

# 2023



**MANAGEMENT BOARD'S REPORT ON THE OPERATIONS OF THE UNIBEP  
GROUP IN 2023 INCLUDING DISCLOSURE REQUIREMENTS FOR THE  
MANAGEMENT BOARD'S REPORT ON THE OPERATIONS OF THE PARENT  
COMPANY FOR THE AFOREMENTIONED PERIOD  
BIELSK PODLASKI, 18 April 2024**

## TABLE OF CONTENTS

1.	Letter From The President To Shareholders.....	3
2.	Introduction .....	7
3.	Operations Of The Unibep Group .....	17
4.	Market And Prospects For The Future .....	21
5.	Financial Situation Of Unibep Group.....	39
6.	Description Of Significant Events .....	64
7.	Statement Regarding The Application Of Corporate Governance Principles By Unibep Sa In 2023 .....	79
8.	Other Information.....	107
9.	Statements Of The Management Board.....	116

## 1. LETTER FROM THE PRESIDENT TO SHAREHOLDERS

Dear Shareholders,

In 2023, the Unibep Group's revenue from its core business amounted to approximately PLN 2.4 billion, which means an increase of 8% compared to the previous year. At the same time, we recorded a net loss of approximately PLN 156 million, of which the loss attributable to shareholders of the parent company was approximately PLN 166 million. The financial results presented are the result of an analysis of the operational risks of the construction sites and changes in their profitability estimates, as well as the difficult and dynamic business and business-related situation associated with the occurrence of many unfavourable factors, both internal and external.

The year 2023 was an exceptionally difficult year for the construction industry, characterised by fewer orders, high inflation, an unprecedented increase in the price of construction materials, a permanent shortage of blue-collar workers and specialists, caused, among others, by the outflow of workers from Ukraine and rising labour costs as a result of increases in the minimum wage.

All of these factors have resulted in higher costs of construction output on ongoing projects. Approximately 30 per cent of the contracts proved unprofitable, approaching the end of the construction process, which consequently required - in accordance with accounting principles - appropriate provisions for expected losses. In many cases, we did not reach proper agreements with the employers regarding surcharges. In addition, we have taken into account the negative economic impact on the operating result in the valuations of contracts at risk.

In 2023, Unihouse SA generated net losses of approximately PLN 45 million. Last year, major process and organisational changes took place in the company to adapt the production capacity level of the Bielsk Podlaski plant to current economic and market conditions. Invariably, the challenge for Unihouse SA is definitely higher contracting in order to use the potential of the factory. We are currently preparing for the implementation of various possible scenarios - from a possible collaboration with an external partner to a potential change of ownership structure. As at the date of publication of this report, no final decisions have been made in this regard.

Unidevelopment SA's sales in 2023 reached PLN 316 million (a decrease of around 5% y/y) and were in line with the assumptions resulting from the schedules of ongoing real estate development projects. The slight decrease in the profitability of this segment was due to the sale of a significant part of premises to institutional clients, which is usually associated with the realisation of lower margins than in the case of sales to individual buyers.

The Unidevelopment Group is fully prepared for further stable development and the realisation of the goals it has set - this applies both to the realisation of its current projects (it has a land bank for around 4,800 flats), but also to the potential new variants of cooperation with external partners or the launch of new directions of expansion.

Taking into account all the factors influencing the current and future operations of the Unibep Capital Group as at the date of publication of this report, despite the existence of a risk to the going concern of the Capital Group, we assess the emergence of such a scenario as low in view of the continued availability of financing by the financial institutions cooperating with us. The details have been described in these financial statements.

I would also like to thank you for the positive signs coming from our partners from the capital market, indicating the approval of our activities and for the trust that individual stakeholders have expressed towards our organisation. This has been facilitated by the truly honest and open communication and good investor relationships, which have been taken care of by our services both in terms of explaining the financial situation and in terms of action plans for the coming periods.

We have carried out an in-depth review of internal processes, including contract acquisition, cooperation with support teams, as well as site supervision. As a result, the main objective of optimisation activities in the organisation is to increase efficiency, strengthen operational and internal control and risk management processes, aiming to achieve synergy. The results of these initiatives, which are being or will be formalised in the near future, will be reflected in the action plans of the individual teams and the financial strategies for the various business segments. We monitor the market in detail and analyse all risks, creating various scenarios of events to be prepared for dynamic business and business-related changes.

We have also been changing our business for many months now - the biggest prospects for contracting are in the areas of infrastructure and the energy and industrial sector. For this reason, we are reorganising the Capital Group so that, in the near future, we would be able to realise contracts with higher profitability than before. This also applies to residential, office and industrial construction.

I hope that the optimisation mechanisms implemented will allow tangible financial and operational benefits to be achieved in 2024, contributing to an improvement in the Capital Group's overall operating profitability, with EBIT operating profitability returning to the positive levels recorded in previous periods. This will also be possible thanks to the measures aimed at reducing the Capital Group's debt, which the Management Board has already taken in the first months of 2024.

In 2023, the Unibep Capital Group secured contracts of a total value of around PLN 2.4 billion, which provides a solid base for 2024 and beyond, with an order portfolio worth around PLN 3.6 billion. In addition, the value of the contracts awaiting completion, where our offer was evaluated as the best one, is currently around PLN 1 billion. Since the beginning of 2024, we have signed contracts worth around PLN 600 million.

In recent months, we have met with employees on a number of occasions to provide them with a vision of the Capital Group's development and to discuss the challenges ahead of us. Seeing the commitment and openness we are encouraged by the attitude of the team - employees are motivated and committed to the changes taking place and they are aware of the difficult situation. This bodes well for our future.

We are determined to achieve our goals by implementing the ESG strategy adopted at the end of 2022 and taking care of the development of our company and employees.

I would like to invite you to read the 2023 Annual Report, which details our activities and future plans aimed not only at improving our financial performance, but also at strengthening the Unibep Capital Group's position on the market and contributing to sustainable development.

Dariusz Blocher  
President of the Management Board  
of Unibep SA

# SELECTED FINANCIAL DATA



NET PROFIT ATTRIBUTABLE TO  
THE SHAREHOLDERS OF THE  
PARENT COMPANY

**-165,9**  
PLN  
million



CONTRACTS SIGNED IN  
2023

**2 448**

PLN  
million



ORDER PORTFOLIO  
SINCE Q1 2024

**3 647**

PLN million



CASH (126%)

**311**

PLN million



NET PROFIT (-591%)

**-156,5**

PLN million



EBITDA

**-109,4**

PLN million



REVENUE (8%)

**2 430**

PLN million



CAPITALISATION ON THE  
WSE (31 DECEMBER 2023)

**319,8**

PLN million



EMPLOYMENT  
(AS OF 31 DECEMBER 2023)

**1 778**

persons



REAL ESTATE DEVELOPMENT  
SALES OF RESIDENTIAL  
PREMISES IN 2023

**423**

units

# UNIBEP GROUP SEGMENTS OF ACTIVITY



## **CONSTRUCTION segment**

**Area: RESIDENTIAL, OFFICE & INDUSTRIAL**

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, retail and service buildings). The area includes operations in Poland and the export of construction services.

## **CONSTRUCTION Segment**

**Area: ENERGY AND INDUSTRIAL CONSTRUCTION**

Unibep SA

Unibep SA develops a new business area, 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 the green economy including, among others, the construction of incineration plants, co-generation, distributed district heating, commissioning and system cleaning.

## **CONSTRUCTION Segment**

**Area: INFRASTRUCTURE**

Unibep SA

Road and bridge construction in north-eastern Poland, realised by the Infrastructure Department of Unibep SA. In 2023, Budrex Sp. z o.o. was incorporated into the structures of Unibep SA.

## **REAL ESTATE DEVELOPMENT segment**

Unidevelopment SA, special purpose vehicles

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

## **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 INTRODUCTION

### 2.1 INTRODUCTORY INFORMATION

Unibep SA, (the "Company", "Parent Company") is a predominantly family-owned entity. The Company operated as a state-owned enterprise until 1998. It was subsequently transformed into a limited liability company, and in 2006 into a public limited company. In 2008, Unibep SA made its début on the Warsaw Stock Exchange.

The company has its headquarters in the Podlasie region, in Bielsk Podlaski, but also has offices in Warsaw, Białystok, Łomża, Poznań, Katowice, Racibórz, as well as abroad in Minsk and Lviv. Unibep SA operates mainly on the Polish market, but it is also an exporter of construction services to countries such as Norway, Sweden and Germany. As regards eastern markets, it is currently constructing the Polish Embassy in Minsk, although before the outbreak of war the Company was actively involved in construction projects in Ukraine. Recently, Unibep S.A. signed a conditional agreement for the construction of the Szeginie border crossing. Although this contract is a very important part of the export business, opportunities for a wider return to the Ukrainian market will only arise with the end of hostilities by the parties to the conflict.

Unibep SA is currently one of the leading general contracting companies of the construction segment in Poland, which, according to analysts, aspires to be a leader of the residential construction segment on the Warsaw market.

Together with its subsidiaries, Unibep SA forms the Unibep Capital Group (the "Group"), the activities of which are diversified. In addition to its general contracting business in the residential segment in Poland and abroad, it has one of the largest modular house factories in Poland (operating under the name Unihouse SA) and it operates in the road segment and, since 2022, in the energy and industrial segment nationwide. Through its subsidiary, Unidevelopment SA, the Capital Group is also active in real estate development in large agglomerations such as Warsaw, Poznań, Radom, and in 2022 it began operations in the Tri-City as well.

The Capital Group's core business is general construction. Construction activities in the general construction segment account for approximately 42% of total sales. In this segment, the Group has a solid order portfolio for 2023 and beyond, amounting to approximately PLN 1.6 billion.

New growth prospects for the Group are provided by the energy and industrial segment. Sales realised in that segment account for 21% of revenues, and the order portfolio for 2023 and beyond amounted to approximately PLN 0.6 billion.

On the other hand, the road (infrastructure) segment accounts for around 14% of the Capital Group's revenue, with an order portfolio of PLN 1.3 billion for 2023 and beyond.

Thanks to large infrastructure investments in Eastern Poland, this segment of Unibep Group's business may be expected to grow.

In the results of the real estate development segment for the four quarters of 2023, the Capital Group recognised the sale of 584 flats based on handover protocols. At the same time, real estate development sales reached a volume of 423 flats.

The remaining 9% of revenue is generated by modular construction. Unihouse SA, which is



responsible for the growth of this segment of the Capital Group's business, has recently been developing its activities intensively on the German and Polish markets, also maintaining an important role on the Scandinavian markets. It is worth mentioning that Unihouse SA's products are part of a worldwide trend concerning the development of sustainable construction, as this part of the Capital Group's business is concerned with the construction of multi-family buildings using modular timber technology.

Approximately 92% of the Group's total revenue is generated domestically. The remaining 8% is attributable to the Unibep Group's foreign operations.

The total order portfolio for 2024 and beyond in the scope of general contracting - as at the end of 2023 - represents a value of approximately PLN 3.6 billion, with the Capital Group continuing to actively pursue its growth.

Building a profitable order portfolio in all business segments is a priority of the Capital Group's Management Board in the coming periods. A diverse order portfolio, experienced, highly qualified staff, construction experience backed up by successfully completed projects, attention to safety, and a focus on continuous development are the foundations guiding the Unibep Capital Group and its subsidiaries. However, the key economic objective of the Unibep Capital Group is consistent improvement of efficiency in every area of its operations. Diversified operations allow us to consistently build value for our shareholders.



## 2.2 EVENT TIMELINE

### JANUARY

On 18 January, a contract was concluded for the implementation of "Extension of the district heating system of Orzysz – construction of a boiler house using thermal energy from burning biomass"



On 25 January a symbolic topping out ceremony was held at SOHO 16. On 15 March 2023, Unibep SA signed a



### MARCH

On 3 March, the Unibep Group's Annual Meeting was held in Bielski Podlaski, during which the results of 2022 were summarised, plans for 2023 were presented and awards were given to, among others, Leaders of the Year and Employees of the Year. Paweł Motyl, one of Poland's best motivational speakers, was a special guest at the meeting.



### MAY

On 8 May, the ground breaking ceremony took place at Raginisa Street in Białystok. This was for more than one-kilometre of voivodeship road No. 676 - from the junction with Baśniowa Street and Rycerska Street to the city border.

On 15 May 2023 there was the jubilee 10th Safety Week organised by the Agreement for Construction Safety, an association of 17 of the largest construction companies on the market.



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On 6 February, the grand opening of a new building forming part of the Faculty of Electronics of the Military University of Technology in Warsaw took place.



### FEBRUARY

On 3 April, the District Court in Białystok, 12th Commercial Division of the National Court Register, registered the merger of Unibep SA with its subsidiary Budrex Sp. z o.o.

On 28 April Dariusz Blocher became the new President of the Management Board of Unibep. He took the office on 9 May 2023.



### APRIL

On 15 June Unibep SA was awarded the Silver CSR Leaf by POLITYKA - for the 12th time, POLITYKA, Deloitte and the Responsible Business Forum have honoured Polish ESG (Environmental, Social and Governance) leaders as part of the Silver CSR Leaf ranking of POLITYKA.



23 June - the Infrastructure Division's good run continues - the road builders end the week with four contracts awarded, worth a total of PLN 170 million.

### JUNE

## JULY

On 3 July, a symbolic ground breaking ceremony took place and thus work officially began on modernising the voivodeship road No. 689 connecting Bielsk Podlaski with Hajnówka.

On 14 July, Unidevelopment, together with Unibep, launched a new project - Unibep will develop a residential project entitled: "Sadyba Spot" at Powsińska Street in Warsaw's Mokotów district.



## SEPTEMBER

20 September 2023. The Copernicus Revolution Lab, completed by Unibep, has won a second-place award in the national 'Construction of the Year' competition.



On 21-22 September, the Common Future Ukraine Recovery Congress at the Poznań International Fair grounds was a significant event for the Unibep Group. Our experts - the President of the Management Board, Dariusz Blocher, and Vice-President, Leszek Gołąbiecki, shared their knowledge and experience during panel discussions accompanying the event.

## NOVEMBER

On 16 November, the Infrastructure Division of Unibep SA signed a contract for the construction of the Giżycko bypass along national road No. 59.

On 23 November, the 21st edition of the Presidential Economic Award Gala, which aims to support Polish entrepreneurs and honour the best ones, took place at the Castle in Łańcut. Unibep SA was the winner in the Responsible Business category.



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On 17 August, Unibep SA signed a contract with Polski Holding Nieruchomości for the construction of the second stage of Osiedle Olimpijczyk in the Polesie district of Łódź.



On 23 August Unibep SA and its partners will build an eco-friendly boiler plant for ANWIL. The Contractor of the investment will be the consortium consisting of: UNIBEP SA (consortium leader), ENERGOTECHNIKA sp. z o.o. with its registered office in Warsaw and Zakład Automatyki Przemysłowej INTEC SA.

On 11 October, Unibep signed a contract for the Centre for Innovation and Cyber Security at the Military University of Technology.



18-23 October - these were the days when the Unibep Group held its first Environmental Protection Week.

On 4 December, a symbolic topping out ceremony was held at the KOLEJ NA 19 estate - 17 months after the commencement of construction, Unibep's staff reached the building shell stage at No. 19 Kolejowa Street in Warsaw's Wola district.



On 20 December, Unihouse SA concluded a contract for the project entitled: "Construction of a multi-family residential building with accompanying infrastructure in Ogrodzieniec at Orzeszkowej Street.

## OCTOBER

## DECEMBER

## AUGUST

## 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.

	in PLN thousand			in EUR thousand	
	2023	2022	y/y	2023	2022
<b>SELECTED FINANCIAL DATA FROM THE PROFIT AND LOSS ACCOUNT [PLN THOUSAND]</b>					
Net revenue from sales	2,429,768	2,258,312	7.6%	536,562	481,691
EBITDA (EBIT + depreciation and amortisation)	-109,409	89,333	-222.5%	-24,161	19,055
Sales %	-4.50%	3.96%	-8.46 p.p.		
EBIT (operating profit/loss)	-137,809	63,751	-316.2%	-30,432	13,598
Sales %	-5.67%	2.82%	-8.5 p.p.		
Net profit	-156,486	31,861	-591.1%	-34,557	6,796
Sales %	-6.44%	1.41%	-7.9 p.p.		
Net profit attributable to shareholders of the parent company	-165,895	7,444	-2,328.6%	-36,634	1,588
Sales %	-6.83%	0.33%	-7.2 p.p.		

	PLN thousand, as of			PLN thousand, as of	
	31.12.2023	31.12.2022	y/y	31.12.2023	31.12.2022
<b>SELECTED FINANCIAL BALANCE SHEET DATA</b>					
Fixed assets	350,815	401,088	-12.5%	80,684	85,522
Current assets	1,456,502	1,412,115	3.1%	334,982	301,097
Assets/Liabilities	1,807,317	1,813,203	-0.3%	415,666	386,619
Equity	213,126	383,954	-44.5%	49,017	81,868
External capital	1,594,191	1,429,248	11.5%	366,649	304,750
Closing balance of cash	311,060	137,948	125.5%	71,541	29,414

	PLN thousand		PLN EUR	
	2023	2022	2023	2022
<b>SELECTED FINANCIAL DATA FROM THE CASH FLOW STATEMENT</b>				
Cash flows from operating activities	157,096	-4,224	34,691	-901
Cash flows from investing activities	3,847	-57,272	850	-12,216
Cash flows from financing activities	12,319	-72,051	2,720	-15,368
Total net cash flows	173,262	-133,547	38,261	-28,485

### Conversion rules adopted

Items in the profit and loss account and cash flow statement were converted at an exchange rate of EUR 1 = PLN 4.5284 for the period from 01.01.2023 to 31.12.2023 and EUR 1 = PLN 4.6883 for the period from 01.01.2022 to 31.12.2022.

Balance sheet items were converted at an exchange rate of EUR 1 = PLN 4.3480 as at 31 December 2023, EUR 1 = PLN 4.6899 as at 31 December 2022.



Ratios	2023	2022	Ratio calculation principles
<b>SELECTED FINANCIAL INDICATORS</b>			
EBIT profitability	-5.67%	2.82%	= EBIT in the period/revenue from sales in the period
EBITDA margin	-4.50%	3.96%	= EBITDA in the period/revenue from sales in the period
Return on sales (ROS)	-6.44%	1.41%	= net profit in the period/revenue from sales in the period
Return on equity (ROE)	-52.42%	8.43%	= net profit in the period/average equity in the period
General and administrative costs to revenue ratio	2.94%	2.58%	= general and administrative costs in the period/revenue from sales in the period
Overall debt ratio	0.88	0.79	= (long- and short-term liabilities)/total liabilities
Current liquidity ratio	1.23	1.25	= current assets/current liabilities
Cash liquidity ratio	0.26	0.12	= cash/current liabilities

In 2023, the Capital Group had a negative net result of PLN 156.5 million compared to PLN 31.9 million in the same period of the previous year

In the analysed period of 2023, the Capital Group achieved an operating loss of PLN 137.8 million. As compared to the analogous 2022, which recorded an operating profit of approximately PLN 63.8 million, this represents a negative deviation by approximately PLN 202 million.

The aforementioned situation was influenced by factors of both an internal and external nature. Undoubtedly, the biggest contributor to this situation was the cumulative materialisation of operational risks that naturally accompany the day-to-day business activities of companies operating in the general contracting segment. On the one hand, the results for 2023 take into account the recognition of higher costs of construction output in the scope of many contracts realised in the construction segment, while on the other hand, in the scope of those contracts where completion dates are approaching, contract valuations were adjusted downwards due to the lack of obtaining the relevant agreements or annexes from the employers taking into account the additional payments. In addition, the valuations of contracts the timeliness of which is at risk, has taken into account the negative economic impact on their operating result.

The results were negatively affected by the global inflation phenomena. It is worth pointing out, however, that the difficult macroeconomic situation in Poland and worldwide has also affected many investors (e.g. through higher investment financing costs). It has translated all the time into a reduced willingness on the part of employers to renegotiate contractual terms and conditions of the construction contracts to the extent that they would be able to cover the resulting profitability gap in a satisfactory manner.

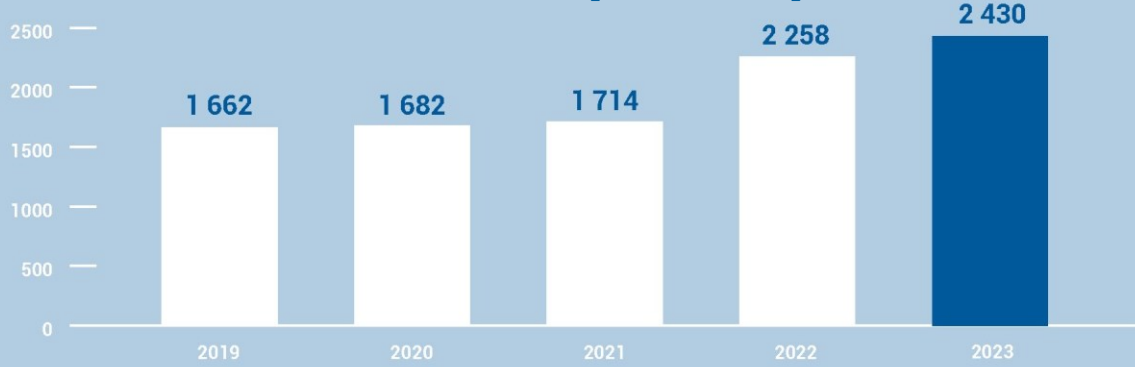
The previously announced conservative approach to the establishment of provisions for maintenance, provisions for potential liabilities and the estimation of revenue from adjustment arrangements or additional works in the general contracting segment were also included in the operating results. The Capital Group's results also include the cost of downtime related to unused production capacity at the modular building factory of Unihouse SA and lower-than-assumed resulting effects from contract award procedures in the scope of construction projects acquired in 2023.

In addition to the operating factors indicated above, the Capital Group's results were also affected by the result on financing activities, mainly due to higher interest expenses and the valuation of financial assets such as write-downs of receivables, in particular on export markets.

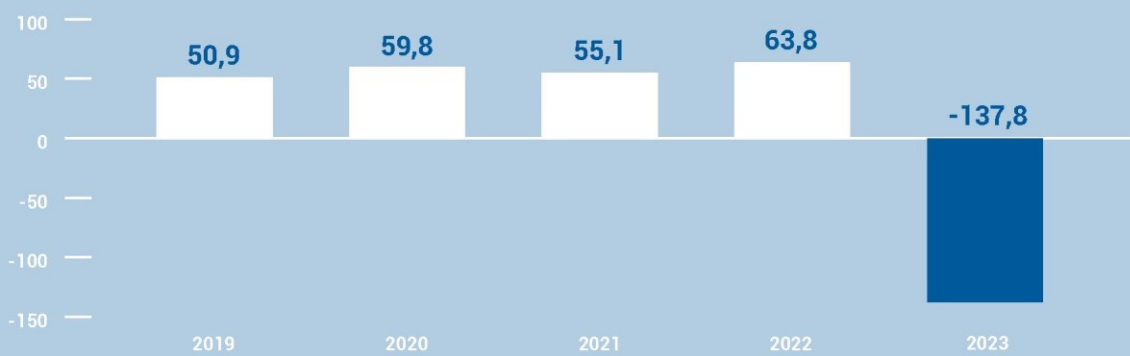
As a result of the above-mentioned non-recurring factors, the Capital Group's net profit was PLN 188 million lower than in the previous year.

The net profit attributable to shareholders of the parent company takes into account the reality of contracts carried out under the joint venture (JV) formula, the result of which is partially (i.e. to the extent owned by the partners) excluded from the profit attributable to shareholders of the Issuer. The figures for 2023 recognise the results from two such contracts relating to real estate development activities.

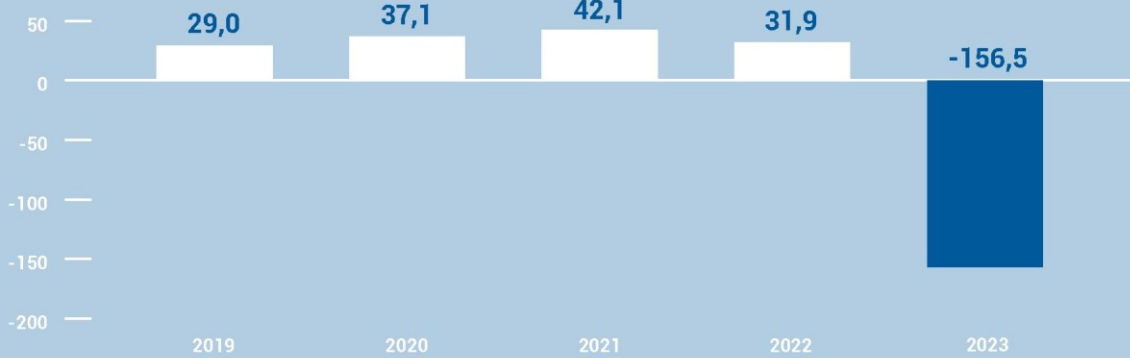
### REVENUE [PLN million]



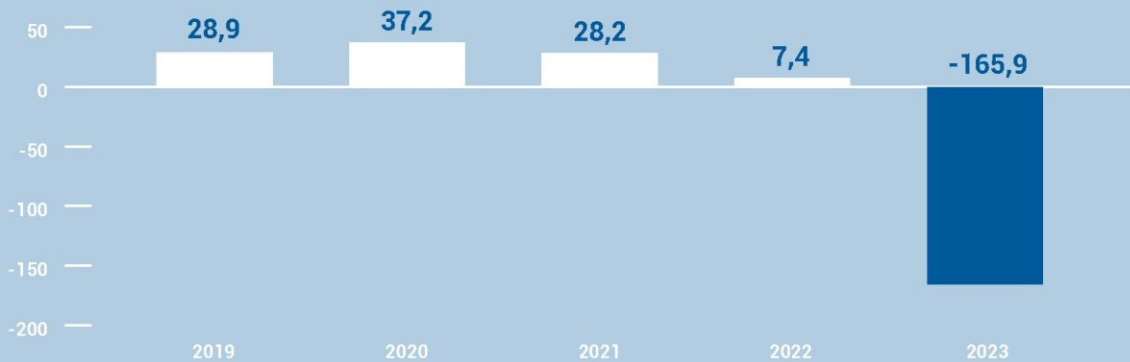
### EBIT [PLN million]



### NET PROFIT [PLN million]



### NET PROFIT OF THE PARENT COMPANY [PLN million]



# UNIBEP GROUP'S OPERATIONS ABROAD

## KEY

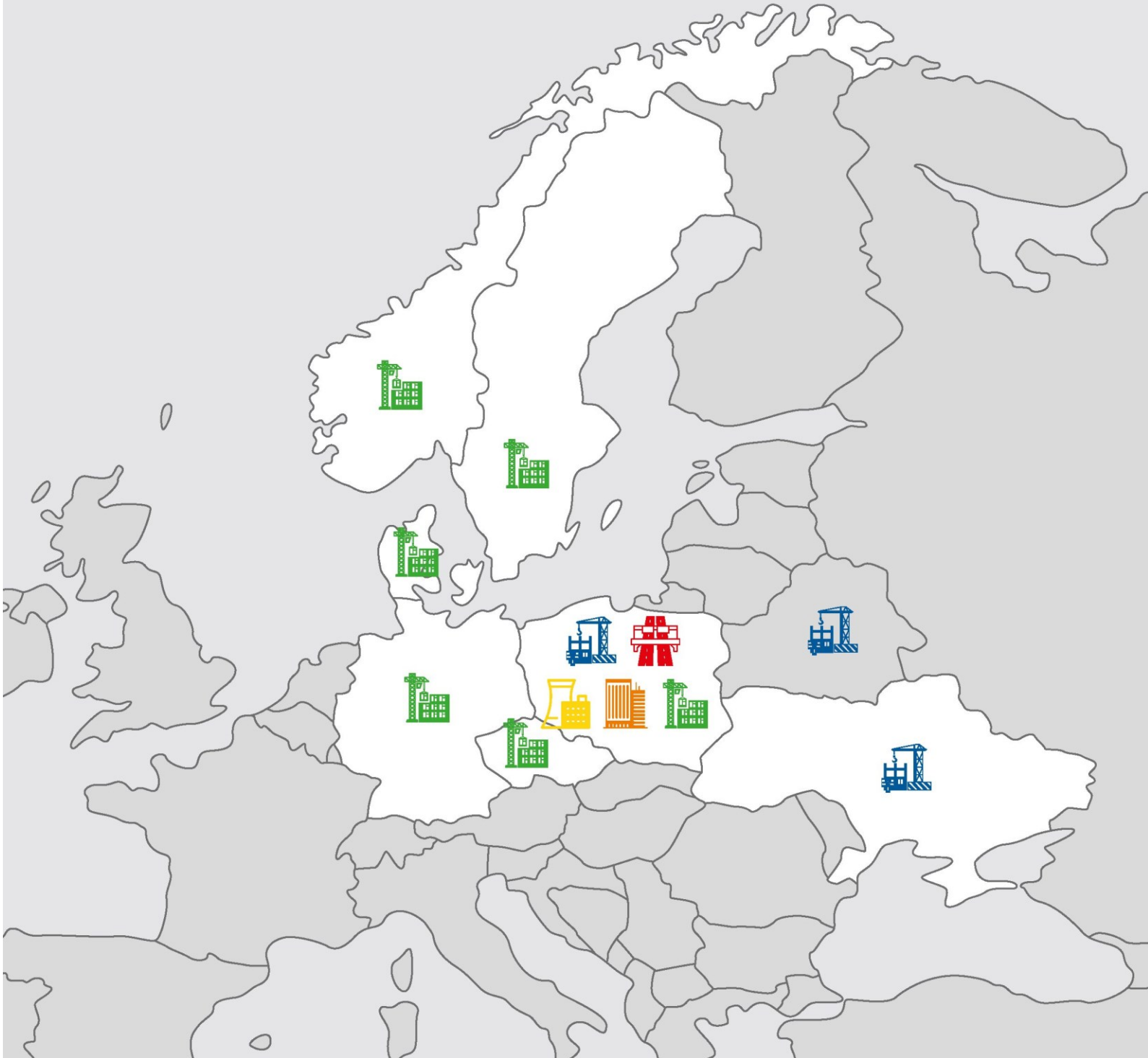
 CONSTRUCTION Segment  
Area: RESIDENTIAL, OFFICE & INDUSTRIAL  
UNIBEP SA

