



RONSON DEVELOPMENT SE

Consolidated Financial Statement
for the year ended
31 December 2025



Management Board

Boaz Haim, *President of the Management Board*

Yaron Shama, *Finance Vice-President of the Management Board*

Andrzej Gutowski, *Sales Vice-President of the Management Board*

Karolina Bronszewska, *Member of the Management Board for Marketing and Innovation*

Supervisory Board

Amos Luzon, *Chairman*

Alon Kadouri, *Member of the Supervisory Board*

Ofer Kadouri, *Member of the Supervisory Board*

Registered office

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Auditors

PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp. K.

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Consolidated Financial Statement for the year ended 31 December 2025

Consolidated Statement of Financial Position

<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
Assets			
Non-current assets			
Property and equipment	12	7 517	7 862
Investment property	13	64 268	60 976
Intangible fixed assets		887	949
Long term trade and other receivables		5 157	5 260
Investments in joint ventures		548	479
Deferred tax assets	14	12 420	8 384
Land designated for development	15	71 473	36 514
Total non-current assets		162 271	120 424
Current assets			
Inventory	15	939 498	772 899
Trade and other receivables and prepayments	16	87 895	52 773
Advances for Land	17	1 450	26 450
Income tax receivable		720	2 027
Loans granted to joint ventures		162	156
Other current financial assets	18	31 743	11 294
Cash and cash equivalents	19	181 228	289 178
Total current assets		1 242 695	1 154 776
Total assets		1 404 966	1 275 201
Capitals			
Equity			
Share capital	20	12 503	12 503
Share premium		150 278	150 278
Share based payment expense		3 478	2 853
Treasury shares		(1 732)	(1 732)
Retained earnings		466 188	389 922
Total equity/Equity attributable to equity holders of the parent		630 715	553 824
Liabilities			
Non-current liabilities			
Floating rate bonds	21	345 443	275 942
Financial liability measured at amortised cost	23	59 797	-
Deferred tax liability	14	18 638	19 240
Lease liabilities related to perpetual usufruct of investment properties	22	770	766
Total non-current liabilities		424 648	295 948
Current liabilities			
Trade and other payables and accrued expenses	24	72 164	59 236
Floating rate bonds	21	29 897	-
Other payables – accrued interests on bonds	21	7 166	9 129
Secured bank loans	21	217	11 898
Advances received	25	183 384	305 634
Income tax payable		1 681	891
Provisions		5 527	2 986
Lease liabilities related to perpetual usufruct of land	22	49 149	35 655
Financial liability measured at amortised cost	23	418	-
Total current liabilities		349 603	425 429
Total liabilities		774 251	721 377
Total equity and liabilities		1 404 966	1 275 201

The notes included on pages 8 to 71 are an integral part of these Consolidated Financial Statements

Consolidated Financial Statement for the year ended 31 December 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 December		2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>		
Revenue from sales of residential projects	5	430 727	387 678
Revenue		430 727	387 678
Cost of sales		(286 923)	(266 019)
Gross profit		143 804	121 659
Changes in the fair value of investment property	13	942	2 349
Selling and marketing expenses	6	(7 987)	(7 763)
Administrative expenses	7	(36 074)	(32 783)
Share of the profit from joint ventures accounted for using the equity method		17	(14)
Other expenses	8	(6 006)	(3 789)
Other income	9	5 593	7 014
Result from operating activities		100 289	86 672
Finance income	10	5 683	6 921
Finance costs	10	(12 023)	(13 269)
Net finance income/(cost)		(6 340)	(6 348)
Profit before taxation		93 949	80 324
Income tax expense	11	(17 683)	(12 722)
Profit for the year		76 266	67 602
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		76 266	67 602
Total profit for the year attributable to:			
Equity holders of the parent		76 266	67 602
Non-controlling interests		-	-
Total profit for the year		76 266	67 602
Total comprehensive income attributable to:			
Equity holders of the parent		76 266	67 602
Non-controlling interests		-	-
Total comprehensive income for the year, net of tax		76 266	67 602

The notes included on pages 8 to 71 are an integral part of these Consolidated Financial Statements

Consolidated Financial Statement for the year ended 31 December 2025

Consolidated Statement of Changes in Equity

<i>In thousands of Polish Zlotys (PLN)</i>	Attributable to the Equity holders of parent					Total equity
	Share capital	Share premium	Share based payment expense	Treasury shares	Retained earnings	
Balance at 1 January 2025	12 503	150 278	2 853	(1 732)	389 922	533 824
Comprehensive income:						
Profit for the year ended 31 December 2025	-	-	-	-	76 266	76 266
Total comprehensive income	-	-	-	-	76 266	76 266
Share based payment expense	-	-	625	-	-	625
Balance at 31 December 2025	12 503	150 278	3 478	(1 732)	466 188	630 715

