

2022



MANAGEMENT BOARD'S REPORT

ON THE OPERATIONS OF THE UNIBEP GROUP IN 2022 INCLUDING DISCLOSURE
REQUIREMENTS FOR THE MANAGEMENT BOARD'S REPORT ON THE OPERATIONS OF THE
PARENT COMPANY FOR THE AFOREMENTIONED PERIOD

BIELSK PODLASKI, 27 APRIL 2023

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1. LETTER FROM THE PRESIDENT TO SHAREHOLDERS

Dear Shareholders and Friends of the Unibep Group,

Despite the challenging economic environment expressed primarily in terms of above-average inflation and geopolitical unrest, we maintained our successful trend in 2022 at the level of sales, which grew year-on-year by around 32%, to PLN 2,258 million. In the period under review, EBITDA was at PLN 89 million, which means a 16% increase year-on-year. Our portfolio in the construction and infrastructure part for 2023 and beyond amounts to around PLN 3.8 billion, of which around PLN 2.2 billion is for the current year. Although 2023 will be a difficult year for the construction industry, as the Unibep Group we look to the future with real optimism.



Leszek Gołębiewski, President of the Management Board of Unibep SA

Diversification is key

Our strength is the diversification of the business. Unidevelopment SA generated very good sales and profit results last year, continuing to benefit from the economic boom and recovery still observed in 2021. It is worth mentioning that the 635 units sold by our developer in 2022 is a solid base for good results in future periods. In addition, we recorded sales increases in the volume construction, energy and industrial construction and infrastructure segments.

The energy and industrial construction segment is developing dynamically, focused in the energy part mainly on modernisation of boiler houses, power plants, combined heat and power plants, thermal waste conversion or co-generation facilities, which is currently implementing 15 projects throughout the country, and the value of the order portfolio for 2023 and subsequent years of this business area is PLN 675 million. One of the things we have been observing lately, among others, is the activity of local authorities in upgrading PECs. This is a segment that we particularly look forward to developing, given the inevitable change in the approach to climate protection.

The situation is also stable in the group's other business segments. In residential and commercial construction, Unibep is currently carrying out around 40 projects throughout Poland, mainly for private investors. However, the group sees great potential for cooperation with public entities, i.e. the military, central offices and local governments. The value of the segment's order portfolio for 2023 and beyond is approx. PLN 1.7 billion. In the infrastructure section, where we successfully built, among others, an 80-kilometre dam on the Polish-Belarusian border in 2022, the current value of the order portfolio for 2023 and beyond is approx. PLN 1 billion.

An opportunity for green and energy-efficient buildings

As we reported at the beginning of March this year, our production company Unihouse SA made a loss of approx. PLN 36 million in 2022. This segment of our business has suffered the most from the negative effects of the war beyond our eastern border – a rapid slowdown in investment, a significant increase in material and logistics costs (e.g. the price of sea freight has risen by as much as around 300 per cent), disruptions to supply chains, as well as unplanned downtime and a decline in factory capacity utilisation. It was mainly the loss of Unihouse SA that caused Unibep Group's consolidated net profit to be approx. PLN 32 million against PLN 42 million in 2021.

At the same time, I would like to emphasise that we consider the situation of the modular construction segment in 2022 to be extraordinary and temporary. We look at Unihouse in a broader horizon and strategically remain in several markets: the Scandinavian, German and Polish markets pursuing projects with established, proven partners. Green building trends and attention to energy efficiency in buildings, supported by EU legislation, should drive demand for investment in solutions offered by Unihouse. The current value of its order portfolio to be realised in 2023 and beyond is PLN 203 million.

Ambitious plans for further sustainable expansion

Despite the fact that we have a satisfactory order portfolio in the construction and infrastructure part of each of the aforementioned businesses, we are constantly working actively to further increase our order portfolio – since the beginning of 2023 alone, we have secured contracts worth ap-

prox. PLN 600 million. This allows us to plan our work efficiently and manage our crews effectively, while reducing the risks associated with operating on construction projects due to the volatility in the materials and services market.

Still full of anxiety, we look over the eastern border, where Ukraine is struggling to maintain its sovereignty. Hoping for a quick and just peace, we look to the future when infrastructural assistance to our eastern neighbour will be necessary. We are prepared to become actively involved in the reconstruction of Ukraine, all the more so as we have been present in this market for years and can boast concrete and attractive realisations. We hope for fruitful cooperation between Poland and Ukraine in this area.

I am confident that 2023 will be just as challenging as 2022, however, we are confident in the strength and stability of our company, which has been steadily increasing the scale of its operations over the years, taking full advantage of both prosperous moments and managing resources and potential appropriately during downturns. One of the objectives for the current year is to further increase sales while maintaining attractive profitability rates. We invariably aim to provide customers with the highest quality product, striving to meet their expectations. In doing so, we do not forget the ESG aspects. We want to develop in a sustainable way, bearing in mind respect for the environment, society and corporate governance. This is why we adopted the ESG strategy in 2022, which is the direction of Unibep Group's development.

Given the dynamically changing market environment, we carefully analyse the situation on an ongoing basis and make decisions aimed at improving efficiency within the Unibep Group. Hence, among others, the decision to consolidate in the infrastructure segment – at the beginning of April Budrex Sp. z o.o. became part of the Infrastructure Branch of Unibep SA, which will make it possible to make greater use of synergies between the Group's various businesses and to eliminate or accelerate various processes that result, for example, in cost reductions.

In 2023, our priority is first and foremost to address cash flow on every project we undertake, to deliver all investments on schedule and to the highest quality, and to look after and develop our crew.

I would also like to emphasise that the Unibep Group is flexible and can manage difficult situations effectively. We have proven this time and time again.

Awards and distinctions

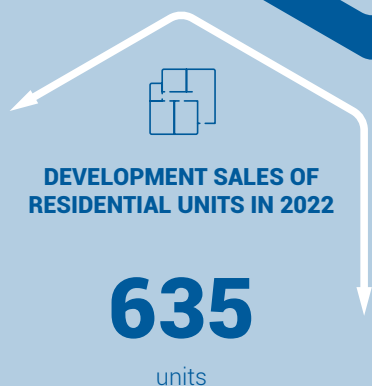
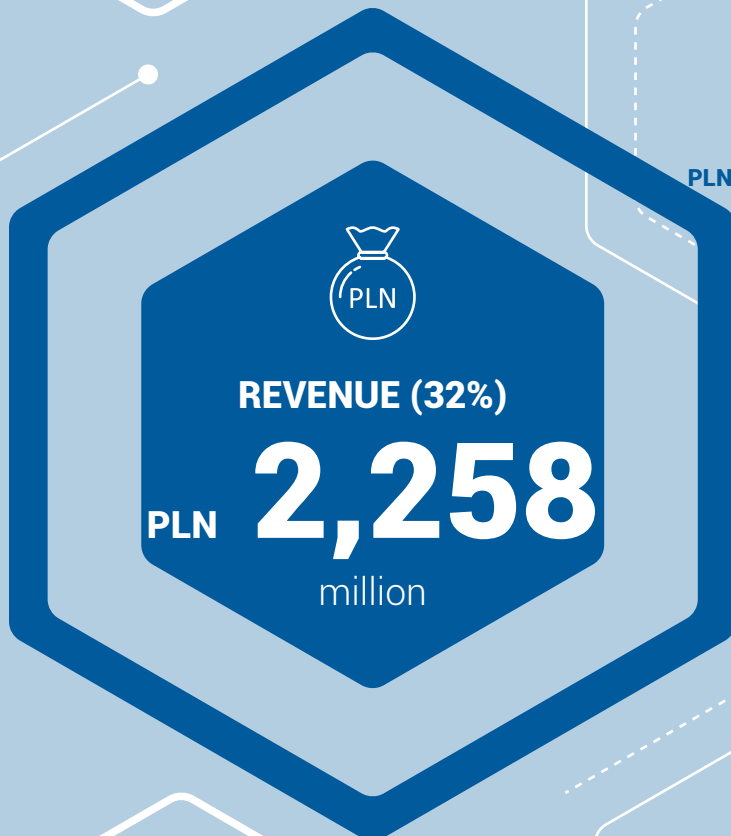
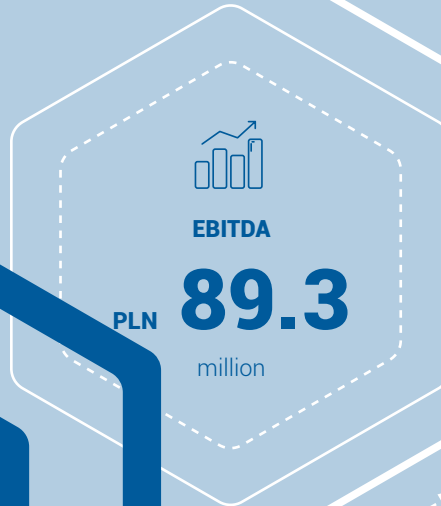
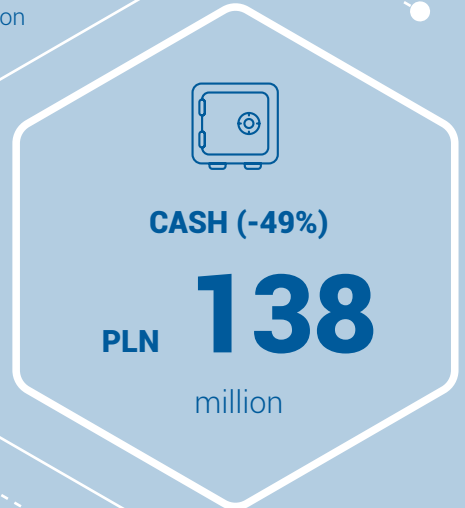
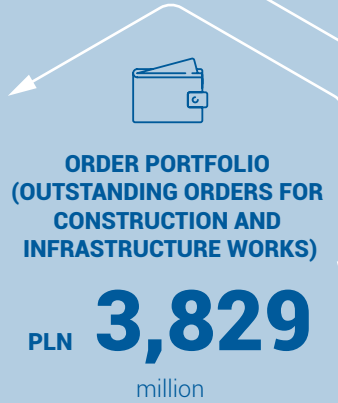
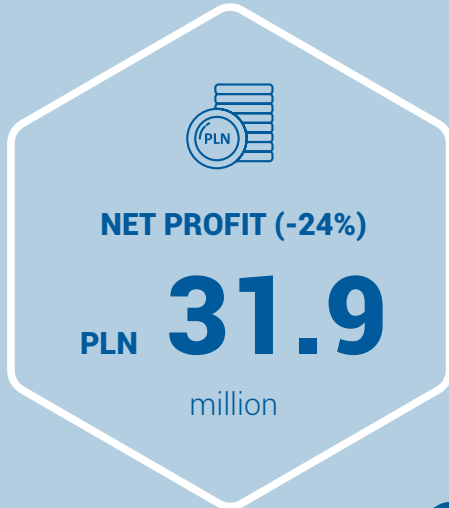
For years, we have enjoyed the trust of customers, contractors and partners, which has resulted in awards and distinctions, and 2022 was full of them. Last year, we received an award in the "Construction Company of the Year" category at the "Diamonds of Infrastructure and Construction"

gala. Awards and distinctions granted as part of this competition emphasise the value brought by infrastructure and construction to the development of Polish economy. In addition, we found ourselves on the podium of the Forbes ranking: "Poland's Best Employers", taking third place among companies in the construction sector. It is impossible not to mention that in the "Employer of Tomorrow" competition of the Polish Agency for Enterprise Development, we were recognised as the best company in our sector. Our realisations are also appreciated by the industry body, with realisations: The Soho 18 housing estate and the Porosły Junction received the first-degree awards in the "Construction of the Year 2021" competition.

I encourage you to read the Unibep Group's 2022 report.

Leszek Gołąbiecki
President of the Management Board of Unibep SA

SELECTED FINANCIAL DATA



2. INTRODUCTION

2.1 INTRODUCTORY INFORMATION

Unibep SA is a company with majority Polish capital. It operated as a state-owned enterprise until 1998. The Company was subsequently transformed into a limited liability company, and in 2006 into a public limited company. In 2008, Unibep SA made its debut on the Warsaw Stock Exchange.

The Company has its headquarters in Bielsk Podlaski, in the Podlasie region. It also has offices in Warsaw, Białystok, Łomża, Poznań, Katowice, Racibórz, as well as abroad, i.e. in Minsk and Lviv. It operates mainly in the Polish market, but it is also an exporter of construction services – it carries out construction projects in Norway, Sweden and Germany. In 2021, Unibep reduced its activities in the Belarusian market and, as a result of these actions, it is currently not carrying out any construction work there. Unibep is also not currently carrying out any construction work in Ukraine, nor are there any Polish employees or subcontractors of the Company there. There is also no equipment or other assets owned by Unibep. Opportunities to return to this market will arise with the end of hostilities by the parties to the conflict.

Unibep is currently one of the leading construction companies in Poland and one of the largest Polish exporters of construction services. According to estimates, it is a leader in residential construction on the largest construction market in Poland – the Warsaw market.

The Unibep Group's operations are diversified. The Group operates in various segments of the construction industry. It is a general contractor in Poland and abroad, it owns the largest modular house production plant in Poland (Unihouse SA), and it is active in infrastructure throughout the country. It also conducts property development activity (Unidevelopment SA) in Warsaw, Poznań, Radom, and, in 2022, it started operations in the Tri-City. On 22 November 2021, the Management Board of Unibep SA made a decision to create an energy and industrial construction segment in the Company from the beginning of December 2021.

The Unibep Group's core business is general construction. Residential and commercial construction business accounts for approx. 44% of total revenue. In the residential and commercial construction segment, the Group has a solid order portfolio – for 2023 and beyond – of approx. PLN 1.7 billion.

The next highest revenue-generating segment is road and bridge construction, which accounts for

approx. 20% of revenue. Thanks to large infrastructure investments in Eastern Poland, this segment of Unibep Group's business can be expected to grow.

The Unibep Group pursues its business objectives with respect for the environment and with future generations in mind while optimally balancing its business activities and progressive climate change. This is confirmed by the adoption and implementation of the ESG strategy, which defines the development of our organisation in the areas of Environment, Society, Corporate Governance.

Unidevelopment SA, a development company from the Unibep Group, achieved a record result in 2022 – with consolidated sales of PLN 333 million, net profit amounted to approx. PLN 55 million. The developer signed 635 contracts with customers and handed over 604 flats. Revenue from property development activity amounted to 14% of the Group's total revenue in 2022. Unidevelopment took advantage of the boom in the property market that took place before the outbreak of war in Ukraine. It currently intends to further expand its operations to the Tri-City market – in 2021, the developer purchased a property in Gdańsk, where it plans to carry out a housing project.

New growth prospects for the Group are created by the energy and industrial segment. It accounted for sales representing 13% of revenue. The organisation of the full-scale business has generated good gross profitability on sales compared to the Group as a whole.

The remaining 9% of revenue is generated by modular construction. Unihouse, which is responsible for developing this segment, is diversifying its business areas. It has recently been intensively developing its activities in the German and Polish markets, maintaining an important role for the Scandinavian markets as well. It is worth mentioning that Unihouse products are part of the global trend concerning the development of green construction, as multi-family buildings are made in modular timber technology. The Unibep Group is ready to take full advantage of the European Green Deal – among others, a programme to support green and energy-efficient construction. Taking into account the development of construction related to the widely understood so-called green energy, the Group has taken steps to expand its activities in this type of projects.

Approximately 90% of the Group's total revenue is generated domestically. The remaining 10% is attributable to the Unibep Group's foreign operations.

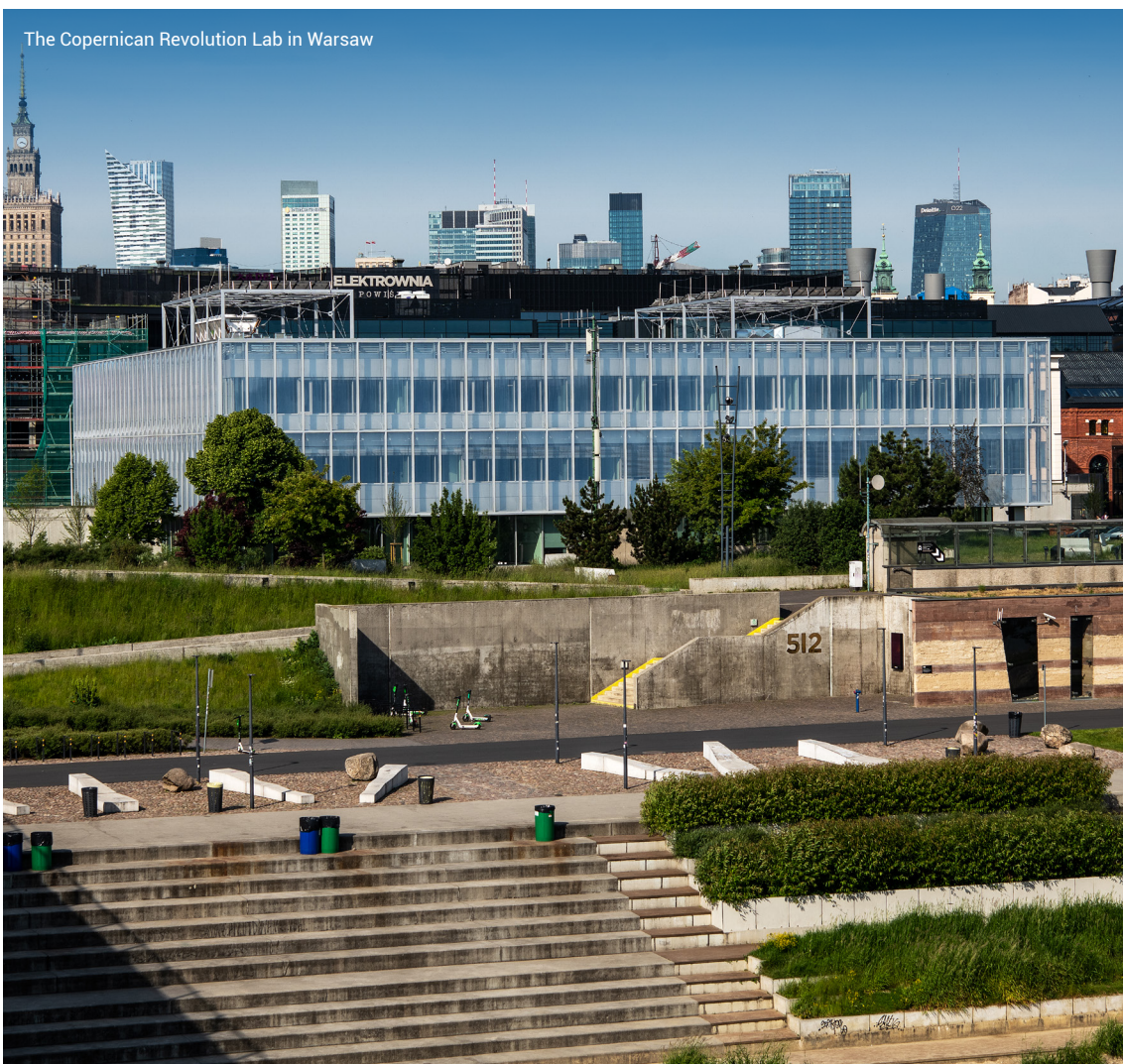
The construction and infrastructure business of Unibep Group currently has an order portfolio of about PLN 3.8 billion for 2023 and beyond.

The Group is constantly active in expanding its order portfolio in various construction segments.

Building a profitable order portfolio in all business segments is a priority in the coming periods. A diverse portfolio of orders, experienced, highly qualified personnel, experience supported by suc-

cessfully completed projects, attention to safety, focus on continuous development are among the core values of the Unibep Group.

The goal of the Unibep Group is to consistently increase efficiency in each area of activity, using, among others, the effect of synergy between businesses. Diversified operations provide the Group with a stable financial position and allow it to consistently build shareholder value.



ACTIVITY SEGMENTS OF UNIBEP



Segment: RESIDENTIAL AND COMMERCIAL CONSTRUCTION

Unibep SA

General contracting is carried out by the parent company Unibep SA. The main pillar is residential construction. The company also implements projects associated with commercial construction (hotels, office buildings, retail and service buildings). The segment's operations are conducted in Poland (GC Poland).

Segment: ENERGY AND INDUSTRIAL CONSTRUCTION

Unibep SA

Unibep SA develops a new business segment, which is a response to the needs related to the necessity of transforming the Polish economy towards a zero- and low-emission model, focusing on the tenets of green economy including, among others, the construction of incineration plants, co-generation, distributed district heating, commissioning, system cleaning. From 2023, the export services business (previously recognised within the residential and commercial construction segment) was transferred to the segment structures.

Segment: INFRASTRUCTURE

Unibep SA

Road and bridge construction in north-eastern Poland, carried out in 2022 by the Infrastructure Branch of Unibep SA and Budrex Sp. z o.o. (a highly specialised company building bridges, viaducts and road culverts in almost all of Poland). Budrex Sp. z o.o. was incorporated into the structures of Unibep SA in 2023.

Segment: PROPERTY DEVELOPMENT ACTIVITY

Unidevelopment SA, special purpose companies

The activity is conducted through Unidevelopment SA. Currently projects are being carried out in Warsaw, Poznań, Radom and the Tri-City

Segment: MODULAR CONSTRUCTION

Unihouse SA

Production of timber frame modules for the construction and assembly of multi-family and public buildings in Norwegian, Swedish, German and Polish markets. The projects are carried out by Unihouse SA, a pioneer in the production of modern sustainable timber frame modular buildings in the Polish market.

2.2 EVENT TIMELINE

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

January

- 4 January 2022 The consortium of Unibep SA (leader) and Budrex Sp. z o.o. signed two contracts for the execution of Stage 3 and Stage 4 of the task entitled: "Construction of state border security installations along the section of the Podlaski Border Guard Regional Unit".
- 11 January 2022 The consortium of Unibep SA (leader) and TYTAN Systemy Bezpieczeństwa sp. z o.o. (partner) entered into a contract for the implementation of the task entitled: "Construction of a complex of buildings with accompanying infrastructure for the needs of the Military Unit in Węgorzewo – procedure no. 47/ B".
- 13 January 2022 Unihouse SA entered into a contract with Carestone Projekt I GmbH for the development of the project entitled: "Neubau einer Seniorenresidenz" in Mittelkalbach, Germany, using modular technology.
- 14 January 2022 Unihouse SA signed a contract with the ARGE Wohnanlage Kriftel consortium consisting of: AH Aktiv-Haus GmbH and WOLFF & MÜLLER Hoch-und Industrie-bau GmbH & Co. KG Zweigniederlassung Modulares Wohnen for the implementation of the project entitled: "Kriftel Raiffeisenstraße" in Kriftel, Germany, using modular technology.
- 24 January 2022 Unibep SA concluded a contract for the implementation of the project entitled: "Construction of the campus of the Feliks Nowowiejski Academy of Music in Bydgoszcz with internal and external infrastructure at 9-11 Chodkiewicza Street in Bydgoszcz".
- 27 January 2022 Wreath on the TBS Pełczyńskiego project.

February

- 7 February 2022 Unihouse SA entered into a contract with Øvre Eikervei 126 AS for the implementation of Stage 1 of the project entitled: "Solfast Park" in Drammen, Norway, using modular technology.
- 10 February 2022 Andrzej Koziół became vice-president of the management board, production director of Budrex Sp. z o.o.
- 10 February 2022 Unihouse SA confirmed the acceptance of orders for

the supply of modules received from Adapteo Oyj, Finland, in execution of the 2020-2022 supply framework agreement in force between the parties. A total of 276 modules will be built, using technology agreed with the customer.

- 16 February 2022 Unibep SA signed a contract for the implementation in the general contracting system of the housing project at Tadeusza Joteyki Street in Warsaw.
- 23 February 2022 Unibep SA signed a contract with a company owned by Unidevelopment SA for the implementation of Stage 5 of the residential project entitled: "19. Dzielnica" at Kolejowa Street in Warsaw.

March

- 4 March 2022 – the next edition of the Unibep SA Annual Meeting.
- 9 March 2022 Unibep SA was recognised in the "Construction Company of the Year" category at the "Diamonds of Infrastructure and Construction" gala.
- 11 March 2022 Unibep SA signed a contract for implementation in general contracting system of Stage 3 of the housing project at Jana Henryka Dąbrowskiego Street in Poznań.
- 22 March 2022 Unibep SA entered into a contract for implementation in



general contracting system of the Stage DE of a residential project at Szwedzka Street in Warsaw.

- 23 March 2022 UNI 13 Sp. z o.o., with its registered office in Warsaw, a company forming part of the Unibep Group and subsidiary of Unidevelopment SA, and natural persons concluded preliminary contracts for the acquisition of the ownership of three adjacent properties with the total area of approx. 7,5 thousand m², located in Włochy district of Warsaw, for the total price of approx. PLN 34.7 million. The property is earmarked for a development project with the potential to develop approx. 200 residential units.
- 28 March 2022 Unibep SA signed a contract with Mondi Warszawa Sp. z o.o. for the reconstruction and expansion of a warehouse and production hall in Mszczonów.
- 30 March 2022 Unibep SA entered into a contract for the implementation of a task entitled:
 - "Extension of voivodeship road no. 513 along the Lidzbark Warmiński - Wozławki section".

April

- 14 April 2022 Unibep SA signed a contract worth approx. PLN 63.2 million net. We will design and build a 3 km section of the southern bypass of Bielsk Podlaski along national road no. 66 for the General Directorate for National Roads and Motorways in Białystok. A consortium of Unibep, Budrex and Value Engineering will be the contractor for the work.
- 15 April 2022 Unibep SA signed a preliminary contract for the construction of a new hall with Panattoni Development Europe Sp. z o.o. A warehouse and production hall with an area of approx. 58,000 sqm will be built near Łódź.

May

- May 2022 Unibep SA has completed the construction of Stage 2 of the Warszawski Świt project, which is located in Targówek district in Warsaw. The completed Stages 1 and 2 offer a total of 388 new flats.
- 23 May 2022 The hotel industry's most important conference Hotel Investment Trends 2022 took place at the Renaissance Airport Hotel in Warsaw and it was attended by Unihouse staff.
- 23-29 May 2022 A Safety Week is organised for the ninth time. This is

the largest initiative in Poland to improve safety on construction sites in our country. The action is organised by the Agreement for Construction Safety. To date, the initiative has covered construction sites in 400 different locations in Poland and has reached more than 100,000 construction workers. The 2022 edition was accompanied by the slogan "Construction comes to an end. Safety NEVER does!". Unibep SA has been part of the Agreement since 2015.

- 26 May 2022 Opening of Unibep SA office in Racibórz.

June

- 3 June 2022 The PHN Group entered into a contract with Unibep SA for the construction of a housing estate in Warsaw at 19 Kolejowa Street, which will consist of 148 flats.
- 9 June 2022 Unibep SA was recognised as the best company in the construction industry during the 6th edition of the "Employer of Tomorrow" competition of the Polish Agency for Enterprise Development.
- 10 June 2022 Dariusz Tomasz Skowroński, a key co-owner, employee and above all friend of the Unibep Group, died.
- 21 June 2022 The wreath was hung on Stage 2 of the Wola Gabriela project in Warsaw. The Unibep SA team completed work on erecting the structure



of the building, which is Stage 2 of the Wola Gabriela project.

- 29 June 2022 The general contractor Unibep hang a symbolic wreath on the Przystanek Targówek project at 6 Kuflewska Street.

- 30 June 2022 We have started the process of handing over individual sections of the dam on the border with Belarus.

July

- July 2022 Less than two years after the start of construction work, Unibep SA completed the new Copernican Revolution Lab in Warsaw. From the very beginning, i.e. from the concept competition stage, the project was carried out in BIM methodology. Also new to Poland is the ETFE façade used in the building – perhaps the most unusual part of the whole structure.

- 6 July 2022 We published the Unibep Capital Group Integrated Report for 2021 for the first time in our company's history. It has an online formula.

August

- August 2022 BIAWAR – another project for industry completed. Less than a year after signing the contract, Unibep SA completed the construction of a new production hall for Poland's largest manufacturer of technologically advanced heating solutions. The net value of the contract was approx. PLN 24 million. This is Unibep SA's third industrial development at Jacek Kuroń Street in Białystok – the company had previously built modern production and warehouse halls for Rosti Poland and Bravilor Bonamat.

- 17 August 2022 Approximately PLN 370 million net – this is the value of the contract concluded between Unibep SA and Viessmann Technika Grzewcza Sp. z o.o. with its registered office in Legnica. This is the largest contract in Unibep SA's energy and industrial construction segment.

- 31 August 2022 Unibep SA entered into a contract with the "Świt" Housing Cooperative in Elk. For this investor, it will build a boiler plant based on the production of thermal energy from the combustion of biomass.

September

- September 2022 Unibep completed the construction of another residential project, the Rezydencja Iwicka housing estate, which is luxury flats designed with the environment and residents in mind.

- 7 September 2022 Official opening of the new premises in the Bielsk Podlaski office.

- 9 September 2022 A new plant of mineral-asphalt mixtures near Szczyt-no started operating.
- 13 September 2022 Road and bridge workers opened for traffic a new 23-kilometre section of the S61 expressway, which forms part of Via Baltica international route.
- 20 September 2022 The Soho 18 housing estate and the Porosły Junction with the awards in the "Construction of the Year 2021" competition.
- 20 September 2022 The wreath was hung on the "Grzybowska 37" project.
- 23-24 September 2022 Strategy Workshop 2022. For two days, the top management of the Unibep Group: owners, supervisory board members, business heads discussed the challenges facing the Unibep Group.
- 30 September 2022 The Builders' Day 2022, which was held at the Gołębiowski Hotel in Mikołajki. Thanks to the event, people working in the group's various companies were able to get to know each other.

October

- 11 October 2022 The official ground-breaking and digging first dirt with shovels took place on the construction site of the modern Tertio Ponte office



building at Broniewskiego Street in Włocławek.

- 11 October 2022 Foundation stone at the construction site of the Academy of Music in Bydgoszcz.
- 14 October 2022 The energy and industrial construction division of Unibep SA signed a contract for the design and construction of the task entitled: "Modernisation of two boiler houses and construction of one boiler house at the Hajnówka Heat Energy Company".
- 14 October 2022 Official opening of the road DK 66 in Wysokie Mazowieckie.
- 25 October 2022 Unibep SA was ranked 4th in the Podlaskie Voivodeship in the Forbes Ranking of the Most Valuable Polish Family Companies among companies with revenue of more than PLN 100 million.

November

- 3 November 2022 Signing of a contract with Przedsiębiorstwo Energetyki Ciepłej in Ełk.
- 4 November 2022 Unibep SA signed a contract for the construction of a housing project at Herbu Oksza Street in the Ursus district in Warsaw.
- 17 November 2022 Unibep SA ranked 3rd largest company in the Podlaskie Voivodeship, Leszek Gołąbiecki, CEO of Unibep SA – the Manager of the Year 2021. These are the results of the "Golden Hundred Companies of Podlaskie" ranking organised by the "Kurier Poranny" daily.
- 22-23 November 2022 Unihouse representatives took an active part in the PRES Polish Real Estate Summit event, a two-day conference combined with a property fair.
- 25 November 2022 Wood in Architecture – the competition results announced. Nadja Sajjad from the Warsaw University of Technology won the national competition "Wood in Architecture".
- 25-26 November 2022 The edition of East Design Days 2022 is behind us, one of the most important events in the Podlaskie Voivodeship for discussions about art and architecture. One of the organisers of the event was the Unibep Group's Unitalent Foundation.

- 29 November 2022 The wreath was hung on the Smartti Mokotów project in Warsaw.
- 29 November 2022 Unibep SA signed a contract for Stage 1 of the CITY-FLOW housing estate in Warsaw.
- 30 November 2022 Signing of the contract for the construction of the Lune de Malta housing estate in Poznań.

December

- 3-4 December 2022 The real Santa Clause visited Bielsk Podlaski and Białystok for the third time. His arrival was organised by the Unibep Group's Univalent Foundation.
- 13 and 15 December 2022 Unihouse SA signed two contracts with the Warsaw local government for the construction of a nursery and kindergarten using modular timber technology.
- 15 December 2022 The Management Boards of Unibep SA and Budrex Sp. z o.o. adopted resolutions on the merger.



2.3 SUMMARY OF SELECTED FINANCIAL DATA OF THE UNIBEP GROUP

Definitions of alternative performance measures and methodologies for their calculation are presented below and are consistent with selected alternative performance measures presented historically. Information on the presented indicators is periodically monitored and presented in the next interim reports.

SELECTED FINANCIAL DATA FROM THE PROFIT AND LOSS ACCOUNT

	PLN thousand, for the period		EUR thousand, for the period	
	01.01 - 31.12.2022	01.01 - 31.12.2021 restated	01.01 - 31.12.2022	01.01 - 31.12.2021 restated
Net revenue from sales	2,258,312	1,714,018	481,691	374,444
EBITDA (EBIT + amortisation and depreciation)	89,333	77,069	19,055	16,837
EBIT (operating profit/loss)	63,751	55,111	13,598	12,040
Net profit	31,861	42,113	6,796	9,200

SELECTED FINANCIAL BALANCE SHEET DATA

	PLN thousand, as of				EUR thousand, as of	
	31.12.2022	31.12.2021 restated	01.01.2021	31.12.2022	31.12.2021 restated	01.01.2021
Fixed assets	401,088	331,801	294,404	85,522	72,140	63,796
Current assets	1,412,115	1,203,682	932,919	301,097	261,704	202,158
Assets/Liabilities	1,813,203	1,535,484	1,227,323	386,619	333,844	265,954
Equity	383,954	371,993	330,736	81,868	80,879	71,669
Outsourced capital	1,429,248	1,163,490	896,587	304,750	252,966	194,285
Closing balance of cash	137,948	271,461	264,065	29,414	59,021	57,221

SELECTED FINANCIAL DATA FROM THE CASH FLOW STATEMENT

	PLN thousand, for the period		EUR thousand, for the period	
	01.01.2022 r. - 31.12.2022 r.	01.01.2021 r. - 31.12.2021 r.	01.01.2022 r. - 31.12.2022 r.	01.01.2021 r. - 31.12.2021 r.
Cash flows from operating activities	-4,224	-3,012	-901	-658
Cash flows from investing activities	-57,272	-11,153	-12,216	-2,437
Cash flows from financing activities	-72,051	21,685	-15,368	4,737
Total net cash flows	-133,547	7,519	-28,485	1,643

Conversion rules adopted

Items in the profit and loss account and cash flow statement were converted at an exchange rate of EUR 1 = PLN 4.6883 for the period from 01.01.2022 to 31.12.2022 and EUR 1 = PLN 4.5775 for the period from 01.01.2021 to 31.12.2021.

Balance sheet items were converted at an exchange rate of EUR 1 = PLN 4.6899 as at 31 December 2022, EUR 1 = PLN 4.5994 as at 31 December 2021, EUR 1 = PLN 4.6148 as at 1 January 2021.

SELECTED FINANCIAL INDICATORS

Indicator	31.12.2022	31.12.2021	Indicator calculation principles
EBIT profitability	2.82%	3.22%	= EBIT in the period/revenue from sales in the period
Return on sales (ROS)	1.41%	2.46%	= net profit in the period/revenue from sales in the period
Return on equity (ROE)	8.43%	11.99%	= net profit in the period/average equity in the period
General and administrative costs to revenue ratio	2.58%	3.57%	= general and administrative costs in the period/revenue from sales in the period
Overall debt ratio	0.79	0.76	= (long- and short-term liabilities)/total liabilities
Current liquidity ratio	1.25	1.35	= current assets/current liabilities
Cash liquidity ratio	0.12	0.30	= cash/current liabilities

The UNIBEP Group showed a deterioration in net profit/loss in 2022 compared to 2021. Its level is not in line with the expectations and business objectives set in the previous year. The deterioration is mainly attributable to economic effects at Unihouse SA, which was largely influenced by external conditions and the extent to which agreements with business partners were implemented. This situation was reported by the Management Board in current report no. 19/2023 on the occasion of the publication of information on the preliminary consolidated financial results of the Unibep Group. Net profit decreased against adjusted profit for 2021 by approx. 24%.

Sales in the Unibep Group increased year-on-year by approx. 32%. In terms of segments, nearly every segment recorded a growth in revenue compared to 2021. A slight decrease in sales was reported in modular construction.

The residential and commercial construction segment increased its revenue relative to 2021 mainly through external sales (outside the Unibep Group). Sales to the company's own developer, namely Unidevelopment Group companies, slightly decreased. Gross profit margin on sales, despite the increase in sales, decreased by 4.1 p.p. External factors related to inflation, increases in

REVENUE [PLN million]



NET PROFIT [PLN million]



GENERAL AND ADMINISTRATIVE COSTS TO REVENUE RATIO – UNIBEP GROUP [%]



the price of materials and services were important.

In 2022, we made virtually no sales of construction services in export markets. This is due to the withdrawal from the Belarusian and Russian markets and the lack of activity in the Ukrainian market. In 2021, export sales accounted for just over PLN 80 million.

The infrastructure segment increased sales by around 30% compared to the previous year. Gross profitability on sales also increased significantly, by 4.64 p.p. The market situation was also not conducive to doing business. Significant factors influencing the financial parameters obtained are mainly the realisation of the dam on our country's eastern border and the valorisation of remuneration on projects carried out on behalf of the General Directorate for National Roads and Motorways.

Once again, a significant increase in sales and at the same time with a much higher gross profit on sales was recorded by the property development business segment. Gross profitability on sales increased by 7.17 p.p. The developer benefited from the market situation and the opportunity to realise higher margins on projects, despite the slowdown in new housing sales.

The modular construction segment showed a loss in the 2022 results. The impact of the war in Ukraine, high inflation, rising material prices, production stoppages, the lower-than-assumed scale of contract valorisation – these are the main factors affecting the financial effects of the business. The diversification of activities and the development of the German and Polish markets is encouraging.

Very important for 2022 was the launch of the energy and industrial segment. Sales of PLN 312 million and a gross profit on sales of more than PLN 28 million is a significant addition to the Unibep Group's results. Despite the short development period of this segment, a stable order portfolio has been built for 2023 and beyond. The segment is promising well and recognises relatively high margins, but at the same time faces risks specific to newly developed businesses.

Weaker financial performance in 2022 has an impact on lower liquidity ratios. Cost and cash control in each business is a priority to keep the cash situation stable.

The 2022 performance shows stability in the Group's general and administrative costs, which slightly decreased year-on-year. The systematic approach to their planning and control makes them predictable. The general and administrative costs to revenue ratio is below 3%.

The main factors underlying the performance for 2022:

- building a solid order portfolio in terms of sales for 2022 with potential for 2023 and beyond in

all Group businesses,

- good relations with Investors based on timeliness and workmanship standard, allowing contracts to be valorised, mainly in the residential and commercial construction segment,
- relatively high reliance on the residential and commercial construction, including housing premises,
- limitation of activities on the Ukrainian and Belarusian markets,
- building executive capacity and developing activities within the new energy-industrial segment,
- implementation of major infrastructure projects, including on the eastern border, which are important for the security of the region and the country,
- timely and budget-compliant execution of own development projects and projects carried out in the form of joint ventures,
- adapting development products to market expectations related to changes in the ability of potential customers to obtain financing,
- geographic diversification and activation of operations in the field of modular construction – activities related to the presence in the Polish and German markets,
- incomplete utilisation of the production and sales potential of modular construction related to postponements in signing contracts with contractors or changes in schedules by contracting authorities,
- improving work organisation to reduce negative impacts on productivity and efficiency associated with disrupted supply chains, significant increases in transport and energy costs,
- cost and cash control in the execution of contracts in each of the businesses run,
- consistent supervision of the planning and settlement of the Group's administrative costs, continuous supervision of fixed costs,
- continuous improvement of project and organisational processes in all segments of the Group, including the back office,
- taking care of liquidity, ensuring access to external sources of financing,
- continuous process improvement with the use of IT tools, including the development of tools for communication within the organisation and with external partners.

In addition to the internal factors, external factors were equally important for the company's performance. The key external factors include:

- an unprecedented increase in the prices of materials, including timber, services and energy,
- significant increases in transport costs, including freight,
- rising inflation,
- rising minimum wage,
- an increase in the cost of living due to an increase in the price of mine resources,
- hostilities in Ukraine,
- the uncertain political situation in Belarus,
- rising land prices and limited access to investment land,
- limited availability of external financing,
- an increase in the cost of servicing credits due to rising interest rates,
- rising costs of fuel, electricity, heat.

