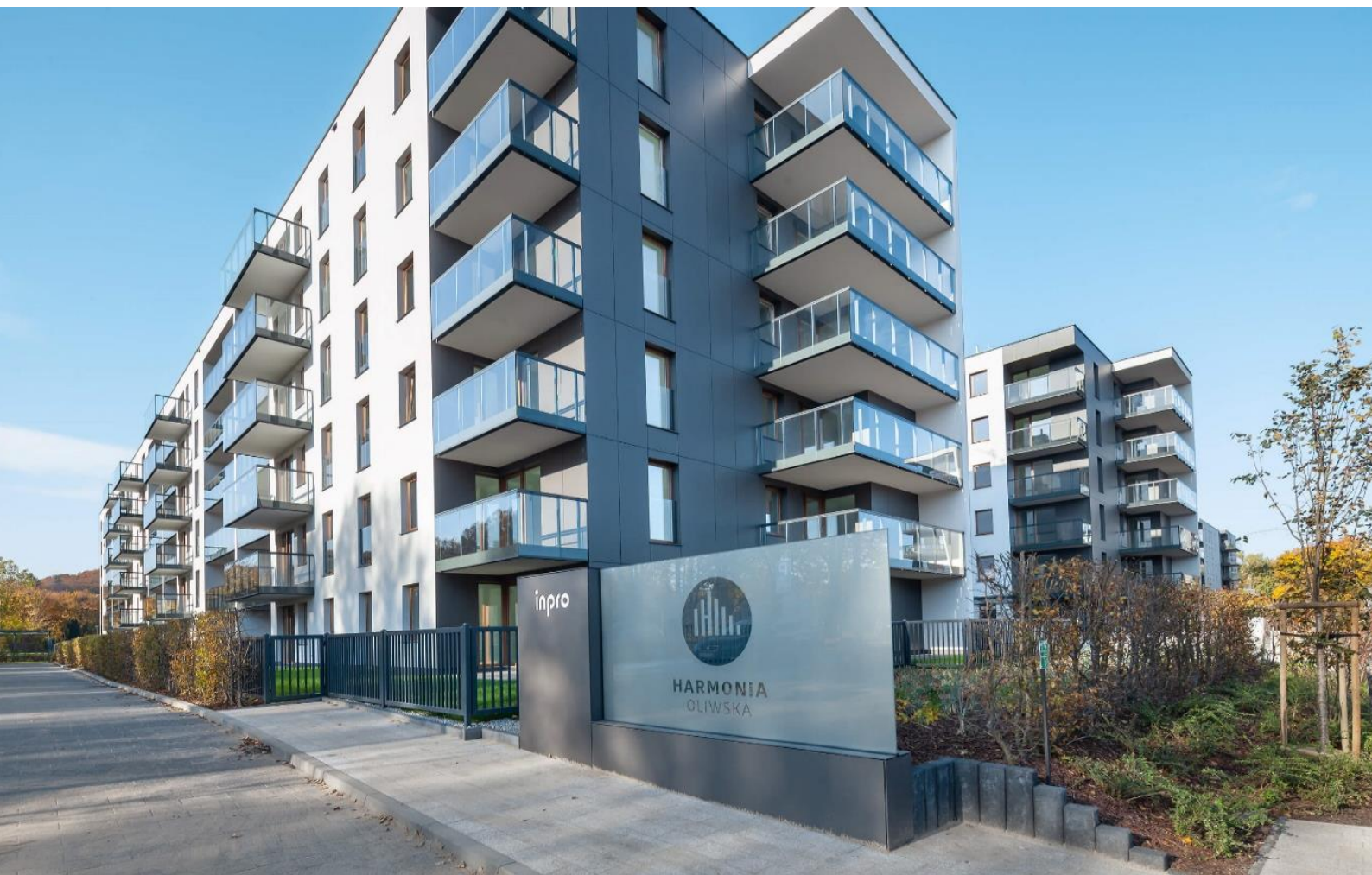




**SEPARATE FINANCIAL STATEMENTS  
of INPRO SA  
for the year ended on 31 December 2022**

**drafted in conformity with the International Financial Reporting  
Standards**



**Financial statements of INPRO SA for 2022**

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

**Approval  
of the financial statements of  
INPRO SA**

**for the year ended on 31 December 2022**

**prepared in conformity with the International Financial Reporting Standards**

|   |  |
|---|--|
| Krzysztof Maraszek<br>President of the Management<br>Board                    |  |
| Zbigniew Lewiński<br>Vice-President of the Management<br>Board                |  |
| Robert Maraszek<br>Vice-President of the Management<br>Board                  |  |
| Marcin Stefaniak<br>Vice-President of the Management<br>Board                 |  |
| Elżbieta Marks<br>The person responsible for keeping<br>the books of accounts |  |

Gdańsk, 26 April 2023

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

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**SELECTED FINANCIAL DATA CONCERNING THE SEPARATE FINANCIAL STATEMENTS OF INPRO SA**

| <b>Selected financial data concerning the separate financial statements of INPRO SA</b> |   |                                   |  |                                   |
|---|---|-----------------------------------|--|-----------------------------------|
|   | <b>01/01/2022<br/>-31/12/2022</b>                               | <b>01/01/2021<br/>-31/12/2021</b> | <b>01/01/2022<br/>-31/12/2022</b>            | <b>01/01/2021<br/>-31/12/2021</b> |
|   | <b>PLN '000</b>   |                                   | <b>EUR '000</b>                              |                                   |
| Net sales revenues  | 192 074   | 183 450                           | 40 969                                       | 40 076                            |
| Gross profit (loss) on sales  | 62 507  | 50 651                            | 13 333                                       | 11 065                            |
| Profit (loss) on operating activities   | 44 666  | 32 856                            | 9 527  | 7 178                             |
| Gross profit (loss)   | 51 465  | 35 230                            | 10 977                                       | 7 696                             |
| Net profit (loss)   | 43 536  | 29 052                            | 9 286  | 6 347                             |
| Profit (loss) per share   | 1.0873  | 0.7256                            | 0.2319                                       | 0.1585                            |
| Net cash flows from operating activities  | (28 526)  | (11 913)                          | (6 085)                                      | (2 603)                           |
| Net cash flows from investing activities  | 9 815   | 5 219                             | 2 094  | 1 140                             |
| Net cash flows from financing activities  | 10 708  | (30 169)                          | 2 284  | (6 591)                           |
| Net cash flows  | (8 003)   | (36 863)                          | (1 707)                                      | (8 053)                           |
|   | <b>31/12/2022</b>   | <b>31/12/2021</b>                 | <b>31/12/2022</b>                            | <b>31/12/2021</b>                 |
|   | <b>PLN '000</b>   |                                   | <b>EUR '000</b>                              |                                   |
| Total assets  | 527 104   | 488 166                           | 112 391                                      | 106 137                           |
| Liabilities and provisions for liabilities  | 146 737   | 141 325                           | 31 288                                       | 30 727                            |
| Provisions for liabilities  | 20 511  | 16 603                            | 4 373  | 3 610                             |
| Long-term liabilities   | 54 342  | 48 789                            | 11 587                                       | 10 608                            |
| Short-term liabilities  | 71 884  | 75 933                            | 15 327                                       | 16 509                            |
| Equity  | 380 367   | 346 841                           | 81 103                                       | 75 410                            |
| Number of shares (pcs)  | 40 040 000  | 40,040,000                        | 40 040 000                                   | 40 040 000                        |
| Book value per share  | 9.4997  | 8.6624                            | 2.0256                                       | 1.8834                            |
| <b>ZLOTY TO EURO CONVERSION RATES</b>   | <b>average EUR rate in the period<br/>01/01/2022-31/12/2022</b> |                                   | <b>average EUR rate as at<br/>31/12/2022</b> |                                   |
|   | 4.6883  |                                   | 4.6899                                       |                                   |
|   | <b>average EUR rate in the period<br/>01/01/2021-31/12/2021</b> |                                   | <b>average EUR rate as at<br/>31/12/2021</b> |                                   |
|   | 4.5775  |                                   | 4.5994                                       |                                   |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### STATEMENT OF TOTAL INCOME FOR THE PERIOD ENDED ON 31/12/2022

| Statement of total income   | Note | 01/01/2022<br>31/12/2022<br>(audited) | 01/01/2021<br>-31/12/2021<br>(audited) |
|---|------|---------------------------------------|--|
| <b>Continuing operations</b>                                      |      |                                       |  |
| Sales revenues  | 11.1 | 192 074                               | 183 450                                |
| Cost of sales   | 11.2 | (129 567)                             | (132 799)                              |
| <b>Gross profit (loss) on sales</b>                               |      | <b>62 507</b>                         | <b>50 651</b>                          |
| Selling costs   | 11.2 | (5 618)                               | (5 229)                                |
| Administrative expenses   | 11.2 | (13 700)                              | (13 101)                               |
| Other operating revenues  | 11.3 | 1 860                                 | 996                                    |
| Other operating costs   | 11.4 | (383)                                 | (461)                                  |
| <b>Profit (loss) on operating activities</b>                      |      | <b>44 666</b>                         | <b>32 856</b>                          |
| Financial revenues  | 11.5 | 11 079                                | 3 887                                  |
| Financial costs   | 11.6 | (4 280)                               | (1 513)                                |
| <b>Gross profit (loss)</b>  |      | <b>51 465</b>                         | <b>35 230</b>                          |
| Income tax  | 12   | (7 929)                               | (6 178)                                |
| <b>Net profit (loss) from continuing operations</b>               |      | <b>43 536</b>                         | <b>29 052</b>                          |
| <b>TOTAL INCOME</b>   |      | <b>43 536</b>                         | <b>29 052</b>                          |
| <b>Earnings per share from continuing operations (PLN/share):</b> |      |                                       |  |
|   |      | 01/01/2022<br>31/12/2022              | 01/01/2021<br>31/12/2021               |
| - basic   |      | 1.0873                                | 0.7256                                 |
| - diluted   |      | 1.0873                                | 0.7256                                 |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### STATEMENT OF THE FINANCIAL POSITION AS AT 31/12/2022

| ASSETS  | Note      | 31/12/2022<br>(audited) | 31/12/2021<br>(audited) |
|---|-----------|-------------------------|-------------------------|
| <b>Non-current (long-term) assets</b>           |           | <b>107 429</b>          | <b>108 295</b>          |
| Property, plant and equipment                   | <b>16</b> | 4 635                   | 4 988                   |
| Other intangibles                               | <b>18</b> | -                       | 7                       |
| Investment property                             | <b>17</b> | 108                     | 110                     |
| Long-term receivables                           |           | 1 382                   | 2 593                   |
| Shares in related entities                      | <b>19</b> | 64 942                  | 64 321                  |
| Other financial assets                          | <b>20</b> | 36 334                  | 36 254                  |
| Other assets                                    |           | 28                      | 22                      |
| <b>Current (short-term) assets</b>              |           | <b>419 675</b>          | <b>379 871</b>          |
| Inventory                                       | <b>21</b> | 370 649                 | 309 722                 |
| Trade and other receivables                     | <b>22</b> | 9 752                   | 9 044                   |
| Current tax assets                              |           | 109                     | -                       |
| Other financial assets, including loans granted | <b>20</b> | 5 895                   | 19 832                  |
| Cash and cash equivalents                       | <b>23</b> | 33 270                  | 41 273                  |
| <b>TOTAL ASSETS</b>                             |           | <b>527 104</b>          | <b>488 166</b>          |

**Financial statements of INPRO SA for 2022**

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

**STATEMENT OF THE FINANCIAL POSITION AS AT 31/12/2022  
(CONTINUED)**

| <b>EQUITY AND LIABILITIES</b>       | <b>Note</b> | <b>31/12/2022<br/>(audited)</b> | <b>31/12/2021<br/>(audited)</b> |
|-------------------------------------|-------------|---------------------------------|---------------------------------|
| <b>Equity</b>                       | <b>25</b>   | <b>380 367</b>                  | <b>346 841</b>                  |
| Issued share capital                |             | 4 004                           | 4 004                           |
| Reserves                            |             | 11 531                          | 11 531                          |
| Share premium                       |             | 62 237                          | 62 237                          |
| Retained profit                     |             | 302 595                         | 269 069                         |
| <b>Long-term liabilities</b>        |             | <b>60 458</b>                   | <b>51 896</b>                   |
| Provision for retirement benefits   | <b>26</b>   | 213                             | 363                             |
| Deferred income tax provision       | <b>12.4</b> | 5 903                           | 2 744                           |
| Long-term credit and bank loans     | <b>27</b>   | 16 585                          | 10 409                          |
| Other financial liabilities (lease) | <b>28</b>   | 605                             | 739                             |
| Trade and other liabilities         | <b>29</b>   | 3 857                           | 3 437                           |
| Debt instrument liabilities         | <b>27</b>   | 32 762                          | 33 164                          |
| Long-term prepaid expenses          |             | 533                             | 1 040                           |
| <b>Short-term liabilities</b>       |             | <b>86 279</b>                   | <b>89 429</b>                   |
| Short-term provisions               | <b>26</b>   | 14 395                          | 13 496                          |
| Loans and credit                    | <b>27</b>   | 21 892                          | 6 118                           |
| Debt instrument liabilities         | <b>27</b>   | 3 384                           | 1 051                           |
| Other financial liabilities (lease) | <b>28</b>   | 524                             | 396                             |
| Current income tax liabilities      |             | -                               | 132                             |
| Trade and other liabilities         | <b>29</b>   | 45 577                          | 67 817                          |
| Short-term prepaid expenses         |             | 507                             | 419                             |
| <b>Total liabilities</b>            |             | <b>146 737</b>                  | <b>141 325</b>                  |
| <b>TOTAL EQUITY AND LIABILITIES</b> |             | <b>527 104</b>                  | <b>488 166</b>                  |



## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01/01/2022 TO 31/12/2022

| Changes in equity                        | Share capital | Share premium | Revaluation reserve | Retained profit | Total           |
|--|---------------|---------------|---------------------|-----------------|-----------------|
| <b>As at 01/01/2022</b>                  | <b>4 004</b>  | <b>62 237</b> | <b>11 531</b>       | <b>269 069</b>  | <b>346 841</b>  |
| Dividend payment                         | -             | -             | -                   | (10 010)        | <b>(10 010)</b> |
| Net profit (loss) for the financial year | -             | -             | -                   | 43 536          | <b>43 536</b>   |
| <b>As at 31/12/2022</b>                  | <b>4 004</b>  | <b>62 237</b> | <b>11 531</b>       | <b>302 595</b>  | <b>380 367</b>  |

| Changes in equity  | Share capital | Share premium | Revaluation reserve | Retained profit | Total           |
|--|---------------|---------------|---------------------|-----------------|-----------------|
| <b>As at 01/01/2021</b>  | <b>4 004</b>  | <b>62 237</b> | <b>531</b>          | <b>271 037</b>  | <b>337 809</b>  |
| Dividend payment   | -             | -             | -                   | (20 020)        | <b>(20 020)</b> |
| Revaluation reserve created to finance the acquisition of own shares | -             | -             | 11 000              | (11 000)        | -               |
| Net profit (loss) for the financial year                             | -             | -             | -                   | 29 052          | <b>29 052</b>   |
| <b>As at 31/12/2021</b>  | <b>4 004</b>  | <b>62 237</b> | <b>11 531</b>       | <b>269 069</b>  | <b>346 841</b>  |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31/12/2022

| Cash flows from operating activities                                       | 01/01/2022<br>-31/12/2022<br>(audited) | 01/01/2021<br>-31/12/2021<br>(audited) |
|--|--|--|
| <b>Profit /(loss) before tax (gross)</b>                                   | <b>51 465</b>                          | <b>35 230</b>                          |
| <b>Adjustments:</b>  | <b>(79 991)</b>                        | <b>(47 143)</b>                        |
| Depreciation   | 1 055                                  | 1 260                                  |
| Income tax paid  | (5 011)                                | (13 412)                               |
| Net interest and dividends   | (4 523)                                | (2 257)                                |
| Profit/(loss) on investing activities                                      | (1 916)                                | (233)                                  |
| (Increase)/ decrease of receivables  | (799)                                  | 96                                     |
| (Increase)/ decrease of inventory  | (60 927)                               | (27 710)                               |
| Increase / (decrease) of liabilities                                       | (8 150)                                | (5 948)                                |
| Increase / (decrease) of accrued/prepaid expenses                          | (50)                                   | (22)                                   |
| Increase / (decrease) of deferred income                                   | (419)                                  | (298)                                  |
| Change in provisions   | 749                                    | 1 381                                  |
| <b>Net cash flows from operating activities</b>                            | <b>(28 526)</b>                        | <b>(11 913)</b>                        |
| Cash flows from investing activities                                       | 01/01/2022<br>-31/12/2022<br>(audited) | 01/01/2021<br>-31/12/2021<br>(audited) |
| Sale of property, plant, equipment and intangibles                         | 89                                     | 2 098                                  |
| Dividends from related entities  | 8 560                                  | 3 637                                  |
| Other proceeds from investment – reimbursement of additional contributions | 1 916                                  | -                                      |
| Acquisition of property, plant, equipment and intangibles                  | (129)                                  | (516)                                  |
| Acquisition of financial assets – shares in a subsidiary                   | (621)                                  | -                                      |
| <b>Net cash flows from investing activities</b>                            | <b>9 815</b>                           | <b>5 219</b>                           |

**Financial statements of INPRO SA for 2022**

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31/12/2022  
(CONTINUED)**

| <b>Cash flow from financing activities</b>       | <b>01/01/2022<br/>-31/12/2022<br/>(audited)</b> | <b>01/01/2021<br/>-31/12/2021<br/>(audited)</b> |
|--|---|---|
| Proceeds from the issue of debt instruments      | -   | 33 908  |
| Other financial proceeds                         | 1 463   | 1 362   |
| Proceeds in relation to loans/credit obtained    | 119 950   | 60 798  |
| Payments in relation to finance lease agreements | (391)   | (287)   |
| Repayment of loans/credit                        | (98 000)  | (79 986)  |
| Interest paid                                    | (390)   | (105)   |
| Dividends paid                                   | (10 010)  | (20 020)  |
| Repurchase of debt securities                    | -   | (25 000)  |
| Other financial expenditure                      | (1 914)   | (839)   |
| <b>Net cash flows from financing activities</b>  | <b>10 708</b>                                   | <b>(30 169)</b>                                 |
| <b>Net increase in cash and cash equivalents</b> | <b>(8 003)</b>                                  | <b>(36 863)</b>                                 |
| <b>Cash at the beginning of the period</b>       | <b>41 273</b>                                   | <b>78 136</b>                                   |
| <b>Cash at the end of the period</b>             | <b>33 270</b>                                   | <b>41 273</b>                                   |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### ADDITIONAL INFORMATION AND EXPLANATIONS

#### 1. General information

These financial statements of INPRO SA were made in conformity with the International Financial Reporting Standards (IFRS).

The main object of INPRO SA is the construction and sale of residential and commercial real estate in conformity with the Polish Classification of Activity (PKD) 4120Z.

INPRO SA was established by way of the notarised deed of 6 April 1987. On 29 May 2008 the company's legal status was changed from a limited liability company to a joint-stock company.

The registered office of the Company is in Gdańsk at ul. Opata Jacka Rybińskiego 8.

The Company is recorded in the register of entrepreneurs of the National Court Register kept by the District Court in Gdańsk, 7<sup>th</sup> Business Division of the National Court Register, under number KRS 306071.

The Company was given the National Official Business Register (REGON) number 008141071 and the tax identification number 589-000-85-40.

The duration of the Company is unrestricted.

INPRO SA is the parent entity of the INPRO SA Corporate Group.

As at 31 December 2022, the share capital of INPRO was PLN 4,004 k and was divided into 30,030,000 ordinary series A bearer shares of the nominal value of 10 groszes each, and 10,010,000 ordinary series B bearer shares of the nominal value of 10 groszes each.

#### 2. Share capital structure

Shareholding structure of Inpro SA as at 31/12/2022 and 31/12/2021

| Entity (first name and surname)             | Series | Number of shares  | Nominal value in PLN | Share in the share capital | Number of votes   | Share in the number of votes |
|---|--------|-------------------|----------------------|----------------------------|-------------------|------------------------------|
| Krzysztof Maraszek                          | A      | 10 010 000        | 1 001 000            | 25 %                       | 10 010 000        | 25 %                         |
| Zbigniew Lewiński                           | A      | 9 460 000         | 946 000              | 23.63 %                    | 9 460 000         | 23.63 %                      |
| Grażyna Dąbrowska-Stefaniak                 | A      | 5 640 000         | 564 000              | 14.09 %                    | 5 640 000         | 14.09 %                      |
| Monika Stefaniak                            | A      | 1 410 000         | 141 000              | 3.52 %                     | 1 410 000         | 3.52 %                       |
| Wojciech Stefaniak                          | A      | 1 410 000         | 141 000              | 3.52 %                     | 1 410 000         | 3.52 %                       |
| Nationale Nederlanden OFE                   | A      | 2 100 000         | 210 000              | 17.93 %                    | 2 100 000         | 17.93 %                      |
|   | B      | 5 077 704         | 507 770              |                            | 5 077 704         |                              |
| Shareholders holding less than 5 % of votes | B      | 4 932 296         | 493 230              | 12.31 %                    | 4 932 296         | 12.31 %                      |
| <b>TOTAL</b>                                |        | <b>40 040 000</b> | <b>4 004 000</b>     | <b>100 %</b>               | <b>40 040 000</b> | <b>100 %</b>                 |

At the end of 2021 and until the submission of this report, the following changes took place in the Company's shareholders:

- The Company's shareholder, Mr Piotr Stefaniak, died on 13 December 2021.
- On 27 January 2022 INPRO SA received a notice under Article 69 para. 1 of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments into an organised trading system, and on public companies, which notice was issued by Ms Grażyna Maria Dąbrowska-Stefaniak, Ms Monika Anna Stefaniak and Mr Wojciech Kacper Stefaniak as the heirs

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

of the Company's shareholder, Mr Piotr Stefaniak, who died on 13 December 2021. The notice indicated that the persons mentioned above had acquired the estate of late Piotr Stefaniak, 1/3 of the estate falling to each of them, and that as at the date of the notice the heirs did not divide the estate and were therefore jointly entitled in relation to the shares of late Piotr Stefaniak and that they exercised their rights in the Company through their joint representative, Ms Monika Anna Stefaniak, and were responsible for the share-related performances jointly and severally. As a member of the Supervisory Board, Mr Wojciech Stefaniak also issued the notice under Article 19 of the MAR (*Regulation of the European Parliament and of the Council (EU) No 596/2014 of 16 April 2014 on market abuse (the market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC*). The Company advised of the receipt of those notices in current reports Nos. 4/2022 and 5/2022.

