Independent Auditor's Report on Annual Consolidated Financial Statements

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For the Shareholders of UNIBEP Spółka Akcyjna

Audit Report on the Annual Consolidated Financial Statements

Opinion

We have audited the annual consolidated financial statements of the Group (the Group), in which the parent entity is UNIBEP Spółka Akcyjna (the Parent Company) with its registered office in Bielsk Podlaski at ul. 3 Maja 19, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements, comprising material accounting policy information and other explanatory notes.

In our opinion, the accompanying annual consolidated financial statements:

- give a true and fair view of the financial position of the Group as of 31 December 2024 and of its financial performance and of its cash flows for the financial year then ended in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of European Commission regulations and adopted accounting principles (policy),
- comply with the laws affecting the content and form applicable to the Group and the provisions of the Parent Company's Articles of Association.

This opinion is consistent with the additional report to the Audit Committee submitted on the same day as this audit report.

Basis for Opinion

We conducted our audit in accordance with:

- the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision (the Act on Statutory Auditors),
- National Standards on Auditing in the wording of International Standards on Auditing adopted by resolutions of the National Council of Statutory Auditors and the Council of Polish Agency for Audit Oversight (NSA) and
- Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (Regulation 537/2014).

Our responsibilities under those standards are further described in the "*Auditor's responsibilities for the Audit of the Annual Consolidated Financial Statements*" section of our report. We are independent of the entities comprising the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including *International Independence Standards*) (IESBA Code) adopted by the National Council of Statutory Auditors' resolution together with the ethics requirements that are relevant to our audit of the financial statements in Poland. *In particular, in conducting the audit the key statutory auditor and the audit firm remained independent of the entities comprising the Group in accordance with the provisions of the Act on Statutory Auditors and the Regulation 537/2014. Moreover, we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual consolidated financial statements of the current period. They include the most significant assessed risks of material misstatement, including the assessed risk of material misstatement due to fraud. These matters were addressed in the context of our audit of the annual consolidated financial statements as a whole, and in forming the auditor's opinion thereon. Below, we provide a summary of our response to those risks and where relevant, key observations arising with those risks. We do not provide a separate opinion on these matters.

ACCOUNTING RECOGNITION OF CONSTRUCTION CONTRACTS

Description

In 2024, the Group recognised revenue from construction contracts in the amount of PLN 2,296,460,000. As a result of the valuation of construction contracts, contract assets in the amount of PLN 301,238,000 and contract liabilities arising from construction contracts in the amount of PLN 250,762,000 were presented in the consolidated statement of financial position as at 31 December 2024.

The Group recognises revenue arising from the performance of contracts using the principles specified in IFRS 15 "Revenue from Contracts with Clients". As required by the above standard, revenue is recognised on a percentage of completion basis when the specific criteria are met in the standard.

The value of the reported revenue recognised in a given year depends to a significant extent on the progress of the contracts, and it depends on the actual expenses incurred and the budgets of the construction contracts. In our view, the key judgements relate primarily to the accuracy and completeness of these budgets. The risk of correctly identifying all risks in the contract budget remains an important factor in the Group's operations and significantly affects the correctness of the settlement of construction contracts. In addition, the correctness of the settlement of construction contracts is significantly dependent on the valuation of changes to specifications and changes to the scope of work, which, due to the scale of the projects undertaken, their complexity, the uncertainty of their completion costs and the outcome of negotiations with the contracting authorities, requires significant subjective assessments.

Given the inherent uncertainty associated with the above described significant estimates made by the Management Board of the Parent Company and the amount of revenue from construction contracts, we considered this to be a key issue for our audit.

Disclosures on construction contracts are presented in notes 3, 6.17 and 6.20 to the consolidated financial statements.

Auditor's response

Audit procedures performed in this area included, among others:

- understanding of the internal control system in the area of valuation of construction contracts and determination of the result for these contracts,
- an analysis of changes in contract budgets in the audited period together with a reconciliation of changes with source documents,
- carrying out an analysis of the contract portfolio in order to identify relevant and risk-sensitive contracts that were included in the sample selected for further detailed procedures. The procedures included:
  - discussing the status of contract implementation with the Management Board and contract Directors,
  - an analysis of changes in contract budgets in the audited period together with a reconciliation of changes with source documents,
  - an analysis of budgets for completeness of the recognition of costs,
  - a sensitivity analysis of contract budgets to market forecast increases in the price of materials, subcontractor services and wages,
  - an analysis of letters from lawyers with regard to the recognition of potential claims,
- testing a selected sample to verify compliance of invoicing with the terms of the agreement,
- conducting detailed tests on a selected sample of contracts, chosen using quantitative and qualitative criteria, including:
  - comparison of revenue form contracts to the agreement,
  - recalculation of revenue according to the degree of project execution adopted by the entities of the Group, reconciliation of expenses incurred, recalculation of planned margin,
  - understanding, through discussions with management and document analysis, the reasons for deviations in actual margin against budgeted margin and, where we considered it necessary, verifying these deviations to source documentation,
  - comparison of a selected sample of issued revenue invoices to clients' payments,
- assessment of the completeness of disclosures of construction revenue in the consolidated financial statements.

MEASUREMENT OF INVENTORY

Description

The inventory disclosed in the consolidated financial statements for the year ended 31 December 2024 include development inventory, i.e. land, residential properties under construction, finished development products and other inventory in the total amount of PLN 406,459,000, which represents a significant share in the consolidated assets of the Group. The inventory is valued at the lower of the two values: acquisition cost / manufacturing cost and net realisable value.

The net realisable value is calculated on the basis of numerous estimates, such as projections of the sales price of individual flats, commercial premises, garages and storage rooms, together with projections of the time of sale, and projections of the total investment costs based on forecasts of the investment project duration. The Management Board performs an individual analysis for each implemented development project and assesses the need for inventory write-offs.

Given the inherent risk of uncertainty associated with significant estimates made by the Management Board of the Parent Company and the inventory share in the consolidated assets of the Group, we considered this to be a key issue for our audit.

Disclosures on inventory are presented in notes 3 and 6.7 to the consolidated financial statements.

Auditor's response

Audit procedures performed in this area included, among others:

- gaining an understanding and assessment of the design and implementation of key controls relating to the inventory valuation process, in particular in terms of analysis of the net realisable value,
- assessing the analysis prepared by the Group, taking into account the level of competence, skills and objectivity of the Management Board. We have reviewed the key assumptions made in determining the realisable value of inventory. We carried out analyses of the key assumptions

included in the investment budgets, including in particular:
    - the budgeted selling prices of inventory, by analysing the actual prices achieved in the pre-sales process when the Group was actively pre-selling for the projects concerned,
    - the budgeted selling price level by comparing it to prices achieved in the market for similar projects,
    - cost budgets by analysing assumptions about the costs remaining to be incurred,
- an assessment of the completeness of the disclosures regarding the valuation of inventory presented in the consolidated financial statements.

Responsibilities of the Management Board and Supervisory Board of the Parent Company for the Annual Consolidated Financial Statements

The Management Board of the Parent Company is responsible for the preparation of the annual consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of European Commission regulations, adopted accounting principles (policy), legal regulations, and the Parent Company's Articles of Association. The Management Board of the Parent Company is also responsible for such internal control as the Management Board determines is necessary to enable the preparation of annual consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual consolidated financial statements, the Management Board of the Parent Company is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Management Board of the Parent Company either intends to liquidate the Group or to cease the operations, or has no realistic alternative but to do so.

In accordance with the Accounting Act of 29 September 1994 (the Accounting Act), the Management Board and the Supervisory Board of the Parent Company are obliged to assure compliance of the annual consolidated financial statements with the requirements of the Accounting Act. The Supervisory Board of the Parent Company is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual consolidated financial statements.

The scope of the audit does not include assurance on the future viability of the Group or on the efficiency or effectiveness with which the Management Board of the Parent Company has conducted or will conduct the affairs of the Group.

As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control,
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control,
- evaluate the appropriateness of accounting principles (policy) used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Parent Company,
- conclude on the appropriateness of the Management Board of the Parent Company's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or

conditions may cause the Group to cease to continue as a going concern,

- evaluate the overall presentation, structure and content of the annual consolidated financial statements, including the disclosures, and whether the annual consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation,
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the annual consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Supervisory Board of the Parent Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Supervisory Board of the Parent Company with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From matters communicated with the Supervisory Board of the Parent Company, we determine those matters that were of the most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information including the Report on the Group's Operations

The other information comprises the Report on the Group's operations for the financial year ended 31 December 2024, the Corporate Governance Statement and the Sustainability Report that are separate parts of the Report on the Group's operations and the annual consolidated report for the financial year ended 31 December 2024 (but does not include the annual consolidated financial statements and our auditor's report thereon).