UNIBEP GROUP'S OPERATIONS ABROAD

KEY



Residential and commercial construction
UNIBEP SA



Energy and industrial construction
UNIBEP SA



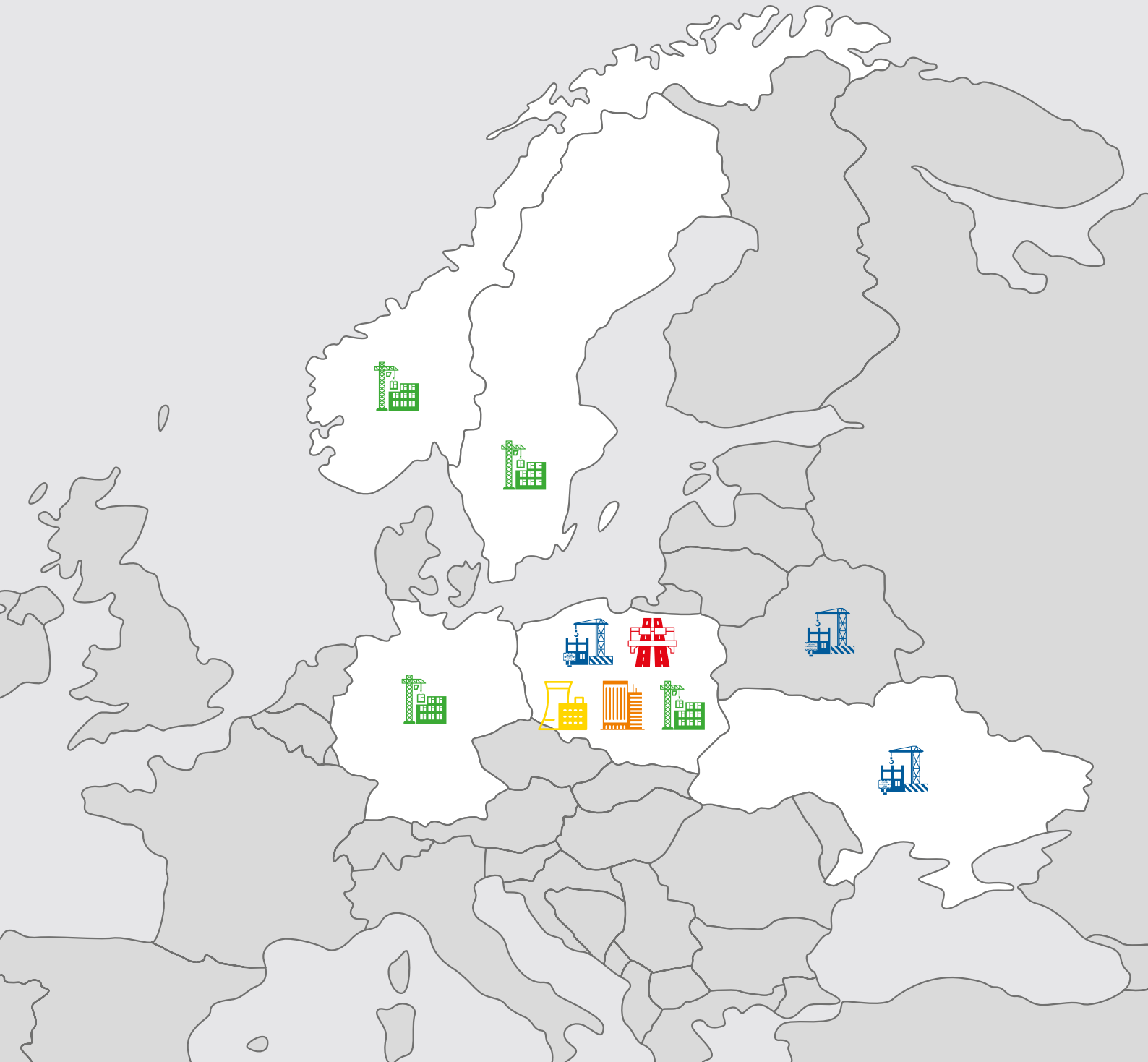
Infrastructure
UNIBEP SA, BUDREX SP. Z O. O.



Property development activity
UNIDEVELOPMENT SA





Modular construction
UNIHOUSE SA



UNIBEP GROUP'S OPERATIONS IN POLAND

KEY

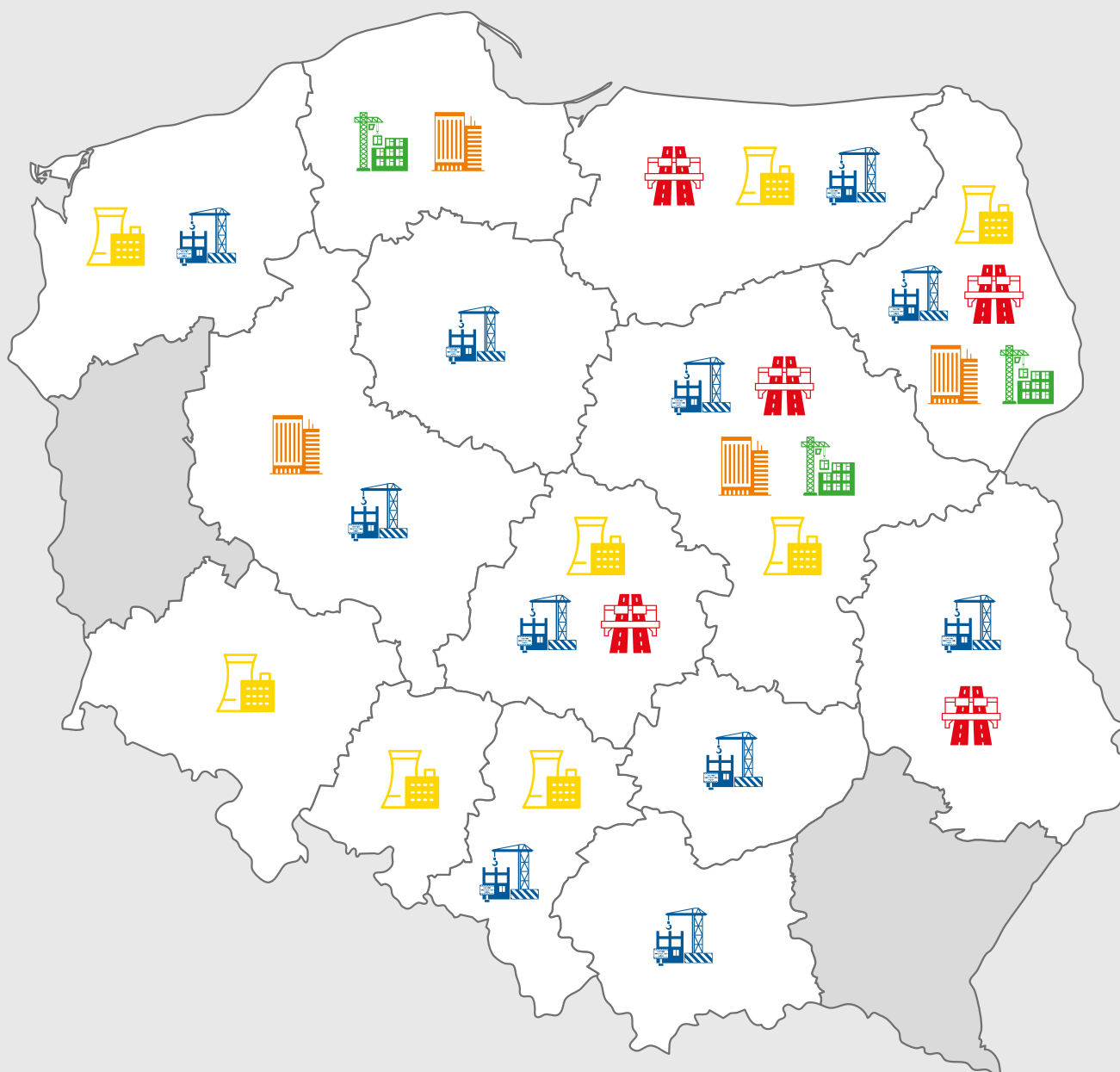
 Residential and commercial construction
UNIBEP SA

 Energy and industrial construction
UNIBEP SA

 Infrastructure
UNIBEP SA, BUDREX SP. Z O. O.

 Property development activity
UNIDEVELOPMENT SA

 Modular construction
UNIHOUSE SA



3. OPERATIONS OF THE UNIBEP GROUP

3.1 OBJECTS OF THE GROUP

Business segments

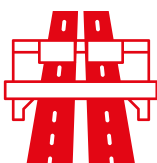
The UNIBEP Group's operations are based on the following segments:



GENERAL CONTRACTING is conducted by the parent company Unibep SA. The main speciality of this segment is residential construction. We enjoy a strong position in the Warsaw and Poznań markets, but also in the Cracow, Katowice and Łódź markets. The company also implements projects associated with commercial construction: hotels, office buildings, retail and service buildings. Efforts to diversify the business have resulted in public and also military construction playing an increasingly important role in the company's activities.



ENERGY AND INDUSTRIAL CONSTRUCTION is carried out by the parent company Unibep SA. The new segment is being developed by the Company since 2022. Despite the short period, a stable order portfolio has been built for 2023 and beyond. The segment is promising well and recognises relatively high margins, but at the same time faces risks specific to newly developed businesses. Areas of interest include large international customer projects and complex EPC projects (Engineering, Procurement, Construction so-called "turnkey" projects). Since 2023, the export of construction services (previously an activity recognised within the residential and commercial construction segment) has been operating within the structures of the segment.



INFRASTRUCTURE, i.e. road and bridge construction is currently carried out entirely by the Infrastructure Branch of Unibep SA (in April 2023, a merger with Budrex Sp. z o.o. took place). The segment's activities focus on the comprehensive execution of road works, including utilities and execution of engineering works. The main area of activity of the Infrastructure Branch of Unibep SA is the north-eastern region of Poland. In 2020, operations were expanded to include the Lubelskie and Warmińsko-Mazurskie Voivodeships. In turn, bridge activities, the realisation of viaducts and road culverts, are carried out almost all of Poland.



PROPERTY DEVELOPMENT ACTIVITY is carried out by Unidevelopment SA and its special purpose vehicles. The company offers residential products for individual customers (multi-family housing segment) and commercial premises. The activity is focused on the Warsaw, Poznań, Radom and Tri-City markets. Unidevelopment SA is a socially responsible company – it carries out activities that have a positive impact on our surroundings. Since 2017, the developer has been running a social campaign called "ecoPOSITIVE – nature is important".



MODULAR CONSTRUCTION is carried out by Unihouse SA. The company's activity involves the production of environmentally friendly wooden modules for the construction and assembly of multi-family and public buildings. The modules are produced in the House Production Plant in Bielsk Podlaski and their assembly takes place on the construction site. The German and Polish markets have been intensively developed recently. They are regarded as the most forward-looking in subsequent periods.

Dependence of the Group on its customers

Due to the type of activity, the Group was not dependent on any customer for services in the reporting period.

Among the Investors in 2022, there was no Investor for which sales exceeded 10% of the total revenue of the UNIBEP Group. Unibep achieved revenue from one external contractor in the amount exceeding 10% of its total revenue from contracts with customers – Victoria Dom SA.

3.2 DESCRIPTION OF THE CAPITAL GROUP

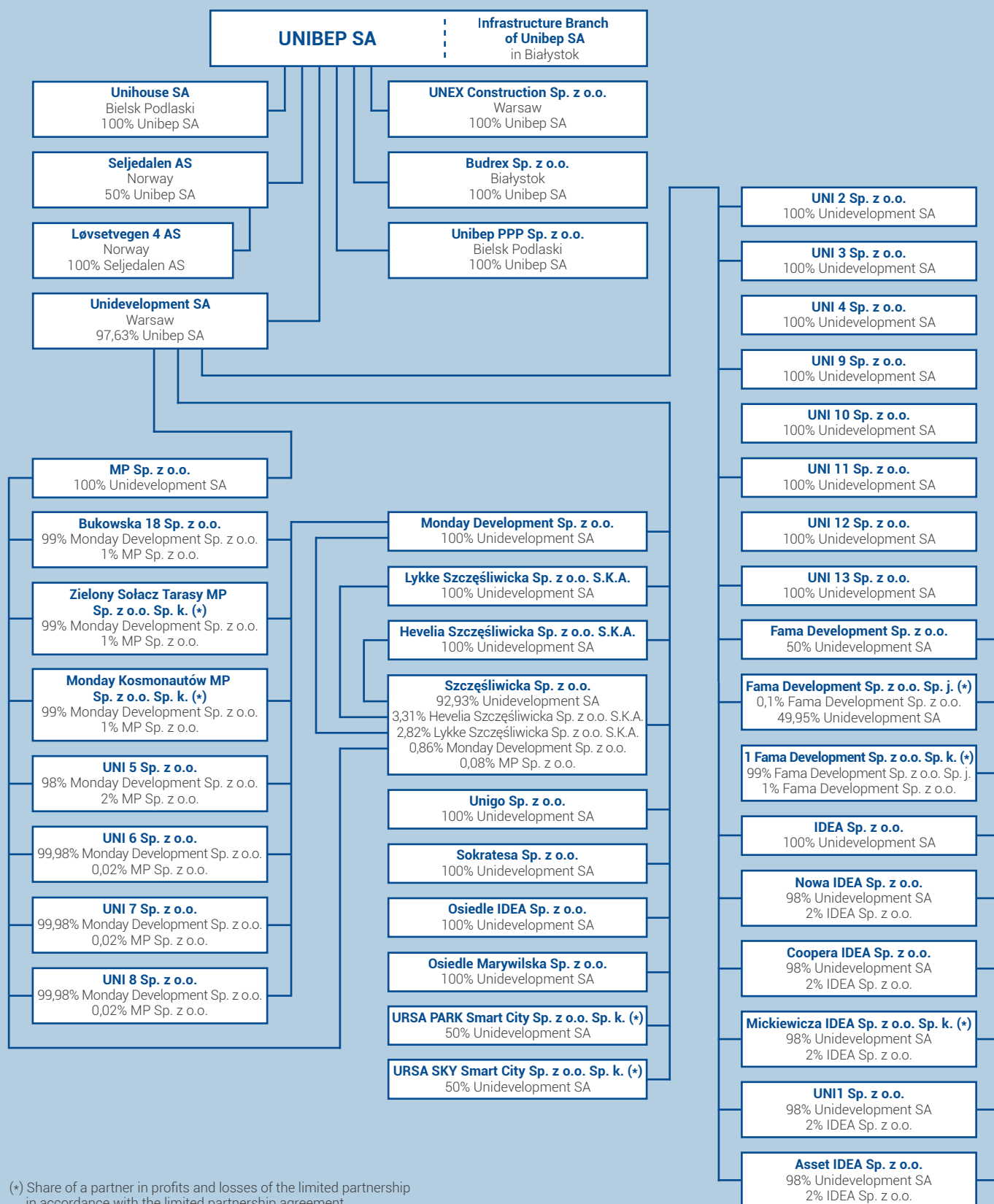
As of 31 December 2022, the UNIBEP Group consists of the Parent Company and five direct subsidiaries of Unibep SA, i.e. UNEX Constructions Sp. z o.o., Budrex Sp. z o.o., Unibep PPP Sp. z o.o., Unidevelopment SA and Unihouse SA. Seljedalen AS is a jointly controlled company. Additionally, the Unibep Group comprises indirect subsidiaries and jointly controlled companies, in which Unidevelopment SA and Seljedalen AS hold shares. Unibep SA also has one branch located in Białystok.

Changes in the Group's structure in 2022

Information on significant changes in the structure of the UNIBEP Group which took place in the period from 01.01.2022 is presented below:

1. On 4 February 2022, Szczęśliwicka spółka z ograniczoną odpowiedzialnością Monday Małe Grabary sp.k. was removed from the National Court Register.
2. On 2 March 2022, by virtue of Annex 4, the investment agreement of 22 February 2017 was changed (as amended) and the implementation agreements thereto were amended, whereby sole control over Ursa Park Smart City Sp. z o.o. was assumed by Unidevelopment SA Sp.k. with its registered office in Warsaw and Ursa Sky Smart City Sp. z o.o. Sp.k. with its registered office in Warsaw.
3. On 8 July 2022, the District Court for the Capital City of Warsaw in Warsaw, 4th Commercial Department of the National Court Register registered a change of data of the general partner in Hevelia UDM Sp. z o.o. S.K.A and entered Szczęśliwicka Sp. z o.o. in place of UDM Sp. z o.o.
4. On 22 September 2022, resolutions were passed to merge the companies: 1) Osiedle Marywil-ska Sp. z o.o. 2) Osiedle IDEA Sp. z o.o. 3) Mickiewiczza IDEA Sp. z o.o. Sp. k. 4) Zielony Sołacz

DIAGRAM OF THE UNIBEP GROUP AS OF 31 DECEMBER 2022



(*) Share of a partner in profits and losses of the limited partnership in accordance with the limited partnership agreement

Tarasy MP Sp. z o.o. Sp. k. 5) Monday Kosmonautów MP Sp. z o.o. Sp. k. with Szczęśliwicka Sp. z o.o. On 4 October 2022, the relevant applications to the National Court Register were submitted.

5. On 15 December 2022, the Management Board of Unibep SA decided on the intention to merge Unibep SA with its subsidiary Budrex sp. z o.o. with its registered office in Białystok. (CR 69/2022)

Changes in the Group's structure after the balance sheet date

1. On 2 January 2023, the National Court Register registered the merger of Szczęśliwicka Sp. z o.o. with the following companies: a) Osiedle Marywilaska Sp. z o.o., b) Osiedle Idea Sp. z o.o., c) "Mickiewicza Idea spółka z ograniczoną odpowiedzialnością" Sp.k., d) Zielony Sołacz Tarasy MP spółka z ograniczoną odpowiedzialnością Sp.k., e) Monday Kosmonautów MP spółka z ograniczoną odpowiedzialnością Sp.k.
2. On 3 April 2023, the District Court in Białystok, 12th Commercial Department of the National Court Register issued a decision on the merger of UNIBEP SA with its registered office in Bielsk Podlaski and BUDREX Sp. z o.o. with its registered office in Białystok. The merger was effected through the transfer of all assets of the acquired company, i.e. BUDREX Sp. z o.o., to the acquiring company, i.e. UNIBEP SA. Thus, UNIBEP SA entered, as of the date of the merger, into all rights and obligations of BUDREX Sp. z o.o. and became a party to all binding contracts concluded by BUDREX Sp. z o.o.

In 2022 and after the balance sheet date, there were no significant changes in the principles of management of the Capital Group and the Parent Company.

3.3 PROCUREMENT INFORMATION

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

The responsibility for purchasing services as part of construction projects lies mostly with the project managers directly involved in supervision over the performance of construction contracts. The purchase of services is each time supervised by the directors responsible for the market or at a higher level, depending on the scale of the contract.

Purchases of building materials are a separate process that is being developed and improved within the Group and the Parent Company. Materials are divided into categories. Depending on the category, the responsibility for the purchasing process, from a requisition, through enquiries and negotiations, to the signing of a contract and monitoring of its performance, rests with the construction site management, the market directors, or the Central Purchasing Office, with the

involvement of the Management Board and the support of the Legal Team. The Central Purchasing Office plays an important and growing role in this respect. Central purchasing of key materials (steel, concrete, stoneware tiles, rock wool, etc.) has a positive impact on production costs. One of the tasks of the Office is also continuous monitoring of prices in the market.

An important element is to maintain continuity in the supply of strategic construction materials.

The Parent Company or the Capital Group was not dependent on any supplier of materials and services in the analysed period. There were no suppliers with a share in the purchases above 10%.

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

3.4 DEVELOPMENT-ORIENTED ACTIVITIES

The development activities that were carried out in 2022 within the Parent Company and the Capital Group and simultaneously had an impact on operations in 2023 and in the subsequent periods include:

- developing the activities and competences in the energy and industrial construction segment, strengthening structures, expanding the area of operations,
- activities aimed at diversifying the operations of all Unibep Group businesses (product and territorial diversification),
- working on programmes related to recruiting, retaining and developing staff; developing the incentive systems, maintaining the position of an attractive employer, implementing the training programmes using external funding from the National Training Fund,
- developing programmes aimed at digitalising the Group's processes,
- continuing activities aimed at promoting the BIM (Building Information Modelling) technology,
- continuing work by the Unihouse Product Standard and Quality Council on the introduction of a

standard applicable to the German and Swedish markets and on changes to optimise material consumption in response to unpredictable price increases for certain materials,

- activities carried out by the Technical Department with a view to optimising the costs of energy and other utilities (adjustment of capacities, tariffs, settlements with suppliers, possibility of using photovoltaics),
- continuing activities aimed at strengthening supervision and improving efficiency with a process approach to the performance of construction projects (from bidding to guarantee service) – construction of an improved model of the controlling process as part of executed construction contracts, a selection of systems for managing construction contracts,
- implementing investment plans aimed at increasing the production capacity and improving the quality of products and services within modular construction and infrastructure,
- developing a base of suppliers of materials and services that mitigate the risks of disrupted supply chains,
- building a land bank as an important element of conducting Unidevelopment SA's operations in a changing environment, adapting the product offering to market expectations,
- taking joint actions by the Group's businesses to enable the use of synergies, allowing for costs optimization or taking advantage of market opportunities,
- further developing quality management systems in UNIBEP branches,
- testing partial robotisation of back office processes,
- continuing work on product standardisation and improvement of Unihouse SA's technology,
- working on the preparation of an automation model for the production of Unihouse SA products,
- adopting the ESG action strategy defining the development of our organisation in the areas of Environment (E), Society (S), Corporate Governance (G),
- agreeing on a branding plan for the Unibep Group.

4. MARKET AND PROSPECTS FOR THE FUTURE

4.1 CURRENT ECONOMIC SITUATION AND FORECASTS

Economic growth

As indicated by the European Commission (EC), the Polish economy continued to grow strongly in 2022, supported by an expansionary fiscal policy, a favourable labour market situation and a large influx of immigrants from Ukraine. However, the data show that economic growth weakened clearly in the fourth quarter, partly due to elevated inflation and tighter financing conditions. Consequently, the EC estimates that Poland's GDP growth in 2022 will be 4.9 per cent. Preliminary estimates from the Central Statistical Office (CSO) also point to 4.9 per cent growth in our country's GDP in 2022.

The EC estimates that elevated inflation and the relatively low assessment of the economic outlook by consumers and businesses will have a negative impact on activity dynamics in the coming quarters. It further points out that the decline in real household disposable income, combined with a low savings rate, will affect private consumption dynamics, which it believes will decline slightly this year. In contrast, private investment, according to the EC, will be influenced by higher interest rates and increased uncertainty. However, high direct investment inflows and an expected increase in public investment should, in the EC's view, support the continued growth of this category. As a result, the EC forecasts economic growth of only 0.4 per cent in 2023.

Inflationary environment

According to the EC, inflation in 2022 was 13.2 per cent. In contrast, the CSO indicates that the increase in consumer prices in 2022 compared to 2021 was 14.4 per cent. The EC expects energy price dynamics to remain elevated this year, despite the government's efforts to curb energy and gas price increases. Core inflation, according to the EC, will remain influenced by high wage dynamics and expansionary fiscal policy, although the decrease in wholesale energy prices and some deterioration in the labour market will gradually dampen inflationary pressures. The EC expects inflation (HICP) to start falling from Q2 this year, reaching single-digit figures as early as Q4 this year. (7.5 per cent). Average annual inflation this year, according to the EC, will fall to 11.7 per cent, falling decisively to 4.4 per cent in 2024.

Construction sector

According to the Polish Association of Construction Employers (PZPB), 2022 can be considered one of the most difficult years in history for the Polish construction industry since the 1990s. "Never before has the construction industry been affected by so much negativity over which companies have no control. Inflation and record contractor costs have contributed to a reduction in the profitability of ongoing contracts. The downturn in investment has led to a decline in demand for construction services. High uncertainty in the global economy and increasing tensions in international relations made planning and business decision-making difficult," – points out the Polish Association of Construction Employers. Referring to the outlook, the Polish Association of Construction Employers stresses that the inflow of new funds from the EU budget for 2021-2027 is not expected until 2024, and that the National Reconstruction Plan (KPO) funds, which were supposed to fill the gap in EU funding in 2022-2023, are still not available to Poland.

In turn, the CSO, referring to the current situation, indicates that the most frequently cited barriers to activity in the construction industry remain the cost of employment, the cost of materials and uncertainty about the general economic situation.

4.2 PROSPECTS AND STRATEGIC DIRECTIONS OF THE GROUP'S DEVELOPMENT

As ever, the strategic objective of development of the Parent Company and the Unibep Group is to systematically increase their value.

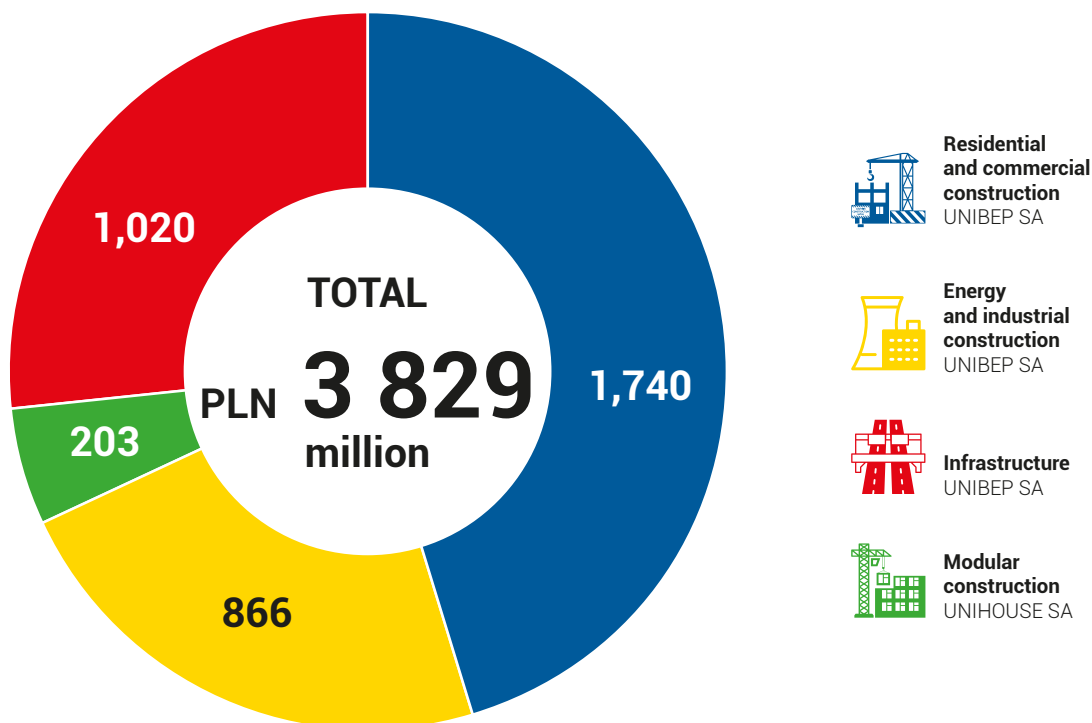
The results presented for 2022 reflect the market conditions that existed during the period, including fluctuations in material prices, increases in maintenance costs and the availability of subcontractor services for day-to-day operations. The impact of the COVID-19 coronavirus epidemic was not as noticeable as in previous years, with the outbreak of the war in Ukraine and the increase in inflation having a greater impact on efficiency and operational performance.

Strengthening the Group's position in all segments of its operations, gaining competence in the necessary areas, diversifying the operations, and performing projects in new markets – these are the unchangeable directions for actions defined and implemented by the Unibep SA's staff and the entire Unibep Group. In November 2021, the Management Board of Unibep SA made a decision to create an energy and industrial construction segment in the Company from the beginning of December 2021. As a result, organisational and corporate measures were taken to separate the

energy and industry division within the Company's organisational structure.

From the standpoint of the Unibep Group, individual companies, and each business, cash flow is an important factor. Awareness of this fact has enabled an effective cash management in the entire Group and strengthening the Group's position of a reliable partner for its financial partners. In addition, it is an important criterion when assessing the possibility of development and implementation of investment plans and proper management of resources.

ORDER PORTFOLIO TO BE EXECUTED FROM Q4 2022 TO YEAR-END AND BEYOND



RESIDENTIAL AND COMMERCIAL CONSTRUCTION

Residential and commercial construction is carried out by the Parent Company Unibep SA. It is the largest segment of the Group's operations and generates approx. 50% of its revenue.

The main specialisation in this segment is the construction of residential buildings (both individual buildings and entire housing estates). Residential construction is focused in Warsaw, Poznań, Cracow, Katowice and Łódź markets.

The diversification of activities makes it possible to distinguish within the segment between office and commercial construction (i.e. offices, hotels, shopping centres, entertainment centres and others), public facilities (schools, kindergartens, swimming pools, monuments, museums, hospitals, operating theatres) and military facilities (building and field structures and equipment and installations, as well as armaments and military technology).

The order portfolio of this segment to be executed in 2023 and beyond amounts to approx. PLN 1.7 billion.

In 2022, the activities of the commercial services made it possible to win 14 contracts for a total value of more than PLN 1.4 billion.

The contract for the construction of the Campus of the Academy of Music in Bydgoszcz, which was won in a public tender, deserves special mention. It is one of the biggest contracts for the implementation of this type of project that Unibep SA has signed in its entire history.

We are seeing an increase in investment in the area of construction of military administration facilities. Events such as geopolitical crises and trends created by major powers have necessitated the renovation, modernisation or expansion of Polish military facilities. This is also partly linked to the situation in Ukraine. In this area, Unibep SA has signed two contracts. These are public procurement projects.

Several important projects were successfully completed in 2022. Among them, an ambitious project designed in BIM is worth mentioning, the Copernican Revolution Lab in Warsaw which is a public utility building. We also use BIM technology in the design of housing estates. One such estate is the project called Fama Jeżyce, which is being constructed on a nearly 8-hectare site of the former Wiepofama production plant in Poznań.

In September 2022, one of our Soho 18 developments was awarded the first prize in the "Construction of the Year 2021" competition. It is one of the most important construction industry competitions in Poland and it has been organised for more than 10 years.

For Unibep as a general contractor of the project, as well as for the construction industry as a whole, 2022 was a very challenging year. There was a lot of uncertainty about Russia's invasion of Ukraine. We struggled with high inflation and rising interest rates, which had a direct impact on, among others, the investment decisions of contracting authorities. For another year in a row, the

increase in the price of construction materials was felt, which had its impact on contract budgets. Contributing to the increase in production costs were expensive raw materials on global markets (e.g. copper, aluminium, iron ore, coking coal, crude oil, tin), high demand for construction materials, disrupted liquidity in supply chains, record electricity prices, an unfavourable PLN exchange rate against the USD and EUR and the pricing policies of material producers and distributors. In addition, we felt the impact of the increase in the minimum wage and upward pressure on wages.

Despite the slowdown in the construction industry, at the beginning of 2023, building material prices are still high, relative to the levels of two years ago. Nor do we expect to see a collapse in the dynamics of rising construction material prices.

A major threat to construction costs are high energy prices. The production process for many building materials is very energy-intensive. A lot of electricity is also needed throughout the project development process.

At all times, as a general contractor, we remain close to the customer, committed to quality and reliability. This allows us to win further contracts with the same contracting authorities.

Understanding in many contracting authorities of the difficult situation made it possible to agree with them a number of surcharges on the implementation costs and thus limit the negative effects of market changes. In addition, changes within the organisation, i.e. modifications to bidding models or the use of synergies, among others, have influenced the efficiency of purchasing processes.

2023 will also be a difficult year, but business is under control. We can see and feel the smaller scale of new investments emerging in the markets. For the whole of 2022, the number of new flats under construction fell by around 28%. The number of flats sold on the primary market fell by more than 45%. Fewer projects means that there is more and more competition in the market.

Invariably, Unibep's goal in the General Contracting segment is to maintain its position as the leader in residential and commercial construction in the Warsaw market. We are also committed to building our position as one of the leading general contractors in the area of residential and commercial construction in Łódź, Poznań, Cracow and Katowice.

We further intend to diversify our order portfolio and fulfil orders for private and institutional investors. We want to build a solid portfolio of realisations in the areas of office and commercial construction, public buildings and military facilities. Since the beginning of 2023, we have managed to win orders for more than PLN 180 million.

The invariable task facing the business is to obtain subsidies and subsequent contract valorisation. We intend to mitigate market risks affecting our margins. It is, however, a process that requires a

lot of effort and time. However, the arrangements do not always compensate for increases in the price of materials and services. A further creative and optimised purchasing policy for services and materials will be required. Controlling cash flow on contracts will also be a priority in difficult times.

Changes in the operating activities of the segment resulted in the separation of service export and its positioning within the structures of the energy and industrial construction segment.



ENERGY AND INDUSTRIAL CONSTRUCTION

Energy and industrial construction is carried out by the Parent Company Unibep SA. This segment was created at the beginning of December 2021 on the basis of the decision of the Management Board of Unibep SA of 22 November 2021. The first two contracts were concluded in December 2021.

Within a year, a full-scale business was organised and launched. The segment's structures are staffed by personnel with experience in the implementation of production and industrial facilities for the chemical, petrochemical and energy industries: factories, laboratories, power plants, halls and facilities playing production, storage and logistics roles, as well as buildings accompanying industrial space, including offices and social rooms, large-area markets with accompanying infrastructure and others.

Throughout 2022, we secured more than a dozen or so orders and achieved sales of more than PLN 300 million achieving high margins from their performance. The order profile for 2023 and beyond currently stands at approx. PLN 866 million. In 2023, we have secured orders for around PLN 280 million. The portfolio is significant and allows the segment's growth intentions to be realised. As intended for this segment, the energy and industrial division is to be one of the important pillars of Unibep Group's business.

Significant contracts acquired in 2023 include a contract with Mondi Warszawa Sp. z o.o. of 28 March 2022 for construction work on the reconstruction and extension of a storage and production hall in Mszczonów, a contract of 15 April 2022 with Panattoni Development Europe Sp. z o.o. for the construction of a storage and production hall in Tuszyń, and a contract with Viessmann Technika Grzewcza Sp. z o.o. for the construction of a heat pump production plant in Legnica.

The contracts concluded in 2022 largely take into account the changes in the prices of materials and services that took place in 2021-2022, so that greater profitability could be shown than in other

business in the construction and infrastructure section.

In 2023, we intend to streamline processes and align structure and management with the scale of the business. We will continue and finalise the implementation of major projects contracted in 2023. We continue to focus on attracting interesting and large investments. We want to acquire EPC projects for implementation.

The under-utilised synergy within the Unibep Group provides space to optimise the efficiency and cooperation of support departments, which should translate into business profitability.

New within the Unibep structure, the business intends to look for market opportunities. Further consideration is being given to the possibility of pursuing the acquisition of an assembly and manufacturing company with a view to expanding the company's own production capacity, opening up the option of winning orders from further markets and thereby improving profitability in the business.

As of 2023, the energy and industrial segment includes in its structures the part responsible for the export of construction services (previously carried out in the residential and commercial construction segment). The Unibep Group has declared its willingness and readiness to participate in the post-war reconstruction process in Ukraine, given its expertise in operating in this market. The energy business is preparing for the scenario of expanding its operations to the East, especially as the reconstruction of Ukraine's energy infrastructure will be necessary alongside the residential and commercial facilities. This makes it all the more reasonable to combine competence from the energy and industrial segments with the residential and commercial construction segment and to look for market opportunities if the geopolitical situation is conducive to this.

Unibep SA does not currently carry out any projects in the eastern markets. The war in Ukraine means that there will be no continuation of the Shehyni border crossing, and final arrangements are currently being made to allow the contract to be settled. The export situation may be changing. The State Treasury – the Embassy of the Republic of Poland in the Republic of Belarus has decided to proceed with the construction of an embassy in Minsk in the Republic of Belarus. The contract was signed on 26 April 2023.



INFRASTRUCTURE

The infrastructure segment in 2022 and early 2023 was represented by two entities, i.e. the Infrastructure Branch of Unibep SA and Budrex Sp. z o.o. On 3 April 2023, the merger of the two companies was registered with the National Court Register.

The decision on the intention to merge was taken on 15 December 2022 and it was dictated by the need to reduce costs and increase the economic efficiency of the Unibep Group, including the Infrastructure segment, and to simplify management within the Unibep Group. The merger of the companies is expected to reduce the general and administrative costs and allow more flexible and efficient use of staff and equipment potential.

In 2022, the segment as a whole strengthened its competence and acquired several important contracts for implementation. The segment's activity focuses on investments in the area of district, voivodeship and local roads, as well as expressways in the north-eastern region of the country. The bridge part (within the former Budrex Sp. z o.o.) draws its experience from its presence throughout Poland.

Of the important – from the point of view of the segment's financial condition as well as its development prospects – contracts concluded in the year, the three largest should be included:

- The first is the contract signed on 4 January 2022 with the Border Guard concerning the construction of a dam on the Polish-Belarusian border. The consortium (Unibep SA and Budrex sp. z o.o.) was to carry out protection on sections with a total length of 80.70 km. The project was completed.
- An important contract to maximise the potential from the local market was concluded by a consortium involving Unibep SA and Budrex Sp. z o.o. for the construction of the Bielsk Podlaski bypass.
- The conclusion of a contract on 30 March 2022 for the execution of construction works for the project entitled: "Extension of voivodeship road no. 513 along the Lidzbark Warmiński and Wozławki section" is part of the strategy to expand into the Warmińsko-Mazurskie Voivodeship. This region is important for future periods. This is where the development of in-house generation capacity is directed. Thanks to the launch of the bitumen mixing plant in Lipowa Góra, we will be producing bitumen for, among others, the projects we are carrying out in the

Warmińsko-Mazurskie Voivodeship.

A major event in 2022 was the completion of the S61 expressway (PORR and Unibep consortium). The road forms part of the international Via Baltica route. This provided an express link between the Podlaskie and Warmińsko-Mazurskie Voivodeships. The S61 expressway is part of the international E67 road connecting Central Europe with Scandinavia.

In 2022, we also completed the extension of the last section of voivodeship road no. 835 – from Biłgoraj to the voivodeship's border. This was one of the most far-reaching road projects undertaken by the Infrastructure Branch.

The segment results for 2022 reflect the market situation affecting the industry. Revenue was up significantly compared to the previous year, mainly due to the construction of a dam on the border with Belarus.

The war in Ukraine and rising inflation have become undeniable facts affecting construction projects in 2022. The main area where the construction industry is affected by the war is the availability and price of construction materials. The increase in the price of asphalt, aggregates, steel, as well as fuel is being felt, driving up production and transport costs. There were periodic problems with the liquidity of cement and aggregates supplies – significant quantities were imported from Belarus, Ukraine and Russia. Major public investors have introduced mandatory valorisation of the contractor's remuneration, based on CSO indices. In 2022, annexes were signed with the General Directorate for National Roads and Motorways raising the limit for contract valorisation from 5% to 10% of their value.

The development prospects for the infrastructural construction segment are assessed as good. Business is well prepared to deliver tasks in 2023.

The order profile for 2023 and beyond currently stands at approx. PLN 1.020 million. Current acquisition activities are geared towards securing contracts to be executed in the period 2024-2025.

For 2023, design and construction work is planned for investments acquired in 2021-2022, including the S19 Krynice (DK65) – Dobrzyniewo – Białystok Zachód (S8) expressway section, the S19 Ploski – Haćki expressway section, and voivodeship road no. 689 in the Bielsk Podlaski – Hajnówka section. It will be important to annex the valorisation of contracts to the extent provided for by law and agreed with the contracting authorities.

The events described in previous annual reports, concerning the withdrawal from the contract for the construction of the road project Dąbrowa Białostocka – Sokółka, as well as other claims which are or will be pursued in court, are treated as neutral.



DZIAŁALNOŚĆ DEWELOPERSKA

The property development business within the Unidevelopment Group is one of the key businesses within the Unibep Group in terms of performance. In recent periods, its performance has been at a good level.

The UNIDEVELOPMENT Group operates property development activity primarily in the segment of multi-family buildings, mainly in the Warsaw, Poznań and Tri-City agglomerations, but also in Radom.

The basis of UNIDEVELOPMENT's activity is the provision of investor replacement services, arranging financing, commercialisation of development projects carried out by Group entities and their financial and accounting services.

In 2022, the UNIDEVELOPMENT Group continued its property development activity. The Group carried out the projects as a general contractor which was commissioned on the vast majority of projects to UNIBEP.

The Group has several property development projects underway simultaneously. A review and evaluation is carried out on an ongoing basis:

- projects during the period of preparing them for construction as well as commercialisation, both from the point of view of scope, timing as well as the achieved and projected results from sales,
- making the best possible use of existing resources in the Group and matching the Group's product offering to market forecasts and market demand,
- opportunities to acquire land for further development projects to be implemented in the coming years,
- optimising and rationalising the financing of the Group's operational activities.