- On 2 June 2022 the Company received a notice dated 1 June 2022 from Ms Grażyna Maria Dąbrowska-Stefaniak, Ms Monika Anna Stefaniak and Mr Wojciech Kacper Stefaniak on the execution of the agreement on unanimous voting under the shares received as part of inheritance at the General Assembly of the Company and on the pursuance of the permanent policy in relation to the Company. As at the date of drafting the notice, the Informants as the parties to the Agreement jointly held 8,460,000 of the Company's shares carrying the same number of votes. That number of shares constitutes 21.13 % of the share capital/total number of votes, however, the shareholdings of the various persons, taking into account the distribution of the estate and the registration of the shares at the accounts of those persons, is as follows:
  - o Grażyna Maria Dąbrowska-Stefaniak held 5,640,000 of the Company's shares carrying the same number of votes, which constitute 14.09 % of the share capital/total number of votes,
  - o Monika Anna Stefaniak held 1,410,000 of the Company's shares carrying the same number of votes, which constitute 3.52 % of the share capital/total number of votes,
  - o Wojciech Kacper Stefaniak held 1,410,000 of the Company's shares carrying the same number of votes, which constitute 3.52 % of the share capital/total number of votes.

Mr Wojciech Stefaniak as a member of the Supervisory Board also issued a relevant notice under Article 19 of the MAR.

The Company advised of the receipt of those notices in current reports Nos. 17/2022 and 18/2022.

To the Company's best knowledge, no other significant changes in the shareholding structure occurred against the status as at 31/12/2022.

In the period after 31/12/2022 and until the submission of this report, the shareholders did not advise of any change in the shareholdings in INPRO SA.

No change in the shareholdings of the executives and supervisors took place in that period, either.

The shareholdings of the members of the Management Board and Supervisory Board of INPRO SA as at 26/04/2023 and 31/12/2022 were as follows:

|  | <b>Shares<br/>Number of shares</b> | <b>Shares<br/>Nominal value (PLN)</b> |
|--|------------------------------------|---------------------------------------|
| <b>Management Board</b>                                    |                                    |                                       |
| Krzysztof Maraszek – President of the Management Board     | 10 010 000                         | 1 001 000                             |
| Zbigniew Lewiński – Vice-President of the Management Board | 9 460 000                          | 946 000                               |
| <b>Total</b>   | <b>19 470 000</b>                  | <b>1 947 000</b>                      |

|  | <b>Shares<br/>Number of shares</b> | <b>Shares<br/>Nominal value (PLN)</b> |
|--|------------------------------------|---------------------------------------|
| <b>Supervisory Board</b>                             |                                    |                                       |
| Wojciech Stefaniak – member of the Supervisory Board | 1 410 000                          | 141 000                               |
| <b>Total</b>   | <b>1 410 000</b>                   | <b>141 000</b>                        |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

The members of the Management Board and Supervisory Board did not hold stock (shares) in other entities of the Group.

### 3. Composition of the Company's Management Board and Supervisory Board

As at the date of drafting these financial statements, the **composition of the Company's Management Board** was as follows:

- |                      |  |
|----------------------|--|
| - Krzysztof Maraszek | - President of the Management Board      |
| - Zbigniew Lewiński  | - Vice-President of the Management Board |
| - Robert Maraszek    | - Vice-President of the Management Board |
| - Marcin Stefaniak   | - Vice-President of the Management Board |

No changes in the composition of the body occurred in the period in question.

For the shareholdings of the members of the Management Board, see the shareholding structure in note 2.

As at the date of drafting these financial statements, the **composition of the Company's Supervisory Board** was as follows:

- |                            |   |
|----------------------------|---|
| - Jerzy Glanc              | - Chairperson of the Supervisory Board        |
| - Krzysztof Gąsak          | - Deputy Chairperson of the Supervisory Board |
| - Łukasz Maraszek          | - Secretary of the Supervisory Board          |
| - Beata Krzyżagórska-Żurek | - Independent Member of the Supervisory Board |
| - Mariusz Linda            | - Independent Member of the Supervisory Board |
| - Szymon Lewiński          | - Member of the Supervisory Board             |
| - Wojciech Stefaniak       | - Member of the Supervisory Board             |

No changes in the composition of this governing body occurred in the reporting period.

Within the Supervisory Board, there operates the **Audit Committee** in the bench consisting of the following persons as at 31/12/2022:

- |                            |  |
|----------------------------|--|
| - Beata Krzyżagórska-Żurek | - Chairperson of the Audit Committee, Independent Member |
| - Jerzy Glanc              | - Member of the Audit Committee                          |
| - Mariusz Linda            | - Independent Member of the Audit Committee              |

### 4. Approval of the financial statements

These financial statements were approved by the Management Board on 26/04/2023 for publication on 27/04/2023.

### 5. Grounds for the preparation of the financial statements

The financial statements were prepared in conformity with the historical cost principle.

The financial statements were prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements, no circumstances are found to exist which indicate a threat to the Company to continue as a going concern.

On 21 September 2010 the Extraordinary General Assembly adopted a resolution on the basis of which the Company prepares financial statements in conformity with the IFRS commencing with the statements for periods starting on 1 January 2010.

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

These financial statements were prepared in Polish zlotys (PLN). The Polish zloty is the functional and reporting currency of INPRO SA. Unless indicated otherwise, the data in financial statements have been presented in thousands of zlotys.

### 6. The platform of the applied International Financial Reporting Standards

#### 6.1 Statement on compliance with the provisions of law

Polish legal provisions impose the obligation on the Company to draw up financial statements in conformity with the IFRS endorsed by the EU. In view of the ongoing IFRS implementation process in the EU and the Company's operations, as regards the accounting principles used by the Company, there is no difference between the IFRS to have come into force and those approved by the EU for the reporting period ended on 31 December 2022.

These financial statements were made in conformity with all the applicable International Financial Reporting Standards endorsed by the EU. The IFRS cover the standards and interpretations approved by the International Accounting Standards Committee ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

#### 6.2 Standards adopted for the first time

Accounting principles used for the preparation of these financial statements of the Company are coherent with those used for the preparation of the financial statements for the year ended on 31 December 2021 except the application of the following new or amended standards and interpretations effective in relation to annual periods commencing on 1 January 2022:

- Amendments to IFRS 3 "Business combinations" – update of references to the Conceptual Framework;
- Amendments to IAS 16 "Property, Plant and Equipment" – Proceeds before Intended Use;
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – explanations of costs recognised in the analysis of whether an agreement is a contract creating encumbrances;
- Annual amendment programme 2018-2020 – amendments contain explanations and specify the guidelines included in the standards with regard to recognition and valuation: IFRS 1 "First Time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments" – (Fees in the 10 per cent Test for Derecognition of Financial Liabilities), IAS 41 "Agriculture" – (Taxation in Fair Value Measurements) and to illustrating examples to IFRS 16 "Lease";

The amendments to the standards mentioned above do not have significant influence on the Company's financial standing and profits from its business operations as well as on the scope of information presented in these separate financial statements.

#### 6.3 Standards and amendments to standards to become effective after the balance sheet date

This report does not take into account the amendments to the standards and interpretations, which await approval by the European Union or those which have been approved by it but have or will become effective after the balance sheet date.

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

Standards and amendments to standards adopted by the International Accounting Standards Committee (IASB) and approved for use in the EU:

### For first time adoption after 1 January 2023

- Amendments to IAS 1 "Presentation of Financial Statements" and Guidelines of the IFRS Committee with regard to disclosures concerning accounting policies in practice – the question of materiality in relation to accounting policies;
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – the definition of estimates;
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17;
- Amendments to IAS 12 "Income Tax" – the duty to recognise deferred income tax in connection with assets and liabilities arisen within a single transaction
- Amendments to IFRS 17 "Insurance Contracts" – first adoption of IFRS 17 and IFRS 9 – Comparative Information

### For first time adoption after 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 16 "Lease" – lease liabilities in sale and lease-back lease transactions

Standards and amendments to the standards adopted by the IASB for application after 1 January 2016, but rejected or deferred by the EU:

- IFRS 14 "Regulatory Deferral Accounts"
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates" with regard to sales or contributions of assets between an investor and its associates or joint ventures

The Company's Management Board is in the process of the analysis of the influence of the above standards on the Company's financial standing and profits from business operations as well as on the scope of information presented in financial statements. The Company's Management Board does not envisage significant influence of the new standards mentioned above or amendments to current standards on the Company's financial statements for the period in which these standards and amendments will be initially adopted.

## 6.4 Early adoption of standards and interpretations

The Company did not take advantage of the opportunity of early adoption of any standards, amendments thereto, or interpretations.

## 7. Amendments to accounting principles in use

During the preparation of these financial statements, standards and interpretations effective for annual periods commencing on or after 1 January 2022 were used.

The Company's last financial statements were those for the year ended on 31 December 2021, made in conformity with the International Financial Reporting Standards and approved of 28 April 2022 on for publication in on 29 April 2022.

In the reporting period, the Company did not make any significant changes in the accounting principles in use except the changes following from the application of new International Financial Reporting Standards (IFRS).



## **8. Material values based on professional judgement and estimates**

### **8.1 Professional judgement**

In the event that a transaction is not regulated in any standard or interpretation, the Management Board, while being guided by a subjective judgement, specifies and applies an accounting policy, which ensures that the financial statements contain appropriate and credible information and will:

- present a true, clear and fair view of the economic and financial position of the Company, the results of its activity and cash flows, and reflect the commercial substance of transactions,
- be objective and prepared in conformity with the conservative valuation principle,
- be complete in all essential aspects.

#### **Recognition of sales revenues**

Revenues from the sale of real property (mainly residential units) are recognised upon satisfying the performance obligation by delivering the promised goods to the customer. In the Company's opinion, this takes place upon the delivery of the real estate to the buyer on the basis of an acceptance report signed by the parties, on condition that all the payments towards the price of the acquisition of the real estate were made by the buyer.

#### **Discount rate**

The discount rate taken influences the figures presented in the financial statements. This concerns, for example, the value of the provisions for employee benefits. The discount rate taken by the Management Board of INPRO SA is based on the interest rate on 10-year treasury bonds.

### **8.2 Uncertainty of estimates**

The preparation of financial statements requires the Company's Management Board to make estimates because much information in the financial statements cannot be valued precisely. The Management Board reviews the estimates on the basis of the changes of factors taken into consideration when the estimates were made, of new information or of previous experience. It is for that reason that the estimates as at 31 December 2022 may be revised in the future. The main estimates have been described in the following notes:

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

|            |  |   |
|------------|--|---|
| <b>21</b>  | Impairment of non-current assets and the analysis of the realisable net selling price of inventories | The Company makes impairment tests for property, plant, equipment and inventories in case factors indicating possible impairment occur. The analysis of the net realisable selling price of inventories in the case of finished products (completed residential units) is conducted by comparing their book value with current market selling prices of premises for a given stage of a project implemented by the Company. |
| <b>22</b>  | Trade receivable valuation allowances  | The Company makes the valuation of the allowance for the expected credit losses in the amount equal to the expected credit losses in the entire life of the instrument.   |
| <b>12</b>  | Income tax   | The Company recognises deferred tax assets on the basis of the assumption that a taxable profit permitting the deferred tax asset to be utilised will be available in the future. The deterioration of the tax results obtained in the future could make that assumption groundless.  |
| <b>26</b>  | Employee benefits  | Provisions for retirement benefits and unused vacation leaves Discount rate: 6.87%, the estimated remuneration growth rate: 0%.   |
| <b>26</b>  | Provisions   | Provisions for guarantees and sureties, claims and litigation, construction works and additional remuneration.  |
| <b>9.2</b> | Useful life of property, plant and equipment and of intangibles                                      | Depreciation rates are determined on the basis of the estimated useful life of property, plant and equipment and the value of intangibles.  |

## 9. Accounting principles in use

### 9.1 Conversion of items denominated in foreign currencies

Transactions in a currency other than the functional currency (in foreign currencies) are shown at the conversion rate binding on the transaction date. As at the balance sheet date, assets and liabilities denominated in foreign currencies are converted on the basis of the rate binding on that date. Non-cash items measured at fair value and denominated in foreign currencies are measured on the basis of the rate binding on the fair value date. Non-cash items are measured on the basis of the historical cost.

The following rates have been taken for the purposes of the balance sheet valuation:

| Rate binding on the last day of the period   | 31/12/2022                | 31/12/2021                |
|--|---------------------------|---------------------------|
| EURO   | 4.6899                    | 4.5994                    |
| <hr/>  |                           |                           |
| The average rate, calculated as the arithmetic mean of the rates binding on the last day of each month in a period | 01/01/2022<br>-31/12/2022 | 01/01/2021<br>-31/12/2021 |
| EURO   | 4.6883                    | 4.5775                    |

## **9.2 Property, plant and equipment**

Property, plant and equipment are reported at the price of acquisition / cost of manufacture less depreciation and all impairment losses. The initial value of fixed assets comprises their acquisition price increased by all the costs directly related to the purchase and to making an asset suitable for use. The cost also includes the cost of replacement of components of machinery and equipment when such cost is incurred, if the recognition criteria have been met. The costs arising after the date of placing a fixed asset in service, such as maintenance and repair costs, are charged to the income statement when they are incurred.

Upon acquisition, fixed assets are disaggregated into components of a considerable value, to which relevant useful life may be allocated.

Important spare and service parts reported as property, plant and equipment are amortised in conformity with the estimated period of use, but not longer than the useful life of fixed assets which they service.

The balance sheet value of a fixed asset comprises the costs of regular significant inspections, which are necessary to prevent faults, and whose value in various reporting periods varies considerably. The value of an inspection is depreciated until the next inspection or until the end of useful life of a fixed asset, whichever is sooner. Any residual balance sheet value of the costs of the previous inspection is derecognised.

Depreciation is computed on a straight-line basis throughout the estimated useful life of an asset.

If during the preparation of financial statements any circumstances have occurred which indicate that the balance sheet value of property, plant and equipment may not be recoverable, an inspection of those assets is performed from the point of view of their impairment. If there are factors indicating that impairment may have occurred, and the balance sheet value exceeds the estimated recoverable amount, then the value of those assets or cash generating units, to which those assets belong, is brought down to the level of the recoverable amount. The recoverable amount corresponds to the lower of the following two values: the fair value less the cost of sales or the value in use. When determining the value in use, the projected future cash flows are discounted to the current value with the use of the gross discount rate reflecting the current market assessments of the time value of money and any risk related to an asset. In the case of an asset which does not generate cash flows in a significantly separate way, the recoverable amount is determined for a cash generating unit, to which that asset belongs. Impairment losses are recognised in the income statement under other operating costs.

An item of property, plant and equipment may be derecognised upon its disposal or when no economic benefits following from the further use of such an asset are expected. Any profits or losses following from the derecognition of an asset (calculated as the difference between any net proceeds from the sale and the balance sheet value of an item) are recognised in the income statement in the period in which such derecognition was effected.

Commenced investments concern fixed assets in the process of construction or erection and are reported at the cost of acquisition or manufacture. Fixed assets under construction are not depreciated until the end of construction and placing them in service.

The residual value, useful life and depreciation method of fixed assets are reviewed and revised if necessary at the end of each financial year.

### **9.3 Borrowing costs**

The borrowing costs directly relating to the acquisition or manufacture of assets requiring an extended period to bring them into use are capitalised as a part of the cost of acquisition or manufacture until those assets are ready for use or sale. Borrowing costs comprise interest and exchange gains or losses up to the amount corresponding to the interest cost adjustment.

Other borrowing costs are recognised as costs when they are incurred.

### **9.4 Investment property**

Investment property is recognised at the acquisition price or the cost of manufacture with the transactions costs taken into consideration. After initial recognition the value of investment property is decreased by depreciation and impairment losses.

Investment property is derecognised on disposal or when permanently withdrawn from use, and no future benefits are expected from its disposal. Any profits or losses following from the derecognition of investment property are recognised in the income statement in the period in which such derecognition was effected.

Assets are transferred to investment property only when a change in their use takes place as confirmed by the end of the use of an asset by its owner, the conclusion of an operating lease agreement or the completion of construction/manufacture of investment property.

In view of the application of the cost model, in the case of a transfer of investment property to or from assets used by the owner or to/from inventory, there is no change of the value of real property.

### **9.5 Lease and the right of perpetual usufruct of land**

#### **The Company as a lessee**

A contract is a lease or contains a lease if the contract transfers the right to control the use of an identified asset for a given period against a fee.

On the date of lease commencement, the Company recognises the asset in relation to the right of use and the liability in relation to the lease. The asset is measured at cost. The liability is measured at the current value of lease payments remaining to be paid on that date.

After the date of lease commencement, the asset is measured with the use of the cost model, i.e. following the deduction of depreciation and valuation allowances and after the adjustment by the revaluation of the lease liability. If the title is transferred under the lease or the cost of the asset in relation to the right of use recognises the Company's use of the purchase option, the Company amortises the asset in relation to the right of use until the end of the period of use of the base asset. Otherwise the Company amortises the asset in relation to the right of use until the end of the period of use or lease, whichever date is earlier.

After the date of lease commencement the liability is measured through the computation of interest, the reduction by the fees which have been paid and by the updated balance sheet valuations in order to recognise any repeated lease valuation or change.

#### **The Company as a lessor**

The Company is a party to lease agreements under which it renders fixed assets (premises including land) for use and collection of benefits against payment for an agreed period.

Under these agreements, substantially all the risks and benefits incidental to ownership of the assets are transferred to the lessee, which is why the Company classifies such agreements as finance lease. Accordingly, the subject matter of the finance lease is not recognised under fixed assets in the statement of financial position, while the value of the receivables in the receivables group is recognised at an amount equal to the lease investment (net value resulting from the lease).

The excess of the net value under the lease agreement over the balance sheet value of the asset at the time of lease is charged to accrued income and is subsequently accounted for as income on a straight-line basis over the term of the lease. In the statement of total income, revenue from lease is presented under other operating income.

### 9.6 Intangibles

Intangibles acquired separately are valued at the price of acquisition or the cost of manufacture. The price of acquisition of intangibles acquired in the merger of business entities is equal to their fair value as at the merger date. After initial recognition, intangibles are reported at the price of acquisition or cost of manufacture less depreciation and/or impairment losses. Expenses on intangibles manufactured on one's own account, except the recognised costs of development work, are not capitalised but recognised in the costs of the period in which they were incurred.

The Company decides on whether the useful life of intangibles is limited or indefinite. Intangibles of limited useful life are amortised over that life and tested for impairment each time when there are factors indicating impairment of such assets. The period and method of depreciation of intangibles with limited useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or in the pattern in which economic benefits from an asset are expected to be consumed are recognised by changing, as appropriate, the period or method of depreciation, and treated as the changes of estimates. A depreciation charge on intangibles with a limited useful life is recognised in the income statement in the category which corresponds to the function of a given intangible asset. Intangibles with an indefinite useful life and those which are not used are reviewed every year for impairment with reference to the various assets or at the cash generating unit level. Other intangibles are assessed every year from the point of view of the factors which may signify their impairment.

The costs of research work are written to the income statement when they are incurred. The costs of development work carried out as part of a given project are transferred to the next period if it may be assumed that they will be recovered in the future. After initial recognition of the costs of development work, applied is the historical cost convention, which requires that assets are recognised at the price of acquisition less accumulated depreciation and accumulated impairment losses. Any costs transferred to the next period are amortised over the period when proceeds from the sale of a given project are expected.

Costs of development work are assessed for possible impairment on an annual basis if an asset has not been placed in use yet or, more frequently, when in the reporting period there occurs an impairment factor indicating that their balance sheet value may not be recoverable.

Profits or losses following from the derecognition of intangibles are measured as the difference between net proceeds from the sale and the balance sheet value of an asset and recognised in the income statement when such asset is derecognised.

### 9.7 Recoverable amount of long-term assets

As at each balance sheet date, the Company evaluates assets for factors indicating their impairment. If such factors exist, the Company performs a formal assessment of the recoverable amount. When the balance sheet value of an asset or cash generating unit exceeds its recoverable amount, the impairment of such an asset is recognised and its value written down to the recoverable amount level. The recoverable amount is the higher of the following two amounts: the fair value less the costs of disposal or the value in use of an asset or cash generating unit.

## **9.8 Financial instruments**

A financial instrument is any agreement which causes a financial asset to arise on one part and a financial liability or equity instrument on the other.

The Company classifies financial assets into the following categories:

- measured at the amortised cost,
- measured at fair value through other total income,
- measured at fair value through profit or loss.

Financial liabilities are divided into:

- measured at the amortised cost,
- measured at fair value through profit or loss.

The classification of financial assets is based on the business model and cash flow characteristics. Upon of initial recognition, it is possible to irrevocably designate financial assets as measured at fair value through profit or loss, if the inconsistency of the measurement or recognition is eliminated or considerably mitigated in that way, which lack of cohesion would have otherwise arisen due to the measurement of assets or liabilities or the recognition of relevant profits or losses according to various principles.

### **Initial measurement**

A financial asset or liability is recognised in the statements when and only when the Company becomes bound by the provisions of the instrument agreement.

All standard financial asset purchase and sale transactions are recognised on the transaction date i.e. on the date on which the entity has undertaken to acquire a given asset. Standard financial asset purchase or sale transactions are purchase or sale transactions in which the time limit for the delivery of the assets to the other party is basically set out in the regulations or by market customs.

Upon initial recognition, a financial asset or liability is measured at fair value which, in the case of financial assets or liabilities not measured at fair value through profit or loss is increased or decreased by transaction costs which may be directly allocated to the acquisition or issue of those financial assets or liabilities. The above does not concern trade receivables which do not have a significant financing component. Such receivables are measured upon initial recognition at their transaction price.

### **Financial assets measured at the amortised cost**

A financial asset is measured at the amortised cost if both conditions below are met:

- the business model taken assumes the maintenance of the asset to accumulate cash flows under the agreement;
- cash flows under the agreement and concerning one instrument comprise only the repayment of the principal and interest on the principal remaining to be paid.