Responsibilities of the Management Board and the Supervisory Board of the Parent Company

The Management Board of the Parent Company is responsible for the preparation of the other information in accordance with the Accounting Act and other legal regulations. The Management Board and the Supervisory Board of the Parent Company are obliged to assure the compliance of the Report on the Group's operations with the requirements of the Accounting Act.

Responsibilities of the Auditor

Our opinion on the annual consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon that results from NSAs. In connection with our audit of the annual consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether it is materially inconsistent with the annual consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

Additionally, according to the Act on Statutory Auditors, our responsibility is to express an opinion on whether the Report on the Group's operations, insofar as it does not concern the Sustainability Reporting, has been prepared in accordance with legal regulations and whether information included therein is consistent with the accompanying annual consolidated financial statements. Moreover, we are obliged to express an opinion on whether the Parent Company included the required information in the Corporate Governance Statement. The Report on the Group's operations, the letter of the President of the Management Board, selected financial data, the Management Board's statement on the financial statements and the Report on the Group's operations, the Management Board's information on the selection of the audit firm to audit the annual financial statements in accordance with the regulations, were obtained prior to the date of this audit report and the remaining elements of the annual report will be made available to us after that date. In the event that we identify a material misstatement in the annual report, we are required to inform the Supervisory Board of the Parent Company thereof.

Opinion on the Report on the Group's Operations

In our opinion, the Report on the Group's operations, insofar as it does not concern the Sustainability Reporting, has been prepared in accordance with the applicable legal regulations, i.e. Article 55(2a) of the Accounting Act and § 71 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information disclosed by issuers of securities and the conditions for recognition as equivalent of the information required by law of a non-member state (the Regulation on current and periodic information), and information included therein is consistent with the accompanying annual consolidated financial statements. Moreover, taking into account the knowledge of the Group and its environment obtained during the audit of the annual consolidated financial statements, we state that we have not identified any material misstatements in the Report on the Group's operations, insofar as it does not concern the Sustainability Reporting.

Information on the Sustainability Reporting and the assurance thereof

The Sustainability Reporting of the Group, presented as a separate part of the Report on the Group's operations and disclosed in the Sustainability Report section of this report, is subject to a separate assurance engagement conducted by our audit firm and a different key statutory auditor than the one who conducted the audit of the consolidated financial statements.

Opinion on the Corporate Governance Statement

In our opinion, the Corporate Governance Statement of the Parent Company includes the information required by § 70(6)(5) of the Regulation on current and periodic information. The information specified in § 70(6)(5)(c-f, h and i) of the Regulation on current and periodic information included in the Corporate Governance Statement complies with the applicable regulations and is consistent with the information included in the annual consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Opinion on the compliance of marking up of the consolidated financial statements prepared in a single electronic reporting format with the requirements of the regulation on technical standards on the specification of a single electronic reporting format

In connection with the audit of the annual consolidated financial statements, we have been engaged to perform a reasonable assurance engagement to express an opinion on whether the annual consolidated financial statements of the Group as at and for the year ended 31 December 2024, prepared in a single electronic reporting format contained in the file named *uni-2024-12- 31-0-pl.zip* (consolidated financial statements in the ESEF format) have been marked up in accordance with the requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF Regulation).

Identification of the criteria and description of the subject matter of the engagement

The consolidated financial statements in the ESEF format were prepared by the Management Board of the Parent Company in order to meet the marking requirements and technical requirements for the specification of a single electronic reporting format, as set out in the ESEF Regulation.

The subject matter of our assurance engagement is to verify the compliance of marking up of the consolidated financial statements in the ESEF format with the requirements of the ESEF Regulation, and we believe that the requirements set out in the regulations form appropriate criteria for expressing our opinion.

Responsibilities of the Management Board and the Supervisory Board of the Parent Company

The preparation of consolidated financial statements in the ESEF format in accordance with the marking requirements and technical requirements for the specification of a single electronic reporting format, as set out in the ESEF Regulation, is the responsibility of the Management Board of the Parent Company. This responsibility includes the selection and application of appropriate XBRL markups with the use of the taxonomy defined in those regulations.

The responsibility of the Management Board of the Parent Company also includes the design, implementation and maintenance of an internal control system to ensure the preparation of consolidated financial statements in the ESEF format free from material non-conformities with the requirements of the ESEF Regulation.

