	115,251.69	11,008.42
TOTAL	11,185,688.89	359,263.31

6.27. Contribution in kind of organised part of an enterprise

On 1/11/2019, UNIBEP S.A. made a contribution in kind of organised part of an enterprise to UNIHOUSE SA in exchange for taking up new issue shares. The organised part of an enterprise applied to UNIHOUSE Oddzial UNIBEP S.A.

The value of assets and liabilities transferred in the form of a contribution in kind is presented in the table below.

Description	as of 01/11/2019
ASSETS OF AN ORGANISED PART OF AN ENTERPRISE	
LONG-TERM FIXED ASSETS	
Tangible fixed assets	52,201,896.98
Intangible assets	5,142,520.32
Long-term prepayments and accruals	118,693.88
Total (long-term) fixed assets	57,463,111.18
SHORT-TERM CURRENT ASSETS	
Inventory	5,520,900.89
Trade and other receivables	5,721,199.56
Contractual assets	21,203,610.95
Short-term prepayments and accruals	589,039.91
Cash and cash equivalents	30,055,667.07
Total (short-term) current assets	63,090,418.38
TOTAL ASSETS	120,553,529.56

Description	as of 01/11/2019
LIABILITIES OF AN ORGANISED PART OF AN ENTERPRISE	
Total equity	-
Long-term liabilities	
Credits, loans and other financial liabilities – long-term	14,748,231.12
Long-term provisions	1,350,093.00
Deposits on contracts with clients	27,753.01
Deferred revenue – long-term	924,536.72
Deferred tax provisions	3,192,773.00
Total long-term liabilities	20,243,386.85
Short-term liabilities	
Trade and other liabilities	4,799,828.92
Deposits on contracts with clients	34,836.91
Contractual liabilities	39,266,208.30
Credits, loans and other financial liabilities – short-term	5,748,678.74
Short-term provisions	1,945,979.21
Deferred revenue – short-term	21,786.00
Total short-term liabilities	51,817,318.08
TOTAL LIABILITIES	72,060,704.93

As a result of contribution in kind of organised part of an enterprise, the share capital increased by 2,150,000.00 PLN and a supplementary capital from the sale of shares above the nominal price of 36,550,000.00 PLN, and a reserve capital of 9,792,824.63 PLN were created.



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6.28. Explanations to the cash flow statement

	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Amortisation:	4,098,817.96	611,794.67
amortisation of tangible fixed assets and intangible assets	4,098,817.96	611,794.67
Exchange rate gains (losses)	-331,291.01	-259,759.65
exchange rate differences on cash, credits, loans, leases, income tax	-331,291.01	-259,759.65
Interest and profit sharing (dividend)	743,555.29	113,374.84
interest paid on credits, loans, bonds and factoring – total	308,202.34	84,112.47
commissions on credits, bonds, guarantees, factoring – paid	154,511.74	14,576.50
Other commissions received	-11,750.00	-
total other interest received	-3,656.14	-8.09
Other accrued interest not received	-41,478.70	-
valuation of credits, bonds, loans received	-21,981.13	3,605.49
remaining interest to be paid	34,020.40	78.74
other interest paid – total	88,347.71	4.90
interest paid on lease	237,339.07	11,004.83
Profit (loss) on investment activities	-373,489.55	-
revenue from disposal of tangible fixed assets	-17,102.62	-
Net value of disposed tangible fixed assets	-33,393.55	-
Derivative instruments	-322,993.38	-
Change in provisions	7,492,685.46	1,015,410.76
balance sheet change in provisions for liabilities	7,479,852.46	4,311,482.97
value of provisions included/excluded as a result of a contribution in kind of organised part of an enterprise*	-	-3,296,072.21
Change in provisions not affecting the current result	12,833.00	-
Change in inventory	1,014,368.34	-2,239,109.30
balance sheet change in inventory	1,014,368.34	-7,760,010.19
value of inventory included/excluded as a result of contribution in kind of organised part of an enterprise	-	5,520,900.89
Change in receivables	-16,971,621.50	-35,239,219.43
balance sheet change in short-term receivables	-16,971,621.50	-62,164,029.94
receivables included/excluded as a result of a contribution in kind of organised part of an enterprise*	-	26,924,810.51
Change in short-term liabilities excluding financial liabilities	12,003,533.24	22,789,031.05
balance sheet change in short-term liabilities	10,396,189.25	67,072,212.51
balance sheet change in long-term liabilities	1,425,719.97	167,940.56
change in investment liabilities	181,624.02	-322,494.88
operating liabilities included/excluded as a result of a contribution in kind of organised part of an enterprise*	-	-44,128,627.14
Change in prepayments and accruals	-1,123,455.07	116,826.81
balance sheet change in prepayments and accruals – assets	-1,059,527.12	-587,275.98
balance sheet change in prepayments and accruals – liabilities	-63,927.95	942,691.72
prepayments and accruals acquired/disposed of as a result of a contribution in kind of organised part of an enterprise – assets*	-	707,733.79
prepayments and accruals acquired/disposed of as a result of a contribution in kind of organised part of an enterprise – liabilities*	-	-946,322.72
Other adjustments	-21,756.16	-21,135.28
cash revaluation write-down	-	-
Other adjustments	-21,756.16	-21,135.28
Income tax paid/refunded	-101,596.01	-