The Company classifies, first of all, the following as financial assets measured at the amortised cost: trade receivables, cash and cash equivalents, investment security deposits and other receivables.

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### Financial assets measured at fair value through other total income

Assets measured at fair value through other total income are as follows:

- asset components, if two conditions are met: the asset is maintained in the business model which aims at obtaining agreed cash flows in relation to financial assets held and in relation to the sale of financial assets, and contractual conditions give the right to obtain cash flows constituting only the principal and interest on the principal at specific dates;
- equity instruments which were, upon initial recognition, classified into that category, with the omission of instruments for trading, for which such a choice is unavailable.

### Financial assets measured at fair value through profit or loss

The category of assets measured at a fair value through profit or loss includes those financial instruments which were not allocated to the groups of assets measured at the amortised cost or fair value through other total income and those instruments about which the Company made a decision on such classification.

At the Company, that category includes, first of all, derivative instruments (the Company does not use hedge accounting), and debt or equity instruments acquired for resale in a short time.

Assets classified as financial assets measured at fair value through profit or loss are measured as at each reporting date at fair value, and any profits or losses charged to financial revenues or costs.

### Financial liabilities measured at the amortised cost

The Company classifies all the financial liabilities as measured, after initial recognition, at the amortised cost, with the exception of:

- financial liabilities measured at fair value through profit or loss,
- financial liabilities which have arisen as a result of the transfer of a financial asset, which does not qualify for the cessation of recognition, or when the interest maintenance approach applies,
- financial guarantee agreements,
- obligations to grant a loan bearing interest below the market interest rate,
- conditional payment recognised by the acquiring entity as part of a business combination to which IFRS 3 applies.

The Company classifies the following, first of all, as financial liabilities measured at the amortised cost: credit, loans, trade liabilities and other liabilities.

### Financial liabilities measured at fair value through profit or loss

The Company classifies financial liabilities meeting one of the following conditions as financial liabilities measured at fair value:

- compliance with the definition of holding for trade (liabilities acquired or contracted mainly for sale or resale in the near term or upon initial recognition; those liabilities are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of the current actual mode of generation of short-term profits or those liabilities are a derivative instrument, except derivative instruments being financial guarantee agreements or designated and effective hedging instruments),
- upon initial recognition, they are held by the Company as measured at fair value through profit or loss pursuant to law,
- are held upon initial recognition or later as measured at fair value through profit or loss.

In the Company, financial liabilities measured at fair value through profit or loss include primarily derivative instruments with a negative fair value (the Company does not use hedge accounting).

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### Measurement of financial assets and liabilities at fair value

Derivative instruments are measured at fair value as at the balance sheet date and at the end of each reporting period on the basis of valuations performed by banks effecting the transactions. Other financial assets measured at fair value are measured with the use of stock exchange quotations and, if there are none, with appropriate valuation techniques which comprise the use of the prices from recent transactions or of tender prices, a comparison with similar instruments, and option valuation models. The fair value of debt instruments is constituted by future cash flows discounted with the current market interest rate appropriate for similar instruments.

The Company classifies financial instruments in a hierarchical way, in conformity with the three main levels of valuation with reference to the fair value, which reflect the base taken for the valuation of each of the instruments.

The fair value hierarchy is as follows:

Level 1 – the prices of market quotations from active markets for identical assets and liabilities (e.g. shares and bonds quoted);

Level 2 – the prices from active markets, but other than the prices of market quotations – fixed directly (by comparison with actual transactions) or indirectly (through valuation techniques based on actual transactions), e.g. the majority of derivative instruments;

Level 3 – prices not originating from active markets.

The position of a financial instrument in the fair value hierarchy depends on the lowest valuation base affecting the determination of the fair value of such a financial instrument.

### Impairment of financial assets

To estimate the impairment of financial assets, the Company uses the expected loss model based on the calculation of expected losses irrespective of whether there were any circumstances for that or not.

With the exception of financial liabilities acquired or issued with impairment, expected credit losses are recognised an allowance at the amount equal to:

- the total of expected credit losses over 12 months (the losses which may arise as a result of debtors' failure to meet the liabilities under financial instruments in the period of 12 months from the date of the financial statements);
- the total of expected credit losses over the entire life of an asset. Those losses should be recognised before the financial instrument becomes overdue.

The Company uses impairment requirements to recognise and measure the allowance for expected credit losses related to the financial assets which are measured at fair value through other total income. The allowance is recognised in other total income and that allowance does not reduce the balance sheet value of the financial asset in the statement of financial position.

Impairment of financial instruments, with regard to which a considerable increase of credit risk is noted from initial recognition, irrespective of whether they were measured individually or collectively, should take into consideration all rational and documentable information including information concerning the future.

In its profit or loss, the Company recognises as profit or impairment loss the amount of expected credit losses (or the amount of the dissolved provision), which is required in order to adjust the allowance for expected credit losses as at the reporting date to the amount to be recognised in conformity with IFRS 9.

### Shares in subsidiaries and related entities



Shares in subsidiaries are reported by the Company in conformity with IAS 27 at the historical cost less impairment losses.

## **9.9 Derivative instruments**

### **Derivative instruments**

Derivative instruments are measured at the fair value as at the date of contract conclusion, and then revalued to the fair value as at each balance sheet date. The resulting profit or loss is recognised in the income statement immediately unless a derivative instrument acts as security. In such a case the moment of recognition of profit or loss depends on the nature of the hedging relationship. The Company defines the designated derivative instruments as fair value hedges for specified assets and liabilities or firm commitments (fair value hedges), for highly probable forecast transactions, for a currency exchange risk of firm commitments (cash flow hedges) or as hedges for net investments in foreign operations. Instruments are presented as non-current assets or long-term liabilities if the period to the instrument's maturity exceeds 12 months and it is not foreseen that such an instrument is realised or settled within 12 months. Other derivative instruments are reported as current assets or short-term liabilities.

### **Embedded derivative instruments**

An embedded derivative instrument is a hybrid contract component which also comprises the basic agreement, which is not a derivative instrument. That component causes some cash flows following from the combined instrument to change in way similar to cash flows which would follow from the derivative instrument occurring independently.

If the hybrid contract comprises the basic contract which is a financial asset, the entity measures the entire hybrid contract as appropriate. In the opposite case embedded derivative instruments are segregated from contracts and treated as derivative instruments if all of the following conditions are met:

- the economic character and the risk of an embedded instrument are not closely linked to the economic character and risk of the agreement into which a given derivative instrument is embedded,
- an independent instrument with identical conditions of realisation as those of an embedded instrument would comply with the definition of a derivative instrument,
- a hybrid (combined) instrument is not reported at fair value, and the changes of its fair value are not recognised in profit or loss (i.e. a derivative instrument embedded in a financial liability measured at fair value through a profit or loss is not separated).

Embedded derivative instruments are recognised in the same way as independent derivative instruments (financial assets are measured at fair value through profit or loss).

## **9.10 Inventory**

Inventory is valued at the lower of two values: the acquisition price / cost of manufacture and net realisable selling price.

The costs incurred in bringing each asset to its present location and condition, both in relation to the current and previous year, are recognised in the following way:

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- Materials - at the acquisition price determined by way of the first in – first out method,
- Finished products and work in progress - the cost of direct materials and labour and an appropriate indirect labour determined on the assumption of the normal utilisation of production capacity,
- Goods for resale - at the price of acquisition determined by way of the specific identification (land).

The price of acquisition or cost of manufacture of inventory comprises all the purchase, processing and other costs incurred in bringing inventory to its present location and condition.

The costs of purchase of inventory comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The net realisable price is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory is reported at the net value (less revaluation deductions). Inventory revaluation deductions are created in relation to the loss of inventory value, with a view to bringing the value of inventory to the realisable net value level. Revaluation deductions are recognised directly as an expense. The value of a revaluation deduction reduces the balance sheet value of inventory comprised by such a deduction.

### 9.11 Trade and other receivables

Trade receivables and other financial receivables are valued as at the balance sheet date at the amortised cost (i.e. discounted with the application of the effective interest rate) less impairment losses. In the case of short-term receivables with the term of payment up to 1 year, where the significant financing component does not occur, the valuation at the amortised cost corresponds to the sum due.

When the influence of the time value of money is significant, the receivable is determined by discounting the projected future cash flows to the current value with the use of the gross discount rate reflecting the current market assessments of the time value of money and the contractor's credit risk. If discounting has been used, an increase of the receivable in relation to the passage of time is recognised as financial revenues.

Non-financial receivables are initially recognised at their nominal value and measured at the payable amount as at the balance sheet date.

The principles concerning financial assets are used to determine revaluation deductions on receivables. In the case of trade receivables or assets under agreements arising from transactions covered by IFRS 15, the Company measures the allowance for expected credit losses in the amount equal to those losses over the entire life of the instrument.

Expected credit loss revaluation deductions on receivables are recognised as other operating costs. The reduction of the allowances is recognised in the income statement as other operating revenues.

### **9.12 Uninvoiced receivables from the settlement of long-term contracts**

Within the above item, the Company reports a surplus revenue recognised at a given contract over the invoiced revenue by the percentage of completion method.

### **9.13 Cash and cash equivalents**

Cash and short-term deposits reported in the balance sheet comprise cash at bank and at hand as well as short-term deposits with original maturity not exceeding three months.

The balance of cash and cash equivalents reported in the cash flow statement consists of the above-specified cash and cash equivalents.

### **9.14 Non-current assets held for disposal**

Non-current assets (or their groups) held for disposal are classified as held for sale if their balance sheet value will be recovered through sale transactions rather than through continued use provided that they are available for sale immediately in their present condition, subject to the conditions customarily used in the sale of those assets (or disposal groups) and that their sale is highly probable. Immediately before the qualification of an asset (or a disposal group) as held for sale, those assets are measured i.e. their balance sheet value is determined in conformity with the provisions of relevant standards. Property, plant and equipment as well as intangibles are amortised to the reclassification date, and if factors indicating possible impairment occur, an impairment test is conducted and, consequently, an allowance is recognised, in conformity with IAS 36 "*Impairment of Assets*".

Non-current assets (or disposal groups), whose value was fixed in the above way are reclassified to assets held for sale. On reclassification, those assets are measured at the lower of the following two: the balance sheet value or the fair value less the costs of disposal. The difference from the measurement at the fair value is recognised in other operating costs. Upon subsequent valuation, any reversal of the fair value is recognised in other operating revenues.

A non-current asset is not depreciated if it is classified as held for sale or is included in a disposal group that is classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

If an entity no longer meets the criteria for the classification of an asset as held for sale, an asset is recognised in that balance sheet item from which it had been reclassified previously and measured at the lower of the following two amounts:

- the balance sheet value as at the date preceding the classification of an asset as held for sale, adjusted by amortisation or revaluation, which would have been recognised had the asset not been classified as held for sale, or
- the recoverable amount at the date of the decision not to sell.

### **9.15 Equity**

Equity is recognised in accounting books with a division into its kinds and with reference to the principles set out in the provisions of law and the Company's Statutes.

Share capital is reported in the amount shown in the Statutes and the National Court Register. Declared but not paid-in capital contributions are recognised as capital not paid-in. Own shares and share capital not paid in decrease the Company's equity.

Share premium capital – that capital is constituted by surpluses achieved at the issue of shares less the costs of such an issue of shares.

Other capital is constituted by the revaluation reserve from the measurement of the fair value of financial assets included in the category of available-for-sale financial assets.

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Retained profits are constituted by: supplementary capital and reserves from profit for subsequent years, retained profit or non-financed loss from previous years (accumulated profits/losses from previous years), and the profit or loss for a current financial year.

### 9.16 Interest bearing credit, loans and debt securities

Upon initial recognition, all credit, loans and debt securities are recognised at the price of acquisition corresponding to the fair value of cash received less credit or loan costs.

After initial recognition, interest-bearing credit, loans and debt securities are subsequently valued at the amortised cost with the application of the effective interest rate method.

The costs related to a loan or credit and the discounts or bonuses obtained upon the settlement of a liability are taken into account in the determination of the amortised cost.

Profits and losses are recognised in the income statement on the derecognition of a liability from the balance sheet, and also as a result of the calculation of an allowance.

### 9.17 Trade and other liabilities

Liabilities are a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

Financial and non-financial liabilities measured at the fair value through profit or loss are measured as at the balance sheet date at the amortised cost (i.e. discounted with the application of the effective interest rate). In the case of short-term liabilities with the term of payment up to 360 days, that valuation corresponds to the sum due.

Liabilities not classified as financial liabilities are measured at the amount required to be paid.

### 9.18 Provisions

Provisions are created when the Company has the obligation (legal or customarily expected) stemming from past events and when it is likely that meeting such obligation will cause the outflow of economic benefits as well as when the amount of that liability may be estimated credibly.

The recognised provision amount reflects possibly the most precise estimate of the amount required for the settlement of the current liability as at the balance sheet, with the risk and uncertainty of that liability taken into consideration. If the provision is measured by estimated cash flows necessary for the settlement of the current liability, the balance sheet value of the provision corresponds to the current value of those cash flows (when the influence of the time value of money is significant).

If the Company expects that the costs covered by the provision will be reimbursed, for example on the basis of an insurance agreement, such reimbursement is recognised as a separate asset but only when it is virtually certain that such reimbursement will actually take place and its reliable measurement is possible.

The amount of provisions is updated twice a year – after six months and at the end of a financial year.

### 9.19 Accrued income from the settlement of long-term contracts

That item comprises the surplus of the invoiced revenue on construction contracts over the revenue recognised and measured by the proportion of works completed.

## **9.20 Revenues**

Revenues are recognised in such a way as to reflect the transfer of the promised goods or services to the customer, in the amount which reflects the remuneration to which the Company, as expected by it, will be entitled in consideration of those goods or services.

The Company recognises a revenue under an agreement with the customer only when all the following criteria are met jointly:

- the parties entered into an agreement (in writing, orally or in accordance with other customary trade practices) and are obliged to meet their obligations;
- The Company is able to identify each party's rights concerning the goods or services to be handed over;
- The Company is able to identify the terms of payment for the goods or services to be handed over;
- the agreement has economic contents;
- the entity is likely to receive the remuneration to which the entity will be entitled in consideration of the goods and services which will be handed over to the customer.

Upon conclusion of the agreement, the Company evaluates the goods or services promised in the agreement with the customer and identifies each promise made to the customer to provide the following as a performance obligation:

- discernible goods or a service (or a package of goods or services); or
- group of relevant goods or services, which are substantially the same and in the case of which their handover to the customer is of the same nature.

The Company recognises revenues on satisfying (or in the process of satisfying) the performance obligation through the handover of the promised goods or a service (i.e. an asset) to the customer. Asset handover takes place upon the customer gaining control of that asset, that is when the customer becomes able to dispose of that asset directly and derive substantially all other benefits from the asset. In the case of revenues from the property development activity, the Company acknowledges that control is transferred upon signing an acceptance inspection report in condition that the customer made all the payments towards the price of real estate.

The Company transfers the control of the goods or service with the passage of time and thus satisfies the performance obligation and recognises the revenues with the passage of time if one of the following conditions has been met:

- the customer simultaneously receives and derives benefits from the performance as it is provided by the Company;
- as the performance is being provided, an asset comes into being or is improved (e.g. work in progress), and control of that asset, as it comes into being or becomes improved) is exercised by the customer; or
- an asset with the alternative use for the Company does not come into being, and the Company is entitled to an enforceable right to the payment for the performance provided previously.

With regard to each performance obligation satisfied with the passage of time, the Company recognises the revenues with the passage of time while measuring the extent to which the performance obligation was satisfied. The purpose of the measurement is to determine the progress in the satisfaction of the Company's obligation to transfer control of the goods or services promised to the customer (i.e. the extent to which the performance obligation was fulfilled).

After the performance obligation has been fulfilled (or when it is being provided), the Company recognises as a revenue the amount equal to the transaction price (except the estimated values of the variable remuneration) which was allocated to that performance obligation. The transaction price does not include tax on goods and services (VAT), other taxes (except excise) and rebates (discounts and bonuses).

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If the remuneration fixed in the agreement comprises the variable amount, the Company estimates the remuneration to which it will be entitled in consideration of the handover of the promised goods or services to the customer. At the end of each reporting period, the Company updates the estimated transaction prices so that they reliably reflect the circumstances at the end of the reporting period and the changes of the circumstances during that period.

### Interest

Interest revenue is recognised gradually as it accrues (with the effective interest rate method taken into account, that rate being the discounting rate for future cash proceeds over the estimated period of use of financial instruments) in relation to the net balance sheet value of a financial asset.

### Dividends

Dividends are recognised when the shareholders' right to receive payment is established.

## 9.21 Income tax

### Current tax

Current tax expense is calculated on the basis of taxable income (the taxable base) in a given financial year. The tax profit (loss) differs from the accounting profit (loss) in connection with the exclusion of revenues which are not subject to tax and of the non-allowable costs. Tax expenses are calculated on the basis of tax rates in force in a given financial year.

### Deferred tax

For the requirements of financial reporting, the income tax reserve is created by way of the balance sheet liability method in relation to all temporary differences occurring as at the balance sheet date between the positive value of assets and liabilities and their balance sheet value shown in the financial statements.

The deferred tax liability is recognised in relation to all taxable temporary differences:

- except when the deferred tax liability arises as a result of the initial recognition of goodwill or of the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither gross accounting profit nor taxable income or loss, and
- in the case of taxable temporary differences following from investments in subsidiaries or associates and interests in joint ventures – except when the timing of the reversal of temporary differences is controlled by the investor and when it is probable that temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax assets and unused tax losses carried forward to next years, in the amount in which it is probable that taxable income will be available, which will permit the above-mentioned differences, assets and losses to be utilised:

- except when the deferred tax assets pertaining to deductible temporary differences arise as a result of the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither gross accounting profit nor taxable income or loss, and
- in the case of deductible temporary differences following from investments in subsidiaries or associates and interests in joint ventures, a deferred tax asset is recognised in the balance sheet only in the amount in which it is probable that the above temporary differences will be reversed in the foreseeable future and that taxable income will be available, which will permit the deductible temporary differences to be deducted.

The balance sheet value of the deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Income tax on items recognised directly in equity is recognised in equity, and not in the income statement.

### 9.22 Net earnings per share

Net earnings per share for each period is calculated by dividing net profit for a given period by the weighted average number of shares in the given reporting period.

## 10. Information on operating segments

An operating segment is a component of an entity:

- a) which is engaged in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- c) for which discrete financial information is available.

In accordance with the requirements of IFRS 8, operating segments shall be identified on the basis of internal reports concerning those elements of the Company, which are regularly reviewed by persons deciding on the allocation of a resource to a given segment and assessing its financial performance.

The Company's activity is focussed on one operating segment, which is the property development activity. The Company's activity is pursued in the whole territory of Poland.

## 11. Costs and revenues

### 11.1 Sales revenues

| <b>Sales revenues</b>                                    | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|--|-----------------------------------|-----------------------------------|
| Revenues from the sales of products                      | 188 936                           | 180 630                           |
| Revenues from the sales of services                      | 3 112                             | 2 820                             |
| Revenues from the sale of goods for resale and materials | 26                                | -                                 |
| <b>Total sales revenues</b>                              | <b>192 074</b>                    | <b>183 450</b>                    |

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

| <b>Sales revenues</b>       | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|-----------------------------|-----------------------------------|-----------------------------------|
| Domestic sales              | 192 074                           | 183 450                           |
| Foreign sales               | -                                 | -                                 |
| <b>Total sales revenues</b> | <b>192 074</b>                    | <b>183 450</b>                    |

### 11.2 Costs by category, including employee benefits

| <b>Costs by category</b>   | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|--|-----------------------------------|-----------------------------------|
| Depreciation of fixed assets   | 804                               | 979                               |
| Depreciation of intangibles  | 6                                 | 43                                |
| Depreciation of investment property  | 2                                 | 2                                 |
| Depreciation – IFRS 16   | 243                               | 235                               |
| Consumption of materials and energy  | 56 514                            | 53 842                            |
| External services  | 117 101                           | 90 728                            |
| Taxes and charges  | 2 365                             | 1 633                             |
| Costs of employee benefits, including:   | 20 638                            | 20 537                            |
| • <i>payroll</i>   | 16 794                            | 17 332                            |
| • <i>costs of social security and other benefits</i>   | 3 844                             | 3 205                             |
| Other costs, including:  | 5 447                             | 3 076                             |
| • <i>costs of credit</i>   | 2 613                             | 1 001                             |
| • <i>entertainment and advertising</i>   | 2 139                             | 1 531                             |
| • <i>property and personal insurances</i>  | 357                               | 309                               |
| • <i>business trips</i>  | 142                               | 24                                |
| • <i>other operating costs</i>   | 196                               | 211                               |
| <b>Total costs by category</b>   | <b>203 120</b>                    | <b>171 075</b>                    |
| Change in products, work in progress and accruals (+/-)  | (54 261)                          | (18 211)                          |
| Costs of products for the entity's in-house needs (-)  | -                                 | (1 735)                           |
| Selling costs (-)  | (5 618)                           | (5 229)                           |
| Administrative expenses (-)  | (13 700)                          | (13 101)                          |
| Value of goods for resale and materials sold   | 26                                | -                                 |
| <b>Cost of sales</b>   | <b>129 567</b>                    | <b>132 799</b>                    |
| <b>Total costs of products, goods for resale and materials sold, cost of sales and administrative expenses</b> | <b>148 885</b>                    | <b>151 129</b>                    |



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### 11.3 Other operating revenues

| <b>Other operating revenues</b>                                  | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|--|-----------------------------------|-----------------------------------|
| Net profit from the disposal of non-financial non-current assets | 44                                | 233                               |
| Penalties and damages received                                   | 1 002                             | 386                               |
| Reimbursement of costs of court proceedings                      | 4                                 | 4                                 |
| Cancelled and time-barred liabilities                            | 291                               | -                                 |
| Tax reimbursement  | -                                 | 10                                |
| Release of the provision for contentious issues                  | -                                 | 64                                |
| Release of revaluation deductions                                | 92                                | -                                 |
| Revenue from the lease margin                                    | 419                               | 299                               |
| Other  | 8                                 | -                                 |
| <b>Total other operating revenues</b>                            | <b>1 860</b>                      | <b>996</b>                        |

### 11.4 Other operating costs

| <b>Other operating costs</b>  | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|-----------------------------------|-----------------------------------|
| Valuation allowance for time-barred and cancelled receivables and bad debts | 19                                | -                                 |
| Provision for penalties, court costs and damages                            | -                                 | 26                                |
| Donations given   | 179                               | 77                                |
| Penalties, fines and damages  | 151                               | 89                                |
| Costs of court proceedings  | 8                                 | 6                                 |
| Other   | 26                                | 263                               |
| <b>Total other operating costs</b>  | <b>383</b>                        | <b>461</b>                        |

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### 11.5 Financial revenues

| <b>Financial revenues</b>                   | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|-----------------------------------|-----------------------------------|
| Interest revenue, including:                | 582                               | 216                               |
| • <i>interest on bank deposits and cash</i> | 354                               | -                                 |
| • <i>interest on loans</i>                  | 80                                | 25                                |
| • <i>interest on lease activities</i>       | 116                               | 108                               |
| • <i>other interest</i>                     | 32                                | 83                                |
| Dividends received                          | 8 560                             | 3 637                             |
| Reimbursement of additional contributions   | 1 916                             | -                                 |
| Other                                       | 21                                | 34                                |
| <b>Financial revenues</b>                   | <b>11 079</b>                     | <b>3 887</b>                      |

### 11.6 Financial costs

| <b>Financial costs</b>  | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|-----------------------------------|-----------------------------------|
| Interest revenue, including:                                  | 4 235                             | 1 490                             |
| • <i>interest on loans and credit</i>                         | 346                               | 91                                |
| • <i>interest on finance lease</i>                            | 44                                | 14                                |
| • <i>valuation of bonds at the adjusted acquisition price</i> | 3 844                             | 1 385                             |
| • <i>other interest</i>                                       | 1                                 | -                                 |
| Other   | 45                                | 23                                |
| <b>Financial costs</b>  | <b>4 280</b>                      | <b>1 513</b>                      |
| <b>Net financial revenues and costs</b>                       | <b>6 799</b>                      | <b>2 374</b>                      |

### 11.7 Borrowing costs

|  | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|--|-----------------------------------|-----------------------------------|
| Borrowing costs (interest) capitalised in inventory in the period, including*:             | 2 609                             | 905                               |
| - <i>borrowing costs capitalised in work in progress at the end of the period</i>          | 1 201                             | 726                               |
| Borrowing costs (interest) recognised in the state of total income under "financial costs" | 347                               | 91                                |
| Interest paid on bonds   | 1 913                             | 839                               |
| <b>Total financial costs in relation to interest</b>                                       | <b>4 869</b>                      | <b>1 835</b>                      |

\* This item includes financial costs incurred for the financing of property development projects, capitalised on inventories in the period – those costs still partly remaining in inventory at the end of the period and partly recognised as the cost of sales in relation to delivery of units to buyers.