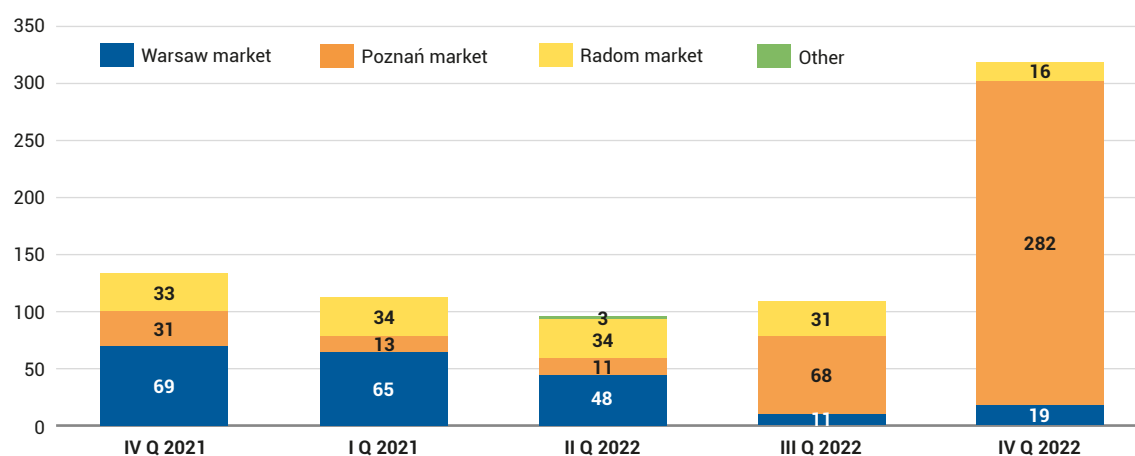
SPRZEDAŻ DEWELOPERSKA/PRZEDWSTĘPNA I PRZEKAZANIA KLIENTOM

Rynek	Sprzedaż deweloperska / przedwstępna	Przekazania klientom
Rynek warszawski	143	350
Rynek poznański	374	130
Rynek radomski	115	124
Rynki pozostałe	3	-
Razem	635	604
<i>w tym JV</i>	<i>454</i>	<i>294</i>

UNIDEVELOPMENT Group companies signed 635 development/preliminary contracts in 2022 and handed over 604 flats to their customers, of which 454 and 294 were part of JV projects, respectively.

Preliminary sales in the Poznań market include 270 flats within the PRS development for the institutional customer.

SALES OF DEVELOPMENT PROPERTY



As of 31 December 2022, the UNIDEVELOPMENT Group had 459 flats available for sale.

At the end of 2022, as part of JV projects, the Group offered 283 flats in the Poznań market under the FAMA project jointly carried out with JB Investment Societe commandite speciale SCSp (in place of: WIEPOFAMA SA).

The table below provides information on the total number of flats sold (for which development/preliminary contracts have been signed with customers) in 2022 and flats on offer as of 31 December 2022.

The Group completed its cooperation with CPD SA on the construction of a housing estate in Warsaw's Ursus district in the first quarter of 2022. 1,467 flats were built and sold as part of the joint venture with this partner.

In 2022, the construction of 574 flats have begun as part of four projects, including 56 flats in one project in Warsaw, 369 flats in one project in Poznań and 149 flats in two projects in Radom. On

TOTAL NUMBER OF FLATS SOLD IN 2022 AND FLATS ON OFFER AS OF 31 DECEMBER 2022

Market/project name	Number of flats sold by 31 December 2021	Number of flats sold in 2022	Flats available for sale as of 31 December 2022	Total
Coopera Estate Stage 3	177	1	-	178
Latte	61	41	22	124
Pauza Ochota	-	13	43	56
Sadyba Spot	-	2	-	111 (2)
URSA Sky (1)	298	86	-	384
Warsaw market	536	143	65	853
Idea Estate	293	105	97	495
Idea Ogrody Estate	-	10	14	24
Radom market	293	115	111	519
Kusocińskiego (Gdańsk)	-	3	-	155 (2)
Tri-City market	-	3	-	155
Bookowska 18W	164	6	-	170
Fama Jeżyce (1)	239	368	283	890
Poznań market	403	374	283	1 060
Total	1 232	635	459	2 587
<i>including JV</i>	<i>537</i>	<i>454</i>	<i>283</i>	<i>1 274</i>

(1) joint ventures (JV projects)

(2) due to the suspension of sales pending the start of construction, the remaining flats on offer were not included in the table

the other hand, sales have started on six projects, including four projects whose construction has started in 2022 and two projects whose construction has not yet started – one in the Warsaw market (Sadyba Spot) and one in the Tri-City market (Kusocińskiego).

As part of the FAMA project in Poznań, together with JB Investment Societe commandite speciale SCSp (in place of: WIEPOFAMA SA) a total of approx. 2,500 flats are planned to be built on a property with a total area of approx. 7.5 ha at J.H. Dąbrowskiego Street in Poznań. In 2022, the construction of 369 flats began as part of the second of eight stages of the Fama Jeżyce project.

PROJECTS FOR WHICH CONSTRUCTION AND/OR SALES PROCESS COMMENCED BETWEEN 1 JANUARY 2022 AND 31 DECEMBER 2022

Market/project name	Number of flats	Number of commercial premises
Pauza Ochota	56	4
Warsaw market	56	4
Fama Jeżyce Etap 3 (JV) (1)	369	12
Poznań market	369	12
Idea Venus Estate (E7)	137	7
Idea Ogrody Estate	12	-
Radom market	149	7
TOTAL	574	23

(1) joint ventures

In 2022, six projects were completed and commissioned, totalling 866 flats, including 414 flats in the Warsaw market, 270 flats in the Poznań market, and 182 flats in the Radom market.

As of 31 December 2022, there were four development projects under construction with a total of 574 flats and 23 commercial premises.

As of 31 December 2022, there was one project under construction in the Warsaw market, one project (including one JV project) in the Poznań market and two projects in the Radom market.

In 2023, the UNIDEVELOPMENT Group will start construction of 445 flats (four development projects), including 111 in the Warsaw market (one project), 179 in the Radom market (two projects) and 155 in the Tri-City market (one project). These flats will be on offer in 2023 and beyond.

As of 31 December 2022, there were approx. 5,100 flats in the pipeline in attractive locations mainly in Warsaw, Poznań, Radom and the Tri-City. The largest share in the number of flats in the pipeline is accounted for by the multi-stage Fama Jeżyce project in the Poznań market – implemented as a joint venture with JB Investment Societe commandite speciale SCSp (in place of: WIEPO-FAMA SA).

PROJECTS FOR WHICH CONSTRUCTION WAS COMPLETED AND AN OCCUPANCY PERMIT OBTAINED BETWEEN 1 JANUARY 2022 AND 31 DECEMBER 2022:

Market/project name	Number of flats	Number of commercial premises
Coopera Estate Stage 3B	89	-
Latte	124	5
URSA Sky Stage 2 (JV4) (1)	201	3
Warsaw market	414	8
Fama Jeżyce Stage 2 (JV) (1)	270	5
Poznań market	270	5
Idea Leo Estate (E5)	170	-
Idea Ogrody Estate Stage 1	12	-
Radom market	182	-
TOTAL	866	13
(1) joint ventures		

PROJECTS IN PROGRESS AS OF 31 DECEMBER 2022

Market/project name	Number of flats	Number of commercial premises
Pauza Ochota	56	4
Warsaw market	56	4
Fama Jeżyce Stage 3 (JV) (1)	369	12
Poznań market	369	12
Idea Venus Estate (E7)	137	7
Idea Ogrody Estate	12	-
Radom market	149	7
TOTAL	574	23
(1) joint ventures		

PROJECTS STARTING IN 2023

Market/project name	Number of flats	Number of commercial premises	Planned start date
Sadyba Spot	111	7	Q2 2023
Warsaw market	111	7	
Idea Ogrody Estate E3	12	-	Q3 2023
Idea Orion Estate (E3)	167	5	Q2 2023
Radom market	179	5	
Gdańsk (Kusocińskiego) Stage 1	155	-	Q3 2023
Tri-City market	155	-	
TOTAL	445	12	

PROJECTS IN PREPARATION AS OF 31 DECEMBER 2022

Market/project name	Number of flats	Number of commercial premises	Planned start date
Coopera Estate Stage 4	83	2	Q3 2024
Sadyba Spot	111	7	Q2 2023
Przejazdna	327	-	Q4 2024 (4)
Omulewska	247	-	Q4 2024
Warsaw market	768	9	
Idea Ogrody Estate (MDM12) E3	12	-	Q3 2023
Idea Ogrody Estate (MDM12) E4	12	-	Q3 2024
Idea Orion Estate (E3)	167	5	Q2 2023
Idea Aurora Estate (E4)	167	5	Q2 2024
Idea Estate (other)	1 159	44	Q2 2025 (3)
Radom market	1 517	54	
Fama Jeżyce Stage 4-8 (JV) (1)	1 705	53	Q1 2024 (2)
Botaniczna	102	-	Q3 2024
Poznań market	1 807	53	
Kusocińskiego Stage 1	155	-	Q3 2023
Kusocińskiego Stage 2	181	2	Q1 2024
Chylonia (Gdynia)	7105	4	Q2 2024 (4)
Tri-City market	1 046	6	
TOTAL	5 138	122	

(1) joint ventures

(2) the start date for construction of stage 4

(3) the start date for construction of stage 6

(4) start date of stage 1

In the Unidevelopment Group, after a record year in 2021, there has been a slowdown in terms of new housing sales. The reduction in the number of customer contracts is in large part linked to the phenomenon of high inflation and limited access to mortgages. The slowdown has affected the entire housing market.

The Group is responsive to market changes. The current offer in terms of structure and size is adapted to the economic situation in the industry. The designed premises are adapted to the customers' purchasing capacity. Among others, it is assumed that flats with a smaller surface area will be prepared on offer than in projects carried out in previous years.

The developer's strength is having multi-stage projects in its property portfolio. Among others, this makes it possible to launch further investments on a planned basis, adapting the offer to the market situation.

The PRS (Private Rented Sector) market is also being monitored on an ongoing basis, and discussions are being held with representatives of the sector who, despite the barriers, see potential for business development. New projects will also be prepared for their specific preferences.

The current cooling of the market requires a new approach to sales strategy. The company will have to operate in a transitional environment, with lower margins and a lower rate of sales. Slower sales have resulted in changes to launch schedules for new developments. In 2023, the première project in Gdańsk at Kusocińskiego Street will take off.

No expansion into new markets is currently assumed. The main objective for the coming years is to strengthen the position in the markets where the developer is present – Warsaw, Poznań, Radość and the Tri-City.

Plans for a possible stock market debut have been postponed.

SELECTED FINANCIAL DATA FROM THE CONSOLIDATED PROFIT AND LOSS ACCOUNT OF THE UNIDEVELOPMENT GROUP

	PLN thousand, for the period		
	01.01 - 31.12.2022	01.01 - 31.12.2021 after adjustment	01.01 - 31.12.2021
Net revenue from sales	333 042	285 890	285 890
EBITDA (EBIT + amortisation and depreciation)	70 609	49 921	49 921
EBIT (operating profit/loss)	67 532	47 480	47 480
Net profit	54 778	42 224	42 085

SELECTED FINANCIAL BALANCE SHEET DATA

	PLN thousand, for the period		
	01.01 - 31.12.2022	01.01 - 31.12.2021 after adjustment	01.01 - 31.12.2021
Fixed assets	195 850	132 102	132 102
Current assets	553 274	578 521	566 975
Total assets	749 123	710 323	699 077
Equity	310 194	275 493	275 354
Outsourced capital	438 929	435 130	423 724
Total liabilities	749 123	710 623	699 077


MODULAR CONSTRUCTION

The activity is carried out through Unihouse SA.

Modular construction has been recognised and used for many years in Europe. This segment performs really well even on the challenging Scandinavian markets. Unihouse's main market is Norway and Germany, but it also has contracts in Poland and Sweden. In the future, further expansion into Swedish and German markets is planned, as well as further organic growth in markets where Unihouse has already been present for many years.

The product range that can be marketed is very wide. The production and erection technology developed allows up to eight-storey buildings to be realised. The first settlement of such buildings, among others, was built in 2022 in Trondheim, Norway.

The financial effects of the 2022 activity are below expectations. Sales fell by around 18%, but more significant is the level of net income. It amounted to a net minus PLN 35.5 million.

The above was presented in current report no. 19/2023 on the occasion of the publication of information on the preliminary consolidated financial results of the UNIBEP Capital Group for 2022.

The modular activity is the segment that has been hit hardest by the war in Ukraine – stalled investments, disrupted supply chains, rising transport prices, including freight, etc. We have also felt a slowdown in development projects in the Norwegian market due to lower demand.

For the first months of 2022, module production was intermittent and the lack of continuity meant that the plant's fixed costs could not be fully covered. Disruptions in the area of material supply have also not helped to introduce production cost optimisation.

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

More activity is expected from the commercial departments. The current order portfolio represents PLN 203 million. In addition, we have concluded contracts which we regard as conditional, as their execution is dependent on the decisions of the contracting authorities regarding their commissioning. There is always a period of several months involved in design from the decision to the start of production. Hence, the replenishment of the portfolio is very important from the point of view of both 2023 and 2024 and may be crucial in terms of achieving the financial intentions of the current year.

In a perspective of a few years, Unihouse SA can use its experience and capabilities to take advantage of market potential and market opportunities. Looking ahead to 2023, it will be very important to ensure continuity of production and efficient use of our own resources and capacities – taking into account the needs of investors and the growing awareness of the technology on offer. Based on our own technology, we are able to ensure the repeatability of the objects while maintaining the highest quality of construction with attractive energy parameters.

The potential of the modular construction market in Europe is growing all the time

The future prospects for Unihouse SA are permanent partners, particularly on the German market. The growing interest of the German market in modular and eco-friendly construction is evident. Here, we are working on the development of an exemplary and reproducible standard for modules dedicated to retirement homes and community facilities. In this market, we are cooperating with Carestone Group GmbH and the ARGE Group (a consortium of Aktivhaus and Wolff & Müller), with whom we have signed a long-term cooperation contract.

Modular construction is part of the green trend and is consistent with the tenets of sustainable development (ESG). What is important here is our competence to meet the expectations of passive and zero-energy buildings. The additional capacity for 8-storey construction can be our competitive advantage, as well as a confirmation of our high competence.

The German market was already important for 2022, where the company executed five contracts, of which two facilities have been commissioned, and more are under construction and will also be commissioned in the coming months. The company's portfolio also includes new contracts to be executed in this market.

On the Polish market in 2022, work was carried out on the Małkinia project acquired by Unibep Group for implementation under the PPP formula. A further 3 projects have also been signed, which

started in 2022 and will continue in 2023. Today, the Polish market, apart from the German market, is the most dynamically growing area of Unihouse's business.

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

An opportunity for more investment in the Polish market may also be provided by the launch of the National Reconstruction Plan (KPO) funds.

Rapid modular construction is also an opportunity for refugee housing in Poland. We are looking to the East and the possibility of rebuilding Ukraine. We have defined our product, which we are able to put into production when funding sources become available.

We also remained in our core market in Scandinavia, continuing to work on contracts in Norway.

In 2022, the main market was Norway, where five contracts were completed. We hope to unlock investment in this market. We contract with proven developers there every time.

There was one contract in the Swedish market in 2022. We are there for the Sveriges Allmännyttas Kombohus programme (an organisation of Swedish municipal companies). In 2023, this market will not be significant in terms of realisation and financing.

We intend to continue our collaboration with Adapteo (formerly Cramo). As part of further orders, we will be able to supply the contracting authority with modules that will find their way into use in various European markets.

We have carried out and continue to carry out activities aimed at obtaining contract valorisation. This was important with regard to the financial intentions of 2022. We are taking a cautious approach and any positive scenarios may be offset by other risks coming from the market.

It is also assumed that an increase in production efficiency will become apparent in subsequent periods. This involves organisational changes at the house factory carried out in 2022. Product standardisation and monitoring of production costs are key to project profitability, and a consistent, predictable portfolio is key to production continuity. The year 2023 will still be a transitional period in the process of forming operational efficiency and meeting financial expectations.



BACK OFFICE

Its roles include supporting the planning, organisation, leadership and control of all businesses. The activities conducted in 2022 are aimed at improving and optimising processes in all areas of the Group's operations.

Ongoing and current topics for the future include:

- efficient functioning of the office responsible for quality, procurement and OHS processes on ongoing contracts,
- proper functioning of internal control and the coordination of quality, risk management and internal audit activities,
- optimisation and robotisation of processes and development of IT systems providing access to management information (Microsoft Dynamics AX 2012, Microsoft Dynamics CRM, Microsoft Power BI, Microsoft MS Project, Microsoft Azure, 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,
- stock exchange reporting, including in XBRL and XHTML format,
- creation of tax capital groups,
- implementation of an e-invoice flow process,
- work on obtaining EU funding,
- involvement in the development of the BIM philosophy technology,
- ensuring liquidity to provide operational efficiency and build confidence of market partners.

Main factors likely to affect the future financial performance of the parent company and the capital group

EXTERNAL FACTORS:

- high inflation,
- economic slowdown and potential crisis in global economies, including Poland,
- decline in GDP,
- the uncertain macroeconomic situation related to the war in Ukraine and the risk of the conflict spreading to other countries,
- availability of materials and changes in material prices related to the situation in the domestic market and aggravated by the situation in Ukraine,
- availability of subcontractors' services and changes in prices for construction work related to the situation in the domestic market and in Ukraine,
- an increase in the cost of living due to an increase in the price of mine resources,
- high energy prices,
- disruption to maintaining the supply chain and the resulting impact on the timely completion of all orders, including liabilities towards contracting authorities,
- limitations in obtaining qualified staff,
- rising minimum wage,
- the uncertain macroeconomic situation related to the tightened COVID policy in China, the impact on individual economies, including the markets in which the company operates,
- maintaining strong competition, fierce price competition,
- a decline in orders from domestic developers and in public procurement,
- the uncertain political situation in Belarus affecting the economic settlement of ongoing transactions,
- rising land prices and limited access to investment land,

- limited availability of external financing,
- high volatility on the foreign exchange market, large fluctuations in exchange rates and currency spreads,
- a brake on investment, including that financed by EU programmes,
- the possibility of taking advantage of EU funding for research and development activities,
- persistently high interest rates – impact on the cost and availability of external funding,
- an increase in the cost of servicing credits,
- accumulation of public procurements, especially in the infrastructure projects' market,
- increasing the valorisation limits on public procurement contracts.

INTERNAL FACTORS:

- a good order portfolio in all Group businesses,
 - development of activity in the energy and industrial segment,
 - adapting development products to market expectations related to changes in the ability of potential customers to obtain financing,
 - optimisation of the product offering in the development area and its development based on the markets of the current business,
 - activation of the modular construction business – on the Polish and German markets,
 - relatively high reliance on the residential and commercial construction, including housing premises,
 - relatively high reliance on the Warsaw market,
 - continuation of export activities in the Belarusian and Ukrainian markets,
 - optimisation of the business management platform using Microsoft Dynamics AX 2012 and other systems supporting operational processes in Group companies,
 - development of new IT tools for project management, including activities related to the implementation of the BIM philosophy technology,
-

- development and use of new electronic communication tools,
- improvement of process and production efficiency through the centralisation of organisational units: Technical Office, Central Purchases, Quality and Technology Office, R&D Department,
- financial position, financial liquidity, access to credit and guarantee limits in banks and insurance companies,
- staff development and retention programmes.

5. FINANCIAL SITUATION OF UNIBEP GROUP

5.1 DESCRIPTION OF THE ESSENTIAL ECONOMIC AND FINANCIAL DATA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS – UNIBEP GROUP [PLN THOUSAND]

Description	as of 31.12.2022	as of 31.12.2021 restated	as of 01.01.2021	change	change %
LONG-TERM FIXED ASSETS					
Tangible fixed assets	152,304	141,194	128,407	11,110	7.9%
Intangible assets	23,904	24,430	24,566	-525	-2.2%
Investment property	63,587	24,930	3,903	38,657	155.1%
Trade and other long-term receivables	8,162	7,077	4,713	1,085	15.3%
Investments in entities measured using the equity method	0	4,708	11,221	-4,708	-100.0%
Deposits on contracts with customers	14,837	21,126	25,776	-6,289	-29.8%
Loans granted	79,231	62,271	52,609	16,961	27.2%
Derivative financial instrument assets	0	168	0	-168	-100.0%
Deferred income tax assets	59,063	45,899	43,209	13,164	28.7%
Total (long-term) fixed assets	401,088	331,801	294,404	69,287	20.9%
SHORT-TERM CURRENT ASSETS					
Inventory	543,540	406,648	306,576	136,892	33.7%
Trade and other short-term receivables	384,515	238,522	251,456	145,993	61.2%
Deposits on contracts with customers	22,300	19,327	17,956	2,973	15.4%
Contractual assets	301,259	235,451	90,948	65,808	27.9%
Current income tax receivables	12,939	25,956	888	-13,017	-50.2%
Derivative financial instrument assets	1,383	7	-	1,375	18541.0%
Loans granted	8,230	6,309	1,031	1,921	30.4%
Cash and cash equivalents	137,948	271,461	264,065	-133,513	-49.2%
Current assets other than held for sale	1,412,115	1,203,682	932,919	208,432	17.3%
Total (short-term) current assets	1,412,115	1,203,682	932,919	208,432	17.3%
TOTAL ASSETS	1,813,203	1,535,484	1,227,323	277,719	18.1%

LIABILITIES – UNIBEP GROUP [PLN THOUSAND]

Description	as of 31.12.2022	as of 31.12.2021 restated	as of 01.01.2021	change	change %
EQUITY					
Share capital	3,507	3,507	3,507	0	0.0%
Capital from sales of shares at premium	63,894	62,154	62,154	1,740	2.8%
Other reserve capitals	4,444	-1,290	-10,119	5,734	-444.4%
Retained profit (loss)	230,298	239,152	220,201	-8,854	-3.7%
Equity attributable to shareholders of the parent company	302,143	303,523	275,742	-1,380	-0.5%
Equity attributable to non-controlling interests	81,811	68,471	54,994	13,341	19.5%
Total equity	383,954	371,993	330,736	11,961	3.2%
LONG-TERM LIABILITIES					
Trade and other long-term liabilities	12,179	2,009	815	10,170	506.1%
Credits, loans and other financial liabilities – long-term	126,479	100,108	69,813	26,371	26.3%
Long-term lease liabilities	43,249	39,813	25,682	3,437	8.6%
Derivative financial instrument liabilities	0	4,659	3,064	-4,659	-100.0%
Long-term provisions	64,440	58,545	40,351	5,895	10.1%
Deposits on contracts with customers	46,714	51,623	54,230	-4,909	-9.5%
Deferred tax provisions	4,916	12,589	10,034	-7,674	-61.0%
Total long-term liabilities	297,977	269,347	203,988	28,630	10.6%
SHORT-TERM LIABILITIES					
Trade and other short-term liabilities	415,311	269,506	261,273	145,804	54.1%
Contractual liabilities	322,985	295,417	152,491	27,568	9.3%
Deposits on contracts with customers	66,018	47,561	49,462	18,458	38.8%
Credits, loans and other financial liabilities – short-term	39,721	59,007	36,270	-19,286	-32.7%
Short-term lease liabilities	31,342	28,167	27,784	3,176	11.3%
Derivative financial instrument liabilities	2,213	7,318	9,949	-5,105	-69.8%
Current income tax liabilities	9,269	10,546	5,879	-1,277	-12.1%
Short-term provisions	244,412	176,622	149,491	67,790	38.4%
Short-term liability other than those assets held for sale or distribution to owners	1,131,271	894,144	692,599	237,128	26.5%
Total short-term liabilities	1,131,271	894,144	692,599	237,128	26.5%
Total liabilities	1,429,248	1,163,490	896,587	265,758	22.8%
TOTAL LIABILITIES	1,813,203	1,535,484	1,227,323	277,719	18.1%

PROFIT AND LOSS ACCOUNT – UNIBEP GROUP [PLN THOUSAND]

Operating activities	01.01.2022 r. – 31.12.2022 r.	01.01.2021 r. – 31.12.2021 r. restated	change	change %
Revenue from contracts with customers	2,258,312	1,714,018	544,294	31.8%
Costs of products, goods and materials sold	2,110,057	1,586,721	523,336	33.0%
Gross profit (loss) on sales	148,255	127,296	20,959	16.5%
Selling costs	20,609	14,241	6,369	44.7%
General and administrative costs	58,288	61,143	-2,856	-4.7%
Other operating revenue	8,478	19,544	-11,066	-56.6%
Other operating expenses	14,085	16,345	-2,260	-13.8%
Profit (loss) on operating activities	63,751	55,111	8,640	15.7%
Financial revenue	12,222	7,165	5,057	70.6%
Financial expenses	23,324	12,772	10,552	82.6%
Expected credit losses	11,249	2,582	8,666	335.6%
Share in net profits (losses) of subsidiaries measured using the equity method	501	5,825	-5,325	-91.4%
Pre-tax profit (loss)	41,901	52,747	-10,845	-20.6%
Income tax	10,040	10,634	-594	-5.6%
Net profit (loss) on continued operations	31,861	42,113	-10,252	-24.3%
Net profit (loss)	31,861	42,113	-10,252	-24.3%



STATEMENT OF CHANGES IN EQUITY – UNIBEP GROUP [PLN THOUSAND]

Description	Share capital	Other reserve capitals	Capital from sales of shares at premium	Retained earnings	Equity attributable to the owners of the parent company	Equity of non-controlling shareholders	Total equity
AS OF 31 DECEMBER 2021	3,507	-1,290	62,154	244,175	308,546	68,467	377,013
error adjustment	0	0	0	-5,023	-5,023	3	-5,020
As of 1 JANUARY 2022	3,507	-1,290	62,154	239,152	303,523	68,471	371,993
Dividend recognised as payments to owners				-16,298	-16,298	-13,672	-29,970
Return of contributions						-14,938	-14,938
Taking control						17,534	17,534
Incentive scheme		60	1,740		1,800		1,800
Profit (loss)				7,444	7,444	24,417	31,861
Other combined comprehensive income		5,674			5,674		5,674
Comprehensive income	0	5,674	0	7,444	13,118	24,417	37,536
Changes in equity	0	5,734	1,740	-8,854	-1,380	13,341	11,961
As of 31 DECEMBER 2022	3,507	4,444	63,894	230,298	302,143	81,811	383,954
AS OF 31 DECEMBER 2020	3,507	-10,119	62,154	220,201	275,742	54,994	330,736
adjustment of an error	0	0	0				0
As of 1 JANUARY 2021	3,507	-10,119	62,154	220,201	275,742	54,994	330,736
Dividend recognised as payments to owners				-9,684	-9,684		-9,684
Loss of control				436	436	-436	0
Incentive scheme		3,282			3,282	0	3,282
Profit (loss)				28,200	28,200	13,913	42,113
Other combined comprehensive income		5,547			5,547		5,547
Comprehensive income	0	5,547	0	28,200	33,747	13,913	47,660
Changes in equity	0	8,829	0	18,952	27,780	13,477	41,257
As of 31 December 2021	3,507	-1,290	62,154	239,152	303,523	68,471	371,993

Consolidated by the ESMA

Restated

CASH FLOW STATEMENT – UNIBEP GROUP [PLN THOUSAND]

Description	01.01.2022 r. - 31.12.2022 r.	01.01.2021 r. - 31.12.2021 r. restated
CASH FLOWS FROM OPERATING ACTIVITIES		
I. Gross profit (loss)	41,901	52,747
II. Total adjustments	-23,274	-22,989
1. Amortisation	25,582	21,958
2. Exchange rate profits (losses)	164	155
3. Interest and profit sharing (dividend)	5,470	2,592
4. Profit (loss) on investment activities	-1,715	-8,646
5. Change in provisions	66,857	36,544
6. Change in inventory	-56,323	-107,428
7. Change in receivables	-200,049	-128,193
8. Change in short-term liabilities excluding financial liabilities	137,255	156,424
9. Other adjustments	-515	3,605
Cash from operating activities	18,627	29,758
Income tax paid/refunded	-22,851	-32,770
Net cash from operating activities	-4,224	-3,012
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Acquisition of tangible fixed assets, intangible assets, investment properties	-70,727	-7,986
Proceeds from sales of tangible fixed assets and intangible assets	7,360	3,975
Proceeds from sales of investments accounted for using the equity method	0	4,226
Purchase of shares in investments accounted for using the equity method	0	-6,025
Interest received	5,936	2,766
Dividend received	0	8,681
Loans granted to third parties	-17,880	-14,943
Loans granted to related parties	0	-980
Cash from taking control	23,869	-
Other (including execution of derivative instruments)	-5,829	-867
Net cash from investment activities	-57,272	-11,153
CASH FLOWS FROM FINANCING ACTIVITIES		
Inflows from loans, credits, bonds and bills of exchange	176,342	120,876
Repayment of loans, credits, bonds and bills of exchange	-168,988	-68,433
Acquisition of own shares/refund of contributions	-13,138	0
Payment of liabilities arising from lease contracts	-15,041	-14,104
Interest paid	-21,869	-7,010
Dividend paid	-29,358	-9,644
Net cash from financial activities	-72,051	21,685
Net change in cash excluding exchange rate differences	-133,547	7,519
Exchange rate differences	34	-123
Net change in cash	-133,513	7,396
Opening balance of cash	271,461	264,065
Closing balance of cash	137,948	271,461
- including: of limited disposability	40,177	61,259

SEPARATE STATEMENTS OF FINANCIAL POSITION

ASSETS – UNIBEP SA [PLN THOUSAND]

Description	as of 31.12.2022	as of 31.12.2021	change	change %
LONG-TERM FIXED ASSETS				
Total tangible fixed assets	67,273	55,375	11,898	21.5%
Intangible assets	8,855	8,750	105	1.2%
Investments in subsidiaries	160,865	159,673	1,192	0.7%
Investments in entities measured using the equity method	8	8	0	0.0%
Trade and other long-term receivables	6,026	5,621	405	7.2%
Deposits on contracts with customers	17,387	26,533	-9,146	-34.5%
Loans granted	97,061	70,555	26,507	37.6%
Deferred income tax assets	32,883	28,595	4,289	15.0%
Total (long-term) fixed assets	390,358	355,110	35,248	9.9%
SHORT-TERM CURRENT ASSETS				
Inventory	65,596	19,906	45,689	229.5%
Trade and other short-term receivables	344,648	180,162	164,486	91.3%
Deposits on contracts with customers	25,745	24,662	1,083	4.4%
Contractual assets	235,082	90,172	144,910	160.7%
Current income tax receivables	321	13,124	-12,804	-97.6%
Loans granted	120	48,281	-48,161	-99.8%
Derivative financial instrument assets	427	7	420	5655.8%
Cash and cash equivalents	73,957	107,168	-33,211	-31.0%
Current assets other than those held for sale or distribution to owners	745,896	483,483	262,412	54.3%
Total (short-term) current assets	745,896	483,483	262,412	54.3%
TOTAL ASSETS	1,136,254	838,593	297,660	35.5%

LIABILITIES – UNIBEP SA [PLN THOUSAND]

Description	as of 31.12.2022	as of 31.12.2021	change	change %
EQUITY				
Share capital	3,507	3,507	0	0.0%
Capital from sales of shares at premium	63,894	62,154	1,740	2.8%
Other reserve capitals	34,096	31,738	2,358	7.4%
Retained profit (loss)	109,222	111,753	-2,531	-2.3%
Equity attributable to shareholders of the parent company	210,719	209,152	1,567	0.7%
Total equity	210,719	209,152	1,567	0.7%

Description	as of 31.12.2022	as of 31.12.2021	change	change %
LONG-TERM LIABILITIES				
Credits, loans and other financial liabilities – long-term	102,642	96,297	6,345	6.6%
Long-term lease liabilities	33,101	27,407	5,693	20.8%
Long-term provisions	38,257	37,030	1,227	3.3%
Deposits on contracts with customers	42,868	48,459	-5,591	-11.5%
Total long-term liabilities	216,869	209,193	7,675	3.7%
SHORT-TERM LIABILITIES				
Trade and other short-term liabilities	365,489	193,726	171,764	88.7%
Contractual liabilities	84,430	19,053	65,377	343.1%
Deposits on contracts with customers	57,588	41,112	16,476	40.1%
Credits, loans and other financial liabilities – short-term	14,621	23,975	-9,354	-39.0%
Short-term lease liabilities	10,778	7,878	2,900	36.8%
Derivative financial instrument liabilities	0	2,037	-2,037	-100.0%
Current income tax liabilities	1,962	4	1,958	
Short-term provisions	173,797	132,463	41,334	31.2%
Short-term liabilities other than those related to assets held for sale	708,666	420,248	288,418	68.6%
Total short-term liabilities	708,666	420,248	288,418	68.6%
Total liabilities	925,535	629,441	296,093	47.0%
TOTAL LIABILITIES	1,136,254	838,593	297,660	35.5%

PROFIT AND LOSS ACCOUNT – UNIBEP SA [PLN THOUSAND]

Description	01.01.2022 r. – 31.12.2022 r.	01.01.2021 r. – 31.12.2021 r.	change	change %
Revenue from contracts with customers	1,665,190	1,254,683	410,507	32.7%
Costs of products, goods and materials sold	1,607,589	1,197,092	410,497	34.3%
Gross profit (loss) on sales	57,601	57,591	10	0.0%
General and administrative costs	40,358	45,301	-4,943	-10.9%
Other operating revenue	3,952	3,284	668	20.4%
Other operating expenses	3,814	4,221	-406	-9.6%
Profit (loss) on operating activities	17,381	11,354	6,027	53.1%
Financial revenue	20,448	17,021	3,427	20.1%
Financial expenses	15,818	6,075	9,743	160.4%
Expected credit losses	6,272	1,988	4,285	215.6%
Pre-tax profit (loss)	15,738	20,312	-4,574	-22.5%
Income tax	2,184	3,511	-1,326	-37.8%
Net profit (loss) on continued operations	13,554	16,802	-3,248	-19.3%
Net profit (loss)	13,554	16,802	-3,248	-19.3%

STATEMENT OF CHANGES IN EQUITY – UNIBEP SA [PLN THOUSAND]

Specification	Share capital	Other reserve capitals	Capital from sales of shares at premium	Retained earnings	Total equity
FOR THE PERIOD FROM 01.01.2022 TO 31.12.2022					
Opening balance of equity	3,507	31,738	62,154	111,753	209,152
Dividend recognised as payments to owners	0	0	0	-16,085	-16,085
Incentive scheme	0	1,252	1,740	0	2,992
Current year earnings (losses)	0	0	0	13,554	13,554
Other combined comprehensive income	0	1,106	0	0	1,106
Comprehensive income	0	1,106	0	13,554	14,660
Changes in equity	0	2,358	1,740	-2,531	1,567
Closing balance of equity	3,507	34,096	63,894	109,222	210,719
FOR THE PERIOD FROM 01.01.2021 TO 31.12.2021					
Opening balance of equity	3,507	26,479	62,154	104,423	196,563
Dividend recognised as payments to owners	0	0	0	-9,471	-9,471
Incentive scheme	0	3,282	0	0	3,282
Current year earnings (losses)	0	0	0	16,802	16,802
Other combined comprehensive income	0	1,976	0	0	1,976
Comprehensive income	0	1,976	0	16,802	18,778
Changes in equity	0	5,258	0	7,330	12,589
Closing balance of equity	3,507	31,738	62,154	111,753	209,152

CASH FLOW STATEMENT – UNIBEP SA [PLN THOUSAND]

Description	01.01.2022 r. - 31.12.2022 r.	01.01.2021 r. - 31.12.2021 r.
CASH FLOWS FROM OPERATING ACTIVITIES		
I. Gross profit (loss)	15,738	20,312
II. Total adjustments:	-39,389	-62,401
1. Amortisation:	16,709	13,772
2. Exchange rate profits (losses)	266	4
3. Interest and profit sharing (dividend)	-4,677	-9,772
4. Profit (loss) on investment activities	-2,490	15
5. Change in provisions	43,105	11,584
6. Change in inventory	-45,689	-5,302
7. Change in receivables	-294,064	-17,491
8. Change in short-term liabilities excluding financial liabilities	248,140	-58,708
9. Other adjustments	-688	3,498
Cash from operating activities	-23,650	-42,089
Income tax paid/refunded	8,149	-18,417
Net cash from operating activities	-15,501	-60,506
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Purchase of tangible fixed assets and intangible assets	-14,523	-6,236
Proceeds from sales of tangible fixed assets and intangible assets	7,112	3,870
Purchase of shares, stocks and other capital assets (including capital contributions)	-9,976	0
Interest received	9,719	3,951
Dividend received	11,797	8,787
Loans repaid by related parties	90,378	55,774
Loans granted to related parties	-68,583	-111,580
Other (including execution of derivative instruments)	-735	-906
Net cash from investment activities	25,189	-46,339
CASH FLOWS FROM FINANCING ACTIVITIES		
Inflows from loans, credits, bonds and bills of exchange	120,000	100,057
Repayment of loans, credits, bonds and bills of exchange	-122,707	-44,150
Acquisition of own shares/refund of contributions	1,800	0
Payment of liabilities arising from lease contracts	-11,201	-10,239
Interest paid	-14,671	-5,001
Dividend paid	-16,085	-9,471
Net cash from financial activities	-42,864	31,196
Net change in cash excluding exchange rate differences	-33,177	-75,649
Exchange rate differences	-34	28
Net change in cash	-33,211	-75,621
Opening balance of cash	107,168	182,789
Closing balance of cash	73,957	107,168
- including: of limited disposability	20,609	17,949

Error adjustment

The Unibep SA Capital Group has re-verified the documentation and carried out a legal re-examination of the issuance of the debit note to the Consortium Partner Trakcja SA. In the course of this analysis, it was considered that important elements – such as the debtor's asset and financial situation and the complex legal situation of the dispute – had been overlooked. In addition, an error was corrected in the 2021 report regarding the timing of the recognition of tax revenue from sales of premises and the corresponding tax cost of sales.

The conclusion of the actions carried out is an adjustment of the consolidated retained earnings in the amount of PLN 5,020 thousand.

Detailed explanations of the extent of the error and the changes resulting from it are provided in Note 6.28 of the consolidated financial statements for 2022.

As of 31 December 2022, the consolidated value of the Unibep Group's assets increased by PLN 277,719 thousand compared to the end of December 2021. This was due to the increase in the value of fixed assets by 21% (PLN 69,287 thousand) and the increase of current assets value by 17% (PLN 208,432 thousand).

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

- an increase in the value of investment property by PLN 38,657 thousand,
- an increase in the value of loans granted by PLN 16,961 thousand,
- an increase of deferred income tax assets by PLN 13,164 thousand.

Current assets: The increase in current assets was mainly due to:

- an increase in the value of trade and other short-term receivables by PLN 145,993 thousand,
 - an increase in the value of inventory by PLN 136,892 thousand,
 - a decrease in the value of cash and cash equivalents by PLN 133,513 thousand.
-

Liabilities:

Changes in liabilities resulted mainly from:

- an increase in equity by PLN 11,961 thousand,
- an increase in long-term liabilities by PLN 28,630 thousand, where the most significant changes involved:
 - an increase in credits, loans and other financial liabilities by PLN 26,371 thousand,
 - an increase in trade and other long-term liabilities by PLN 10,170 thousand,
- an increase in short-term liabilities by PLN 237,128 thousand, where the most significant changes involved:
 - an increase in trade and other short-term liabilities by PLN 145,804 thousand,
 - an increase in short-term provisions by PLN 67,790 thousand,
 - a decrease in credits, loans and other financial liabilities by PLN 19,286 thousand.



Within the Unibep Group, the majority of financial ratios in 2022 show a lower level compared to the previous year.

The return on equity (ROE) stood at 8.43%, which means a year-on-year decrease of 3.56 p.p.

In 2022, the Group's sales revenue significantly exceeded the previous year's level (increased by 32%).

In segment terms, revenue growth compared to 2021 was demonstrated by all segments except for a slight decrease in modular construction. Taking gross profit on sales as a criterion, the performance was improved in comparison with the previous year by property development activity and infrastructure. Good profitability was shown by the energy and industrial segment, whose activities were separated into Unibep Group segments for the first time in 2022.

In 2022, the cost of sales increased (an increase by approx. 45% on 2021), which is related to the expansion of development activity and the launch of new projects. General and administrative costs decreased by approx. 5%. Significantly, profitability ratios decreased at every level of the profit and loss account.