*refer to Note 6.27

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

SPECIFICATION	as of 31/12/2020	as of 31/12/2019
Cash at bank	15,470,420.98	16,244,441.83
including:		
exchange rate differences on balance sheet valuation	-163,305.16	-238,058.68
TOTAL	15,307,115.82	16,006,383.15

There are no restricted funds as of 31/12/2020 and 31/12/2019.



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6.29. Business mergers

In 2020, UNIHOUSE S.A. did not merge with any other economic entity.

6.30. Description of corrections of previous period errors

The 2019 financial statements were the first statements of UNIHOUSE S.A.

6.31. Investments in jointly controlled entities

None

6.32. Investments in other entities

None

6.33. Transactions with related entities

As of 31/12/2020

Description	Trade and other receivables	Trade and other liabilities	Credits, loans and other financial liabilities	Tangible fixed assets	Intangible assets
UNIBEP S.A.	8,741,615.25	2,945,932.35	10,090,797.70	674.25	10,000.00
Budrex Sp. z o.o.*	-	10,019.58	775,941.50	734,055.93	-
Lovsetvegen 4 AS**	-	1,190.90	-	-	-
Total transactions with related entities	8,741,615.25	2,957,142.83	10,866,739.20	734,730.18	10,000.00

As of 31/12/2019

Description	Trade and other receivables	Trade and other liabilities	Credits, loans and other financial liabilities	Tangible fixed assets	Intangible assets
UNIBEP S.A.	8,738,846.00	909,244.27	-	-	10,000.00
Budrex - Kobi Sp. z o.o.*	-	16,232.80	872,225.35	872,225.35	-
Total transactions with related entities	8,738,846.00	925,477.07	872,225.35	872,225.35	10,000.00

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

Description	Revenue from contracts with clients	Purchase of products, goods and materials	Financial revenue	Financial costs	Other operating expenses
UNIBEP S.A.	46,584,223.47	4,704,040.26	-	90,797.76	13,526.20
Budrex Sp. z o.o.*	-	77,058.71	-	49,031.56	-
Unidevelopment S.A.	34,637.15	-	-	-	-
Total transactions with related entities	46,618,860.62	4,781,098.97	-	139,829.32	13,526.20

For the period from 01/04/2019 to 31/12/2019

Description	Revenue from contracts with clients	Purchase of products, goods and materials	Financial revenue	Financial costs	Other operating expenses
UNIBEP S.A.	5,276,340.27	739,196.16	4,870.35	117.61	11,073.83
Budrex - Kobi Sp. z o.o.*	-	13,197.40	-	-	-
Total transactions with related entities	5,276,340.27	752,393.56	4,870.35	117.61	11,073.83

*on 22/01/2020 a change of name to Budrex Sp. z o.o. was registered in the National Court Register.