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### 12. Income tax

#### 12.1 Income tax disclosed in the statement of total income

| <b>Income statement</b>   | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|-----------------------------------|-----------------------------------|
| <b>Current income tax</b>   | <b>4 770</b>                      | <b>14 131</b>                     |
| Current income tax liability  | 4 775                             | 14 127                            |
| Adjustments concerning current income tax from previous years       | (5)                               | 4                                 |
| <b>Deferred income tax</b>  | <b>3 159</b>                      | <b>(7 953)</b>                    |
| Relating to the establishment and reversal of temporary differences | 3 159                             | (7 953)                           |
| <b>Tax liability shown in the statement of total income</b>         | <b>7 929</b>                      | <b>6 178</b>                      |

As regards income tax, the Company is subject to the general provisions of law. The Company does not conduct activity in a Special Economic Zone. The tax and balance sheet year coincide with the calendar year.

#### 12.2 Income tax recognised in equity – not applicable

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### 12.3 Reconciliation of income tax on gross accounting profit

The reconciliation of taxable income with the accounting income is as follows:

|   | <b>01/01/2022</b> | <b>01/01/2021</b> |
|---|-------------------|-------------------|
|   | -                 | -                 |
|   | <b>31/12/2022</b> | <b>31/12/2021</b> |
| Gross profit / (loss) from continuing operations before tax                                 | 51 465            | 35 230            |
| Profit / (loss) from discontinued operations before tax                                     | -                 | -                 |
| <b>Profit / (loss) before tax</b>   | <b>51 465</b>     | <b>35 230</b>     |
| Profit / loss before tax  | 51 465            | 35 230            |
| Non-taxable base revenues (-)   | (63 228)          | (4 135)           |
| Revenues from previous years constituting the revenue in the current year (+)               | -                 | 71 448            |
| Non-allowable costs (+)   | 43 624            | 9 042             |
| Costs from previous years constituting allowable costs in the current year (-)              | (3 726)           | (35 360)          |
| Tax costs concerning operating lease settlements (-)  | (490)             | (362)             |
| Investment tax credit (-)   | (250)             | (250)             |
| Negative temporary differences on which deferred income tax assets have not been recognised | -                 | -                 |
| Cost of issue of bonds  | (2 186)           | (1 135)           |
| Other (+/-)   | (79)              | (125)             |
| <b>Current and deferred income tax base</b>   | <b>25 130</b>     | <b>74 353</b>     |
| Calculated loss from previous years   | -                 | -                 |
| Current and deferred income tax base  | 25 130            | 74 353            |
| Income tax with reference to the tax rate binding in Poland, 19 %                           | 4 775             | 14 127            |
| Adjustments concerning current income tax from previous years (+/-)                         | (5)               | 4                 |
| Deferred income tax   | 3 159             | (7 953)           |
| <b>Income tax disclosed in the income statement</b>   | <b>7 929</b>      | <b>6 178</b>      |
| Income tax allocated to discontinued operations   | -                 | -                 |
| <b>Effective tax rate</b>   | <b>15.41 %</b>    | <b>17.54 %</b>    |

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### 12.4 Deferred income tax

| 01/01/2022-31/12/2022  | Status as at<br>the beginning<br>of the period | (Increases)<br>charged to profit or<br>loss | (Decreases)<br>charged to profit<br>or loss | Status as at<br>the end of<br>the period |
|--|--|---|---|--|
| <b>Temporary differences concerning deferred income tax assets:</b>            |  |   |   |  |
| Provision for repairs under the guarantee                                      | 124  | 71  | (124)                                       | 71                                       |
| Provision for unused vacation leave and retirement severance pay               | 155  | 102   | (114)                                       | 143                                      |
| Unpaid payroll   | 231  | 342   | (231)                                       | 342                                      |
| Provision for indemnities  | 26   | -   | (1)   | 25                                       |
| Provision for the result on contracts  | 1 286  | 15  | -   | 1 301                                    |
| Provision for bond issue costs   | 46   | 315   | -   | 361                                      |
| Provision for the balance sheet audit  | 8  | 8   | (8)   | 8  |
| Provision for the loss of profit in relation to price reduction                | 242  | -   | (17)  | 225                                      |
| Provision for commission on the sale of units                                  | 90   | 149   | (79)  | 160                                      |
| IFRS 16  | 4  | 5   | (4)   | 5  |
| Other  | 116  | 276   | (116)                                       | 276                                      |
|  | <b>2 328</b>                                   | <b>1 283</b>                                | <b>(694)</b>                                | <b>2 917</b>                             |
| <b>Temporary differences concerning the deferred income tax provision:</b>     |  |   |   |  |
| Result on the sale of premises on the basis of the handover and receipt report | 4 905  | 8 623                                       | (4 905)                                     | 8 623                                    |
| Interest on loans granted and on deposits                                      | 20   | 23  | -   | 43                                       |
| Property, plant and equipment  | 146  | 8   | -   | 154                                      |
| Other  | 1  | -   | (1)   | -  |
|  | <b>5 072</b>                                   | <b>8 654</b>                                | <b>(4 906)</b>                              | <b>8 820</b>                             |
| <b>Total provision / deferred tax assets after compensation:</b>               |  |   |   | <b>5 903</b>                             |

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| 01/01/2021-31/12/2021  | Status as at<br>the beginning<br>of the period | (Increases)<br>charged to profit<br>or loss | (Decreases)<br>charged to profit or<br>loss | Status as at the<br>end of the<br>period |
|--|--|---|---|--|
| <b>Temporary differences concerning deferred income tax assets:</b>            |  |   |   |  |
| Provision for repairs under the guarantee                                      | 116  | 124   | (116)                                       | 124                                      |
| Provision for unused vacation leave and retirement severance pay               | 119  | 103   | (67)  | 155                                      |
| Unpaid payroll   | 217  | 231   | (217)                                       | 231                                      |
| Provision for indemnities  | 34   | -   | (8)   | 26                                       |
| Provision for the result on contracts  | 824  | 481   | (19)  | 1 286                                    |
| Provision for bond issue costs   | -  | 46  | -   | 46                                       |
| Provision for the balance sheet audit  | 5  | 8   | (5)   | 8  |
| Provision for the loss of profit in relation to price reduction                | 266  | -   | (24)  | 242                                      |
| Provision for commission on sold premises                                      | 243  | 90  | (243)                                       | 90                                       |
| IFRS 16  | 4  | 4   | (4)   | 4  |
| Other  | 104  | 60  | (48)  | 116                                      |
|  | <b>1 932</b>                                   | <b>1 147</b>                                | <b>(751)</b>                                | <b>2 328</b>                             |
| <b>Temporary differences concerning the deferred income tax provision:</b>     |  |   |   |  |
| Result on the sale of premises on the basis of the handover and receipt report | 12 471   | 4 917                                       | (12 483)                                    | 4 905                                    |
| Interest on loans granted  | 15   | 5   | -   | 20                                       |
| Property, plant and equipment  | 141  | 6   | (1)   | 146                                      |
| Other  | 2  | -   | (1)   | 1  |
|  | <b>12 629</b>                                  | <b>4 928</b>                                | <b>(12 485)</b>                             | <b>5 072</b>                             |
| <b>Total provision / deferred tax assets after compensation:</b>               |  |   |   | <b>2 744</b>                             |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 13. Assets and liabilities relating to the Company Social Welfare Fund

The Company stopped the creation of the Company Social Welfare Fund on 1 January 2016.

### 14. Earnings per share

The basic earnings per share are calculated by dividing net profit for a period, such profit falling to the Company's ordinary shareholders, by the average weighted number of the issued ordinary shares occurring in the period.

The diluted earnings per share are calculated by dividing net profit for a period, such profit falling to ordinary shareholders (following the deduction of interest on redeemable privileged shares convertible into ordinary shares) by the average weighted number of the issued ordinary shares occurring in the period (such number having been adjusted by the impact of diluting options and diluting privileged shares convertible into ordinary ones).

The figures concerning profit and shares used for the calculation of the basic and diluted earnings per share are presented below:

| <b>Earnings per share</b>                               | <b>01/01/2022<br/>-<br/>31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|--|-----------------------------------|
| Net profit (loss) from continuing operations            | 43 536                                 | 29 052                            |
| Net profit from discontinued operations                 | -                                      | -                                 |
| <b>Net profit attributable to ordinary shareholders</b> | <b>43 536</b>                          | <b>29 052</b>                     |

The weighted average number of issued ordinary shares used for the calculation of the earnings per share from continuing operations is presented below.

| <b>Basic earnings per share</b>   | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|-----------------------------------|-----------------------------------|
| Net profit  | 43 536                            | 29 052                            |
| Weighted average number of ordinary shares  | 40 040                            | 40 040                            |
| Basic earnings per share (PLN/share)  | 1.0873                            | 0.7256                            |
| <b>Diluted earnings per share</b>   | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
| Net profit attributable to ordinary shareholders for diluted earnings per share calculation         | 43 536                            | 29 052                            |
| Adjusted weighted average number of ordinary shares used for diluted earnings per share calculation | 40 040                            | 40 040                            |
| Diluted earnings per share (PLN/share)  | 1.0873                            | 0.7256                            |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 15. Dividends paid and declared

| <b>Declared and paid dividends for ordinary shares in the period:</b> | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|-----------------------------------|-----------------------------------|
| Dividend paid from profit for 2021:                                   | 10 010                            | -                                 |
| Dividend paid from profit for 2020:                                   | -                                 | 20 020                            |
|   | <b>10 010</b>                     | <b>20 020</b>                     |

Pursuant to resolution No. 8/2022 of 24 June 2022, the Ordinary General Assembly of INPRO SA decided to allocate part of the Company's net profit for 2021 in the amount of PLN 10,010,000.00 i.e. PLN 0.25 per share towards the dividend to the Company's shareholders. The General Assembly fixed 29 July 2022 as the record date and 12 August 2022 as the dividend date.

Pursuant to resolution No. 8/2021 of 28 June 2021 the Ordinary General Assembly of INPRO SA decided to allocate part of the Company's net profit for 2020 in the amount of PLN 20,020,000 i.e. PLN 0.50 per share towards the dividend to the Company's shareholders. The General Assembly fixed 26 July 2021 as the record date and 9 August 2021 as the dividend date.



## Financial statements of INPRO SA for 2022

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### 16. Property, plant and equipment

| MOVEMENT OF NON-CURRENT ASSETS 01/01/2022 - 30/12/2011                  | Land        | Buildings, premises and civil and hydraulic engineering structures | Machinery and equipment | Motor vehicles | Other fixed assets | Fixed assets under construction | TOTAL           |
|---|-------------|--|-------------------------|----------------|--------------------|---------------------------------|-----------------|
| <b>a) gross value of fixed assets as at the beginning of the period</b> | <b>475</b>  | <b>4 420</b>   | <b>5 373</b>            | <b>4 625</b>   | <b>3 686</b>       | -                               | <b>18 579</b>   |
| <b>b) increases (in relation to) (+)</b>                                | -           | <b>377</b>   | <b>55</b>               | <b>461</b>     | <b>60</b>          | -                               | <b>953</b>      |
| • purchase  |             |  | 55                      |                | 60                 |                                 | <b>115</b>      |
| • taken over on the basis of a finance lease agreement                  |             |  |                         | 461            |                    |                                 | <b>461</b>      |
| • IFRS 16   |             | 377  |                         |                |                    |                                 | <b>377</b>      |
| <b>c) decreases (in relation to) (-)</b>                                | <b>205</b>  | <b>(9)</b>   | <b>(106)</b>            | <b>(664)</b>   | <b>(406)</b>       | -                               | <b>(1 390)</b>  |
| • sale  |             |  | (14)                    | (664)          |                    |                                 | <b>(678)</b>    |
| • liquidation   |             |  | (92)                    |                | (406)              |                                 | <b>(498)</b>    |
| • IFRS 16   | (205)       | (9)  |                         |                |                    |                                 | <b>(214)</b>    |
| <b>d) gross value of fixed assets as at the end of the period</b>       | <b>270</b>  | <b>4 788</b>   | <b>5 322</b>            | <b>4 422</b>   | <b>3 340</b>       | -                               | <b>18 142</b>   |
| <b>e) depreciation as at the beginning of the period (-)</b>            | <b>(39)</b> | <b>(2 017)</b>   | <b>(4 672)</b>          | <b>(3 717)</b> | <b>(3 146)</b>     | -                               | <b>(13 591)</b> |
| <b>f) depreciation for the period (in relation to) (-)</b>              | <b>(5)</b>  | <b>(317)</b>   | <b>(50)</b>             | <b>222</b>     | <b>234</b>         | -                               | <b>84</b>       |
| • annual depreciation charge  | (1)         | (78)   | (156)                   | (417)          | (152)              |                                 | <b>(804)</b>    |
| • sale of a fixed asset   |             |  | 14                      | 639            |                    |                                 | <b>653</b>      |
| • liquidation of a fixed asset  |             |  | 92                      |                | 386                |                                 | <b>478</b>      |
| • IFRS 16   | (4)         | (239)  |                         |                |                    |                                 | <b>(243)</b>    |
| <b>g) depreciation as at the end of the period (-)</b>                  | <b>(44)</b> | <b>(2 334)</b>   | <b>(4 722)</b>          | <b>(3 495)</b> | <b>(2 912)</b>     | -                               | <b>(13 507)</b> |
| <b>h) net value of fixed assets as at the beginning of the period</b>   | <b>436</b>  | <b>2 403</b>   | <b>701</b>              | <b>908</b>     | <b>540</b>         | -                               | <b>4 988</b>    |
| <b>i) net value of fixed assets as at the end of the period</b>         | <b>226</b>  | <b>2 454</b>   | <b>600</b>              | <b>927</b>     | <b>428</b>         | -                               | <b>4 635</b>    |

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### COMPARATIVE DATA:

| MOVEMENT OF FIXED ASSETS<br>01/01/2021-31/12/2021                       | Land         | Buildings,<br>premises and civil<br>and hydraulic<br>engineering<br>structures | Machinery and<br>equipment | Motor vehicles | Other fixed<br>assets | Fixed<br>assets<br>under<br>construc<br>tion | TOTAL           |
|---|--------------|--|----------------------------|----------------|-----------------------|--|-----------------|
| <b>a) gross value of fixed assets as at the beginning of the period</b> | <b>667</b>   | <b>6 165</b>   | <b>5 196</b>               | <b>4 593</b>   | <b>3 441</b>          | -  | <b>20 062</b>   |
| <b>b) increases (in relation to) (+)</b>                                | <b>61</b>    | <b>38</b>  | <b>198</b>                 | <b>348</b>     | <b>274</b>            | -  | <b>919</b>      |
| • purchase  |              |  | 190                        |                | 274                   |  | <b>464</b>      |
| • modernisation   |              |  | 8                          |                |                       |  | <b>8</b>        |
| • takeover on the basis of a lease agreement                            |              |  |                            | 348            |                       |  | <b>348</b>      |
| • other – IFRS 16   | 61           | 38   |                            |                |                       |  | <b>99</b>       |
| <b>c) decreases (in relation to) (-)</b>                                | <b>(253)</b> | <b>(1 783)</b>   | <b>(21)</b>                | <b>(316)</b>   | <b>(29)</b>           | -  | <b>(2 402)</b>  |
| • sale  | (253)        | (1 783)  |                            | (316)          |                       |  | <b>(2 352)</b>  |
| • liquidation   |              |  | (21)                       |                | (29)                  |  | <b>(50)</b>     |
| <b>d) gross value of fixed assets as at the end of the period</b>       | <b>475</b>   | <b>4 420</b>   | <b>5 373</b>               | <b>4 625</b>   | <b>3 686</b>          | -  | <b>18 579</b>   |
| <b>e) depreciation as at the beginning of the period (-)</b>            | <b>(71)</b>  | <b>(1 843)</b>   | <b>(4 443)</b>             | <b>(3 616)</b> | <b>(2 970)</b>        | -  | <b>(12 943)</b> |
| <b>f) depreciation for the period (in relation to) (-)</b>              | <b>32</b>    | <b>(174)</b>   | <b>(229)</b>               | <b>(101)</b>   | <b>(176)</b>          | -  | <b>(648)</b>    |
| • annual depreciation charge  | (7)          | (100)  | (250)                      | (417)          | (205)                 |  | <b>(979)</b>    |
| • sale of a fixed asset   | 44           | 156  |                            | 316            |                       |  | <b>516</b>      |
| • liquidation of a fixed asset  |              |  | 21                         |                | 29                    |  | <b>50</b>       |
| • IFRS 16   | (5)          | (230)  |                            |                |                       |  | <b>(235)</b>    |
| <b>g) depreciation as at the end of the period (-)</b>                  | <b>(39)</b>  | <b>(2 017)</b>   | <b>(4 672)</b>             | <b>(3 717)</b> | <b>(3 146)</b>        | -  | <b>(13 591)</b> |
| <b>h) net value of fixed assets as at the beginning of the period</b>   | <b>596</b>   | <b>4 322</b>   | <b>753</b>                 | <b>977</b>     | <b>471</b>            | -  | <b>7 119</b>    |
| <b>i) net value of fixed assets as at the end of the period</b>         | <b>436</b>   | <b>2 403</b>   | <b>701</b>                 | <b>908</b>     | <b>540</b>            | -  | <b>4 988</b>    |

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The balance sheet value of all the fixed assets used as at 31 December 2022 on the basis of finance lease agreements and lease agreements with a purchase option was PLN 751 k (31 December 2021: PLN 713 k).