At the Parent Company level, the net profit decreased by 19% compared to the previous year, with a significant increase by 32% in sales. The level of cash at the end of 2022 also decreased by PLN 33 million. Their level amounted to approx. PLN 74 million, with negative cash flows from operating activities at the level of minus PLN 23 million.

5.2 WYNIKI SEGMENTÓW OPERACYJNYCH

CONSOLIDATED SEGMENT REPORTING AS OF 31.12.2022

Specification	Residential and commercial construction	Infrastructure	Property development activity	Modular construction	Energy and industrial construction	Sales adjustments for other segments	Total amount for the entire Group
Revenue from contracts with customers	1,053,610	492,965	333,062	213,500	312,192	-147,018	2,258,312
external sales	915,961	492,453	331,998	205,157	312,192		2,257,761
sales to other segments	137,649	512	1,064	8,343	0	-147,018	551
Costs of products, goods and materials sold	1,032,923	459,952	233,146	245,836	284,023	-145,822	2,110,057
Gross profit on sales	20,688	33,013	99,917	-32,335	28,169	-1,195	148,255
% gross profit on sales	1.96%	6.70%	30.00%	-15.15%	9.02%	0.81%	6.56%
Selling costs							20,609
General and administrative costs							58,288
Results on other operating activities							-5,607
Profit on operating activities							63,751
Financial revenue							12,222
including: interest revenue	46	-1,902	7,159	-81			5,222
derivative instruments	145			4,646	-548		4,242
Financial expenses							23,324
including: interest expenses	12,297	2,784	2,777	2,031	63		19,952
derivative instruments	-1,458			-138	-548		-2,144
Expected credit losses							11,249
Share in net profits (losses) of subsidiaries measured using the equity method							501
Pre-tax profit							41,901
Income tax							10,040
Net profit							31,861

CONSOLIDATED SEGMENT REPORTING AS OF 31.12.2021 – RESTATED

Specification	Residential and commercial construction	Infrastructure	Property development activity	Modular construction	Sales adjustments for other segments	Total amount for the entire Group
Revenue from contracts with customers	941,795	381,880	285,890	261,800	-157,348	1,714,018
external sales	785,634	381,675	284,909	261,800		1,714,018
sales to other segments	156,161	205	981	0	-157,348	0
Costs of products, goods and materials sold	884,696	374,016	220,631	254,610	-147,231	1,586,721
Gross profit on sales	57,100	7,864	65,260	7,190	-10,117	127,296
% gross profit on sales	6.06%	2.06%	22.83%	2.75%	6.43%	7.43%
Selling costs						14,241
General and administrative costs						61,143
Results on other operating activities						3,199
Profit on operating activities						55,111
Financial revenue						7,165
including: interest revenue	7	2,754	2,334	206		5,301
derivative instruments	1,421			80		1,501
Financial expenses						12,772
including: interest expenses	3,658	758	1,471	715		6,603
derivative instruments	2,200			4,393		6,592
Expected credit losses						2,582
Share in net profits (losses) of subsidiaries measured using the equity method						5,825
Pre-tax profit						52,747
Income tax						10,634
Net profit						42,113

SEPARATE SEGMENT REPORTING AS OF 31.12.2022

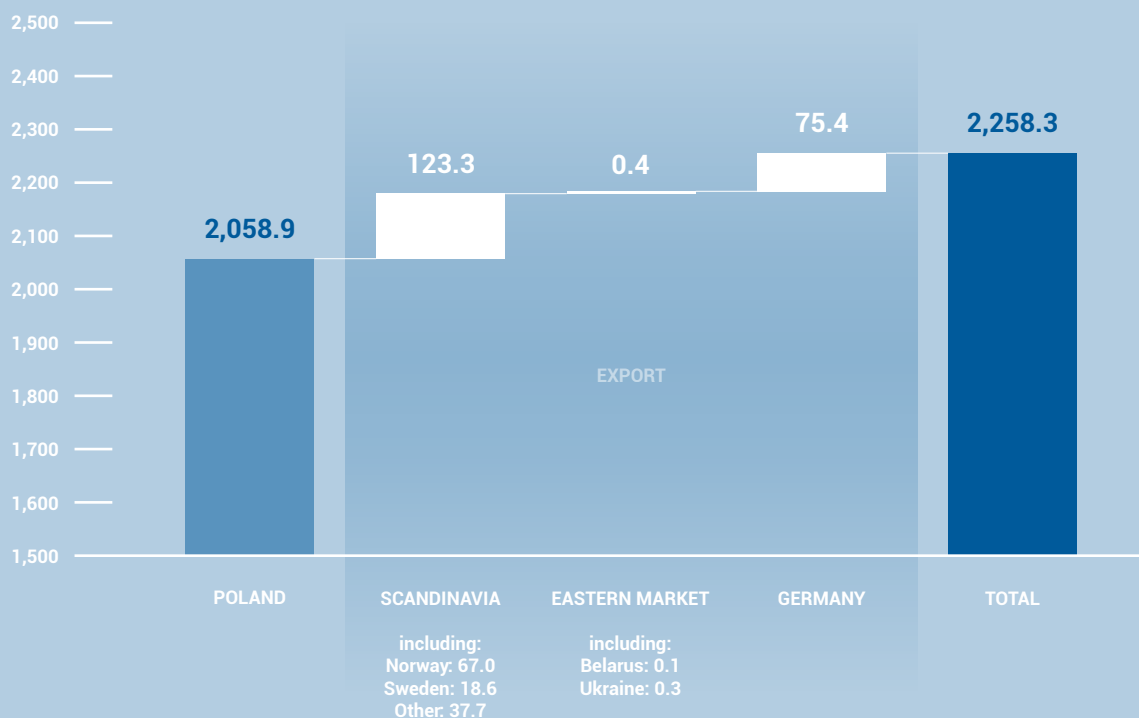
Specification	Residential and commercial construction	Infrastructure	Other modular activities	Energy and industrial construction	Total (for the whole unit)
Revenue from contracts with customers	1,053,732	301,182	-1,915	312,192	1,665,190
external sales	1,053,732	301,182	-1,915	312,192	1,665,190
sales to other segments	0	0			0
Costs of products, goods and materials sold	1,032,062	288,567	2,937	284,023	1,607,589
Gross profit on sales	21,670	12,615	-4,852	28,169	57,601
% gross profit on sales	2.06%	4.19%		9.02%	3.46%
Selling costs					17,000
General and administrative costs					40,358
Results on other operating activities					138
Profit on operating activities					17,381
Financial revenue					20,448
including: interest revenue	9,327	-1,902	-146		7,279
derivative instruments	145	0	-106	-548	-509
Financial expenses					15,818
including: interest expenses	12,837	1,220	18	60	14,134
derivative instruments	-1,458		-138	-548	-2,144
Expected credit losses					6,272
Pre-tax profit					15,738
Income tax					2,184
Net profit					13,554

SEPARATE SEGMENT REPORTING AS OF 31.12.2021

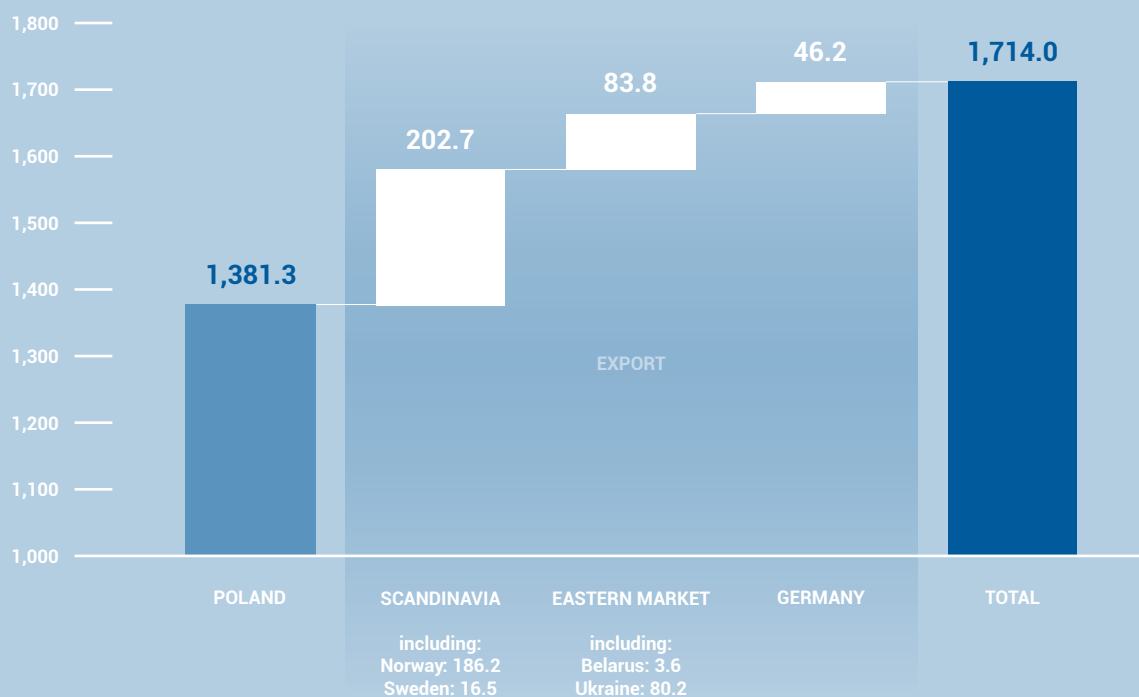
Specification	Residential and commercial construction	Infrastructure	Other modular activities	Total (for the whole unit)
Revenue from contracts with customers	941,825	289,170	23,689	1,254,683
external sales	941,825	289,170	23,689	1,254,683
sales to other segments	-	-	-	-
Costs of products, goods and materials sold	887,451	277,823	31,818	1,197,092
Gross profit on sales	54,374	11,346	-8,129	57,591
% gross profit on sales	5.77%	3.92%	-34.32%	4.59%
Selling costs				-
General and administrative costs				45,301
Results on other operating activities				-937
Profit on operating activities				11,354
Financial revenue				17,021
including: interest revenue	3,353	2,754	51	6,158
derivative instruments	1,421		5	1,426
Financial expenses				6,075
including: interest expenses	4,092	647	38	4,777
derivative instruments	2,200		17	2,216
Expected credit losses				1,988
Pre-tax profit				20,312
Income tax				3,511
Net profit				16,802

INFORMATION ON GEOGRAPHICAL AREAS CAPITAL GROUP DATA

Revenue from external customers – period ended on 31.12.2022 [PLN million]

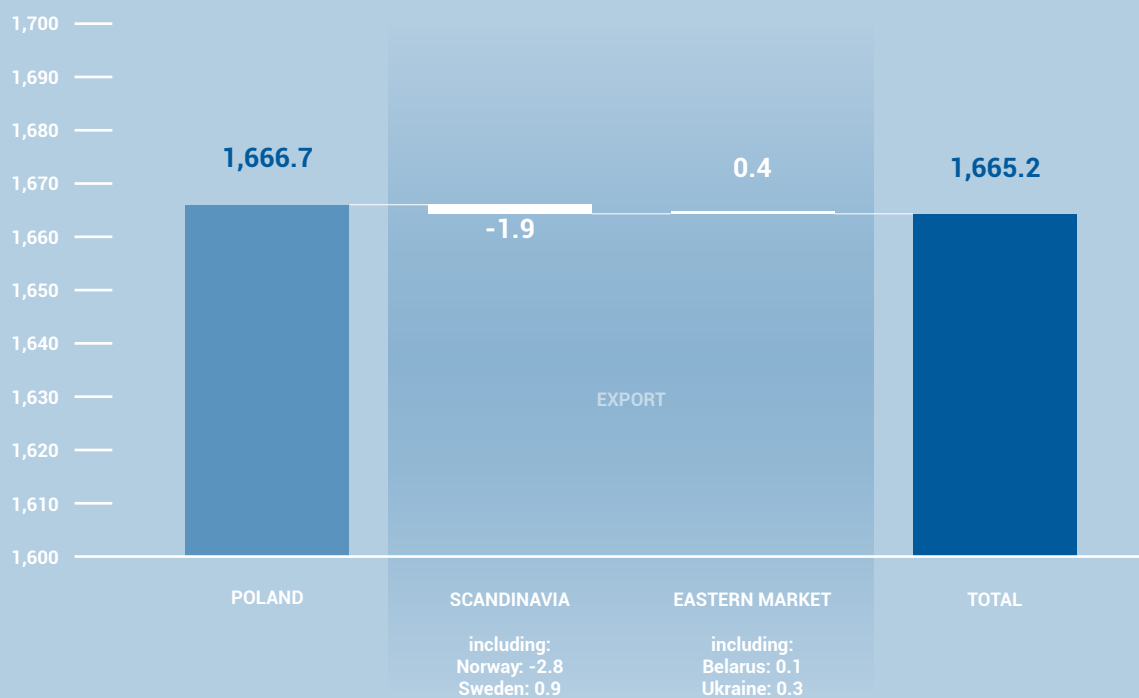


Revenue from external customers – period ended on 31.12.2021 [PLN million] (restated)

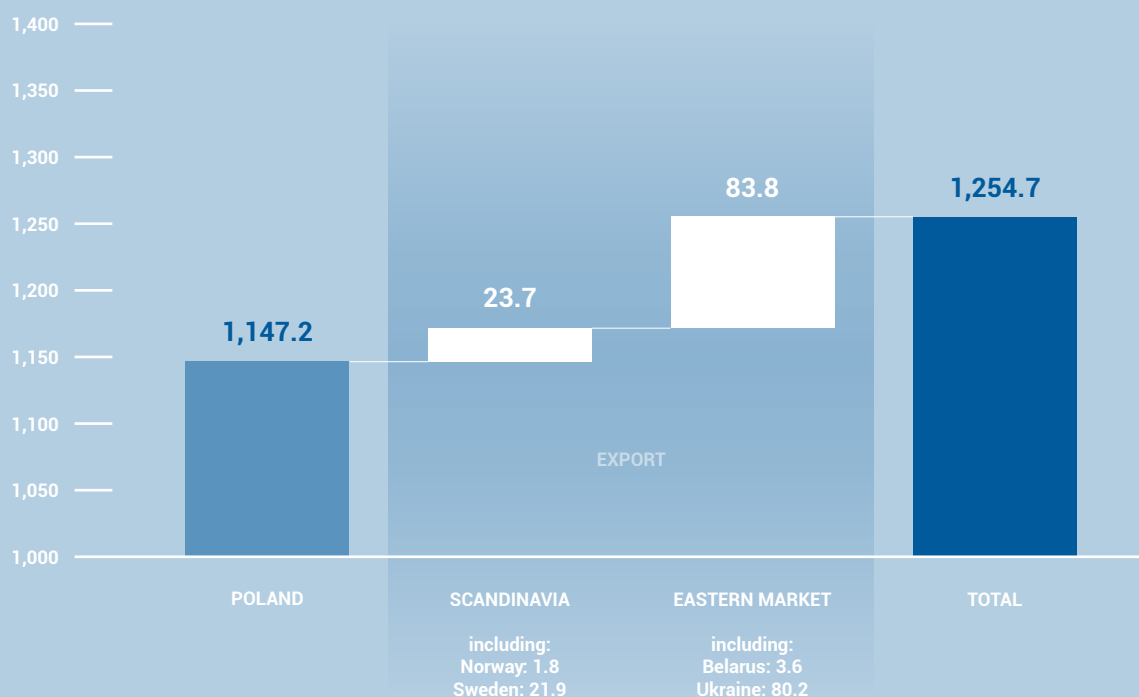


INFORMATION ON GEOGRAPHICAL AREAS DATA OF THE PARENT COMPANY – UNIBEP SA

Revenue from external customers – period ended on 31.12.2022 [PLN million]



Revenue from external customers – period ended on 31.12.2021 [PLN million]



5.3 EXTRAORDINARY EVENTS AFFECTING THE FINANCIAL PERFORMANCE

In the opinion of the Management Board, an unusual and extraordinary event for the current business in 2022 was the situation relating to economic effects at Unihouse resulting mainly from external conditions and the degree of implementation of contracts with business partners.

The above was presented in current report no. 19/2023 on the occasion of the publication of information on the preliminary consolidated financial results of the UNIBEP Capital Group for 2022.

Unpredictable events, and which significantly affected the year's performance, were unprecedented increases in the prices of materials and services and energy, related to the unstable geopolitical situation that occurred in 2022. This in turn resulted in significant increases in transport costs, freight and timber prices. Unihouse SA monitored the market situation and from discussions with investors it was clear that they fully understood the situation and were prepared to compensate for the higher costs.

The inability to confirm previous arrangements with contracting authorities has necessitated a revision of previous assumptions in the recognition of additional revenue from ongoing contracts in 2022 to reflect cost increases. As a result of the decision of the Management Board of Unihouse SA not to report revenue in the part where investors did not confirm previous agreements, an adjustment was made to the expected results.



The above had a significant impact on the presentation of the result and its negative value at Unihouse SA of approx. minus PLN 36 million.

The inconsistent approach of the contracting authorities in the modular segment as regards the participation in the increased costs of the investments in progress will be the basis for Unihouse SA to take action to enforce the additional cash benefits of the concluded contracts based on tools to protect the company's interests, including through legal proceedings and the recognition of these revenue in later periods.

5.4 CAPITAL MANAGEMENT – ASSESSMENT OF FINANCIAL RESOURCES MANAGEMENT

CAPITAL MANAGEMENT (PLN THOUSAND)

	31.12.2022 GROUP	31.12.2022 ENTITY	31.12.2021 GROUP	31.12.2021 ENTITY
Interest-bearing credits, loans and bonds	240,791	161,142	227,094	155,557
Trade and other liabilities	874,690	552,338	688,639	304,391
Cash and cash equivalents	137,948	73,957	271,461	107,168
Net debt	977,533	725,498	644,273	352,780
Equity	383,954	210,719	377,013	209,152
Net capital and debt	1,361,487	936,217	1,021,286	561,932
	71.80%	77.49%	63.08%	62.78%

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

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

The Group monitors its capital using the leverage ratio calculated as the ratio of net debt to total

capital increased by net debt. The net debt of the Group includes interest-bearing credits and loans and other external sources of financing, trade and other liabilities, deposits under construction contracts, amounts due to customers under construction contracts, advances received and current income tax liabilities less cash and cash equivalents.

5.5 INFORMATION ON THE DIVIDEND POLICY AND DIVIDEND PAID IN 2022

On 21 June 2022, the General Meeting of Unibep SA adopted a resolution on the payment of a dividend for 2021, according to which the dividend paid to shareholders from the net profit for 2021 amounted to PLN 16,085 thousand. As the Company offered 600,000 own shares to participants in the Incentive Scheme for the 2021 assessment year, the dividend (after excluding the Company's 2,900,000 own shares), amounted to PLN 0.50 per share. In accordance with the resolution of the General Meeting of Shareholders of Unibep SA, the dividend date (D) was set at 25 July 2022, and the dividend payment date (W) at: 2 August 2022 – the first instalment of PLN 9,651 thousand, i.e. PLN 0.30 per share; 3 October 2022 – the second instalment of PLN 6,434 thousand, i.e. PLN 0.20 per share.

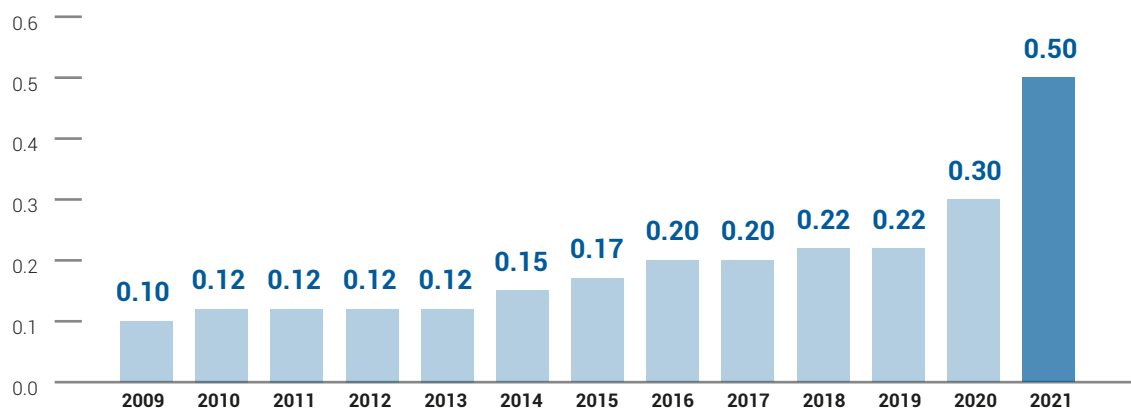
Information on the adoption by the Company of the resolution on the payment of dividend for 2021



was provided in current report no. 35/2022.

On 9 November 2021, the Dividend Policy of Unibep SA was adopted, according to which the intention of the Company's Management Board is to recommend to the Ordinary General Meeting of Shareholders, after obtaining a positive opinion of the Supervisory Board of the Company, the payment of the dividend in the amount of 20% to 50% of the consolidated net profit disclosed in the financial statements of the Unibep Group for a given financial year, taking into account in particular the following factors: i) prospects, ii) future profits, iii) cash requirements, iv) financial position of the Unibep Group, v) development plans of the Unibep Group.

Dividend per 1 share for the year [PLN]



5.6 INFORMATION ON CREDITS, LOANS, SURETIES AND GUARANTEES

In 2022, the Issuer signed the following financial agreements:

- On 4 April 2022, UNIBEP SA, Unihouse SA, Budrex Sp. z o.o. and Bank Pekao SA signed a quadripartite overdraft and guarantee line contract for a total of PLN 70 million. The contract was concluded until 31 January 2023.
- On 11 April 2022, UNIBEP SA, Unihouse SA, Budrex Sp. z o.o. and Bank Pekao SA signed a quadripartite supplier financing contract with a limit of PLN 20 million. The contract was concluded until 31 March 2023.
- On 19 April 2022, a company from the Unidevelopment SA Group – UNI 1 Sp. z o.o. signed a contract for a development credit and a VAT working capital credit with Santander Bank Polska

SA for a total amount of PLN 40.86 million. The contract was concluded until 17 July 2024.

- On 20 May 2022, Unidevelopment SA signed a credit contract with Bank Millennium SA for PLN 21 million. The contract was concluded until 19 May 2024.
- On 30 May 2022, Unibep SA signed a working capital credit contract with BGK in the amount of PLN 100 million for the refinancing and financing of the costs incurred for the construction of the state border security at the Podlaski Branch Border Guard Regional Unit – sections 3 and 4. Funding was provided until 30 September 2022.
- On 5 July 2022, Unibep SA signed a contract with ING Bank Śląski SA for a non-revolving working capital credit of PLN 20 million. The contract was concluded on 31 May 2025.
- On 22 July 2022, Fama Development Spółka z o.o. Spółka jawna, with its registered office in Poznań (a subsidiary of Unidevelopment SA), signed an investor credit contract with PKO Bank Polski SA for PLN 121.2 million and a revolving working capital credit contract for VAT financing in the amount of PLN 5.0 million. According to the contract, the credit was granted until 31 August 2024.
- On 10 August 2022, Budrex Sp. z o.o. signed a contract for a working capital credit of PLN 5 million with Bank Spółdzielczy in Bielsk Podlaski and Bank Spółdzielczy in Sokółka. The contract was concluded for a period of 36 years.
- On 17 October 2022, Nowa Idea Sp. z o.o. signed a contract with Lubelski Bank Spółdzielczy for a development working capital credit of PLN 9 million. The contract was concluded until 31 December 2023.

In addition, the following contracts were extended in 2022:

- On 24 January 2022, Unibep SA signed an annex to the contract for the provision of contractual insurance guarantees with WIENER TU SA in the amount of PLN 7 million extending the contract until 10.12.2022.
- On 27 January 2022, Unibep SA extended the contract with Generali SA for granting contract guarantees within the limit of PLN 43 million. The contract was extended until 31 December 2022.
- On 17 February 2022, Unibep SA and mBank SA extended the overdraft and guarantee line contract in the total amount of PLN 50 million. The contract was extended until 24 February 2023.

- On 25 February 2022, Unibep SA and BGK extended the overdraft and guarantee line contract in the total amount of PLN 70 million. The contracts were extended until 28 February 2023.
- On 28 February 2022, Unihouse SA and BGK extended the overdraft and guarantee line contract in the total amount of PLN 20 million. The contracts were extended until 28 February 2023.
- On 11 March 2022, Unibep SA signed an annex to the general insurance guarantee contract with Uniqą TU SA increasing the guarantee limit to PLN 25 million.
- On 8 June 2022, Unidevelopment SA signed an annex to the Framework Agreement for the multi-product line with mBank SA extending the term of the credit by up to 30 June 2023 and increasing the credit limit to PLN 5 million.
- On 29 June 2022, Unidevelopment SA signed with Santander Bank Polska SA an annex to the multi-line contract in the amount of PLN 12 million extending the term of the credit until 30 September 2023.
- On 4 July 2022, Budrex Sp. z o.o. extended the contract with ING Bank Śląski SA for the overdraft facility and the limit for the discount transactions for the total amount of PLN 7 million. The contract was extended until 30 June 2023.
- On 8 August 2022, Unibep SA signed an annex to the general insurance guarantee contract with Uniqą TU SA including Budrex Sp. z o.o. and Unihouse SA in the guarantee limit (PLN 40 million) and extending the contract until 31.12.2022.
- On 11 August 2022, Unibep SA and Budrex Sp. z o.o. extended the contractual insurance guarantee contract with InterRisk TU SA until 10.08.2023 and increased the guarantee limit to PLN 40 million.
- On 14 September 2022, Unibep SA signed an annex with Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA to the cooperation contract on the provision of insurance guarantees for an increase in the limit to PLN 80 million.
- On 15 September 2022, Unibep SA signed an annex to the general insurance guarantee contract with Uniqą TU SA increasing the guarantee limit to PLN 40 and extending the contract until 14.09.2023.
- On 22 September 2022, Unibep SA, Unihouse SA and Budrex Sp. z o.o. concluded with Santander Bank Polska SA an annex to the overdraft and guarantee line contract. Under the annex, the contract was extended until 30 September 2022 and Budrex Sp. z o.o. was incorporated into

the contract. The total value of the contract reached PLN 78 million.

- On 26 September 2022, Unibep SA made a technical extension with BnP Paribas Bank Polska SA of the overdraft contract and the guarantee line. The contract was extended until 30 November 2022. Such technical extensions took place two more times in total until 31 January 2023.
- On 27 September 2022, Unidevelopment SA signed an annex to the overdraft contract with Santander Bank Polska SA. Under the annex, the value of the contract was increased to PLN 12 million and the repayment date was set at 30 September 2023.
- On 29 November 2022, Unibep SA and Unihouse SA extended the contract with PKO BP SA on the overdraft facility and the guarantee line for the total amount of PLN 75 million. The contract was extended until 30 November 2023.

On 31 January 2022, Ursa Sky Smart City z o.o. Spółka komandytowa terminated a contract with Bank Millennium SA for a revolving construction financing credit of PLN 30 million to finance stage 2 of the "Ursa Sky" project.

In addition to the contracts entered into or renewed in 2022 referred to above, as of 31 December 2022, the Issuer held the following:

a) Credit contracts:

- The contract between Unihouse SA and ING Bank Śląski SA for a corporate loan of PLN 10 million. The loan was granted until the end of December 2023.

b) Contractual guarantee agreements with the following Insurance Companies:

- Europa SA for the amount of PLN 20 million, concluded for an indefinite period,
- Euler Hermes SA for the amount of PLN 50 million, concluded for an indefinite period,
- KUKE SA for the amount of PLN 100 million, concluded for an indefinite period,
- TUiR Allianz Polska SA for the amount of PLN 70 million, concluded for a period until 30 September 2023,
- Zurich Insurance plc for the amount of EUR 15 million, concluded for an indefinite period,
- CREDENDO Excess & Surety SA for the amount of PLN 70 million concluded for an indefinite period,

- TUIR Warta SA for the amount of PLN 2 million, concluded for an indefinite period,
 - Nordic Guarantee Insurance for SEK 250 million for an indefinite period
- c) Contracts on treasury transactions concluded for an indefinite period with:
- BNP Paribas Bank Polska SA with a limit of PLN 13.3 million,
 - mBank SA with a limit of PLN 5 million,
 - PKO BP SA with a limit of PLN 69.7 million,
 - Santander Bank Polska SA with a limit of PLN 14.5 million,
 - BGK with a limit of PLN 10 million.
 - Bank PEKAO SA PLN 12 million

In the course of its activity and due to its nature, UNIBEP SA and its subsidiaries grant performance bonds for construction works and receive such bonds from subcontractors and investors. As of 31 December 2022, the value of bonds issued on behalf of UNIBEP Group companies amounted to PLN 703.1 million. At the same time, UNIBEP Group companies were in possession of bonds issued to their benefit with a value of PLN 160.7 million.

The total nominal value of FX Forward contracts as of 31 December 2022 was EUR 17.7 million, SEK 15 million and NOK 40 million. The remaining time to settle derivative instruments opened as of 31 December 2022 is from 11 to 195 days.

As of 31 December 2022, Unibep Group companies had the following credit contract in which they were the lender (loans granted to entities outside the Group):

- Unidevelopment SA with JB Investment Societe En Commandite Speciale in the amount of PLN 3 million valid until 31 December 2022.
- Unidevelopment SA with JB Investment Societe En Commandite Speciale in the amount of PLN 18.7 million valid until 31 December 2024.
- Monday Development Sp. z o.o. with JB Investment Societe En Commandite Speciale in the amount of PLN 3 million valid until 31 December 2022.
- Monday Development Sp. z o.o. with JB Investment Societe En Commandite Speciale in the amount of PLN 499 thousand valid until 31 December 2023.

- Fama Development Sp. z o.o. sp. j. with JB Investment Societe En Commandite Speciale in the amount of PLN 60.6 million valid until 30 September 2024.
- Fama Development Sp. z o.o. sp. j. with JB Investment Societe En Commandite Speciale in the amount of PLN 936.2 thousand valid until 31 December 2022.

The interest rate on intra-group loans is based on a variable WIBOR interest rate and a fixed margin calculated based on an econometric model. In calculating the margin, the model, developed with reconciliation of transfer pricing requirements, takes into account periodically updated industry benchmarks and the economic situation of the lender and borrower.

Other information on off-balance sheet items is presented in Note 6.36 to the Consolidated Financial Statements for 2022.

5.7 INVESTMENTS

Structure of the major capital deposits or main capital investments within the issuer's capital group in the financial year

UNIBEP Group held no capital investments in 2022 (it made no purchases of investment and capital fund units). Short-term financial surpluses were invested in bank deposits or allocated to loans to the Group companies or external entities.

Assessment of the potential for implementing investment plans

The investment programme planned for 2023 takes into account the expectations of businesses in terms of their ability to meet their financial targets. It is also based on an assessment of the market situation and one's own ability to incur expenditure while maintaining financial security. Ensuring financial liquidity is a priority.

The infrastructure segment executes important multi-year contracts to be carried out under the design and build formula. Business development and territorial expansion require investments in equipment and in increasing the volume and quality of bitumen production. As in previous periods, planned investments are aimed at renewing and expanding the equipment potential to facilitate the execution of major contracts and at completing the current ones with the expected results. The planned expenditure will be directed towards strengthening the capacity of the asphalt plant and its own laboratories. Investment in the equipment base is associated with the need to reduce

dependence on subcontractors and the ability to respond more quickly to changes and needs of ongoing construction projects.

As part of modular construction carried out by Unihouse SA, the capital expenditure that will be incurred in 2023 will mainly be related to optimising manufacturing processes, increasing productivity and reducing unused production capacity. The current priority of the business is, first and foremost, to replenish the order profile guaranteeing continuity of production.

The importance of the property development segment in the UNIBEP Group's 2022 performance was again essential. In this segment, the main expenditure is directed towards formalising property rights to enable the planning of further development projects.

The IT systems are becoming an important area of investment. The development and change in the approach to project management and the implementation of the BIM philosophy require appropriate attitudes and inputs from the Unibep Group. The change process was preceded by a period of analysis of the concepts developed and their adaptation to opportunities, expectations and conditions. The activities are innovative from the point of view of the Group and existing construction project (contract) management practices.

The Unibep Group is committed to providing appropriate working conditions for its staff. This is supported by investments in, among others, the so-called back office, which provides comfortable premises and the necessary equipment to provide support services at the right level.

5.8 USE OF PROCEEDS FROM THE ISSUE OF SECURITIES

On 15 February 2022, Unibep redeemed 198,500 series E bonds with a total value of PLN 19,850,000. The redemption took place on the maturity date of this series of bonds.

BOND ISSUE DEBT AS OF 31.12.2022

As of 31 December 2022	Currency	Nominal value	Carrying amount	Short-term liabilities	Long-term liabilities	Redemption date
UNIBEP SA series G bonds	PLN	50,000,000	50,512,033.05	3,391,278.39	47,120,754.66	31.03.2024
UNIBEP SA series H bonds	PLN	50,057,000	49,608,612.08	4,372,812.88	45,235,799.20	24.11.2024
TOTAL bonds		100,057,000	100,120,645.13	7,764,091.27	92,356,533.86	

As of 31 December 2022, the leverage ratio for the series G and H bonds was – 0.27, and the net financial debt/EBITDA ratio was 1.18.

5.9 FINANCIAL INSTRUMENTS – RISKS AND ADOPTED FINANCIAL RISK MANAGEMENT OBJECTIVES AND METHODS

Risk management

In conducting its operations, the Group 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 Group 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 contracts with subcontractors in the currency of the contract, thus transferring the risk to them. As a result, the Company's level of currency risk in the case of export contracts is limited to an amount close to the margin realised – this applies to contracts in Belarus and Ukraine whose final settlement took place in 2022. In the case of contracts executed in Norway and Sweden, the natural hedging mechanism is estimated at approx. 20%. Natural hedging for contracts performed in Poland and expressed in EUR does not exceed 10%.

Derivative financial instruments

The Group enters into derivative transactions, in order to hedge its exposure to foreign exchange risk. 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, among others, 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 derivative instruments) and partly in financial revenue or expenses of the reporting period (time value of derivative instruments). Profits and losses determined as of the settlement date are disclosed in the result account

Interest rate risk

Interest rate risk is mainly related to the use of bank credits, lease, issued bonds, and bank deposits, by the Group. The above transactions are based mainly on a variable interest rate, which exposes the Group to the risk of changes in the profit or loss and cash flows. In order to hedge against the interest rate risk, the Company may enter into IRS-type transactions hedging the payment of interest on interest-bearing liabilities with long maturities. Lease is not material to the Group's financing (it relates mainly to lower value projects). The Group invests its financial surpluses in the form of short-term deposits. The deposits are based on fixed interest rates and are usually concluded for a period of 3-7 days. The amount of interest obtained depends, i.e. on the interest rates.

Credit risk

The Group applies a moderate credit exposure policy towards individual financial institutions, while cooperating with highly reliable institutions. In order to secure current and future liquidity, the Group has multi-purpose credits and limits in selected banks. The Group also executes development projects through special purpose vehicles directly financed by financial institutions. The Group is not afraid of losing the availability of financing, despite the fact that financial institutions analyse the Group's financial results on an ongoing (quarterly) basis

Liquidity risk

In order to mitigate the liquidity risk, the Group maintains an adequate amount of cash and concludes credit facility contracts which serve as additional security of liquidity (e.g. contracts with Bank Polska Kasa Opieki SA, PKO BP SA, Santander Bank Polska SA, mBank SA, BNP Paribas Bank Polska SA, BGK, ING Bank Śląski SA). In addition, in order to secure adequate liquidity in the Group, the Group's entities may issue bonds. At the end of 2022, the entire Group held issued bonds with a total value of PLN 100 million.

A detailed description of risks and actions aimed at reducing and minimising their impact on the Group's operations is presented in the financial statements.

Activities undertaken by the Parent Company in the area of financial risk management are coherent with those undertaken at the level of the Capital Group.

5.10 FORECASTS OF FINANCIAL PERFORMANCE

The UNIBEP Group and UNIBEP SA did not publish financial performance forecasts for 2022.

5.11 PRINCIPLES OF PREPARATION OF FINANCIAL STATEMENTS AND BASIS FOR PUBLICATION

This Management Report on the Unibep Group's Activities in 2022 contains information the scope of which is specified in § 70-71 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities [...] (the Regulation).

The consolidated annual report, which includes the consolidated financial statements and this report on activity, was prepared on the basis of § 70 and § 71 § 60(2) of the Regulation. The principles of preparation of annual financial statements are presented in subsequent notes to these statements.

Pursuant to §71(8) of the Regulation, this report also includes disclosures required for the Report on the operations of the Parent Company.

The statement on non-financial information referred to in Article 55(2b) in conjunction with Article 49b of the Accounting Act was prepared in the form of a separate Sustainability Report for 2022. At the same time, having regard to §71(8) of the Regulation referred to above, the Sustainability Report also includes the disclosures required for the Parent Company referred to in Article 49b(2) of the Accounting Act, which are necessary to assess the development, performance and standing of the Parent Company and the impact of its operations on the issues referred to in Article 49b(2)(3) of the Accounting Act, and thus no separate statement on financial information dedicated solely to the Parent Company was prepared.

6. DESCRIPTION OF SIGNIFICANT EVENTS

6.1 MATERIAL CONTRACTS RELATED TO OPERATING ACTIVITIES



RESIDENTIAL AND COMMERCIAL CONSTRUCTION

- 1. Conclusion by the Consortium with the participation of Unibep SA of a contract for the implementation of the task entitled: "Construction of a complex of buildings with accompanying infrastructure for the needs of the Military Unit in Węgorzewo – procedure no. 47/RB".**

On 11 January 2022, the consortium consisting of Unibep SA, with its registered office in Bielsk Podlaski [Consortium Leader], and TYTAN Systemy Bezpieczeństwa sp. z o.o., with its registered office in Białystok [Consortium Partner], entered into a contract for the implementation of the task entitled: "Construction of a complex of buildings with accompanying infrastructure for the needs of the Military Unit in Węgorzewo – procedure no. 47/RB" (CR 3/2022)

The Issuer informed about the selection of the tender in current report no. 75/2021.

- 2. Conclusion of a contract for the construction of the campus of the Academy of Music in Bydgoszcz**

On 24 January 2022, Unibep SA concluded a contract for the implementation of the project entitled: "Construction of the campus of the Feliks Nowowiejski Academy of Music in Bydgoszcz with internal and external infrastructure at 9-11 Chodkiewicza Street in Bydgoszcz".

The contracting authority is the Feliks Nowowiejski Academy of Music in Bydgoszcz. Completion date Q1 2022 – Q4 2023 (CR 7/2022)

The Issuer informed about the selection of the tender in current report no. 64/2021.

- 3. Conclusion of a contract for the implementation of Stage 5 of the housing project entitled: "19. Dzielnica" at Kolejowa Street in Warsaw**

On 23 February 2022, Unibep SA entered into a contract for the performance of Stage 5 of the housing project entitled: "19. Dzielnica" at Kolejowa Street in Warsaw.

The contracting authority is PRO URBA INVEST V Sp. z o.o. with its registered office in Warsaw. Investment completion date Q1 2022 - Q4 2023. The Issuer's remuneration for the execution of the subject of the contract is approx. PLN 106.7 million net. (CR 13/2022)

4. Agreements on the termination of conditional contracts in the Belarusian market

On 28 February 2022, Unibep SA concluded two termination agreements with the municipal enterprise "Akwa Mińsk", with its registered office in Minsk, concerning, respectively, the conditional contract for the construction of a sports and recreation complex at Kazimirovskaja Street in Minsk, the conclusion of which was reported by the Issuer, among others, in current report no. 53/2019, and the conditional contract for the construction of the "FOK LUCHINY" sports and recreation facility at Luchiny Street in Minsk, which was reported by the Issuer in current report no. 55/2019. In accordance with the wording of the aforementioned agreements, the contracts were terminated on 4 March 2022 (CR 16/2022).

5. Conclusion of a contract for implementation of Stage DE of the housing project at Szwedzka Street in Warsaw

On 22 March 2022, Unibep SA signed a contract for implementation in general contracting system of Stage DE of the housing project at Szwedzka Street in Warsaw.

The contracting authority is a company forming part of the OKAM CAPITAL Group, i.e. SZWEDZKA E Sp. z o.o. with its registered office in Warsaw. The Issuer's remuneration for the implementation of the project is approx. PLN 108.0 million net.

Work is expected to be completed in Q3 2024 (CR 21/2022).

6. Conclusion of a contract for the development of Stages 4 and 5 of the housing project at Klasyków Street in Warsaw

On 25 May 2022, Unibep SA entered into a construction work contract with YIT Development sp. z o.o., with its registered office in Warsaw, for the implementation of Stages 4 and 5 of the housing project at Klasyków Street in Warsaw.