** Lovsetvegen 4 AS - indirectly jointly controlled

These statements do not include the contribution in kind of organised part of an enterprise which is described in Note 6.27.



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6.34. Management Board and Supervisory Board

MANAGEMENT BOARD

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

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

- Marcin Kazimierz Gołębiewski – President of the Management Board
- Sławomir Kiszycycki – Vice-President of the Management Board
- Roman Jakubowski – Member of the Management Board

SUPERVISORY BOARD

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

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

- Leszek Marek Gołębiewski – Chairman of the Supervisory Board
- Jan Mikołuszko – Deputy Chairman of the Supervisory Board
- Dariusz Tomasz Skowroński – Member of the Supervisory Board
- Bożenna Anna Lachocka – Member of the Supervisory Board

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

The managing and supervising persons do not hold any shares of the Company and are not entitled to such shares.

6.36. 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 UNIHOUSE S.A.

MANAGEMENT BOARD

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

SUPERVISORY BOARD

- Leszek Marek Gołębiewski is the President of the Management Board of UNIBEP S.A.
- Jan Mikołuszko is the Chairman of the Supervisory Board of UNIBEP S.A.
- Bożenna Anna Lachocka is a shareholder holding 7.13% shares of UNIBEP S.A.

6.37. Salaries of members of the Management and Supervisory Boards

SALARIES OF THE MANAGEMENT BOARD:

Name and surname	01/01/ - 31/12/2020	01/04/ - 31/12/2019
Sławomir Kiszycycki	120,000.00	39,500.00
Przemysław Piotr Pruszyński	424,000.00	80,000.00
Roman Jakubowski	344,100.24	60,042.37
Marcin Kazimierz Gołębiewski	343,200.00	60,553.92
Total:	1,287,300.24	240,096.29

SALARIES OF THE SUPERVISORY BOARD:

Members of the Supervisory Board of UNIHOUSE S.A. do not receive salaries for their Board membership with the exception of Ms. Bożenna Lachocka, who received a salary in the amount of 18,900.00 PLN in 2020.



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6.38 Transactions with related entities through members of the supervisory body of the Company

In 2020, 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.

6.39. Contracts concluded between UNIHOUSE S.A. and members of the management bodies

The President of the Management Board of UNIHOUSE S.A. holds the position on the basis of an appointment by the Supervisory Board.

In connection with their work and function on the Management Board, The other Members of the Management Board of UNIHOUSE S.A. are employed by UNIHOUSE S.A. on the basis of managerial contracts concluded for the duration of the term of office of the Management Board (fixed-term employment contract). They are currently bound by their employment contracts from 04/11/2019 until the expiry of their mandate as Members of the Management Board due to the expiry of the first three-year term of office of the Management Board.

Pursuant to the provisions of the aforementioned contracts, the Members of the Management Board of UNIHOUSE S.A. are entitled to an annual bonus calculated on the consolidated net profit of the Company, subject to the fulfilment of additional conditions, for each financial year in the amount of:

Marcin Kazimierz Gołębiewski - 2%;

Roman Jakubowski - 2%.

Pursuant to the content of the concluded employment contracts, in addition to their salaries, the employer guarantees to the Members of the Management Board payment of compensation in the amount of 3 times the average monthly salary of the employee, in the event of termination of their employment contract by notice of the employer for reasons not attributable to the employee. Members of the Management Board are not entitled to other salary components specified in the Work Regulations.

The Members of the Management Board of UNIHOUSE S.A. also signed non-competition agreements with the Company for the duration of their employment relationship (the prohibition of competition applies for the entire duration of the employment relationship) and non-competition agreements applicable after termination of employment (the prohibition of competition applies for 6 months after termination of their employment relationship). For the duration of the non-competition clause (for a period of 6 months), the Members of the Management Board shall be entitled to compensation amounting to 25% of the salary received by such persons before termination of their employment relationship, for a period of six months, which shall be paid to the employee in six equal instalments.