 CONSTRUCTION Segment  
Area: ENERGY AND INDUSTRIAL CONSTRUCTION  
UNIBEP SA

 CONSTRUCTION Segment  
Area: INFRASTRUCTURE  
UNIBEP SA

 REAL ESTATE DEVELOPMENT segment  
UNIDEVELOPMENT SA

 MODULAR CONSTRUCTION segment  
UNIHOUSE SA





# UNIBEP GROUP'S OPERATIONS IN POLAND

## KEY

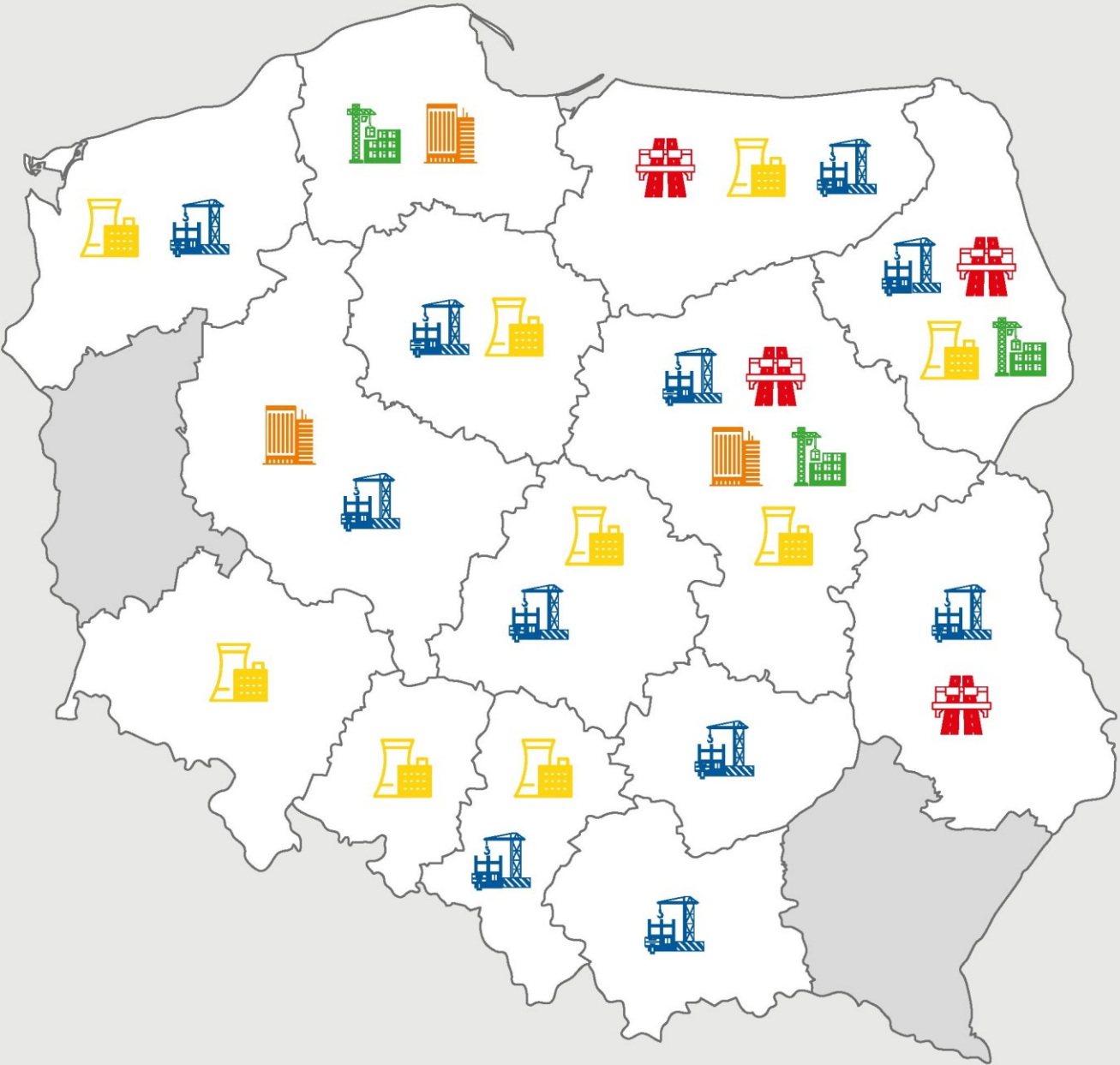
 CONSTRUCTION Segment  
Area: RESIDENTIAL, OFFICE & INDUSTRIAL  
UNIBEP SA

 CONSTRUCTION Segment  
Area: ENERGY AND INDUSTRIAL CONSTRUCTION  
UNIBEP SA

 CONSTRUCTION Segment  
Area: INFRASTRUCTURE  
UNIBEP SA

 REAL ESTATE DEVELOPMENT segment  
UNIDEVELOPMENT SA

 MODULAR CONSTRUCTION segment  
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:

**CONSTRUCTION SEGMENT** in the scope of general contracting: residential, office and commercial construction, energy and industrial construction and infrastructure



**Residential, office and commercial construction is realised by the Parent Company, i.e. Unibep SA.** The main speciality of this area is residential construction. The Company enjoys 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. Utility construction, as well as military construction, plays an increasingly important role in the company's activities.



**Energy and Industrial Construction is carried out by the Parent Company, i.e. Unibep SA.** This is a new business area that has been developed by the Company since 2022. Despite the short time frame, an order portfolio has been built with the potential for growth in 2024 and beyond. This is an area that allows for the recognition of relatively high margins, but at the same time faces risks typical of newly developed businesses. Areas of interest include large international customer projects and complex EPC projects (Engineering, Procurement, Construction, the so-called "turnkey" projects).



**Infrastructure**, currently being carried out entirely by the Infrastructure Division of Unibep SA (a merger with Budrex Sp. z o.o. took place in April 2023). 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 S.A. is the north-eastern region of Poland. In 2020, operations were expanded to include the Lubelskie and Warmińsko-Mazurskie Voivodeships.

#### REAL ESTATE DEVELOPMENT SEGMENT



**Activities carried out by Unidevelopment SA and its SPVs** The commercial offer in this area includes flats 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.

#### MODULAR SEGMENT



**Modular construction services are provided 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 at the Production Plant in Bielsk Podlaski and their assembly takes place on the construction site. Unihouse SA has recently been making intensive efforts to penetrate the German and Polish markets commercially as they are considered to be the most promising ones in the coming periods.

## Dependence of the Group on its customers

Given the nature of the business, there was no significant dependence on any service recipient during the discussed period and the relationship scale is highly dispersed.

In 2023, the Capital Group did not obtain revenues from individual external customers exceeding 10% of total revenues. This also applies to Unibep SA.

## 3.2 DESCRIPTION OF THE UNIBEP CAPITAL GROUP

As at 31 December 2023, the Unibep Capital Group consists of the Parent Company Unibep SA and four direct subsidiaries of Unibep SA, i.e. UNEX Constructions 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 Capital Group includes indirect subsidiaries and jointly controlled companies, in which Unidevelopment SA and Seljedalen AS hold shares. The parent company, Unibep SA, also has one branch located in Białystok and representative offices in Minsk (Belarus) and Lviv (Ukraine).

### Changes in the Group's structure in 2023

Information on significant changes in the structure of the UNIBEP Group that took place since 01.01.2023 is presented below:

1. On 2 January 2023, the National Court Register (KRS) registered the merger of Szczęśliwicka Sp. z o.o. with the following companies:
  - a) Osiedle Marywilska 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 Division of the National Court Register, registered the merger of Unibep SA with its subsidiary Budrex Sp. z o.o.
3. On 9 November 2023, a new limited liability company under the name: UNI 15 Sp. z o.o. in Warsaw was registered with the National Court Register (KRS).
4. On 13 November 2023, new companies based in Warsaw were registered with the National Court Register (KRS) under the following names: UNI 16 Sp. z o.o., UNI 17 Sp. z o.o., UNI 19 Sp. z o.o., UNI 22 Sp. z o.o..
5. On 14 November 2023, new companies based in Warsaw were registered with the National Court Register (KRS) under the following names: UNI 18 Sp. z o.o., UNI 20 Sp. z o.o., UNI 21 Sp. z o.o. and UNI 23 Sp. z o.o.

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

There were no changes to the Group's organisational structure after the balance sheet date of 31 December 2023.

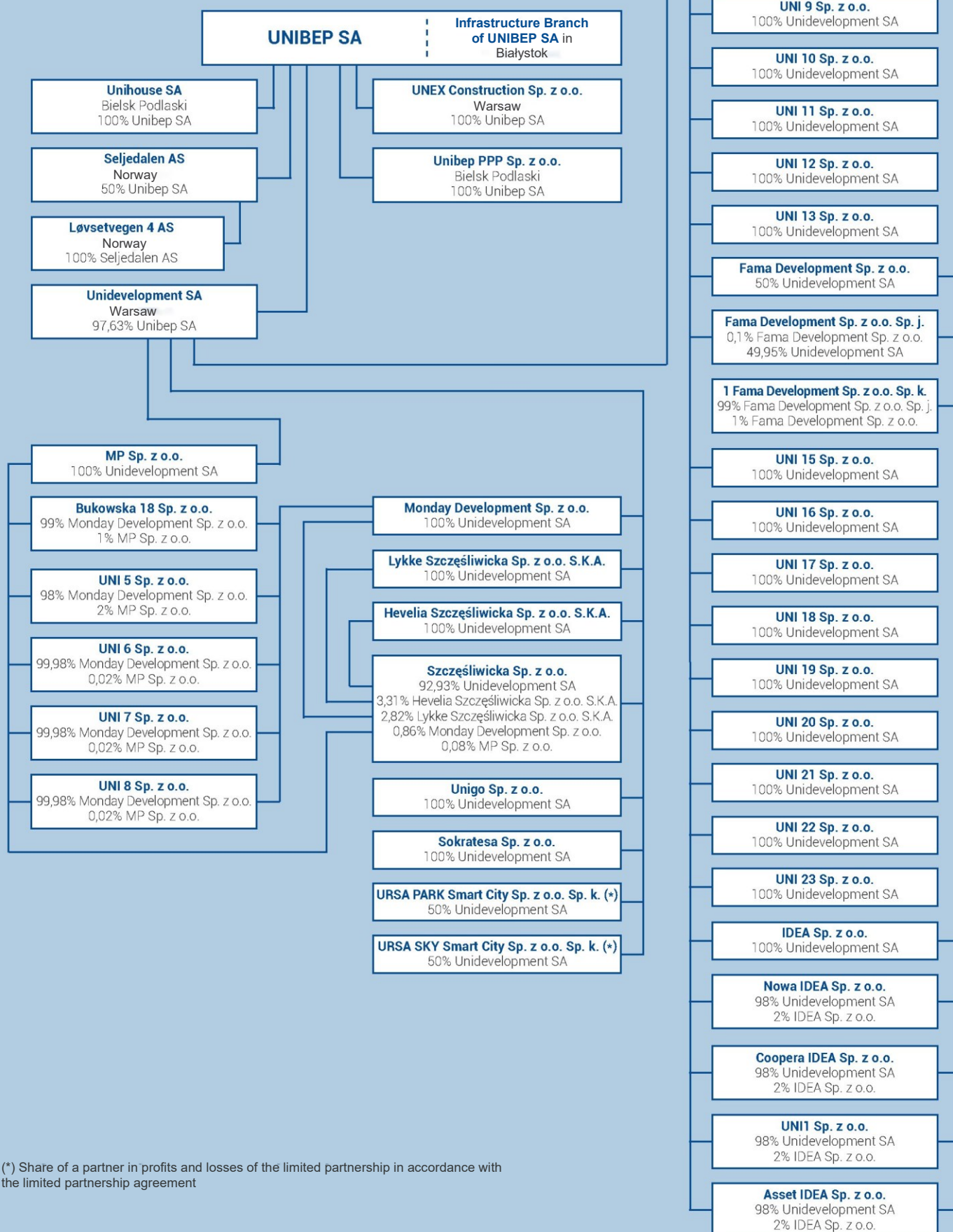
In 2023 and after the balance sheet date, there were no significant changes in the principles of management of the Capital Group and the Parent Company.

## 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.

## MODEL OF THE UNIBEP GROUP AS OF 31 DECEMBER 2023



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

The purchase of services is supervised from time to time by the directors responsible for the market or at a higher level, in accordance with the Decision Table approved by the Management Board, depending on the value 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, insulation materials etc.) has a positive impact on production costs. One of the tasks of the Office is also to build good, stable relationships with framework suppliers and to monitor 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%.

### 3.4 DEVELOPMENT-ORIENTED ACTIVITIES

The development activities that were carried out or initiated in 2023 within the Parent Company and the Capital Group and simultaneously had an impact on operations in 2024 and in the subsequent periods include:

- activities aimed at diversifying the operations of all Unibep Group businesses (product and territorial diversification),
- development of programmes aimed at digitalising the Group's processes, combined with the expansion of structures to include operational controlling teams,
- implementation of investment plans to increase production capacity and improve the quality of products and services,
- implementation of the ESG action strategy defining the development of our organisation in the areas of Environment (E), Society (S), Corporate Governance (G),
- work on the programmes related to staff acquisition, retention and development,
- development of the infrastructure area towards geographical diversification and increasing the share of large contracts in the order portfolio,
- further development of activities and competences in the energy and industrial construction segment, strengthening of structures, expansion of the area of operation, especially in the energy sector,
- selective approach to new orders and the search for projects with the highest bid profitability within the residential, office and commercial construction area,
- continued stable growth and sustained profitability in the real estate development segment,
- taking joint actions by the Group's businesses to enable the use of synergies, allowing for costs optimization or taking advantage of market opportunities,
- optimisation measures aimed at redesigning the structures, including the building and strengthening of operational control, internal control and risk management processes,
- initiation of cooperation with external partners. This relates both to joint venture projects or building organisationally effective consortia to meet bidding requirements especially for large and complex projects in the energy sector, as well as the possibility of involving an external partner in making the Unidevelopment Group's activities more dynamic,
- involvement of an external business partner or change of ownership structure at Unihouse SA.



## 4. MARKET AND PROSPECTS FOR THE FUTURE

### 4.1 MARKET ENVIRONMENT

#### GROWTH FACTORS - AN EU BOOST FOR THE CONSTRUCTION INDUSTRY

##### The European Green Deal and the Fit for 55 package

According to estimates by PGE Group representatives, the transformation of the energy sector in Poland will cost approximately EUR 136 billion.

##### The National Recovery and Resilience Plan 2022-2026

In the coming years, Poland could be one of the biggest beneficiaries of EU funds. In terms of funds directly stimulating construction, in addition to EUR 72.2 billion for cohesion policy (2021-2027 budget) and EUR 3.8 billion from the Just Transition Fund, the Recovery Fund also comes into play: EUR 25.3 billion in grants and EUR 34.5 billion in loans.

##### FEnIKS programme (European Funds for Infrastructure, Climate and Environment 2021-2027)

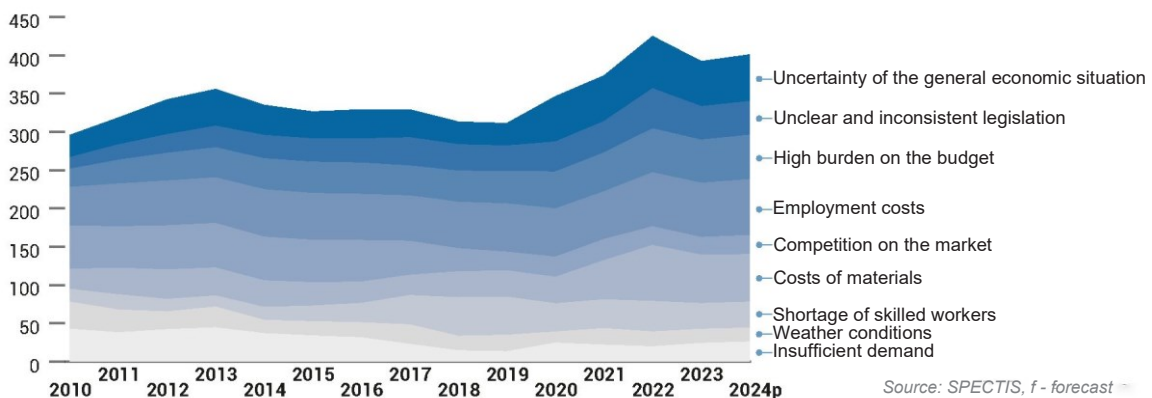
The European Funds for Infrastructure, Climate and Environment (FEnIKS) 2021-2027 constitute the largest cohesion policy programme in the European Union. It is a continuation of the two previous operational programmes Infrastructure and Environment 2007-2013 and 2014-2020. The total amount earmarked for Poland for investment and other projects is almost EUR 29.3 billion (of which EUR 24.2 billion is from EU funds).

##### Construction investment expenditure under the Ministry of Defence budget

The amount of PLN 6.7 billion has been planned for the financing of the Construction Investment Plan as part of property expenditures for 2024 (for national construction investments related to military infrastructure), while PLN 506.2 million has been planned for the financing of the NATO Security Investment Programme (for allied construction investments).

#### CHALLENGES - RISING LABOUR COSTS AND SHORTAGE OF SKILLED WORKERS

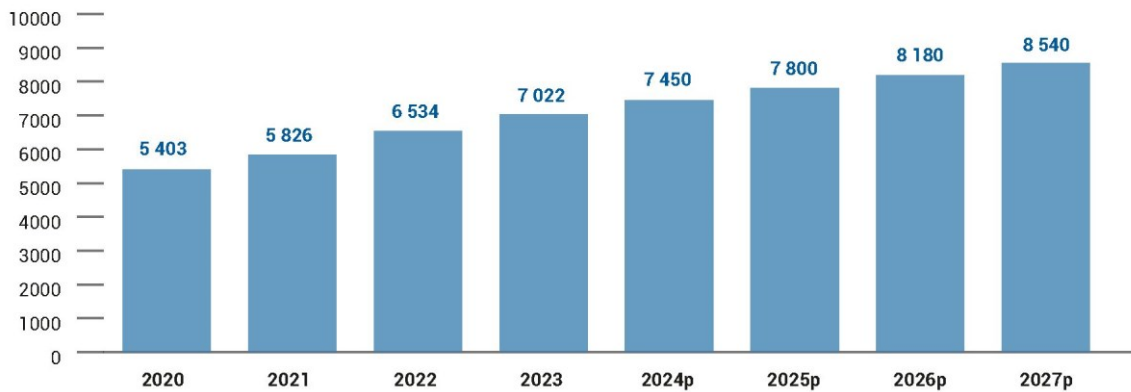
MAIN BARRIERS FOR PURSUING BUSINESS IN THE CONSTRUCTION SECTOR, AGGREGATED VALUES (POINTS)





The shortage of workers in the construction industry, compounded by the war in Ukraine and the return of Ukrainians to their homeland to defend their country, is one of the challenges for the growth of the sector.

#### AVERAGE MONTHLY GROSS REMUNERATION IN THE CONSTRUCTION INDUSTRY, COMPANIES WITH MORE THAN 9 EMPLOYEES (PLN)



Source: SPECTIS, f - forecast

Rising costs of employment remain a challenge, with the average monthly remuneration projected to rise to PLN 7,450 gross in 2024 (+6.1% y/y).

#### CONSTRUCTION INDUSTRY ECONOMIC OUTLOOK

##### CONSTRUCTION AND ASSEMBLY MANUFACTURING, ALL CONSTRUCTION AND NON-CONSTRUCTION ENTITIES



Source: SPECTIS

The value of construction and assembly manufacturing in 2023 amounted to PLN 344 million, with real year-on-year dynamics of -3%. In 2024, the value of construction and assembly manufacturing is forecast to be PLN 351 million, with year-on-year dynamics of -5%. The value of construction and assembly manufacturing is projected to increase steadily in the following years.

#### PRODUCTION PRICE INDEX OF SELECTED INDUSTRIAL PRODUCTS IN 2023.

Source: PMR

**+17.5% y/y**  
Stone, sand and clay

**-6.1% y/y**  
Wood sawn or chipped

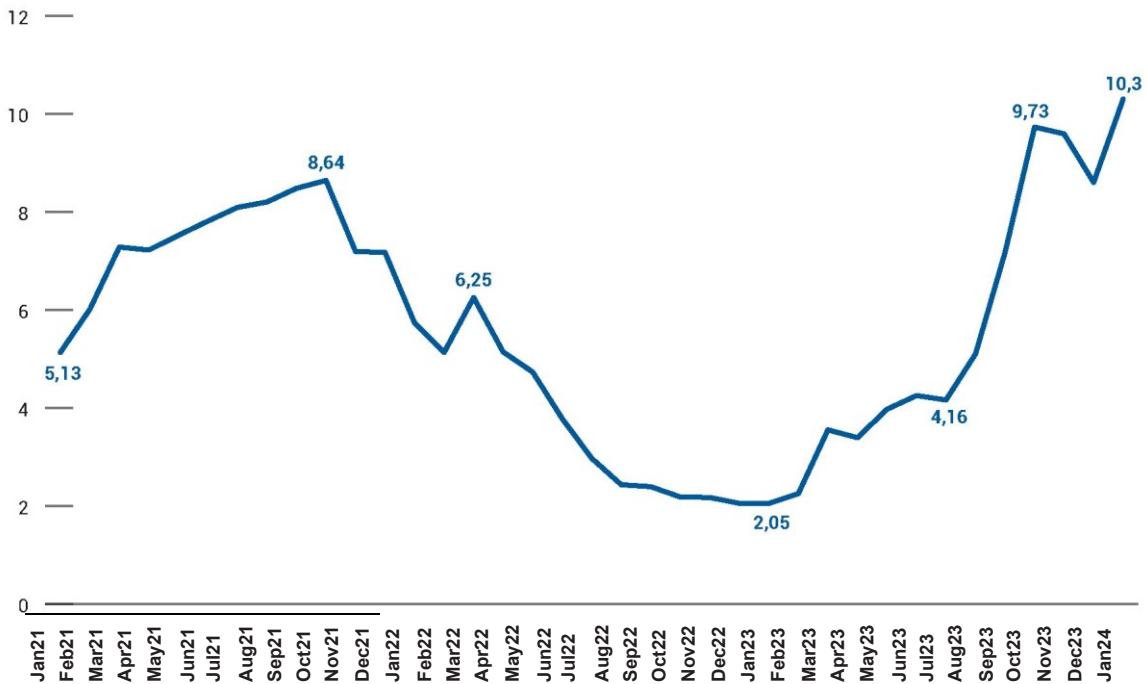
**+20.6% y/y**  
Cement, lime and gypsum

**+10.1% y/y**  
Concrete, cement and gypsum products

**-17.4% y/y**  
Cast iron, steel and ferroalloys

**VALUE OF HOUSING LOANS GRANTED [PLN BILLION]**

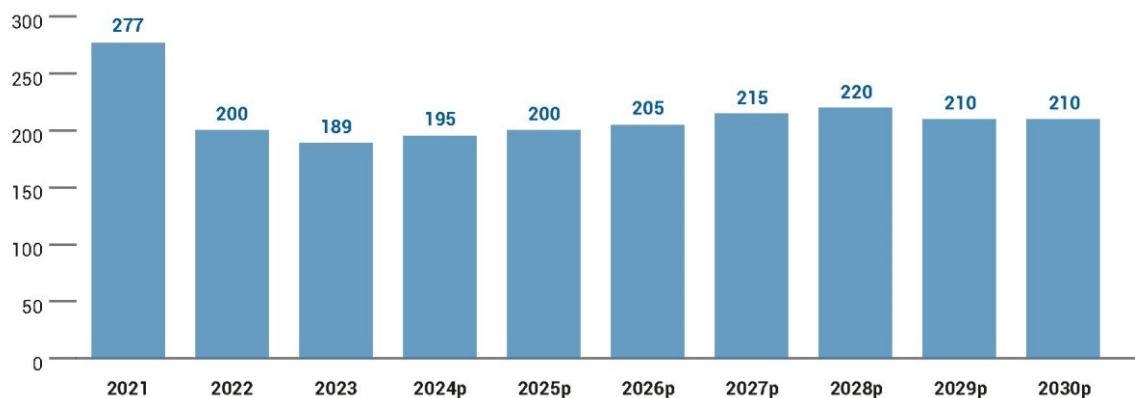
Source: PMR



In January 2024, 25,040 housing loans worth PLN 10.299 billion were granted in Poland, an increase of 304.9% year-on-year in terms of number and 403.4% in terms of value, according to the Credit Information Bureau (BIK). Comparing month-on-month, the number of loans increased by 19.7% and their value by 19.8%. In December 2023, the number of loans granted amounted to 21,120, for an amount of PLN 8.603 billion, constituting an increase of 233.8% year-on-year in terms of number and 319% in terms of value. Throughout 2023, 167,000 loans were granted for a total amount of PLN 63.936 billion, an increase of 24.9% in terms of number and 40.5% in terms of value year-on-year.

**NUMBER OF FLATS UNDER CONSTRUCTION IN POLAND, BASELINE SCENARIO [THOUSAND]**

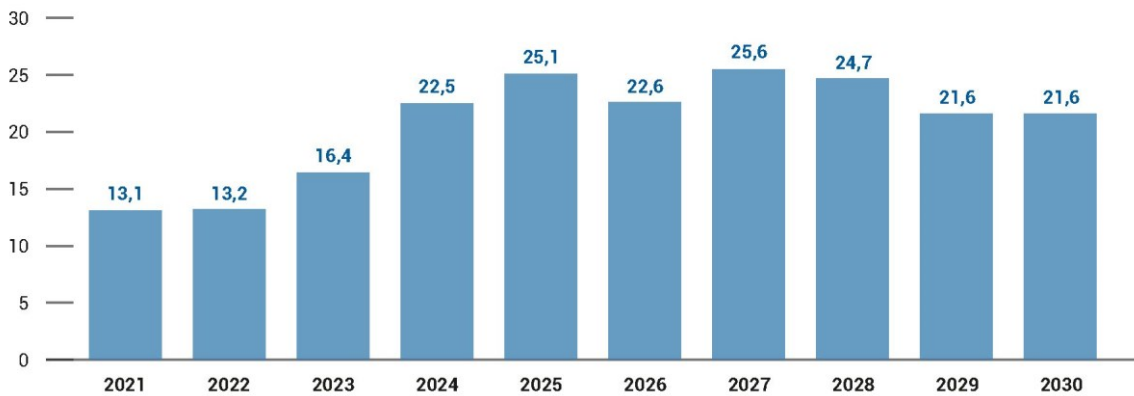
Source: SPECTIS, f - forecast



Across the country in 2023, all investors started construction of around 189,000 flats, therefore their number decreased by 11,000 year-on-year. This decline is a continuation of the reduction in new development projects and the holding back of individual investors from starting construction of detached houses due to the high cost of loans, rising prices of building materials and general investment uncertainty in the economy. However, the next few years are expected to bring an upward trend.

**PLANNED EXPENDITURE UNDER THE NATIONAL ROAD CONSTRUCTION PROGRAMME IN POLAND [PLN BILLION]**

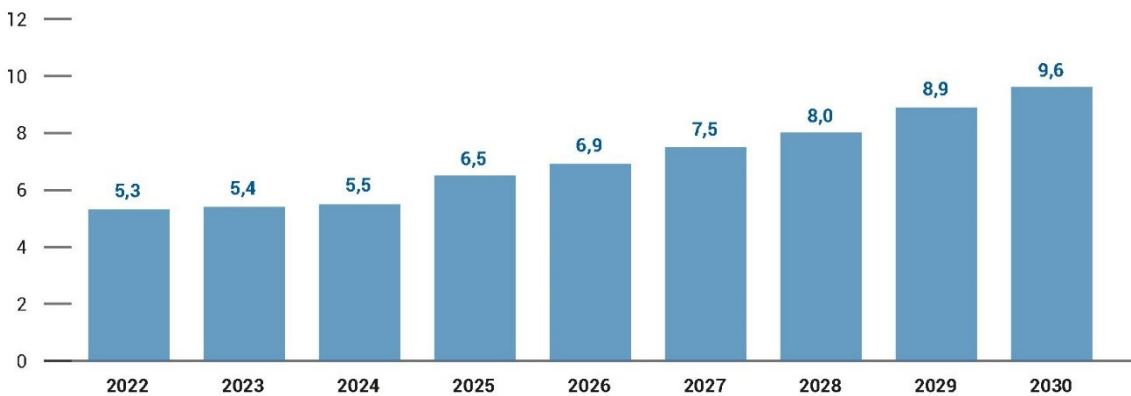
Source: PMR



The new National Road Construction Programme includes investments worth around **PLN 294.4 billion** and assumes the construction of more than 2,600 km of new expressways and the completion of ongoing investments on almost 3,500 km of roads. It is the largest road programme in Poland's history.