<i>In thousands of Polish Zlotys (PLN)</i>	Attributable to the Equity holders of parent					Total equity
	Share capital	Share premium	Share based payment expense	Treasury shares	Retained earnings	
Balance at 1 January 2024	12 503	150 278	1 571	(1 732)	371 053	533 673
Comprehensive income:						
Profit for the year ended 31 December 2024	-	-	-	-	67 602	67 602
Total comprehensive income	-	-	-	-	67 602	67 602
Share based payment expense	-	-	1 282	-	-	1 282
Dividend payment	-	-	-	-	(48 733)	(48 733)
Balance at 31 December 2024	12 503	150 278	2 853	(1 732)	389 922	533 824

The notes included on pages 8 to 71 are an integral part of these Consolidated Financial Statements

Consolidated Financial Statement for the year ended 31 December 2025

Consolidated Statement of Cash Flows

For the year ended 31 December		2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>	<i>Note</i>		
Cash flows from/(used in) operating activities			
Profit/(loss) for the period		76 266	67 602
Adjustments to reconcile profit for the period to net cash used in operating activities			
Depreciation		1 054	786
(Increase)/decrease in fair value of investment property		(942)	(2 349)
Finance expense		11 949	12 138
Finance income		(5 619)	(5 709)
Foreign exchange rates differences gain/(loss)		10	(81)
Result on sale of subsidiary		-	224
Reversal of write-off of receivables		-	(861)
Share of loss /(profit) from joint ventures		(27)	19
Share based payment expense		625	1 282
Income tax expense/(benefit)	11	17 683	12 722
Subtotal		100 998	85 773
Decrease/(increase) in inventory and land designated for development	32	29 510	50 985
Profit on sale of property, plant and equipment		-	(20)
Purchases of land	15	(111 500)	(25 440)
Decrease/(increase) in advances for land		-	(8 900)
Decrease/(increase) in trade and other receivables and prepayments	32	(37 273)	(6 939)
Decrease/(increase) in other current financial assets		(20 449)	1 515
Decrease/(increase) in trade and other payables and interests bearing deferred trade payables	32	13 609	(14 098)
Increase/(decrease) in provisions		2 541	(117)
Increase/(decrease) in advances received	25	(122 250)	71 459
Subtotal		(144 813)	154 218
Interest paid		(27 772)	(21 675)
Interest received		5 344	5 156
Income tax received/(paid)	11	(20 223)	(29 984)
Net cash from/(used in) operating activities		(187 465)	107 714
Cash flows from/(used in) investing activities			
Acquisition of property and equipment		(623)	(1 164)
Outflow for purchase investment property		(2 325)	(74)
Proceeds from sale of property and equipment		-	73
Net cash from investing activities		(2 948)	(1 165)
Cash flows (used in)/from financing activities			
Proceeds from bank loans, net of bank charges	21	97 081	147 331
Repayment of bank loans	21	(111 100)	(146 833)
Proceeds from bonds, net of charges	21	97 822	195 630
Repayment of bonds	21	-	(139 886)
Repayment of Liability to shareholders measured at amortised cost	23	-	(27 232)
Payment of perpetual usufruct rights	22	(1 341)	(1 508)
Payment of dividend	23	-	(48 733)
Net cash (used in)/from financing activities		82 462	(21 231)
Net change in cash and cash equivalents		(107 950)	85 318
Cash and cash equivalents at beginning of period		289 178	203 860
Cash and cash equivalents at end of period*		181 228	289 178

* Including restricted cash that amounted to PLN 44 112 thousand and PLN 19 165 thousand as 31 December 2025 and as 31 December 2024, respectively.

The notes included on pages 8 to 71 are an integral part of these Consolidated Financial Statements

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 1 – Background and business of the Company

Ronson Development SE (“the Company”) is a European Company with its statutory seat in Warsaw, Poland. The registered office is located at al. Komisji Edukacji Narodowej 57 in Warsaw. The Company was incorporated in the Netherlands on 18 June 2007 as Ronson Europe N.V. with statutory seat in Rotterdam. During 2018, the Company changed its name and was transformed into a European Company (SE) and, effectively as of 31 October 2018, transferred its registered office of the Company from the Netherlands to Poland.

The Company (together with its subsidiaries, “the Group”) is active in the development and sale of residential units, primarily apartments, in multi-family residential real-estate projects to individual customers in Poland. In 2021 the Management Board of the Company decided to start developing new activity, so-called Private Rent Sector (PRS). PRS is sector of Poland’s residential market in which buildings are designed and built specifically for renting.