6.40. Contingent assets and liabilities, guarantees

6.40.1. Contingent assets and liabilities

	as of 31/12/2020	as of 31/12/2019
CONTINGENT ASSETS	1,500,000.00	600,000.00
From related entities	1,500,000.00	600,000.00
Bills of exchange received as hedging	1,500,000.00	600,000.00
CONTINGENT LIABILITIES	-	-
Disputes	319,000.00	-

DISPUTES

Claims against Unihouse S.A.

A claim for 955 thousand PLN 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 where a Unihouse S.A. employee who was crushed by a module during the assembly of modules. The employee suffered serious life-threatening injuries. On 29 July 2020, the lawsuit claim of the injured party was served against AXA Ubezpieczenia TUiR S.A., Unibep S.A. and Unihouse S.A. All three entities were sued in solidum.

Until the date of publication of these financial statements, three hearings were held at which witnesses were heard. The District Court ordered all defendants jointly and severally to pay the plaintiff a monthly sum of 2,700 PLN. The date of the next hearing has not been set yet. We are currently waiting for court-appointed medical experts to provide their opinion.

Cases filed by Unihouse S.A.



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The investor Eco City Sopot sp. z o.o. did not settle a part of the construction project. The claim is not disputed in principle. The investor claims that Unihouse has not completed this part of the contract. Unihouse, on the other hand, said that the investor had made too many deviations from the original concept and demanded payment before making any further amendments. Before the case was referred to a court, the investor repeatedly asserted that it would pay the invoice. The lawsuit claim was filed in early June 2020. The order is not final, and an objection was received on 24 July 2020. Unihouse did not agree to mediation.

A court correspondence responding to the objection is being prepared. The court decided to hear the witnesses by correspondence, and it sent questions to the witnesses. We are waiting for the hearing date to be set.

6.40.2. Guarantees

Description	as of 31/12/2020	as of 31/12/2019
GUARANTEES RECEIVED	35,592,461.93	-
From related entities	-	-
From other entities	35,592,461.93	-
GUARANTEES GRANTED	21,775,638.69	-
To related entities	-	-
To other entities	21,775,638.69	-

6.41. Effect of the COVID-19 coronavirus epidemic on the operations of Unihouse S.A.

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

In connection with the emergence of the coronavirus around the world and in the area of activity of Unihouse, the Management Board once again analysed its own current situation and that of its environment, as well as its possible impact on the prospects of the Company. It assessed the opportunities and risks associated with the business, the feasibility of achieving business objectives and the potential effect of the coronavirus epidemic on tangible and intangible resources, the development of business contacts, sales opportunities and activity on the markets of interest to the Company, the effects of administrative decisions and decisions of ordering parties. Credit risk and liquidity have been assessed. The situation was analysed in both short- and long-term. In the opinion of the Management Board, there are no significant circumstances limiting the possibility of realisation of business and investment plans of the Company.

The situation on the market of supplies of basic components necessary for construction works is extremely volatile and dynamic. There are periods when supplies of materials are not delivered on time, but thanks to the timely reaction of the Company to market volatility, this does not translate into postponing the dates of contracts being performed. However, future negative financial impacts caused by the COVID-19 pandemic cannot be ruled out. Border closures may limit imports from other European countries and the world. Consequently, this may limit the ability of the Unibep Group to perform its contractual obligations, particularly outside Poland.

The introduction of restrictions on the movement of people by Norway has had an impact on the costs of maintaining employees in this country, higher than in previous periods. However, they do not have a material impact on the current activities of the Company. It cannot be ruled out that the situation may cause further restrictions in the future periods, which could result in lower levels of human resources available both to the Group and to its subcontractors employing workers from abroad.

The analysis of the possessed assets indicates that there are no material premises for impairment of fixed and current assets and as of today, their adjustment is not necessary. It was found that assets will be used for the current and future portfolio of contracts.