**DEMAND FOR FUNDING IN THE ROAD NETWORK STRENGTHENING PROGRAMME [PLN BILLION]**

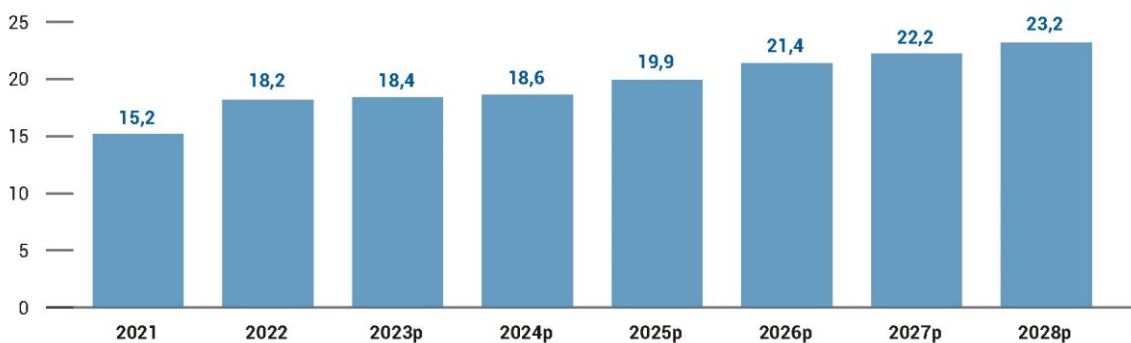
Source: PMR



At the beginning of October 2022, the Council of Ministers adopted the National Road Network Strengthening Programme until 2030. It relates to the comprehensive maintenance of the national road network. The government plans to allocate PLN 58.3 billion for the realisation of the works included in the programme, and with the possible contribution of local authorities, the value of the investments will amount to **PLN 63.5 billion**.

**INDUSTRIAL AND WAREHOUSE BUILDINGS MARKET [PLN BILLION]**

Source: PMR, f - forecast



## EUR 26.6 billion

for energy transition from EU funds

The energy segment is emerging as the market segment with the most favourable prospects for the coming years. Poland is the largest beneficiary among EU countries when it comes to funding for the energy transition in 2021-2027 (as much as **EUR 26.6 billion** - 24% of all EU funds allocated for this purpose).

### 4.2 PROSPECTS AND STRATEGIC DIRECTIONS OF THE GROUP'S DEVELOPMENT

Invariably, the strategic development objective of the Parent Company and the Unibep Group is to systematically develop its business and increase value for its shareholders.

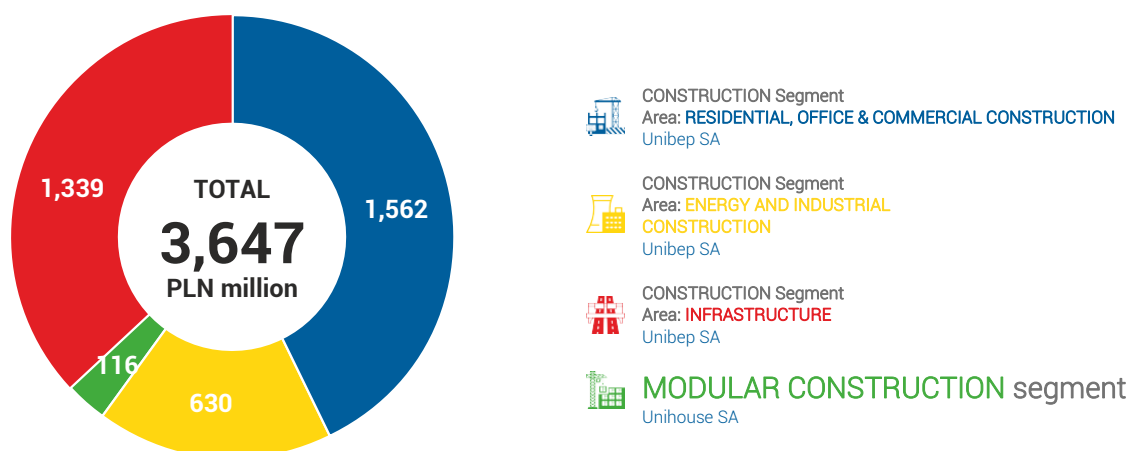
Throughout the entire 2023, the Unibep Capital Group has acquired contracts with a total value of approximately PLN 2.4 billion. Thus, the portfolio to be realised in 2024 and in the following years amounts to approximately PLN 3.6 billion.

As at the date of publication of these financial statements, the Parent Company already has contracts signed for approximately PLN 0.6 billion between 1 January 2024 and the date of publication.

In 2023, the Parent Company's Management Board performed an in-depth review of internal processes: from the acquisition process, through cooperation with support teams, to supervision on construction sites. The main optimisation measures within the organisation will therefore be aimed at redesigning the structures and building and strengthening the operating control, internal control and risk management processes, focusing on achieving the synergy effect. The results of this work are now being formalised and their effects are reflected in internal action plans for individual teams, and general revenue and performance visions for individual business segments.

The priority for actions is to maintain liquidity. The actions initiated as described in this report (including the section on events after the balance sheet date) should bring tangible benefits in 2024, both in terms of funds and performance, and they will allow the Unibep Group's operating profitability to improve significantly.

### ORDER PORTFOLIO IN THE CONSTRUCTION AND INFRASTRUCTURE SECTION TO BE IMPLEMENTED AS OF IQ 2024.





## CONSTRUCTION segment

Area: **RESIDENTIAL, OFFICE & COMMERCIAL CONSTRUCTION**

Unibep SA

Residential, office and commercial construction is realised by the Parent Company. It is the Group's largest business segment generating more than 40% of total consolidated revenues.

The main activity in this segment is the construction of residential buildings (74% of the segment's total revenue), carried out mainly on the markets of Warsaw, Poznań, Kraków, Katowice and Łódź. In addition, the diversification of activities makes it possible to distinguish between office and commercial construction (i.e. offices, hotels, shopping centres, entertainment centres and others), public facilities (schools, kindergartens, swimming pools, monuments, museums, hospitals) and military facilities (mainly military administration).

The order portfolio to be executed in 2024 and beyond amounts to approx. PLN 1.6 billion. In 2023, the activities of the commercial services made it possible to win several contracts for a total value of more than PLN 1 billion. Most of the new contracts concluded this year concerned the residential market. Among the contracts in the non-residential sector, however, the largest item acquired in the most recent period was the task entitled: "Construction of the Centre for Innovation and Cyber Security of the Department of Cybernetics".

In 2023, several important investments were successfully completed and settled. Among them, the Polimery Police task.

Another element of this segment's activities is the performance of general contracting contracts for Unidevelopment SA.

[PLN million]	2023	2022	deviation	%
<b>Residential, office and commercial construction</b>	<b>1,148</b>	<b>1,054</b>	<b>94</b>	<b>9%</b>
- residential	852	834	18	2%
- non-residential	296	220	76	35%

The year 2023 was a very challenging period for the Parent Company in terms of general contracting. A number of factors of both an internal and external nature translated into the area's operational profitability and a reduction in results compared to the previous year. A loss was recognised at the level of gross profit on sales. The biggest contributor to this was the cumulative materialisation of operational risks on contracts signed before the culmination of inflationary phenomena that could not be mitigated.

The previously announced conservative approach in the operating results of active contracts has been taken into account:

1. provisions for maintenance,
2. provisions for accrued liquidated damages resulting from the breach of implementation schedules in the scope of certain contracts or for other obligations of a compensatory nature towards investors,
3. taking into account in the estimation of the results of contracts signed, additional values of revenues representing for the Company the ability to at least partially compensate for higher implementation costs and coming from negotiated revaluation clauses or the so-called additional works.

As a result, the 2023 results include, on one hand, the recognition of higher construction production costs in the scope of a number of contracts in the wake of inflationary factors and, on the other hand, particularly on those contracts signed where completion dates are approaching, the estimated contract valuations have been revised downwards due to the failure to obtain the relevant agreements or annexes from the employers to include the relevant revaluation clauses or additional work orders.

Generally, the results were negatively affected by the global inflation phenomena. The difficult macroeconomic situation in Poland and worldwide has affected many investors (e.g. through higher investment financing costs). It has consistently translated into a reduced willingness on the part of employers to renegotiate contractual terms and conditions of the construction contracts to the extent that they would be able to cover the resulting profitability gap in a satisfactory manner.

[PLN million]	2023	2022	deviation	y/y
Net revenue from sale	1,147.8	1,053.6	94.2	9%
Gross profit from sales	-13.0	20.7	-33.7	-163%

The analysed financial statements of the Capital Group have been prepared on the basis of the accounting principles prescribed in IFRS, which require an accrual and the so-called "safe harbour" approach to the management and provisioning of contract losses. Accordingly, and as a result of a review of the profitability of the realised tasks in the scope of residential office and commercial construction, the identified and estimated operating losses identified on unprofitable contracts have been included in the analysed results. These represent non-recurring events, with the result that future operating profitability recognised in accordance with IFRS 15 on contracts covered by such provisions will already be neutral (according to accounting principles) to the Capital Group's results.

Current estimates indicate that the revenues to be recognised in future periods on the above-mentioned contracts represent approximately 5.9% of the order portfolio of the entire segment of residential, office and commercial construction, which will be realised in 2024 or beyond. This is therefore the part of the indicated portfolio that, under IFRS, will be result-neutral (they will be offset in subsequent reporting periods by the provisions for losses made in 2023). Whereas the remainder of the indicated order portfolio will have a positive profitability at the level of profit from sales.

In doing so, it is worth pointing out that the Parent Company's Management Board updates its approach to contracting on an ongoing basis, and the current approach indicates avoiding further contracting at all costs. Contracting activities will be geared towards a selective approach to new orders and the search for projects with the highest bid profitability.

As part of the export of construction services in Q3 2023, work started on the contract signed on 26 April 2023 for the construction of the embassy of the Republic of Poland in Minsk in the Republic of Belarus - the employer is the Ministry of Foreign Affairs of the Republic of Poland. Despite the tense political situation, construction is proceeding according to the agreed schedule. In addition, as a result of Polish-Ukrainian agreements, on 11 March 2024 the Parent Company entered into an agreement for the implementation by the Company of the Medyka - Szeginie border crossing on the Ukrainian-Polish border (construction on the Ukrainian side) in the general contracting system.



## CONSTRUCTION Segment

Area: **ENERGY AND INDUSTRIAL CONSTRUCTION**

Unibep SA

The energy and industrial construction is carried out by the Parent Company. This area had the highest turnover dynamics (+65% y/y). The indicated increases were largely due to the so-called 'base effect'. During 2023, the area was experiencing a boost to its activities, which was initiated quite recently in the first quarter of 2022. As a result, the increase in revenue in this part of the construction industry was reflected in the large number of awarded contracts dating back to 2022 and continuing into 2023.

Throughout 2023, the Company has secured orders for the value of approximately PLN 500 million, while the order portfolio for 2024 and beyond currently stands at more than PLN 600 million. Within the energy and industrial business, the Capital Group is currently conducting advanced discussions on several large orders, including orders with the participation of potential technology partners within consortia.

As a result of the funds coming from the National Reconstruction Plan, the Management Board sees significant opportunities in contracting in the energy sector, including energy transmission and distribution and renewable energy.

[PLN million]	2023	2022	deviation	%
<b>Energy and industrial construction</b>	<b>515</b>	<b>312</b>	<b>203</b>	<b>65%</b>
- energy	113	35	78	220%
- industrial	402	277	125	45%

The energy and industrial area in 2023 is affected in a similar way to the residential, office and commercial construction. This is due to the fact that many of the ongoing contracts in this segment were signed with private employers and the construction contracts concluded do not include appropriate revaluation clauses to compensate for the higher implementation costs. Consequently, this segment was burdened by non-recurring events, i.e. provisions for anticipated contractual losses, which, as previously described, charged the analysed results for 2023.

As a consequence, a decrease in gross sales margin from gross sales profit of 9.0% to gross sales loss of -12.6% was recorded for the results of industrial and energy construction segment.

The precautionary and conservative approach to contract valuation, cancellation of the contract for one of the investments and the lack of assumed valuations of contracts affect the economic effects of the area. Contract losses were estimated on a number of ongoing contracts, which, in view of the principles described in IFRS, resulted in the need to establish relevant provisions, particularly on contracts at the final stage of completion. This led to the materialisation of negative scenarios related to the lack of the previously assumed ability to obtain the relevant revaluation clauses or additional works, which would help to at least partially neutralise the profitability gap related mainly to factors of an inflationary nature.

Risks relating to mutual settlements for the achievement of milestones have also partially materialised. In doing so, the Parent Company's Management Board would like to point out that operational risk (risk of loss of profitability) is an indispensable element of the activities of general contracting companies, particularly in the field of non-public contracts, where revenues are lump-sum (i.e. rigid) and their realisation depends to a large extent on the good will of the employers. On the other hand, however, the Parent Company has taken the care to mitigate this risk. This applies in particular to the speed of its identification and mitigation, and an indispensable attribute of these



measures is the operational controlling function for construction sites, consistently built up in the Parent Company since Q4 2023, as well as the consistent expansion of IT systems to support construction management processes.

[PLN million]	2023	2022	deviation	y/y
Net revenue from sale	514.5	312.2	202.3	65%
Gross profit from sales	-63.8	28.2	-93.0	-330%

As in the case of the residential, office and commercial construction segment, the analysed results for 2023 were burdened by non-recurring events related to the establishment of relevant provisions for losses on unprofitable contracts. Current estimates indicate that the revenues to be recognised in future periods on the above-mentioned contracts represent approximately 23.2% of the order portfolio of the energy and industrial construction segment, which will be realised in 2024 or beyond. This is therefore the part of the indicated portfolio that, under IFRS, will be result-neutral (they will be offset in subsequent reporting periods by the provisions for losses made in 2023). Whereas the remainder of the indicated order portfolio will have a positive profitability at the level of profit from sales.



**CONSTRUCTION Segment**  
 Area: **INFRASTRUCTURE**  
 Unibep SA

As of 31 December 2023, the Infrastructure segment is already represented by a single entity, i.e. Unibep SA, after the merger of Unibep SA and Budrex Sp. z o.o. was registered on 3 April 2023.

In the analysed year 2023, the infrastructure segment recorded a 29% year-on-year decrease in turnover. It is a result of the fact that many of the sector's contracts are carried out on a 'design and build' basis, which extends the timing of the start of construction works, despite the fact that they have been signed. Such design work is currently underway on a number of contracts signed in 2023, and the first construction activities will take place at the end of this year 2024. In addition, in 2022, the Capital Group acquired and completed the task of building a dam on the eastern border, which affects the high y/y comparative base for this sector of the Capital Group's business.

[PLN million]	2023	2022	deviation	%
<b>Infrastructure</b>	<b>352</b>	<b>493</b>	<b>-141</b>	<b>-29%</b>
- road	329	243	86	36%
- bridge	23	250	-227	-91%

In the analysed year 2023, like the other segments, i.e. general contracting and the Parent Company's energy and industrial segment, the infrastructure segment succumbed to inflationary pressures in the face of unprecedented changes in certain cost items, including the prices of sand and asphalt, which constitute the key material base, and labour costs. In the analysed year 2023, the infrastructure segment saw its gross margin fall to a level of the gross loss on sales of -1.5%, from a gross profit on sales of 6.7% achieved in 2022. However, the operating profitability losses achieved in this segment were the smallest in relation to the Parent Company's other business segments. This is because contracts in this segment are almost 100% executed under the PPL contract regime, which includes relevant revaluation clauses in construction contracts relating to inflationary changes in individual inflation baskets. As regards public road contracts, under the influence of many appeals made by the Polish Association of Construction-Industry Employers (PZPB), the government side adjusted the indexation limit from 10% to 15%, but in the end this change only applies to contracts signed before the outbreak of war in Ukraine. Nevertheless, for

the Capital Group, this additional element very often remains unattainable and indexation, although it ensures the expected compensation, is only limited to the previous limit of 10%, which does not allow the budgets of ongoing contracts to be fully balanced.

A number of important contracts were completed in 2023. At the same time, new contracts worth more than PLN 700 million were concluded. Currently, the infrastructure construction segment is well prepared to task implementation in 2024. The order portfolio for 2024 and beyond amounts to more than PLN 1.3 billion, with new orders signed in the first four months reaching almost PLN 400 million.

[PLN million]	2023	2022	deviation	y/y
Net revenue from sale	351.7	493.0	-141.3	-29%
Gross profit from sales	-5.2	33.0	-38.7	-117%

As in the case of the residential, office and commercial construction, as well as energy and industrial segments described earlier, the analysed results for 2023 were burdened by non-recurring events related to the creation of the relevant provisions for losses on unprofitable contracts from the infrastructure segment. Current estimates indicate that the revenues to be recognised in future periods on the above-mentioned contracts represent approximately 5.7% of the order portfolio of the infrastructure construction segment, which will be realised in 2024 or beyond. This is therefore the part of the indicated portfolio that, under IFRS, will be result-neutral (they will be offset in subsequent reporting periods by the provisions for losses made in 2023). Whereas the remainder of the indicated order portfolio will have a positive profitability at the level of profit from sales.

The development prospects for the infrastructural construction are assessed as good. Over the next few quarters, the activities of the infrastructure area will focus on further exploiting the potential associated with geographical diversification and with increasing the share of large contracts in the contract portfolio. This is to be supported by the development of a technical office dedicated to the Infrastructure area and capital expenditure planned for business development.



## REAL ESTATE DEVELOPMENT

Unidevelopment SA, special purpose vehicles

Real estate development activities are carried out by the Unidevelopment Group. From the point of view of the results obtained, it is one of the key areas of the Capital Group's activities.

The UNIDEVELOPMENT Group performs activities primarily in the segment of multi-family buildings, mainly in the Warsaw, Poznań and Tri-City agglomerations, but also in Radom. The parent company of the Unidevelopment Group is

UNIDEVELOPMENT SA, which provides investor replacement services, arranging financing, commercialisation of real estate development projects carried out by Group entities and their financial and accounting services.

UNIDEVELOPMENT Group companies signed 423 real estate development/preliminary contracts in 2023 and handed over 584 flats to their customers, of which 203 and 271 were part of JV projects, respectively.

The handover protocols for the Poznan market in 2023 include the sale of 270 flats as part of a real estate development for an institutional customer.

As of 31 December 2023, the UNIDEVELOPMENT Group had 441 flats available for sale, including 97 in the Warsaw market, 80 in the Poznań market, and 264 in other markets.

	Real estate development/preliminary sales	Delivered to customers
Warsaw market	77	121
Poznań market	203	270
Radom market	142	193
Other markets	1	-
<b>Total</b>	<b>423</b>	<b>584</b>
<i>including JV</i>	<i>203</i>	<i>271</i>

At the end of 2023, as part of JV projects, the Group offered 80 flats in the Poznań market under the project jointly carried out with JB Investment Societe commandite speciale SCSp (in place of: WIEPOFAMA SA).

### Real estate development sales



The table below provides information on the total number of flats sold (for which real estate development/preliminary contracts have been signed with customers) in 2023 and flats on offer as of 31 December 2023.

Market / project name	Number of flats sold by 31 December 2022	Number of flats sold in 2023	Flats available for sale as of 31 December 2023	Total
Latte	102	22	-	124
Pauza Ochota	13	33	10	56
Sadyba Spot	2	22	87	111

Market / project name	Number of flats sold by 31 December 2022	Number of flats sold in 2023	Flats available for sale as of 31 December 2023	Total
<b>Warsaw market</b>	<b>117</b>	<b>77</b>	<b>97</b>	<b>291</b>
Idea Venus Estate	40	95	2	137
Idea Orion Estate	-	35	132	167
Idea Ogrody Estate	10	12	2	24
<b>Radom market</b>	<b>50</b>	<b>142</b>	<b>136</b>	<b>328</b>
Kusocińskiego	3	1	128	132
<b>Tri-City market</b>	<b>3</b>	<b>1</b>	<b>128</b>	<b>132</b>
Fama Jeżyce <sup>1)</sup>	86	203	80	369
<b>Poznań market</b>	<b>86</b>	<b>203</b>	<b>80</b>	<b>369</b>
<b>Total</b>	<b>256</b>	<b>423</b>	<b>441</b>	<b>1,120</b>
including JV	86	203	80	369

*1) joint ventures (JV projects)*

In 2023, the construction of 369 flats was continued as part of the third of the eight stages of the Fama Jeżyce project carried out in Poznań together with JB Investment Societe commandite speciale SCSp. (replacing WIEPOFAMA SA).

#### Projects for which the construction and/or sales process started in the period of 01.01-31.12.2023

	Number of flats	Number of commercial premises
Sadyba Spot	111	8
<b>Warsaw market</b>	<b>111</b>	<b>8</b>
Kusocińskiego Stage 1	132	-
<b>Tri-City market</b>	<b>132</b>	<b>-</b>
Idea Orion Estate (E3)	167	5
Idea Ogrody Estate	12	-
<b>Radom market</b>	<b>179</b>	<b>5</b>
<b>TOTAL</b>	<b>422</b>	<b>13</b>

In 2023, the construction of 422 flats as part of 4 projects began, including 111 flats as part of 1 project in Warsaw, 132 flats as part of 1 project in Tri-City, and 179 flats as part of 2 projects in Radom. However, sales have started on 1 project in Radom.

#### Projects for which construction has been completed and an occupancy permit obtained in the period of 01.01-31.12.2023

	Number of flats	Number of commercial premises
Pauza Ochota	56	4
<b>Warsaw market</b>	<b>56</b>	<b>4</b>
Idea Venus Estate (E7)	137	7
Idea Ogrody Estate Stage 2	12	-
<b>Radom market</b>	<b>149</b>	<b>7</b>
<b>TOTAL</b>	<b>205</b>	<b>11</b>

In 2023, 3 projects were completed and commissioned, totalling 205 flats, including 56 flats on the Warsaw market, and 149 flats on the Radom market.

As at 31 December 2023, there were 5 real estate development projects under construction with a total of 791 flats and 25 commercial premises.

### Projects in progress as of 31 December 2023

	Number of flats	Number of commercial premises
Sadyba Spot	111	8
<b>Warsaw market</b>	<b>111</b>	<b>8</b>
Fam Jeżyce Stage 31)	369	12
<b>Poznań market</b>	<b>369</b>	<b>12</b>
Kusocińskiego Stage 1	132	-
<b>Tri-City market</b>	<b>132</b>	-
Idea Orion Estate (E3)	167	5
Idea Ogrody Estate Stage 3	12	-
<b>Radom market</b>	<b>179</b>	<b>5</b>
<b>TOTAL</b>	<b>791</b>	<b>25</b>
1) joint ventures		

In 2024, the UNIDEVELOPMENT Group will start construction of 639 flats (5 real estate development projects), including 280 in the Warsaw market (2 projects), 179 in the Radom market (2 projects) and 180 in the Tri-City market (1 project). These flats will be offered for sale in 2024 and beyond.

### Projects where the construction will start in 2024

	Number of flats	Number of commercial premises	Planned start date
Marywilska 73	126	-	Q3 2024
Przejezdna Stage 1	154	-	Q4 2024
<b>Warsaw market</b>	<b>280</b>	-	
Idea Ogrody Estate Stage 4	12	-	Q4 2024
Idea Aurora Estate (E4)	167	5	Q1 2024
<b>Radom market</b>	<b>179</b>	<b>5</b>	
Gdańsk (Kusocińskiego) Stage 2	180	2	Q3 2024
<b>Tri-City market</b>	<b>180</b>	<b>2</b>	
<b>TOTAL</b>	<b>639</b>	<b>7</b>	

As of 31 December 2023, the land bank of the Unidevelopment Group is comprised of approximately 4,800 flats 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. (replacing WIEPOFAMA SA).

### Land bank as of 31 December 2023

	Number of flats	Number of commercial premises	Forecast start date of construction
Coopera Estate Stage 4	80	4	-

	Number of flats	Number of commercial premises	Forecast start date of construction
Marywilska 73	126	-	2H 2024
Przejezdna Stage 1	154	-	
Przejezdna Stage 2	160	-	
Omulewska	249	15	
<b>Warsaw market</b>	<b>769</b>	<b>19</b>	
Idea Ogrody Estate (MDM12) E4	12	-	2H 2024
Idea Aurora Estate (E4)	167	5	1H 2024
Idea Aquarius Estate (E6)	145	5	1H 2025
Idea Estate (other)	1,023	38	1H 2026 <sup>2)</sup>
<b>Radom market</b>	<b>1,347</b>	<b>48</b>	
Fama Jeżyce Stage 4-8 (JV) <sup>1)</sup>	1,705	53	-
<b>Poznań market</b>	<b>1,705</b>	<b>53</b>	
Kusocińskiego Stage 2	180	2	2H 2024
Chylonia (Gdynia)	786	4	-
<b>Tri-City market</b>	<b>966</b>	<b>6</b>	
<b>TOTAL</b>	<b>4,787</b>	<b>126</b>	

1) joint ventures

2) the start date for construction of stage 8

### Selected financial data of the Unidevelopment Group

[PLN million]	2023	2022	deviation	y/y
Net revenue from sales	315.8	333.0	-17.2	-5%
EBIT	53.9	67.5	-13.6	-20%
Net profit	38.5	54.8	-16.3	-30%
Net profit attributable to the shareholders of the parent company	30.0	32.2	-2.2	-7%

Despite a reduction in the profitability of this segment, the Capital Group's Management Board does not anticipate negative trends in the real estate development market. On the contrary, in the view of the Management Board of the Capital Group, the demand for new apartments in 2023 exceeded the level from 2022, which was mainly influenced by the increased availability of mortgages due to, among other things, the entry into force of the governmental "2% Safe Mortgage" housing programme. Furthermore, according to the BIK (Polish credit reporting agency) data, in 2023 the value of mortgages granted amounted to PLN 63.9 billion, an increase of nearly 40.5% y/y. The increased demand for new housing has coincided with a low supply of premises on both the primary and secondary markets. The demand visible on the market allows us to look with optimism at the sales of apartments within the framework of the ongoing and planned real estate development projects and at the profitability of this part of the Group's operations in the following periods.

Given the current market situation, the main task within the real estate development segment remains the efficient and timely launch of new investments, with an attractive and market-oriented offer.

The Capital Group's Management Board assumes further stable development and the achievement of the goals of the real estate development segment. However, given its responsibility towards its

stakeholders, including banking institutions, insurers, bondholders and shareholders, as well as the Issuer's employees, the Management Board, in consultation with the Supervisory Board, has initiated a number of activities, including a review of options and scenarios that will reduce the Capital Group's financial debt by, among other things, raising capital from the sale of certain assets, reviewing the fair valuation of real estate development projects and optimising the process of managing the Capital Group's financial position and cash flows. These activities will, in the opinion of the Management Board, bring tangible benefits and their effect will be visible in the results in the coming reporting periods.

The scenarios for the development of the **real estate development** segment include new variants of cooperation with third party partners. This applies to both joint ventures projects and the possibility of involving a third party partner in making the activities of the Unidevelopment Group more dynamic. This would allow new directions of expansion into other complementary housing segments or enable more dynamic territorial expansion on the Polish market.

In the most recent period, a decision was made to cease work preparing selected land properties for housing projects and to hold these land properties in order to benefit from the increase in their value, which entails reclassifying these land properties from inventory to investment property and valuing the land at fair value. This is part of one of the scenarios considered in the development of this segment.



### MODULAR CONSTRUCTION

Unihouse SA

The modular construction business is carried out by the subsidiary Unihouse SA. In 2023, Unihouse SA achieved sales of approximately PLN 224 million, a level similar to 2022. However, the result for the year is lower than the previous year, with a loss higher than in 2022.

	2023	2022	deviation	y/y
<b>Unihouse SA</b>	<b>223.9</b>	<b>223.3</b>	<b>0.6</b>	<b>0.3%</b>
Polska	60.2	14.3	45.9	321%
Norway	7.1	76.0	-68.9	-91%
Sweden	15.2	19.5	-4.3	-22%
Finland	0	21.5	-21.5	-100%
Denmark	23.9	16.2	7.7	48%
Czech Republic	3.6	0.3	3.3	1,100%
Germany	113.9	75.4	38.5	51%

In the analysed period of 2023, the modular housing segment was mainly focused on the Scandinavian and German markets. These have historically been the main markets. However, the appreciation of the PLN against the EUR and particularly against the NOK (by 13.2% throughout the entire 2023) led to a significant decline in operating profitability on these export markets, while the German market in 2023 began to succumb to a deepening recession, not even sparing the so far resilient modular construction segment. As a consequence, Unihouse SA's production volume decreased very significantly in the entire year 2023.

[PLN million]	2023	2022	deviation	y/y
Net revenue from sale	223.9	223.3	0.6	0.3%
EBIT	-31.2	-38.4	7.2	18.8%
Net profit	-44.7	-35.6	-9.1	-25.6%



In 2023, the Company carried out a number of reorganisation activities to adapt the production capacity level of the Bielsk Podlaski plant to current economic and market conditions. The programme reviewed the company's human and organisational resources and potential. The scale of the reorganisation effort, although bringing tangible economic benefits, was in no way able to neutralise the performance gap.

The factor that had biggest impact was the adjustment of margins on ongoing contracts due to higher production costs, following unprecedented increases in material and subcontractor prices and higher freight and inland transport costs. A significant part of contracts continued to be executed in 2023 on the basis of fixed contractual terms and conditions, whereas the renegotiation of contracts and agreeing on additional payments with the employers to help neutralise the impact of inflation factors ultimately did not take place on a satisfactory scale. As a result, the Management Board of Unihouse SA has decided to start enforcing additional payments on this account through the courts, which will, however, be a lengthy process.

In the period under review, the volume of contracts awarded reached approximately PLN 218 million, which translates into a contract portfolio for this segment to be realised in future periods worth approximately PLN 116 million. The volume of contracts awarded in 2023 was more than 30% higher than last year, but it is still insufficient for full production capacity utilisation. Good prospects for the future include concentrating the contract awarding on the Polish market and the German market, where the Unihouse SA brand is well-known. In the area of projects to be acquired, there are contracts with a total value of approximately PLN 500 million.

The prospect of better results than in the previous two years will be ensured by the successful acquisition of construction contracts assumed to be realised in the first half of 2024 in Poland and on the German market. The Management Board anticipates that the indicated bidding activities will secure the housing module production to the extent that it will achieve a neutral result at the operational level as early as 2024.

The effectiveness of this segment to date does not meet expectations, so as announced last year, the management boards of Unihouse and Unibep started to analyse the development prospects of this segment from the point of view of, above all, possible measures to improve the segment performance, and an external advisor was also hired for this purpose. The Issuer anticipates that various scenarios for the further development of this segment are potentially possible, whether based on its own or partly also on external financial resources, including the option related to the possible involvement of an external business partner or a change in the ownership structure, but as of the date of publication of this report no decisions have been made in this regard.