The Issuer's net remuneration for the performance of the contract amounts to PLN 79.0 million. The project will be carried out in the period Q2 2022 - Q2 2024 (CR 36/2022).

7. Signing a contract for the implementation of the housing project at Kolejowa Street in Warsaw

On 3 June 2022, Unibep SA signed a contract for implementation in general contracting system of the construction project at Kolejowa Street in Warsaw.

The contracting authority is PHN Kolejowa Sp. z o.o. with its registered office in Warsaw. The deadline for completing the project is 19 months from the date of commencing construction work. The Issuer's remuneration is approx. PLN 65.21 million net. (CR 39/2022)

8. Conclusion by the Consortium with the participation of Unibep SA of a contract for the implementation of the task entitled: "Construction of a multi-branch warehouse with associated infrastructure in Łomża – procedure no. 57/RB"

On 26 September 2022, a consortium comprising Unibep SA [Consortium Leader] and TYTAN Systemy Bezpieczeństwa sp. z o.o., with its registered office in Białystok [Consortium Partner], concluded a contract for the implementation of the task entitled: "Construction of a multi-branch warehouse with associated infrastructure in Łomża – procedure no. 57/RB".

The State Treasury – Regional Infrastructure Management in Olsztyn is the contracting authority. The Consortium's remuneration for the implementation of the project amounts to approx. PLN 58.0 million net, which is approx. PLN 71.3 million gross, of which the amount attributable to the Issuer is approx. PLN 50.0 million net, which is approx. PLN 61.4 million gross. The deadline for the implementation of the project is 795 days from the date of signing the contract. (CR 56/2022)



9. Concluding a contract for the construction of an office and service building in Włocławek

On 4 October 2022, Unibep SA concluded a contract for the construction of an office and service building with an underground garage, necessary infrastructure and site development on Broniewskiego Street in Włocławek

The contracting authority is Fabryka Terio Ponte Sp. z o.o. with its registered office in Włocławek. The Issuer's remuneration for the implementation of the project is approx. PLN 50.7 million net. The deadline for the implementation of the project is 16 months from the date of commencing construction work. (CR 57/2022)

10. Conclusion of a conditional contract for the implementation of the housing project at Lizbońska Street in Warsaw

On 13 October 2022, Unibep SA signed a contract for implementation in general contracting system of the construction project at Lizbońska Street in Warsaw.

The contracting authority is Projekt Lizbońska sp. z o.o. sp.k., with its registered office in Warsaw, an indirect subsidiary of Grupo Lar Holding Polonia Sp. z o.o. and DEVELIA SA. The Issuer's remuneration for the implementation of the project is approx. PLN 76.2 million net. (CR 59/2022)

On 8 November 2022, the parties modified the wording of the contract in such a way as to exclude the validity of the condition precedent, and the contract thus entered into force on 8 November 2022. (CR 62/2022)

11. Conclusion of a contract for the implementation of the housing project at Herbu Oksza Street in Warsaw

On 4 November 2022, Unibep SA signed a contract for implementation in general contracting system of the housing project at Herbu Oksza Street in Warsaw.

The contracting authority is UDI Tau Sp. z o.o. with its registered office in Warsaw.

The Company's remuneration for the completion of the entire project is approx. PLN 98.6 million net, while the remuneration for the execution of Stage 1 works is approx. PLN 91.3 million net. The project will be completed within 21 months for Stage 1 works and within 14 months for Stage 2 works. (CR 61/2022)

On 2 March 2023, Unibep SA received a written order from the Contracting Authority to commence Stage 1 of the project, which includes the construction of buildings C1 and C2. (CR 20/2023)

12. Signing a contract for the implementation of the housing project at Redutowa Street in Warsaw

On 29 November 2022, Unibep SA signed a contract for implementation in general contracting system of the housing project at Redutowa Street in Warsaw.

The contracting authority is a company belonging to the OKAM CAPITAL Capital Group, i.e. OKAM ACADEMICUS Sp. z o.o., with its registered office in Warsaw.

The Issuer's remuneration for the implementation of the project is approx. PLN 125.0 million net. The project will be carried out in the period Q4 2022 - Q4 2024 (CR 63/2022).

13. Conclusion of a conditional contract for the implementation of the construction project at Milczańska Street in Poznań

On 30 November 2022, Unibep SA entered into a conditional contract for implementation in general contracting system, excluding preparatory works specified in the contract, of the construction project at Milczańska Street in Poznań.

The contracting authority is Bouygues Immobilier Polska Sp. z o.o. with its registered office in Warsaw. The Issuer's remuneration for the implementation of the project is approx. PLN 85.6 million net. Planned completion of the project is Q2 2025 (CR 64/2022).

On 9 December 2022, the Issuer received an order from the contracting authority to commence the work. (CR 65/2022)



ENERGY AND INDUSTRIAL CONSTRUCTION

14. Conclusion of a contract for the reconstruction and extension of a storage and production hall in Mszczonów

On 28 March 2022, Unibep SA concluded a construction contract for the reconstruction and extension of a storage and production hall in Mszczonów.

The contracting authority is Mondi Warszawa Sp. z o.o. with its registered office in Mszczonów. The Issuer's remuneration for the implementation of the project is PLN 164.0 million net. The project will be carried out in the period Q2 2022 - Q3 2023 (CR 24/2022).

15. Conclusion of a contract for the construction of a storage and production hall in Tuszyn in the Łódzkie Voivodeship

On 15 April 2022, Unibep SA entered into a preliminary agreement with Panattoni Development Europe Sp. z o.o., with its registered office in Warsaw, for the construction of a storage and production hall with office and staff facilities, together with technical and accompanying infrastructure and communications in Tuszyn in the Łódzkie Voivodeship. (CR 28/2022)

On 24 May 2022, the promised contract was concluded. The remuneration for the performance of the contract will amount in EUR 28.9 million net, which is equivalent to approx. PLN 133.2 million net. (CR 34/2022)

On 15 September, an annex was concluded in which it was agreed, among others, that the contract for Stage 2 works would enter into force on 30 September 2022 and that the completion date for the project would be updated to Q2 2023 (CR 54/2022).

A further annex to the contract was signed on 30 December 2022. The annex mainly updated the principles of cooperation between the parties in connection with the suspension by the contracting authority of the execution of works under Stage 2 of the project. (CR 71/2022)

16. Conclusion of a contract with Viessmann Technika Grzewcza Sp. z o.o. for the construction of a heat pump production plant in Legnica

On 17 August 2022, UNIBEP SA concluded a contract with Viessmann Technika Grzewcza Sp. z o.o., with its registered office in Legnica, for the construction of a storage and production



plant with offices in Legnica in Dolnośląskie Voivodeship.

The flat rate remuneration for the implementation of the project will amount to approx. PLN 380.0 million net, or approx. PLN 370.5 million net – if the optimisations proposed by the Issuer are implemented. The project will be carried out in the period Q3 2022 - Q3 2023 (CR 50/2022)

17. Conclusion of a contract for the implementation of the task entitled: "Construction of a boiler plant for "Świt" Housing Cooperative in Ełk based on the production of heat from combustion of biomass"

On 31 September 2022, a consortium of the following companies: Unibep SA, [Consortium Leader] and Energotechnika Sp. z o.o., with its registered office in Warsaw [Consortium Partner], signed a contract for the turnkey implementation of the task entitled: "Construction of a boiler plant for "Świt" Housing Cooperative in Ełk based on the production of heat from combustion of biomass".

The contracting authority is "Świt" Housing Cooperative in Ełk. The remuneration due to the consortium for the performance of the subject of the contract amounts to approx. PLN 32.9 million gross, i.e. approx. PLN 26.8 million net, of which the Issuer's remuneration is approx. PLN 20.5 million net. The project will be carried out in the period Q3 2022 - Q4 2023. (CR 52/2022)

18. Conclusion of a contract for the implementation of the task: Replacement of a type WR25 coal-fired boiler with a wood chip-fired biomass boiler with the construction of a fuel storage facility and associated infrastructure at the PEC Ełk Heating Plant.

On 3 November 2022, a consortium of the following companies: Unibep SA, [Consortium Leader] and Energotechnika Sp. z o.o., with its registered office in Warsaw [Consortium Partner], signed a contract for the implementation of the task entitled: "Replacement of a WR- 25 coal-fired boiler with a wood chip-fired biomass boiler with a fuel store and accompanying infrastructure in the PEC Ełk Heat Plant- supply and assembly of the boiler, construction of facilities for the biomass boiler plant" in Ełk.

The contracting authority is Przedsiębiorstwo Energetyki Ciepłej w Ełku Sp. z o.o., with its registered office in Ełk. The remuneration due to the Consortium for the performance of the subject of the Contract amounts to approx. PLN 32.0 million net, of which the Issuer's remuneration is approx. PLN 25.55 million net. The project will be completed in Q1 2024. (CR 60/2022)

19. Conclusion of a contract for construction of DeNOx installation in SCR technology in the

plant of ArcelorMittal Poland SA in Zdzeszowice in Opolskie Voivodeship

On 20 December 2022, Unibep SA signed a contract with ArcelorMittal Poland SA, with its registered office in Dąbrowa Górnicza, for the construction of DeNOx installation at the Contracting Authority's plant in Zdzeszowice in Opolskie Voivodeship.

The remuneration for the performance of the Contract amounts to approx. PLN 58.0 million net. Period of the project implementation: Q4 2022 - Q1 2026 (CR 70/2022)



INFRASTRUKTURA

20. Conclusion by the consortium of Unibep SA and Budrex sp. z o.o. of two contracts for the implementation of, respectively, Parts 3 and 4 of the task entitled: "Construction of state border security installations along the section of the Podlaski Border Guard Regional Unit"

On 4 January 2022, the consortium consisting of Unibep SA with its registered office in Bielsk Podlaski [Consortium Leader] and its subsidiary Budrex sp. z o.o. with its registered office in Białystok [Consortium Partner] entered into two contracts: for the implementation of, respectively, Part 3 [Contract 1] and Part 4 [Contract 2] of the task entitled: "Construction of state



Extension of national road no. 66 through Wysokie Mazowieckie

border security installations along the section of the Podlaski Border Guard Regional Unit". (CR 1/2022)

The Issuer informed about the selection of the tender in current report no. 72/2021.

21. Conclusion of a contract for the construction of the Bielsk Podlaski bypass by a consortium consisting of Unibep SA and Budrex Sp. z o.o.

On 14 April 2022, a consortium comprising: Unibep SA with its registered office in Bielsk Podlaski [Consortium Leader], Budrex Sp. z o.o. [Consortium Partner; Budrex] and Value Engineering Sp. z o.o. with its registered office in Warsaw [Consortium Partner] entered into a contract under the public procurement entitled: "Design and construction of the Bielsk Podlaski bypass along national road no. 66 on the section from existing DK 19 to existing DK 66".

The consortium's remuneration is approx. PLN 63.2 million net, i.e. approx. PLN 77.7 million gross, including approx. PLN 49.9 million net as remuneration payable to the Issuer, and approx. PLN 11.8 million net as remuneration payable to Budrex. The declared project implementation period is 32 months from the date of conclusion of the contract (excluding winter periods).

The contracting authority is the State Treasury – General Director of National Roads and Motorways with its registered office in Warsaw. (CR 27/2022)

22. Conclusion of a contract for the execution of construction works for the project entitled: "Extension of voivodeship road no. 513 along the Lidzbark Warmiński - Wozławki section"

On 30 March 2022, Unibep SA entered into a contract for the implementation of a task entitled: "Extension of voivodeship road no. 513 along the Lidzbark Warmiński - Wozławki section".

The Issuer's remuneration is approx. PLN 145.1 million net, i.e. approx. PLN 178.5 million gross. The declared project implementation period is 24 months from the date of conclusion of the contract, excluding winter periods. The contracting authority is the Warmińsko-Mazurskie Voivodeship – the Voivodeship Roads Authority with its registered office in Olsztyn. (CR 25/2022)

23. Conclusion of a contract for the execution of construction works for the project entitled: "Extension of the road system through the construction of Plażowa Street and modernisation of Pstrowskiego Street in Olsztyn"

On 8 September 2022, Unibep SA entered into a contract for the implementation of a task entitled: "Extension of the road system through the construction of Plażowa Street and moder-

nisation of Pstrowskiego Street in Olsztyn".

The contracting authority is the Municipality of Olsztyn. The Issuer's remuneration for the implementation of the project is approx. PLN 30.5 million net, i.e. approx. PLN 37.5 million gross. The project implementation period is 11 months from the date of signing the contract. (CR 53/2022)



DZIAŁALNOŚĆ DEWELOPERSKA

24. Conclusion of preliminary contracts for the purchase of properties located in the Włochy district of Warsaw

On 23 March 2022, UNI 13 Sp. z o.o., with its registered office in Warsaw, a company forming part of the Issuer's Group and subsidiary of Unidevelopment SA, and natural persons concluded preliminary contracts for the acquisition of the ownership of three adjacent properties with the total area of approx. 7,5 thousand m², located in the Włochy district of Warsaw, for the total price of approx. PLN 34.7 million.

The promised contracts in respect of the properties will be concluded in stages, no later than



until 30 June 2023, once the conditions set out in the contract have been fulfilled. If the promised contracts are concluded, the buyer intends to use the properties for a development project with the potential to construct approx. 200 residential units. (CR 22/2022)

25. Withdrawal by a subsidiary from a contract for the acquisition of a land property in Częstochowa

On 24 March 2022, UNI 12 Sp. z o.o., a company belonging to the Issuer's Capital Group and a subsidiary of Unidevelopment SA, with its registered office in Warsaw, announced its intention to withdraw from the contract on the purchase of the right of perpetual usufruct of property constituting the buildings of the former "Stary Browar" located in Częstochowa in the area of Oгородowa Street. This followed an unsatisfactory outcome of the due diligence carried out. (CR 23/2022)

Information on the conclusion of the preliminary contract was provided in current report no. 71/2021.

26. Acquisition of a property located in the Praga-Południe district in Warsaw by a subsidiary

On 30 May 2022, a contract was concluded between UNI 3 sp. z o.o., with its registered office in Warsaw, a member of the Issuer's Capital Group and a subsidiary of Unidevelopment SA, and a joint-stock company based in Warsaw, for the purchase of a property located in the Praga-Południe district in Warsaw.

The subject of the contract is the acquisition of the right of perpetual usufruct to the land with an area of approx. 0.87 ha, together with ownership of the buildings, structures and equipment located thereon, for the net price of PLN 46.7 million. The property will be earmarked for a development project with approx. 240 units planned. (CR 38/2022)

27. Acquisition of properties located in the Białołęka district in Warsaw by a subsidiary

On 19 August 2022, a contract was concluded between UNI 2 sp. z o.o., with its registered office in Warsaw, a member of the Issuer's Capital Group and a subsidiary of Unidevelopment SA, and a limited joint-stock partnership with its registered office in Legionowo for the purchase of two undeveloped adjacent properties located in the Białołęka district in Warsaw.

The subject of the contract is the acquisition of the ownership of two properties: with an area of approx. 0.48 ha and approx. 0.86 ha for a total net price of PLN 10.0 million.

The properties will be earmarked for a development project, which includes the construction of approx. 170 residential units. The aforementioned project will commence in Q1 2026. (CR 51/2022)



BUDOWNICTWO MODUŁOWE

28. Conclusion by UNIHOUSE SA of a contract for the implementation of the project entitled: "Neubau einer Seniorenresidenz" in the German market, using modular technology

On 13.01.2022, a subsidiary of the Issuer, UNIHOUSE SA, with its registered office in Bielsk Podlaski, concluded with Carestone Projekt I GmbH, with its registered office in Hannover, a contract for the implementation of the project entitled: "Neubau einer Seniorenresidenz" in Mittelkalbach, Germany, using modular technology.

The remuneration for the performance of the contract is approx. EUR 6.6 million net, which is approx. PLN 29.9 million net. (CR 4/2022)

The contracting authority has obtained a building permit. The production commenced in Q3 2022 and the project is scheduled for completion in the first half of 2023.

29. Conclusion by UNIHOUSE SA of a contract for the implementation of the project entitled: "Kriftel Raiffeisenstraße" in the German market, using modular technology

On 14 January 2022, a subsidiary of the Issuer, UNIHOUSE SA with its registered office in Bielsk Podlaski, concluded with the consortium ARGE Wohnanlage Kriftel consisting of the following companies: AH Aktiv-Haus GmbH with its registered office in Stuttgart and WOLFF _ MÜLLER Hoch-und Industrie-bau GmbH_ Co. KG Zweigniederlassung Modulares Wohnen with its registered office in Stuttgart, a contract for the implementation of the project entitled: "Kriftel Raiffeisenstraße" in Kriftel, Germany, using modular technology.

The remuneration for the performance of the contract is approx. EUR 6.5 million net, which is approx. PLN 29.3 million net. (CR 5/2022)

Finishing work on the construction site is currently underway. The work is scheduled for completion in the second half of 2023.

30. Conclusion by UNIHOUSE SA of a contract for the implementation of Stage 1 of the project entitled: "Solfast Park" in the Norwegian market, using modular technology.

On 7 February 2022, a subsidiary of the Issuer, UNIHOUSE SA with its registered office in Bielsk Podlaski, concluded with the Eikervei 126 AS, with its registered office in Drammen, a contract

for the implementation of Stage 1 of the project entitled: "Solfast Park" in Drammen, Norway, using modular technology.

The remuneration for the performance of the contract is approx. NOK 57.6 million net, which is approx. PLN 26.0 million net. (CR 9/2022)

As at today, the Investor has a building permit. The scope and deadlines for the completion are dependent on the level of housing sales achieved.

31. Orders for UNIHOUSE SA for the production of modules

During the first and second quarters of 2022, the Issuer's subsidiary UNIHOUSE SA, with its registered office in Bielsk Podlaski, confirmed the acceptance for delivery of several orders for modules received from Adapteo Oyj, with its registered office in Finland.

The work was carried out on the basis of a framework supply agreement in force between the parties for the period 2020-2022. A total of 331 modules were manufactured and delivered for a total value of approx. PLN 38 million.

32. Conclusion by UNIHOUSE SA of a contract for the realisation of buildings in modular technology in a holiday resort in Jelenia Góra

On 19 September 2022, a subsidiary of the Issuer, UNIHOUSE SA, with its registered office in



Bielsk Podlaski, concluded a contract with Everest Development 2 Sp. z o.o., with its registered office in Poznań, for the construction in modular technology of 71 two-storey buildings at the Holiday Park _ Resort in Jelenia Góra. (CR 55/2022)

The contract was annexed due to a reduction in the scope and deadlines for completion of work. The current value of the contract is PLN 8.4 million. It is in the final stages of construction work. Completion date – first half of 2023.

33. Conclusion by UNIHOUSE SA of a contract for the implementation of the investment task entitled: "Construction of a nursery at "Ku Rzece" Street in Warsaw, using modular technology

On 13 December 2022, a subsidiary of the Issuer, UNIHOUSE SA, with its registered office in Bielsk Podlaski, concluded a contract with the Capital City of Warsaw – the Białołęka district – for the implementation of the investment task entitled: "Construction of a nursery at "Ku Rzece" Street in Warsaw, using modular technology.

The remuneration for the performance of the contract amounts to approx. PLN 11.93 million net. The deadline for the performance of the contract is 300 days from the date of signing the contract. (CR 66/2022)

Design arrangements with the Contracting Authority are currently underway. Work on production will start in the first half of 2023.

34. Conclusion by UNIHOUSE SA of a contract for the implementation of the investment task entitled: "Construction of a kindergarten building at Hennela/Silnikowa Street in Warsaw together with land development and technical infrastructure", using modular technology

On 15 December 2022, a subsidiary of the Issuer, UNIHOUSE SA, with its registered office in Bielsk Podlaski, concluded a contract with the Capital City of Warsaw – the Ursus district – for the implementation of the investment task entitled: "Construction of a kindergarten building at Hennela/Silnikowa Street in Warsaw together with land development and technical infrastructure", using modular technology.

The remuneration for the performance of the contract amounts to approx. PLN 12.1 million net. The contract will be performed in the period Q1 2023 - Q1 2024. (CR 67/2022)

Design arrangements with the contracting authority are currently underway. Work on production will start in the first half of 2023.

6.2 TRANSACTIONS WITH RELATED PARTIES

In the period covered by this report, contracts between UNIBEP SA and its subsidiaries were market-based and not different from other transactions of this type on the market.

Notwithstanding the above, below is a list of the most important contracts concluded between related parties of the Group:

1. Conclusion of a contract for the implementation of the housing project at Tadeusza Joteyki Street in Warsaw

On 16 February 2022, Unibep SA signed a contract for implementation in general contracting system of the housing project at Tadeusza Joteyki Street in Warsaw.

The contracting authority is Uni 1 Sp. z o.o. with its registered office in Warsaw, in which the Issuer's subsidiary Unidevelopment SA holds 100% shares. Project completion date Q1 2022 - Q3 2023. The Issuer's remuneration for the execution of the subject of the contract is approx. PLN 34.5 million net. (CR 12/2022)

2. Conclusion of a contract for the implementation of Stage 3 of the housing project at Jana Henryka Dąbrowskiego Street in Poznań

On 11 March 2022, Unibep SA signed a contract for implementation in general contracting system of stage 3 of the housing project at Jana Henryka Dąbrowskiego Street in Poznań.

The contracting authority is a subsidiary of Unidevelopment SA, Fama Development spółka z ograniczoną odpowiedzialnością spółka jawna, with its registered office in Poznań. Implementation of projects in the period of Q1 2022 - Q4 2023. The Issuer's remuneration for the performance of the subject of the contract amounts to PLN 119.9 million net. (CR 20/2022)

3. Intra-group loans:

- a) On 1 February 2022, Unibep SA granted a loan of PLN 20 million to its subsidiary Unihouse SA. The loan was granted until 31 December 2022.
- b) On 22 April 2022, Unidevelopment SA repaid the loan of PLN 50 million to Unibep SA.
- c) On 27 April 2022, Unibep SA granted a loan of PLN 62 million to Unidevelopment SA. The loan was granted until 25 April 2025.
- d) On 4 July 2022, Unibep SA granted a loan of PLN 10 million to Unibep PPP Sp. z o.o. The loan was granted for an indefinite period related to the implementation of the project un-

der the PPP formula.

e) On 3 November 2022, Budrex Sp. z o.o. repaid the loan of PLN 20 million to Unibep SA.

Intra-group loan contracts are entered into between companies within the Unibep Group. In particular, the loan transactions granted within the Unidvelopment Group to subsidiary special purpose vehicles in order to implement development projects should be noted.

These transactions are made at arm's length, are a liquidity and cash surplus management tool at Unibep Group level and have no impact on the consolidated financial statements.

Information on transactions with related parties is additionally included in the Consolidated Financial Statements in Note 6.29.

6.3 SIGNIFICANT FINANCIAL CONTRACTS

Apart from the contracts described in Section 5.6, Unibep Group companies did not enter into any other significant financial contracts.

6.4 OTHER SIGNIFICANT EVENTS

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

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

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

The situation described in the report for Q3 2022 and earlier remains unchanged. The Company does not currently carry out construction work in Ukraine. In the domestic market, it does not identify significant risks in the implementation of contracts and accepted work schedules.

In the opinion of the Management Board of Unibep SA, the armed conflict does not give rise to a need for write-offs.

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

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

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

Despite the ongoing turbulence in material prices and problems with supply chains, our contractual obligations are being met on an ongoing basis. What is felt periodically, however, is the limited access to fossil raw materials directly affecting production and maintenance costs. High inflation and a developing recession are affecting the economy and the business climate. This translates negatively into contract profitability.

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

Estimating the impact of the aforementioned phenomena on the Unibep Group's operations is difficult, as these phenomena occur in correlation with others and their dependence is multidimensional. The complicated geopolitical situation has certainly reduced both acquisition activity and execution efficiency, which has an impact on the profitability of almost all segments

and may also have its consequences in future periods, especially in businesses that place their activities mainly outside the domestic market.

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

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

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

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

The hostilities on Ukrainian territory have a much more significant impact on prospects and developments.

3. Certification of quality management systems

On 31 January 2022, DEKRA Certification Sp. z o.o. reconfirmed the compliance of the integrated quality, occupational health and safety and environmental management system in place at UNIBEP SA and UNIHOUSE SA with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards.

4. Changes in the Management Board of Budrex Sp. z o.o.

As of 10 February 2022, Mr Dariusz Wawrzak ceased to hold the position of Vice-President of the Management Board, Production Director. His duties were taken over by Mr Andrzej Koziół.

5. Talking about the future of the construction industry

On 12-13 April 2022, a team of several people from Unibep SA actively participated in the Polish Construction Congress in Poznań. This is one of the most important events in the construction industry in Poland. Amongst the specialists, discussions took place about the new Public Procurement Law, the impact of the war in Ukraine on ongoing contracts, sources of funding for public and private investment up to 2030, challenges on the labour market and in education, or the impact of climate change and ESG on the construction sector.

In a panel discussion entitled "Energy and the Environment", Przemysław Janiszewski, Energy and Industrial Construction Director at Unibep SA, spoke and presented the "Code of Good Practice for the Energy Sector".

6. New Unibep SA office

On 26 May 2022, Unibep SA has officially opened its office in Racibórz. Mainly specialists from Unibep SA's energy and industrial segment work there. The meeting was attended by dozens of CEOs of companies that work with Unibep SA. Racibórz is the second city in Śląsk in which Unibep SA has decided to open an office – the first one is in Katowice.

7. Road builders share knowledge

On 18-19 May 2022, the 1st Public Roads Forum, organised by the editors of "Magazyn Autostrady", "Mosty" and "Drogi Publiczne" magazines, took place in Jastrzębia Góra. The meeting was attended by employees of the Infrastructure Branch of Unibep SA, who presented innovative solutions for the road construction industry. The Public Roads Forum is a unique meeting where experts from the road industry share their experiences and knowledge of road construction technology.

8. Hotel industry and modular construction

On 23 May 2022, the hotel industry's most important conference Hotel Investment Trends 2022 took place at the Renaissance Airport Hotel in Warsaw and it was actively attended by top managers of Unihouse SA.

Among leading investors, Jacek Grzybowski, member of the management board of Unihouse SA, took part in a panel on the current challenges of the hotel market as a speaker, presenting opportunities for the sector's development with the choice of value-added modular construc-

tion. Participation in this event is another step by the company to build the recognition of the Unihouse brand in Poland.

9. Safety Week at construction sites, factories and offices

From 23 to 29 May 2022, the Unibep Group held Safety Week, a nationwide campaign organised by the Agreement for Safety in Construction (an organisation of the largest general contractors working in Poland). This is the 9th edition of this campaign. Unibep SA has been a member of the Agreement for Safety in Construction since 2015.

10. One of the co-owners of Unibep SA has passed away

On 10 June 2022, Mr Dariusz Tomasz Skowroński passed away. Key co-owner, husband of Beata Skowrońska, who holds 5.5 million shares in Unibep SA. He worked in the construction industry for more than 40 years. He held important managerial and director level positions at Budimex SA/Unibud SA for 25 years. From 2003 to 2004, Undersecretary of State at the Ministry of Infrastructure, Government Plenipotentiary for the Construction of National Roads and Motorways and General Director of National Roads and Motorways. For the past 20 years, he was one of the driving forces behind the development of the Unibep Group, being, among others, Chairman and member of the Supervisory Board of Unibep SA.

11. Unibep SA interested in rebuilding Ukraine

Polish companies are increasingly interested in entering the Ukrainian market. In a recruitment drive launched by the Polish Investment and Trade Agency together with the Ministry of Development and Technology, there are already more than 1,400 companies interested in government support in seeking contracts and investments in Ukraine, several conferences, Polish-Ukrainian intergovernmental meetings have already taken place in recent months, and business talks from both countries are developing. They are already intended to create a climate for future work and investment. Unibep SA actively participates in the meetings. Leszek Gołąbiecki, President of the Management Board of Unibep SA, spoke to journalists of "Rzeczpospolita" and "Parkiet" about Unibep's experience in the Ukrainian market, our position and our company's interest in the reconstruction of Ukraine.

12. New production plant of the Infrastructure Branch

On 9 September 2022, the Mineral-Asphalt Mixtures Plant in Lipowa Góra Wschodnia near Szczytno was officially opened. This is the latest investment of the Infrastructure Branch of Unibep and, above all, a strategic facility in the context of further development and expansion of our business activities in the Warmińsko-Mazurskie Voivodeship.

This is the fourth production plant. They are all located in north-eastern Poland.

13. S61 section officially opened

On 13 September 2022, an official handover of a 23-kilometre section of the S61 road near Elk took place, attended by the head of the infrastructure ministry, Minister Andrzej Adamczyk. The investment was carried out in a consortium with PORR SA. The value of the contract amounts to a total of PLN 699 million gross, with Unibep SA's share being thirty per cent, i.e. around PLN 210 million gross.

14. Inaugural lecture at Białystok University of Technology

On 6 October 2022, Jan Mikołuszko, Chairman of the Supervisory Board of Unibep SA, delivered the inaugural lecture at the academic year commencement ceremony of the Białystok University of Technology. The title of the lecture is "Why Xylopolis has the potential to be of value to the region?" It should be recalled that the idea of Xylopolis as a nature-friendly place was initiated by the Unibep Group's Unitalent Foundation. It was the partner of, among others, the Podlasie Voivodeship Marshal's Office and the Białystok universities, and initiated the idea to promote the Podlasie region in this way at the Expo 2020 exhibition in Dubai.

15. Appointment of a member of the Management Board of Unibep SA

On 15 December 2022, the Issuer's Supervisory Board adopted a resolution to appoint Mr Przemysław Janiszewski as a member of the Company's Management Board for the current, sixth term, with effect from 1 January 2023. (CR 68/2022)

16. Decision on the intention to merge UNIBEP SA with its registered office in Bielsk Podlaski and Budrex sp. z o.o. with its registered office in Białystok

On 15 December 2022, the Management Board of Unibep SA decided on the intention to merge the Acquiring Company with its subsidiary Budrex sp. z o.o. with its registered office in Białystok. (CR 69/2022)

17. Adoption of the ESG strategy at the Unibep Group

The Unibep Group's ESG strategy was adopted at the December meeting of the Supervisory Board. It was based on five strategic objectives: the first one is to "Reduce environmental impacts along the value chain, minimise environmental risks and promote activities that provide opportunities for sustainable operations; the second one is to "Ensure safe and rewarding working conditions"; the third one is to "Build relationships and develop an organisational culture that embraces sustainability"; the fourth one is to "Promote universal human rights among

stakeholders"; and the fifth one is "Ethics in action". Commitments, ambitions and metrics have been assigned to each objective. Everyone can read the details – strategy on unibep.co.uk, under the ESG tab.

6.5 EVENTS AND CONTRACTS SIGNED AFTER THE BALANCE SHEET DATE

1. Conclusion by UNIHOUSE SA of a contract for the implementation of the investment task entitled: "Extension, reconstruction and superstructure of the Primary School No. 3 in Pruszków"

On 5 January 2023, the Issuer's subsidiary UNIHOUSE SA, with its registered office in Bielsk Podlaski, concluded a contract with the Municipality the City of Pruszków for the implementation of the investment task entitled: "Extension, reconstruction and superstructure of the Primary School No. 3 in Pruszków", using modular technology.

Remuneration for the performance of the contract amounts to approx. PLN 28.0 million net. The deadline for the execution of the subject of the contract is 540 days from the date of signing the contract. (CR 3/2023)

2. Conclusion of a contract for the implementation of the task entitled: "Extension of the district heating system of Orzysz – construction of a boiler house using thermal energy from burning biomass"

On 18 January 2023, Unibep SA signed a contract for the design and turnkey execution of the modernisation of the existing Heat Plant in Orzysz consisting of the construction of a thermal energy production system using RES biomass.

The contracting authority is Przedsiębiorstwo Usług Komunalnych Sp. z o.o., with its registered office in Orzysz. The remuneration due to the Issuer for the execution of the subject of the contract amounts to approx. PLN 29.3 million gross, i.e. approx. PLN 23.8 million net. Period of the project implementation: Q1 2023 - Q4 2023 (CR 6/2023)

3. Changes in the Supervisory Board of Unibep SA

On 26 January 2023, the Management Board of Unibep SA received the resignation of Dariusz Marian Kacprzyk from the position of member of the Issuer's Supervisory Board with effect from 27 January 2023. The reason for the resignation, as indicated, is personal.

On 1 March 2023, the Extraordinary General Meeting of Unibep SA adopted a resolution to appoint Jakub Marek Karnowski to the Supervisory Board of Unibep SA for the 6th term as of the same date.

4. Signing of the Plan of Merger between Unibep SA with its registered office in Bielsk Podlaski and Budrex sp. z o.o. with its registered office in Białystok and the first notification to shareholders about the intention to merge

On 27 January 2023, the Issuer's Management Board announced that the Plan of Merger with Budrex Sp. z o.o., with its registered office in Białystok, was agreed and signed. (CR 8/2023)

The intention to merge Unibep SA, with its registered office in Bielsk Podlaski, with Budrex Sp. z o.o., with its registered office in Białystok, was communicated to the market in current report no. 69/2022 of 15 December 2022.

5. Conclusion of a contract for the implementation of Stage 3 of the housing project entitled: "SOHO" at Mińska Street in Warsaw

On 27 January 2023, Unibep SA signed a contract for implementation in general contracting system of Stage 3 of the housing project entitled: "SOHO" at Mińska Street in Warsaw.

The contracting authority is Yawa Sp. z o.o. 4 Sp. k. with its registered office in Warsaw, a company belonging to Yareal Polska Sp. z o.o.

The Issuer's remuneration for the implementation of the project is approx. PLN 72.9 million net. The project will be carried out in the period of Q1 2023 - Q4 2024 (CR 10/2023).

6. Conclusion by UNIHOUSE SA of a contract for the implementation of the project entitled: "Flüchtlingswohnen Potsdam" in the German market, using modular technology

On 16 February 2023, the Issuer's subsidiary, UNIHOUSE SA, with its registered office in Bielsk Podlaski, concluded with the consortium ARGE Flüchtlingswohnen Potsdam consisting of the following companies: AH Aktiv-Haus GmbH with its registered office in Stuttgart and WOLFF _ MÜLLER Hoch-und Industrie-bau GmbH _ Co. KG Zweigniederlassung Modulares Wohnen with its registered office in Stuttgart, a contract for the implementation of the project entitled: "Flüchtlingswohnen Potsdam" in Potsdam, Germany, using modular technology.

The remuneration for the performance of the contract is approx. EUR 7.9 million net, which is equivalent to approx. PLN 37.7 million net. Construction work is scheduled to commence in Q3 2023, and the project is scheduled to be completed in Q4 2023. (CR 13/2023)

The production began in Q1 2023.

7. Conclusion by UNIHOUSE SA of a contract for the implementation of the project entitled: "Arvollveien" in the Norwegian market, using modular technology

On 1 March 2023, the Issuer's subsidiary, UNIHOUSE SA, with its registered office in Bielsk Podlaski, concluded with AS RVOLLVEIEN 15, with its registered office in Oslo, a contract for the implementation of the project entitled: "Arvollveien" in Oslo, Norway, using modular technology.

The agreed remuneration for the performance of the contract is approx. NOK 54.0 million net, which, as at the date of the contract, is approx. PLN 23.1 million net. Construction work is scheduled to start in Q3 2023. Design work started in Q1 2023. (CR 15/2023)

8. Conclusion of a contract for the implementation of the housing project at Talarowa Street in Warsaw

On 10 March 2023, Unibep SA signed a conditional contract for implementation in general contracting system of the construction project entitled: "Nova Talarowa" at Talarowa Street in Warsaw.

The contracting authority is Bouygues Immobilier Polska Sp. z o.o. with its registered office in Warsaw. The Issuer's remuneration for the implementation of the project is approx. PLN 47.0 million net. The completion of the Project is planned for Q4 2024. (CR 21/2023)

On 27 April 2023, the Management Board of Unibep SA received an order from the contracting authority to commence the works, and therefore the contract came into force on the same date. (CR 39/2023)

9. Conclusion of a contract for the implementation of the task entitled: "Extension of district road No. 2524W Lelis - Długi Kał - Kadzidło in the municipalities of Lelis and Kadzidło"

On 13 March 2023, Unibep SA entered into a contract for the implementation of a task entitled: "Extension of district road No. 2524W Lelis - Długi Kał - Kadzidło in the municipalities of Lelis and Kadzidło" in the Mazowieckie Voivodeship.

The contracting authority is the District of Ostrołęka - Voivodeship Roads Authority in Ostrołęka with its registered office in Ostrołęka. The Issuer's remuneration for the implementation of the project is approx. PLN 22.0 million net. The project implementation period is 20 months from the date of signing the contract. (CR 23/2023)

10. Conclusion of a contract for the implementation of the housing project at Abrahamama Street in Warsaw

On 15 March 2023, Unibep SA signed a contract for implementation in general contracting system of the construction project entitled: "Abrahamama 14" at Abrahamama Street in Warsaw.

The Contracting Authority is SG Development Sp. z o.o. with its registered office in Warsaw. The perpetual usufructuary of the property on which the investment will be implemented is the "ORLIK - JANTAR" Housing Cooperative.

Period of the project implementation: Q1 2023 - Q4 2024 The Issuer's remuneration for the execution of the project amounts to PLN 32.1 million net. (CR 24/2023)

11. Conclusion of a contract for the extension and reconstruction of the production plant in Radzikowice in the Opolskie Voivodeship

On 24 March 2023, Unibep SA signed a contract with Umicore Poland Sp. z o.o., with its registered office in Radzikowice, for the expansion and reconstruction of the cathode materials production Plant in Radzikowice in Opolskie Voivodeship.

The remuneration for the performance of the contract amounts to approx. PLN 61.2 million net. The project will commence in Q2 2023 and will be completed in Q4 2023. (CR 25/2023)

12. Conclusion of a contract for the implementation of the task entitled: "Reconstruction and extension of Władysława Raginisa Street to the border of the City of Białystok – exit of voivodeship road no. 676 towards Supraśl"

On 28 March 2023, the Podlaskie Voivodeship Roads Authority in Białystok selected as the most favourable offer submitted by the Issuer in the proceedings for the award of a public procurement contract conducted as an open tender for the implementation of the project entitled: "Reconstruction and extension of Władysława Raginisa Street to the border of the City of Białystok – exit of voivodeship road no. 676 towards Supraśl". The price of the tender submitted by the Issuer is approx. PLN 37.7 million gross, i.e. approx. PLN 30.6 million net. (CR 26/2023)

On 12 April 2023, Unibep SA entered into a contract with the contracting authority. The completion date of the project is 15 months from the date of the contract (excluding the winter periods from 15 December to 15 March). (CR 33/2023)

13. Merger of companies

On 3 April 2023, the District Court in Białystok, 12th Commercial Department of the National

Court Register issued a decision on the merger of UNIBEP SA and BUDREX Sp. z o.o.

14. Conclusion by UNIHOUSE SA of a conditional cooperation contract for the production of modules for the German market

On 3 April 2023, the Management Board of UNIBEP SA took knowledge of the signing by UNIHOUSE SA, with its registered office in Bielsk Podlaski, on the same date, of a cooperation contract on the production of modules intended for the German market.

The contracting authority is AH Aktiv-Haus GmbH, with its registered office in Stuttgart. The contract is a continuation of the parties' existing cooperation and is effective until the end of 2026. (CR 29/2023)

On 19 April 2023, the contract was approved by the contracting authority's meeting of shareholders, with the effect that it came into force on the same date. (CR 35/2023)

15. Issue of series A bonds by subsidiary Unidevelopment SA

On 5 April 2023, the subsidiary Unidevelopment SA issued 23,500 series A bonds with a nominal value and issue price per bond of PLN 1,000, i.e. up to a total of PLN 23.5 million. The funds raised will be used to finance the Unidevelopment Group's working capital. (CR 30/2023)

The bonds were issued as part of the bond issue programme up to PLN 35 million approved by the Supervisory Board of Unidevelopment SA, as announced in the content of current report no. 22/2023.

16. Conclusion of a contract for the implementation of the housing project at Henryka I Brodatego Street in Warsaw

On 11 April 2023, UNIBEP SA signed a contract for implementation in general contracting system of the construction project entitled: "U CITY" at Henryka I Brodatego Street in Warsaw.

The contracting authority is Towarowa Park Sp. z o.o. with its registered office in Warsaw – an entity belonging to Acciona Inmobiliaria S.L. Deadlines for investment completion: Q2 2023 - Q3 2024. The Issuer's remuneration for the implementation of the project is approx. PLN 31.75 million net. (CR 31/2023)

17. Conclusion by the subsidiary of a promised contract of sale of the housing project in Poznań

On 14 April 2023, a promised contract was concluded between the investment fund and a subsidiary of Unidevelopment SA, i.e. 1 Fama Development Sp. z o.o. Sp. k., with its registered office in Poznań, for the sale of the developed property in Poznań, covering the housing project

entitled: Fama Jeżyce Stage 2.