### 17. Investment property

In the current reporting period the net value of investment property decreased from the level of PLN 110 k to PLN 108 k, which is an outcome of the depreciation charges applied.

| <b>Item in the statements</b> | <b>31/12/2022</b> | <b>31/12/2021</b> |
|-------------------------------|-------------------|-------------------|
| Investment property           | 108               | 110               |
| <b>Total</b>                  | <b>108</b>        | <b>110</b>        |

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 18. Intangibles

| <b>CHANGES IN INTANGIBLES<br/>01/01/2022-31/12/2022</b>                       | <b>Cost of completed<br/>development work</b> | <b>Goodwill</b> | <b>Software</b> | <b>Other intangibles</b> | <b>TOTAL</b> |
|---|---|-----------------|-----------------|--------------------------|--------------|
| <b>a) gross value of intangibles as at the beginning of the period</b>        | -   | -               | <b>374</b>      | <b>5</b>                 | <b>379</b>   |
| <b>b) increases (in relation to)</b>  | -   | -               | -               | -                        | -            |
| • purchase  |   |                 |                 |                          | -            |
| <b>c) decreases (in relation to)</b>  | -   | -               | <b>(52)</b>     | -                        | <b>(52)</b>  |
| • liquidation   |   |                 | (52)            |                          | (52)         |
| <b>d) gross value of intangibles as at the end of the period</b>              | -   | -               | <b>322</b>      | <b>5</b>                 | <b>327</b>   |
| <b>e) accumulated depreciation as at the beginning of the period</b>          | -   | -               | <b>(367)</b>    | <b>(5)</b>               | <b>(372)</b> |
| <b>f) depreciation for the period (in relation to) (-)</b>                    | -   | -               | <b>45</b>       | -                        | <b>45</b>    |
| • depreciation (the annual charge)  |   |                 | (6)             |                          | (6)          |
| • liquidation   |   |                 | 51              |                          | 51           |
| <b>g) accumulated amortisation (depreciation) as at the end of the period</b> | -   | -               | <b>(322)</b>    | <b>(5)</b>               | <b>(327)</b> |
| <b>h) net value of intangibles as at the beginning of the period</b>          | -   | -               | <b>7</b>        | -                        | <b>7</b>     |
| <b>i) net value of intangibles as at the end of the period</b>                | -   | -               | -               | -                        | -            |

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### COMPARATIVE DATA:

| CHANGES IN INTANGIBLES<br>01/01/2021-31/12/2021                        | Cost of completed<br>development work | Goodwill | Software | Other intangibles | TOTAL |
|--|---------------------------------------|----------|----------|-------------------|-------|
| <b>a) gross value of intangibles as at the beginning of the period</b> | -                                     | -        | 345      | 5                 | 350   |
| <b>b) increases (in relation to)</b>                                   | -                                     | -        | 29       | -                 | 29    |
| • purchase   |                                       |          | 29       |                   | 29    |
| <b>c) decreases (in relation to)</b>                                   | -                                     | -        | -        | -                 | -     |
| • liquidation  |                                       |          |          |                   | -     |
| <b>d) gross value of intangibles as at the end of the period</b>       | -                                     | -        | 374      | 5                 | 379   |
| <b>e) depreciation as at the beginning of the period</b>               | -                                     | -        | (324)    | (5)               | (329) |
| <b>f) depreciation for the period (in relation to (-))</b>             | -                                     | -        | (43)     | -                 | (43)  |
| • depreciation (the annual charge)                                     |                                       |          | (43)     |                   | (43)  |
| <b>g) depreciation as at the end of the period</b>                     | -                                     | -        | (367)    | (5)               | (372) |
| <b>h) net value of intangibles as at the beginning of the period</b>   | -                                     | -        | 21       | -                 | 21    |
| <b>i) net value of intangibles as at the end of the period</b>         | -                                     | -        | 7        | -                 | 7     |

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### 19. Shares in related entities

Specification of shares in related entities as at the balance sheet date of 31/12/2022

| No. | Entity's name              | Registered office                              | Object   | Share in the share capital (%) | Share in voting rights (%) | Acquisition price of the shares |
|-----|----------------------------|--|--|--------------------------------|----------------------------|---------------------------------|
| 1.  | Inbet Sp. z o.o.           | Kolbudy, ul. Przemysłowa 10                    | Manufacture of reinforced concrete, concrete and steel products                        | 80.32%                         | 80.32%                     | 10 907                          |
| 2.  | Dom Zdrojowy Sp. z o.o.    | Gdańsk, ul. Opata Jacka Rybińskiego 8          | Renting and managing of own real property  | 100.00%                        | 100.00%                    | 19 120                          |
| 3.  | Domesta Sp. z o.o.         | Gdańsk, ul. Budowlanych 68B                    | Property development activity, main contracting for multi-family residential buildings | 59.57%                         | 59.57%                     | 13 926                          |
| 4.  | Hotel Mikołajki Sp. z o.o. | Gdańsk, ul. Opata Jacka Rybińskiego 8          | Renting and managing of own real property  | 100.00%                        | 100.00%                    | 17 984*                         |
| 5.  | <b>PI ISA Sp. z o.o.</b>   | <b>Gdańsk, ul. Opata Jacka Rybińskiego 8/6</b> | <b>Plumbing and heating systems</b>  | <b>100.00%</b>                 | <b>100.00%</b>             | <b>2 804</b>                    |
| 6.  | SML Sp. z o.o.             | Gdańsk, ul. Opata Jacka Rybińskiego 8          | Interior fit-out, construction and finishing services                                  | 100.00%                        | 100.00%                    | 201                             |
|     |                            |  |  |                                |                            | <b>64 942</b>                   |

\* The total capital commitment of INPRO SA in a subsidiary, Hotel Mikołajki Sp. z o.o., comprises, in addition to the shares specified above, returnable additional contributions (PLN 35,150 k) made in 2015.

**In addition to the interests mentioned above, INPRO SA is associated with Hotel Oliwski Sp. z o.o.,** that company being personally related through the shareholders, Ms Grażyna Dąbrowska-Stefaniak, Ms Monika Stefaniak and Mr Wojciech Stefaniak – 162 shares of the nominal value of PLN 10,000 each, which constitutes 100% of the shares in the equity of that entity (PLN 1,620,000).

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Specification of shares in related entities as at the balance sheet date of 31/12/2021

| No. | Entity's name              | Registered office                       | Object   | Share in the share capital (%) | Share in voting rights (%) | Acquisition price of the shares |
|-----|----------------------------|---|--|--------------------------------|----------------------------|---------------------------------|
| 1.  | Inbet Sp. z o.o.           | Kolbudy, ul. Przemysłowa 10             | Manufacture of reinforced concrete, concrete and steel products                        | 80.32%                         | 80.32%                     | 10 907                          |
| 2.  | Dom Zdrojowy Sp. z o.o.    | Gdańsk, ul. Opata Jacka Rybińskiego 8   | Renting and managing of own real property  | 100.00%                        | 100.00%                    | 19 120                          |
| 3.  | Domesta Sp. z o.o.         | Gdańsk, ul. Budowlanych 68B             | Property development activity, main contracting for multi-family residential buildings | 59.57%                         | 59.57%                     | 13 926                          |
| 4.  | Hotel Mikołajki Sp. z o.o. | Gdańsk, ul. Opata Jacka Rybińskiego 8   | Renting and managing of own real property  | 100.00%                        | 100.00%                    | 17 984*                         |
| 5.  | PI ISA Sp. z o.o.          | Gdańsk, ul. Opata Jacka Rybińskiego 8/6 | Plumbing and heating systems   | 76.92%                         | 76.92%                     | 2 183                           |
| 6.  | SML Sp. z o.o.             | Gdańsk, ul. Opata Jacka Rybińskiego 8   | Interior fit-out, construction and finishing services                                  | 100.00%                        | 100.00%                    | 201                             |
|     |                            |   |  |                                |                            | <b>64 321</b>                   |

### Changes in shares in related entities in the reporting period

On 7 September 2022, INPRO SA executed the agreement on the purchase of 81 shares with a nominal value of PLN 200.00 each, representing 23.08 % in the share capital of Przedsiębiorstwo Instalacyjne ISA Sp. z o.o. (court registration No. 0000064299) for the price of PLN 615,000.00 (the purchase price). The purchase price of additional shares was PLN 621,150.00. As a result of this transaction, INPRO SA became the owner of 100 % of the share capital of PI ISA Sp. z o.o.

| Share of Inpro SA in the share capital of PI ISA Sp. z o.o. | Number of shares held | % of capital |
|---|-----------------------|--------------|
| as at 01/01/2022  | 270                   | 76.92%       |
| as at 31/12/2022  | 351                   | 100%         |

As at 31/12/2022, the value of the shares in Hotel Mikołajki Sp. z o.o., Domesta Sp. z o.o., Dom Zdrojowy Sp. z o.o. and PI Isa Sp. z o.o. was reviewed for impairment.

The analysis was based on the current financial and economic position of the companies, on future development prospects, on the analysis of macroeconomic factors and on the characteristics of the markets on which those companies operate. Impairment tests were conducted with a 6-year horizon. The discount rates for the companies were respectively as follows: Domesta Sp. z o.o. – 9.8 % and PI Isa Sp. z o.o. – 12 %.

In relation to the change of the type of activity pursued by Hotel Mikołajki Sp. z o.o. and Dom Zdrojowy Sp. z o.o. following the signing of tenancy agreements referred to in note 2 of the Report

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of the Management Board on the Group's Activity for 2018 and in note 2 of the Report of the Management Board on the Group's Activity for 2019, the value of the shares in those companies was reviewed for impairment as at 31/12/2022. The analysis was based on both companies' current financial and economic position and future development prospects, with the operational change and the analysis of macroeconomic factors and the characteristics of the market at which the companies operate. The agreements entered into with the hotel lessee and financial plans were the basis for cash flow projections. Assumptions were made as to lease revenues reflecting previous experience related to the business being pursued, and the prospects for the development of the hotel market in Poland.

Impairment tests for Hotel Mikołajki Sp. z o.o. and Dom Zdrojowy Sp. z o.o. were conducted with a 6-year horizon. The discount rate for the companies respectively was as follows: Hotel Mikołajki Sp. z o.o. – 13.1 %, Dom Zdrojowy– 13.9 %.

Following the test, no need to create a share revaluation deduction was identified.

### Security on shares in subsidiaries:

|   | 31/12/2022    | 31/12/2021    |
|---|---------------|---------------|
| Security established on financial assets for the benefit of Group companies | 17 980        | 17 980        |
| <b>Total</b>  | <b>17 980</b> | <b>17 980</b> |

Security on the shares of INPRO S.A. as at both 31/12/2022 and 31/12/2021 concerned the registered pledge of 04/10/2017 on the shares in Hotel Mikołajki Sp. z o.o. in the amount of PLN 17,980 k for the following credit agreement:

- investment credit of 05/09/2011 in the amount of PLN 36,214 k granted to Hotel Mikołajki Sp. z o.o. by PKO BP SA; the highest security amount fixed in the pledge agreement being PLN 54,321 k. If the whole or part of the secured claim is not repaid, the satisfaction of the claims may take place by the satisfaction of the pledgee's claims, at its choice, in the manner prescribed by the regulations on enforcement proceedings, by the seizure of the title to the object of the pledge or by its sale in a public tender organised by a bailiff or notary public.

On the date of the registration of the pledge in the pledge register maintained by the Gdańsk-North District Court in Gdańsk, 9<sup>th</sup> Business Division of Pledge Registers (i.e. as from 16/11/2017), the agreement of 5 September 2011 for the registered pledging on rights, as amended, and the agreement of 23 May 2013 for the registered pledging of rights were terminated.



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### 20. Other financial assets

| <b>Other short-term financial assets</b>                 | <b>31/12/2022</b> | <b>31/12/2021</b> |
|--|-------------------|-------------------|
| Advances at separate revenue (escrow) accounts           | 5 895             | 19 832            |
| <b>Total</b>   | <b>5 895</b>      | <b>19 832</b>     |
| <b>Other financial assets long-term</b>                  | <b>31/12/2022</b> | <b>31/12/2021</b> |
| Additional contributions to the related entity's capital | 35 150            | 35 150            |
| Loans to related entities                                | 1 184             | 1 104             |
| <b>Total</b>   | <b>36 334</b>     | <b>36 254</b>     |

### 21. Inventory

| <b>Inventory</b>                            | <b>31/12/2022</b> | <b>31/12/2021</b> |
|---|-------------------|-------------------|
| Materials at the acquisition price          | 477               | 488               |
| Work in progress at the cost of manufacture | 120 491           | 119 610           |
| Finished goods at the cost of manufacture   | 77 535            | 23 327            |
| Commodities at the acquisition price        | 172 146           | 166 297           |
| <b>Total</b>                                | <b>370 649</b>    | <b>309 722</b>    |

Ordinary mortgages and those to secure existing and future claims are established on inventories to secure credit repayment. Detailed information on mortgages established on inventory is included in note 27 of additional information.

The value of the borrowing costs capitalised in work in progress in the current period was presented in note 11.7.

The Company did not create any inventory revaluation reductions in 2022.

| <b>Inventory revaluation deductions</b>                             | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|-----------------------------------|-----------------------------------|
| Inventory revaluation deductions as at the beginning of the period  | 1 276                             | 1 401                             |
| Revaluation deductions created                                      | -                                 | -                                 |
| Reversal of revaluation deductions                                  | (92)                              | (125)                             |
| <b>Inventory revaluation deductions as at the end of the period</b> | <b>1 184</b>                      | <b>1 276</b>                      |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 22. Trade and other receivables

|  | 31/12/2022   | Was as at<br>31/12/2021 | Should be as at<br>31/12/2021 |
|--|--------------|-------------------------|-------------------------------|
| <b>Receivables from related entities</b>               | <b>29</b>    | <b>260</b>              | <b>260</b>                    |
| Gross trade receivables                                | 29           | 225                     | 225                           |
| Other receivables                                      | -            | 35                      | 35                            |
| <b>Receivables from other entities</b>                 | <b>9 656</b> | <b>8 761</b>            | <b>8 761</b>                  |
| Gross trade receivables                                | 3 525        | 4 205                   | 4 205                         |
| State budget receivables other than current income tax | 2 621        | 1 697                   | 1 697                         |
| Advances on inventory                                  | 2 265        | 1 490                   | 1 490                         |
| Advances on fixed assets                               | 1            | -                       | -                             |
| Other financial liabilities                            | 1 211        | -                       | 1 346                         |
| Other non-financial receivables                        | 33           | 1 369                   | 23                            |
| <b>Gross receivables</b>                               | <b>9 685</b> | <b>9 021</b>            | <b>9 021</b>                  |
| <b>Valuation allowance for receivables</b>             | <b>(120)</b> | <b>(120)</b>            | <b>(120)</b>                  |
| <b>Short-term prepayments, including:</b>              | <b>187</b>   | <b>143</b>              | <b>143</b>                    |
| • subscription of periodicals                          | 12           | 12                      | 12                            |
| • software, domains, licences                          | 40           | 34                      | 34                            |
| • cost of insurances                                   | 97           | 80                      | 80                            |
| • rent   | 12           | 12                      | 12                            |
| • advertisements                                       | 2            | -                       | -                             |
| • other prepaid expenses                               | 24           | 5                       | 5                             |
| <b>Total receivables (net)</b>                         | <b>9 752</b> | <b>9 044</b>            | <b>9 044</b>                  |

The conditions of transactions with related entities are presented in item 33 of additional information.

Trade accounts receivable are not interest-bearing and their time-limit for payment is usually 30 days. Trade and other receivables are valued as at the amortised cost with the application of the effective interest rate, with valuation allowances on receivables taken into account. The book value of receivables is close to their fair value. Trade receivables with the maturity date below 1 year from the date on which they arise are not subject to discounting.

The description of risks relating to trade and other receivables and the Company's policy concerning the management of those risks was presented in item 34 of additional information.

### 23. Cash and cash equivalents

The balance of cash and cash equivalents shown in the statement of the financial position and in the cash flow statement consisted of the following items:

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

|  | 31/12/2022    | 31/12/2021    |
|--|---------------|---------------|
| Cash at bank and in hand                           | 18 230        | 41 273        |
| Cash at bank deposits (without overnight deposits) | 15 040        | -             |
| <b>Total cash and cash equivalents</b>             | <b>33 270</b> | <b>41 273</b> |

|  | 31/12/2022    | 31/12/2021    |
|--|---------------|---------------|
| Cash in PLN                            | 33 270        | 41 273        |
| <b>Total cash and cash equivalents</b> | <b>33 270</b> | <b>41 273</b> |

Free cash is accumulated at bank accounts and invested in fixed-time deposits, if any. The Company obtains both variable and fixed interest rates on cash.

The fair value of cash and cash equivalents as at 31 December 2022 is PLN 33,270 k (31 December 2021: PLN 41,273 k).

As at 31 December 2022, the Company had unused credit for property development projects in the amount of PLN 82,310 k, including an open credit line up to PLN 16,000 k (31 December 2021: PLN 117,381 k, including an open credit line up to PLN 16,000 k). Those funds will be used with the progress of the construction works.

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 24. Explanation to the cash flow statement

|           |   | <b>01/01/2022</b> |
|-----------|---|-------------------|
|           |   | <b>-</b>          |
|           |   | <b>31/12/2022</b> |
| <b>1.</b> | Balance sheet change in provisions  | 3 908             |
| <b>2.</b> | Change in provisions in the cash flow statement   | 749               |
| <b>3.</b> | Difference  | (3 159)           |
| <b>4.</b> | Explanation of the difference:  | (3 159)           |
| -         | change in provisions in relation to CIT   | (3 159)           |
| <b>1.</b> | Balance sheet change in prepayments   | (50)              |
| <b>2.</b> | Change in prepayments in the cash flow statement  | (50)              |
| <b>3.</b> | Difference  | -                 |
| <b>1.</b> | Balance sheet change in inventory   | (60 927)          |
| <b>2.</b> | Change in inventory in the cash flow statement  | (60 927)          |
| <b>3.</b> | Difference  | -                 |
| <b>1.</b> | Balance sheet change in net long and short-term receivables   | 438               |
| <b>2.</b> | Change in receivables in the cash flow statement  | (799)             |
| <b>3.</b> | Difference  | (1 237)           |
| <b>4.</b> | Explanation of the difference:  | (1 237)           |
| -         | change in receivables in relation to CIT  | 109               |
| -         | lease receivables   | (1 346)           |
| <b>1.</b> | Balance sheet change in long and short-term liabilities and accruals  | 1 504             |
| <b>2.</b> | Change in long and short-term accruals in the cash flow statement   | (8 569)           |
| <b>3.</b> | Difference  | (10 073)          |
| <b>4.</b> | Explanation of the difference:  | (10 073)          |
| -         | change in short and long-term loans and credit  | (21 950)          |
| -         | change in liabilities in relation to CIT  | 132               |
| -         | change in liabilities in relation to finance lease  | (70)              |
| -         | change in liabilities in relation to the acquisition of fixed assets, fixed assets under construction and intangibles | 15                |
| -         | change of advances on separate revenue accounts   | 13 937            |
| -         | change in liabilities in relation to the issue of debt securities   | (1 931)           |
| -         | IFRS 16   | (206)             |
| <b>1.</b> | <b>Balance sheet change in cash</b>   | <b>(8 003)</b>    |
| <b>2.</b> | <b>Change in cash in the cash flow statement</b>  | <b>(8 003)</b>    |
| <b>3.</b> | <b>Difference</b>   | <b>-</b>          |

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 25. Share and other capital

#### 25.1 Share capital

| As at:                   | 31/12/2022 | 31/12/2021 |
|--------------------------|------------|------------|
| Registered share capital | 4 004      | 4 004      |

| SHARE CAPITAL AS AT 31/12/2022 and 31/12/2021 |                |   |   |                   |                                   |  |
|---|----------------|---|---|-------------------|-----------------------------------|--|
| Series  | Kind of shares | Kind of preferential rights on the shares | Kind of restriction of the rights to shares | Number of shares  | Nominal value of one share in PLN | Value of the series/issue with reference to the nominal value in PLN |
| A   | ordinary       | none                                      | none  | 30 030 000        | 0.10                              | 3 003 000  |
| B   | ordinary       | none                                      | none  | 10 010 000        | 0.10                              | 1 001 000  |
| <b>Total</b>                                  |                |   |   | <b>40 040 000</b> |                                   | <b>4 004 000</b>   |

The shareholding structure was described in detail in note No. 2 in Additional Information.

#### Nominal share value

All the issued shares have the nominal value of PLN 0.10 and are fully paid for.

#### Shareholders' rights

Series A and B shares carry one vote per share. The shares are equally preferred as to the dividend and return from equity.

#### 25.2 Supplementary capital

Supplementary capital was created from profits from previous years in conformity with resolutions adopted by the shareholders and from the issue of shares above their nominal value. Supplementary capital is presented under retained profits. Only share premium is shown under a separate item.

#### 25.3 Other capital

By way of resolution No. 29/2021 of 28/06/2021 of the Ordinary General Assembly of INPRO SA, reserve capital in the amount of PLN 11,000 k was created through the transfer of that amount from the supplementary capital. The reserve capital so created may be used for the acquisition of the Company's own shares for the purpose of their redemption and financing the costs of these proceedings.

The revaluation reserve from financial assets available for sale is not applicable.

The reserve capital related to exchange gains/losses from the conversion of subordinate units is not applicable.

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 25.4 Retained profits and restrictions on capital

On the basis of § 396 of the Commercial Companies Code, INPRO SA is obliged to maintain retained profit (the so-called supplementary capital) up to 1/3 of the share capital only for the financing of possible financial losses. As at 31/12/2022, retained profit exceeded the value of the share capital many times and amounted to PLN 302,595 k.

### 26. Provisions

#### 26.1 Change in provisions

| 01/01/2022<br>-<br>31/12/2022                           | Retirement and<br>other post-<br>employment<br>benefits | Provision for<br>contentious<br>issues,<br>penalties, fines<br>and damages | Provision for<br>guarantees<br>and sureties<br>given | Other<br>provisions | <b>Total</b>   |
|---|---|--|--|---------------------|----------------|
| <b>Status as at the<br/>beginning of the<br/>period</b> | <b>363</b>  | <b>928</b>   | <b>654</b>   | <b>11 914</b>       | <b>13 859</b>  |
| Increase (+)  | -   | -  | 376  | 5 739               | <b>6 115</b>   |
| Decrease (-)  | (150)   | (27)   | (654)  | (4 535)             | <b>(5 366)</b> |
| <b>Status as at the end<br/>of the period</b>           | <b>213</b>  | <b>901</b>   | <b>376</b>   | <b>13 118</b>       | <b>14 608</b>  |

| 01/01/2021<br>-<br>31/12/2021                           | Retirement and<br>other post-<br>employment<br>benefits | Provision for<br>contentious<br>issues,<br>penalties, fines<br>and damages | Provision for<br>guarantees<br>and sureties<br>given | Other<br>provisions | <b>Total</b>   |
|---|---|--|--|---------------------|----------------|
| <b>Status as at the<br/>beginning of the<br/>period</b> | <b>272</b>  | <b>1 208</b>   | <b>612</b>   | <b>10 386</b>       | <b>12 478</b>  |
| Increase (+)  | 91  | 26   | 654  | 4 143               | <b>4 914</b>   |
| Decrease (-)  | -   | (306)  | (612)  | (2 615)             | <b>(3 533)</b> |
| <b>Status as at the end<br/>of the period</b>           | <b>363</b>  | <b>928</b>   | <b>654</b>   | <b>11 914</b>       | <b>13 859</b>  |

| <b>Time structure of provisions</b> | <b>31/12/2022</b> | <b>31/12/2021</b> |
|-------------------------------------|-------------------|-------------------|
| Long-term part                      | 213               | 363               |
| Short-term part                     | 14 395            | 13 496            |
| <b>Total provisions</b>             | <b>14 608</b>     | <b>13 859</b>     |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 26.2 Retirement severance pay

The Company pays retiring employees retirement severance pay in the amount set out by the Labour Code.

The Company does not separate assets which could be used to settle the retirement severance pay in the future. The Company creates a provision for future retirement severance pay liabilities to allocate the costs to the periods concerned.

The provision is updated twice a year – after six months and at the end of a financial year.