#### BACK OFFICE

Its role is to support the planning, organisation, leadership and control of all businesses, but in particular the identification and mitigation of business risks. Ongoing measures are designed to improve and optimise processes in all areas of the Group's operations - the widely developed so-called support departments will play a special role here. Ongoing and current topics for the future include:

- ensuring liquidity to provide operational efficiency and build confidence of market partners;
- functioning of the office responsible for quality, procurement and OHS processes on ongoing contracts,
- functioning of internal control and the coordination of quality, risk management and internal audit activities,
- optimisation and automation of processes and the development of IT systems providing

- access to management information,
- development of internal and external communication systems,
- stock exchange reporting,
- involvement in the development of the BIM philosophy technology,

Since the beginning of 2024, the Parent Company's control processes are being strengthened with regard to operational risk management and the management of the cash position on the performed construction sites.

What is particularly noteworthy is the fact of the establishment of the construction site operational control team from the beginning of 2024, whose main tasks are to support construction management in the process of identifying operational risks on active construction sites, quantifying and mitigating them. The team is currently building a process approach to managerial reporting, whereby internal communication and rapid addressing of identified risks will take place in a structured and formal way, without allowing them to materialise significantly.

### **Main factors likely to affect the future financial performance of the parent company and the CAPITAL GROUP**

#### **External factors:**

- inflation levels,
- an increase in the cost of living due to an increase in the price of mine resources,
- high energy prices,
- the uncertain macroeconomic situation related to the war in Ukraine and the risk of the conflict spreading to other countries,
- rising minimum wage,
- the uncertain political situation in Belarus affecting the economic settlement of ongoing transactions,
- a brake on investment, including those financed by EU programmes,
- a decline in orders from domestic developers and public procurement,
- rising land prices and limited access to investment land,
- limitations in obtaining qualified staff,
- maintaining strong competition, fierce price competition,
- availability of materials and changes in material prices related to the situation in the domestic market and aggravated by the situation in Ukraine;
- availability of subcontractors' services and changes in prices for construction work related to the situation in the domestic market and in Ukraine;
- disruption to maintaining the supply chain and the resulting impact on the timely completion of all orders, including liabilities towards contracting authorities,
- limited availability of external financing,
- high volatility on the foreign exchange market, large fluctuations in exchange rates and currency spreads,
- an increase in the cost of servicing credits,
- high interest rates translating into significantly higher external financing costs,
- increasing the valuation limits on public procurement contracts.

#### **Internal factors:**

- good order portfolio in the Construction Segment,
  - 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,
- an overview of budget risks by segment and business area,
- the level of subsidies and compensation received for the increase in project implementation costs,
- access to credit and guarantee limits with banks and insurance companies (annexing the existing credit agreements with higher limits, signing new credit agreements).
- staff development and retention programmes,
- implementation of new organisational procedures covering the process of execution and supervision of construction contracts,
- restructuring measures in modular construction,
- optimisation of business management support systems, automation of processes,
- 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,
- results of disputes or court cases.

## 5. FINANCIAL SITUATION OF UNIBEP GROUP

### 5.1 DESCRIPTION OF THE ESSENTIAL ECONOMIC AND FINANCIAL DATA

#### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Explanation	as of 31.12.2023	as of 31.12.2022	change	change %
<b>ASSETS – UNIBEP GROUP [PLN THOUSAND]</b>				
<b>LONG-TERM FIXED ASSETS</b>				
Tangible fixed assets	146,815	152,304	-5,489	-3.6%
Intangible assets	24,631	23,904	727	3.0%
Investment property	63,784	63,587	198	0.3%
Trade and other long-term receivables	12,468	8,162	4,306	52.8%
Deposits on contracts with customers	6,885	14,837		0.0%
Loans granted	0	79,231	-79,231	-100.0%
Derivative financial instrument assets	4,098	0	4,098	
Other long-term financial assets	3,752	0	3,752	
Deferred income tax assets	88,381	59,063	29,318	49.6%
<b>Total (long-term) fixed assets</b>	<b>350,815</b>	<b>401,088</b>	<b>-50,274</b>	<b>-12.5%</b>
<b>SHORT-TERM CURRENT ASSETS</b>				
Inventory	457,932	543,540	-85,608	-15.8%
Trade and other short-term receivables	378,929	384,515	-5,586	-1.5%
Deposits on contracts with customers	14,109	22,300	-8,191	-36.7%
Contractual assets	186,762	301,259	-114,497	-38.0%
Current income tax receivables	5,688	12,939	-7,250	-56.0%
Derivative financial instrument assets	5,913	1,383	4,530	327.6%
Loans granted	96,109	8,230	87,879	1,067.8%
Cash and cash equivalents	311,060	137,948	173,111	125.5%
<b>Current assets other than held for sale</b>	<b>1,456,502</b>	<b>1,412,115</b>	<b>44,388</b>	<b>3.1%</b>
<b>Total (short-term) current assets</b>	<b>1,456,502</b>	<b>1,412,115</b>	<b>44,388</b>	<b>3.1%</b>
<b>TOTAL ASSETS</b>	<b>1,807,317</b>	<b>1,813,203</b>	<b>-5,886</b>	<b>-0.3%</b>

Description	as of 31.12.2023	as of 31.12.2022	change	change %
<b>LIABILITIES – UNIBEP GROUP [PLN THOUSAND]</b>				
<b>EQUITY</b>				
Share capital	3,507	3,507	0	0.0%
Capital from sales of shares at premium	65,804	63,894	1,910	3.0%
Other reserve capitals	10,269	4,444	5,825	131.1%
Retained profit (loss)	57,325	230,298	-172,973	-75.1%
<b>Equity attributable to shareholders of the parent company</b>	<b>136,905</b>	<b>302,143</b>	<b>-165,238</b>	<b>-54.7%</b>
Equity attributable to non-controlling interests	76,221	81,811	-5,590	-6.8%
<b>Total equity</b>	<b>213,126</b>	<b>383,954</b>	<b>-170,828</b>	<b>-44.5%</b>
<b>LONG-TERM LIABILITIES</b>				
Trade and other long-term liabilities	8,148	12,179	-4,031	-33.1%

Description	as of 31.12.2023	as of 31.12.2022	change	change %
Credits, loans and other financial liabilities – long-term	214,745	126,479	88,266	69.8%
Long-term lease liabilities	40,181	43,249	-3,069	-7.1%
Long-term provisions	85,819	64,440	21,380	33.2%
Deposits on contracts with customers	54,480	46,714	7,765	16.6%
Deferred tax provisions	6,906	4,916	1,991	40.5%
<b>Total long-term liabilities</b>	<b>410,278</b>	<b>297,977</b>	<b>112,301</b>	<b>37.7%</b>
<b>SHORT-TERM LIABILITIES</b>				
Trade and other short-term liabilities	416,709	415,311	1,398	0.3%
Contractual liabilities	359,149	322,985	36,164	11.2%
Deposits on contracts with customers	68,310	66,018	2,291	3.5%
Credits, loans and other financial liabilities – short-term	43,071	39,721	3,350	8.4%
Short-term lease liabilities	29,662	31,342	-1,680	-5.4%
Derivative financial instrument liabilities	0	2,213	-2,213	-100.0%
Current income tax liabilities	2,342	9,269	-6,927	-74.7%
Short-term provisions	264,669	244,412	20,257	8.3%
<b>Short-term liability other than those assets held for sale or distribution to owners</b>	<b>1,183,912</b>	<b>1,131,271</b>	<b>52,641</b>	<b>4.7%</b>
<b>Total short-term liabilities</b>	<b>1,183,912</b>	<b>1,131,271</b>	<b>52,641</b>	<b>4.7%</b>
<b>Total liabilities</b>	<b>1,594,191</b>	<b>1,429,248</b>	<b>164,942</b>	<b>11.5%</b>
<b>TOTAL LIABILITIES</b>	<b>1,807,317</b>	<b>1,813,203</b>	<b>-5,886</b>	<b>-0.3%</b>

Description	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022	change	change %
<b>PROFIT AND LOSS ACCOUNT – UNIBEP GROUP [PLN THOUSAND]</b>				
<b>Operating activities</b>				
Revenue from contracts with clients	2,429,768	2,258,312	171,456	7.6%
Costs of products, goods and materials sold	2,467,591	2,110,057	357,534	16.9%
<b>Gross profit (loss) on sales</b>	<b>-37,823</b>	<b>148,255</b>	<b>-186,078</b>	<b>-125.5%</b>
Selling costs	15,509	20,609	-5,100	-24.7%
General and administrative costs	71,315	58,288	13,027	22.4%
Other operating revenue	11,108	8,478	2,630	31.0%
Other operating expenses	24,270	14,085	10,185	72.3%
<b>Profit (loss) on operating activities</b>	<b>-137,809</b>	<b>63,751</b>	<b>-201,560</b>	<b>-316.2%</b>
Financial revenue	20,032	12,222	7,810	63.9%
Financial expenses	45,027	23,324	21,704	93.1%
Expected credit losses	14,420	11,249	3,171	28.2%
Share in net profits (losses) of subsidiaries measured using the equity method	-63	501	-564	-112.7%
<b>Pre-tax profit (loss)</b>	<b>-177,288</b>	<b>41,901</b>	<b>-219,189</b>	<b>-523.1%</b>
Income tax	-20,802	10,040	-30,842	-307.2%
<b>Net profit (loss) on continued operations</b>	<b>-156,486</b>	<b>31,861</b>	<b>-188,347</b>	<b>-591.1%</b>
<b>Net profit (loss)</b>	<b>-156,486</b>	<b>31,861</b>	<b>-188,347</b>	<b>-591.1%</b>
of which attributable to:				
shareholders of the parent company	-165,895	7,444	-173,339	-2,328.6%
non-controlling interests	9,410	24,417	-15,008	-61.5%

Explanation	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
<b>STATEMENT OF CHANGES IN EQUITY – UNIBEP GROUP [PLN THOUSAND]</b>							
As of 31 DECEMBER 2022	3,507	4,444	63,894	230,298	302,143	81,811	383,954
error adjustment							
As of 01 JANUARY 2023	3,507	4,444	63,894	230,298	302,143	81,811	383,954
Dividend recognised as payments to owners				-7,078	-7,078	-15,000	-22,078
Incentive scheme		358	1,910		2,268		2,268
Profit (loss)				-165,895	-165,895	9,410	-156,486
Other combined comprehensive income		5,468			5,468		5,468
<b>Comprehensive income</b>	<b>0</b>	<b>5,468</b>	<b>0</b>	<b>-165,895</b>	<b>-160,428</b>	<b>9,410</b>	<b>-151,018</b>
<b>Changes in equity</b>	<b>0</b>	<b>5,825</b>	<b>1,910</b>	<b>-172,973</b>	<b>-165,238</b>	<b>-5,590</b>	<b>-170,828</b>
As at 31 DECEMBER 2023	3,507	10,269	65,804	57,325	136,905	76,221	213,126

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
<b>STATEMENT OF CHANGES IN EQUITY – UNIBEP GROUP [PLN THOUSAND]</b>							
As at 31 DECEMBER 2021	3,507	-1,290	62,154	244,175	308,546	68,467	377,013
error adjustment				-5,023	-5,023	3	-5,020
As of 01 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
<b>Comprehensive income</b>	<b>0</b>	<b>5,674</b>	<b>0</b>	<b>7,444</b>	<b>13,118</b>	<b>24,417</b>	<b>37,536</b>
<b>Changes in equity</b>	<b>0</b>	<b>5,734</b>	<b>1,740</b>	<b>-8,854</b>	<b>-1,380</b>	<b>13,341</b>	<b>11,961</b>
As at 31 DECEMBER 2022	3,507	4,444	63,894	230,298	302,143	81,811	383,954



Description	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
<b>CASH FLOW STATEMENT – UNIBEP GROUP [PLN THOUSAND]</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>I. Gross profit (loss)</b>	<b>-177,288</b>	<b>41,901</b>
<b>II. Total adjustments</b>	<b>341,814</b>	<b>-23,274</b>
1. Amortisation and depreciation	28,400	25,582
2. Exchange rate profits (losses)	-832	164
3. Interest and profit sharing (dividend)	21,426	5,470
4. Profit (loss) on investment activities	-7,900	-1,715
5. Change in provisions	40,404	66,857
6. Change in inventory	84,728	-56,323
7. Change in receivables	133,384	-200,049
8. Change in short-term liabilities excluding financial liabilities	41,631	137,255
9. Other adjustments	573	-515
<b>Cash from operating activities</b>	<b>164,527</b>	<b>18,627</b>
Income tax paid/refunded	-7,430	-22,851
<b>Net cash from operating activities</b>	<b>157,096</b>	<b>-4,224</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Acquisition of tangible fixed assets, intangible assets, investment properties	-6,553	-70,727
Proceeds from sales of tangible fixed assets and intangible assets	1,516	7,360
Received interest	12,019	5,936
Loans repaid by related parties	120	0
Loans granted to third parties	-8,553	-17,880
Cash from taking control	0	23,869
Other (including execution of derivative instruments)	5,299	-5,829
<b>Net cash from investing activities</b>	<b>3,847</b>	<b>-57,272</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans, credits, bonds and bills of exchange	367,954	176,342
Proceeds from sale of shares/incentive scheme	1,975	1,800
Repayment of loans, credits, bonds and bills of exchange	-278,631	-168,988
Acquisition of own shares/refund of contributions	0	-14,938
Payment of liabilities arising from lease contracts	-19,500	-15,041
Interest paid	-33,046	-21,869
Dividend paid	-22,681	-29,358
Other cash inflows (outflows)	-3,752	0
<b>Net cash from financial activities</b>	<b>12,319</b>	<b>-72,051</b>
<b>Net change in cash due to exchange rate differences</b>	<b>173,262</b>	<b>-133,547</b>
Exchange differences	-151	34
<b>Net change in cash</b>	<b>173,111</b>	<b>-133,513</b>
<b>Opening balance of cash</b>	<b>137,948</b>	<b>271,461</b>
<b>Closing balance of cash</b>	<b>311,060</b>	<b>137,948</b>
including: of limited disposability	100,189	40,177

**SEPARATE STATEMENTS OF FINANCIAL POSITION**

Description	as of 31.12.2023	as of 31.12.2022 restated*	as of 01.01.2022 restated*	change	change %
<b>ASSETS – UNIBEP SA [PLN THOUSAND]</b>					
<b>LONG-TERM FIXED ASSETS</b>					
Tangible fixed assets	77,679	80,078	69,065	-2,398	-3.0%
Intangible assets	10,757	9,931	9,829	826	8.3%
Investment property	2,757	2,369	1,974	388	16.4%
Investments in subsidiaries	130,482	142,865	141,673	-12,383	-8.7%
Investments in entities measured using the equity method	8	8	8	0	0.0%
Trade and other long-term receivables	9,838	6,463	5,976	3,375	52.2%
Deposits on contracts with customers	9,152	17,387	26,533	-8,235	-47.4%
Loans granted	40,354	97,061	70,555	-56,708	-58.4%
Derivative financial instrument assets	4,098	0	-	4,098	
Deferred income tax assets	63,084	32,697	29,841	30,387	92.9%
<b>Total (long-term) fixed assets</b>	<b>348,210</b>	<b>388,859</b>	<b>355,454</b>	<b>-40,649</b>	<b>-10.5%</b>
<b>SHORT-TERM CURRENT ASSETS</b>					
Inventory	37,532	70,113	25,466	-32,580	-46.5%
Trade and other short-term receivables	371,188	352,185	183,869	19,003	5.4%
Deposits on contracts with customers	16,735	25,745	24,662	-9,010	-35.0%
Contractual assets	153,944	238,918	105,210	-84,974	-35.6%
Current income tax receivables	1,519	321	13,124	1,198	373.5%
Loans granted	50,088	120	40,281	49,968	41,639.7%
Derivative financial instrument assets	3,434	427	7	3,007	704.3%
Cash and cash equivalents	169,705	75,981	109,109	93,724	123.4%
<b>Current assets other than held for sale</b>	<b>804,144</b>	<b>763,809</b>	<b>501,729</b>	<b>40,335</b>	<b>5.3%</b>
<b>Total (short-term) current assets</b>	<b>804,144</b>	<b>763,809</b>	<b>501,729</b>	<b>40,335</b>	<b>5.3%</b>
<b>TOTAL ASSETS</b>	<b>1,152,354</b>	<b>1,152,668</b>	<b>857,182</b>	<b>-314</b>	<b>0.0%</b>

Description	as of 31.12.2023	as of 31.12.2022 restated*	as of 01.01.2022 restated*	change	change %
<b>LIABILITIES – UNIBEP SA [PLN THOUSAND]</b>					
<b>EQUITY</b>					
Share capital	3,507	3,507	3,507	0	0.0%
Capital from sales of shares at premium	65,804	63,894	62,154	1,910	3.0%
Other reserve capitals	40,821	37,707	35,284	3,114	8.3%
Retained profit (loss)	-64,406	106,981	102,863	-171,387	-160.2%
<b>Equity attributable to shareholders of the parent company</b>	<b>45,726</b>	<b>212,089</b>	<b>203,808</b>	<b>-166,362</b>	<b>-78.4%</b>
<b>Total equity</b>	<b>45,726</b>	<b>212,089</b>	<b>203,808</b>	<b>-166,362</b>	<b>-78.4%</b>
<b>LONG-TERM LIABILITIES</b>					

Explanation	as of 31.12.2023	as of 31.12.2022 restated*	as of 01.01.2022 restated*	change	change %
Trade and other long-term liabilities	364	415	460	-51	-12.3%
Credits, loans and other financial liabilities – long-term	132,235	105,410	96,297	26,825	25.4%
Long-term lease liabilities	30,972	33,696	28,665	-2,724	-8.1%
Long-term provisions	56,502	40,175	38,534	16,327	40.6%
Deposits on contracts with customers	49,748	43,368	48,774	6,380	14.7%
<b>Total long-term liabilities</b>	<b>269,822</b>	<b>223,064</b>	<b>212,730</b>	<b>46,758</b>	<b>21.0%</b>
<b>SHORT-TERM LIABILITIES</b>					
Trade and other short-term liabilities	378,732	356,797	204,493	21,935	6.1%
Contractual liabilities	150,755	84,725	18,969	66,030	77.9%
Deposits on contracts with customers	62,696	59,661	42,562	3,035	5.1%
Credits, loans and other financial liabilities - short-term	20,345	21,118	23,975	-773	-3.7%
Short-term lease liabilities	12,299	11,557	8,813	743	6.4%
Current income tax liabilities	292	3,544	4	-3,253	-91.8%
Short-term derivative financial instrument liabilities	0	0	2,037	0	
Short-term provisions	211,687	180,114	139,791	31,573	17.5%
Short-term liabilities other than those related to assets held for sale	836,806	717,516	440,644	119,290	16.6%
<b>Total short-term liabilities</b>	<b>836,806</b>	<b>717,516</b>	<b>440,644</b>	<b>119,290</b>	<b>16.6%</b>
<b>Total liabilities</b>	<b>1,106,628</b>	<b>940,580</b>	<b>653,374</b>	<b>166,048</b>	<b>17.7%</b>
<b>TOTAL LIABILITIES</b>	<b>1,152,354</b>	<b>1,152,668</b>	<b>857,182</b>	<b>-314</b>	<b>0.0%</b>

Description	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022 restated*	change	change %
<b>PROFIT AND LOSS ACCOUNT – UNIBEP SA [PLN THOUSAND]</b>				
<b>Operating activities</b>				
Revenue from contracts with clients	2,046,037	1,855,769	190,267	10.3%
Costs of products, goods and materials sold	2,130,396	1,778,974	351,421	19.8%
<b>Gross profit (loss) on sales</b>	<b>-84,359</b>	<b>76,795</b>	<b>-161,154</b>	<b>-209.9%</b>
General and administrative costs	57,204	43,091	14,113	32.8%
Other operating revenue	7,976	4,438	3,538	79.7%
Other operating expenses	41,282	5,566	35,716	641.6%
<b>Profit (loss) on operating activities</b>	<b>-174,870</b>	<b>32,575</b>	<b>-207,445</b>	<b>-636.8%</b>
Financial revenue	19,122	16,380	2,742	16.7%
Financial expenses	29,061	17,263	11,798	68.3%
Expected credit losses	10,146	6,335	3,812	60.2%
<b>Pre-tax profit (loss)</b>	<b>-194,955</b>	<b>25,358</b>	<b>-220,313</b>	<b>-868.8%</b>
Income tax	-30,646	5,155	-35,800	-694.5%
<b>Net profit (loss) on continued operations</b>	<b>-164,309</b>	<b>20,203</b>	<b>-184,512</b>	<b>-913.3%</b>
<b>Net profit (loss)</b>	<b>-164,309</b>	<b>20,203</b>	<b>-184,512</b>	<b>-913.3%</b>

Explanation	Share capital	Other reserve capitals	Capital from sales of shares at premium	Retained earnings	Total equity
<b>STATEMENT OF CHANGES IN EQUITY – UNIBEP SA [PLN THOUSAND]</b>					
FOR THE PERIOD FROM 01.01.2023 TO 31.12.2023					
Opening balance of equity	3,507	37,707	63,894	106,981	212,089
Dividend recognised as payments to owners				-7,078	-7,078
Incentive scheme		358	1,910		2,268
Current year earnings (losses)				-164,309	-164,309
Other comprehensive income		2,757			2,757
<b>Comprehensive income</b>		<b>2,757</b>		<b>-164,309</b>	<b>-161,552</b>
<b>Changes in equity</b>		<b>3,114</b>	<b>1,910</b>	<b>-171,387</b>	<b>-166,362</b>
Closing balance of equity	3,507	40,821	65,804	-64,406	45,726

Description	Share capital	Other reserve capitals	Capital from sales of shares at premium	Retained earnings	Total equity
<b>STATEMENT OF CHANGES IN EQUITY – UNIBEP SA [PLN THOUSAND]</b>					
FOR THE PERIOD FROM 01.01.2022 TO 31.12.2022 RESTATED*					
Opening balance of equity	3,507	35,284	62,154	102,863	203,808
Dividend recognised as payments to owners				-16,085	-16,085
Incentive scheme		1,252	1,740		2,992
Current year earnings (losses)				20,203	20,203
Other comprehensive income		1,171			1,171
<b>Comprehensive income</b>		<b>1,171</b>		<b>20,203</b>	<b>21,374</b>
<b>Changes in equity</b>		<b>2,423</b>	<b>1,740</b>	<b>4,118</b>	<b>8,281</b>
Closing balance of equity	3,507	37,707	63,894	106,981	212,089

Description	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
<b>CASH FLOW STATEMENT – UNIBEP SA [PLN THOUSAND]</b>		
CASH FLOWS FROM OPERATING ACTIVITIES		
<b>I. Gross profit (loss)</b>	<b>-194,955</b>	<b>25,358</b>
<b>II. Total adjustments:</b>	<b>323,166</b>	<b>-43,553</b>
1. Amortisation:	21,212	18,228
2. Exchange rate profits (losses)	-913	266
3. Interest and profit sharing (dividend)	9,162	885
4. Profit (loss) on investment activities	17,017	-3,366
5. Change in provisions	47,025	42,588
6. Change in inventory	32,580	-44,646
7. Change in receivables	101,408	-280,786
8. Change in short-term liabilities excluding financial liabilities	95,680	223,848
9. Other adjustments	-5	-570
<b>Cash from operating activities</b>	<b>128,212</b>	<b>-18,195</b>
Income tax paid/refunded	-4,868	8,149
<b>Net cash from operating activities</b>	<b>123,344</b>	<b>-10,045</b>
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Purchase of tangible fixed assets and intangible assets	-3,704	-14,795
Proceeds from sales of tangible fixed assets and intangible assets	1,340	7,138
Purchase of shares and other capital assets (including capital contributions)	-30,079	-9,976
Received interest	12,456	8,746
Dividend received		8,787
Loans repaid by related parties	19,120	62,378
Loans granted to related parties	-12,773	-48,583
Other (including execution of derivative instruments)	1,833	-735
<b>Net cash from investing activities</b>	<b>-11,806</b>	<b>12,960</b>
CASH FLOWS FROM FINANCING ACTIVITIES		
Inflows from loans, credits, bonds and bills of exchange	138,040	129,876
Repayment of loans, credits, bonds and bills of exchange	-112,967	-123,319
Proceeds from sale of shares/incentive scheme	1,975	1,800
Payment of liabilities arising from lease contracts	-16,057	-11,991
Interest paid	-21,702	-16,288
Dividend paid	-7,078	-16,085
<b>Net cash from financial activities</b>	<b>-17,789</b>	<b>-36,008</b>
<b>Net change in cash excluding exchange rate differences</b>	<b>93,749</b>	<b>-33,094</b>
Exchange differences	-26	-34
<b>Net change in cash</b>	<b>93,724</b>	<b>-33,128</b>
<b>Opening balance of cash</b>	<b>75,981</b>	<b>109,109</b>
<b>Closing balance of cash</b>	<b>169,705</b>	<b>75,981</b>
- including: of limited disposability	43,898	22,446

As at 31 December 2023, the consolidated asset value of the Unibep Group decreased by PLN 5.886 million compared to the end of December 2022. This was due to the decrease in the value of fixed assets by 13% (PLN 50.274 million) and the increase of current assets value by 3% (PLN 44.388 million).

#### **Fixed assets:**

The change in the value of fixed assets as of 31 December 2023 compared to 31 December 2022 was first and foremost due to the following:

- an increase of deferred income tax assets by PLN 29.318 million,
- a decrease in the value of loans granted by PLN 79.231 million,

#### **Current assets:**

The increase in current assets was mainly due to:

- an increase in the value of cash and cash equivalents by PLN 173.111 million,
- an increase in loans granted by PLN 87.879 million,
- a decrease in the value of contractual assets by PLN 114.497 million;
- a decrease in the value of inventories by PLN 85.608 million.

#### **Liabilities:**

Changes in liabilities resulted mainly from:

- decrease in own capitals by PLN 170.828 million;
- an increase in long-term liabilities by PLN 112.301 million, where the most significant changes involved:
  - an increase in credits, loans and other financial liabilities by PLN 88.266 million,
  - increase in long-term provisions by PLN 21.308 million;
- an increase in short-term liabilities by PLN 52.641 million, where the most significant changes involved:
  - an increase in contractual liabilities by PLN 36.164 million,
  - an increase in short-term provisions by PLN 20.257 million,

Within the Unibep Group, the majority of financial ratios in 2023 show a lower level compared to the previous year. The return on equity (ROE) was -52%.

In 2023, the Group's sales revenue exceeded the previous year's level (an increase by about 8%).

The increase in turnover was mostly attributable to the construction segment (over +8%), mainly as a result of higher sales in the following sectors: energy and industrial construction (+65%) and residential and commercial construction (+9%), while revenues recorded in the infrastructure (-29%) and real estate development (-5%) sectors dropped.

There was an increase in general and administrative costs in 2023. Within the Parent Company, the increase was 33% and within the Capital Group, 22%. This represents increases by 0.48 p.p. and 0.36 p.p. respectively. Changes in general and administrative costs were influenced by salary regulations, personnel changes related to the reorganisation of regional and divisional employees and non-recurrent events as part of the reorganisation of structures of Unihouse SA.

A loss in non-operating activities was recognised. Within the Parent Company, the value of the shareholding in Unihouse SA was revalued, which did not affect the Capital Group's consolidated results, only the separate results. In addition, the consolidated other operating costs showed an increase of PLN 10 million. The effects of various damages are included there, including the costs

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of liquidated damages charged by the employer in connection with the withdrawal from the contract in the amount of approximately PLN 6 million, as we reported in current report No. 10/2024.

In the analysed period of 2023, the Capital Group achieved an operating loss of approximately PLN 138 million. As compared to the previous year, which recorded an operating profit of approximately PLN 64 million, this represents a negative deviation by about PLN 202 million.

The Capital Group's financial costs have increased. This occurred as a result of the increase in the Capital Group's higher debt and rising interest rates. As a result, we incurred higher financial interest costs.

The Capital Group's net profit was PLN 188 million lower than in the previous year and amounted to approximately PLN -156 million. The difference between the Capital Group's net profit and the net profit attributable to shareholders of the parent company is due to contracts executed under the joint venture (JV) formula, the result of which is partially excluded from the profit attributable to shareholders of the Issuer. The figures presented for 2023 recognise the results from two such contracts relating to real estate development activities.

At the Parent Company level, the net profit decreased by 913% as compared to the previous year, with an increase in sales by 10%. The level of cash at the end of 2023 increased by PLN 94 million. Its level amounted to approx. PLN 170 million, with positive cash flows from operating activities at the level of PLN 123 million.