Development plans within the Company take into account the current market situation. The analysis performed to date allows us to conclude that the Management Board does not see any risk of threat to the continuation of activities in all areas of operations of the Company, in line with current expectations. Depending on the development of the epidemiological situation, it cannot be ruled out that revenue will be reduced compared to that expected in certain business areas. We see some sensitivity among investors regarding further developments, but this is less profound than at the start of the pandemic. We take into account behaviour leading to postponing investment decisions until the pandemic is contained. We do not rule out that the situation caused by the next wave of the pandemic may limit the investment spending of the ordering parties, but we are counting on the fact that, similarly to 2020, the tendency to invest will return to the levels similar to those before the pandemic in a few months.

The above situation encourages sales staff to intensify their preparations and identification of client needs. Activities related to activation in new market and product areas are being developed. Diversification of operations may reduce any future negative economic impact associated with the state of pandemic.

At present, the sales markets on which the company and the Group operate have not been closed completely. Restrictions on transport and movement are a part of a continuous analysis and have not been a significant restriction so far. This situation may change, depending on administrative decisions of the authorities. Alternative scenarios for meeting our commitments are being considered. Potential risks are related to the Norwegian market due to its location outside the Eurozone.

The slowdown in the work of governmental and self-government administration bodies and supervision on the part of the ordering parties related to remote work comprised a constraint on the operation of our businesses during the period covered by these financial statements.



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We also see limitations in the organisational efficiency of the back office within the Company. The pandemic situation also resulted in new channels of communication and the development of electronic systems. The implementation of remote and rotational work for some staff in order to counter the spread of the coronavirus has caused organisational difficulties within the annual report preparation process. However, remote work did not significantly affect the achievement of the business objectives of the Company within individual business segments.

We assess the current liquidity situation as good. We do not expect significant potential payment turbulence on ongoing contracts and its impact on our liquidity. Each contract currently implemented in residential, modular and infrastructural construction is financed. Our development group operates in a special purpose company model, which means that, as a rule, it ensures its financing for each new project before it is launched. Our credit situation is in order.

If necessary, the potential deterioration of financial liquidity as a result of payment bottlenecks is to be counterbalanced by the even more rigorous debt monitoring rules applied by the Company than before. In addition, as of the end of the year, we, as the UNIBEP S.A. Group, had overdraft facilities available in the amount of 108 million PLN.

Unihouse S.A. will continue to monitor the potential impact of the coronavirus outbreak and, depending on how the situation develops, will take appropriate steps to mitigate its negative impact. At the same time, in the face of current variables, it sees no risk of continued operations.

In response to the crisis, and the so far unusual situation, a crisis team chaired by the President of the Management Board of UNIBEP S.A. was established as early as the first half of 2020. The team monitors the risks that may affect operations of the Company and of the Group operations, timely completion of contracts and cost increase. At the same time, Unibep Group implements 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 making its decisions.

The above assessment has been made to the best knowledge of the Management Board. The actual scale of the future effects of the COVID-19 pandemic and its impact on the operations of the Company is currently unknown and cannot be estimated and depends on factors that are beyond control of the Company and subject to dynamic change. As a result, it is currently impossible to clearly determine the impact of the COVID-19 pandemic on operations, performance, forecasts and the financial position of the Company.

6.42. Events after the balance sheet date

Information on other significant events after the balance sheet date are included in the Report of the Management Board on Activities of the Unihouse S.A. for 2020 – Section 6.2.

6.42. Employment structure

AVERAGE EMPLOYMENT	01/01/ - 31/12/2020	01/04/ - 31/12/2019
White-collar workers	198	175
Blue-collar workers	342	316
TOTAL	544	491

6.43. Information on contracts with entities authorised to audit financial statements

In 2019, Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, with its registered office in Warsaw at Al. Jana Pawła II 22 was selected to audit the financial statements of UNIHOUSE S.A. and a contract was concluded accordingly. The amount of remuneration under this contract for 2020 is 60,000 PLN.

The above-mentioned amount is a net amount.

7. Approval of the financial statements

These financial statements were authorised in Bielsk Podlaski by the Management Board of UNIHOUSE S.A. on 27/05/2021.