As of 31 December 2025, Amos Luzon Development and Energy Group Ltd. (“A. Luzon Group”), the ultimate parent company, indirectly controlled the Company through its subsidiary Luzon Ronson N.V. (former name I.T.R. Dori B.V.), in which it holds more than 70% of the shares. As of 31 December 2025, Luzon Ronson N.V. held 108,349,187 shares (approximately 66.06% of the Company’s share capital) directly and 54,093,672 shares (approximately 32.98% of the Company’s share capital) through its wholly owned subsidiary Luzon Ronson Properties Ltd. The remaining 1,567,954 shares (approximately 0.96% of the Company’s share capital) were treasury shares of the Company.

All of the Company’s shares are subject to a registered pledge established in January 2024 to secure claims arising from the issue of debt securities by the Company’s shareholder, Luzon Ronson N.V. (formerly known as I.T.R. Dori B.V.).

The Company’s beneficial owner and ultimate controlling party is Mr. Amos Luzon, who is also Chairman of the Company’s Supervisory Board.

Projects carried out by Group companies are at various stages of advancement, ranging from the phase of searching for land for purchase to projects completed or nearing completion.

The details of the entities whose financial statements have been included in these Consolidated Financial Statements, the year of incorporation and the percentage of ownership and voting rights directly or indirectly held by the Company as at 31 December 2025 and as at 31 December 2024, are presented below and on the following page.

Entity name	Year of incorporation	Country of registration	Share of ownership & voting rights at the end of	
			31 December 2025	31 December 2024
a. held directly by the Company:				
1 Ronson Development Management Sp. z o.o.	1999	Poland	100%	100%
2 Ronson Development Sp. z o.o.	2006	Poland	100%	100%
3 Ronson Development Construction Sp. z o.o.	2006	Poland	100%	100%
4 City 2015 Sp. z o.o.	2006	Poland	100%	100%
5 Ronson Development Skyline Sp. z o.o.	2007	Poland	100%	100%
6 Ronson Development South Sp. z o.o. ⁽²⁾	2007	Poland	100%	100%
7 Ronson Development Partner 5 Sp. z o.o.	2007	Poland	100%	100%
8 Ronson Development Partner 4 Sp. z o.o.	2007	Poland	100%	100%
9 Ronson Development Providence Sp. z o.o.	2007	Poland	100%	100%
10 Ronson Development Finco Sp. z o.o.	2009	Poland	100%	100%
11 Ronson Development Partner 2 Sp. z o.o.	2009	Poland	100%	100%
12 Ronson Development Partner 3 Sp. z o.o.	2012	Poland	100%	100%
13 Ronson Development Studzienna Sp. z o.o.	2019	Poland	100%	100%
14 Ronson Development SPV2 Sp. z o.o.	2021	Poland	100%	100%
15 Ronson Development SPV3 Sp. z o.o.	2021	Poland	100%	100%
16 Ronson Development SPV4 Sp. z o.o.	2021	Poland	100%	100%
17 Ronson Development SPV5 Sp. z o.o.	2021	Poland	100%	100%

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 1 – Background and business of the Company