## 5.2 PERFORMANCE OF OPERATING SEGMENTS

Specification	Residential, office and industrial construction	Infrastructure	Real estate development activities	Modular constructi on	Energy and industrial construction	Adjustments of sales to other segments	Total amount for the entire Group
<b>CONSOLIDATED SEGMENT REPORTING AS OF 31.12.2023</b>							
Revenue from contracts with customers	1,147,767	351,669	315,818	222,890	514,505	-122,880	2,429,768
external sales	1,028,182	351,669	314,575	220,838	514,505		2,429,768
sales to other segments	119,586	0	1,243	2,052	0	-122,880	0
Cost of products, goods and materials sold	1,160,775	356,824	233,539	246,879	579,305	-109,731	2,467,591
<b>Gross profit on sales</b>	<b>-13,008</b>	<b>-5,155</b>	<b>82,279</b>	<b>-23,990</b>	<b>-64,800</b>	<b>-13,150</b>	<b>-37,823</b>
% gross profit on sales	-1.13%	-1.47%	26.05%	-10.76%	-12.59%	10.70%	-1.56%
Selling costs							15,509
General and administrative costs							71,315
Results on other operating activities							-13,162
<b>Profit on operating activities</b>							<b>-137,809</b>
Financial revenue							20,032
including: interest revenue	252	569	8,993	-2	495		10,308
Financial expenses							45,027
including: interest expenses	5,233	3,390	12,333	5,576	449		26,980
Expected credit losses							14,420
Share in net profits (losses) of subsidiaries measured using the equity method							-63
<b>Pre-tax profit</b>							<b>-177,288</b>
Income tax							-20,802
<b>Net profit</b>							<b>-156,486</b>

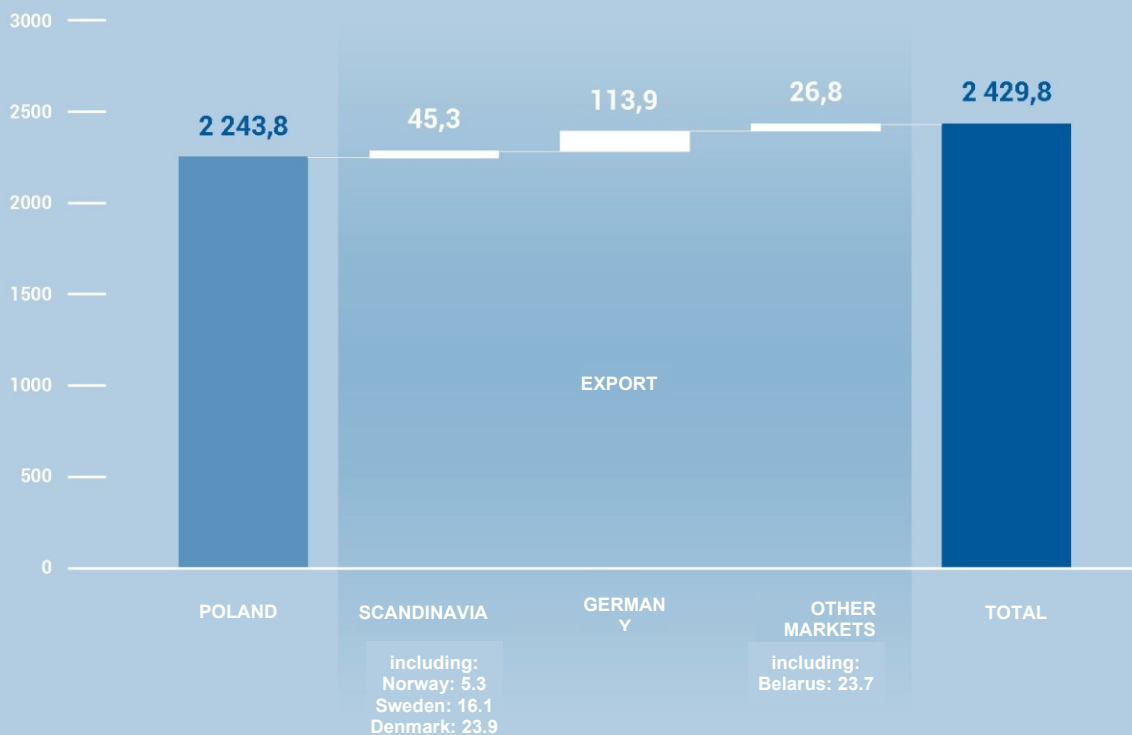
Specification	Residential, office and industrial construction	Infrastructure	Real estate development activities	Modular construction	Energy and industrial construction	Adjustments of sales to other segments	Total amount for the entire Group
<b>CONSOLIDATED SEGMENT REPORTING AS OF 31.12.2022</b>							
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
Cost of products, goods and materials sold	1,032,923	459,952	233,146	245,836	284,023	-145,822	2,110,057
<b>Gross profit on sales</b>	<b>20,688</b>	<b>33,013</b>	<b>99,917</b>	<b>-32,335</b>	<b>28,169</b>	<b>-1,195</b>	<b>148,255</b>
<i>% gross profit on sales</i>	<i>1.96%</i>	<i>6.70%</i>	<i>30.00%</i>	<i>-15.15%</i>	<i>9.02%</i>	<i>0.81%</i>	<i>6.56%</i>
Selling costs							20,609
General and administrative costs							58,288
Results on other operating activities							-5,607
<b>Profit on operating activities</b>							<b>63,751</b>
Financial revenue							12,222
including: interest revenue	46	-1,902	7,159	-81			5,222
Financial expenses							23,324
including: interest expenses	12,297	2,784	2,777	2,031	63		19,952
Expected credit losses							11,249
Share in net profits (losses) of subsidiaries measured using the equity method							501
<b>Pre-tax profit</b>							<b>41,901</b>
Income tax							10,040
<b>Net profit</b>							<b>31,861</b>

Specification	Residential, office and industrial construction	Infrastructure	Other modular activities	Energy and industrial construction	Total (for the whole unit)
<b>SEPARATE SEGMENT REPORTING AS OF 31.12.2023</b>					
Revenue from contracts with customers	1,147,841	351,669	32,022	514,505	2,046,037
external sales	1,147,841	351,669	32,022	514,505	2,046,037
sales to other segments	0	0			0
Costs of products, goods and materials sold	1,160,776	356,824	33,491	579,305	2,130,396
<b>Gross profit on sales</b>	<b>-12,935</b>	<b>-5,155</b>	<b>-1,469</b>	<b>-64,800</b>	<b>-84,359</b>
% gross profit on sales	-1.13%	-1.47%	-4.59%	-12.59%	-4.12%
Selling costs					-
General and administrative costs					57,204
Profit/loss on other operating activities					-33,306
<b>Profit on operating activities</b>					<b>-174,870</b>
Financial revenue					19,122
including: interest revenue	9,480	569	-3		10,047
Financial expenses					29,061
including: interest expenses	14,910	3,390	17	449	18,766
Expected credit losses					10,146
<b>Pre-tax profit</b>					<b>-194,955</b>
Income tax					-30,646
<b>Net profit</b>					<b>-164,309</b>

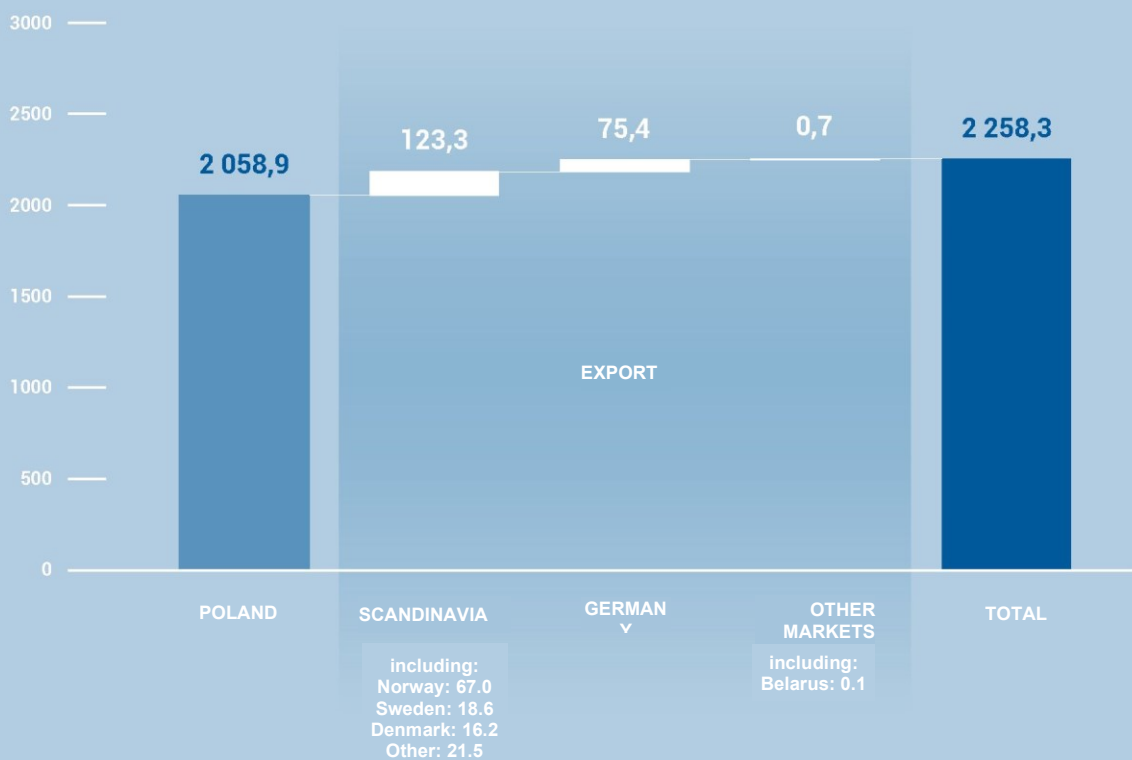
Specification	Residential, office and industrial construction	Infrastructure	Other modular activities	Energy and industrial construction	Total (for the whole unit)
<b>SEPARATE SEGMENT REPORTING AS OF 31.12.2022 - RESTATED</b>					
Revenue from contracts with customers	1,053,732	491,761	-1,915	312,192	1,855,769
external sales	1,053,732	491,761	-1,915	312,192	1,855,769
sales to other segments	0	0			0
Costs of products, goods and materials sold	1,032,062	459,952	2,937	284,023	1,778,974
<b>Gross profit on sales</b>	<b>21,670</b>	<b>31,808</b>	<b>-4,852</b>	<b>28,169</b>	<b>76,795</b>
% gross profit on sales	2.06%	6.47%		9.02%	4.14%
Selling costs					-
General and administrative costs					43,091
Profit/loss on other operating activities					-1,128
<b>Profit on operating activities</b>					<b>32,575</b>
Financial revenue					16,380
including: interest revenue	9,327	-1,902	-146		7,279
Financial expenses					17,263
including: interest expenses	12,837	2,793	18	60	15,707
Expected credit losses					6,335
<b>Pre-tax profit</b>					<b>25,358</b>
Income tax					5,155
<b>Net profit</b>					<b>20,203</b>

## INFORMATION ON GEOGRAPHICAL AREAS – CAPITAL GROUP DATA

**Revenue from external customers – period ending 31.12.2023 [PLN million]**

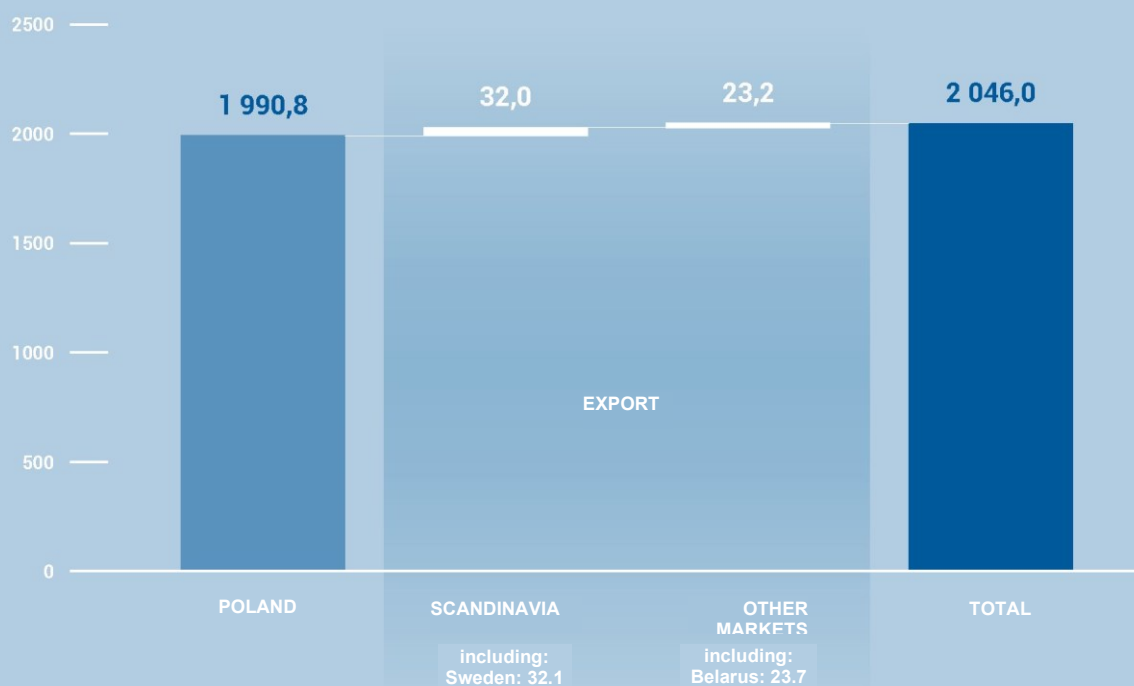


**Revenue from external customers – period ending 31.12.2022 [PLN million]**

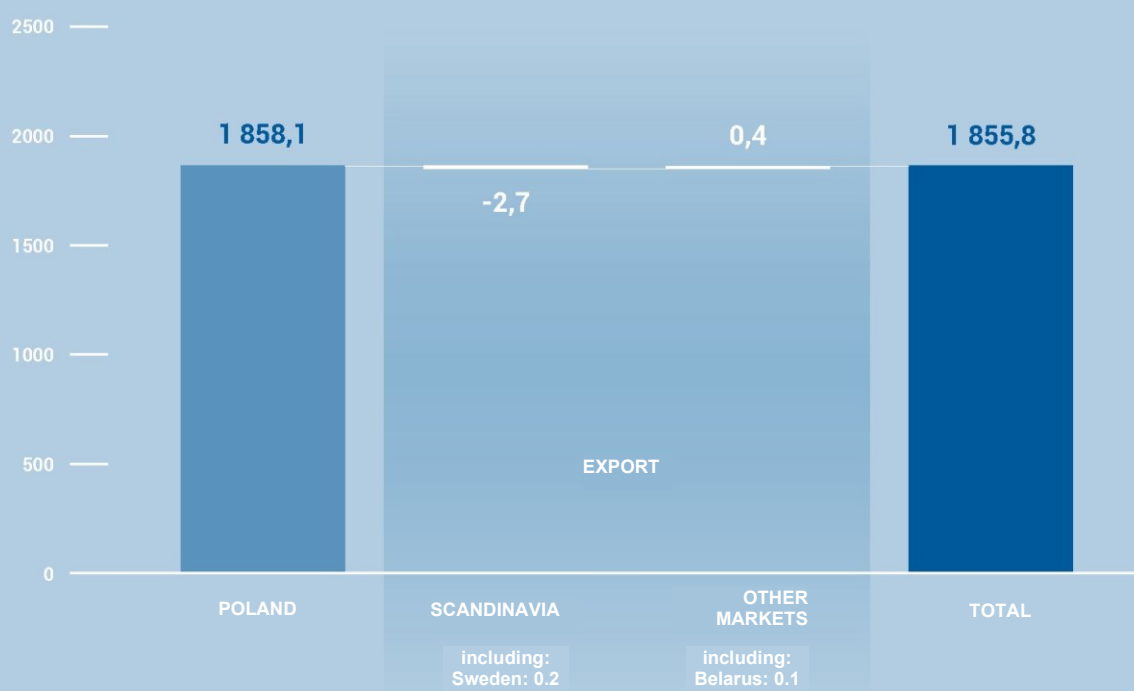


## INFORMATION ON GEOGRAPHICAL AREAS – DATA OF THE PARENT COMPANY – UNIBEP SA

**Revenue from external customers – period ending 31.12.2023 [PLN million]**



**Revenue from external customers – period ending 31.12.2022 [PLN million]**



### 5.3 EXTRAORDINARY EVENTS AFFECTING THE FINANCIAL PERFORMANCE

In the opinion of the Management Board, in the year 2023, an unusual and extraordinary event for the current business was the situation relating to the economic effects at Unihouse SA resulting from both external conditions and the degree of implementation of arrangements with business partners, as well as internal factors that resulted in a lack of full capacity utilisation.

So far the market conditions and internal situation at Unihouse SA have not allowed the generation of adequate profit streams as assumed in earlier periods in the development plans for this investment by the parent company, i.e. Unibep SA. The much lower-than-expected economic performance, especially over the last two years, prompted the revaluation of the shares at Unihouse SA (the so-called impairment).

The above phenomenon had an impact of PLN 22.4 million on the Parent Company's separate results. This write-off, in accordance with the principles of consolidation of financial statements, does not affect the consolidated results of the Capital Group.

### 5.4 CAPITAL MANAGEMENT – ASSESSMENT OF FINANCIAL RESOURCES MANAGEMENT

	31.12.2023 GROUP	31.12.2023 ENTITY	31.12.2022 GROUP	31.12.2022 ENTITY
<b>CAPITAL MANAGEMENT (PLN THOUSAND)</b>				
Interest-bearing credits, loans and bonds	327,659	195,852	240,791	161,142
Trade and other liabilities	909,137	642,586	874,690	552,338
Cash and cash equivalents	311,060	169,705	137,948	73,957
Net debt	925,736	668,733	977,533	639,523
Equity	213,126	45,726	383,954	210,719
Equity and net debt	1,138,862	714,460	1,361,487	850,242
<i>Leverage ratio</i>	<i>81.29%</i>	<i>93.60%</i>	<i>71.80%</i>	<i>75.22%</i>

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

The Capital Group manages its capital structure and makes changes to it as a result of economic conditions. In order to maintain or adjust the capital structure, the Capital Group companies may buy back their own shares, return capital to shareholders, issue new shares and pay dividends. In 2023, no changes were made to the objectives and process rules in this area.

The Capital 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 Capital 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.

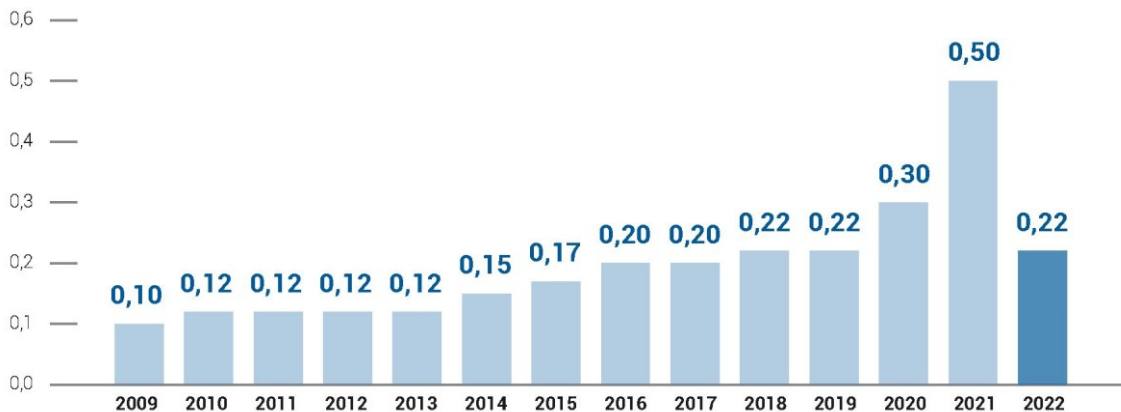
### 5.5 INFORMATION ON THE DIVIDEND POLICY AND DIVIDEND PAID IN 2023

On 21 June 2023, the Ordinary General Meeting of UNIBEP SA decided on the distribution of net profit for the financial year 2022 in accordance with the proposal of the Management Board and the opinion of the Supervisory Board. The Ordinary General Meeting of Shareholders decided to allocate part of the Company's net profit for 2022 in the amount of PLN 7.078 million, i.e. PLN 0.22 per share (after excluding 2.9 million own shares held by the Company) to dividends for the



shareholders, while the remaining part of the net profit for 2022 in the amount of PLN 6.477 million was allocated to the Company's reserve capital. The date of 24 July 2023 has been set as the dividend date and 21 August 2023 as the dividend payment date. The dividend was paid in accordance with the shareholders' decision.

#### DIVIDEND PER SHARE FOR THE YEAR [IN PLN].



#### 5.6 INFORMATION ON CREDITS, LOANS, SURETIES AND GUARANTEES

In 2023, the Issuer signed the following financial agreements:

- On 23 January 2023, Unibep SA signed an insurance guarantee agreement for an indefinite period with Towarzystwo Ubezpieczeń Wzajemnych "TUW" in the amount of PLN 15 million.
- On 10 February, Unibep SA and Unihouse SA signed a tripartite overdraft and guarantee line agreement with mBank SA for the total amount of PLN 80 million. The agreement was concluded until 29 January 2024 and it replaced the previous financing agreement.
- On 13 September 2023, an agreement was signed between Unidevelopment SA and Bank Ochrony Środowiska SA for a non-revolving loan of PLN 20 million. The agreement was concluded until 31 December 2025.
- On 20 September 2023, an overdraft agreement for PLN 5 million was signed between Monday Development Sp. z o.o. and Poznański Bank Spółdzielczy. The agreement was concluded until 15 August 2024.
- On 8 November 2023, Unidevelopment SA signed a revolving credit agreement with Bank Spółdzielczy in Ostrów Mazowiecka for the amount of PLN 5 million. The agreement was concluded until 31 August 2025.
- On 24 November 2023, Nowa Idea Spółka z o.o. entered into an agreement with Lubelski Bank Spółdzielczy for a working capital - real estate development loan of PLN 11 million. The loan was granted until 31 December 2024.

In addition, the following agreements were extended in 2023:

- On 5 January 2023, Unibep SA signed an annex to the agreement for the provision of contractual insurance guarantees with WIENER TU S.A. extending the agreement until 10.12.2023.
- 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.
- On 26 January 2023, Unibep SA extended the overdraft and guarantee line agreement with Paribas Bank Polska SA for the total amount of PLN 143 million. The agreement was extended until 26 January 2024.

- On 27 January 2023, Unibep SA, Budrex Sp. z o.o. and Unihouse SA extended their overdraft and guarantee line agreement with Bank Polska Kasa Opieki SA for the total amount of PLN 70 million. The agreement was extended until 31 January 2024.
- On 2 February 2023, Unibep SA signed an annex to the contract guarantee agreement with TUIR Allianz Polska SA extending the agreement until 31.12.2023.
- On 28 February 2023, Unibep SA extended the overdraft and guarantee line agreement with BGK BP SA for the total amount of PLN 110 million. The agreement was extended until 29 February 2024.
- On 28 February 2023, Unihouse SA extended the overdraft and guarantee facility agreements with BGK in the total amount of PLN 20 million. The agreement was extended until 29 February 2024.
- On 9 May 2023, Unibep SA signed an annex to the overdraft and guarantee line agreement with Bank Polska Kasa Opieki SA. Under the annex, the total value of the agreement increased to PLN 116.7 million. The other terms and conditions of the agreement remain unchanged.
- On 27 June 2023, an annex to the overdraft agreement was signed between Unidevelopment SA and mBank SA for the amount of PLN 5 million. Under the annex, the agreement was extended until 28 June 2024.
- On 29 June 2023, Unibep SA and ING Bank Śląski SA technically extended the overdraft and guarantee line agreement. The agreement was extended until 30 September 2023. Unibep SA became a party to this agreement.
- On 29 June Unihouse SA technically extended the overdraft and guarantee line agreement. The agreement was extended until 30 September 2023.
- On 9 August 2023, Unibep SA signed an annex to the insurance guarantee agreement with Inter Risk SA. Under the annex, the guarantee limit was increased to PLN 70 million.
- On 24 August 2023, Unibep SA and Unihouse SA extended the agreement with Santander Bank SA on the overdraft facility and the guarantee line for the total amount of PLN 78 million. The agreement was extended until 14 October 2024.
- On 31 August 2023, Unibep SA signed an annex to the insurance guarantee agreement with Ergo Hestia SA. Under the annex, the guarantee limit was increased to PLN 170 million.
- On 1 September 2023, Unibep SA signed an annex to the insurance guarantee agreement with Uniqua TU SA. Under the annex, the guarantee limit was increased to PLN 60 million.
- On 12 September 2023, Unibep SA extended the overdraft and reverse factoring agreement with ING Bank Śląski SA for the total amount of PLN 7 million. The agreement was extended until 30 June 2024.
- On 29 September 2023, an annex to the overdraft agreement was signed between Unidevelopment SA and Santander Bank Polska SA for the amount of PLN 17 million. Under the annex, the agreement was extended until 14 October 2024.
- On 08 November 2023, a revolving loan agreement was signed between Bank Spółdzielczy in Ostrów Mazowiecka and Unidevelopment SA for the amount of PLN 5 million. The final repayment date for the loan is 31 August 2025.
- On 20 November 2023, a working-capital -real estate development loan agreement was signed between Lubelski Bank Spółdzielczy and Nowa Idea Sp. z o.o. for the amount of PLN 11 million. The final repayment date for the loan is 31 December 2024.
- On 29 November 2023, an annex to the overdraft and guarantee line agreement in the total amount of PLN 66 million was concluded between Unibep SA, Unihouse SA and PKO BP SA. Under the annex, the agreement was extended until 30 November 2024.
- On 18 December 2023, the non-renewable loan agreement was signed between BOŚ SA and Lykke Szcześliwicka Sp. z o.o. S.K.A. for the amount of PLN 64.3 million. The final repayment date for the loan is 30 September 2025.
- On 18 December 2023, the renewable loan agreement was signed between BOŚ SA and Lykke Szcześliwicka Sp. z o.o. S.K.A. for the amount of PLN 4 million. The final repayment date for the loan is 30 September 2025.
- On 29 December 2023, a non-renewable loan agreement was signed between Alior Bank SA

and Uni 4 Sp. z o.o. for the amount of PLN 68.6 million. The final repayment date for the loan is 15 March 2026.

- On 29 December 2023, a renewable VAT loan agreement was signed between Alior Bank SA and Uni 4 Sp. z o.o. for the amount of PLN 3 million. The final repayment date for the loan is 15 March 2026.

On 17 November 2023, a working-capital - real estate development loan agreement was terminated between Lubelski Bank Spółdzielczy and Nowa Idea Sp. z o.o. for the amount of PLN 9 million.

In addition to the contracts entered into or renewed in 2023 referred to above, as of 31 December 2023, the Parent Company had the following contracts:

a) Credit agreements:

- Between Unibep SA and ING Bank Śląski S. - an agreement for a non-revolving working capital loan for the amount of PLN 20 million. The agreement was concluded until 31 May 2025.
- Between Unibep SA and Bank Spółdzielczy in Bielsk Podlaski and with Bank Spółdzielczy in Sokółka, a working capital loan agreement in the amount of PLN 5 million. The agreement was concluded until 01 August 2025.

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,
- KUKA 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 until 31 December 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.
- Generali SA for the amount of PLN 43 million, concluded until 31 December 2023,

c) Contracts on treasury transactions concluded for an indefinite period with:

- BNP Paribas Bank Polska SA with a limit of PLN 8 million,
- mBank SA with a limit of PLN 25 million,
- PKO BP SA with a limit of PLN 49.3 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

The interest rate on the loans is based on the variable WIBOR rate plus a fixed margin, the amount of which depends on each financial institution's assessment of the credit risk.

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 2023, the value of bonds issued on behalf of UNIBEP group companies amounted to PLN 934.8 million. At the same time, the Capital Group companies were in possession of bonds issued to their benefit with a value of PLN 89.0 million.

As of 31 December 2023, the total nominal value of FX Forward contracts amounted to DKK 22.8 million and EUR 31.5 million. The remaining time to settle derivative instruments opened as at 31 December 2023 is from 87 to 547 days.

As of 31 December 2023, the Capital Group companies had the following credit contracts in which

they were the lender (loans granted to entities outside the Capital Group):

- Unidevelopment SA with JB Investment Societe En Commandite Speciale in the amount of PLN 3 million valid until 31 December 2024,
- 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 2024,
- Monday Development Sp. z o.o. with JB Investment Societe En Commandite Speciale in the amount of PLN 463,000 valid until 31 December 2024,
- 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 936,200 valid until 31 December 2024.

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 6.35 to the Consolidated Financial Statements for 2023.

## 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 2023 (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 2024 takes into account the expectations of individual segments in terms of their ability to meet their business 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 largest share of investment expenditure is foreseen in the area of infrastructure. Within this area, important multi-year design-build contracts are being implemented. The assumed business development and territorial expansion require investments in equipment and in increasing the volume and quality of bitumen production. The investments planned to be incurred are aimed at renewing and expanding equipment capacity to facilitate the execution of major contracts. 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.

IT and the development of IT systems remains an important area of investment. Changes in the approach to project and process management require appropriate attitudes and inputs from the Unibep Group. The change process takes into account internal considerations and the needs for change reported at different levels related to the management of the company. It also takes into account the needs of the area of construction project implementation and supervision.

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 and support departments, which provide comfortable premises and the necessary equipment to provide services at the right level.

## 5.8 USE OF PROCEEDS FROM THE ISSUE OF SECURITIES

On 5 April 2023, Unidevelopment SA issued 23,500 series A 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.

On 30 May 2023, Unidevelopment SA issued 11,400 series B bonds with a total value of PLN 11.4 million. The bonds will be redeemed on 5 April 2026.

On 31 July 2023, Unidevelopment SA issued 20,000 series C bonds with a total value of PLN 20 million. The bonds will be redeemed by 31 July 2026.

The purpose of all bond issues of Unidevelopment SA was to finance working capital. On 19 October 2023, Unibep SA issued 1,380,402 series I bonds with a total value of PLN 138 million. The purpose of the issue was the early redemption of series G bonds and series H bonds and the financing of ongoing and planned investment projects (understood as the realisation of real estate development investments or construction contracts), as part of the activities pursued by the Group entities. The bonds are unsecured. The redemption date for the bonds was set for 19 October 2026.

On 24 October 2023, the Management Board of Unibep SA adopted a resolution on early redemption of all series G bonds and series H bonds not redeemed or remaining in the Company's ownership (totalling approximately PLN 100 million). The redemption took place on 16 November 2023.