For the purpose of the update of the provision as at the end of the current period, the Company took the available inflation forecasts, the analysis of the increase of the minimum pay ratios and the projected profitability of highly liquid securities.

The main assumptions taken by the Company as at the balance sheet date and for the years ended on 31 December 2022 and 31 December 2021 for the calculation of the liability are as follows:

|                                    | 31/12/2022 | 31/12/2021 |
|------------------------------------|------------|------------|
| Discount rate                      | 6.87 %     | 5 %        |
| Estimated remuneration growth rate | 0 %        | 4 %        |

### 26.3 Employment termination benefits

In the event of employment termination, the Company's employees are entitled to benefits prescribed by the provisions of labour law in force in Poland, such benefits including the annual leave equivalent and indemnities in relation to the non-competition obligations. The amount of the provision for the unused vacation leave equivalent is revised on the last day of the financial year and on the last day of the half-year of a given financial year.

Provisions for other employment termination benefits are created upon the expiry of the employment relationship.

### 26.4 Other provisions

That item is composed of, among other things, the following provisions:

- for unused vacation leave (PLN 536 k),
- for the additional remuneration for 2022 (PLN 1,774 k),
- for construction works to be done (PLN 9,865 k),
- for commissions on the profit on sold projects (PLN 899 k),
- for the costs of the balance sheet audit (PLN 44 k).

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 27. Interest-bearing bank credit, loans, issued bonds and liabilities relating to finance lease

| <b>Long-term financial liabilities</b>  | <b>31/12/2022</b> | <b>31/12/2021</b> |
|---|-------------------|-------------------|
| Liabilities relating to finance lease and lease agreements with a purchase option | 264               | 213               |
| Loans and credit  | 16 585            | 10 409            |
| Bonds – the long-term part  | 32 762            | 33 164            |
| Impact of IFRS 16   | 341               | 526               |
| <b>Total</b>  | <b>49 952</b>     | <b>44 312</b>     |

| <b>Short-term financial liabilities</b>   | <b>31/12/2022</b> | <b>31/12/2021</b> |
|---|-------------------|-------------------|
| Liabilities relating to finance lease and lease agreements with a purchase option | 271               | 252               |
| Loans and credit  | 21 892            | 6 118             |
| Bonds – the short-term part   | 3 384             | 1 051             |
| Impact of IFRS 16   | 253               | 144               |
| <b>Total</b>  | <b>25 800</b>     | <b>7 565</b>      |

There were no cases of violation of credit agreements in the periods covered by these financial statements.



## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### Credit liabilities of INPRO SA as at 31/12/2022

| Financing party                          | Credit currency | Credit/limit amount | Liability value as at the balance sheet date | Repayment deadline | Security  |                                     |  | Other security  |
|--|-----------------|---------------------|--|--------------------|---|-------------------------------------|--|---|
|  |                 |                     |  |                    | Mortgage  | Mortgage object                     | Location                                 |   |
| SGB Bank SA                              | PLN             | 9 000               | 2 575  | 02/10/2023         | mortgage up to PLN 13,500 k                         | GD1G/00094562/5                     | Straszyn, the commune of Pruszcz Gdański | blank promissory note, power of attorney to the current account, statement on submission to enforcement (Article 777 of the Civil Procedure Code) up to PLN 13,500 k in favour of SGB Bank S.A.   |
| SGB Bank SA                              | PLN             | 8 000               | 6 250  | 31/12/2024         | contractual real estate mortgage up to PLN 12,000 k | GD1G/00094328/3                     | Straszyn, the commune of Pruszcz Gdański | power of attorney to the current account, blank promissory note, statement on submission to enforcement up to PLN 12,000 k (Article 777 of the Civil Procedure Code)  |
| mBank SA                                 | PLN             | 24 430              | 130  | 29/09/2023         | contractual real estate mortgage up to PLN 36,645 k | GD1W/00127124/8,<br>GD1W/00127125/5 | Rumia, Jeziorna Street                   | assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank   |
| mBank SA                                 | PLN             | 23 920              | 10 034                                       | 31/10/2023         | contractual real estate mortgage up to PLN 35,880 k | GD1W/00319540/9                     | Gdańsk, Bramińskiego Street              | assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank   |
| mBank SA                                 | PLN             | 35 940              | -  | 31/07/2024         | contractual real estate mortgage up to PLN 53,910 k | GD1W/00190254/6                     | Gdańsk, Mieczysława Słabego Street       | assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank   |
| mBank SA                                 | PLN             | 15 370              | -  | 28/06/2024         | contractual real estate mortgage up to PLN 23,055 k | GD1G/00330088/5                     | Gdańsk, Jasińskiego Street               | assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank   |
| Alior Bank SA                            | PLN             | 15 000              | -  | 28/06/2024         | -   | -                                   | -  | power of attorney to accounts, the Company's submission to enforcement (Article 777 of the Civil Procedure Code), blank promissory note, a guarantee from the Liquidity Guarantee Fund up to PLN 12,000 k with the deadline of 28/09/2024 |
| Powiślański Bank Spółdzielczy in Kwidzyn | PLN             | 5 000               | 5 000  | 30/09/2025         | contractual real estate mortgage up to PLN 7,500 k  | GD1G/00036115/3                     | Gdańsk, Myśliwska Street                 | power of attorney to accounts, blank promissory note, statement on submission to enforcement up to PLN 7,500 k (Article 777 of the Civil Procedure Code)  |

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

|   |     |       |               |            |  |                 |                             |  |
|---|-----|-------|---------------|------------|--|-----------------|-----------------------------|--|
| Consortium of Zjednoczony Bank Spółdzielczy in Rumia and Gospodarczy Bank Spółdzielczy in Gorzów Wielkopolski | PLN | 7 000 | 7 000         | 30/09/2025 | mortgage up to PLN 7,500 in favour of ZBS in Rumia and up to PLN 3,000 k in favour of GBS in Gorzów Wielkopolski | OL10/00009267/5 | Olsztyn, Cicha Street       | 2 blank promissory notes, power of attorney to the current bank account, assignment of claims from the current account at ZBS in Rumia in favour of GBS in Gorzów, statement on submission to enforcement up to PLN 7,500 k in favour of ZBS in Rumia and up to PLN 3,000 k in favour of GBS in Gorzów (Article 777 of the Civil Procedure Code)   |
| Consortium of Bank Spółdzielczy in Pruszcz Gdański and Bank Spółdzielczy in Pszczółki                         | PLN | 7 500 | 7 488         | 31/10/2025 | mortgage up to PLN 12,000 k in favour of BS in Pruszcz and up to PLN 3,000 k in favour of BS in Pszczółki        | OL10/00191643/7 | Olsztyn, Głowackiego Street | 2 blank promissory notes, power of attorney to the current bank account, assignment of claims from the current account at BS in Pruszcz in favour of BS in Pszczółki, statement on submission to enforcement up to PLN 12,000 k in favour of BS in Pruszcz and up to PLN 3,000 k in favour of BS in Pszczółki, mortgage up to PLN 12,000 k and PLN 3,000 k respectively on real property in Rumia, Sobieskiego Street – interim security |
| <b>Total credit liabilities</b>   |     |       | <b>38 477</b> |            |  |                 |                             |  |

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### Credit liabilities of INPRO SA as at 31/12/2021

| Financing party                                | Credit currency | Credit/limit amount | Liability value as at the balance sheet date | Repayment deadline | Security  |   |  | Other security  |
|--|-----------------|---------------------|--|--------------------|---|---|--|---|
|  |                 |                     |  |                    | Mortgage  | Mortgage object                                 | Location                                 |   |
| SGB Bank SA                                    | PLN             | 9 000               | 5 402  | 02/10/2023         | mortgage up to PLN 13,500 k                             | GD1G/00094562/5                                 | Straszyn, the commune of Pruszcz Gdański | blank promissory note, power of attorney to the current account, statement on submission to enforcement (Article 777 of the Civil Procedure Code) up to PLN 13,500 k in favour of SGB Bank S.A.   |
| Consortium of SGB Bank SA and KBS in Wejherowo | PLN             | 14 000              | 4 795  | 30/09/2023         | mortgage up to PLN 15,000 k, mortgage up to PLN 6,000 k | GD1G/00328648/2                                 | Pruszcz Gdański                          | assignment under the insurance policy, 2 blank promissory notes, power of attorney to the current and escrow account, assignment of claims from the escrow account at KBS in Wejherowo in favour of SGB Bank S.A., assignment of claims from the current account at SGB Bank SA in favour of KBS SA in Wejherowo, statement on submission to enforcement (Article 777 of the Civil Procedure Code) up to PLN 15,000 k in favour of SGB Bank S.A. and up to PLN 6,000 k in favour of KBS SA in Wejherowo |
| mBank SA                                       | PLN             | 21 045              | -  | 31/10/2023         | Contractual real estate mortgage up to PLN 31,568 k     | GD1G/00305894/4                                 | Pruszcz Gdański, Jana z Kolna Street     | assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank   |
| mBank SA                                       | PLN             | 21 900              | 2 975  | 30/08/2023         | contractual real estate mortgage up to PLN 32,850 k     | GD1G/00323464/3 and GD1G/00243821/9 (plot 28/8) | Gdańsk, Jasińskiego Street               | assignment of rights under the insurance policy, blank promissory note, assignment of claims from the buyers of units in favour of the Bank   |
| mBank SA                                       | PLN             | 32 400              | 3 355  | 29/09/2023         | contractual real estate mortgage up to PLN 48,600 k     | GD1G/00031092/0                                 | Gdańsk, Nowatorów Street                 | assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank   |
| mBank SA                                       | PLN             | 24 430              | -  | 29/09/2023         | contractual real estate mortgage up to PLN 36,645 k     | GD1W/00127124/8, GD1W/00127125/5                | Rumia, Jeziorna Street                   | assignment of rights under the insurance policy, blank promissory note, global assignment of the receivables due to INPRO SA from the buyers of units in favour of the Bank   |
| Alior Bank SA                                  | PLN             | 15,000              | -  | 31/07/2022         | -   | -   | -  | power of attorney to accounts, the Company's submission to enforcement (Article 777 of the Civil Procedure Code), blank promissory note, a guarantee from the Liquidity Guarantee Fund up to PLN 20,000 k with the deadline of 31/10/2022   |
| <b>Total credit liabilities</b>                |                 |                     | <b>16 527</b>                                |                    |   |   |  |   |

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

#### Open credit lines as at 31/12/2022

| Financing party | Credit currency | Credit/limit amount | Liability value as at the balance sheet date | Repayment deadline | Security                          |   |   |  |
|-----------------|-----------------|---------------------|--|--------------------|-----------------------------------|---|---|--|
|                 |                 |                     |  |                    | Mortgage                          | Mortgage object   | Location  | Other  |
| Alior Bank S.A. | PLN             | 16 000              | -  | 07/11/2023         | joint mortgage up to PLN 24,000 k | GD1G/00068140/0,<br>GD1G/00083407/1,<br>GD1G/00281583/6,<br>GD1G/00284240/1,<br>GD1G/00279506/6,<br>GD1G/00300460/8 | Gdańsk, 8 Opata Jacka Rybińskiego Street, Opacka Street | power of attorney to bank accounts, assignment under insurance policy for real property in Gdańsk, Opata Jacka Rybińskiego 8, Company's submission to enforcement under Article 777 of the Civil Procedure Code, blank promissory note |

#### Open credit lines as at 31/12/2021

| Financing party | Credit currency | Credit/limit amount | Liability value as at the balance sheet date | Repayment deadline | Security                          |   |   |  |
|-----------------|-----------------|---------------------|--|--------------------|-----------------------------------|---|---|--|
|                 |                 |                     |  |                    | Mortgage                          | Mortgage object   | Location  | Other  |
| Alior Bank S.A. | PLN             | 16 000              | -  | 14/11/2022         | joint mortgage up to PLN 24,000 k | GD1G/00068140/0,<br>GD1G/00083407/1,<br>GD1G/00281583/6,<br>GD1G/00284240/1,<br>GD1G/00279506/6,<br>GD1G/00300460/8 | Gdańsk, 8 Opata Jacka Rybińskiego Street, Opacka Street | power of attorney to bank accounts, assignment under insurance policy for real property in Gdańsk, Opata Jacka Rybińskiego 8, Company's submission to enforcement under Article 777 of the Civil Procedure Code, blank promissory note |

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

#### Liabilities in relation to bonds issued as at 31/12/2022

| Kind of liability  | Currency | Issue value | Nominal value of the liability | Balance sheet value of the liability | Repayment deadline | Security                    |                 |   |       |
|--|----------|-------------|--------------------------------|--------------------------------------|--------------------|-----------------------------|-----------------|---|-------|
|  |          |             |                                |                                      |                    | Mortgage                    | Mortgage object | Location  | Other |
| Bearer bonds with coupons issued at the Warsaw Stock Exchange purpose of the issue – to finance current operations and repay the issue of series B bonds | PLN      | 35 000      | 35 000                         | 36 146                               | 07/10/2025         | Mortgage up to PLN 52,500 k | GD2W/00040638/7 | Jastarnia, ul. Kościuszki 2A (Dom Zdrojowy hotel) |       |
| <b>Total liabilities in relation to bonds</b>  |          |             | <b>35 000</b>                  | <b>36 146</b>                        |                    |                             |                 |   |       |

#### Liabilities in relation to bonds issued as at 31/12/2021

| Kind of liability  | Currency | Issue value | Nominal value of the liability | Balance sheet value of the liability | Repayment deadline | Security                    |                 |   |       |
|--|----------|-------------|--------------------------------|--------------------------------------|--------------------|-----------------------------|-----------------|---|-------|
|  |          |             |                                |                                      |                    | Mortgage                    | Mortgage object | Location  | Other |
| Bearer bonds with coupons issued at the Warsaw Stock Exchange Purpose of the issue – to finance current operations and repay the issue of series B bonds | PLN      | 35 000      | 35 000                         | 34 215                               | 07/10/2025         | Mortgage up to PLN 52,500 k | GD2W/00040638/7 | Jastarnia, ul. Kościuszki 2A (Dom Zdrojowy hotel) |       |
| <b>Total liabilities in relation to bonds</b>  |          |             | <b>35 000</b>                  | <b>34 215</b>                        |                    |                             |                 |   |       |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 28. Liabilities relating to finance lease agreements and tenancy agreements with a purchase option

| <b>Nominal value of minimum lease payments</b>  | <b>31/12/2022</b> | <b>31/12/2021</b> |
|---|-------------------|-------------------|
| Within 1 year   | 271               | 252               |
| Within from 1 to 3 years  | 264               | 213               |
| Within from 3 to 5 years  | -                 | -                 |
| Impact of IFRS 16   | 594               | 670               |
| <b>Total liabilities relating to finance lease –<br/>minimum total lease payments</b> | <b>1 129</b>      | <b>1 135</b>      |
| Financial costs in relation to finance lease  | 44                | 14                |

### Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

**As at the balance sheet date, the Company had the following liabilities relating to lease agreements:**

| Financing party                         | Object of the agreement | Agreement number      | Initial value | Agreement end date | Liability as at the end of the period | Short-term part | Long-term part |
|---|-------------------------|-----------------------|---------------|--------------------|---------------------------------------|-----------------|----------------|
| Toyota Leasing Polska Sp. z o.o.        | Toyota Rav 4            | 37972018              | 110           | 10/05/2023         | 10                                    | 10              | -              |
| Santander Leasing SA                    | Nissan Qashqai          | NP1/04339/2020        | 90            | 24/05/2023         | 11                                    | 11              | -              |
| Toyota Leasing Polska Sp. z o.o.        | Toyota Corolla          | 60372020              | 72            | 24/07/2023         | 14                                    | 14              | -              |
| Volkswagen Leasing GmbH                 | VW T-roc                | 5230446-1221-03877    | 108           | 09/06/2024         | 46                                    | 33              | 13             |
| Volkswagen Financial Services           | Skoda Octavia           | 5230446-1221-21344    | 96            | 30/10/2024         | 49                                    | 26              | 23             |
| Mercedes-Benz Leasing Polska Sp. z o.o. | Mercedes Vito CDI Mixto | L374292               | 144           | 09/12/2024         | 84                                    | 42              | 42             |
| Toyota Leasing Polska Sp. z o.o.        | Toyota Corolla          | LSTD/2022/2/T1F/0634  | 63            | 13/02/2025         | 57                                    | 26              | 31             |
| Toyota Leasing Polska Sp. z o.o.        | Toyota Corolla          | LSTD/2022/2/T1F/0633  | 88            | 13/02/2025         | 57                                    | 26              | 31             |
| Volkswagen Financial Services           | VW T-roc                | 5230446-1221-28896    | 121           | 03/02/2025         | 80                                    | 37              | 43             |
| Toyota Leasing Polska Sp. z o.o.        | Toyota C HR             | LSTS/2022/6/T12F/0753 | 106           | 15/07/2025         | 81                                    | 29              | 52             |
| Toyota Leasing Polska Sp. z o.o.        | Toyota Yaris            | LSTS/2022/6/T12F/0754 | 59            | 15/07/2025         | 46                                    | 17              | 29             |
|   |                         |                       |               |                    | <b>535</b>                            | <b>271</b>      | <b>264</b>     |



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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

#### Liabilities of INPRO SA in relation to lease agreements as at 31/12/2021:

| Financing party                         | Object of the agreement | Agreement number   | Initial value in PLN | Agreement end date | Liability as at the end of the reporting period | the short-term part | the long-term part |
|---|-------------------------|--------------------|----------------------|--------------------|---|---------------------|--------------------|
| Toyota Leasing Polska Sp. z o.o.        | Toyota Rav 4            | 37972018           | 110                  | 10/05/2023         | 31  | 21                  | 10                 |
| RCI Leasing Polska Sp. z o.o.           | Nissan Qashqai          | 900000689          | 90                   | 23/05/2022         | 7   | 7                   | -                  |
| Toyota Leasing Polska Sp. z o.o.        | Toyota C HR             | 41932019           | 76                   | 20/07/2022         | 13  | 13                  | -                  |
| Volkswagen Leasing GmbH                 | Seat Leon               | 5230446-1219-13763 | 106                  | 23/07/2022         | 18  | 18                  | -                  |
| Toyota Leasing Polska Sp. z o.o.        | Toyota C HR             | 68572019           | 87                   | 07/10/2022         | 22  | 22                  | -                  |
| RCI Leasing Polska Sp. z o.o.           | Nissan Qashqai          | 900000721          | 82                   | 15/10/2022         | 22  | 22                  | -                  |
| Santander Leasing SA                    | Nissan Qashqai          | NP1/04339/2020     | 90                   | 24/05/2023         | 39  | 28                  | 11                 |
| Toyota Leasing Polska Sp. z o.o.        | Toyota Corolla          | 60372020           | 72                   | 24/07/2023         | 36  | 22                  | 14                 |
| Volkswagen Leasing GmbH                 | VW T-roc                | 5230446-1221-03877 | 108                  | 09/06/2024         | 79  | 33                  | 46                 |
| Volkswagen Leasing GmbH                 | Skoda Octavia           | 5230446-1221-21344 | 96                   | 30/10/2024         | 73  | 25                  | 48                 |
| Mercedes-Benz Leasing Polska Sp. z o.o. | Mercedes Vito CDI Mixto | L374292            | 144                  | 09/12/2024         | 125   | 41                  | 84                 |
|   |                         |                    |                      |                    | <b>465</b>                                      | <b>252</b>          | <b>213</b>         |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 29. Trade and other liabilities

| <b>Long-term liabilities</b>                           | <b>31/12/2022</b> | <b>31/12/2021</b> |
|--|-------------------|-------------------|
| <b>In relation to related entities</b>                 | <b>185</b>        | <b>183</b>        |
| Trade liabilities                                      | 185               | 183               |
| <b>In relation to other entities</b>                   | <b>3 672</b>      | <b>3 254</b>      |
| Trade liabilities                                      | 3 672             | 3 254             |
| Other liabilities                                      | -                 | -                 |
| <b>Total trade and other long-term liabilities</b>     | <b>3 857</b>      | <b>3 437</b>      |
| <b>Short-term liabilities</b>                          | <b>31/12/2022</b> | <b>31/12/2021</b> |
| <b>In relation to related entities</b>                 | <b>1 844</b>      | <b>1 305</b>      |
| Trade liabilities                                      | 1 844             | 1 305             |
| Other non-financial liabilities                        | -                 | -                 |
| <b>In relation to other entities</b>                   | <b>43 733</b>     | <b>66 512</b>     |
| Trade liabilities                                      | 16 888            | 14 401            |
| Payroll payable  | 229               | 267               |
| State budget liabilities other than current income tax | 755               | 762               |
| Advances received                                      | 25 662            | 50 730            |
| Other liabilities                                      | 199               | 352               |
| <b>Total trade and other short-term liabilities</b>    | <b>45 577</b>     | <b>67 817</b>     |
| <b>Total trade and other liabilities</b>               | <b>49 434</b>     | <b>71 254</b>     |

The conditions of transactions with related entities are presented in item 33 of additional information. Trade liabilities are not interest-bearing and are usually settled within 30-day periods. Other liabilities are not interest-bearing and their average payment term is usually 1 month. The amount following from the difference between value added tax receivable and payable is paid to the competent tax authorities in the required periods.

### 30. Long-term contracts

The Company did not perform any long-term contracts in the reporting period and in the previous year.

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 31. Contingent liabilities and receivables

#### 31.1 Other contingent liabilities

| Contingent liabilities   | 31/12/2022    | 31/12/2021    |
|--|---------------|---------------|
| Surety for a promissory note   | -             | -             |
| Liabilities in relation to bank guarantees granted mainly as security on the performance of trade agreements | 5 103         | 2 566         |
| Other contingent liabilities   | 36 214        | 36 214        |
| <b>Total contingent liabilities</b>  | <b>41 317</b> | <b>38 780</b> |

#### Contingent liabilities as at 31/12/2022:

1. Unconditional agreement for granting by INPRO SA of subordinate loans to Hotel Mikołajki Sp. z o.o. to cover additional costs, if any, of the project in excess of those specified in the business plan submitted to PKO BP and to repay credit awarded by that Bank. Security for investment credit: agreement No. 59 1020 1811 0000 0796 0048 7611 of 05/09/2011 in the amount of PLN 36,214 k, as amended (credit obtained by Hotel Mikołajki Sp. z o.o.).