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

President of the Management Board

Marcin Kazimierz Gołębiewski

Vice-President of the Management Board

Sławomir Kiszycki

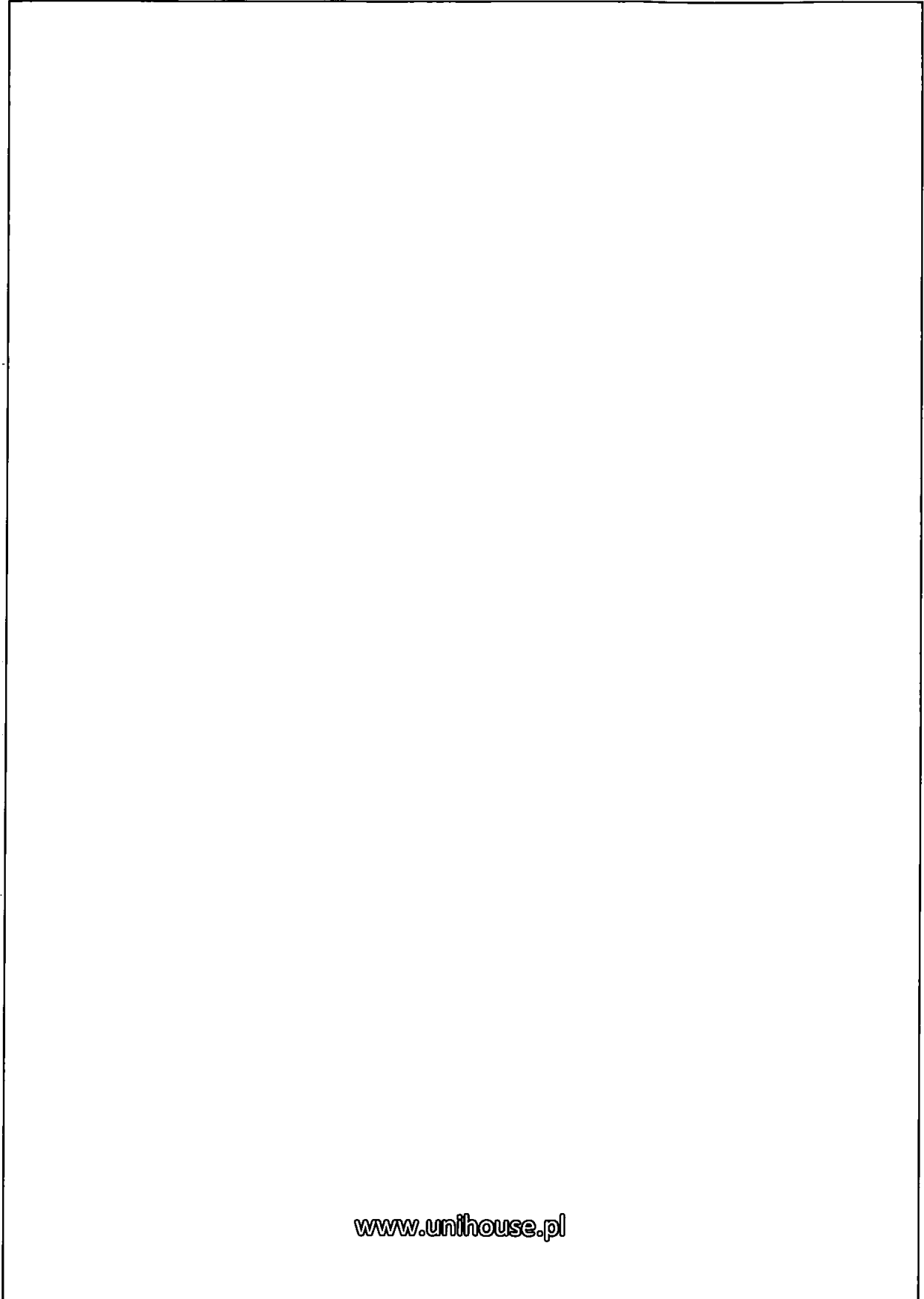
Member of the Management Board

Roman Jakubowski

SIGNATURE OF THE PERSON ENTRUSTED WITH BOOKKEEPING

Chief Accountant

Elżbieta Mleczko



www.unihouse.pl