**Debt from bond issues as at 31.12.2023 is shown in the table below:**

As of 31 December 2023	Currency	Nominal value	Carrying amount	Short-term liabilities	Long-term liabilities	Redemption date
Series A bonds of Unidevelopment SA	PLN	23,500,000.00	24,059,892.82	0	24,059,892.82	05.04.2026
Series B bonds of Unidevelopment SA	PLN	11,400,000.00	11,760,053.95	0	11,760,053.95	05.04.2026
Series C bonds of Unidevelopment SA	PLN	20,000,000.00	20,357,643.93	0	20,357,643.93	31.07.2026
Series I bonds of UNIBEP SA	PLN	138,040,200.00	139,114,505.31	11,275,623.46	127,838,881.85	19.10.2026
<b>TOTAL bonds</b>		<b>192,940,200.00</b>	<b>195,292,096.01</b>	<b>11,275,623.46</b>	<b>184,016,472.55</b>	

As of 31 December 2023, the Debt to Equity ratio for the Series A, B and C bonds issued by Unidevelopment SA was 0.10.

As of 31 December 2023, the value of the leverage ratio for the Series I bonds issued by Unibep SA was -0.15.

## 5.9 FINANCIAL INSTRUMENTS – RISKS AND ADOPTED FINANCIAL RISK MANGEMENT OBJECTIVES AND METHODS

## Financial risk management

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

### Currency risk

As a part of its operating activities, the Capital Group enters into contracts that 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. Natural hedging is estimated to have been around 10% for contracts executed in Belarus and around 20% for contracts executed in Scandinavia and Germany. Natural hedging for contracts performed in Poland and expressed in EUR does not exceed 10%.

### Derivative financial instruments

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

### Interest rate risk

Interest rate risk is mainly related to the use of bank loans, lease and bank deposits by the Capital Group. These transactions are mainly based on variable interest rates (based on WIBOR for transactions denominated in PLN or on EURIBOR for some leases), which exposes the Capital Group to the risk of changes in profit or loss and cash flows.

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

The Capital 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 on the interest rates.

### Credit risk

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

In order to minimise the risk related to the loss of funds held in bank accounts or deposits, the Capital Group Companies cooperate in this respect only with institutions of stable and reliable financial standing. At the same time, the Capital Group takes steps to disperse the cash in such a way that a significant amount of it is not located in just one financial institution. Cash is sent to bank accounts held outside Poland only in such an amount as to secure the next payments to be made from those accounts.



## Liquidity risk

In order to minimise the liquidity risk, the Capital Group tries to maintain an adequate amount of cash (as of 31 December 2023, bank accounts of the Capital Group had PLN 311 million in cash) and concludes credit facility contracts, which serve as additional security of liquidity. In addition, it forecasts and monitors cash flows on an ongoing basis. These activities are supported by systemic solutions for determining expected and measuring actually realised revenue and expenses by the Group's individual business lines. The relevant departments in the Group forecast cash flows over the next 12 months and analyse a very detailed statement of receipts and expenditure over the next 30 days. If necessary, an increase in the available credit limits is negotiated in advance.

A detailed description of risks and actions aimed at reducing and minimising their impact on the Capital Group's operations is presented in point 4. Financial risk management within the Consolidated Financial Statements for 2023.

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.

## Going concern risk

The consolidated financial statements for 2023 have been prepared on a going concern basis and therefore do not include any adjustments relating to different measurement and classification of assets and liabilities that would be necessary if the going concern assumption of the Parent Company and/or the entire Capital Group proved to be unjustified.

In 2023, the Parent Company of the Capital Group recorded a net loss of PLN 164.309 million and the value of equity as at 31 December 2023 was PLN 45.726 million, while the Capital Group recorded a net loss of PLN 156.486 million and the value of equity as at 31 December 2023 was PLN 213.126 million.

The reported financial results in 2023 indicate that there is significant uncertainty about the going concern of the Parent Company and its Capital Group. The Company's Management Board would like to point out that, as at the date of publication of these financial statements, it finds no indication that this risk of the going concern of the Capital Group is about to materialise; nevertheless, irrespective of the above statements, the Management Board would like to point out the actions it has already taken in the first months of 2024 or intends to take in the coming periods to strengthen the financial position of the Parent Company in the period of at least 12 months as of the date of these financial statements.

A detailed analysis of this area is presented in section 1.2 Basis for the preparation of the financial statements within the Consolidated Financial Statements for 2023.

## 5.10 FORECASTS OF FINANCIAL PERFORMANCE

The UNIBEP Group and UNIBEP SA did not publish financial performance forecasts for 2023.

## 5.11 PRINCIPLES OF PREPARATION OF FINANCIAL STATEMENTS AND BASIS FOR PUBLICATION

This Management Report on the Capital Group's Activities in 2023 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).

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The consolidated annual report, which includes the consolidated financial statements and this report on activity, was prepared on the basis of § 70, § 71 and § 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 2023. 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



**CONSTRUCTION Segment**  
 Area: RESIDENTIAL, OFFICE & INDUSTRIAL  
 Unibep SA

#### 1. 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 the implementation in the general contracting system of Stage 3 of the housing project entitled: "SOHO" at Mińska Street in Warsaw.

The employer 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. (CR 10/2023)

#### 2. Updated information on the contract for the implementation of the housing project at Herbu Oksza Street in Warsaw

On 2 March 2023, Unibep SA received a written order from the Employer (UDI TAU Sp. z o.o. with its registered office in Warsaw) to commence the first stage of work on the Investment, including the construction of buildings C1 and C2. (RB 20/2023)

The Issuer announced the conclusion of the contract in current report No. 61/2022.

#### 3. 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 employer 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. (RB 21/2023)

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

#### 4. Conclusion of a contract for the implementation of the housing project at Abrahama Street in Warsaw

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

The employer 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. The Issuer's remuneration for the implementation of the project is approx. PLN 32.1 million net. (CR 24/2023)

#### **5. 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 the implementation in the general contracting system of the construction project entitled: "U CITY" at Henryka I Brodatego Street in Warsaw. The employer is Towarowa Park Sp. z o.o. with its registered office in Warsaw – an entity belonging to Acciona Inmobiliaria S.L. The Issuer's remuneration for the implementation of the project is approx. PLN 31.75 million net. (CR 31/2023)

#### **6. 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 employer 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. (RB 37/2023)

#### **7. Conclusion of a contract for the implementation of Stage 2 of the housing project entitled: "Viva Piast II", investment task II and III, at Powstańców Street in Kraków**

On 31 May 2023, Unibep SA signed a contract for the execution of construction work as a general contractor as part of the second stage of the housing project called "Viva Piast", located at Powstańców Street in the Nowa Huta district of Kraków. The contracting entity is VICTORIA DOM SA with its registered office in Warsaw. Remuneration for the carrying out of the Investment is approximately PLN 99.4 million net. (RB 49/2023)

#### **8. Conclusion of a contract for the implementation of another stage of the housing project at Kusocińskiego Street in Łódź**

On 17 August 2023, Unibep SA signed a contract for the implementation in the general contracting system of another stage of the construction project at Kusocińskiego Street in Łódź. The employer is PHN Osiedle Olimpijczyk Sp. z o.o. The Issuer's remuneration for the implementation of the project is approx. PLN 50.0 million net. (CR 68/2023)

#### **9. Selection of the offer of Unibep SA in the tendering procedure for the implementation of the task entitled: "Construction of the Centre for Innovation and Cyber Security of the Department of Cybernetics".**

On 29 August 2023, the Management Board of Unibep SA received a notice from the Military University of Technology on the selection as the most favourable offer submitted by the Issuer in the public contract award procedure entitled: "Construction of the Centre for Innovation and Cyber Security of the Department of Cybernetics". The price of the offer submitted by the Issuer is approximately PLN 200 million gross. (RB 72/2023)

On 11 October 2023, the contract was signed. (RB 85/2023)

#### **10. Updated information on the contract for the implementation of the housing project at Herbu Oksza Street in Warsaw**

On 2 October 2023, the Management Board of Unibep SA received a written order from UDI TAU Sp. z o.o. with its registered office in Warsaw (the Employer) to commence the second stage of work on the investment at Herbu Oksza Street in Warsaw, which includes the construction of building D. (RB 81/2023)

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The Issuer announced the conclusion of a construction contract for the general contracting of a housing project in current report No. 61/2022.

#### **11. Conclusion of a contract for the implementation of another stage of the housing project at Mangalia Street in Warsaw**

On 19 October 2023, Unibep SA signed a contract for the implementation in the general contracting system of another stage of the housing project at Mangalia Street in Warsaw. The employer is Polskie Projekty Inwestycyjne Sp. z o.o. SKA with its registered office in Cracow. The Company's remuneration for the implementation of the project is PLN 97.7 million net. (RB 89/2023)

#### **12. Conclusion of a contract for the implementation of Stage 2 of the housing project at Redutowa Street in Warsaw**

On 21 December 2023, Unibep SA signed a contract for the implementation in the general contracting system of the housing project at Redutowa Street in Warsaw. The employer 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 174.0 million net. (RB 104/2023)



#### **CONSTRUCTION Segment**

Area: **ENERGY AND INDUSTRIAL CONSTRUCTION**

Unibep SA

#### **13. 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 employer is Przedsiębiorstwo Usług Komunalnych Sp. z o.o., with its registered office in Orzysz. The remuneration due to the Issuer for the performance of the contract is approximately PLN 23.8 million net. (RB 6/2023)

#### **14. 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. (RB 25/2023)

#### **15. Conclusion of a contract 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 favourable offer submitted by the Issuer in the public contract award procedure entitled: "Installation of a flue gas condensation system downstream of boiler K1 at Siekierki CHP Plant in Warsaw". The price of the offer submitted by the Issuer is approx. PLN 114.1 million net. (CR 38/2023)

On 17 May 2023, the contract was signed. (RB 45/2023)

## 16. Conclusion of a contract by a consortium with the participation of Unibep for the construction of a backup peak-load steam plant at the production facility of ANWIL SA in Włocławek

On 23 August 2023, a consortium of companies: UNIBEP SA [Consortium Leader], ENERGOTECHNIKA Sp. z o.o. with its registered office in Warsaw [Consortium Partner] and Zakład Automatyki Przemysłowej INTEC SA with its registered office in Długoleśka [Consortium Partner] signed a contract for the implementation of an investment project involving the design and construction of a backup peak-load steam plant at the production facility in Włocławek. The employer is ANWIL SA with its registered office in Włocławek, an entity owned by the ORLEN GROUP. The Consortium's remuneration for the performance of the Contract is PLN 248.8 million net, of which approximately PLN 154.8 million net is the remuneration due to the Issuer. (CR 69/2023)

## 17. Conclusion of a contract for the construction of a production facility in the Podlaskie Voivodeship

On 13 October 2023, Unibep SA entered into a construction works contract with a food production plant in the general contracting system for works involving the preparation of a detailed design and construction of a production and service building with an administrative and social part, together with the necessary technical infrastructure, in the Podlaskie Voivodeship. The Issuer's remuneration for the implementation of the project is PLN 93.45 million net. (RB 87/2023)



**CONSTRUCTION Segment**  
**Area: INFRASTRUCTURE**  
 Unibep SA

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

13 March 2023 Unibep SA entered into a contract for the implementation of a task entitled: "Extension of district road No. 2524W Lelis - Długi Kąt - Kadzidło in the municipalities of Lelis and Kadzidło" in the Mazowieckie Voivodeship. The employer 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. (CR 23/2023)

## 19. 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 12 April 2023, Unibep SA concluded a contract with the Podlaskie Voivodeship Roads Authority in Białystok for the implementation of the investment 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 offer submitted by the Issuer is approx. PLN 30.6 million net. (CR 33/2023)

## 20. Conclusion of a contract 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 on selection as the most favourable 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 the public contract award procedure entitled: "Extension and reconstruction of voivodeship road No. 677 on the Konarzyce - Śniadowo section". The price of the offer 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)

On 9 May 2023, the contract was signed. (RB 41/2023)

**21. Conclusion of a contract for the implementation of the task entitled: "Improvement of the investment attractiveness of the City of Suwałki through the construction and reconstruction of streets in the southern industrial zone of the city"**

On 22 June 2023, Unibep SA entered into two contracts for the performance of a project entitled: "Improvement of the investment attractiveness of the City of Suwałki through the construction and reconstruction of streets in the southern industrial zone of the city", i.e. for the implementation of Task 1 - "Construction and reconstruction of the municipal road system of W. Polskiego II Street and voivodeship road No. 662 (formerly DK8) together with the necessary infrastructure" and Task 2 - "Extension and reconstruction of the municipal road - W. Polskiego II Street (10409B) together with the necessary infrastructure". The employer is the City of Suwałki. The total remuneration for the execution of the Project will amount to approximately PLN 34.3 million net, including for Task 1 - approximately PLN 15.5 million net and for Task 2 - approximately PLN 18.8 million net. (RB 57/2023)

**22. Selection of the offer of Unibep SA in the tendering procedure for the implementation of the task entitled: "Extension of national road No. 65 on the section Nowa Wieś Etcka - voivodeship border"**

On 23 June 2023, the Management Board of Unibep SA received a notification from the General Directorate for National Roads and Motorways (GDDKiA) BRANCH in Olsztyn on selection as the most favourable offer submitted by the Issuer in the public contract award procedure entitled: "Extension of national road No. 65 on the section Nowa Wieś Etcka - voivodeship border" The price of the offer submitted by the Company is approx. PLN 104.4 million net. (RB 58/2023)

On 12 October 2023, the contract was signed. (RB 86/2023)

**23. Conclusion of a contract for the implementation of the task entitled: "Development of industrial land in the village of Szymany" in the Warmińsko-Mazurskie Voivodeship**

On 10 July 2023, Unibep SA entered into a contract for the performance of a project entitled: "Development of industrial land in the village of Szymany". The employer is the Municipality of Szczytno. The Issuer's remuneration is approx. PLN 52.0 million net. (CR 63/2023)

**24. Selection of the offer of Unibep SA in the in the tendering procedure for the implementation of the task entitled: "Extension of the national road No. 63 on the section Borki - Jeże" in the Warmińsko-Mazurskie Voivodeship**

On 08 September 2023, the Management Board of Unibep SA received a notification from the General Directorate for National Roads and Motorways (GDDKiA) Branch in Olsztyn (the Employer) on selection as the most favourable offer submitted by the Issuer in the public contract award procedure entitled: "Extension of national road No. 63 on the section Borki - Jeże". The price of the offer submitted by the Company is approx. PLN 77.7 million net. (RB 75/2023)

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On 05 October 2023, the contract was signed. (RB 83/2023)

**25. Selection of the offer submitted by the consortium with the participation of Unibep SA in the tendering for the implementation of the task entitled: "Construction and extension of regional road No. 679, including road engineering facilities and the necessary technical infrastructure"**

On 14 November 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 the public contract award procedure entitled: "Construction and extension of voivodeship road No. 679, including road engineering facilities and the necessary technical infrastructure, along the section Łomża - Mężenin." The price of the offer submitted by the Consortium is approximately PLN 251.4 million, i.e. approximately PLN 204.4 million net, of which the remuneration payable to the Issuer is approximately PLN 102.2 million net. (RB 93/2023)

**26. Conclusion of a contract for the implementation of the task entitled: "Extension of the Giżycko bypass on national road No. 59" in the Warmińsko-Mazurskie Voivodeship**

On 16 November 2023, Unibep SA entered into a public procurement contract entitled: "Extension of the Giżycko bypass on national road No. 59". The employer is the General Directorate for National Roads and Motorways (GDDKiA), Branch in Olsztyn. The Issuer's remuneration for the implementation of the project is approx. PLN 109.36 million gross, which is an equivalent of approx. PLN 88.9 million net. (RB 94/2023)

**27. Selection of two offers by the General Directorate for National Roads and Motorways, Branch in Białystok.**

On 1 December 2023, Unibep SA received a notification from the General Directorate for National Roads and Motorways, Branch in Białystok on the selection as the most favourable two offers submitted by the Issuer:

- 1) the Issuer's offer in the public contract award procedure entitled: "Design and construction of the S19 Dobrzyniewo - Sokółka road section: Czarna Białostocka junction (without junction) - Białystok Północ junction (without junction)". The price of the offer submitted by the Issuer is approximately PLN 350 million gross.
- 2) the Issuer's offer in the public contract award procedure entitled: "Design and construction of the S19 expressway on the section: Białystok Północ junction (without junction) - Dobrzyniewo junction (with junction)". The price of the offer submitted by the Issuer is approximately PLN 320 million gross. (RB 96/2023)

**28. Selection of the offers by the General Directorate for National Roads and Motorways, Branch in Warsaw.**

On 1 December 2023, Unibep SA received a notification from the General Directorate for National Roads and Motorways (GDDKiA) Branch in Warsaw on selection as the most favourable the offer submitted by the Issuer in the public contract award procedure entitled: "Design and extension of national road No. 53 on the section Myszyniec - Kadzidło from km approx. 85+600 to km approx. 105+230". The price of the offer submitted by the Issuer is approximately PLN 280 million gross. (RB 96/2023)

On 19 December 2023, the contract was signed. (RB 102/2023)





## REAL ESTATE DEVELOPMENT

Unidevelopment SA, special purpose vehicles

### 29. 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 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)

### 30. Updated information on the conclusion by a subsidiary of preliminary agreements for the acquisition of real estate located in the Włochy district of Warsaw

On 24 May 2023, UNI 13 Sp. z o.o., with its registered office in Warsaw, a subsidiary of Unidevelopment SA, announced its intention to withdraw from the preliminary agreements concerning the acquisition of the ownership rights to three adjacent real estates located in the Włochy district of Warsaw. This was due to the occurrence of a contractual condition of an administrative nature. (RB 47/2023)

The Issuer announced the conclusion of the preliminary contracts in current report No. 22/2022.

### 31. Conclusion of a package of contracts regarding the purchase of properties located in the Chylonia district of Gdynia by subsidiaries

On 28 September 2023, companies belonging to the Issuer's Capital Group and being subsidiaries of Unidevelopment SA, i.e.: UNI 10 Sp. z o.o., with registered office in Warsaw, and UNI 11 Sp. z o.o., with registered office in Warsaw, signed with separate individuals a package of agreements transferring to the buyers the ownership of neighbouring properties located in Gdynia, Chylonia district.

The subject matter of the agreements is the acquisition of land properties with a total area of approximately 1.2 ha for a total price of approximately PLN 13.55 million net. The properties will be earmarked for the first phase of a multi-phase real estate development project, which will consist in construction of a total of approximately 780 residential premises. (RB 79/2023)

The Issuer announced the conclusion of a package of preliminary agreements for the acquisition of the properties in current report No. 67/2021 of 14 December 2021.



## MODULAR CONSTRUCTION

Unihouse SA

### 32. Conclusion by UNIHOUSE SA of a contract for the implementation of the investment task using modular technology 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 using modular technology entitled: "Extension,

reconstruction and superstructure of the Primary School No. 3 in Pruszków". Remuneration for the performance of the contract amounts to approx. PLN 28.0 million net. (RB 3/2023)

### **33. Conclusion by UNIHOUSE SA of a contract for the implementation of the project using modular technology entitled: "Flüchtlingswohnen Potsdam" on the German market**

On 16 February 2023, the Issuer's subsidiary UNIHOUSE SA entered into a contract with the ARGE Flüchtlingswohnen Potsdam consortium 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, for the implementation of the project using modular technology entitled: "Flüchtlingswohnen Potsdam" in Potsdam, Germany. 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. (RB 13/2023)

### **34. Conclusion by UNIHOUSE SA of a contract for the implementation of the project using modular technology entitled: "Arvollveien" on the Norwegian market**

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

### **35. 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 was informed that UNIHOUSE SA signed, on the same date, a cooperation contract on the production of modules intended for the German market. The employer 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 employer's meeting of shareholders, with the effect that it came into force on the same date. (RB 35/2023)

### **36. Conclusion of a contract by a consortium involving Unihouse SA for the construction of a retirement home in Germany**

On 6 June 2023, the Management Board of Unibep SA was informed that a consortium consisting of: DPZ Sp. z o.o. with its registered office in Warsaw [Consortium Leader] and Unihouse SA [Consortium Partner] signed on that date a contract for the construction of a retirement home in Detmold, Germany, using modular technology. The employer is LL Immo Invest GmbH, with its registered office in Padeborn. The Consortium's estimated remuneration for the execution of the contract is EUR 4.32 million net, equivalent to approximately PLN 19.4 million net, of which the remuneration attributable to Unihouse SA is approximately EUR 4.0 million net, i.e. approximately PLN 18.0 million net. (RB 51/2023)

On 11 July 2023, the consortium parties entered into an agreement for the assignment of rights and obligations under the Investor Agreement. Under the assignment agreement, the Consortium Leader unconditionally transfers to the Consortium Partner all rights and obligations arising from the Investor Agreement. Unihouse SA's estimated remuneration has also been changed to EUR 4.32 million net, or approximately PLN 19.19 million net. (RB

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64/2023)

**37. Conclusion by Unihouse SA of a contract for the construction of a hotel facility using modular technology on the Danish market**

On 26 June 2023, Unihouse SA, a subsidiary of the Issuer, entered into a contract with Rdbyhavn Hotel Property ApS for the construction of a hotel building in Holeby, Denmark, using modular technology. The remuneration for the performance of the contract is approx. DKK 76.0 million net, which, as at the date of the contract, is approx. PLN 45.2 million net. (RB 60/2023)

**38. Conclusion of a contract for the implementation of the investment task using modular technology entitled: "Construction of a municipal nursery using modular technology and landscaping at Prymasa Tysiąclecia Street in Ciechanów"**

On 4 August 2023, the Management Board of Unibep SA was informed that the Municipality of Ciechanów had selected, on the same date, as the most favourable the offer of the subsidiary Unihouse SA in the public contract award procedure entitled: "Construction of a municipal nursery using modular technology and landscaping at Prymasa Tysiąclecia Street in Ciechanów". The price of the offer submitted by Unihouse SA is approx. PLN 15.6 million gross. (RB 67/2023) On 30 August 2023 the contract was signed. (RB 73/2023)

**39. Selection of the offer of UNIHOUSE SA in the tendering procedure for the implementation of the investment task using modular technology entitled: "Construction of a multi-family building with technical infrastructure and landscaping at Dobra Street in Świdwin" in the Zachodniopomorskie Voivodeship**

On 24 August 2023, the Management Board of Unibep SA was informed that Społeczna Inicjatywa Mieszkaniowa "KZN - Zachodniopomorskie" Sp. z o.o., with its registered office in Koszalin, had selected, on the same date, as the most favourable the offer of the subsidiary Unihouse SA in the public contract award procedure entitled: "Construction of a multi-family building with technical infrastructure and landscaping at Dobra Street in Swidwin". The price of the offer submitted by UNIHOUSE is approx. PLN 15.8 million gross. (RB 70/2023)

On 06 September 2023, the contract was signed. (RB 74/2023)

**40. Conclusion by UNIHOUSE SA of a contract for the implementation of the investment task using modular technology entitled: "Construction of a communal building at No. 10 P. Ściegiennego Street in Kamienna Góra" in the Dolnośląskie Voivodeship**

On 4 October 2023, a subsidiary, Unihouse SA, concluded a contract with the Municipality of Kamienna Góra for the implementation of the investment task using modular technology entitled: "Construction of a communal building at No. 10 P. Ściegiennego Street in Kamienna Góra" in the Dolnośląskie Voivodeship. The price of the offer submitted by UNIHOUSE is approx. PLN 11.8 million gross. (RB 82/2023)

**41. Selection of the offer of UNIHOUSE SA in the tendering procedure for the construction of a building using modular technology in Trondheim, Norway**

On 30 November 2023, the Management Board of Unibep SA was informed that the Municipality of Trondheim had selected, on the same date, as the most favourable the offer of its subsidiary Unihouse SA in the public contract award procedure, the subject matter of which is the construction of a 4-storey building intended for a cloakroom, bathrooms and a canteen using modular technology in Trondheim, Norway. The price of the offer submitted by UNIHOUSE is approximately NOK 30.3 million net, equivalent to approximately PLN 11.3 million

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net. (RB 95/2023)

**42. Selection of an offer of UNIHOUSE SA in the tendering procedure for the construction of a service building and four multi-family residential buildings using modular technology in Gdańsk**

On 1 December 2023, the Management Board of Unibep SA was informed that Gdańska Infrastruktura Społeczna Sp. z o.o., with its registered office in Gdańsk, had selected, on the same date, as the most favourable the offer of the subsidiary Unihouse SA in the procedure entitled: "Implementation of an investment project in Gdańsk at Ogińskiego Street. The price of the offer submitted by UNIHOUSE is approx. PLN 50.4 million gross, i.e. approx. PLN 47.3 million net. (RB 97/2023)

**43. Conclusion of a contract for the implementation of the investment task entitled: "Construction of a multi-family residential building with associated infrastructure in Ogródzieniec at Orzeszkowej Street, plot No. 804/92"**

On 20 December 2023, a subsidiary of Unihouse SA entered into a contract for the construction of an investment task using modular technology entitled: "Construction of a multi-family residential building with associated infrastructure in Ogródzieniec at Orzeszkowej Street, plot No. 804/92"

The employer is SIM Zagłębie Sp. z o.o. with its registered office in Sosnowiec. The estimated remuneration for the implementation of the project is approx. PLN 20.0 million gross, i.e. approx. PLN 18.4 million net. (RB 103/2023)

## 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 the related parties of the Group:

**1. Conclusion of a contract for the implementation of the housing project entitled: "Sadyba Spot" at Powsińska Street in Warsaw**

On 4 July 2023, Unibep SA signed a contract for the implementation in the general contracting system of the residential project entitled: "Sadyba Spot" at Powsińska Street in Warsaw. The employer is Lykke Szczęśliwicka Sp. z o.o. Spółka komandytowo - akcyjna with its registered office in Warsaw, a subsidiary of Unidevelopment SA. The Issuer's estimated remuneration for the performance of the contract is approximately PLN 50.5 million net. (RB 61/2023)

**2. Intra-group loans:**

- a. On 2 January 2023, Unibep SA increased the amount of the loan to its subsidiary Unihouse SA from PLN 20 million to PLN 30 million and extended the term of the loan until 31 December 2025.
- b. On 20 March 2023, Unibep SA received a loan from its subsidiary Budrex Sp. z o.o. in the amount of PLN 5 million. The loan was granted until 30 June 2023.
- c. On 31 March 2023, as a result of the merger between Unibep SA and its subsidiary Budrex SA, the loan of PLN 5 million was settled.
- d. On 28 February 2023, the Univalent Foundation repaid the loan of PLN 120,000.
- e. On 4 August 2023, Unidevelopment SA repaid the loan in the amount of PLN 19 million. The balance of the loan after repayment is PLN 0.

Intra-group loan contracts are entered into between companies within the Unibep Group. 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 6.28.

### **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**

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

The situation described in previous interim reports and the annual report for 2022 remains valid. The situation related to the war in Ukraine indirectly affects the Company's and the Capital Group's operations and may affect future financial results. Although the exposure to the services and materials from the Eastern markets is not large, the armed conflict has projected many adverse economic trends. This has or may have an impact on investor sentiment and investment inclinations.

Currently, the Company does not carry out construction work in Ukraine. However, on 11 March 2024 it concluded a conditional agreement for the implementation of the Medyka-Szeginie border crossing on the Ukrainian-Polish border (the Ukrainian side of the border crossing).

The company is monitoring the development of the conflict and the possible impact on the realisation of our plans in specific markets, including Ukraine.

The intention to actively participate in the reconstruction of Ukraine remains valid.

#### **Changes in the Management Board of Unihouse SA**

Jacek Grzybowski resigned as a member of the Management Board of Unihouse SA, effective as of 4 September 2023. On the same day, the Supervisory Board of Unihouse SA appointed Kamil Kowalczyk as a member of the company's Management Board.

#### **Cooperation with a company from Korea**

On 7 September 2023, Unibep SA signed a 'Memorandum of Understanding' with a leading South Korean general contractor, Hyundai Engineering & Construction. Both parties expressed their willingness to cooperate on nuclear power projects and infrastructure tasks carried out in Poland.

#### **Active during the Road Forum**

On 17-19 September 2023 the 9th Warmian-Masurian Road Forum was held in Stare Sady near Mikołajki. This is an annual event of strategic importance for the road industry in Poland, organised with the support of the Provincial Roads Authority in Olsztyn. The theme of this year's forum was modern and safe road infrastructure and the decarbonisation of transport, a key element in the fight against climate change. This year's edition of the event was organised under the gold patronage of Unibep.

### **Important Ukraine Recovery Congress**

The Common Future Ukraine Recovery Congress, held at the end of September 2023 at the Poznań International Fair grounds, was a significant event for the Unibep Group: we had a specially prepared stand there, and our experts - President of the Management Board Dariusz Blocher and Vice-President Leszek Gołąbiecki - shared their knowledge and experience during panel discussions accompanying the event.

### **Change in the position of Chief Financial Officer**

On 8 December 2023, Sławomir Kiszycki, Vice President of the Management Board and Chief Financial Officer, resigned from his position, effective as of 31 December 2023.

On 2 January 2024, Mr Andrzej Sterczyński was appointed Chief Financial Officer of Unibep SA. On 20 February 2024, the Supervisory Board of Unibep SA adopted a resolution to appoint Mr Andrzej Sterczyński as a Member of the Management Board of the Company for the current seventh joint term of the Management Board of Unibep SA Effective as of 1 March 2024.

### **Unibep Group is on the Rzeczpospolita 500 List**

The 500 List is a ranking of the largest Polish companies in terms of revenue. This time, the financial figures of the companies for 2022 were analysed. The Unibep Group was ranked 184th (up four places year-on-year).

## **6.5 EVENTS AND CONTRACTS SIGNED AFTER THE BALANCE SHEET DATE**

### **1. Conclusion by UNIHOUSE SA of a contract for the construction of a building using modular technology in Trondheim, Norway**

Referring to the content of current report No. 95/2023 of 30 November 2023, the Management Board of Unibep SA announced that on 5 January 2024, the subsidiary of Unihouse SA concluded a contract for the construction of a 4-storey building intended for a cloakroom, bathrooms and a canteen using modular technology in Trondheim, Norway. The employer is the Municipality of Trondheim. Remuneration for the implementation of the Project is approx. NOK 30.0 million net, which is equivalent to approx. PLN 11.6 million net. (RB 1/2024)

The Issuer announced the selection of the offer in current report No. 95/2023.