2. Joint and severable civil law surety given by INPRO S.A. for the liabilities of Hotel Mikołajki Sp. z o.o. in relation to investment credit agreement No. 59 1020 1811 0000 0796 0048 7611 of 05/09/2011, as amended, such a surety granted on the basis of Annexe No. 4 of 25/06/2015, in the total amount of PLN 28,517,303.81 as at 25/06/2015.

3. Bank payment guarantee for PLN 2,566,140 issued upon instruction from INPRO SA by mBank SA in favour of the Gdańsk City Commune, with the expiry date of 31/12/2022. The guarantee was issued to secure funds for the purposes of the announcement by the Directorate for Gdańsk City Development of the public contract for the undertaking comprising stage III of the road project (Nowa Opacka Street) and as security for the commune's claims in the event of INPRO SA's failure to pay invoices for construction works executed as part of the road project.

4. Bank payment guarantee for PLN 2,537,220.58 issued by mBank SA upon order from INPRO SA in favour of the State Treasury – the General Director of National Roads and Motorways, with the expiry date of 31/12/2027/. The guarantee will be reduced to PLN 761,166.17 upon receipt by the bank of the final acceptance report for the works and provide security for claims under guarantee and warranty for defects. The guarantee is issued to ensure the correct performance of the agreement to be signed by INPRO and the General Director for National Roads and Motorways (GDDKiA) in relation to the alteration of the road layout of Jana III Sobieskiego and Kombatantów streets in Rumia.

#### Contingent liabilities as at 31/12/2021:

1. Unconditional agreement for granting by INPRO SA of subordinate loans to Hotel Mikołajki Sp. z o.o. to cover additional costs, if any, of the project in excess of those specified in the business plan submitted to PKO BP and to repay credit awarded by that Bank. Security for investment credit: agreement No. 59 1020 1811 0000 0796 0048 7611 of 05/09/2011 in the amount of PLN 36,214 k, as amended (credit obtained by Hotel Mikołajki Sp. z o.o.).

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

2. Joint and severable civil law surety given by INPRO S.A. for the liabilities of Hotel Mikołajki Sp. z o.o. in relation to investment credit agreement No. 59 1020 1811 0000 0796 0048 7611 of 05/09/2011, as amended, such a surety granted on the basis of Annexe No. 4 of 25/06/2015, in the total amount of PLN 28,517,303.81 as at 25/06/2015.

3. Bank payment guarantee for PLN 2,566,140 issued upon instruction from INPRO SA by mBank SA in favour of the Gdańsk City Commune, with the expiry date of 31/12/2022. The guarantee was issued to secure funds for the purposes of the announcement by the Directorate for Gdańsk City Development of the public contract for the undertaking comprising stage III of the road project (Nowa Opacka Street) and as security for the commune's claims in the event of INPRO SA's failure to pay invoices for construction works executed as part of the road project.

### 31.2 Contingent receivables

| Contingent receivables              | 31/12/2022    | 31/12/2021    |
|-------------------------------------|---------------|---------------|
| Guarantees received                 | 14 185        | 21 259        |
| <b>Total contingent receivables</b> | <b>14 185</b> | <b>21 259</b> |

The main item among contingent liabilities as at 31/12/2022 is a guarantee from the Liability Guarantee Fund up to PLN 12,000 k with the expiry date of 28/09/2024. The guarantee is established as security for the repayment of credit in the amount of PLN 15,000 k (the initial sum being PLN 25,000 k) granted to INPRO SA by Alior Bank SA and described in the credit table, note 27.

### 31.3 Investment liabilities

As at 31/12/2022 and 31/12/2021, the Company did not disclose investment liabilities.

### 31.4 Significant court cases

As at 31/12/2022, Company was not a party to significant court proceedings.

### 31.5 Tax settlements

Tax settlements and other areas of activity subject to the regulations (e.g. customs or foreign currency matters) may be inspected by administrative bodies authorised to impose high penalties and other sanctions. The lack of reference to established legal provisions in Poland causes ambiguities and inconsistencies in the binding legal provisions. Frequent differences in opinions about the legal interpretation of tax provisions both within state bodies and between them and enterprises cause the rise of uncertainty and conflict areas. Those phenomena cause the tax risk in Poland to be significantly higher than the risk usually existing in countries with a more developed tax system.

Tax settlements may be the subject to inspection for a five year period from the end of a year in which tax was paid. As a result of inspections, the Company's previous tax settlements may be increased by additional tax liabilities.

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 32. Security on the Company's assets

#### Security established on the Company's assets as at 31 December 2022 and 31 December 2021

| Security - the fair value*         | 31/12/2022     | 31/12/2021     |
|------------------------------------|----------------|----------------|
| - on property, plant and equipment | 24 000         | 24 000         |
| - on current assets                | 155 025        | 139 950        |
| <b>Total</b>                       | <b>179 025</b> | <b>163 950</b> |

\* Note. In addition to security on the Company's assets shown in the table above and described below, security was also established on the Company's shares in subsidiaries, as described in note 19 in these financial statements.

#### 31/12/2022

##### Security on non-current assets

Joint contractual mortgage up to PLN 24,000 k in favour of Alior Bank SA on the share of INPRO SA in the amount of 5799/10000 parts in the perpetual usufruct right to the real estate situated in Gdańsk, ul. Opata Jacka Rybińskiego, land and mortgage register No. GD1G/00068140/0, on the right to non-residential unit No. 2 in Gdańsk, ul. Opata Jacka Rybińskiego 8, land and mortgage register GD1G/00083407/1 (a legal security for the repayment of an overdraft facility; details in current report No. 24/2016 of 22/09/2016 and current report No. 25/2019 of 14/10/2019).

##### Security on current assets

This concerns legal security established on current assets. The schedule of mortgages established on current assets as at 31/12/2022 in the total amount of PLN 155,025 k is included in note No. 27.

#### 31/12/2021

##### Security on non-current assets

Joint contractual mortgage up to PLN 24,000 k in favour of Alior Bank SA on the share of INPRO SA in the amount of 5799/10000 parts in the perpetual usufruct right to the real estate situated in Gdańsk, ul. Opata Jacka Rybińskiego, land and mortgage register No. GD1G/00068140/0, on the right to non-residential unit No. 2 in Gdańsk, ul. Opata Jacka Rybińskiego 8, land and mortgage register GD1G/00083407/1 (a legal security for the repayment of an overdraft facility; details in current report No. 24/2016 of 22/09/2016 and current report No. 25/2019 of 14/10/2019).

##### Security on current assets

This concerns legal security established on current assets. The schedule of mortgages established on current assets as at 31/12/2021 in the total amount of PLN 139,950 k is included in note No. 27.

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 33. Information on related entities

#### 33.1 Transactions with related entities

The following table presents the total amounts of transactions effected with related entities for the financial years 2022 and 2021.

| <b>Revenues from the sale of products, services, goods for resale and materials to related entities</b> | <b>01/01/2022<br/>- 31/12/2022</b> | <b>01/01/2021<br/>- 31/12/2021</b> |
|---|------------------------------------|------------------------------------|
| Inbet Sp. z o.o.  | 167                                | 195                                |
| Dom Zdrojowy Sp. z o.o.   | 41                                 | 55                                 |
| Domesta Sp. z o.o.  | -                                  | 17                                 |
| Hotel Mikołajki Sp. z o.o.  | 41                                 | 41                                 |
| PI Isa Sp z o.o.  | 91                                 | 64                                 |
| SML Sp. z o.o.  | 40                                 | 41                                 |
| Transactions with the Members of the Management Board and Supervisory Board                             | -                                  | -                                  |
| <b>Total</b>  | <b>380</b>                         | <b>413</b>                         |

| <b>Purchase from related entities</b> | <b>01/01/2022<br/>- 31/12/2022</b> | <b>01/01/2021<br/>- 31/12/2021</b> |
|---------------------------------------|------------------------------------|------------------------------------|
| Inbet Sp. z o.o.                      | 13 346                             | 10 024                             |
| Dom Zdrojowy Sp. z o.o.               | -                                  | 627                                |
| Hotel Mikołajki Sp. z o.o.            | 107                                | -                                  |
| PI Isa Sp z o.o.                      | 5 441                              | 4 100                              |
| SML Sp. z o.o.                        | 340                                | -                                  |
| Hotel Oliwski Sp z o.o.               | -                                  | -                                  |
| <b>Total</b>                          | <b>19 234</b>                      | <b>14 751</b>                      |

| <b>Sales by Inpro SA to related entities as per invoices</b>                | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|-----------------------------------|-----------------------------------|
| InBet Sp. z o.o.  | 167                               | 195                               |
| Dom Zdrojowy Sp. z o.o.   | 41                                | 55                                |
| Domesta Sp. z o.o.  | -                                 | 17                                |
| Hotel Mikołajki Sp. z o.o.  | 62                                | 75                                |
| PI Isa Sp. z o.o.   | 91                                | 64                                |
| SML Sp. z o.o.  | 40                                | 41                                |
| Transactions with the Members of the Management Board and Supervisory Board | 33                                | -                                 |
| <b>Total</b>  | <b>434</b>                        | <b>447</b>                        |

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

| <b>Loans granted by Inpro SA to related entities</b> | <b>31/12/2022</b> | <b>31/12/2021</b> |
|--|-------------------|-------------------|
| Hotel Mikołajki Sp. z o.o.                           | 1 184             | 1 104             |
| <b>Total loans granted to related entities</b>       | <b>1 184</b>      | <b>1 104</b>      |

| <b>Dividend paid by Inpro SA to personally related entities</b> | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|-----------------------------------|-----------------------------------|
| Members of the Management Board of Inpro SA                     | 4 868                             | 9 735                             |
| Members of the Supervisory Board                                | 353                               | -                                 |
| <b>Total dividend paid by Inpro SA to related entities</b>      | <b>5 221</b>                      | <b>9 753</b>                      |

| <b>Dividend received by Inpro SA from related entities:</b>      | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|--|-----------------------------------|-----------------------------------|
| Inbet Sp. z o.o.   | 2 008                             | 1 205                             |
| Domesta Sp. z o.o.   | 2 682                             | 2 086                             |
| Dom Zdrojowy Sp. z o.o.  | 3 769                             | -                                 |
| SML Sp. z o.o.   | 101                               | -                                 |
| PI ISA Sp. z o.o.  | -                                 | 346                               |
| <b>Total dividend received by Inpro SA from related entities</b> | <b>8 560</b>                      | <b>3 637</b>                      |

| <b>Reimbursement of additional contributions to the capital of related entities, as received by Inpro SA</b> | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|--|-----------------------------------|-----------------------------------|
| Dom Zdrojowy Sp. z o.o.  | 1 916                             | -                                 |
| <b>Total reimbursement of additional contributions received by Inpro SA</b>                                  | <b>1 916</b>                      | <b>-</b>                          |

## Financial statements of INPRO SA for 2022

Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### Receivables of Inpro SA from related entities

|  | 31/12/2022 | 31/12/2021 |
|--|------------|------------|
| <b>Trade receivables – up to 12 months</b> | <b>29</b>  | <b>225</b> |
| Inbet Sp. z o.o.                           | 14         | 18         |
| Dom Zdrojowy Sp. z o.o.                    | 4          | 4          |
| Hotel Mikołajki Sp. z o.o.                 | 4          | 194        |
| PI Isa Sp. z o.o.                          | 2          | 6          |
| SML Sp. z o.o.                             | 5          | 3          |
| <b>Trade receivables – over 12 months</b>  | <b>-</b>   | <b>-</b>   |
| <b>Other receivables up to 12 months</b>   | <b>-</b>   | <b>35</b>  |
| Inbet Sp. z o.o.                           | -          | 1          |
| Hotel Mikołajki Sp. z o.o.                 | -          | 34         |
| <b>Total receivables</b>                   | <b>29</b>  | <b>260</b> |
| Inbet Sp. z o.o.                           | 14         | 19         |
| Dom Zdrojowy Sp. z o.o.                    | 4          | 4          |
| Hotel Mikołajki Sp. z o.o.                 | 4          | 228        |
| PI Isa Sp. z o.o.                          | 2          | 6          |
| SML Sp. z o.o.                             | 5          | 3          |

### Liabilities of Inpro SA in relation to related entities

|  | 31/12/2022   | 31/12/2021   |
|--|--------------|--------------|
| <b>Trade liabilities – up to 12 months</b> | <b>1 844</b> | <b>1 305</b> |
| Inbet Sp. z o.o.                           | 1 315        | 445          |
| Dom Zdrojowy Sp. z o.o.                    | -            | -            |
| PI Isa Sp. z o.o.                          | 529          | 860          |
| <b>Trade liabilities over 12 months</b>    | <b>185</b>   | <b>183</b>   |
| Inbet Sp. z o.o.                           | 1            | 9            |
| PI Isa Sp. z o.o.                          | 184          | 174          |
| <b>Other liabilities up to 12 months</b>   | <b>99</b>    | <b>101</b>   |
| Inbet Sp. z o.o. – impact of IFRS 16       | 99           | 101          |
| <b>Other liabilities over 12 months</b>    | <b>-</b>     | <b>96</b>    |
| Inbet Sp. z o.o. – impact of IFRS 16       | -            | 96           |
| <b>Total liabilities</b>                   | <b>2 128</b> | <b>1 685</b> |
| Inbet Sp. z o.o.                           | 1 415        | 651          |
| Dom Zdrojowy Sp. z o.o.                    | -            | -            |
| PI Isa Sp. z o.o.                          | 713          | 1 034        |

### 33.2 Conditions of transactions with related entities

Transactions with related entities are effected on terms and conditions equivalent to those binding in transactions with other entities.



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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 33.3 Loan granted to a member of the Management Board

The Company did not give loans to the members of the Management Board.

### 34.3 Remuneration of the Company's senior management

The remuneration of the senior management comprises:

| <b>The remuneration paid to the senior executives (with payroll charges) comprises:</b> | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---|-----------------------------------|-----------------------------------|
| <b>Management Board</b>   | <b>3 036</b>                      | <b>5 095</b>                      |
| Short-term employee benefits  | 3 036                             | 3 895                             |
| Benefits related to employment relationship termination*                                | -                                 | 1 200                             |
| <b>Supervisory Board</b>  | <b>312</b>                        | <b>292</b>                        |
| Short-term employee benefits  | 312                               | 292                               |
| <b>Other senior executives</b>  | <b>1 239</b>                      | <b>1 178</b>                      |
| Short-term employee benefits  | 1 239                             | 1 178                             |
| Jubilee awards and retirement severance pay   | -                                 | -                                 |
| <b>TOTAL</b>  | <b>4 587</b>                      | <b>6 565</b>                      |

\* This pertains to remuneration for resignation from the function of a Member of the Management Board

Note: the table above shows remuneration with the payment date in the period as stated. The senior executives' remuneration for 2022 and 2021 irrespective of the payment date is shown in the Report of the Management Board on activity.

### 33.5 Participation of the senior management in the employee share programme

Not applicable.

## 34. Purposes and rules of financial risk management

The main financial instruments used by the Company include bank credit, loans, finance lease agreements, lease agreements with a purchase option, cash and short-term deposits. The main purpose of those financial instruments is to obtain funds for the Company's activity. The Company also has other financial instruments such as trade receivables and liabilities which arise directly in the course of its activity. The main kinds of risk arising from the Company's financial instruments comprise the interest rate, liquidity, currency and credit risks. The Management Board reviews and agrees the principles of managing each of those kinds of risk. Those principles were briefly discussed below.

### 34.1 Interest rate risk

The Company has credit liabilities for which interest is computed on the basis of a variable interest rate, in relation to which there is a risk of the increase of those rates against the time when the agreement was entered into. The Company also deposits free cash in variable rate deposits, which results in the reduction of profits when interest rates go down.

Information on assets and liabilities exposed to the interest rate risk is presented below.

As the Company in reporting period had both assets and liabilities bearing variable interest (a fact which partly balanced the risk), and interest rate fluctuation was insignificant in the past years,

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the Company did not use interest rate hedging. As interest rates were seen to grow in 2022, the Company does not rule out hedging in the future and keeps monitoring the exposure to the interest rate risk and the relevant current forecasts.

The table below shows the balance sheet value of the Company's financial instruments exposed to the interest rate risk broken down to various age categories.

| <b>01/01/2022-31/12/2022</b>  |                   |                  |                  |                    |                 |
|---|-------------------|------------------|------------------|--------------------|-----------------|
| <b>Fixed interest rate</b>  | <b>&lt;1 year</b> | <b>1-3 years</b> | <b>3-5 years</b> | <b>&gt;5 years</b> | <b>Total</b>    |
| Cash assets – fixed term deposits   | 15 040            | -                | -                | -                  | 15 040          |
| Lease receivables   | 1 211             | 985              | 397              | -                  | 2 593           |
| <b>Total</b>  | <b>16 251</b>     | <b>985</b>       | <b>397</b>       | <b>-</b>           | <b>17 633</b>   |
| <b>Variable interest rate</b>   | <b>&lt;1 year</b> | <b>1-3 years</b> | <b>3-5 years</b> | <b>&gt;5 years</b> | <b>Total</b>    |
| Cash assets   | 18 207            | -                | -                | -                  | 18 207          |
| Short-term financial assets – advances on escrow accounts                         | 5 895             | -                | -                | -                  | 5 895           |
| Loans granted   | -                 | -                | -                | 1 184              | 1 184           |
| Bank credit   | (21 892)          | (16 585)         | -                | -                  | (38 477)        |
| Debt securities issued  | (3 384)           | (32 762)         | -                | -                  | (36 146)        |
| Liabilities relating to finance lease and lease agreements with a purchase option | (271)             | (264)            | -                | -                  | (535)           |
| <b>Total</b>  | <b>(1 445)</b>    | <b>(49 611)</b>  | <b>-</b>         | <b>1 184</b>       | <b>(49 872)</b> |

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**01/01/2021-31/12/2021**

| Fixed interest rate | <1 year      | 1-3 years    | 3-5 years  | >5 years | Total        |
|---------------------|--------------|--------------|------------|----------|--------------|
| Cash assets         | -            | -            | -          | -        | -            |
| Lease receivables   | 1 346        | 1 703        | 890        | -        | 3 939        |
| <b>Total</b>        | <b>1 346</b> | <b>1 703</b> | <b>890</b> | <b>-</b> | <b>3 939</b> |

| Variable interest rate  | <1 year       | 1-3 years       | 3-5 years       | >5 years     | Total         |
|---|---------------|-----------------|-----------------|--------------|---------------|
| Cash assets   | 41 273        | -               | -               | -            | 41 273        |
| Short-term financial assets   | 19 832        | -               | -               | -            | 19 832        |
| Loans granted   | -             | -               | -               | 1 104        | 1 104         |
| Bank credit   | (6 118)       | (10 409)        | -               | -            | (16 527)      |
| Debt securities issued  | (1 051)       | (1 982)         | (31 182)        | -            | (34 215)      |
| Liabilities relating to finance lease and lease agreements with a purchase option | (252)         | (213)           | -               | -            | (465)         |
| <b>Total</b>  | <b>53 684</b> | <b>(12 604)</b> | <b>(31 182)</b> | <b>1 104</b> | <b>11 002</b> |

The interest rate on variable interest rate financial instruments is updated in periods below one year. Interest on fixed interest financial instruments is fixed throughout the period to the maturity of those instruments. The Company's other financial instruments not covered in the tables above do not bear interest and are therefore not subject to the interest rate risk.

### 34.2 Foreign currency risk

The Company is not exposed to the currency conversion rate risk because of insignificant sales of products in a foreign currency and because of the coverage of the majority of the costs of production in the national currency. Moreover, all the Company's credit, loans and deposits are denominated in the national currency. The currency risk is insignificant.

No receivables in foreign currencies occurred as at 31/12/2022 and 31/12/2001.  
The Company had no foreign currency liabilities as at 31/12/2022 and 31/12/2021.

### 34.3 Other price risk

The Company is not exposed to another significant price risk related to financial instruments, there is, however, a price risk related to the prices of both the Company's products and of the materials. The Company's products and raw materials are not commonly offered on commodity exchanges, a fact which prevents the implementation of hedging strategies. The increase of the prices of materials and services is made up for by the increase of the selling price of flats at the property development market.

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### 34.4 Market risk sensitivity analysis

As at 31 December 2022 and 31 December 2021 the Company does not have receivables and liabilities expressed in a foreign currency.

The potentially possible changes concerning the market risk were assessed by the Company as follows:

1.0 % point change of the PLN interest rate (an increase or decrease of that rate).

The above figures were determined on the annual basis.

The sensitivity analysis conducted by the Company takes the impact of taxation into account.

The influence of potentially possible changes on the Company's profit or loss and capital is presented in the table below:

#### 31/12/2022

| Item in the financial statements             | value of the item | Interest rate risk   |                   |                       |                  |
|--|-------------------|----------------------|-------------------|-----------------------|------------------|
|  |                   | impact on the result |                   | impact on the capital |                  |
|  |                   | + 100 base points    | - 100 base points | + 100 base points     | -100 base points |
| Bank deposits                                | 5 895             | 59                   | (59)              |                       |                  |
| Debt securities issued                       | 36 146            | (361)                | 361               |                       |                  |
| Credit incurred                              | 38 477            | (385)                | 385               |                       |                  |
| Other financial liabilities (lease)          | 535               | (5)                  | 5                 |                       |                  |
| Loans granted                                | 1 184             | 12                   | (12)              |                       |                  |
| Total increase / (decrease) before tax       |                   | (680)                | 680               |                       |                  |
| Income tax                                   |                   | 129                  | (129)             |                       |                  |
| <b>Total increase / (decrease) after tax</b> |                   | <b>(551)</b>         | <b>551</b>        |                       |                  |

#### 31/12/2021

| Item in the financial statements             | value of the item | Interest rate risk   |                   |                       |                  |
|--|-------------------|----------------------|-------------------|-----------------------|------------------|
|  |                   | impact on the result |                   | impact on the capital |                  |
|  |                   | + 100 base points    | - 100 base points | + 100 base points     | -100 base points |
| Bank deposits                                | 19 832            | 198                  | (198)             |                       |                  |
| Debt securities issued                       | 34 215            | (342)                | 342               |                       |                  |
| Credit incurred                              | 16 527            | (165)                | 165               |                       |                  |
| Other financial liabilities (lease)          | 465               | (5)                  | 5                 |                       |                  |
| Loans granted                                | 1 104             | 11                   | (11)              |                       |                  |
| Total increase / (decrease) before tax       |                   | (303)                | 303               |                       |                  |
| Income tax                                   |                   | 58                   | (58)              |                       |                  |
| <b>Total increase / (decrease) after tax</b> |                   | <b>(245)</b>         | <b>245</b>        |                       |                  |

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### 1. Short-term bank deposits

#### 31/12/2022

These comprise short-term deposits (with a variable interest rate) and interest-bearing deposits on escrow accounts, totalling PLN 5,895 k. Sensitivity to change by +/- 100 base points of market interest rates in PLN +/- [PLN 5,895 k x 100 base points] = PLN 59 k.