The Management Board of Unibep SA provided information on the conclusion of the preliminary contract concerning the development and sale of the project in current report no. 70/2020.

The total price from the sale of the ownership rights to the above properties under the project amounts to approx. PLN 109.9 million net. (CR 34/2023)

18. Selection of the tender submitted by the Consortium with the participation of Unibep SA in the tendering procedure for the implementation of the task entitled: "Extension and reconstruction of voivodeship road no. 677 on the Konarzyce - Śniadowo section"

On 20 April 2023, the Management Board of Unibep SA received a notification from the Podlaskie Voivodeship Roads Authority in Białystok that the offer submitted by the consortium consisting of: Unibep SA, [Consortium Leader] and Przedsiębiorstwo Budownictwa Komunikacyjnego Sp. z o.o. with its registered office in Łomża [Consortium Partner] in proceedings for the award of a public procurement contract entitled: "Extension and reconstruction of voivodeship road no. 677 on the Konarzyce - Śniadowo section".

The offer price submitted by the Consortium is approx. PLN 44.5 million net, of which approx. PLN 22.23 million net is the remuneration payable to the Issuer. (CR 36/2023)

19. Concluding a contract for the completion of the embassy of the Republic of Poland in Minsk in the Republic of Belarus

On 26 April 2023, Unibep SA signed a contract for the project to complete the construction of the embassy of the Republic of Poland in Minsk in the Republic of Belarus.

The contracting authority is the State Treasury – the Embassy of the Republic of Poland in Minsk in the Republic of Belarus. The Issuer's remuneration for the performance of the contract is approx. EUR 41.7 million net, which is equivalent to approx. PLN 191.3 million net. The completion date for the project is 25 months from the date of the construction site takeover. (CR 37/2023)

20. Selection of Unibep SA's offer in the open tender for the implementation of the task entitled: "Installation of a flue gas condensation system downstream of boiler K1 at Siekierki CHP Plant in Warsaw"

On 27 April 2023, the Management Board of Unibep SA received a notification from PGNiG Termika SA, with its registered office in Warsaw, on the selection as the most advantageous offer submitted by the Issuer in the proceedings for the award of a public procurement contract

entitled: "Installation of a flue gas condensation system downstream of boiler K1 at Siekierki CHP Plant in Warsaw".

The price of the tender submitted by the Issuer is approx. PLN 114.1 million net. (CR 38/2023)

21. Conclusion of financial contracts

- a) On 5 January 2023, Unibep SA signed an annex to the contract for the provision of contractual insurance guarantees with WIENER TU SA extending the contract until 10.12.2023.
- b) On 10 January 2023, Unibep SA signed an annex to the contract for the provision of contractual insurance guarantees with Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA increasing the guarantee limit to PLN 100 million.
- c) On 23 January 2023, Unibep SA signed an insurance guarantee contract for an indefinite period with Towarzystwo Ubezpieczeń Wzajemnych "TUW" in the amount of PLN 15 million.
- d) On 26 January 2023, UNIBEP SA extended the contract with Santander Bank Polska SA on the overdraft facility and the guarantee line for the total amount of PLN 143 million. The contract was extended until 26 January 2024.
- e) On 27 January 2023, Unibep SA, Budrex Sp. z o.o. and Unihouse SA renewed an overdraft facility and guarantee line contract with Bank Polska Kasa Opieki SA for a total of PLN 70 million. The contract was extended until 31 January 2024.
- f) On 2 February 2023, Unibep SA signed an annex to the contractual guarantee contract with TUiR Allianz Polska SA extending the contract until 31.12.2023.
- g) On 10 February, Unibep SA and Unihouse SA signed a tripartite contract with mBank SA for an overdraft facility and guarantee line in the total amount of PLN 80 million. The contract is effective until 29 January 2024 and it replaced the previous financing contract.
- h) On 28 February 2023, UNIBEP SA extended the contract with mBank SA on the overdraft facility and guarantee line for the total amount of PLN 110 million. The contract was extended until 29 February 2024.
- i) On 28 February 2023, Unihouse SA extended the contract with BGK on the overdraft facility and guarantee line for the total amount of PLN 20 million. The contract was extended until 29 February 2024.
- j) On 5 April 2023, Unidevelopment SA issued 23,500 series E bonds with a total value of PLN 23.5 million. The bonds will be redeemed no later than 3 years from the date of issue.

7. STATEMENT REGARDING THE APPLICATION OF CORPORATE GOVERNANCE PRINCIPLES BY UNIBEP SA IN 2022

7.1 DEFINITION OF THE SET OF CORPORATE GOVERNANCE PRINCIPLES APPLIED IN THE COMPANY

In 2022, the Company applied the corporate governance principles under the name “Best Practice for WSE Listed Companies 2021” adopted by the Stock Exchange Board by resolution of 29 March 2021 and effective from 1 July 2021. In connection with the entry into force of the aforementioned set of corporate governance principles, the Company published a statement on the status of the Company's compliance with the recommendations and principles contained in the set. The text of this statement is available on the Company's website at www.unibep.pl (in the Investor Relations section). The full text of the applicable corporate governance principles contained in the aforementioned documents is available on a dedicated website dedicated to corporate governance principles at the WSE, under the following address: www.gpw.pl/dobre-prakty-ki2021.

The Company provides all shareholders with equal access to information about the Company, in particular by publishing current and interim reports, which are then published on the corporate website. The Management Board of the Company constantly undertakes actions aimed at providing equal and full access of all investors to the information about the situation and events taking place in the Company.

7.2 PRINCIPLES WAIVED BY THE ISSUER

In 2022, the Company did not apply the following principles of Good Practices: 1.3.1., 1.3.2., 1.4.2.1., 2.2., 2.4., 3.10., 4.1., 4.3., 6.3 and the Company did not apply the principle 6.2. until 20 January 2022, when it reported on the application of the aforementioned principle in EBI Report No. 1/2022.

1. INFORMATION POLICY AND COMMUNICATION WITH INVESTORS

1.3. The Company also integrates ESG factors in its business strategy, including in particular:

1.3.1. environmental factors, including measures and risks relating to climate change and sustainable development;

Although the Company has not developed a long-term development strategy in the form of a single document, it customarily includes ESG factors in its activities in order to comply with applicable regulations and given the importance of the interaction of business activities with environmental, social and corporate governance factors. The results of these activities are presented in the Company's annually published sustainability reports.

1.3.2. social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.

Although the Company has not developed a long-term development strategy in the form of a single document, it customarily includes ESG factors in its activities in order to comply with applicable regulations and given the importance of the interaction of business activities with environmental, social and corporate governance factors. The results of these activities are presented in the Company's annually published sustainability reports.

1.4. To ensure quality communication with stakeholders on the adopted business strategy, the Company publishes on its website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. Information on ESG strategy should, among others.

The Company has not developed a development strategy in the form of a single document. The business of the Company and its Group is built on five complementary segments: domestic general contracting, general contracting abroad, road and bridge infrastructure, modular construction and property development activity. In the Company's opinion, the development of a single document containing a long-term action plan covering all the businesses of the Company and its Group would be difficult at the moment, given the current dynamically changing market situation, particularly in the construction industry environment. The Company prioritises its individual businesses and adapts its operating strategy on an ongoing basis to the dynamically changing environment.

2. MANAGEMENT BOARD AND SUPERVISORY BOARD

2.1. The Company should have in place a diversity policy applicable to the management board

and the supervisory board, approved by the supervisory board or the general meeting, respectively. The diversity policy sets out diversity objectives and criteria in areas such as gender, field of study, specialist knowledge, age and work experience, among others, and indicates when and how the achievement of these objectives will be monitored. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The Company has not adopted a diversity policy for management and supervisory board members in the form of a single document. The Company aims to ensure the versatility and diversity of its bodies, but the specific nature of the industry in which it operates makes it difficult to meet all the required criteria. Due to the location of the Company's registered office in Podlasie, which is considered to be a melting pot of nationalities, cultures and communities, employees and members of the Company's bodies come from different backgrounds and cultures, represent different ways of thinking and points of view and have different life and professional experiences. The Company's policy is that any discrimination in employment, in particular on the grounds of sex, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, religion, sexual orientation, etc., is unacceptable. With regard to the management and supervisory bodies, the Company explains that the composition of the Management Board and Supervisory Board of the Company is diverse in terms of education, expertise, age and professional experience, but the bodies concerned lack gender diversity in particular. There is currently one woman on the Company's seven-member Supervisory Board, while the Management Board is composed entirely of men. As the Company recognises the need for and seeks to ensure diversity in the bodies, it will consider adopting a formal policy in this regard in the future.

2.2. Decisions to elect members of the management board or the supervisory board of the company should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

The Company has not developed a diversity policy in the form of a single document, but in the interest of the stability and effectiveness of the Company's operations, those who make decisions on the appointment of members of the Management Board or the Supervisory Board of the Company in practice seek to ensure that the composition of those bodies is diverse.

2.4. The supervisory board and the management board vote in an open ballot unless otherwise required by law.

The Company's corporate documents contain provisions on the need to use secret ballot in selected cases. In the Company's opinion, such a voting method allows free decision-making on

personnel matters.

3. INTERNAL SYSTEMS AND FUNCTIONS

3.10. A company traded on the WIG20, mWIG40 or sWIG80 index has its internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.

Not applicable. The Company is not currently traded on any of the specified indices.

4. GENERAL MEETING AND RELATIONS WITH SHAREHOLDERS

4.1. The Company should enable its shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

To date, the Company has not held a general meeting by means of electronic communication (e-meeting). The Company's shareholders have not raised such expectations. In the event that shareholders raise an expectation to ensure participation in a general meeting by means of electronic communication (e-meeting), and provided that the Company is in a position to provide the technical infrastructure necessary for such general meeting to proceed, the Company intends to apply Principle 4.1.

4.3. The Company provides a public real-life broadcast of the general meeting.

The Company believes that the current method of informing the interested parties about the course of the general meeting (publishing the content of adopted resolutions and information about votes against, etc.) ensures transparency of the Company's operations and protects the rights of shareholders. The Company also informs that if there is any interest on the part of shareholders in recording the proceedings of the General Meeting of Shareholders in an audio/video form, the Management Board of the Company will consider taking steps towards the introduction of this principle.

6. PAYROLL

6.2. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.

The Company did not apply this principle until 20 January 2022, giving the following justification:

- The Company has an incentive scheme under which members of the Management Board of the Company and Group companies and their key managers may purchase own shares bought back by the Company under the terms and conditions set by the Supervisory Board, as authorised by the general meeting. The scheme makes the ability to purchase shares in the Company conditional on the fulfilment of the allocation criteria adopted by the Supervisory Board for the relevant assessment year, including in particular set financial targets of the Company and its Capital Group. The Company, recognising the appropriateness of considering non-financial factors and multi-year criteria in shaping the variable remuneration of the Management Board and key managers, will consider applying the principle in the future.

The Company already applies this principle, as notified in EBI Report No. 1/2022 of 20 January 2022 with the following commentary:

The Company has an incentive scheme under which members of the Management Board of the Company and Group companies and their key managers may purchase own shares bought back by the Company under the terms and conditions set by the Supervisory Board, as authorised by the general meeting. The scheme makes the ability to purchase shares in the Company conditional on the fulfilment of the allocation criteria adopted by the Supervisory Board for the relevant assessment year, including in particular the set financial targets of the Company and its Capital Group, and from 2022 onwards also the assessment of non-financial criteria in the ESG area.

6.3. If one of the company's incentive schemes includes a stock option programme for managers, the implementation of the stock option programme should depend on the achievement by beneficiaries, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.

The Company, recognising the appropriateness of considering non-financial factors and multi-year criteria in shaping the variable remuneration of the Management Board and key managers, will consider applying the principle in the future.

7.3 DESCRIPTION OF KEY FEATURES OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS APPLIED IN THE ISSUER'S COMPANY WITH RESPECT TO THE PROCESS OF PREPARING FINANCIAL STATEMENTS

The Company's Management Board is responsible for maintaining an internal control system and its effective operation in the Company; control functions are also the responsibility of the Supervisory Board. The organisation of the work relating to the preparation of the annual and interim financial statements is the responsibility of the Financial Director and his deputy. Only designated employees from Accounting, Finance, Controlling, Legal, Communications, Investor Relations and Human Resources Departments are involved in their preparation.

The financial data underlying the financial statements and interim reports are derived from the accounting and financial system in which transactions are recorded in accordance with the Company's accounting policies (approved by the Management Board) based on International Financial Reporting Standards. UNIBEP SA keeps its accounting books in the integrated Microsoft Dynamics AX 2012 IT system. The modular structure of the system ensures a clear division of competences, consistency of operations entered in the accounting books, and controllability. The flexibility of the system allows it to be adapted to changing accounting principles or other legal standards, on an ongoing basis. The access to information resources of an IT system shall be restricted by the relevant authorisations granted to authorised employees, solely for the purpose of performing their duties.

Annual and mid-year financial statements are subject to audit and review by an expert auditor, respectively. The tasks performed by the expert auditor include in particular: preliminary audit and basic audit of an annual financial report and review of a mid-year financial report. The auditor is selected by the Supervisory Board, on the recommendation of the Audit Committee of the Supervisory Board, having first collected offers from audit firms guaranteeing high service standards and the required independence. The results of the audit and review are presented by the auditor to the Company's management and published in the auditor's report.

The Company implements the changes required by external laws and regulations relating to financial reporting requirements on an ongoing basis.

7.4 INFORMATION ON SHARES AND SHAREHOLDING STRUCTURE

Unibep SA is a company with majority Polish capital, listed on the Warsaw Stock Exchange since 2008.

In 2022, Unibep SA's share price on the WSE fell from PLN 10.45 (03.01.2022) to PLN 8.2 (30.12.2022), i.e. by PLN 2.25, or 21.5%. Unibep SA's shares reached their highest closing price in 2022 on 12.01.2022 (PLN 11.15), while the lowest on 26.09.2022 (PLN 6.8).

In comparison, the Warsaw Stock

Exchange's main index, the WIG, fell by 18% during 2022, while the WIG – CONSTRUCTION increased by 5.6%.

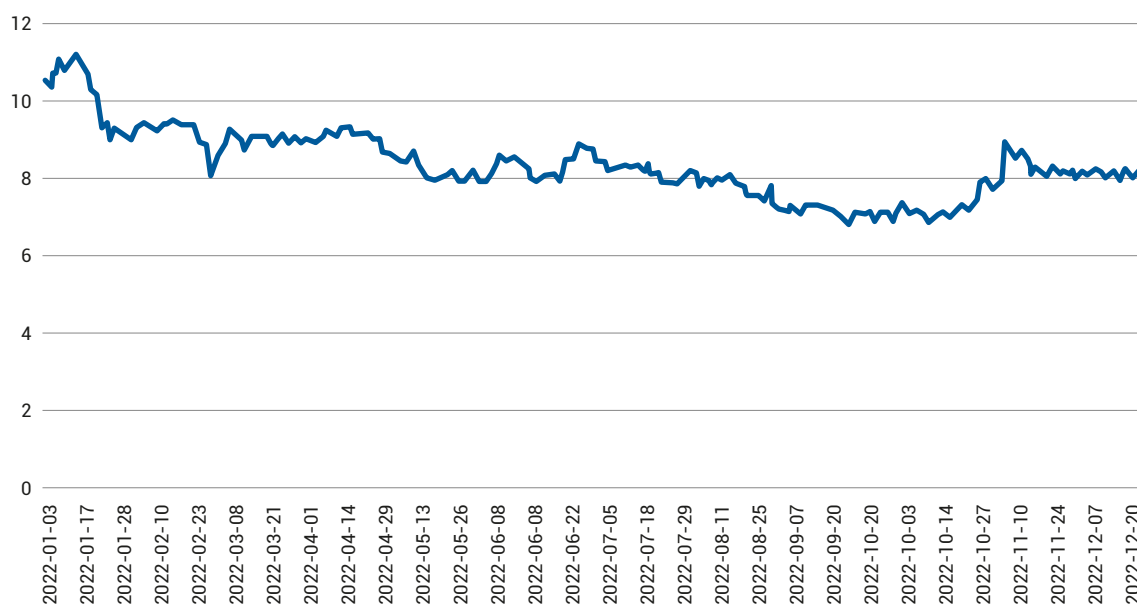
At the end of 2022, Unibep SA's market value was PLN 287.8 million (compared to PLN 344.6 million at the beginning of 2022).

The P/BV ratio (share price/book value per share attributable to shareholders of the parent company) was approx. 0.94 at the end of 2022 (compared to 1.18 at the beginning of the year) and the P/E ratio (share price/earnings per ordinary share attributable to shareholders of the parent company) was approx. 7.8 at the end of 2022 (compared to 11.1 at the beginning of the year).

LISTING INFORMATION

Index	WIG-Poland, Investor MS, WIG-BUDOW, WIG
Industry	Construction
Market/Segment	Basic WSE
WSE ticker	UNI
ISIN	PLUNBEP00015
Number of shares	35,070,634
Share capital	PLN 3,507,063.40

LISTING OF UNIBEP SA SHARES IN 2022



SHAREHOLDING STRUCTURE AS OF 31 DECEMBER 2022 AND AS AT THE PUBLICATION DATE OF THIS REPORT

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

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

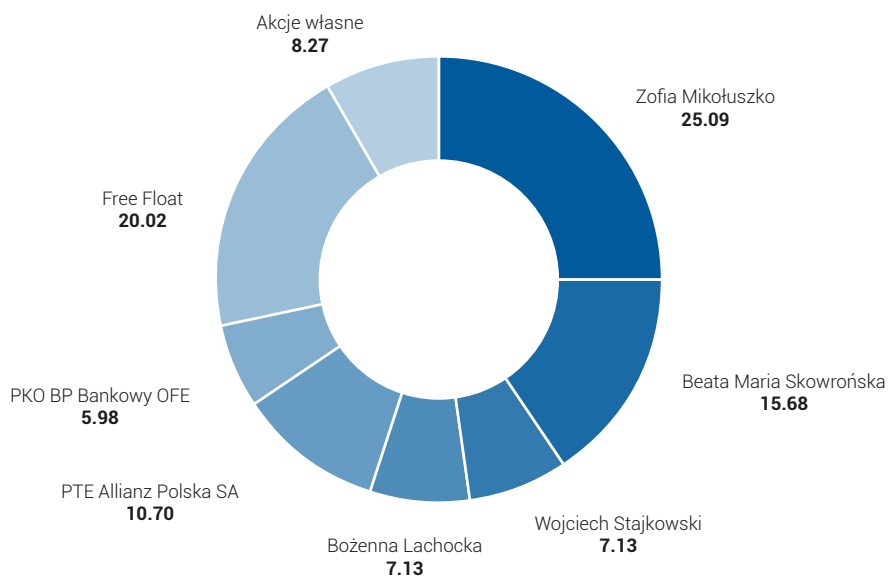
(2) Another 1,000,000 own shares were purchased on 29 May 2019, as announced by the Company in its current report no. 28/2019.

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

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

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

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

SHAREHOLDING STRUCTURE OF UNIBEP SA


Share capital structure

As of 31 December 2022, the share capital of UNIBEP SA amounted to PLN 3,507,063.40 and was divided into 35,070,634 shares with a nominal value of PLN 0.10 each (the division of shares into series is presented in the table below).

All shares of the Company are dematerialised and, excluding own shares, are traded on the regulated market of the Warsaw Stock Exchange.

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

PODZIAŁ AKCJI NA SERIE

Seria	Rodzaj akcji	Liczba akcji
A	na okaziciela	27 227 184
B	na okaziciela	6 700 000
C	na okaziciela	1 048 950
D	na okaziciela	94 500
Razem		35 070 635

Potential changes in the shareholding structure and agreements between shareholders or bondholders

The Issuer is not aware of any agreements which might result in future changes in the proportions of shares held by the existing shareholders and bondholders.

LIST OF STOCKS AND SHARES OF THE ENTITIES OF THE CAPITAL GROUP HELD BY MANAGING PERSONS AS OF 31 DECEMBER 2022

Name Surname	Position	Number of shares held	Share nominal value	Share in the total number of votes [over 5%]
Leszek Marek Gołąbicki	President of the Management Board	910,000	91,000	2.59%
Stawomir Kiszycki	Vice-President of the Management Board	190,000	19,000	0.54%
Krzysztof Mikołajczyk	Vice-President of the Management Board	140,000	14,000	0.40%
Adam Poliński	Member of the Management Board	50,000	5,000	0.14%

LIST OF STOCKS AND SHARES OF THE ENTITIES OF THE CAPITAL GROUP HELD BY MANAGING PERSONS AS OF THE REPORT PUBLICATION DATE

Name Surname	Position	Number of shares held	Share nominal value	Share in the total number of votes [over 5%]
Leszek Marek Gołąbicki	President of the Management Board	910,000	91,000	2.59%
Stawomir Kiszycki	Vice-President of the Management Board	190,000	19,000	0.54%
Krzysztof Mikołajczyk	Vice-President of the Management Board	140,000	14,000	0.40%
Adam Poliński	Member of the Management Board	50,000	5,000	0.14%
Przemysław Janiszewski	Member of the Management Board	-	-	-

LIST OF STOCKS AND SHARES OF THE CAPITAL GROUP ENTITIES HELD BY SUPERVISING PERSONS AS OF 31 DECEMBER 2022

Name Surname	Position	Number of shares held	Share nominal value	Share in the total number of votes [over 5%]
Jan Mikołuszko	Chairman of the Supervisory Board	21,620	2,162	0.06%
Beata Maria Skowrońska	Deputy Chairman of the Supervisory Board	5,500,000	550,000	15.68%
Wojciech Jacek Stajkowski	Member of the Supervisory Board	2,500,000	250,000	7.13%
Jarosław Mariusz Bełdowski	Member of the Supervisory Board	-	-	-
Michał Kołosowski	Member of the Supervisory Board	-	-	-
Paweł Markowski	Member of the Supervisory Board	-	-	-
Dariusz Marian Kacprzyk	Member of the Supervisory Board	-	-	-

LIST OF STOCKS AND SHARES OF THE CAPITAL GROUP ENTITIES HELD BY SUPERVISING PERSONS AS AT THE REPORT PUBLICATION DATE

Name Surname	Position	Number of shares held	Share nominal value	Share in the total number of votes [over 5%]
Jan Mikołuszko	Chairman of the Supervisory Board	21,620	2,162	0.06%
Beata Maria Skowrońska	Deputy Chairman of the Supervisory Board	5,500,000	550,000	15.68%
Wojciech Jacek Stajkowski	Member of the Supervisory Board	2,500,000	250,000	7.13%
Jarosław Mariusz Bełdowski	Member of the Supervisory Board	-	-	-
Michał Kołosowski	Member of the Supervisory Board	-	-	-
Paweł Markowski	Member of the Supervisory Board	-	-	-
Jakub Marek Karnowski	Member of the Supervisory Board	-	-	-

In the period since the publication of the previous interim report (the interim report for Q3 2022), PTE Allianz Polska SA merged with Aviva PTE Aviva Santander SA. (CR 2/2023)

Management and Supervisory Board members do not hold any shares in any entities from the UNIBEP Group. Supervisory Board members do not hold any rights to shares of the Issuer.

RESTRICTIONS ON VOTING RIGHTS OR TRANSFERRING OF OWNERSHIP OF SECURITIES

The Issuer is not aware of any limitations regarding the execution of voting rights by the owners of a specific part or number of shares, as well as of limitations regarding the transfer of ownership rights to the securities of the Company.

HOLDERS OF SECURITIES GIVING SPECIAL CONTROL RIGHTS

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

INFORMATION ON THE CONTROL SYSTEM REGARDING EMPLOYEE SHARE OWNERSHIP PLANS

There is no employee share ownership plan implemented at the Company.

INCENTIVE SCHEME

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

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

Incentive Scheme for 2021:

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

under the Scheme.

In accordance with the aforementioned decision of the Supervisory Board:

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

On 17 May 2022, the Company's Supervisory Board adopted a resolution on the positive verification of the Company's share allocation criteria for the assessment year 2021 and decided to offer: i] 220,000 shares to the President of the Company's Management Board Mr Leszek Marek Gołąbiecki, ii] 190,000 shares to the Vice-President of the Company's Management Board Mr Sławomir Kiszycki, iii] 140,000 shares to the Vice-President of the Company's Management Board Mr Krzysztof Mikołajczyk, and iv] 50,000 shares to the Member of the Management Board of the Company Mr Adam Poliński. The resolution of the Supervisory Board on the positive verification of the Company's share allocation criteria for the assessment year 2021 shall become effective subject to the approval of the financial statements for 2021 by the General Meeting of Unibep SA, as of the date on which this condition is fulfilled.

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

The Company's shares disposed of as a result of the above actions were fully paid up.

Incentive Scheme for 2022:

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

In accordance with the aforementioned decision of the Supervisory Board:

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

INVESTOR RELATIONS

Unibep communicates in a professional manner with capital market representatives, including sell-side analysts and investment fund managers. The company organises regular conferences after the publication of its quarterly results, in a hybrid format, i.e. it meets stakeholders at its headquarters and additionally provides stakeholders with a link to an online call. During the results conferences, the company's management comments on the business achievements for the period and then answers all questions in a Q&A session. Investor materials such as the factsheet, presentation and conference recording are updated and made available on the investor relations section of the website. In addition, the investor relations page is kept up to date with interim and current reports or information on general meetings. Furthermore, with ESG aspects in mind, the company publishes the Unibep Group Sustainability Report, focusing on environmental, social and corporate governance aspects. In addition to the quarterly regular meetings, the company participates in events and conferences organised by brokerage houses. Unibep is a participant in the WSE's Analytical Coverage Support Programme, which ensures that reliable information about the company reaches a wide range of investors, both institutional and individual. Recommendations are made by DM Bank BPS.

Calendar of events and activities carried out in the framework of investor relations

08.04.2022	Publication of the separate and consolidated annual report for 2021
11.04.2022	Video conference for sell-side, buy-side and media analysts on the occasion of the publication of the results
21.04.2022	Publication of a recommendation update as part of the WSE's Analytical Coverage Support Programme
30.05.2022	Publication of the consolidated quarterly report for Q1 2022
31.05.2022	Publication of a recommendation update as part of the WSE's Analytical Coverage Support Programme
02.06.2022	Video conference for sell-side, buy-side and media analysts on the occasion of the publication of the results
17.06.2022	Ordinary General Meeting of the Company
31.07.2022	Publication of the consolidated quarterly report for the first half of 2022
20.09.2022	Publication of a recommendation update as part of the WSE's Analytical Co-

	verage Support Programme
02.06.2022	Video conference for sell-side, buy-side and media analysts on the occasion of the publication of the results
15.11.2022	Publication of the consolidated quarterly report for Q3 2022
18.11.2022	Publication of a recommendation update as part of the WSE's Analytical Coverage Support Programme
16.11.2022	Video conference for sell-side, buy-side and media analysts on the occasion of the publication of the results

7.5 COMPANY'S MANAGEMENT

MANAGEMENT BOARD

The Management Board of UNIBEP SA acts on the basis of the provisions of the Commercial Companies Code, the Articles of Association of the Company, and the By-Laws of the Management Board. In its work, the Management Board also complies with the principles of the "Good Practices for WSE Listed Companies". According to the By-Laws, 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.

In 2022, there were no changes to the composition of the Management Board of the Company.

As at the date of preparation of this report, the Management Board of the Company is composed of the following persons:

- **Leszek Marek Gołąbiecki** – President of the Management Board, at the same time acting as the Director of the Company,
- **Sławomir Kiszycki** – Vice-President of the Management Board, at the same time holding the position of the Financial Director,
- **Krzysztof Mikołajczyk** – Vice-President of the Management Board, at the same time holding the position of the Construction Director,

- **Adam Poliński** – Member of the Management Board, at the same time holding the position of the Director of the Infrastructure Branch,
- **Przemysław Wojciech Janiszewski**, at the same time holding the position of the Director of Energy and Industrial Construction.

On 14.05.2020, Mr Leszek Marek Gołąbiecki, Mr Sławomir Kiszycki and Mr Krzysztof Mikołajczyk were appointed to the Company's Management Board for the 6th term of office commencing at the end of the Ordinary General Meeting, i.e. on 15.06.2020, Mr Adam Poliński, on the other hand, was appointed to the current 6th term of office of the Management Board of Unibep SA on 04.11.2020 with effect from 01.01.2021. On 15.12.2022, the Supervisory Board of the Company expanded the composition of the Management Board to five persons, effective as of 01.01.2023, and appointed Mr Przemysław Wojciech Janiszewski as a Member of the Management Board of the Company.

The Management Board handles all matters and issues of the Company and represents it before third parties. All matters related to the management of the Company's affairs, which are not reserved by a law or the Articles of Association for the competence of the General Meeting or the Supervisory Board, are part of the scope of activities of the Management Board.

Resolutions of the Management Board are adopted by an absolute majority of votes. In the event of an equal division of votes, President of the Management Board shall have a casting vote.

The Management Board is entitled to pay an advance to shareholders against the expected dividend at the end of the financial year, if the Company has sufficient funds for the payment and other conditions set out in the Dividend Policy adopted by the Company on 9 November 2021 are met. The payment of an advance shall be subject to the approval of the Supervisory Board.

The following persons are entitled to submit declarations of will and sign documents on behalf of the Company: President of the Management Board, acting on their own, or two members of the Management Board acting jointly, a member of the Management Board acting jointly with a plenipotentiary or two plenipotentiaries acting jointly. The Company's Article of Association do not provide for any special rights for persons managing the Company, and persons managing the Company are particularly not authorised to make decisions on the issuance or redemption of shares.

The by-laws of the Management Board specify in detail the procedure of the Management Board's operation. The by-laws shall be adopted by the Management Board and approved by the Supervisory Board. Regarding agreements between the Company and a member of the Management Board, as well as in a dispute with a member of the Management Board, the Company is represented by the Supervisory Board, or by a plenipotentiary appointed pursuant to a resolution of the General

Meeting. The same procedure shall apply to other actions related to an employment relationship or any other legal relationship between a member of the Management Board and the Company.

Competences of the Supervisory Board also include signing of agreements with members of the Management Board of the Company, and specifying remuneration of the President of and members of the Management Board of the Company, as well as their bonus schemes, and exercising the rights resulting from the employment relationship towards members of the Management Board, on behalf of the Company. The Management Board of the Company does not have any special rights related to the issuance or redemption of shares.

Contracts concluded between UNIBEP SA and members of the management bodies

In connection with their work and functions in the Management Board, the President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board of UNIBEP SA were employed by UNIBEP SA until 19 January 2022 under fixed-term managerial contracts – until the expiry of the term of office of the member of the Management Board in relation to the expiry of the three-year sixth term of the Management Board (fixed-term employment contract).

Leszek Marek Gołąbiewski, President of the Management Board and Company Director, Sławomir Kiszycki, Vice-President of the Management Board and Financial Director, and Krzysztof Mikołajczyk, Vice-President of the Management Board and Construction Director were bound by fixed-term employment contracts concluded on 16 June 2020 – until the expiry of the term of office of the member of the Management Board in relation to the expiry of the three-year sixth term of the Management Board.

Adam Poliński, Member of the Management Board and Director of the Infrastructure Branch, was bound by a fixed-term employment contract concluded on 30.12.2020 – until the expiry of the term of office of the member of the Management Board in relation to the expiry of the three-year sixth term of the Management Board. Mr Adam Poliński was appointed member of the Management Board of the Company for the sixth term of office as of 01.01.2021.

Pursuant to the provisions of the aforementioned contracts, the President of the Management Board of UNIBEP SA, Leszek Marek Gołąbiewski, and the Vice-Presidents of the Management Board of UNIBEP SA, Sławomir Kiszycki and Krzysztof Mikołajczyk, were entitled to an annual bonus for 2020 and for subsequent years, constituting 1.5% of consolidated net profit of the UNIBEP Capital Group in each financial year, on the condition of meeting the financial plan of the UNIBEP Capital Group for a given year adopted by the Management Board and the Supervisory Board.

Pursuant to the provisions of the contract, Member of the Management Board, Director of the Infrastructure Branch of UNIBEP SA, Adam Poliński, was entitled to an annual bonus for 2021 and for subsequent years, constituting 1% of consolidated net profit of the UNIBEP Capital Group in each financial year, on the condition of meeting the financial plan of the UNIBEP Capital Group for a given year adopted by the Management Board and the Supervisory Board.

In addition to their salaries, the President, Vice-Presidents, and Member of the Management Board, the employer guaranteed a 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 President, Vice-President, or Member of the Management Board. The President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board were not entitled to other remuneration components as set out in the Corporate Collective Labour Agreement.

The President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board of UNIBEP SA had non-competition contracts concluded with the Company during the employment relationship (the non-competition clause is binding for the duration of the employment relationship) and non-competition contracts after termination of employment (the non-competition clause is binding for 6 months after termination of the employment relationship). For the duration of the non-competition clause (for a period of 6 months), the President of the Management Board, Vice-Presidents of the Management Board and Member of the Management Board were entitled to compensation amounting to 25% of the remuneration received by these persons prior to the termination of their employment relationship, to be paid in six equal instalments.

Changes introduced in 2022

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

Re 1.

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

In relation with their function in the Management Board, the President of the Management Board, Vice-Presidents of the Management Board and Members of the Management Board are entitled to

an annual bonus calculated based on the consolidated net profit of the UNIBEP Capital Group for each financial year, provided that the financial plan of the UNIBEP Capital Group for a given year adopted by the Management Board and the Supervisory Board is met. On 26 January 2023, the Company's Supervisory Board amended the bonus principles for members of the Management Board and it was established that members of the Management Board, in connection with their function on the Management Board, are entitled to an annual bonus calculated on the consolidated net profit of the UNIBEP Capital Group attributable to the shareholders of the parent company for each financial year, provided that the financial plan of the UNIBEP Capital Group adopted for a given year by the Management Board and the Supervisory Board is implemented.

In accordance with the Resolutions of the Supervisory Board:

- a) the President of the Management Board of UNIBEP SA, Mr Leszek Marek Gołąbiecki, and the Vice-Presidents of the Management Board of UNIBEP SA, Mr Sławomir Kiszycki and Mr Krzysztof Mikołajczyk, are entitled to an annual bonus of 1.5% for 2022 and subsequent years,
- b) Member of the Management Board of UNIBEP SA, Mr Adam Poliński, is entitled to an annual bonus of 1% for 2022 and subsequent years.
- c) Member of the Management Board of UNIBEP SA, Mr Przemysław Wojciech Janiszewski is entitled to an annual bonus of 1% from 2023 onwards.

Re 2.

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

- a) Mr Leszek Marek Gołąbiecki is employed as the Director of the Company,
- b) Mr Sławomir Kiszycki is employed as the Financial Director,
- c) Mr Krzysztof Mikołajczyk is employed as the Construction Director,
- d) Mr Adam Poliński is employed as the Director of the Infrastructure Branch,
- e) Mr Przemysław Wojciech Janiszewski is employed as Director of Energy and Industrial Construction.

If the employment contracts of the above employees are terminated by the employer for reasons not attributable to the employees, the employer will compensate the employee in the amount of 3 times the average monthly remuneration of an employee of the company. The amount of compensation will include compensation for refraining from competitive activities and the amount of

severance pay due to the Employee in connection with the termination of the employment contract with notice for reasons not attributable to the Employee under the applicable legislation.

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

REMUNERATION OF THE MANAGEMENT BOARD FOR THE PERIOD: 01.01.2022 - 31.12.2022 UNIBEP SA

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

Vice-President of the Management Board of UNIBEP SA, Mr Sławomir Kiszycki, received remuneration at UNIHOUSE SA for 2022 in the amount of PLN 32,000 for his function on the Management Board of Unihouse SA.

On 07.04.2022, a cooperation contract was concluded for an indefinite period between Unihouse SA and Sławomir Kiszycki, conducting business under the name SMK Kiszycki. The contract entered into force on the date of its conclusion. According to the content of the contract in question, Mr Sławomir Kiszycki is entitled to remuneration in the amount of PLN 10,000 in return for the services provided to the principal, net for each month of service provision.

Management personnel otherwise do not receive remuneration for serving on subsidiaries of UNIBEP SA.

Supervisory Board

The Supervisory Board of UNIBEP SA acts on the basis of the provisions of the Commercial Com-

panies Code, the Articles of Association of the Company and the By-Laws of the Supervisory Board. In its capacity, the Supervisory Board also applies the principles of "Good Practices of Companies Listed on the WSE." The Supervisory Board is composed of 5 to 7 members, appointed and dismissed by the General Meeting for a joint three-year term of office. In the case of group voting, the General Meeting determines the number of members of the Supervisory Board for a given term of office, by adopting a resolution prior to their election. At least 2 independent members should be appointed to the Supervisory Board. Independent members of the Supervisory Board are persons fulfilling jointly:

- a) independence criteria, within the meaning of corporate governance principles applicable to companies admitted to trading on the domestic regulated market, and
- b) independence criteria, within the meaning of the regulations governing the functioning of an audit committee.

Each shareholder may propose in writing candidates for an independent member of the Supervisory Board, to the Management Board of the Company, not later than in 7 working days before the date of the General Meeting during which such a member is to be elected. Such an application shall contain personal data of a candidate and justification for their candidacy, together with a description of the candidate's qualifications and professional experience. The application shall be accompanied by a written statement of the interested person, in which they have expressed consent to be a candidate to the Supervisory Board and confirmed meeting the independence criteria, as well as their commitment to immediately notify about losing such independence qualities. In the event of failure to propose candidates meeting the criteria of independence, following the aforementioned procedure, a candidate for an independent member of the Supervisory Board shall be proposed by the Management Board of the Company, during the General Meeting.

On 15 June 2020, the General Meeting passed a resolution on the election of the Supervisory Board of the Company for the sixth term.

In 2022, the Company's Supervisory Board consisted of:

1. Jan Mikołuszko – Chairman of the Supervisory Board,
2. Beata Maria Skowrońska – Deputy Chairman of the Supervisory Board,
3. Wojciech Jacek Stajkowski – Deputy Chairman of the Supervisory Board,
4. Jarosław Bełdowski – Member of the Supervisory Board (independent),
5. Michał Kołosowski – Member of the Supervisory Board (independent),

6. Paweł Markowski – Member of the Supervisory Board (independent),
7. Dariusz Marian Kacprzyk – Member of the Supervisory Board (independent).

On 26 January, Mr Dariusz Marian Kacprzyk resigned from the Company's Supervisory Board with effect from 27 January 2023. On 1 March 2023, the Extraordinary General Meeting of Shareholders of the Company appointed Mr Jakub Marek Karnowski as a member of the Supervisory Board.

The composition of the Supervisory Board current at the date of this report is as follows:

1. Jan Mikołuszko – Chairman of the Supervisory Board,
2. Beata Maria Skowrońska – Deputy Chairman of the Supervisory Board,
3. Wojciech Jacek Stajkowski – Deputy Chairman of the Supervisory Board,
4. Jarosław Bełdowski – Member of the Supervisory Board (independent),
5. Michał Kołosowski – Member of the Supervisory Board (independent),
6. Paweł Markowski – Member of the Supervisory Board (independent),
7. Jakub Marek Karnowski – Member of the Supervisory Board (independent).

The Supervisory Board shall hold meetings at least once every 3 months. The Chairman of the Supervisory Board or their deputy are also obliged to convene a meeting of the Supervisory Board, upon a written request of a member of the Supervisory Board or the Management Board of the Company. Such a meeting should be held within two weeks, after receiving the request.

Members of the Board may participate in Board meetings using means of direct remote communication, provided that such means enable simultaneous communication and identification of all persons participating in the meeting (e.g. teleconference, videoconference), and the notice of the Board meeting provides information about the possibility of participating in the Board meeting in such manner.

A member of the Supervisory Board may cast their vote in writing, through another member of the Supervisory Board. Votes cast in writing cannot pertain to issues included in the agenda at the meeting of the Supervisory Board.

The Supervisory Board may adopt resolutions outside the meeting in writing or by means of direct remote communication. Such a resolution is valid if all members of the Supervisory Board have been notified of the content of the draft resolution.

For resolutions of the Supervisory Board to be valid, all members of the Board must be invited in writing to the meeting, and at least half of its members must be present at the meeting, unless the provisions of the Commercial Companies Code provide otherwise. Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes. In the event of an equal number of votes, the Chairman of the Supervisory Board has a casting vote. The Supervisory Board shall adopt its internal by-laws by way of a resolution. The Company communicates changes in the composition of the Supervisory Board by means of current reports.