### **2. Conclusion of a contract for the 'design and build' conversion of coal-fired boilers to gas-and/or oil-fired boilers at the 'Zachód' Heat Plant in Białystok**

On 23 January 2024, Unibep SA entered into a public procurement contract entitled: "Conversion replacement - disassembly and construction of WRm 40 No. K-4 and WRp No. K-5 coal-fired boilers to gas- and/or oil-fired boilers, together with a flue gas extraction system with two steel emitters sited on a joint reinforced concrete foundation and the construction of a fuel oil storage and distribution facility at the 'Zachód' Heat Plant in Białystok". The employer is Enea Ciepło Sp. z o.o. with its registered office in Białystok. Remuneration for the carrying out of the Investment is approx. PLN 107.0 million gross, which is an equivalent of approx. PLN 87.0 million net. (RB 5/2024)

### **3. Conclusion of an agreement by a subsidiary for the acquisition of a property located in the Białołęka district of Warsaw**



On 30 January 2024, UNI 9 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 [Buyer], signed an agreement transferring the ownership of a property located in the Białołęka district of Warsaw to the Buyer. The Seller is Marywilska 3R Spółka z ograniczoną odpowiedzialnością spółka komandytowa with its registered office in Warsaw. The net value of the agreement is approx. PLN 17.0 million. (RB 7/2024)

**4. Information on the Employer's submission of a declaration of withdrawal from the contract for the implementation of an investment project consisting of the extension and reconstruction of a production facility in Radzikowice, Opolskie Voivodeship**

On 13 February 2024, the Company received from the Employer, i.e. Umicore Battery Materials Poland sp. z o.o. with its registered office in Radzikowice, a letter containing a statement from the Employer on withdrawal from the contract in the part not yet performed, for reasons for which the Company is responsible. At the same time, the Employer demands liquidated damages from the Company for the Employer's withdrawal from the contract and for the Company's improper and untimely performance of the contract, in the maximum contractual amount of approximately PLN 6 million in total. (RB 10/2024)

**5. Information on Unibep SA's submission of a declaration of withdrawal from the contract for the implementation of an investment project consisting of the extension and reconstruction of a production facility in Radzikowice, Opolskie Voivodeship.**

On 16 February 2024, it submitted to the Employer its own declaration of withdrawal from the contract in the part not yet performed for reasons for which the Employer is responsible. The Issuer is of the opinion that the declaration made by the Employer on 13 February 2024 was substantively unfounded and thus could not have legal effect. At the same time, the prerequisites entitling the Company to submit a declaration of withdrawal from the contract to the Employer for reasons attributable to the Employer existed. (RB 11/2024)

**6. Conclusion of a public procurement contract entitled: "Design and construction of the S19 Dobrzyniewo - Sokółka road section: Czarna Białostocka junction (without junction) - Białystok Północ junction (without junction)"**

On 19 February 2024, Unibep SA entered into a public procurement contract entitled: "Design and construction of the S19 Dobrzyniewo - Sokółka road section: Czarna Białostocka junction (without junction) - Białystok Północ junction (without junction)". The employer is the General Directorate for National Roads and Motorways (GDDKiA), Branch in Białystok. The Issuer's remuneration for the implementation of the project is approx. PLN 350 million gross. (RB 12/2024)

The Issuer announced the selection of the offer in current report No. 96/2023.

**7. Changes in the composition of the Management Board of Unibep SA**

On 20 February 2024, the Management Board of Unibep SA received the resignation of Mr Przemysław Janiszewski from his position as Member of the Issuer's Management Board, effective as of 5 March 2024. The reason for the resignation, as indicated, is personal.

On 20 February 2024, the Supervisory Board of the Issuer adopted a resolution to appoint Mr Andrzej Sterczyński as a Member of the Management Board of the Company for the current seventh joint term of the Management Board of Unibep SA effective as of 1 March 2024 (RB

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13/2024)

#### **8. Conclusion of a conditional agreement concerning the construction by Unibep SA of a border crossing on the Ukrainian-Polish border.**

On 11 March 2024, Unibep SA entered into a general contracting agreement regarding the construction by the Company of "Szeginie" border crossing on the Ukrainian-Polish border, which supersedes the previous arrangements concerning this subject matter communicated by the Company in current report No. 31/2020 of 26 June 2020.

The employer is the State Customs Service of Ukraine. The value of the Agreement is approximately EUR 23.5 million net, which is an equivalent of approximately PLN 100.9 million net. (RB 15/2024)

#### **9. Conclusion of a contract for the implementation of the task entitled: "Construction and extension of voivodeship road No. 679, including road engineering facilities and the necessary technical infrastructure, along the section Łomża - Mężenin"**

On 27 March 2024, a consortium comprising Unibep SA [Consortium Leader] and Przedsiębiorstwo Budownictwa Komunikacyjnego Sp. z o.o. with its registered office in Łomża [Consortium Partner] concluded an agreement for the implementation of a public procurement contract entitled: "Construction and extension of voivodeship road No. 679, including road engineering facilities and the necessary technical infrastructure, along the section Łomża - Mężenin." The contract was awarded by the Podlaski Regional Road Administration in Białystok. The gross remuneration for the Investment is approximately PLN 251.4 million, i.e. approximately PLN 204.4 million net, of which the remuneration payable to the Issuer is approximately PLN 102.2 million net. (RB 16/2024)

#### **10. Resignation of a member of the Management Board of Unibep SA**

On 29 March 2024, Mr Krzysztof Mikołajczyk resigned from his position as Vice-President of the Issuer's Management Board with effect from 23 April 2024 (RB 17/2024).

#### **11. Information on non-recurring accounting operations related to the reclassification and valuation of land of selected subsidiaries.**

On 29 March 2024, the Issuer's subsidiaries operating in the real estate development business segment adopted resolutions to cease work preparing their selected land properties for the development of residential projects and to maintain these land properties in order to benefit from the increase in their value, which entails reclassifying these land properties from inventory to investment properties and valuing the land at fair value (RB 18/2024).

#### **12. Conclusion of financial contracts**

- a. On 11 January 2024, Unibep SA extended its agreement with Generali Towarzystwo Ubezpieczeń SA for the provision of guarantees under the revolving limit of PLN 36 million. The agreement was extended until 31 December 2024.
  - b. On 22 January 2024, Unibep SA extended the overdraft and guarantee line agreement with Paribas Bank Polska SA for the total amount of PLN 128 million. The agreement was extended until 26 January 2025.
  - c. On 26 January 2024, Unibep SA extended its insurance guarantee agreement with Uniqa Towarzystwo Ubezpieczeń SA in the amount of PLN 70 million. The agreement was extended until 25 January 2025.
  - d. On 29 January 2024, Unibep SA and Unihouse SA renewed their agreement with Bank
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- Polska Kasa Opieki SA for a multi-purpose credit limit of PLN 70 million. The agreement was extended until 31 January 2025.
- e. On 2 February 2024, Unibep SA signed an agreement with BGK for a non-revolving working capital loan of PLN 40 million. The agreement was concluded until 29 October 2027.
  - f. On 16 February 2024, Unibep SA extended its eFinancing agreement with Bank Polska Kasa Opieki SA for supplier financing in the amount of PLN 20 million. The agreement was extended until 31 January 2025.
  - g. On 26 February 2024, together with mBank SA it performed a technical extension of the overdraft and guarantee facility agreements in the total amount of PLN 80 million. The agreements were extended until 30 May 2024.
  - h. On 26 February 2024, Unibep SA and TUiR Allianz Polska extended the agreement for a guarantee line in the total amount of PLN 70 million. The agreement was extended until 31 December 2024.
  - i. On 28 February 2024, together with mBank SA it performed a technical extension of the overdraft and guarantee facility agreements in the total amount of PLN 110 million. The agreements were extended until 30 March 2024.
  - j. On 28 March 2024 it extended the overdraft and guarantee facility agreements with BGK in the total amount of PLN 110 million. The agreements were extended until 28 February 2025.

## 7. STATEMENT REGARDING THE APPLICATION OF CORPORATE GOVERNANCE PRINCIPLES BY UNIBEP SA IN 2023

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

In 2023, the Company applied the principles of corporate governance entitled "Good Practices of Companies Listed on the WSE 2021" adopted by the Stock Exchange Council by way of resolution of 29 March 2021 and effective as of 1 July 2021. Following the entry into force of the aforementioned set of corporate governance principles, the Company has published a statement on the status of the Company's application of the recommendations and principles contained in the set. The text of this statement is available on the Company's website at [www.unibep.pl](http://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 the dedicated WSE corporate governance website at [www.gpw.pl/dobre-praktyki2021](http://www.gpw.pl/dobre-praktyki2021).

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 2023, 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. and 6.3.

#### 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 other things:

*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 to the dynamically changing environment on an ongoing basis.*

## 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
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required by law.

*The Company's corporate documents contain provisions on the need to use a 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 RELATIONSHIPS 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 states 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. REMUNERATION**

**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

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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 Relationships 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 a majority Polish capital, listed on the Warsaw Stock Exchange since 2008.

In 2023, Unibep SA's share price on the WSE increased from PLN 8.28 (02.01.2023) to PLN 9.12 (29.12.2023), i.e. by PLN 0.84, or 10.1%. Unibep SA's shares reached their highest closing price in 2023 on 18.07.2023 (PLN 11.50), while the lowest was on 31.03.2023 (PLN 7.3). In comparison, the Warsaw Stock Exchange's main index, the WIG, increased by 36% during 2023, while the WIG – CONSTRUCTION increased by 85%.

At the end of 2023, Unibep SA's market value was PLN 319.8 million (as compared to PLN 290.4 million at the beginning of the previous year).

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

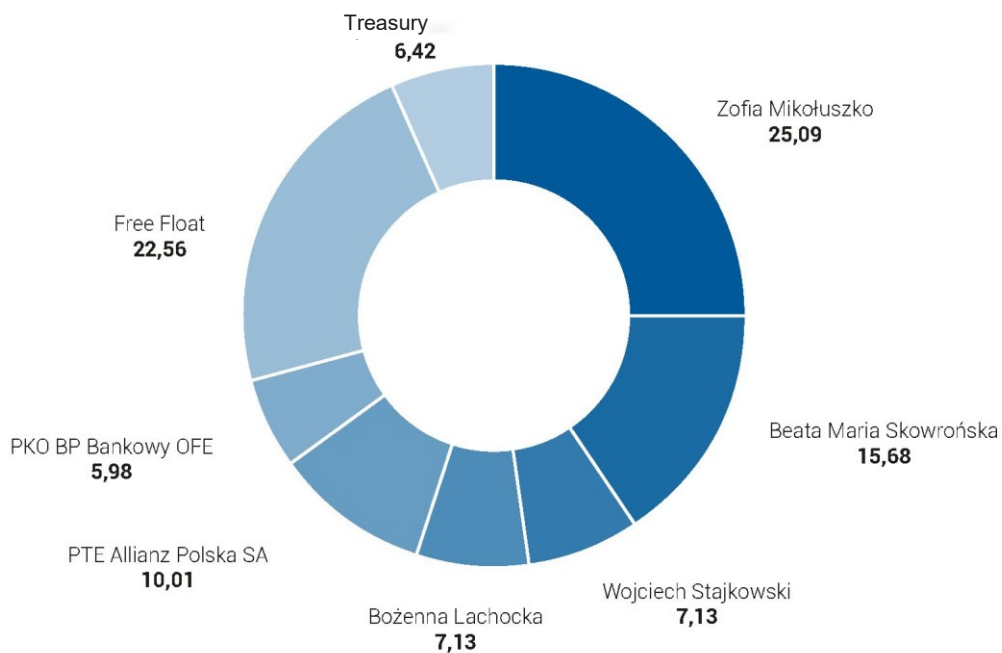
The SP/BV ratio (share price/book value per share attributable to equity holders of the parent company) was approximately 1.2 at the end of 2023 (compared to 0.9 at the beginning of 2023).

Chart: Listing of Unibep SA shares in 2023



## Shareholding structure as at 31 December 2023\*

Shareholder	Number of shares held	Share nominal value	Share in the total number of votes [%]
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)	3,509,603	350,960.30	10.01
PKO BP Bankowy OFE	2,098,756	209,875.60	5.98
Free float	7,912,275	791,227.50	22.56
Own shares (1)(2)(3)(4)(6)(7)	2,250,000	225,000.00	6.42
<b>Total</b>	<b>35,070,634</b>	<b>3,507,063.40</b>	<b>100.00</b>



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

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

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

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

(3) 1,500,000 own shares were purchased on 27 February 2020, which the Company announced in report No. 7/2020.

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

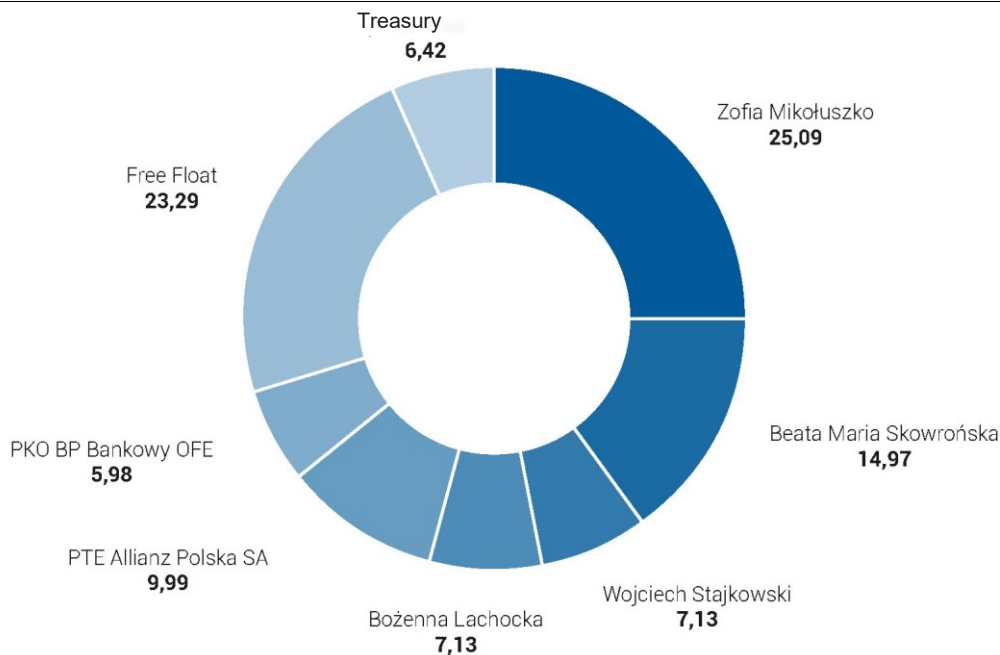
(5) On 30 December 2022, PTE Allianz Polska SA merged with Aviva PTE Aviva Santander SA. As of this date, the merged entity operates under the name PTE Allianz Polska SA and manages three funds: Allianz Polska Otwarty Fundusz Emerytalny, Allianz Polska Dobrowolny Fundusz Emerytalny, Drugi Allianz Polska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

(6) 600,000 own shares were disposed of by the Company as part of the Incentive Scheme for the assessment year 2022 (Rb 56/2023 and Rb 65/2023).

(7) 50,000 own shares were disposed of by the Company as part of the Incentive Scheme for the assessment year 2023 to the President of the Management Board of Unibep SA (Rb 77/2023); with the shares being credited to the purchaser's investment account on 3 October 2023.

The shareholding structure as of the publication date of this report is presented in the table below.

Shareholder	Number of shares held	Share nominal value	Share in the total number of votes [%]
Zofia Mikołuszko**	8,800,000	880,000.00	25.09
Beata Maria Skowrońska	5,250,000	525,000.00	14.97
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)	3,503,805	350,380.50	9.99
PKO BP Bankowy OFE	2,098,756	209,875.60	5.98
Free float	8,168,073	816,807.30	23.29
Own shares (1)(2)(3)(4)(6)(7)	2,250,000	225,000.00	6.42
<b>Total</b>	<b>35,070,634</b>	<b>35,070,634.40</b>	<b>100.00</b>



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

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

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

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

(3) 1,500,000 own shares were purchased on 27 February 2020, which the Company announced in report No. 7/2020.

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

(5) 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).

(6) 600,000 own shares were disposed of by the Company as part of the Incentive Scheme for the assessment year 2022 (Rb 56/2023 and Rb 65/2023).

(7) 50,000 own shares were disposed of by the Company as part of the Incentive Scheme for the assessment year 2023 to the President of the Management Board of Unibep SA (Rb 77/2023); with the shares being credited to the purchaser's investment account on 3 October 2023.



## Share capital structure

As of 31 December 2023, 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).

Series	Share type	Number of shares
<b>DIVISION OF SHARES INTO SERIES</b>		
and	bearer	22,227,184
B	bearer	6,700,000
C	bearer	1,048,950
D	bearer	94,500
<b>Total</b>		<b>35,070,634</b>

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

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

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

As of the balance sheet date of drawing up these financial statements (31 December 2023), the Management Board of UNIBEP SA includes the following persons:

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

On 8 December 2023, Mr Sławomir Kiszycki filed his resignation as Vice-President of the Management Board with effect from 31 December 2023

On 20 February 2024, Mr Przemysław Janiszewski filed his resignation as Member of the Management Board with effect from 5 March 2024

On 20 February 2024, the Supervisory Board of Unibep SA adopted a resolution on appointing Mr Andrzej Sterczyński as a member of the Management Board of the Company effective from 1 March 2024

On 29 March 2024, Mr Krzysztof Mikołajczyk resigned from his position as Vice-President of the Management Board of Unibep SA with effect from 23 April 2024.

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

- Dariusz Blocher - President of the Management Board,
- Leszek Marek Gołąbiewski – Vice-President of the Management Board,
- Krzysztof Mikołajczyk – Vice-President of the Management Board,
- Adam Poliński – Member of the Management Board,
- Andrzej Sterczyński - Member of the Management Board.

### List of Unibep SA shares held by managing persons

First name Last name (company name)	Function	Number of shares/votes held	Nominal value of shares [in PLN]	Percentage in the total number of votes
<b>AS OF 31 DECEMBER 2023</b>				
Dariusz Blocher	President of the Board	50,000	5,000	0.14%
Leszek Marek Gołąbiecki	Vice-President of the Management Board	910,000	91,000	2.59%
Sławomir Kiszycycki	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	-	-	-
<b>AS OF THE REPORT PUBLICATION DATE</b>				
Dariusz Blocher	President of the Board	50,000	5,000	0.14%
Leszek Marek Gołąbiecki	Vice-President of the Management Board	910,000	91,000	2.59%
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%
Andrzej Sterczyński	Member of the Management Board	-	-	-

### List of Unibep SA shares held by supervising persons

First name Last name (company name)	Function	Number of shares/votes held	Nominal value of shares [in PLN]	Percentage in the total number of votes
<b>AS OF 31 DECEMBER 2023</b>				
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	-	-	-
<b>AS OF THE REPORT PUBLICATION DATE</b>				
Jan Mikołuszko	Chairman of the Supervisory Board	21,620	2,162	0.06%
Beata Maria Skowrońska	Deputy Chairman of the Supervisory Board	5,250,000	525,000	14.97%
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	-	-	-

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 that 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.

### **Incentive scheme for 2022 and 2023**

On 21 June 2023, the Parent Company's Supervisory Board adopted a resolution on the verification of fulfilment of the Company's share allocation criteria for the assessment year 2022 by eligible participants of the Incentive Scheme and, at the same time, in connection with the fulfilment of the allocation criteria by participants who are members of the management board of the subsidiary company - Unidevelopment SA, the Parent Company's Supervisory Board decided on the same date to offer the Company's shares to the following members of the management board of Unidevelopment SA (hereinafter "Beneficiaries"): 210,000 shares to Mr Zbigniew Gościcki, 130,000 shares to Ms Ewa Przeździecka, 130,000 shares to Mr Mirosław Szczepański, 130,000 shares to Mr Mariusz Przystupa.

Following the completion of the following actions: a) the Company's submission of offers for the sale of the Company's shares, in accordance with the above decision of the Supervisory Board; b) the acceptance of the offers for the sale of the Company's shares by the Beneficiaries; c) the payment of the price for the offered shares in full by each of the Beneficiaries to the Company's account, the Company's shares were credited to the Beneficiaries' bank accounts on 27 July 2023. Consequently, as of the same date, the shares and all corporate rights attached to the Company's shares were transferred to the individual members of the management board of the subsidiary, Unidevelopment SA, and thus the Incentive Scheme for 2022 was implemented.

In addition, on 21 June 2023, the Ordinary General Meeting of Shareholders of Unibep SA resolved to extend the Incentive Scheme for members of the Management Board and key managers and decided that shares may be purchased by participants in the Scheme no later than the date falling four months after the date of approval of the Company's financial statements for the financial year 2026.

On 11 September 2023, the Parent Company's Supervisory Board amended the Rules of the Incentive Scheme, in particular introducing the possibility of the Supervisory Board deciding to conclude an agreement with a person who is a member of the Company's Management Board to participate in the Scheme, on the date and under terms and conditions differing from those specified in the Rules. Subsequently, the Supervisory Board decided to conclude an agreement with the President of the Management Board of the Parent Company for participation in the Scheme under terms and conditions deviating from those set out in the Rules and determined the principles for the participation of the President of the Management Board of the Parent Company in the Scheme.

Under the Incentive Scheme, the President of the Management Board will be able to purchase a

maximum of 2,000,000 shares from the Company, including:

1. 50,000 shares ("Pool 1") will be available for purchase by the manager in 2023,
2. not more than 1,950,000 shares ("Pool 2") will be available for purchase by the manager in 2025, 2026 and 2027, no later than the date falling 4 months after the date on which the General Meeting of the Company approves the financial statements of the Company for the financial year 2026 (the "Final Date").

The price at which the President of the Management Board will purchase shares from the Company under the Scheme will be fixed at PLN 3.50 (PLN three 50/100) per share.

The President of the Management Board will be entitled to purchase Pool 1 shares from the Company, provided that he is the President of the Management Board of the Company on the date on which the offer to sell Pool 1 shares is made to him by the Company. The Supervisory Board has not established any other criteria for the allocation of Pool 1 shares. The Manager will be required not to dispose of the Pool 1 shares within 12 months of their purchase.

The right of the President of the Management Board to purchase Pool 2 shares will be subject to the fulfilment of criteria set by the Supervisory Board (the "Allocation Criteria"), which should be met in 2024, 2025, 2026 (the "Evaluation Years").

The Allocation Criteria will be determined by the Supervisory Board separately for each Evaluation Year by the end of February of the relevant Evaluation Year.

Pool 2 Shares will be purchased by the manager in 2025, 2026 and 2027 (the "Allocation Years"), no later than until the Final Date.

In each Allocation Year, the manager will be entitled to purchase the following number of Pool 2 shares:

- (a) in the Allocation Year 2025 - no more than 450,000 shares,
- (b) in the Allocation Year 2026 - no more than 700,000 shares,
- (c) in the Allocation Year 2027 - no more than 800,000 shares.

In any case, the right of the President of the Management Board to purchase Pool 2 shares in connection with the fulfilment of the Allocation Criteria will only arise if the following conditions are met jointly:

- (a) on the last day of the relevant Evaluation Year the manager is appointed as a member of the Management Board and
- (b) by the date referred to in point (a), the agreement between the manager and the Company pursuant to which the manager serves as the Company's President of the Management Board has not been terminated by the manager nor has it been terminated by the manager other than by notice, and
- (c) by the date referred to in point (a), the agreement between the manager and the Company pursuant to which the manager serves as the Company's President of the Management Board has not expired nor has it otherwise been terminated by the Company for reasons that would justify termination of the employment contract by the employer due to the employee's fault.

On 3 October 2023, in connection with the following actions: i) the Company's offer to sell 50,000 shares in the Company (Pool 1) to the President of the Management Board, in accordance with the above decision of the Supervisory Board; ii) the acceptance of the offer to sell the Company's shares by the President of the Management Board; iii) the payment of the full price for the offered shares by the President of the Management Board to the Company's account, the Company's shares from Pool 1 were credited to the investment account of the President of the Management Board.

In connection with the implementation of 'Pool 1', the Group's costs were charged with the amount of PLN 292,500.

On 20 February 2024, the Parent Company's Supervisory Board determined the financial and non-financial criteria for the allocation of the Company's shares for the evaluation year 2024 and their weights for the President of the Management Board of Unibep SA.

The financial criteria dedicated to the President of the Management Board include the achievement of the financial objectives as determined by the Unibep Capital Group. The non-financial criteria are in particular: remaining as a member of the Management Board of UNIBEP SA, improving occupational safety and working towards reducing greenhouse gas emissions in the value chain, in line with the Unibep Capital Group's ESG Strategy.

## INVESTOR RELATIONSHIPS

Unibep SA communicates in a professional manner with capital market representatives, including sell-side analysts and investment fund managers.

Investor material such as the factsheet, presentation and conference recording are updated and made available on the investor relationships section of the website. In addition, the investor relationships 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.

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 information about the company reaches a wide range of investors, both institutional and individual. Recommendations are made by the brokerage house DM Noble Securities.

## 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.

The following changes in the composition of the Company's Management Board occurred in 2023:

- as of 1 January 2023, Mr Przemysław Wojciech Janiszewski was appointed to the Company's Management Board, as a Member of the Management Board;
- as of 9 May 2023, Mr Leszek Marek Gołąbiecki changed his function from President of the Management Board to Vice-President of the Company's Management Board;
- as of 9 May 2023, Mr Dariusz Jacek Blocher was appointed to the Company's Management Board, as the President of the Management Board;
- with effect from 31 December 2023, Mr Sławomir Kiszycki resigned from the position of a member of the Company's Management Board.

The following changes in the composition of the Company's Management Board occurred in 2024:

- as of 1 March 2024, Mr Andrzej Piotr Sterczyński was appointed to the Company's Management Board, as a Member of the Management Board;

- as of 5 March 2024, Mr Przemysław Wojciech Janiszewski resigned from the the position of a member of the Company's Management Board,
- as of 23 April 2024 Mr Krzysztof Mikołajczyk resigned from the the position of a member of the Company's Management Board.

At the date of this report, the Company's Management Board is composed of five members and consists of:

- Dariusz Jacek Blocher - President of the Management Board, who is also a Director of the Company,
- Leszek Marek Gołąbiecki – Vice-President of the Management Board, at the same time acting as the Executive 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,
- Andrzej Piotr Sterczyński - Member of the Management Board, also acting as the Chief Financial Officer

On 16 May 2023, the Management Board was appointed for a new seventh term of office beginning upon the holding of the Ordinary General Meeting of UNIBEP SA approving the financial year 2022. The Ordinary General Meeting of UNIBEP SA approving the financial year 2022 was held on 21 June 2023.

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, the President of the Management Board shall have the 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 shall be 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**

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).

The sources of remuneration for the members of the Management Board, determined in January 2022, based on two forms of remuneration, remained in force throughout 2023.

#### **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 as a percentage 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 as a percentage 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.

On 16 May 2023, the Supervisory Board of UNIBEP SA, by virtue of the resolutions adopted, established the principles of remuneration and bonuses on account of the appointment of the President of the Management Board, Vice-Presidents of the Management Board and Members of the Management Board.

In accordance with these Resolutions, the amount of monthly remuneration on account of the appointment of the President of the Management Board Mr Dariusz Jacek Blocher, Vice-President of the Management Board Mr Leszek Marek Gołąbiecki, Vice-President of the Management Board Mr Sławomir Kiszycki, Vice-President of the Management Board Mr Krzysztof Mikołajczyk, Member of the Management Board Mr Adam Poliński and Member of the Management Board Mr Przemysław Wojciech Janiszewski was determined.

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In accordance with the above mentioned Resolutions of the Supervisory Board:

- a) the President of the Management Board of UNIBEP SA, Mr Dariusz Jacek Blocher and the Vice-Presidents of the Management Board of UNIBEP SA Mr Leszek Marek Gołąbiewski, Mr Sławomir Kiszycycki and Mr Krzysztof Mikołajczyk are entitled to an annual bonus of 1.5%, calculated on the consolidated net profit of the UNIBEP Capital Group attributable to shareholders of the parent company for each financial year, provided that the financial plan of the UNIBEP Capital Group adopted for the year by the Management Board and Supervisory Board is implemented.
- b) Member of the Management Board of UNIBEP SA, Mr Adam Poliński and Mr Przemysław Wojciech Janiszewski are entitled to an annual bonus of 1%, calculated on the consolidated net profit of the UNIBEP Capital Group attributable to shareholders of the parent company for each financial year, provided that the financial plan of the UNIBEP Capital Group adopted for the year by the Management Board and Supervisory Board is implemented.

Last name, first name	Remuneration
<b>REMUNERATION OF THE MANAGEMENT BOARD OF UNIBEP SA FOR THE PERIOD: 01.01.2023 - 31.12.2023 ON ACCOUNT OF APPOINTMENT</b>	
Gołąbiewski Leszek	507,600.00
Kiszycycki Sławomir	487,800.00
Mikołajczyk Krzysztof	453,600.00
Janiszewski Przemysław	348,000.00
Blocher Dariusz	389,471.47
Poliński Adam	348,000.00
<b>Total:</b>	<b>2,534,471.47</b>

## 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 Dariusz Jacek Blocher employed as a Director of the Company
- b) Mr Leszek Marek Gołąbiewski employed as Executive Director
- c) Mr Sławomir Kiszycycki is employed as Financial Director
- d) Mr Krzysztof Mikołajczyk is employed as Construction Director
- e) Mr Adam Poliński is employed as Director of the Infrastructure Branch
- f) 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 was obliged to compensate the employee in the amount of 3 times the average monthly remuneration of an employee of the company. The amount of compensation included 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 was binding for 6 months after termination of the employment relationship). For the duration of the non-competition clause, employees were 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 should be paid to the employee



in six equal instalments by the 10th of each month, by transfer to an account specified by the employee.