Members of the Supervisory Board of the Parent Company are responsible for overseeing the financial reporting process, including the preparation of financial statements in accordance with the format resulting from applicable laws.

Responsibilities of the Auditor

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Our objective was to express an opinion, on the basis of a reasonable assurance engagement, whether the consolidated financial statements in the ESEF format have been marked up in accordance with the requirements of the ESEF Regulation.

We performed the engagement in accordance with the National Standard for Assurance Engagements other than Audits or Reviews 3001PL *Audit of Financial Statements Prepared in a Single Electronic Reporting Format*, which was adopted by resolution of the National Council of Statutory Auditors (NSAE 3001PL) and, where relevant, in accordance with the National Standard for Assurance Engagements other than Audits or Reviews 3000 (R) in the wording of the International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, which was adopted by resolution of the National Council of Statutory Auditors (NSAE 3000 (R)).

The standard imposes on a statutory auditor an obligation to plan and perform procedures in such a manner as to obtain reasonable assurance that consolidated financial statements in the ESEF format have been prepared in accordance with the specified criteria. Reasonable assurance means a high level of assurance, but it does not guarantee that an engagement performed in accordance with NSAE 3001PL and, where relevant, in accordance with NSAE 3000 (R), would always detect an existing material misstatement.

The selection of the procedure depends on the statutory auditor's judgement, including their estimation of the risk of material misstatement, whether due to fraud or error. When assessing the risk, the statutory auditor considers the internal control associated with the preparation of consolidated financial statements in the ESEF format in order to plan the relevant procedures that are to provide the auditor with sufficient and appropriate evidence. The assessment of the functioning of the internal control system was not conducted for the purpose of expressing an opinion on the effectiveness of its functioning.

Summary of work performed

The procedures we planned and performed included, among others:

- obtaining an understanding of the process of preparing consolidated financial statements in the ESEF format, covering the process of the Management Board of the Parent Company's selection and application of XBRL markups and ensuring compliance with the ESEF Regulation, including understanding of the internal control system mechanisms related to the process,
- reconciliation of the marked up information contained in the consolidated financial statements in the ESEF format with the audited consolidated financial statements,
- assessment of compliance with technical standards on the specification of a single electronic reporting format, including the application of the XHTML format, using specialist IT tools,
- assessment of the completeness of marking of information in the consolidated financial statements in the ESEF format with XBRL markups,
- assessment whether the XBRL markups from the taxonomy defined in the ESEF Regulation have been properly applied and whether extension taxonomies have been used in situations where the core taxonomy specified in the ESEF Regulation has not identified the relevant elements,
- assessment whether the applied extension taxonomies have been properly anchored in the core taxonomy defined in the ESEF Regulation.

We believe that the evidence we have obtained provides a sufficient and appropriate basis for us to express an opinion on the compliance of marking up with the requirements of ESEF Regulation.

Ethical requirements, including independence

In performing the engagement, the statutory auditor and the audit firm complied with the independence requirements and other ethical requirements set out in the IESBA Code. The IESBA Code is based on fundamental principles relating to integrity, objectivity, professional competencies and due diligence, confidentiality and professional conduct. We also complied with other independence and ethical requirements that apply to this assurance engagement in Poland.

Quality management requirements

The audit firm applies national quality control standards in the wording adopted by resolution of the Council of the Polish Agency for Audit Oversight, which requires the audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with the ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion on the compliance with the requirements of ESEF Regulation

The statutory auditor's opinion is based on the matters described above, therefore, the opinion should be read in consideration of these matters.

In our opinion, the consolidated financial statements in the ESEF format have been marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Statement on Non-Audit Services

To the best of our knowledge and belief we confirm that we have not provided non-audit services prohibited in accordance with the provisions of Article 136 of the Act on Statutory Auditors and Article 5(1) of the Regulation 537/2014.

Appointment of the Audit Firm

We were appointed to audit the annual consolidated financial statements of the Group for the years 2022-2024 by the Parent Company's Supervisory Board's resolution of 22 June 2022. We have been auditors of the Group since the financial year ended 31 December 2022, i.e. for three consecutive financial years.

Marcin Diakonowicz

Statutory Auditor No. 10524
Key statutory auditor performing the audit on behalf of Grant Thornton Polska Prosta spółka akcyjna, Poznań, ul. Abpa Antoniego Baraniaka 88 E, audit firm No. 4055

Warsaw, 14 April 2025