REMUNERATION OF THE SUPERVISORY BOARD FOR THE PERIOD: 01.01.2022 - 31.12.2022 UNIBEP SA

Name Surname	Revenue	Revenue of a member of the Supervisory Board under an employment contract with UNIBEP SA	Other titles	Total
Jan Mikołuszko	456,000.00	-	-	456,000.00
Beata Maria Skowrońska	144,000.00	-	41,722.86	185,722.86
Wojciech Jacek Stajkowski	86,727.27	59,483.93	-	146,211.20
Jarosław Mariusz Bełdowski	60,000.00	-	-	60,000.00
Michał Kołosowski	84,000.00	-	-	84,000.00
Paweł Markowski	60,000.00	-	-	60,000.00
Dariusz Marian Kacprzyk	60,000.00	-	-	60,000.00
Total	950,727.27	59,483.93	41,722.86	1,051,934.06

Beata Maria Skowrońska – Vice-Chairman of the Supervisory Board of UNIBEP SA, received remuneration at UNIDEVELOPMENT SA for 2022 in the amount of PLN 48,000.00 for being a member of the Supervisory Board of UNIDEVELOPMENT SA.

Members of the Supervisory Board otherwise do not receive remuneration for serving on subsidiaries of UNIBEP SA.

COMMITTEES OF THE SUPERVISORY BOARD

In accordance with the By-Laws of the Supervisory Board, permanent or ad hoc committees acting as collective advisory and opinion-forming bodies of the Supervisory Board may be appointed within the Supervisory Board. The Audit Committee and the Sustainability Committee operate within the Supervisory Board on a permanent basis.

Committees are appointed by the Supervisory Board, from among its members, by way of a resolution. The Committee shall elect a Chairman of the Committee, from among its members. The

Committee shall be composed of 3 to 5 members.

The majority of members of the Audit Committee, including the Chairman of the Audit Committee, must meet the independence criteria within the meaning of the by-laws governing the functioning of the audit committee. Individual members of the Audit Committee must demonstrate knowledge and skills in the field of the industry in which the Company operates, as well as in accounting and auditing of financial statements.

Such committees shall submit an annual report on their activities, to the Supervisory Board.

The Audit Committee of the 6th term of office operates since 15 June 2020. The composition of the Audit Committee in 2022:

1. Michał Kołosowski – Chairman of the Committee, an independent member, within the meaning of Article 129(3) of the Act on Statutory Auditors of 11 May 2017;
2. Wojciech Jacek Stajkowski,
3. Dariusz Marian Kacprzyk – an independent member, within the meaning of Article 129(3) of the Act on Statutory Auditors of 11 May 2017.

As on the day of drawing up this report, the composition of the Audit Committee is as follows:

1. Michał Kołosowski – Chairman of the Committee, an independent member, within the meaning of Article 129(3) of the Act on Statutory Auditors of 11 May 2017;
2. Wojciech Jacek Stajkowski,
3. Jarosław Bełdowski – an independent member, within the meaning of Article 129(3) of the Act on Statutory Auditors of 11 May 2017.

As part of the Audit Committee of the sixth term of office, Mr Wojciech Jacek Stajkowski and Mr Michał Kołosowski have knowledge and skills in the industry in which the Company operates as a result of their education and previous professional experience. Mr Michał Kołosowski additionally possesses knowledge and skills in the field of accounting or auditing resulting also from his education and previous professional experience.

Mr Wojciech Jacek Stajkowski is a graduate of the Faculty of Foreign Trade at the SGH Warsaw School of Economics. He has been involved in foreign trade since the very beginning of his professional career. He has held managerial positions in representative offices and subsidiaries of Polimex Cekop in the markets of the Middle East and Germany, for many years. From 1996 to 2008, he worked for Grundig Polska, where he was the Managing Director and a member of the Manage-

ment Board, at the same time as being the Director of Distribution of the Grundig Group for Central and Eastern Europe, and a member of the Management Board of Grundig Magyarország. Later on, he ran his own business and collaborated with Unibep SA as a representative of the Management Board for new markets. He was also Chairman of the Audit Committee of the Supervisory Board of Unibep SA for the fourth term. Mr Wojciech Stajkowski speaks English, German and Russian.

Mr Michał Kołosowski received a master's degree in Economics with a major in Accounting and Finance, and holds a Diploma in International Financial Reporting awarded by the Association of Chartered Certified Accountants (an international organisation of finance, accounting and management professionals). Between 2000 and 2004, he worked as an assistant to an expert auditor at Roedl&Partner, and then gained experience as a Senior Associate at PricewaterhouseCoopers, in the years 2004-2007. Mr Michał Kołosowski has been a partner in the audit department of the UHY ECA Group since 2007. He is also a member of the Supervisory Board and the Chairman of the Audit Committee of Betacom SA. He has extensive experience in auditing financial statements, preparing consolidation packages, preparing financial due diligence analyses, and transforming financial statements into documents compliant with the IAS/IFRS and US GAAP standards. He is an expert in providing services for real estate companies and closed-end investment funds. He is the author of numerous articles and a lecturer in the field of accounting. He speaks English and German.

The tasks of the Audit Committee include in particular:

- submitting the recommendation referred to in Article 16(2) of Regulation No. 537/2014, to the Supervisory Board;
- discussing the nature and scope of an audit with the Company's expert auditors, prior to the commencement of each audit of the annual financial statement;
- informing the Supervisory Board about results of the audit, and explaining how the audit contributed to the reliability of financial reporting in the Company, as well as of the role played by the Audit Committee during the audit;
- reviewing the Company's individual and consolidated interim and annual financial statements;
- discussing any problems or qualifications raised during the audit;
- analysing comments addressed to the Management Board and made by the Company's expert auditors, and replies made by the Management Board;
- reviewing transactions made with related entities;

- monitoring the effectiveness of the internal control system, risk management, supervision of legal compliance, and the internal audit functions;
- accepting internal audit programmes;
- analysing reports of the Company's internal auditors and replies made by the Management Board in relation to the observations contained in such reports;
- cooperating with the Company's organisational units responsible for audit and control, and periodic evaluation of their work, as well as providing opinions on the level of remuneration of the people employed in these organisational units;
- carrying out an annual assessment of the need to separate the internal audit function within the Company – in the event that this function has not been separated in the Company;
- monitoring the performance of financial reviews, in particular a review performed by an audit firm, taking into account any and all conclusions and findings of the Audit Supervisory Commission resulting from an audit carried out in the audit firm;
- reviewing and monitoring the independence of an expert auditor and audit firm, in particular when the audit firm renders other services for the Company, than reviewing itself;
- assessing the independence of an expert auditor, and giving consent to their rendering of permitted services, which do not constitute audits in the Company;
- developing a policy and procedure for the selection of an audit firm to perform the audit;
- monitoring the process of financial reporting;
- submitting recommendations aimed at ensuring reliability of the financial reporting process in the Company;
- making decisions on any other issues related to the Company's audit, which were brought to the attention of the Audit Committee or Supervisory Board.

In 2022, the Audit Committee held 5 meetings to carry out the tasks assigned to it, such as, among others, analysing the Company's financial statements, assessing the risk management system and evaluating the internal control system, recommending the selection of the audit firm performing the audits required by the regulations. The Committee analysed the impact of the war in Ukraine and the COVID-19 pandemic on operations within the Unibep Group.

The Strategy Committee of the sixth term of office has been in place since 15 June 2020. The

composition of the Strategy Committee in 2022 and as at the date of this report:

1. Jan Mikołuszko – Chairman of the Committee
2. Beata Maria Skowrońska
3. Jarosław Bełdowski
4. Paweł Markowski

On 21 April 2022, the Supervisory Board decided to change the name of the Strategy Committee to the Sustainability Committee and to broaden the scope of the Committee's activities to include sustainability issues, while leaving the Committee unchanged in its composition.

The task of the Strategy Committee is to give opinions and recommendations to the Supervisory Board on planned investments and divestments having a significant impact on the Company's assets.

The tasks of this Committee include in particular:

- assessment of the impact of the planned and undertaken investments and divestments on the shape of the Company's assets and sustainable development;
- evaluation of actions, agreements, letters of intent, and other documents related to the activities aimed at acquiring, disposing of, encumbering, or disposing of significant assets of the Company in any other way;
- giving an opinion on any documents of a strategic nature submitted to the Supervisory Board by the Management Board, including in the area of ESG;
- giving an opinion on the development strategy of the Company and the Unibep Group, including multi-annual financial plans and long-term plans, activities and strategic objectives in the ESG area;
- monitoring, assessment and evaluation of undertakings and projects implemented as part of the development strategy of the Company and the Unibep Group;
- assessment of the risks and opportunities that may affect the implementation of the Company's and Unibep Group's development strategy.

The Strategy Committee met three times in 2022. In 2022, the Strategy Committee undertook activities related to the tasks assigned to the Committee, in particular assessing the development

directions of the Group's individual businesses and their competitive advantages and assessing the impact of the war in Ukraine on the Unibep Group's individual businesses. The Committee monitored and evaluated the work on the Unibep Group's Sustainability Strategy and the Unibep Brand Building Plan.

DESCRIPTION AND RIGHTS OF THE GENERAL MEETING, SHAREHOLDERS' RIGHTS, AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Description of the procedures of the General Meeting

The General Meeting of UNIBEP SA acts in compliance with the Commercial Companies Code, the Company's Articles of Association, the By-Laws of the General Meeting, and also takes into account the principles contained in the corporate governance principles adopted by the Warsaw Stock Exchange. All corporate documents and information related to the date, agenda, and adopted resolutions are available on the Company's website www.unibep.pl (in the Investor Relations section). An Ordinary General Meeting shall be convened by the Management Board, within 6 months after the end of each financial year. An Extraordinary General Meeting shall be convened by the Management Board, the Supervisory Board, or shareholders representing at least half of the share capital, or at least half of all votes in the company. A shareholder or shareholders representing at least 1/20 (one-twentieth) of the share capital may request that the Management Board convene an Extraordinary General Meeting and put certain matters on its agenda. The request to convene an Extraordinary General Meeting and put certain issues on its agenda should be submitted to the Management Board in writing or in the electronic form. The Management Board should convene the Extraordinary General Meeting within two weeks from the date of submitting the request. There is a special email address (wza@unibep.pl) provided on the Company's website, which may be used in the cases specified in the Commercial Companies Code related to the General Meeting. The General Meeting shall be held at the Company's registered office or in Warsaw. The General Meeting may adopt resolutions only on matters included on the agenda. The Supervisory Board, a shareholder, or shareholders representing at least 1/20 (one-twentieth) of the share capital may request putting certain matters on the agenda of a coming General Meeting. Such a request should be submitted to the Management Board not later than within 21 days before the scheduled date of the Meeting. The request must contain a justification or a draft resolution, concerning the proposed item on the agenda. The request may be submitted in an electronic form.

In addition to other matters reserved by applicable laws, the competences of the General Meeting include the following:

1. consideration and approval of the Management Board's report on the Company's operations

- and the financial statements for the previous financial year;
2. adopting a resolution on the division of shares or on covering losses;
 3. giving discharge to the members of the company's bodies;
 4. adopting a resolution on amending the Company's Articles of Association;
 5. adopting a resolution on merging with another Company and transformation of the Company;
 6. adopting resolutions to dissolve and liquidate the Company;
 7. adopting a resolution on the issue of subscription warrants, convertible bonds and bonds with priority rights;
 8. adopting a resolution on selling or leasing an enterprise or its organised part, and on establishing a limited property right on such an enterprise or its organised part;
 9. making all decisions concerning claims for compensation for damage caused during the formation of the Company, or in the course of exercising management or supervision over it;
 10. adopting a resolution on a compulsory buyout of shares, pursuant to art. 418 of the Commercial Companies Code;
 11. appointing and dismissing members of the Supervisory Board.

In the event that the General Meeting adopts a resolution on allocating part or all of the profit as payment for shareholders, the General Meeting is competent to determine the date in relation to which a list of shareholders entitled to dividend for a given financial year will be made (record day) and the date of paying dividend. Acquisition or disposal of a property, the right of perpetual usufruct, or a share in a property does not require adopting a resolution by the General Meeting.

Other rights of shareholders and the manner of exercising them

A shareholder or shareholders representing at least one-twentieth of the share capital may, before the date of the General Meeting, submit to the company in writing or by means of electronic communication draft resolutions on the items placed on the agenda of the General Meeting or on the items to be placed on the agenda.

During the General Meeting, each shareholder may propose draft resolutions concerning the items on the agenda.

Only persons being shareholders of the Company on the Registration Day have the right to parti-

participate in the General Meeting. The day of registering as a participant of the General Meeting is the day falling on sixteen (16) days before the General Meeting.

Persons with registered provisional certificates, pledgees or users with the right to vote are entitled to participate in the General Meeting, provided that they had been entered in the share register at least a week before the General Meeting took place.

A shareholder, who is a natural person, may participate in the General Meeting and exercise their voting right in person or by a proxy. A shareholder, who is not a natural person, may participate in the General Meeting and exercise their voting right by a person authorised to make representations on their behalf, or by a proxy.

Description of the principles of amending the Articles of Association of the Issuer

In addition to other matters reserved by applicable laws, the competences of the General Meeting include adopting a resolution on amending the Company's Articles of Association. Resolutions of the General Meeting shall be adopted by an absolute majority of votes, unless the Articles of Association or the Commercial Companies Code provide for stricter requirements. The Company's Articles of Association do not provide for stricter requirements with respect to voting on a resolution amending the Company's Articles of Association.

The General Meeting may adopt a resolution on a significant change in the scope of the Company's business without the obligation to buy out the shareholders who do not agree to the change, if the resolution is adopted by a majority of 2/3 of votes, in the presence of shareholders representing at least half of the share capital.

REMUNERATION POLICY

UNIBEP SA adopted the document "Remuneration Policy of the Supervisory and Management Bodies of UNIBEP SA" (Remuneration Policy). This Remuneration Policy became effective on 15 June 2020. The Management Board positively assesses the adopted Remuneration Policy from the point of view of its objectives, in particular the long-term increase in value for shareholders and the stability of the Company's operations.

Remuneration of supervisory personnel

With respect to supervisory personnel, the Remuneration Policy states that it is the responsibility of the Company's General Meeting to determine the remuneration principles for members of the Supervisory Board for serving on the Supervisory Board. The level of remuneration for members of the Supervisory Board should be sufficient to attract, keep, and motivate the people necessary to

ensure the correct supervision over the Company. The remuneration of these persons should be adequate to the scope of tasks entrusted to individual Board members and should also take into account the performance of additional functions. At the same time, remuneration for members of the Supervisory Board should not depend on options and other derivative instruments, or any other variable components, and should not depend on the Company's results. The main components of the remuneration system for members of the Supervisory Board include:

- a fixed monthly salary,
- additional benefits.

Remuneration of managing personnel

With respect to management personnel, the Remuneration Policy provides that the Supervisory Board is the body authorised to determine the remuneration principles for members of the Management Board for serving on the Management Board. The remuneration of members of the Management Board should correspond to the size of the enterprise and be reasonable in relation to the Company's economic results, while the level of remuneration for members of the Management Board should be sufficient to attract, retain, and motivate the persons necessary to ensure the proper management of the Company. When determining and verifying the amount of remuneration for members of the Management Board, the Supervisory Board should take into account in particular the scope of duties and responsibilities, the workload necessary to properly perform the entrusted scope of duties, and the level of remuneration for a similar position applied by other entities operating on the market. Incentive Schemes should make the level of remuneration for members of the Management Board dependent on the actual long-term financial situation of the Company and on a long-term increase of value for shareholders, as well as on the stability of the Company's operations.

Rules of remuneration for members of the Management Board effective as of 20 January 2022

As of 20 January 2022, the sources of remuneration for the members of the Management Board were separated at UNIBEP from the previous form resulting from employment based on employment contracts and two forms of remuneration were adopted, i.e. based on appointment and based on an employment contract.

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

In addition to the monthly remuneration, in accordance with the wording of the Resolutions of

the Supervisory Board, the members of the Management Board, by virtue of their appointment in connection with their function on the Management Board, are entitled to an annual bonus for 2022, calculated on the consolidated net profit of the UNIBEP Capital Group for each financial year, provided that the financial plan of the UNIBEP Capital Group adopted for the year by the Management Board and the Supervisory Board is implemented. The Supervisory Board determines the amount of a bonus and the conditions for granting it to individual members of the Management Board, by means of a resolution.

In accordance with the Resolutions of the Supervisory Board:

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

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

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

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

The aforementioned employees entered into non-competition contracts with the Company for the duration of the employment relationship (the non-competition clause is binding for the duration of the employment relationship) and non-competition contracts after termination of employment (the non-competition clause is binding for 6 months after termination of the employment relationship). For the duration of the non-competition clause, employees are entitled to compensation equal to 60% of the remuneration received by the employee prior to the termination of the employment

relationship for a period of six months, which will be paid to the employee in six equal instalments by the 10th of each month, by transfer to an account specified by the employee.

Additional benefits for members of the Management Board may include a company car, tools and technical equipment necessary to perform the duties of a member of the Management Board, payment of travel costs, fuel cards, reimbursement of documented necessary expenses incurred in connection with the performance of duties to the extent and in the amount appropriate to the functions entrusted, benefits under OHS regulations, civil liability insurance contract for members of the Management Board, private medical packages, benefits under the Company's Social Benefits Fund, training courses and participation in other events whose subject matter relates to the type of work performed and aimed at improving qualifications.

Changes in 2023 in the composition of the Company's Management Board and in bonuses for members of the Management Board

As of 01.01.2023, Mr Przemysław Wojciech Janiszewski has been appointed to the Company's Management Board. The remuneration to which the Member of the Management Board Mr Przemysław Wojciech Janiszewski is entitled by virtue of his appointment has been determined in the form of a monthly rate. In respect of his employment as Director of Energy and Industrial Construction under an employment contract of indefinite duration, Mr Przemysław Wojciech Janiszewski receives remuneration determined in the form of a monthly rate.

Members of the Management Board from 2023 onwards are entitled to an annual bonus in an amount determined as a percentage, calculated on the consolidated net profit of the UNIBEP SA Group attributable to shareholders of the parent company for each financial year. The condition for obtaining the right to a bonus for a given financial year is the realisation of the UNIBEP Capital Group's financial plan adopted for that year by the Management Board and Supervisory Board of the Company. The Supervisory Board determines the amount of a bonus and the conditions for granting it to individual members of the Management Board, by means of a resolution.

Remuneration of key managers

With respect to key managers, the Remuneration Policy indicates that the body authorised to determine the principles of remuneration of key managers is the Management Board, which determines the remuneration on the basis of the Corporate Collective Labour Agreement implemented in the Company, the rules of awarding bonuses to white-collar workers. The remuneration for key managers should correspond to the size of the enterprise and be reasonable in relation to the Company's economic results, while the level of remuneration for key managers should be sufficient to attract, keep, and motivate the people necessary to ensure the proper management of

the Company. When determining and verifying the amount of remuneration for key managers, the Company should take into account in particular the scope of duties and responsibilities, the workload necessary to properly perform the entrusted scope of duties, and the level of remuneration for a similar position applied by other entities operating on the market. Incentive Schemes should make the level of remuneration for key managers dependent on the actual long-term financial situation of the Company and on a long-term increase of value for shareholders, as well as on the stability of the Company's operations.

The main components of the remuneration system for key managers include:

- a fixed monthly base salary,
- a monthly bonus,
- a performance bonus,
- additional benefits.

Key managers are entitled to a monthly bonus, depending on the timely and qualitative performance of tasks determined by the scope of activities, granted and paid, in accordance with the principles set out in detail in the rules of awarding bonuses to white-collar workers. Key managers are also entitled to a performance bonus dependent on the financial or material targets set by the Management Board within the areas supervised, awarded and paid on the terms and conditions set out in detail in the Performance Bonus Regulations. Additional benefits for key managers may include a company car, tools and technical equipment necessary to perform their duties, reimbursement of travel and representation expenses to the extent and in the amount appropriate to the functions entrusted to them, private medical insurance, or training to improve qualifications. The Management Board of the Company is responsible for carrying out performance appraisal of key managers.

The Company does not apply separate retirement benefits, as well as benefits of a similar nature, regarding former managing and supervising persons. Moreover, the Company does not have any administrative bodies referred to in § 70 section 7 item 18 of the Regulation of the Minister of Finance on current and periodic information (...).

7.6 DIVERSITY POLICY TOWARDS THE MANAGEMENT AND SUPERVISORY BODIES

The Company has not developed a formalised diversity policy in the form of a single document, but certain rules of conduct in this respect have been developed over the years, including the previously mentioned rules of conduct entitled "Unity of Principles and Objectives", which each newly recruited employee of the Company must review.

Due to the location of the Company's registered office in Podlasie, which is considered to be a melting pot of nationalities, cultures and communities, employees and members of the Company's bodies come from different backgrounds and cultures, represent different ways of thinking and points of view and have different life and professional experiences. There are age differences among the Company's employees and governing bodies. In addition to employees who are between thirty and fifty years of age, who make up the largest age group at over **64%**, people over the age of fifty constitute approx. **19%** of the Company's employees. Over **17%** of employees are under the age of thirty. The Unibep Group employs both women and men in middle and senior management positions, as well as in specialist positions. **Women account for approx. 39% of the total workforce, employed in non-manual positions.**

The Company tries to make a skilful use of the diversity in the labour market, as it believes that activities promoting diversity help to create a team of people, who cooperate with and complement each other.

In line with the principles adopted in Unibep, any discrimination in employment, whether direct or indirect, in particular regarding sex, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, denomination, sexual orientation, and with regard to being employed on a fixed-term contract or a permanent contract, or on a full-time or part-time basis, is considered unacceptable.

The Company places great emphasis on the policy of equal treatment and diversity management, especially in the area of recruiting, evaluating of performance, training, promoting, and remunerating. The activities carried out in the area of diversity include, among others, inclusion of its principles in internal documents, such as its organisational culture or the Corporate Collective Labour Agreement. Creating the right atmosphere at work is an important part of the implementation of the principles of diversity, thus making employees feel appreciated, respected, and have an opportunity to develop and realize their professional potential in full.

The Company declares that the composition of the Management Board and Supervisory Board of the Company is diversified, in terms of education, age, and professional experience, with regard to

the management and supervisory bodies. The construction industry is a specific industry and in selecting management staff, the Company is guided primarily by objective criteria, including the competencies necessary to properly perform the functions of the management board, knowledge, experience or characteristics desirable in the construction industry and in individual areas of management, in accordance with the specific nature of the positions of the individual members of the Company's Management Board. **Women account for 19% of members of the Supervisory Board.** There is no gender diversity on the Company's Management Board.

Detailed information on the diversity policy can be found in the Unibep Group Sustainability Report for 2022 in Section 4.2. Diversity as a value.

7.7 INFORMATION ON THE AUDIT FIRM

On 22.06.2022, the Supervisory Board of the Parent Company selected Grant Thornton Polska Prosta Spółka Akcyjna (formerly Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa) with its registered office in Poznań at 88E Abpa Antoniego Baraniaka Street to review and audit the financial statements for 2022-2024. The audit firm was selected on the recommendation of the Audit Committee. The recommendation of the Audit Committee for the selection of the audit firm met the applicable conditions. The recommendation was drawn up in accordance with the "Policy on the selection of an audit firm to carry out a statutory audit of the financial statements of UNIBEP SA and the UNIBEP Capital Group".

The Parent Company entered into a contract on 28.07.2022 for the review and audit of the separate and consolidated statements, which specifies an annual remuneration of PLN 379 thousand per annum plus additional costs (including a review of PLN 129 thousand and an audit of the statements of PLN 250 thousand).

The total remuneration of Grant Thornton Polska Prosta Spółka Akcyjna for the audit of the 2022 statements of the other Group companies amounts to PLN 393.3 thousand plus additional costs.

On 21.01.2019, the Parent Company concluded also a contract for auditing the financial statements of UNIBEP SA on the Norwegian market in accordance with Norwegian standards with Deloitte AS Dronning Eufemias gate 14, NO-0103 Oslo for a value of NOK 370,000 plus additional costs.

On 21.05.2021, Unihouse SA entered into a contract with Deloitte AS Dronning Eufemias gate 14,

NO-0103 Oslo for the audit in accordance with Norwegian standards of the financial statements of Unihouse SA's operations in the Norwegian market.

The entities authorised to audit financial statements did not provide any other services to the Parent Company and the Capital Group in 2022.

The Group implemented the "Policy on the selection of an audit firm to carry out a statutory audit of the financial statements of UNIBEP SA and the UNIBEP Capital Group", drawn up by the Audit Committee and adopted by the Supervisory Board by way of a resolution on 06.02.2018. The aforementioned Policy stipulates that the appointment of an audit firm shall be made by the Supervisory Board on the basis of a recommendation of the Audit Committee, which (with the exception that such an audit was ordered again) shall submit to the Management Board at least two proposals of audit firms, at the same time recommending one of them and justifying their preference. The recommendation of the Audit Committee must not be influenced by third parties. Other objectives of the policy include defining the following: criteria for verification of audit firms and the duration of cooperation with a selected audit firm.

Furthermore, on 06.02.2018, the Supervisory Board adopted the "Policy on the provision by the audit firm performing the audit, by entities related to the audit firm and by a member of the network of the audit firm of permitted non-audit services provided to UNIBEP SA". The main objective of this Policy is to eliminate the threat of lack of independence in the case of provision by statutory auditors, audit firms or members of their network of certain services other than statutory audit services. The aforementioned Policy provides for listing prohibited services, which do not constitute financial audit activities, as well as permitted services, which are not financial audit activities, and also specifies that the provision of permitted services, which do not constitute financial audit activities is only possible after prior approval by the Audit Committee. The Policy applies to the Company and the Company's Capital Group.

8. POZOSTAŁE INFORMACJE

8.1 DESCRIPTION OF RISKS AND THREATS

Risk, interpreted as an uncertain event, is an inherent part of every business activity. Each of the risks discussed below may have, if any, a material adverse effect on the operations, financial position, and development prospects of the Unibep Group, as well as on the results of its operations.

Risk related to the macroeconomic situation in Poland

A deterioration of the economic situation in Poland may be accompanied by a number of negative macroeconomic phenomena, which may have a negative impact on sectors of the economy, including the construction sector. The Polish economy is strongly connected with the European Union, both politically and economically. In connection with the globalisation of national economies, and in particular with the liberalisation of capital and labour flows, the occurrence of the effects of the global crisis may also have a negative impact on the Polish economy. Such events are manifested by an economic downturn or economic crisis, phenomena that are not conducive to increasing consumer and business capital expenditure. The industry in which the Issuer's Group operates depends on circumstances that include the economic situation in Poland. Factors such as the rate of economic growth, capital expenditures, interest rates, inflation, tax policy, foreign exchange rates, and the level of consumption have a significant impact on the scale of operations in the construction industry, which directly affects the financial position and development prospects of the Issuer's Group. A slower economic growth rate, lower capital expenditures of companies and lower salaries, higher taxes and interest rates, as well as a limited access to debt financing may adversely affect the operations, results, financial position or development prospects of companies from the industries in which the Issuer's Group operates.

Risk related to the emergence and development of the crisis in the global and Polish economies

Increases in inflation, rising interest rates, declining GDP, slowing investment, rising energy prices and other adverse economic developments indicative of a slowdown or potential recession both domestically and globally have and will continue to have an impact on the Group's presented economic effects.

Risk associated with rising inflation and the impact on the cost of living

Further increases in inflation and interest rates cannot be ruled out, resulting in rising costs for

servicing corporate debt. With an uncertain macroeconomic situation and high inflation, the Group's activities are directed towards securing good quality contracts. In addition, with rising maintenance, manufacturing and production costs, the Group is carrying out a number of analyses and activities to optimise costs.

Risk related to the impact of the pandemic on the economy and the issuer

Restrictions related to the impact of the coronavirus pandemic (COVID-19) affect directly and/or indirectly social life and the economic situation and their results may include increasing the level of unemployment, reducing the level of consumption, limiting the possibility of running business freely, increasing the risk of loss of liquidity of entrepreneurs. There is a risk that the aforementioned restrictions and their negative effects may translate into increased likelihood that some of the following risk factors affecting the Issuer Group's ability to service its debt will materialise. The effects of the pandemic are affecting and may adversely affect the business and financial performance of the Issuer's Group.

Risk related to hostilities in Ukraine

The armed conflict that began on 24 February 2022 in Ukraine and its consequences, as well as the actions taken by international communities against Russia are events that affect the Company's and the Capital Group's operations and future financial performance. Unibep does not currently carry out any construction work in Ukraine, Belarus or Russia. The Company has no intention of withdrawing from the Ukrainian market. Unibep maintains its intention to implement projects, while further cooperation and performance of contracts in Ukraine depends on the development of the geopolitical situation in the region.

There are entities employing Ukrainian citizens among Unibep's subcontractors and collaborating companies on the Polish market. The Group is in ongoing contact with its business partners and monitors the impact of the conflict on the performance of contracts to which the Group entities are a party. Currently, Unibep does not identify risks from this area. Contractors are completing the works without any downtime.

The war in Ukraine is a huge challenge for the construction industry, including Unibep. War affects investors' investment decisions.

It cannot be ruled out that, should the conflict escalate further, it could significantly affect the Group's business both directly and indirectly. The problem affects such areas as: interrupted or disrupted supply chains, which may result in restrictions on the availability of raw materials from Ukraine and Russia; availability of raw materials and materials; influence on the level of prices of

purchased materials (in particular steel, fuels and crude oil derivatives); an outflow of workers from Ukraine, which may have an impact on the availability of workers in the construction sector; increased investment financing costs; assessment of Poland's attractiveness by foreign investors.

The above creates difficulties for reliable contract valuation and, consequently, long-term planning.

The Company is analysing the situation and building scenarios for action in case the conflict escalates. The Company's representatives are in regular contact with business partners (contracting authorities, subcontractors, material suppliers), engage in a dialogue with non-governmental organisations, as well as contracting entities from the public sector.

Counterparty credit risk

Trade receivables are also among the Group's assets exposed to an increased credit risk. Before signing a contract, each counterparty is assessed in terms of its ability to meet its financial obligations. A significant portion of the current contracts are performed for proven and reliable partners (subsequent contracts). In the event of doubt as to the ability of the counterparty 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. If possible, contractual provisions are also established, which condition payments to subcontractors on receiving funds from the investor. However, it cannot be ruled out that a possible downturn in the property market and the construction industry will affect investors' ability to pay, and thus increase the credit risk of the Group's counterparties.

Political risk of the Eastern markets

Due to the situation across Poland's eastern border, the Issuer's Group is particularly exposed to the political risks of these markets. At present, it is expected that it may not be possible to obtain new significant contracts in the Ukrainian market in the coming periods. In addition, the Group has, as of today, cancelled contracts in Russia, and operations are suspended in Belarus.

In view of the recent events in Ukraine, threats and actions (including those of a military nature) that are difficult to foresee should be taken into account, the course of which may significantly destabilise the Group's operations.

In the case of contracts previously performed in the East, schedules of works and expenditure have always been prepared in such a way as to minimise the risk of the Issuer's Group related to the possible necessity of early completion of the performed works.

Risk related to the commencement of operations in new markets

The Group strives to diversify its operations and seek new sources of profit. Operating in new markets entails the need to know in detail the principles of functioning in and cooperating with local authorities, institutions, and business partners, for example. A company expanding into a new market is usually exposed to greater operating costs (e.g. costs of promoting the company or its products) and costs of removing various barriers at the initial stage of operations. As a result, the first periods of operations in a new market may involve greater costs or losses, and it may take longer to achieve the expected profitability. Entering a new market also entails tax risks arising from the need to get familiar with new principles and regulations characteristic for a given country.

Risk related to launching new segments as part of the business lines now operating in the current markets

Apart from operations on new markets in geographical terms, the Group introduces new products/services in markets where it is operating now. Examples include activities in the property development segment, in the area of commercial investments (PRS market) and work on new products from the modular house production plant (e.g. nursing homes). As a result, there is a number of different types of risks related to launching new products on the market. The Group aims to minimise the above risks e.g. by careful preparation before entering a new area, and cooperating with experienced business partners and consultants. As a rule, these types of projects (depending on their scale or specific conditions) are implemented via special purpose vehicles, which partly reduces the risk borne by the Group.

Risk related to the opening of a new segment

Unibep SA seeks to diversify its operations and therefore a decision was made to create a new business segment – in the energy and industrial sector. There is a risk that these projects will prove to be capital intensive and subject to early stage risks in the initial development of the segment. Underperformance of the segment may carry the risk of lower earnings for the Group. The impact can also be reflected on the Group's individual balance sheet items, such as an increase in receivables translating into a lower cash balance. The opening of the new energy and industrial segment is also associated with organisational changes in the Unibep Group and, consequently, the need to incur related costs.

Risk of non-action or lack of financial impact of the public-private partnership

The Group expects that engaging in activities as part of public-private partnerships (PPP) will yield economic benefits. However, we cannot rule out that the outcome of these activities will be so

unfavourable that expenses will be incurred and the Group will not make efforts to be an active participant in this process. On the other hand, activities connected with developing activity as part of PPP bring risks similar to those of developing a new market or launching a new product on the market. Entry barriers, getting familiar with market principles, operating costs – these and other aspects may give rise to the risk of lower than expected profitability of a new business. Undertaking activities within the framework of PPP, however, is basically in line with the strategy of diversifying activities and ultimately reducing risks. The Group's activities are based on several pillars, which allows reducing temporary risks and lower efficiency in particular areas.

Risk related to the inability to continue commenced projects and the inability to perform the contract despite the signed contracts, due to difficulties experienced by the construction and property development sectors, and stricter requirements regarding the financing of development projects

Performance of a contract often depends on obtaining financing by the Investor, which is reflected in the contractual provisions. Hence, signing an agreement alone does not guarantee that an investment project will be implemented (or completed in its entirety). This may lead to a loss of some of the anticipated revenue and profits. Adequate funding has been secured for the vast majority of domestic contracts currently underway. This risk also covers operations carried out on international markets. The parameters for financing transactions must now be verified more intensively.

Risk related to the negative impact of changes in legislation on the issuer's activities

In recent years, the Polish legal system has undergone frequent changes in regulations and produced inconsistent judicial decisions, which continues today. Attention should also be paid to the process of adapting Polish law to the requirements of the European Union and the impact of European case-law on court decisions in individual cases. It is impossible to predict the influence of changes in law, both ones that are currently under way and those expected to happen in the future, on activities of the Issuer. Undoubtedly, these factors constitute a potential element of risk and may have a serious impact on the legal environment of business operations, including the Issuer's operations. This applies in particular to the regulations governing the construction, property development and securities markets, as well as employment relations, social insurance, and the broadly-defined civil law system. It is also possible that the catalogue of activities requiring appropriate permits or concessions may be extended. There is a risk of unfavourable changes in regulations or their interpretation, in the future. This may have a negative impact on the Issuer's operations, its market position, sales, financial performance, and development prospects.

Risk related to the instability of tax laws

In practice, tax authorities apply laws based not only directly on codes, but also on their interpretations by higher authorities or courts. Such interpretations also change, are replaced by other ones, or contradict each other. To some extent, this also applies to case-law. This results in uncertainty as to how the law will be applied by the tax authorities or as to the automatic application of the law in accordance with interpretations available at a given moment, which may not be in line with the various, often complex factual circumstances in business trading. The vagueness of many of the regulations that make up the Polish tax system further contributes to this risk. On the one hand, this raises doubts as to the correct application of regulations and, on the other, makes it necessary to take more account of the aforementioned interpretations. The instability in the practical application of tax laws may have a negative impact on the operations and financial position of the Issuer's Group.

Risk of competition

Activities of the UNIBEP Group are exposed to the risk of competition. The Group's financial results may be materially affected by the pricing policy of its competition, which consists in offering contracts in general contracting system at lower margins. This may result in the necessity to lower the prices of offered products and services, lower margins and, consequently, lower financial results of the Group. Construction of residential and commercial buildings constitutes the basic segment of the Issuer's activity, which generates approx. 50% of its revenue. In this basic segment of activity, the following entities are considered to be the main competitors of the Group: Erbud, Budimex, Skanska, Porr, Hochtief, Strabag and Warbud.

In the property development segment, the Group competes mainly with developers implementing projects in Warsaw, Poznań and the Tri-City. The property development market in Poland is highly competitive.

Through Unihouse SA, the Group operates in the modular construction segment. The Group's main competitors in this segment include entities such as: Moelven ByggModul AB, Lindbäcks Bygg AB, Derome Husproduktion AB, HARMET OÜ, Scandibyg, Kodumaja AS, MOD21 and Andrewex.

In the infrastructure segment, the Unibep Group competes for contracts with, among others, Budimex, Mota-Engil, Strabag, Polaqua and Aldesa.

In the energy and industrial construction segment, competitors include Erbud, Budimex, Polimex Energetyka, Porr, SBB and Doosan.

Risk of operating under conditions of strong competition from other developers

The property development market in Poland which the Group operates in is highly competitive. Competition could have a material adverse effect on the Group's business, cash flows, financial position, financial performance or prospects, and in particular may lead to oversupply of residential properties if too many development projects are completed, or it could lead to an increase in the price of land for new projects, which could affect the profitability of ongoing development projects.

Risk of failure to expand the Group's operations into other markets

The Issuer's strategy provides for the expansion of property development activity to new markets in the near future. The Group intends to pursue long-term value growth by increasing the scale of its operations in the Tri-City area. The Group also plans to develop the modular construction segment in the German and Swedish markets in the near future.

In the event of a decision to expand into new markets, the Issuer has carefully analysed potential projects (contracts) before deciding to implement the investment (contract); however, despite careful analysis, the identification and development of future projects (contracts) may not necessarily be successful. In addition, with respect to development projects in locations which are new to the Group, the Issuer may face more uncertainties as to the administrative, formal, operational and financial needs of property development projects, which may translate, for example, into achieving lower margins on these projects than on the Warsaw or Poznań markets.

Risk related to the sale of flats at reduced prices by the Group

The value of a residential property and the associated realisable selling price of the property depends primarily on the location, architectural design and standard of construction. If the attractiveness of the location of a property or project is incorrectly assessed, Group entities may not be able to sell the property at the previously assumed prices, or at all. The need to reduce the selling price in order to attract buyers implies a decrease in the margin achieved by the Issuer's Capital Group, lower cash flows and a negative impact on the Group's financial position and business prospects.

Risks associated with the liability under environmental protection law

Entities using land, on which pollutants or unfavourable transformations of natural topography occur, may be obliged to remove them, bearing the costs of reclamation or paying administrative penalties, in accordance with the regulations governing environmental protection. The Group cannot exclude the possibility that companies of the Group will be obliged to pay compensation, administrative penalties, or to perform land reclamation, should any pollution be detected on the land used by such companies. This may have a material adverse effect on the Group's operations, financial position, or results. The Group performs technical and legal surveys of land for future

projects, in order to mitigate this risk. The occurrence of this risk may expose the Group to negative impacts, including an impact on its operating and financial activities, and on development prospects.

Risk related to adapting the organisation to requirements compliant with ESG

The implementation of relevant ESG procedures and policies involves a process of identifying and mitigating ESG risks. The actions of investors and shareholders are increasingly focused on ESG, with a range of regulations and guidelines in many countries leading to stricter disclosure and reporting by companies and their governing bodies (D&Os). Growing concerns about social inequality are also leading to new demands on businesses in terms of diversity, pay and supply chains. The reorientation of policies and the consideration of ESG factors in business, in line with the direction given by the European guidelines, is essential these days in order to maintain a competitive advantage.

European Union regulations are increasingly impacting the Group and increasing compliance costs, in particular in the area of regulations and guidelines on climate issues and climate change mitigation. As of 1 January 2022, the obligation to use criteria derived from the taxonomy and to indicate them in non-financial reports and product information for environmental purposes (so far for the two targets already developed) came into force, in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

On 5 January 2023, the EU's Corporate Sustainability Reporting Directive (CSRD) came into force, extending reporting obligations on the impact of companies on people and the environment. The provisions it introduces will replace a number of existing solutions relating to so-called non-financial reporting contained, among others, in Directive 2014/95/UE (Non-Financial Reporting Directive – NFRD).

Risk of social, administrative and investment difficulties in the implementation of construction projects

During the implementation of a construction project, protests of residents, associations, or non-governmental organizations may occur hindering the implementation of the investment. Administrative bodies and companies involved in management and supply of utilities may attempt to impose costs on developers for the construction of additional infrastructure not directly related to the property development project being carried out or, alternatively, set long deadlines for the construction of infrastructure as part of their own objectives. Moreover, when constructing the infrastructure provided for in the property development project, developers may face difficulties in

obtaining permits to dispose of properties necessary to run utility networks (energy, water, sewage, heat), and even obstruction during formal and legal proceedings, on the part of utility providers. Such events may cause difficulties during administrative proceedings, construction of infrastructure (including utilities) and the investment as a whole, which may lead to delaying or, in extreme cases, suspending of the investment, or to a significant increase in the costs of a given project. The factors discussed above may have a significant negative impact on the perspective of development, achieved results, and financial condition of construction companies, including the Group's. This also applies to activities in foreign markets.