#### 31/12/2021

These comprise short-term deposits (with a variable interest rate) and interest-bearing deposits on escrow accounts, totalling PLN 19,832 k. Sensitivity to change by +/- 100 base points of market interest rates in PLN +/- [PLN 19,832 k x 100 base points] = PLN 198 k.

### 2. Bonds

#### 31/12/2022

Variable interest bonds expressed in PLN at 36,146 k. Sensitivity to change by +/- 100 base points of market interest rates in PLN [PLN 36,146 k x 100 base points] = PLN 361 k.

#### 31/12/2021

Variable interest bonds expressed in PLN at 34,215 k. Sensitivity to change by +/- 100 base points of market interest rates in PLN [PLN 34,215 k x 100 base points] = PLN 342 k.

### 3. Credit

#### 31/12/2022

Variable interest credit expressed in PLN in the amount of PLN 38,477 k. Sensitivity to change by +/- 100 base points of market interest rates in PLN +/- [PLN 38,477 k x 100 base points] = PLN 385 k.

#### 31/12/2021

Variable interest credit expressed in PLN in the amount of PLN 16,527 k. Sensitivity to change by +/- 100 base points of market interest rates in PLN +/- [PLN 16,527 k x 100 base points] = PLN 165 k.

### 4. Other financial liabilities (lease)

#### 31/12/2022

Variable interest lease liabilities expressed in PLN in the amount of PLN 535 k. Sensitivity to change by +/- 100 base points of market interest rates in PLN +/- [PLN 535 k x 100 base points] = PLN 5 k.

#### 31/12/2021

Variable interest lease liabilities expressed in PLN in the amount of PLN 465 k. Sensitivity to change by +/- 100 base points of market interest rates in PLN +/- [PLN 465 k x 100 base points] = PLN 5 k.

### 5. Loans

#### 31/12/2022

Variable interest loans expressed in PLN in the amount of PLN 1,184 k. Sensitivity to change by +/- 100 base points of market interest rates in PLN +/- [PLN 1,184 k x 100 base points] = PLN 12 k.

#### 31/12/2021

Variable interest loans expressed in PLN in the amount of PLN 1,104 k. Sensitivity to change by +/- 100 base points of market interest rates in PLN +/- [PLN 1,104 k x 100 base points] = PLN 11 k.

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### 34.5 Other price risk

The Company is not exposed to another significant price risk related to financial instruments, there is, however, a price risk related to the prices of both the Company's products and of the materials. The Company's products and raw materials are not commonly offered on commodity exchanges, a fact which prevents the implementation of hedging strategies.

### 34.6 Credit risk

The Company is exposed to credit risk understood as the risk of the creditors failing to meet their obligations and thus causing the Company to suffer losses. The maximum exposure to credit risk as at the balance sheet date (31 December 2021: PLN 4,310 k) is PLN 3,434 k and was estimated as the balance sheet value of trade and other receivables (without short-term accruals, advances to inventories and state budget liabilities).

| 01/01/2022-31/12/2022                  |                              |                                    | Unimpaired non-overdue receivables |            |             |              |           |
|--|------------------------------|------------------------------------|------------------------------------|------------|-------------|--------------|-----------|
| Age structure of financial receivables | Nominal value of receivables | Unimpaired non-overdue receivables | <30 days                           | 31-90 days | 91-180 days | 181-360 days | >365 days |
| Trade receivables                      | <b>3 434</b>                 | 3 379                              | 52                                 | 2          | -           | -            | 1         |

| 01/01/2021-31/12/2021                  |                              |                                    | Unimpaired non-overdue receivables |            |             |              |           |
|--|------------------------------|------------------------------------|------------------------------------|------------|-------------|--------------|-----------|
| Age structure of financial receivables | Nominal value of receivables | Unimpaired non-overdue receivables | <30 days                           | 31-90 days | 91-180 days | 181-360 days | >365 days |
| Trade receivables                      | <b>4 310</b>                 | 4 055                              | 33                                 | 2          | -           | 10           | 210       |

In the opinion of the Company's Management Board, no significant concentration of the credit risk occurs because the Company has many customers. The Company takes steps aiming the limitation of the credit risk, such steps consisting in: checking the customers' credit rating, fixing credit limits, monitoring the customers' situation, sometimes obtaining security (promissory notes, letters of credit, sureties and security on movable property and real estate). As at 31/12/2022, the Company's receivables were not secured.

In the opinion of the Company's Management Board, the credit risk is covered in the financial statements by way of creation of valuation allowances. No new valuation allowances were created in relation to credit losses as at the balance sheet date and 31/12/2021.

Credit risk related to bank deposits, derivative instruments and other investments is considered insignificant because the Company effected transactions with companies with an established financial position.

There is no significant concentration of the credit risk at the Company.

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### 34.7 Liquidity risk

The Company is exposed to liquidity loss risk understood as the risk of losing the capacity to pay liabilities within the specified time limits. The risk stems from the potential restriction of access to financial markets, which may result in the lack of an opportunity to obtain new finance or to refinance its debt. In the opinion of the Company's Management Board, owing to the safe amount of cash as at the balance sheet date (note 23), and cash deposits at recognised banks, available credit lines (note 27), new credit agreements signed after the balance sheet date (note 39) and the Company's good financial condition, the liquidity loss risk should be assessed as slight.

#### Cash at bank and in hand (the EuroRating):

| Item in the financial statements                                | 31/12/2022    | 31/12/2021    |
|---|---------------|---------------|
| Cash at bank and in hand  | 33 270        | 41 273        |
| Other short-term financial assets<br>(funds at escrow accounts) | 5 895         | 19 832        |
| <b>Total</b>  | <b>39 165</b> | <b>61 105</b> |

| Rating          | 31/12/2022    | 31/12/2021    |
|-----------------|---------------|---------------|
| A- rated bank   | 15 108        | 43            |
| BBB rated bank  | -             | 26 821        |
| BBB- rated bank | 13 820        | -             |
| BB+ rated bank  | -             | -             |
| BB rated bank   | 7 992         | 9 474         |
| BB- rated bank  | 71            | -             |
| B rated bank    | 1 131         | 20 760        |
| Cash desk       | 23            | 24            |
| Non-rated bank  | 1 020         | 3 983         |
| <b>Total</b>    | <b>39 165</b> | <b>61 105</b> |

The analysis of financial liabilities in time intervals was presented below. The figures constitute non-discounted cash flows, which are the Company's maximum risk exposure.

#### Age structure of financial liabilities:

| 01/01/2022-31/12/2022                           |                   | Liabilities maturing in the period |                    |                     |                                    |
|---|-------------------|------------------------------------|--------------------|---------------------|------------------------------------|
| Age structure of financial liabilities          | Total liabilities | up to 30 days                      | from 31 to 90 days | from 91 to 365 days | over 365 days (see the note below) |
| Trade liabilities                               | 22 589            | 14 470                             | 3 492              | 770                 | 3 857                              |
| Bonds issued                                    | 36 146            |                                    | 1 732              | 1 652               | 32 762                             |
| Loans and credit                                | 38 477            | 1 784                              | 3 694              | 16 414              | 16 585                             |
| Other financial liabilities (including IFRS 16) | 1 129             | 49                                 | 107                | 368                 | 605                                |
| <b>Total</b>                                    | <b>98 341</b>     | <b>16 303</b>                      | <b>9 025</b>       | <b>19 204</b>       | <b>53 809</b>                      |

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| <b>Liabilities maturing over 365 days</b> | <b>1-3 years</b> | <b>3-5 years</b> | <b>&gt;5 years</b> | <b>Total</b>  |
|---|------------------|------------------|--------------------|---------------|
| Trade liabilities                         | 2 810            | 1 047            | -                  | 3 857         |
| Bonds issued                              | 32 762           | -                | -                  | 32 762        |
| Loans and credit                          | 16 585           | -                | -                  | 16 585        |
| Other financial liabilities               | 605              | -                | -                  | 605           |
| <b>Total</b>                              | <b>52 762</b>    | <b>1 047</b>     | <b>-</b>           | <b>53 809</b> |

| <b>01/01/2021-31/12/2021</b>                    |                          | <b>Liabilities maturing in the period</b> |                    |                     |                                    |
|---|--------------------------|---|--------------------|---------------------|------------------------------------|
| <b>Age structure of financial liabilities</b>   | <b>Total liabilities</b> | up to 30 days                             | from 31 to 90 days | from 91 to 365 days | over 365 days (see the note below) |
| Trade liabilities                               | 19 143                   | 12 171                                    | 2 908              | 627                 | 3 437                              |
| Bonds issued                                    | 34 215                   | -   | -                  | 1 051               | 33 164                             |
| Loans and credit                                | 16 527                   | 257                                       | 514                | 5 347               | 10 409                             |
| Other financial liabilities (including IFRS 16) | 1 135                    | 37  | 75                 | 284                 | 739                                |
| <b>Total</b>                                    | <b>71 020</b>            | <b>12 465</b>                             | <b>3 497</b>       | <b>7 309</b>        | <b>47 749</b>                      |

| <b>Liabilities maturing over 365 days</b> | <b>1-3 years</b> | <b>3-5 years</b> | <b>&gt;5 years</b> | <b>Total</b>  |
|---|------------------|------------------|--------------------|---------------|
| Trade liabilities                         | 1 552            | 1 885            | -                  | 3 437         |
| Bonds issued                              | 1 982            | 31 182           | -                  | 33 164        |
| Loans and credit                          | 10 409           | -                | -                  | 10 409        |
| Other financial liabilities               | 314              | 3                | 422                | 739           |
| <b>Total</b>                              | <b>14 257</b>    | <b>33 070</b>    | <b>422</b>         | <b>47 749</b> |



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### 35. Capital management

The Company manages its capital to retain the capacity to continue as a going concern with the implementation of the planned investments taken into account to be able to generate a return to the shareholders and yield benefits to the other stakeholders.

In accordance with the market practice, the Company monitors capital on the basis of, among other things, the net worth ratio and the credit, loan and other sources of finance to EBITDA ratio.

The ratio concerning the financing of assets with equity is calculated as the equity to total assets ratio. Compared to the previous year, the ratio increased by 1 pp, that is to the level of 72 %.

The debt to equity ratio calculated as the relationship of liabilities with the exception of provisions to equity decreased to 0.33 (this was 0.36 as at 31/12/2021).

The net worth ratio is calculated as the net value of property, plant and equipment (equity less intangibles) to the balance sheet total.

The credit, loans and other sources of finance to EBITDA ratio is calculated as the ratio of credit, loans and other sources of finance to EBITDA. Credit, loans and other sources of finance means the total liability in relation to credit, loans and leases, and EBITDA is the profit from operating activities plus depreciation.

To maintain financial liquidity and credit capacity enabling borrowing at a reasonable cost level, the Company assumes that it will maintain the net worth ratio at the level not lower than 0.4, and of the credit, loans and other sources of finance to EBITDA ratio at the level of up to 10.

| <b>Equity to total assets ratio</b> | <b>31/12/2022</b> | <b>31/12/2021</b> |
|-------------------------------------|-------------------|-------------------|
| Equity                              | 380 367           | 346 841           |
| Total assets                        | 527 104           | 488 166           |
|                                     | <b>0.72</b>       | <b>0.71</b>       |

| <b>Relationship between liabilities and equity</b> | <b>31/12/2022</b> | <b>31/12/2021</b> |
|--|-------------------|-------------------|
| Total liabilities (without provisions)             | 126 226           | 124 722           |
| Equity   | 380 367           | 346 841           |
|  | <b>0.33</b>       | <b>0.36</b>       |

| <b>Net worth ratio</b>        | <b>31/12/2022</b> | <b>31/12/2021</b> |
|-------------------------------|-------------------|-------------------|
| Total equity less intangibles | 380 367           | 346 834           |
| Balance sheet total           | 527 104           | 488 166           |
|                               | <b>0.72</b>       | <b>0.71</b>       |

| <b>Ratio: Credit, loans and other sources of finance/EBITDA</b> | <b>31/12/2022</b> | <b>31/12/2021</b> |
|---|-------------------|-------------------|
| Profit from operating activities                                | 44 666            | 32 856            |
| Plus: depreciation  | 1 055             | 1 260             |
| <b>EBITDA</b>   | <b>45 721</b>     | <b>34 116</b>     |
| <b>Credit, loans and other sources of finance</b>               | <b>75 752</b>     | <b>51 877</b>     |
|   | <b>1.66</b>       | <b>1.52</b>       |

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### 36. Financial instruments

The fair value of the financial instruments held by the Company as at 31 December 2022 and 31 December 2021 did not differ considerably from the figures presented in the financial statements for the particular periods for the following reasons:

- any discounting effect in relation to short-term instruments is not significant;
- those instruments concern the transactions effected on market conditions.

| Financial assets                               | Classification in accordance with IFRS 9 | 31/12/2022    | 31/12/2021    |
|--|--|---------------|---------------|
| Trade receivables                              | Assets measured at the amortised cost    | 3 434         | 4 310         |
| Long-term loans granted                        | as above                                 | 1 184         | 1 104         |
| Other short-term financial assets              | as above                                 | 5 895         | 19 832        |
| Cash and cash equivalents                      | as above                                 | 33 270        | 41 273        |
| Other long-term financial receivables (lease)  | as above                                 | 1 382         | 2 593         |
| Other short-term financial receivables (lease) | as above                                 | 1 211         | 1 346         |
|  |  | <b>46 376</b> | <b>70 458</b> |

| Financial liabilities                          | Classification in accordance with IFRS 9              | 31/12/2022    | 31/12/2021    |
|--|---|---------------|---------------|
| Long-term loans and bank credit                | Financial liabilities valued as at the amortised cost | 16 585        | 10 409        |
| Short-term loans and bank credit               | as above  | 21 892        | 6 118         |
| Trade liabilities                              | as above  | 22 589        | 19 143        |
| Debt instrument liabilities                    | as above  | 36 146        | 34 215        |
| Other long-term financial liabilities (lease)  | as above  | 605           | 739           |
| Other short-term financial liabilities (lease) | as above  | 524           | 396           |
|  |   | <b>98 341</b> | <b>71 020</b> |

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### Revenue, cost, profit and loss items included in the statement of total income divided into financial instrument categories

| <b>01/01/2022-<br/>31/12/2022</b>   | <b>Financial assets<br/>measured at the<br/>amortised cost</b> | <b>financial liabilities<br/>valued as at the<br/>amortised cost</b> | <b>Total</b>   |
|---|--|--|----------------|
| Interest revenues/costs   | 196  | (390)  | (194)          |
| Changes in liabilities in relation to the issue of debt securities, due to the time for meeting the liability becoming closer | -  | (3 844)  | (3 844)        |
| <b>Total</b>  | <b>196</b>   | <b>(4 234)</b>   | <b>(4 038)</b> |

| <b>01/01/2021-<br/>31/12/2021</b>   | <b>Financial assets<br/>measured at the<br/>amortised cost</b> | <b>financial liabilities<br/>valued as at the<br/>amortised cost</b> | <b>Total</b>   |
|---|--|--|----------------|
| Interest revenues/costs   | 133  | (105)  | 28             |
| Changes in liabilities in relation to the issue of debt securities, due to the time for meeting the liability becoming closer | -  | (1 385)  | (1 385)        |
| <b>Total</b>  | <b>133</b>   | <b>(1 490)</b>   | <b>(1 357)</b> |

### 37. Employment structure

The average employment level at the Company in the period from January to December 2022 and in the comparative period was as follows:

|                     | <b>01/01/2022<br/>-31/12/2022</b> | <b>01/01/2021<br/>-31/12/2021</b> |
|---------------------|-----------------------------------|-----------------------------------|
| Management Board    | 4*                                | 4*                                |
| Administration      | 34                                | 32                                |
| Sales Department    | 9                                 | 8                                 |
| Production Division | 83                                | 83                                |
| Other               | 5                                 | 5                                 |
| <b>Total</b>        | <b>135</b>                        | <b>132</b>                        |

\*Including two persons hired on the basis of an employment agreement, one person on the basis of appointment, and one under the management contract

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### 38. Remuneration of the statutory auditor or entity authorised to audit financial statements

#### 1. For 2022:

- a) audit of the separate and consolidated annual financial statements – PLN 38.9 k,
- b) audit of the separate statements of the Group companies – PLN 51.9 k,
- c) review of the interim separate and consolidated financial statements – PLN 27.9 k,
- d) audit of compliance of the annual statements with ESEF requirements – PLN 8.8 k,
- e) evaluation of the annual report on the remuneration of the Management Board and Supervisory board – PLN 8.4 k.

#### 2. For 2021:

- a) audit of the separate and consolidated annual financial statements – PLN 38.9 k,
- b) audit of the separate statements of the Group companies – PLN 51.9 k,
- c) review of the interim separate and consolidated financial statements – PLN 27.9 k,
- d) audit of compliance of the annual statements with ESEF requirements – PLN 6 k,
- e) evaluation of the annual report on the remuneration of the Management Board and Supervisory board – PLN 8.3 k.

### 39. Significant events affecting the Company's activity in the reporting period

The events significantly affecting the activity of INPRO SA, its financial results as well as development prospects are described in detail in items 10 and 25 of the report of the Management Board of activity in 2022.

The impact of the SARS-CoV-2 epidemic on the property development market in the reporting period was not significant.

The Russian army's invasion of the Ukraine in February 2022 was an event affecting not only the Company, but also the economy of the entire region, both in the reporting period and after the balance sheet date. The conflict in the Ukraine caused not only the concern and uncertainty of the society, but also seriously influenced the economy (mainly due to the crude oil and energy price increase).

In the first weeks of the conflict in the Ukraine, the decline in the demand was on the property development market and a wave of resignations from signed reservation agreements (as was also the case following the outbreak of the SARS-CoV-2 pandemic) could be seen.

Other negative factors (most severely restricting the market demand at the moment) were the interest rate increase and the recommendations of the Polish Financial Supervision Authority reducing the mortgage credit capacity of prospective buyers. Towards the end of 2022, demand for flats was mainly generated by those customers who wished to invest surplus cash and protect their savings against high inflation.

Very high interest rates as well as the high costs of labour, materials and energy gave rise to concern (although, in the case of materials, the slowdown in the growth trend can be seen towards the end of 2022).

The demand and high prices on the rental market (due to the influx of refugees from the Ukraine) should stimulate the demand on the property development market long term, however.

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Unless indicated otherwise, all amounts are stated in thousands of Polish zlotys

### 40. Events after the balance sheet date

a) The Company entered into the following new credit agreements after the balance sheet date:

| Bank         | Amount in PLN '000 | Details - current report No.   |
|--------------|--------------------|--|
| SGB Bank SA  | 3 400              | - / refinancing of the purchase of land in Elbląg, Warszawska Street |
| <b>TOTAL</b> | <b>3 400</b>       | -  |

b) After the balance sheet date, the Company repaid the following credit agreements:

| Bank         | Date of signing the agreement | Amount in PLN '000 | Credit purpose                                   |
|--------------|-------------------------------|--------------------|--|
| mBank SA     | 29 September 2021             | 24 430             | financing the costs of construction of OSTOJA II |
| mBank SA     | 20 January 2022               | 23 920             | financing the costs of construction of Concept I |
| <b>TOTAL</b> |                               | <b>48 350</b>      |  |

c) On 17/03/2023 INPRO SA signed with SML Sp. z o.o. with its registered office in Gdańsk two preliminary lease agreements on the basis of which INPRO SA granted real property operating lease for commercial 2 units in a building constructed at the RYTM estate. The total value of the objects of lease is PLN 1,114 k net. The lease period is 5 years. The deadline for signing the promised lease agreements is the end of May 2023.

d) On 22/03/2023 the Gdańsk-North District Court in Gdańsk, 3<sup>rd</sup> Land and Mortgage Register Division, recorded in division IV of land and mortgage register No. GD1G/00190254/6 the contractual real estate mortgage up to the sum of PLN 53,910 k on INPRO SA's assets, such mortgage constituting legal security for the repayment of the working capital credit financing the cost of construction of the RYTM estate in Gdańsk in the amount of PLN 35,940 k granted by mBank SA.

In view of the rapidly changing circumstances, the Management Board of INPRO SA is unable to specify unambiguously the impact of the situation at home (high interest rates and inflation, the recommendations by the Polish Financial Supervision Authority) on the activity in the long-term perspective, on financial results and on the development prospects of the Company.

In 2022, the Company took actions to adapt its offer to the current demand, i.e. promoted were the locations for customers buying flats for cash and the locations attractive for those customers who want to buy an apartment for lease purposes. The costs of construction are analysed at both the budgeting and construction stage, and actions aiming at the reduction of energy consumption in the winter period were implemented. Despite those activities, a reduction of profitability should be expected as the cost growth trend is stronger than the selling price growth trend.

The current situation on the property development market seems to be improving, with increasing customer interest in buying a flat. INPRO SA and Domesta Sp. z o.o. signed a total of 167 agreements net in the 1<sup>st</sup> quarter 2023 (i.e. 106 % more than in the 1<sup>st</sup> quarter 2022). There is also a noticeable increase in demand for mortgages, and customers are more interested in the government's "First Home" programme, which is due to come into effect in July this year.

In view of the staged payments for the units being purchased, a high level of funds on accounts, credit finance obtained for the projects under way, including through the issue of bonds and finance available through working capital credit under the overdraft facility (plus the working capital credit at PLN 15 m at Alior Bank SA secured within a BGK liquidity guarantee), the Management Board of Inpro SA cannot see, at the moment, a risk of significant reduction of the Company's liquidity in the months to come, with the factors indicated above taken into consideration. In the opinion of the Management Board, the continuation of activity is not at risk at the moment.

Gdańsk, 26 April 2023