Last name, first name	Remuneration (employment contract)	Bonus for 2022	Total
<b>REMUNERATION OF THE MANAGEMENT BOARD OF UNIBEP SA FOR THE PERIOD: 01.01.2023 - 31.12.2023 ON ACCOUNT OF EMPLOYMENT CONTRACTS</b>			
Gołąbiecki Leszek	300,000.00		300,000.00
Kiszycki Sławomir	240,000.00		240,000.00
Mikołajczyk Krzysztof	239,061.56		239,061.56
Janiszewski Przemysław	219,843.81	300,000.00	519,843.81
Blocher Dariusz	239,634.44		239,634.44
Poliński Adam	216,000.00		216,000.00
<b>Total:</b>	<b>1,454,539.81</b>	<b>300,000.00</b>	<b>1,754,539.81</b>

The Vice-president of the Management Board of UNIBEP SA Mr Sławomir Kiszycki received remuneration for 2023 at UNIHOUSE SA in the amount of PLN 40,000 net on account of the cooperation agreement concluded between UNIHOUSE SA and Sławomir Kiszycki pursuing its business activity under the name SMK Kiszycki.

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

### **Changes in 2024 in the area of remuneration and bonuses for the members of the Management Board**

On 20 February 2024, the Supervisory Board of the Company decided to give the right to remuneration and bonuses to the members of the Management Board: Dariusz Jacek Blocher, Leszek Marek Gołąbiecki, Krzysztof Mikołajczyk, Adam Poliński, Andrzej Piotr Sterczyński as of 1 March 2024 based solely on the employment relationship.

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

Acting on the basis of the authorisation of the General Meeting of UNIBEP SA with its registered office in Bielsk Podlaski on the adoption of the remuneration policy for the supervisory and management bodies of UNIBEP SA (the "Remuneration Policy") to detail its elements, on 20 February 2024 the Company's Supervisory Board introduced a new bonus policy for members of the Management Board, adopting a detailing of the elements of the Remuneration Policy in terms of the description of the variable remuneration components that may be awarded to members of the Management Board.

The aforementioned Resolution of the Supervisory Board amending the rules for awarding bonuses for the members of the Management Board is conditional in nature and will take effect subject to and on the date of adoption by the Company's Ordinary General Meeting of a resolution adopting the amendments to the Remuneration Policy, as positively reviewed by the Supervisory Board on 20 February 2024. The Supervisory Board has resolved that in the event that the Company's Ordinary General Meeting does not adopt the amendments to the Remuneration Policy referred to above, the existing bonus principles for members of the Management Board will apply.

According to the new bonus rules for the members of the Management Board:

The Variable Remuneration of a member of the Management Board consists of the following elements:

- I. Short-term Variable Remuneration,
- II. Long-term Variable Remuneration.

The accounting period for the Short-Term Variable Remuneration is the financial year. The accounting period for the Long-Term Variable Remuneration is a period of three calendar years, provided that the first accounting period covers the years 2024-2026.

Re. I.) Short-term Variable Remuneration consists of the following components:

1. Bonus for execution of Individual Tasks,
2. Bonus for meeting Financial Ratios,
3. Bonus for exceeding the achievement of Financial Ratios,
4. Commission on the result.

A member of the Management Board is entitled to Long-Term Variable Remuneration provided that

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the Company achieves the UNIBEP SA Share Price Change Index of more than 50%. Exceeding the UNIBEP SA Share Price Change Index by more than 100% does not increase the Long-Term Variable Remuneration. The amount of the Long-Term Variable Remuneration is determined by the level of the percentage index of the change in the value of the UNIBEP SA share price.

In connection with the conclusion of the Agreement for participation in the Incentive Scheme of UNIBEP SA based on the Company's own shares with the President of the Management Board of the Company's Director Mr Dariusz Jacek Blocher, concerning the evaluation years 2024, 2025 and 2026, the Supervisory Board established that the President of the Management Board of the Company's Director Mr Dariusz Jacek Blocher is not entitled to the Long-Term Variable Remuneration for the Evaluation Period covering the financial years 2024-2026.

To the above-mentioned employees, in the event that the Employee's employment contract is terminated by notice from the Employer for reasons that are not attributable to the Employee, the Employer shall pay compensation equal to one month's base remuneration as specified in the employment contract in the month preceding the termination of the employment contract. In particularly justified cases, the Employer may grant the Employee compensation despite the termination of the Employee's contract in a manner other than specified above.

The aforementioned employees entered into non-competition agreements with the Company during and after their employment. The non-competition clause applies to the Employee for a period of six months as of the date of termination or expiry of the last applicable Employment Contract. During the term of non-competition clause, taking effect after the termination of the last Employment Contract, the Company will be obliged to pay compensation to the Employee for the Employee's refraining from competitive activities. The compensation will be calculated as the equivalent of 25% of the remuneration received by the Employee prior to the termination or expiry of the last Employment Contract, for the period immediately preceding the termination or expiry of the last Employment Contract and corresponding to the number of months of non-competition after the termination of the employment relationship. Compensation will be payable in equal monthly instalments.

The aforementioned employees are entitled to use a company car for business and private purposes under the rules applicable at the employer.

The employer provided the aforementioned employee with mobile phones and personal computers to use for business purposes.

The aforementioned employees are entitled to participate, at the employer's expense, in training and other activities aimed at improving their qualifications.

The employees may participate in a private healthcare scheme under the terms and conditions applicable at the employer.

The Employees shall be entitled to:

1. coverage or reimbursement of documented necessary expenses incurred in the performance of official duties,
2. coverage or reimbursement of business trip expenses in accordance with the rules laid down by generally applicable legislation.

## **SUPERVISORY BOARD**

The Supervisory Board of UNIBEP SA acts on the basis of the provisions of the Commercial Companies Code, the Articles of Association of the Company and the By-Laws of the Supervisory Board. In its capacity, the Supervisory Board also applies the principles of "Good Practices of

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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 7 working days before the date of the General Meeting during which such a member is to be elected. Such an application shall contain the 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 the loss of such independence qualities. In the event of a 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.

As of the beginning of 2023, the Supervisory Board of the Company for the 6th term was composed 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.

On 21 June 2023, the General Meeting passed a resolution on the election of the Supervisory Board of the Company for the seventh term with its composition unchanged.

The current composition of the Supervisory Board as at 31 December 2023 and as 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 holds 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

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Company. Such a meeting should be held within two weeks, after receiving the request.

Members of the Board may participate in Board meetings using a 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 added to 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 the 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.

Last name, first name	Remuneration of a member of the Supervisory Board of UNIBEP SA	Remuneration of a member of the Supervisory Board under an employment contract with UNIBEP SA	Total
<b>REMUNERATION OF THE SUPERVISORY BOARD FOR THE PERIOD: 01.01.2023 – 31.12.2023 UNIBEP SA</b>			
Mikołuszko Jan	468,000.00		468,000.00
Skowrońska Beata	156,000.00		156,000.00
Stajkowski Wojciech	156,000.00	60,000.00	216,000.00
Markowski Paweł	72,000.00		72,000.00
Beldowski Jarosław	72,000.00		72,000.00
Kołosowski Michał	96,000.00		96,000.00
Karnowski Jakub	62,000.00		62,000.00
Kacprzyk Dariusz	4,354.84		4,354.84
<b>Total:</b>	<b>1,086,354.84</b>	<b>60,000.00</b>	<b>1,146,354.84</b>

Beata Maria Skowrońska – Vice-Chairman of the Supervisory Board of UNIBEP SA, received remuneration at UNIDEVELOPMENT SA for 2023 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 elects 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 has been operating since 15 June 2020. Composition of the Audit Committee in 2023:

1. Michał Kołosowski – Chairman of the Committee, an independent member, within the meaning of Article 129(3) of the Act on Statutory Auditors of 11th May 2017;
2. Wojciech Jacek Stajkowski - Member of the Committee,
3. Dariusz Marian Kacprzyk – an independent Member of the Committee, within the meaning of Article 129(3) of the Act on Statutory Auditors of 11th May 2017;
4. Following the resignation of Mr Dariusz Marian Kacprzyk from the position of a member of the Company's Supervisory Board, the Supervisory Board elected Mr Jarosław Bełdowski to the Audit Committee on 26 January 2023. Mr Jarosław Bełdowski is an independent member within the meaning of Article 129(3) of the Act on certified auditors of 11 May 2017.

The composition of the Audit Committee of the seventh term of office appointed on 21 June 2023 and as at the date of this report 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 11th May 2017;
2. Wojciech Jacek Stajkowski - Member of the Committee,
3. Jarosław Bełdowski – an independent Member of the Committee, within the meaning of Article 129(3) of the Act on Statutory Auditors of 11th May 2017;

As part of the Audit Committee of the seventh 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 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 Management 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 Magyarorszag. 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:

- (a) submitting the recommendation referred to in Art. 16(2) of Regulation No. 537/2014, to the Supervisory Board;
- (b) 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;
- (c) informing the Supervisory Board about the 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;
- (d) reviewing the Company's individual and consolidated interim and annual financial statements;
- (e) discussing any problems or qualifications raised during the audit;
- (f) analysing comments addressed to the Management Board and made by the Company's expert auditors, and replies made by the Management Board;
- (g) reviewing transactions made with related entities;
- (h) monitoring the effectiveness of the internal control system, risk management, supervision of legal compliance, and the internal audit functions;
- (i) accepting internal audit programmes;
- (j) analysing reports of the Company's internal auditors and replies made by the Management Board in relation to the observations contained in such reports;
- (k) cooperation with the Company's organisational unit responsible for internal audit, including giving an opinion on the performance of assigned tasks,
- (l) giving an opinion on the level of remuneration and bonuses of the internal audit manager and participating in decisions concerning the appointment and dismissal of the internal audit manager,
- (m) monitoring the performance of financial reviews, in particular performance of a review 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;
- (n) reviewing and monitoring the independence of an expert auditor and audit firm, in particular when the audit firm renders services other than auditing the Company
- (o) assessing the independence of an expert auditor, and giving consent to their rendering of permitted services, which do not constitute audits in the Company;
- (p) developing a policy and procedure for the selection of an audit firm to perform the audit;
- (q) developing a policy related to the provision of permitted services other than auditing by the audit firm, entities related to the audit firm and by a member of the audit firm corporate network;
- (r) monitoring the process of financial reporting;
- (s) submitting recommendations aimed at ensuring reliability of the financial reporting process in the Company;
- (t) 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 2023, the Audit Committee held 5 meetings to carry out the tasks assigned to it, such as analysing the Company's financial statements, assessing the risk management system and



evaluating the internal control system, analysing the financial liquidity, recommending the selection of the audit firm performing the audits required by the regulations, analysing the transactions with related entities etc.

Composition of the Sustainability Committee of the seventh term of office appointed on 21 June 2023. As at the date of this report, it is as follows:

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

The task of the Sustainability 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.

In 2023, the Sustainability Committee met three times. In 2023, the Sustainability 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, as well as evaluating the degree of implementation of the ESG strategy in 2023.

## **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](http://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 a dividend for a given financial year will be made (record day) and the date of paying the 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 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 have 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, as amended, 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. Remuneration for such persons should be compatible with the scope of tasks entrusted to individual members of the Management Board, and also take into account the performing 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 management 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

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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.

### **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 elements of the remuneration system for key managers in 2023 included:

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

Key managers were 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 the 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 is currently developing a formalised diversity policy in the form of a single document,

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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. At the Unibep Group, 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. 18% of the Company's employees. Over **18%** 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 in the UNIBEP Group account for approx. 40% of the total number of white-collar 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 and 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 14% 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 2023 in Section 4.2. Diversity as a value.

## 7.7 INFORMATION ON THE AUDIT FIRM

On 22 June 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

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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 July 2022 for the review and audit of the separate and consolidated financial statements for the years 2022 - 2024, which stipulates an annual remuneration of PLN 443,900 per year plus additional costs (including: review of PLN 129,000 and audit of the statements PLN 314,900) (in the previous year it was respectively: remuneration of PLN 379,000, including: review of PLN 129,000, audit of the statements PLN 250,000).

The total remuneration of Grant Thornton Polska Prosta Spółka Akcyjna for the audit of the 2023 statements of the other Group companies amounts to PLN 460,400 plus additional costs (in the previous year it was PLN 393,300 respectively).

On 21 November 2023, Unihouse SA entered into an agreement with Grant Thornton Revisjon AS, Kirkegata 15, 0153 Oslo, for an audit of the financial statements of Unihouse SA's operations on the Norwegian market for 2023 in accordance with Norwegian standards, for a value of NOK 280,000 plus service costs.

On 21 May 2021, Unihouse SA entered into an agreement with Deloitte AS Dronning Eufemias gate 14, NO-0103 Oslo for the audit of the financial statements of Unihouse SA's operations on the Norwegian market for 2021-2022 in accordance with Norwegian standards, for a value for 2022 of EUR 265,500. The auditing firm Grant Thornton Polska Prosta Spółka Akcyjna additionally provided a service in 2023 consisting in assessment of the report on remuneration of the Management Board and Supervisory Board for 2022 for the benefit of the Parent Company, for a value of PLN 18,000.

The auditing firms did not provide any other services to the Parent Company and the Capital Group in 2023.

The Group has a "Policy on the selection of the auditing firm to carry out the statutory audit of the financial statements of UNIBEP SA and the UNIBEP Capital Group" in place, which was developed by the Audit Committee and adopted by the Supervisory Board by way of resolution dated 06 February 2018. The aforementioned policy stipulates that the selection of the auditing firm is made by the Supervisory Board, based on the recommendation of the Audit Committee, which (except in the case of a renewal of the audit engagement) presents at least two proposals of auditing firms to the Supervisory Board, together with an indication of one of them and the reasons for its choice. 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.

In addition, on 06 February 2018 the Supervisory Board adopted the "Policy on the provision of permitted non-audit services to UNIBEP SA, by an audit firm conducting an audit, by entities affiliated with that audit firm, and by a member of the audit firm's network". The main objective of this policy is to eliminate the risk of lack of independence, when rendering certain services other than a statutory audit, by expert auditors, audit firms, or members of their network. 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.

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## 8. OTHER INFORMATION

### 8.1 DESCRIPTION OF RISKS AND THREATS

For the Unibep Group, as well as for the construction sector as a whole, the above risks require constant monitoring and adaptation of risk management strategies. The ability to respond effectively to changing market conditions, regulations and operational challenges determines a company's financial stability and its ability to grow. Managing risk, including by diversifying the business, exploring new markets and investing in staff and technology development, is key to ensuring long-term success and increasing value for shareholders.

- **Risk related to the macroeconomic situation**

For the Unibep Group, changes in the macroeconomic situation, such as inflation, changes in interest rates or fluctuations in exchange rates, may significantly affect the cost of financing, the value of investments and the demand for construction. Economic uncertainty may lead to the delay or cancellation of investment projects, which will directly affect the company's financial performance.

- **Risks related to changing market conditions and demand for construction services, including the impact of the economic situation on the construction sector**

The cyclical nature of the construction market and changes in demand for construction services due to the general economic situation may affect Unibep's order levels and margins. Phases of economic growth favour investment, while periods of recession may lead to a reduction in investment, which directly affects the company's operations.

- **Legal and regulatory risks**

Unibep takes into account the risk of changes in construction, tax and other regulations affecting the sector. New legal requirements may increase operating costs, introduce additional administrative burdens or limit the company's growth opportunities.

- **Risks related to warfare**

Armed conflicts, both local and international, may affect the stability of raw material supplies, production costs and the safety of Unibep employees, particularly in areas exposed to hostilities.

- **Credit risk related to the possibility of deterioration in the payment capacity of counterparties, investors, the issuer and changes in banks' credit policies and availability of financing for the construction sector**

Changes in the payment capacity of counterparties and investors, as well as changes in banks' credit policies, may affect Unibep's financial liquidity. Difficult access to financing or worsening credit conditions may delay or prevent projects.



- **Operational risks associated with project implementation, including technological risks, warranty risks, implementation delays and project cost increases**

Operational risks, including technological risks, problems with guarantees, project delays and uncontrolled cost increases, and risks in performance of obligations by the employers, are key challenges for Unibep. These may lead to increased operating costs and affect project profitability and valuations.

- **Risks associated with diversification of revenue sources and expansion into new markets and business segments**

Unibep's strategy of diversification and expansion into new markets and business segments carries risks related to unfamiliarity with local conditions, higher entry costs and potential difficulties in adapting the offer to the expectations of new customers. Such activities may also require significant investment before they begin to deliver the expected results.

- **Risks related to difficult access to skilled labour, including due to migration of workers and demographic changes**

The labour market in the construction industry is highly competitive and demographic changes and migration of workers may lead to a lack of access to skilled labour. For Unibep, this may mean having to increase salaries to attract and retain staff, which will have an impact on operating costs. In addition, the lack of skilled workers may lead to delays in project implementation and affect the quality of projects.

- **The Capital Group's going concern risk**

The reported financial results in 2023 indicate that there is significant uncertainty about the going concern of the Parent Company and its Capital Group. The Parent Company's Management Board is fully aware of the risks involved and has therefore already taken a number of measures in the first months of 2024 or intends to do so in the coming periods to strengthen the financial position of the Parent Company and the Capital Group as a whole, as described in more detail in section 1.2 Basis for the preparation of the financial statements within the Consolidated Financial Statements for 2023. The Management Board sees no threat of the going concern risk to materialise.

In addition to the risk described above, the risk from the financial area is also presented in the report. These are contained in point 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 151.553 million and exceeds 10% of the UNIBEP Group's equity (the total value of proceedings concerning receivables of the Parent Company is PLN 127.029 million).

Meanwhile, the total value of proceedings related to as at the date of this Report is PLN 182.028 million and exceeds 10% of the UNIBEP Group's equity (the total value of proceedings concerning liabilities is PLN 174.883 million).

The Company has identified a number of significant proceedings. The proceedings with the highest values are those described below between UNIBEP SA and Podlaski Regional Road Administration (Investor), Trakcja PRKiL SA (Investor) and Spółdzielnia Mieszkaniowa "Na Skraju".

- 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 million as a contractual penalty due to withdrawal from the contract and the amount of PLN 23.243 million 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 million 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 million 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 million. 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 799,000 with statutory interest and in favour of Most Sp. z o.o. in Sopot in the amount of PLN 61,000 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 million with interest. In addition to the letter, the defendant Podlaskie Voivodeship Roads Authority submitted 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 million 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. Mediation meetings are currently underway.

The Court will decide whether the withdrawal from the contract by the Employer 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 Employer 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 million and by the Employer for the amount of approx. PLN 105.998 million plus interest have been joined for joint examination.

The Company fully disputes the damage allegedly suffered by the Employer, 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 Employer 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) Unibep SA and formerly Budrex Sp. z o.o. filed a statement of claim against the Podlaskie Voivodeship Roads Authority for payment of PLN 4.744 million for additional costs on the Łąpy 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 the former Budrex Sp. z o.o.'s claim for the amount of PLN 207,000 and found the claim to be otherwise unfounded, and agreed with Unibep SA's claim for the amount of PLN 1.995 million. 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. On 29 June 2022, a judgement was passed, according to which the Court awarded the amount of PLN 207,000 with statutory interest from the Podlaskie Voivodeship Roads Authority in Białystok to Unibep SA (formerly Budrex Sp. z o.o.) and awarded the amount of PLN 60,000 from the plaintiffs to the defendant as reimbursement of the costs of legal representation. On 3 October 2022, an appeal was filed in the case. The Court of Appeal has issued a judgement in the case. Ultimately, an amount of PLN 255,000 was awarded in favour of Unibep SA with the remainder of the appeal dismissed. The judgement is final. The case was closed.

In addition, Unibep SA and the former Budrex Sp. z o.o. filed several statements of claim against the Podlaskie Voivodeship Roads Authority concerning the construction of the DW 682 Łąpy Markowszczyzna road in connection with additional works of a total value of PLN 11.025 million.

- 3) In the statement of claim of 30 September 2022, Unibep SA (formerly 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 million. The Court issued an order for payment by writ of payment, to which the Defendant filed an objection. By order of the Court, the case was referred to mediation, during which no settlement was reached. The case was brought back before the Court, in the course of the proceedings there were two hearings in July and November 2023 and one in January 2024, at which witnesses were heard. The date of the next hearing was set for 25 March 2023.
- 4) In February 2024, Unibep SA received a statement of claim from Spółdzielnia Mieszkaniowa "Na Skraju" for the amount of PLN 55 million due to defects regarding the Cynamonowy Dom investment. On 5 April 2024, a statement of defence was filed by Unibep SA. The company denies the validity of the claim in its entirety. The statement of claim relates to a building, the construction of which was completed in 2013 and its acceptance was recorded in a protocol dated 29 November 2013. In Unibep SA's opinion, the reported defects are not the result of a workmanship error, but they are caused by the design documentation, for which the Investor is responsible. Some of the defects alleged in the statement of claim were not reported until 2023. There is therefore a significant likelihood that the claims or the period of limitation for the claims will be considered expired. We are awaiting further action from the court.

For a detailed description of other court proceedings, see Note 6.35 to the Consolidated Financial Statement for 2023.

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### 8.3 INFORMATION ON CHARITABLE AND SPONSORSHIP ACTIVITIES

At the end of 2022, the Unibep Group adopted the ESG Strategy, in which it clearly defined its objectives for 2023-2025 in the area of social, environmental and corporate governance. At the same time, it should be emphasised that corporate social responsibility in its broadest sense has also been extremely important to the Unibep Group for many years.

In accordance with the contents of the ESG strategy, the mission of the Unibep Group is to carry out construction projects in the domestic and international markets in accordance with the highest global quality standards, taking into account the principles of sustainable construction, guided by the principles of professional ethics and attention to user comfort and satisfaction.

The implementation of the above strategy is directly reflected in the Unibep Group's charitable and sponsorship activities.

Unibep SA has supported sports for many years (mainly by subsidising the Tur Basket Bielsk Podlaski Association), it has been active in the development of education (e.g. by funding scholarships for students and cooperating extensively with Polish universities), it also subsidises cultural and community activities, institutions in need of assistance and - mainly through the activities of the Unibep Group's Unitalent Foundation - it helps young talents on their way to success.

For many years, the Unibep Group has been 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. In agreement with the Białystok University of Technology, the company supported the activities of a Polish school in Lithuania. Last year, the company supported the Kraków University of Technology, which educates Ukrainian students, and also made a donation to the reconstruction of the St. Martin House in the Kiev region of Ukraine.

The Unibep Group's Unitalent Foundation, which aims, among other things, to promote pro-entrepreneurial attitudes among young people, was one of the main partners in the national project 'Best Entrepreneurship Classes' of the Business Centre Club Students' Forum. In 2023, the foundation implemented the project 'From idea to business' - together with a group of experts, it developed eight lesson plans for a new subject in secondary schools entitled: "Business and Management" and organised a meeting on the subject. The event was attended by around 300 students, teachers of the aforementioned subject, and representatives of science and business. The lesson plans are available on the foundation's website - [www.unitalentowani.pl](http://www.unitalentowani.pl)

In turn, with the Faculty of Architecture at the Białystok University of Technology, the Unibep Group – for the 5th time – was a co-organiser of the national competition for architecture students entitled "Wood in Architecture". The competition attracted 53 entries from architecture departments 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 organisers of the Belarusian Social and Cultural Society in Poland, the Dojlidz Music Lovers' Association and the Anna German Song Festival.

The Unibep Group 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 charity and aid organisations and those acting in accordance with the company's values, including the

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Great Orchestra of Christmas Charity, 'Taka Akcja' Foundation, Eurydyki Association, and the Very Wild East Foundation for the Development of Podlasie Cinematography.

The Unibep Group has also subsidised, among other things, the publishing of the Bielsk Podlaski Historical Almanac, the Seniorada celebrations in Bielsk Podlaski, the activities of the Belarusian Socio-Cultural Society and the Orthodox Music Festival in 2023.

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.

**UNIBEP GROUP'S UNITALENT FOUNDATION FOCUSES ON ACTIVITIES BOTH INSIDE AND OUTSIDE THE ORGANISATION**



In total, the Unibep Group donated about PLN 400,000 directly to social and sports organisations in 2023.

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 2023, Unibep Group donated a total of PLN 300,000 to the Foundation. Of the above amount, the Foundation spent PLN 60,000 on strictly social purposes.**

Detailed information on the charitable and sponsorship activities as well as the campaigns in which the Unibep Group participated in 2023 is presented in the Sustainability Report for 2023, which is a separate element of the Consolidated Annual Report for 2023.

**8.4 DISTINCTIONS, AWARDS**

**Presidential Award**

On 23 November 2023, the 21st edition of the Presidential Economic Award Gala, which aims to support Polish entrepreneurs and honour the best ones, took place at the Castle in Łańcut. Out of the 21 nominees for the Award in 5 main categories, **Unibep won in the Responsible Business category**. The Presidential Economic Award is awarded once a year. In this way, the President honours companies that contribute to the development of the national economy, adhere to the principles of responsible business, promote a positive image of Poland and are a role model for other companies.

## Unibep Group's position in rankings

In 2022, the Unibep Group generated revenue of PLN 2.3 billion, an increase of 31.8% compared to the previous year. Thus, the company was able to keep its 7th position among the 15 largest players in the construction industry. The ranking "Polish construction companies 2023 - key players, key growth drivers and prospects for the industry" is compiled annually by Deloitte. The 11th edition of this popular ranking qualified 15 largest construction companies.

On 13 October 2023, the 20th edition of the Golden 100 ranking took place. **The Unibep Group was ranked 5th among the largest companies in the Podlaskie region. It also received a special award from the organisers of the Podlaskie Golden 100 - for its continuous development and for being one of the few large companies in the construction industry with a majority of Polish capital.** The summary of the Podlaskie Golden 100 ranking is one of the most important economic events in the north-eastern Poland region every year.

## The Copernican Revolution Lab awarded

**The Copernican Revolution Lab has been awarded the 2nd prize in the nationwide 'Construction of the Year' competition in the 'Public Facilities' category.** The general contractor for the project was Unibep SA. The gala ceremony took place on 19 September 2023 in the hall of the Dom Technika of the Polish Engineering Organisation (NOT) in Warsaw. The Copernican Revolution Lab is another element of the popular science and entertainment complex, currently comprising the Copernicus Main Building, Planetarium and Pavilion 512. It has an approx. 25-metre underground link to the Copernicus Science Centre. The headquarters of the Copernican Revolution Lab can host 600 people at a time. It has three floors above ground and one underground with a total area of approximately 6,000 m<sup>2</sup>. It is a venue for interdisciplinary research and development work.

**At the "Diamonds of Infrastructure and Construction" competition gala in March, the award in the category "Project of the Year – Residential, Office and Industrial Construction" was won by the Copernican Revolution Lab in Warsaw.** The facility built by Unibep was praised for its modern technological solutions and high quality workmanship. The award ceremony was the culmination of the annual "Polish Infrastructure and Construction" conference.

**The Nikolsky shopping centre, located in Kharkiv, Ukraine, has been honoured with the prestigious Central & Eastern European Real Estate Quality Awards (CEEQA).** The project won the prize in the 'Sustainability' category. The Ukrainian company LLC Nikolsky, part of the Budhouse group, was responsible for the investment, while Unibep was the general contractor. Nikolsky Centre is located in the heart of Kharkiv, at 2 Pushkin Street, near the Constitution Square metro station. It is a six-storey building with a total floor area of 102,930.02 m<sup>2</sup>, including 23,034 m<sup>2</sup> dedicated to a car park, offering 665 parking spaces.

## Socially responsible

**Unibep SA was among the companies awarded the CSR Silver Leaf by POLITYKA.** This award is given to companies that declare they will incorporate all the key solutions of the ISO 26000 standard in their daily operations. These companies often rely on local and global best management practices and apply international standards. In addition, ethical conduct and the highest standards of personnel management are an important part of their governance. They periodically report on the effects of their activities to stakeholders through, among others, non-financial or integrated reports prepared on the basis of international data disclosure standards.



## Unidevelopment with a distinction

Real estate development company Unidevelopment SA won 3rd place in the "Real Estate Leader 2022" competition in the "MAIN MARKETS - WARSAW" category. The criteria for the competition are: a thorough analysis of promotional materials, a detailed study of the level of customer service and the opinion of the competition jury, which evaluates residential investments. The competition was organised by Otodom.

### 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 2023 Sustainability Report is a separate element of the Unibep Group's 2023 Consolidated Annual Report. In 2023, the following events were organised as part of the ESG strategy:

#### 10th edition of the Safety Week

The Safety Week took place on 15-19 May. This is the largest action of the Agreement for Safety in Construction, bringing together 17 of the largest Polish construction companies that are signatories of the Agreement for Safety in Construction (including Unibep SA). This was the 10th edition of the campaign.

The campaign motto was: "To stop is to have power. I'm careful, I don't put myself at risk".

#### Unibep as a Polish champion

The Unibep SA team has once again won the title of the Polish Champion in the six-a-side football team competition, repeating its success achieved in 2019. The 19th Polish Championships of the Construction, Furniture and Wood Industry in football took place as part of the Tatry Cup Tournament of Companies and Workplaces on 16-17 September in Zakopane.

#### The Environmental Protection Week

As part of the implementation of the ESG strategy, the Unibep Group held its first ever Environmental Protection Week from 18 to 23 October 2023. The aim of the campaign was to raise awareness among employees about sustainability and environmental protection.



### **Unidevelopment SA becomes the new strategic sponsor of RLTL Optima Radom athletics club**

- *"The agreement with RLTL Optima is another social activity for us on the Radom market. We are also involved in other pro-social areas. I believe that the success that the club has achieved so far on the national and international scale will continue in the years to come, also thanks to our help,"* said Zbigniew Gościcki, President of the Management Board of Unidevelopment SA.

## 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 31 December 2023, 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 states 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

<b>Dariusz Blocher</b> President of the Management Board of Unibep SA	<b>Leszek Gołębicki</b> Vice-President of the Management Board of Unibep SA	<b>Krzysztof Mikołajczyk</b> Vice-President of the Management Board of Unibep SA	<b>Andrzej Sterczyński</b> Member of the Management Board of Unibep SA	<b>Adam Poliński</b> Member of the Management Board of Unibep SA
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