Risk of negative impact of weather conditions on the schedule of developer investments

Activities in the construction industry are marked by a noticeable susceptibility to weather conditions. Typical weather conditions for a given season of the year are assumed to occur, when preparing a schedule for construction projects and budgeting their financial results. The best conditions for construction work usually occur during the summer months, and they deteriorate significantly in the winter months, especially when snow and frost are present (from December to February, it is usually impossible to carry out construction work as part of a property development project). In addition, construction work may become impossible resulting from irregular weather phenomena for a given period, including torrential rains in the summer or very low negative temperatures in the winter months, which also hinders finishing work.

Similarly to other entities operating in the industry, the Group cannot exclude the occurrence of the aforementioned risk, i.e. the occurrence of unusual or extremely unfavourable weather conditions, which may prolong the construction process and delay the date of handing flats over to customers, which in turn may delay the date of posting revenue in the profit and loss account, and at the same time have a significantly negative impact on the perspective of development, achieved results, and financial condition of construction companies, including companies of the Group.

Risk of impeded continuity of land acquisition

The possibility to acquire new land in advance provides developers with the ability to maintain regularity in running operations, including profits. One cannot eliminate the risk that the quantity of land acquired in good locations will be insufficient to ensure smooth operation and sustainable development. In particular, one cannot exclude the risk of concentrating demand in the most attractive locations, by other developers, the risk of unfavourable trading conditions, as well as delays or difficulties in obtaining financing for a given land. Despite the mitigation of risks, purchased land may be burdened with defects, including geological defects in the form of e.g. lack of ground bearing capacity, discovering archaeological findings during the carrying out of an investment, or soil

contamination. It is also possible that owners of adjacent properties will express their objections, during the proceedings related to land development and management conditions, and obtaining a construction permit. The mentioned factors may slow down or limit development for developers, including companies of the Group, which may have a negative impact on their scale of operations, results, and financial situation. The Group actively searches the property markets on which it operates and analyses market offers on an ongoing basis, in order to mitigate the mentioned risk. Co-implementation of investments with land owners has a positive impact on the minimising of the indicated risk, as it makes it possible to obtain attractive land with much lower expenditures.

Risk related to legal defects of property and their unregulated legal status

This risk refers to situation, in which real estates purchased or planned to be purchased by companies of the Group are encumbered with legal defects, i.e. they were the property of an entity other than the seller or encumbered with rights of third parties, and the cases in which the legal status of a property is not regulated, i.e. when potential sellers are not able to prove their legal title to a given property, in particular when no land and mortgage register was established for it. The existence of the aforementioned legal defects is related to the possibility of pursuing claims concerning such properties against companies of the Group, by third parties, while an unregulated legal status is related to significant difficulties or inability to carry out the process of purchasing a property for the purposes of development activities. Moreover, if companies of the Group sell flats or buildings located on land encumbered with legal defects, there is a risk that the buyers will make warranty claims for legal defects of the land on which individual facilities are located. This may have a material adverse effect on the Group's operations, in particular its financial situation or results. The Group conducts title searches, regarding properties selected for acquisition. The occurrence of such a risk may expose the Group to negative impacts on its operating and financial activities, and on its development prospects.

Risk of an increase in the costs of implementing construction projects

To a large extent, financial results and margins corresponding to property development projects carried out by companies of the Group depend on the transaction prices of the purchased land properties. In the event of a significant increase in prices, the Group may be exposed to a decrease in the level of margins on development activity, which may have a significant negative impact on the development prospects, achieved results, and financial situation of the Group. Accordingly, there is a risk of increased costs of construction projects, such as land prices, prices of subcontractors or construction materials, forced changes in design, land contamination, adjustment of requirements to new environmental guidelines or to purchasers' expectations related to the implementation of ESG policies, discovery of archaeological sites or unexploded ordnance and other

similar events that could potentially have an impact on cost increases. An increase in the prices of construction materials and subcontractor services, lack of continuity in the supply of materials, which constitute a significant component in project cost estimates, may adversely affect the profitability of individual construction projects. Recent changes in the market for the supply of materials and services indicate a real increase in production costs. This implies a risk that the Group will not be able to fully compensate for their negative impact with the prices of the flats sold. In addition, the phenomenon of difficult access to materials and subcontracting services is evident, thus creating the risk of delays in the execution of contracts. Developers, including the Group companies, are thus materially exposed to adverse effects having an impact on their development prospects, operations, performance and financial position.

Price risk of materials

The Group is exposed to price risk related to price increases in the most commonly purchased construction materials, such as steel and concrete, as well as timber, mineral wool and asphalt. The Group endeavours to guarantee price stability in its contracts with producers or material suppliers. In order to mitigate price risk, the Group continuously monitors the prices of the most frequently purchased construction materials, and the contracts signed have parameters appropriately adjusted to the market situation, including the duration of the contract and the contract value.

Price risk increases in the case of events caused by so-called force majeure (pandemic, hostilities) as well as by increases in other production factors (increases in energy, fuel prices).

These factors and trends are taken into account when calculating the contract price and negotiating with investors and subcontractors. This applies to actions taken in the long term, as well as to the current situation. A risk therefore exists that in the event of a significant upward trend (i.e. sharp increases in the prices of materials and subcontractor services and labour costs), the contracts currently being acquired will not achieve the planned profitability. This may also be reflected in contracts acquired in earlier periods, if the execution of selected stages of these contracts occurs during a period of price turbulence, and the risk of uncontracted items has not been hedged. The change of price realities on the market of suppliers and producers of construction materials may thus affect the forecasts and performance of the Issuer and the Unibep Group.

Risk related to joint and several liability for the payment of remuneration for works performed by subcontractors

As part of the implementation of construction projects, the UNIBEP Group uses the services of specialised contractors of construction work, who often employ their own subcontractors. One cannot exclude the risk related to non-performance or improper performance of the obligations

of such contractors and/or subcontractors, which may adversely affect the performance of construction projects and, consequently, the financial results achieved by the UNIBEP Group, in the future. Moreover, in view of the joint and several liability of the investor and the contractor for the payment of subcontractor's remuneration, one cannot eliminate the risk that failing to fulfil the obligations in this scope, by contractors or subcontractors, will result in the creating of responsibility in this respect for companies of the Group, acting as the investor.

The Group verifies its counterparties, in terms of procedures, quality control, capacity to deliver, and also implements the policy of diversification of subcontractors, acts in accordance with the implemented internal tender procedures, as well as applies provisions in contracts to ensure effective and rapid replacement of unreliable subcontractors, all of that in order to minimize the risk. In addition, each time companies of the Group enter into contracts with subcontractors, they are secured by introducing provisions concerning liability for improper performance of works, their timeliness, as well as liability during the guarantee period. The occurrence of this risk may expose the Group to negative impacts, including an impact on its operating and financial activities, and on development prospects.

Risk of disrupted supply chains

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

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

Risks related to limited access to mine raw materials and impact on manufacturing costs

The geopolitical situation and the ongoing war in Ukraine have a direct impact on the raw materials market. Russia is a key supplier of oil and natural gas. Russia and Ukraine are also important

exporters of industrial raw materials such as nickel, wood and neon gas, which is necessary for the production of semiconductors. Construction companies felt the mass exodus of workers from Ukraine overnight. Another wave of price rises and material shortages cannot be ruled out due to the cut-off of supply chains from Ukraine, Russia and Belarus and more expensive raw materials on global markets. It is highly likely that these phenomena will lead to delays on some contracts and contribute to a deterioration in the profitability of construction companies.

Risk related to unauthorised contractual clauses

The risk of recognising that the applied contract templates contain prohibited clauses is related to the provisions of the Act of 16 February 2007 on Competition and Consumer Protection. The President of the Office for Competition and Consumer Protection may impose a penalty not exceeding 10% of the income earned in the financial year preceding the year in which the penalty is imposed, on an entrepreneur, if the entrepreneur, even if unintentionally, resorted to a practice infringing on the collective interests of consumers. A practice infringing the collective interests of consumers is understood as an unlawful activity of the entrepreneur, which infringes on such interests. First of all, the catalogue of behaviours considered to be practices infringing the collective consumer interests is not finite, and the practices listed in the Act are only examples. This means that the Office for Competition and Consumer Protection may recognise certain market behaviour of developers as practices infringing the collective interests of consumers and impose a penalty, even though it is not expressly provided for in the Act. Secondly, the risk lies in the possibility that contractual clauses contained in model contracts used by developers are recognised as prohibited clauses. The vast majority of contracts signed by developers are contracts with consumers. The provisions included in the register of prohibited provisions should be interpreted broadly, and not only decisions with the same wording as the decision included in the register, but also similar decisions should be considered as prohibited, according to the evolving line of jurisprudence, in particular of the Supreme Court. The extent to which a provision in a contract used by an entrepreneur is similar to a provision included in the register may determine whether that particular provision is regarded as prohibited. Even if the position of the Group is that the contractual provisions used in its contracts signed with consumers are not similar to those listed in the register, there is a risk that the Office of Competition and Consumer Protection will classify a specific provision as prohibited and on this basis impose a penalty on the developer. Companies of the Group thoroughly analyse the contract templates they use, in terms of the possibility of considering the provisions contained therein as prohibited contractual clauses infringing on the interests of consumers.

Risk related to the construction process

The main feature of construction activities is the necessity to engage significant resources, thro-

Throughout the whole period of carrying out an investment, until the moment of handing the facility over to a counterparty. The services provided by the Group are based on individual contracts, drawn up taking into account given conditions and using available procedures and technologies. Due to the length of the entire construction process, there may be various changes, regarding the initial terms and conditions negotiated at the beginning of the process. The entire process of manufacture and execution process involves various types of risk. During this time, the following hazards may occur:

- on-going changes regarding design and construction, at almost every stage of the process,
- inadequate initial estimation of the project implementation costs,
- significant changes of costs during project implementation,
- errors in managing the entire construction process,
- errors related to the technical and technological solutions applied.

All of the aforementioned and other negative events may have an impact on the extension of the entire product manufacturing process causing an increase in costs and postponement of payments in time, which in consequence directly leads to a reduction in the Group's performance in respect of a given contract, and may have a negative impact on the Group's financial position.

Risk related to the building infrastructure

Completing a project depends on the provision of the required infrastructure, such as access to public roads, access to utilities, mapping out appropriate internal roads, etc. However, there are situations in which the provision of the necessary infrastructure depends on factors beyond the control of the Group's companies (e.g. providing access to the appropriate road or utility network often depends on a decision given by the relevant municipal or communal office). In some cases, the status of the roads required to carry out the investment may be unregulated, or unforeseen complications may occur during the implementation of the project, resulting in delays and additional costs. It may also happen that the competent administrative authorities require companies of the Group to perform additional work related to infrastructure, as part of the works included in the carrying out of the investment. Administrative bodies may also expect or even require the investor to carry out some work related to infrastructure, which is not necessary for the implementation of a given project, but such bodies may expect it to be carried out as the investor's contribution to the development of the local community, resulting from the investment in progress. Should any of the aforementioned factors occur, it may have a significant adverse impact on the operations, financial position, and development prospects of the companies of the UNIBEP Group, by delaying projects

already in progress or generating additional project costs.

Risk related to selling property development projects

The UNIBEP Group offers premises/flats for sale, built as part of their own property development projects. Property development projects involve a number of risks. There is a risk that the Group sells fewer units than anticipated, and as a consequence its receipts will be reduced. It could also affect the level of sales/profits in a given financial year. The need to quickly recoup cash could entail the need to adjust prices of flats and/or bring about greater expenditure on promotion, thus affecting the profitability of a project. Currently, there is no need for either a sharp price adjustment or a significant increase in promotion costs, but such actions cannot be ruled out in the future.

Risk related to collaterals established on Unibep Group's assets

The companies of the UNIBEP Group take out loans to finance the construction projects in progress. Signing credit contracts involves the establishment of collaterals for banks, i.e. on land where investments are planned to be carried out, in order to repay liabilities. The Group is aware of the fact that one cannot exclude the possibility that in the future, when faced with an extremely negative financial situation, the Group could cease to repay its credit liabilities on time, or violate the terms and conditions of credit contracts, although credits taken by special purpose vehicles established by the Group are repaid in a timely manner. Consequently, banks would be entitled to satisfy their rights by exercising the rights related to the established collaterals, e.g. by taking over the ownership of the encumbered assets. Such a situation could result in a decrease in the number of assets owned by individual special purpose vehicles of the Group, and in an overall depreciation of assets. To mitigate the risk, the Group pays special attention to the rational management of the financial structure, to forecasting the demand for debt financing before making any decision on the carrying out of each development project, while at the same time manages and forecasts the level of financial liquidity, in a reasonable manner. The occurrence of the mentioned risk may expose the Group to negative impacts, including an impact on its operating and financial activities, and on development prospects.

Risk related to increasing the share of public sector contracts in the order portfolio

In recent years, the Group has also undertaken acquisition activities in the public sector (public procurement). With respect to the public procurement procedure, the date of signing an contract and commencement of an investment project may in many cases be postponed for reasons such as verification of a contract award procedure by the Public Procurement Office, or appeals and complaints lodged by other bidders. Such circumstances may lead to rescheduling an investment, which may affect the size of the portfolio of contracts in the reporting period. The Group is also

exposed to the risk of disputes with a public investor, resulting from different interpretations of contractual provisions, lack of willingness to settle disputes amicably, lack of sufficient ability to make decisions during implementation, etc. (it is mainly applicable to the road construction sector). Potential disputes may result in additional costs for the company and/or impediments to participating in tender procedures, according to the public procurement law. In the current situation, only the Group's road business is benefiting the most from public procurement; in residential and industry construction, the share of public procurement in the portfolio has decreased significantly in favour of the private sector.

Risk related to the emergence of disputes

The UNIBEP Group strives to perform contracts, in accordance with the contractual terms and conditions. There may be events related to various 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 segment on an individual basis and preventive measures are taken, if necessary and in advance, in order to minimise the risk of a dispute.

Risk related to the employment of workers and retaining professional staff

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

Risk of failure of IT systems

The risk of a possible partial or total loss of data due to the failure of the Group's computer system or the occurrence of potential hacking attacks on the Group's computer systems could result in delays in the performance of agreements and contracts. In an effort to mitigate the risk, security procedures have been implemented in the entire Group, in the form of data archiving and protection against unauthorised access or loss. The occurrence of this risk may expose the Group to negative impacts, including an impact on its operating and financial activities, and on development prospects.

Risk of penalties for non-performance or untimely performance of orders

The Group 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, the Group companies negotiate schedules with contracting entities so as to minimise the potential risk of delays. However, the Issuer 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), companies of the Group demand a higher margin from the project, in order to compensate for the incurred investment risk, and to protect themselves against possible contractual penalties.

Risk related to granted guarantees

At of the balance sheet date of 31.12.2022, the Group had contingent liabilities in the amount of PLN 703 million. The contingent liabilities were mainly related to performance bonds and retention bonds, which companies of the Group use in the course of their operations, mainly in the scope of construction services. Should companies of the Group fail to perform their contracts, there is a risk that the performance of guarantee services will create liabilities. There were only four cases where the Group received requests for payment under a granted bond that were approved. The requested amount was PLN 13.2 million. The Issuer assesses the risk of materialisation of the granted bonds as limited.

Risk related to concentration of revenue from sales

The sources of the Group's revenue from sales are concentrated to a great extent on its residential and commercial construction activities. In recent years, approx. 50% of the UNIBEP Group's revenue has been generated from sales in that segment. In the event of a slowdown in the sector of residential and commercial construction, there is a risk that revenue from sales will drop, which may have a negative impact on the financial condition and the implementation of the Group's strategy.

The Group reduces the risk related to the concentration of revenue from sales, by increasing the scale of operations in other segments. In an effort to take advantage of the favourable economic situation in the property development segment, it invested in new projects in Warsaw and Poznań, the effects of which should manifest increasingly in the coming years, in the form of higher revenue and profits. Additionally, the Group is developing a segment of modular houses and a road segment. An important element in diversifying the source of revenue is the development of the energy and industrial segment.

RRisk related to the prolongation of administrative proceedings in the area of property develop-

ment law and construction law

The Group's activities with respect to development projects involve the need to obtain relevant administrative decisions and permits. The Group entities must in particular obtain decisions on development conditions for properties not covered by a local land development plan and building permits, which may require obtaining additional documents, such as approvals, opinions or consents from owners or holders of adjacent properties. In addition, there is a risk that an ongoing project may be stopped by the competent authorities, in particular as a result of protests by the owners or holders of adjacent properties or for other reasons provided for by law.

Once the construction process is complete, an occupancy permit must be obtained. In some cases, a decision on the division of property must additionally be obtained in the course of the project, and certificates confirming the separation of premises must be obtained to enable their sale. Obtaining the relevant administrative acts is often associated with prolonged administrative proceedings, which creates a risk that it will not be possible to complete individual investment phases within the deadlines planned by the Group. In particular, a delay in issuing an occupancy permit decision by an authorised authority may postpone the dates of delivery of premises and signing of final notarial deeds with purchasers, which determine the date of recording revenue from sales of flats and premises. These circumstances could have a material effect on the Issuer's business, cash flows, financial position, performance or business prospects.

Risk related to the cyclical nature of the industry

The residential property market in Poland is characterised by a cyclical nature, whereby the number of new residential units delivered varies from year to year depending on circumstances such as general macroeconomic factors in Poland, demographic changes in given urban areas, availability of financing and prices of existing residential units. Increased demand for residential properties tends to increase the margins achieved by developers and increase the number of new development projects underway. Due to the significant time lag between the decision to commence a property development project and the completion of the project (often resulting from the prolonged process of obtaining the required administrative permits and the time it takes to actually construct the property), there is a risk that once the project is completed, the market will be saturated and the developer will not be able to sell the flats without reducing the selling price, which will result in a reduction of the achieved margin or a loss to the Group. After a period of prosperity, there are usually downward trends in the market, caused by developers' reluctance to start new projects due to lower achievable margins. The above circumstances could have a material impact on the business.

Risk related to selling development products

In past quarters, the property development sector has seen a reduced number of transactions, due in part to financial barriers related to inflation and the rising cost of credit for the customer. At the same time, a significant proportion of housing cash sales are visible due to inflation and fears of further price increases. Developers are taking a cautious approach to the decision to launch investments in anticipation of a calming of sentiment following uncertainty arising from the geopolitical situation and rising debt costs. In addition, there is apparent uncertainty on the part of PRS (Private Rented Sector) partners in the context of statutory regulation of the long-term rental sector. It cannot be ruled out that the reduction in demand linked, among others, to the availability of credit and the reduction in the supply of housing will also continue in the following quarters. At the moment, many customers are holding off on their home-buying decisions in anticipation of changes in the market.

Risk related to ensuring appropriate infrastructure for the group's property development projects

Property development projects can only be carried out if the appropriate technical infrastructure required by law is provided (grid connection and connection to public roads). Having to build the relevant infrastructure required as part of a property development project or modify existing infrastructure can have a significant impact on the cost of construction work. Due to delays associated with ensuring appropriate infrastructure as part of projects undertaken by the Issuer's Group, there may also be delays in the completion of property development projects and unexpected increases in costs. This may have a negative impact on the Group's operations and financial position, as well as on the profitability of its property development projects.

The Issuer seeks to minimise this risk by obtaining all necessary approvals and opinions from infrastructure managers prior to entering into property purchase contracts.

Risk of using inappropriate construction technology or using incorrect architectural documentation for the project

Changes in the technologies used in the development market, e.g. in terms of materials and components or new technological solutions or the introduction of more efficient project implementation methods, cannot be ruled out. The use of inadequate construction technology and potential errors made by designers in the architectural documentation of a project may lead to the implementation of projects containing technological defects, and their removal will require significant expenditure and prolonging the deadline for the completion of a given project, which may increase the costs of implementation of the project, especially if the mistakes are not detected at an early stage of the project. There is a risk that approved architectural designs contain technical deficiencies or that

the construction technology used turns out to be incorrect for the project. The Group mitigates the above risk by careful and ongoing monitoring of the selection of appropriate materials by architects to the assumed standard of the project, however, deficiencies in architectural design and irregularities in construction technology may adversely affect the Group's financial performance, cash flows and reputation.

Risk of accidents at work

The Group's activities are subject to the risk of accidents at work. Potential accidents at work can lead to delays in the construction process, which can result in the contract not being performed on schedule. In addition, the occurrence of an accident at work may result in claims for compensation against the Group. Such events may adversely affect the Group's reputation and financial performance.

An important element in preventing the occurrence of this risk is the Issuer's participation in the Agreement for Safety in Construction and its commitment to apply the solutions practised by other companies in the industry.

Risk related to legal proceedings

The Group's operations are subject to the risk of disputes and litigation in connection with projects completed and currently being implemented by the Group. As a result of disputes, the Group may be called upon to perform obligations under the warranty or statutory guarantee granted, for example by removing any defects, refunding part of the price or the entire price. Potential disputes and legal proceedings may involve amounts in excess of the value of the contract and may take many years to resolve. Such events may adversely affect the Group's reputation and financial performance. Information on proceedings pending before a court, an authority competent for arbitration proceedings or a public administration authority is included in the Issuer's current and interim reports.

Risk of control by foreign state authorities

While operating on foreign markets, the Group is exposed to risk related to the results of audits carried out by various central and local government agencies and institutions. At present, it is difficult to determine clearly the potential impact of such procedures on the Group's performance and operations; however, such events and their effects cannot be excluded. The Group collaborates on an ongoing basis 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.

In addition to the risk described above, the risk from the financial area is also presented in the report. These are contained in Section 5.9 Financial instruments – risks and adopted financial risk management objectives and methods.

8.2 LEGAL PROCEEDINGS

As on the date of drawing up these Report, the Parent Company and the UNIBEP Group are parties to pending court proceedings, concerning liabilities and receivables. The total value of proceedings related to receivables as at the date of this Report is PLN 137,550 thousand and exceeds 10% of the UNIBEP Group's equity (the total value of proceedings concerning receivables of the Parent Company is PLN 107,482 thousand).

Meanwhile, the total value of proceedings related to as at the date of this Report is PLN 125,615 thousand and exceeds 10% of the UNIBEP Group's equity (the total value of proceedings concerning liabilities is PLN 119,716 thousand).

The Company has identified a number of significant proceedings. The proceedings between UNIBEP SA and Podlaskie Voivodeship Roads Authority (Investor), and between UNIBEP SA and the General Directorate for National Roads and Motorways (Investor) described below are the highest value claims currently pending before courts.

- 1) In the action brought by the Consortium of Unibep SA and Most Sp. z o.o. Against Podlaskie Voivodeship Roads Authority for payment of PLN 8,286 thousand as a contractual penalty due to withdrawal from the contract and the amount of PLN 23,243 thousand due to additional claims on the project Sokółka – Dąbrowa Białostocka. In mid-November 2018, the Company was served with a statement of claim filed by Podlaskie Voivodeship Roads Authority against the Consortium for payment of a contractual penalty in the amount of PLN 8,286 thousand due to withdrawal from the contract. At the first hearings, which took place in June and September 2019, witnesses were heard. On 6 November 2019, the statement of claim was increased by PLN 4,807 thousand for claims arising from the final settlement of the contract. On 26 November 2020, Podlaskie Voivodeship Roads Authority extended the statement of claim by an additional amount of PLN 103,998 thousand. Further witnesses were heard and requests for evidence on the admission of expert opinions were examined in the course of the legal proceedings. In May 2021, the Court ordered the admission of evidence of written witness statements, the opinion of the Scientific and Research Institute and set a deadline of one year

for the opinion. The Court delivered a judgement on part of the claim in favour of Unibep SA in the amount of PLN 799 thousand with statutory interest and in favour of Most Sp. z o.o. in Sopot in the amount of PLN 61 thousand with statutory interest for delay. On 21 September 2021, the defendant Podlaskie Voivodeship Roads Authority filed a reply to the statement of claim and reduced the claim in respect of the claimed contractual penalty due to withdrawal by the amount of PLN 8,286 thousand with interest. The defendant Podlaskie Voivodeship Roads Authority submitted additionally to the letter an opinion of the Scientific and Research Institute of Roads and Bridges. Subsequently, on 31 December 2021, an extension of the statement of claim was filed by UNIBEP SA for the amount of PLN 8,286 thousand drawn from the guarantee. On 11 April 2022, Unibep has applied to the court to refer the Parties to mediation. A similar letter, also granting the other party's request, was submitted by the defendant Podlaskie Voivodeship Roads Authority. The case was referred to mediation. Mediation meetings are currently underway.

The Court will decide whether the withdrawal from the contract by the contracting authority is legitimate and what claims arise therefrom. However, the Consortium is of the opinion that it has effectively withdrawn from the contract, thus all claims raised by the contracting authority have no legal basis. The Consortium maintains its position that, similarly to the claim of the contracting entity for payment of a contractual penalty for withdrawal from the contract, the claim of the contracting entity for additional damages is also entirely unfounded.

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

The Company fully disputes the damage allegedly suffered by the contracting authority, both as to the existence of the damage and as to its amount. The Issuer still believes that it has effectively withdrawn from the contract, thus all claims raised by the contracting authority have no legal basis. The Company maintains that the circumstances described above allow this dispute to be still considered as neutral for the current results of the Unibep Capital Group. At the same time, the Issuer stipulates that this aspect will be subjected to thorough analysis, in particular in relation to financial audit activities performed for the purposes of preparing financial statements.

- 2) The Consortium of Unibep SA and PORR SA filed a statement of claim against the General Directorate for National Roads and Motorways for payment of PLN 16,926 thousand in total (including Unibep SA PLN 5,078 thousand) for additional works on the project involving re-

modelling works of the S8 national road. In April 2019, an order for payment under the writ-of-payment proceedings was issued against which the defendant filed an objection. After an exchange of pleadings, the first hearing was held on 9 April 2021. After hearing all witnesses on 8 December 2021, the Court delivered a judgement accepting the claim of PORR SA and Unibep SA in its entirety. The Court has received an appeal to the judgement filed by the General Directorate for National Roads and Motorways. The appeal was delivered to the plaintiff. On 27 September 2022, a response to the appeal was filed. The date of the appeal hearing was set for 7 March 2023. At the hearing on 7 March 2023, a settlement was reached before the Court of Appeal. The Court of Appeal announced an order for the discontinuance of the proceedings, mutual waiver of the costs of the trial and both parties declared that they waived their right to challenge this order.

- 3) Unibep SA and Budrex Sp. z o.o. filed a statement of claim against the Podlaskie Voivodeship Roads Authority for payment of PLN 4,744 thousand for additional costs on the Łapy Markowszczyzna project. Witnesses were heard in the case and, by order of the Court of 6 March 2020, evidence in the form of an opinion of the Institute for Construction Analysis was admitted. The Institute presented an opinion in the case, in which it agreed with Budrex's claim for the amount of PLN 207 thousand and found the claim to be otherwise unfounded, and agreed with Unibep SA's claim for the amount of PLN 1,995 thousand. Objections to the opinion were submitted in September 2020. In June 2021, the expert finally confirmed that the contractor was due additional remuneration for the diversions, but in the amount specified in the opinion. On 24 January 2022, the Court dismissed the application for the admission of evidence by parties' hearing, required the Institute to take a final position in the case and closed the hearing. The opinion of the Institute, which was finally sent, accepts the claims of Unibep SA for the most part and partially the claims of Budrex Sp. z o.o. of 21 April 2022. On 29 June 2022, a judgement was passed, according to which the court awarded the amount of PLN 207 thousand with statutory interest from the Podlaskie Voivodeship Roads Authority in Białystok to Budrex Sp. z o.o. and awarded the amount of PLN 60 thousand from the plaintiffs to the defendant as reimbursement of the costs of legal representation. The ruling is not final. The justification was received. An appeal in the case was filed on 3 October 2022, and a hearing date is currently pending.

In addition, Unibep SA and Budrex Sp. z o.o. filed several statements of claim against the Podlaskie Voivodeship Roads Authority concerning the construction of the DW 682 Łapy Markowszczyzna road in connection with additional works of a total value of PLN 11,025 thousand

- 4) In the statement of claim of 30 September 2022, Budrex Sp. z o.o. claims from Trakcja PRKiL

SA reimbursement of costs incurred for the performance of the defendant's scope of works under the Łochów - Topór contract in the amount of PLN 8,192 thousand. The Court issued an order for payment by writ-of-payment. Trakcja PRKiL SA filed an objection to the payment order. The case is in mediation.

For a detailed description of other court proceedings, see Note 6.36 to the Consolidated Financial Statement for 2022.

8.3 INFORMATION ON CHARITABLE AND SPONSORSHIP ACTIVITIES

For years, the Unibep Group has focused not only on capital multiplication, but also on supporting initiatives mainly from the region from which it originates, i.e. Podlasie, not forgetting that it is a company operating almost all over Poland, but also in several European markets. Corporate social responsibility has also been important to the Unibep Group for many years.

The start of a full-scale war in Ukraine, and consequently helping both the Ukrainians employed at Unibep SA and engaging in aid campaigns in Poland and our neighbour, was an extremely important element of our activities in the social area in 2022. At the same time, the Unibep Group continued to support existing activities, also taking into account social or environmental interests. Education and scientific development of society are very important elements of Unibep Group's strategy based on corporate social responsibility. Hence the support for sport (mainly by subsidising the Tur Basket Bielsk Podlaski Association), subsidising cultural and environmental activities, institutions in need of help and – through the activities of the Unibep Group's Univalent Foundation – helping young talents to succeed.

Due to the outbreak of war across our eastern border, the Unibep Group was involved both in organising material aid for Ukrainians (including a food collection in cooperation with one of the largest food chains operating in north-eastern Poland, and helping to transport donations) and, within a few weeks of the start of hostilities, creating a kindergarten unit for Ukrainian children at one of Białystok's primary schools. In the course of the approx. 3.5 months of operation of the centre, approx. 40 young Ukrainian women were helped, for example, to start work or to have time – while leaving their children in the kindergarten – to deal with a number of formal matters.

As the Unibep Group, we have offered all employees working in Ukraine assistance – including bringing them and their families to Poland. Not everyone chose to do so – these were their personal decisions. Those who were able to leave were employed within Unibep SA's structures in

Poland, and we helped them, among others, to rent flats. Unibep Group also financially supported the Lithuanian Charity Foundation collecting food for Ukraine.

For many years, the Unibep Group has continuously cooperated with universities and secondary schools, mainly trade schools, and has a scholarship programme. The Group is an active member of the "Discoverers of Diamonds" Association, whose aim is to support groups of young people wishing to compete in prestigious Polish and international science and technology competitions, or to participate – as part of the Unibep Group's Univalent Foundation – in the nationwide "Best Entrepreneurship Classes" project of the Students' Forum of the Business Centre Club, which aims to promote entrepreneurship in secondary schools. It also runs a scholarship programme for students of a specialist secondary school in Bielsk Podlaski.

In 2022 – as part of the 20th anniversary of the Podlasie District Chamber of Engineers, Unibep Group was actively involved in the preparation of the ceremony and was one of the key partners of the event.

In turn, with the Faculty of Architecture at the Białystok University of Technology, the Unibep Group – for the 4th time – was a co-organiser of the national competition for architecture students entitled "Wood in Architecture". The competition received 38 entries from all over Poland.

Bearing in mind the multicultural nature of Podlasie, the Unibep Group supports events and activities organised by national minority organisations. The money went, among others, to the organi-



sers of the Belarusian Social and Cultural Society in Poland, the Dojlidz Music Lovers' Association and the Anna German Song Festival. Unibep SA was also a partner of the national amateur theatre competition organised by the Creative Bielsk Podlaski Association and the rock music festival in Bielsk Podlaski, organised by the Strong Impact Association. The Unibep Group has also supported regional and national charities and aid organisations, including the Artistic Fama Foundation, the Naszpikowani Foundation, SOS Children's Villages and the Bojanowo Volunteer Fire Brigade.

The Unibep Group in 2022 also subsidised, among others, the monograph of the Independent Public Health Care Facility in Bielsk Podlaski, the Warsaw "Parcel for the Insurgent" campaign and the contemporary art exhibition prepared by the A.M. FOGTT Foundation, in which Podlasie sculptor prof. Jarosław Perszko took part.

As the titular caretaker of the ZHP Bielsk Podlaski Scout Station in Rydzewo, Unibep Group has equipped the facility with modern, necessary equipment that meets sanitary requirements.

In total, the Unibep Group donated PLN 350 thousand directly to social and sports organisations in 2022.

Other objectives of the Unibep Group, pursued mainly through the Unibep Group's Unitalent Foundation (the "Foundation"), are to promote pro-entrepreneurial and proactive attitudes, to educate, develop and support business and other talents, and to promote and organise employee volunteering. **In 2022, Unibep Group donated a total of PLN 200 thousand to the Foundation. Of the above amount, the Foundation spent PLN 77 thousand on strictly social purposes.**

UNIBEP GROUP'S UNITALENT FOUNDATION FOCUSES ON ACTIVITIES BOTH INSIDE AND OUTSIDE THE ORGANISATION



The Unibep Group's Unitalent Foundation focuses on activities both inside and outside the organisation according to a scheme – details below.

Detailed information on the charitable and sponsorship activities as well as the campaigns in which the Unibep Group participated in 2022 is presented in the Sustainability Report for 2022, which is a separate element of the Consolidated Annual Report for 2022.

8.4 DISTINCTIONS, AWARDS

Among the best Polish employers

Unibep took 3rd place in the second edition of the "Poland's Best Employers 2022" ranking, in the Construction category. In the overall Poland's Best Employers 2022 ranking, Unibep SA came 36th out of a total of 300 companies. The ranking was published by Forbes magazine.

Awards received at the Polish Infrastructure and Construction Congress

At the "Diamonds of Infrastructure and Construction" competition gala, the award in the category "Realisation of the Year – Residential and Commercial Structures" was won by the Copernican Revolution Lab in Warsaw. The facility was praised for its modern technological solutions and high quality workmanship.

The "Diamonds of Infrastructure and Construction" competition gala took place on 21 March 2023 at the Sheraton Grand Warsaw Hotel. The award ceremony is the culmination of the annual "Polish Infrastructure and Construction" conference.

The "Construction Company of the Year" – this was the award Unibep SA received at the prestigious "Diamonds of Infrastructure and Construction" gala, which took place on 9 March 2022 in Warsaw. Awards and recognitions granted as part of this competition show the value brought by infrastructure and construction to the development of Polish economy.

Unibep Group's Unitalent Foundation with "Builder's Laurel"

The "Builder's Laurel" for the Unitalent Foundation, the "Industry Personality 2022" certificate for Wojciech Jarmołowicz – president of the Unitalent Foundation, at the same time spokesperson for the Unibep Group and head of the Communications Department. On 16 March 2023, a special gala of the "Builder" monthly magazine was held in Warsaw, during which prizes and awards were presented. The "Builder" monthly magazine is one of the most important magazines of the con-

struction industry in Poland.

Unibep Group in the rankings

In the "Rzeczpospolita" ranking entitled the "2000 List", the Unibep Group was ranked 338th among the largest Polish companies in terms of revenue for 2021.

In all industry rankings presenting financial results for 2021 – including the "Builder" monthly (a list of the 100 largest general contractors), the Deloitte consultancy (the 15 largest construction companies) and Spectis (the 40 largest companies) – Unibep Group was ranked 7th in terms of revenue.

The Unibep Group is ranked 3rd in terms of revenue in the Podlaskie Voivodeship (we were overtaken by the large dairy cooperatives – Mlekovita and Mlekpól), while Leszek Gołąbicki, President of the Management Board of Unibep SA, became Manager of the Year in the "Podlasie Golden Hundred of Enterprises" ranking of the "Kurier Poranny" daily.

"Construction of the Year" award for the Porosły Junction and SOHO housing estate

The Soho 18 housing estate and the Porosły Junction with the awards in the "Construction of the Year 2021" competition. The awards were handed out on 20 September 2022 at a special gala in Warsaw, organised by the Polish Union of Civil Engineers and Technicians, where the best constructions completed in 2021 were honoured.



The Soho 18 housing estate and the Porosły Junction with the awards in the "Construction of the Year 2021" competition. The awards were received by: Marcin Dzierżek for the "Porosły Junction" (right) and Andrzej Grzymała for "Soho 18" (left).

Unidevelopment housing estate appreciated

Fama Jeżyce, the third stage of Monday Development's project in Poznań from the Unidevelopment Group, once again appreciated by the inhabitants of the capital of Wielkopolska! In the ranking of RynekPierwotny.pl, the housing estate received the first prize for the Best Project in Poznań!

The general contractor of the project is Unibep SA.

2022 Unibep SA was ranked 36th. The ranking was published by Forbes magazine.

Sustainability Report appreciated by Dom Maklerski BPS SA

On 7 April 2022, the Unibep Group has published its 2021 Sustainability Report. Dom Maklerski Banku BPS SA analysed the document against, among others, the reporting quality guidelines drawn up by the WSE and created a corporate reporting rating in the ESG area, which took into account the relevance and quality of reporting of a given factor for each industry, assigning them an appropriate weighting.

In the analytical report published by DM BPS, the Unibep Group's report received a final grade of A, which demonstrates the quality of ESG reporting at the highest level.

8.5 INFORMATION ON THE SUSTAINABILITY REPORT

Unibep Group believes that sustainable economic development should lead to greater social cohesion and justice and improve the quality of the environment. We have therefore decided to develop our company in a responsible manner, giving equal consideration to the three areas: E, S and G. We make every effort to better identify our impact on the environment, and monitor stakeholder expectations on ESG issues. Based on the information gathered, we develop plans and implement viable actions that strengthen and improve sustainability-related areas within our organisation.

In 2021, we created a new organisational unit within the structures of Unibep SA – the Office of Environmental Protection, responsible for coordinating all activities related to the development of pro-environmental attitudes among our employees, as well as implementing high standards on our projects and improving processes to minimise our environmental footprint.

In 2022, as part of the ESG Project Team, our ESG Strategy was prepared and communicated to the public. Members of the Team within the individual companies, under the direction of the Management Board, are developing actions aimed at achieving the ESG Strategic Objectives.

As Unibep Group, we have been preparing reports since 2016, describing our environmental, social and economic performance. The 2022 Sustainability Report is a separate element of the Unibep Group's 2022 Consolidated Annual Report.

9. STATEMENTS OF THE MANAGEMENT BOARD

To the best of our knowledge, financial statements of UNIBEP SA (separate and consolidated, respectively) for the 12-month period ending on 31 December 2022, and the comparable data, were prepared in compliance with the applicable accounting principles and reflect in a true, fair, and transparent manner the economic and financial position, and financial result of Unibep and the Unibep Group, and this Management Report offers a true picture of the development, achievements, risks and hazards, and the situation of the Issuer and its Group, including a description of the primary hazards and risks.

Information of the Management Board on the entity authorised to audit financial statements

Based on the statement by the Supervisory Board of Unibep SA on the selection of the audit firm responsible for auditing the annual financial statements, in accordance with the regulations, including those concerning the selection and the procedure for selecting the audit firm, the Management Board of Unibep SA informs that:

- a) the audit firm and the members of the team carrying out the audit met the conditions for the preparation of unbiased and independent reports on the audit of the annual financial statements (company and consolidated, respectively) in accordance with the applicable regulations, professional standards, and principles of professional ethics;
- b) the applicable principles related to the rotation of the audit firm and the key statutory auditor, and the mandatory grace periods are complied with;
- c) Unibep SA has a policy regarding the selection of an audit firm, and a policy regarding the provision of additional non-audit services to Unibep SA, by an audit firm, an affiliate of the audit firm, or a member of its network, including services that are conditionally exempt from the audit firm's prohibition.

Signatures of the managing persons – Management Board of Unibep SA

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Leszek Gołąbiecki

President of the Management Board of Unibep SA

.....

Sławomir Kiszycki

Vice-President of the Management Board of Unibep SA

.....

Krzysztof Mikołajczyk

Vice-President of the Management Board of Unibep SA

.....

Adam Poliński

Member of the Management Board of Unibep SA

.....

Przemysław Janiszewski

Member of the Management Board of Unibep SAA



UNIBEP SA, UL. 3 MAJA 19, 17-100 BIELSK PODLASKI

TEL.: (48 85) 731 80 00, FAX: (48 85) 730 68 68

E-MAIL: BIURO@UNIBEP.PL, WWW.UNIBEP.PL