Entity name	Year of incorporation	Country of registration	Share of ownership & voting rights at the end of	
			31 December 2025	31 December 2024
a. held directly by the Company:				
18 Ronson Development Nowy Marynin Sp. z o.o. ⁽³⁾	2021	Poland	100%	100%
19 Ronson Development Zaborowska Sp. z o.o. ⁽³⁾	2021	Poland	100%	100%
20 Ronson Development SPV8 Sp. z o.o.	2021	Poland	100%	100%
21 Ronson Development Sobieskiego Sp. z o.o. ⁽³⁾	2021	Poland	100%	100%
22 Ronson Development Biograficzna Sp. z o.o. ⁽³⁾	2021	Poland	100%	100%
23 Ronson Development Marynin Sp. z o.o. ⁽³⁾	2021	Poland	100%	100%
24 LivinGO Holding sp. z o.o.	2022	Poland	100%	100%
25 Ronson Development Brzeska Sp. z o.o. ⁽³⁾	2023	Poland	100%	100%
26 Ronson Development Drobnera Sp. z o.o. ⁽³⁾	2023	Poland	100%	100%
27 Ronson Development SPV16 Sp. z o.o.	2023	Poland	100%	100%
28 Ronson Development SPV17 Sp. z o.o.	2024	Poland	100%	100%
29 Ronson Development SPV18 Sp. z o.o.	2024	Poland	100%	100%
30 Ronson Development SPV19 Sp. z o.o.	2024	Poland	100%	100%
b. held indirectly by the Company:				
31 Ronson Development Sp z o.o. – Estate Sp.k.	2007	Poland	100%	100%
32 Ronson Development Sp z o.o. – Horizon Sp.k.	2007	Poland	100%	100%
33 Ronson Development Partner 3 Sp. z o.o. – Viva Jagodno sp. k.	2009	Poland	100%	100%
34 Ronson Development Sp. z o.o. – Apartments 2011 Sp.k.	2009	Poland	100%	100%
35 Ronson Development Partner 2 Sp. z o.o. – Retreat 2011 Sp.k.	2009	Poland	100%	100%
36 LivinGO Ursus Sp. z o.o.	2022	Poland	100%	100%
37 Ronson Development Partner 5 Sp. z o.o. – Vitalia Sp.k.	2009	Poland	100%	100%
38 Ronson Development Sp. z o.o. – Naturalis Sp.k.	2011	Poland	100%	100%
39 Ronson Development Partner 3 Sp. z o.o. – Nowe Warzymice Sp. k.	2011	Poland	100%	100%
40 Ronson Development Sp. z o.o. – Providence 2011 Sp.k.	2011	Poland	100%	100%
41 Ronson Development Partner 5 Sp. z o.o. – Miasto Marina Sp.k.	2011	Poland	100%	100%
42 Ronson Development Partner 5 Sp. z o.o. – City 1 Sp.k.	2012	Poland	100%	100%
43 Ronson Development Partner 2 Sp. z o.o. – Miasto Moje Sp. k.	2012	Poland	100%	100%
44 Ronson Development Sp. z o.o. – Ursus Centralny Sp. k.	2012	Poland	100%	100%
45 Ronson Development Sp. z o.o. – City 4 Sp.k.	2016	Poland	100%	100%
46 Ronson Development Partner 2 Sp. z o.o. – Grunwald Sp.k.	2016	Poland	100%	100%
47 Ronson Development Sp. z o.o. – Grunwaldzka” Sp.k.	2016	Poland	100%	100%
48 Ronson Development Sp. z o.o. – Projekt 3 Sp.k.	2016	Poland	100%	100%
49 Ronson Development Sp. z o.o. – Projekt 4 Sp.k.	2017	Poland	100%	100%
50 Ronson Development Sp. z o.o. – Projekt 5 Sp.k.	2017	Poland	100%	100%
51 Ronson Development Sp. z o.o. – Stojowskiego Sp.k. ⁽³⁾	2017	Poland	100%	100%
52 Ronson Development Sp. z o.o. – Projekt 7 Sp.k.	2017	Poland	100%	100%
53 Ronson Development Sp. z o.o. – Projekt 8 Sp.k.	2017	Poland	100%	100%
54 Bolzanus Limited	2013	Cyprus	100%	100%
55 Park Development Properties Sp. z o.o. – Town Sp.k.	2007	Poland	100%	100%
56 Tras 2016 Sp. z o.o.	2011	Poland	100%	100%
57 Park Development Properties Sp. z o.o.	2011	Poland	100%	100%
58 Wrocław 2016 Sp. z o.o.	2016	Poland	100%	100%
59 Tregaron Sp. z o.o.	2017	Poland	100%	100%
60 Tring Sp. z o.o.	2017	Poland	100%	100%
61 Thame Sp. z o.o.	2017	Poland	100%	100%
62 Troon Sp. z o.o.	2017	Poland	100%	100%
63 Tywyn Sp. z o.o.	2018	Poland	100%	100%
c. other entities subject to consolidation – related party by management:				
64 Ronson Development Village Sp. z o.o. ⁽¹⁾	2007	Poland	100%	100%
65 Ronson Development Universal Sp. z o.o. ⁽¹⁾	2007	Poland	100%	100%
c. other entities not subject to consolidation – Joint venture:				
66 Coralchief Sp. z o.o.	2018	Poland	50%	50%
67 Coralchief Sp. z o.o. – Projekt 1 Sp. k.	2016	Poland	50%	50%
68 Ronson IS Sp. z o.o.	2009	Poland	50%	50%
69 Ronson IS Sp. z o.o. Sp. k.	2012	Poland	50%	50%

(1) The Company has the power to govern the financial and operating policies of this entity and to obtain benefits from its activities, whereas Kancelaria Radcy Prawnego Jarosław Zubrzycki holds the legal title to the shares of this entity.

(2) 99.66% of shares in the company are held by Ronson Development SE, the remaining 0.34% of shares are held by: Ronson Development Sp. z o.o. (0.19%), Ronson Development Partner 2 Sp. z o.o. (0.09%), Ronson Development Partner 3 Sp. z o.o. (0.03%) and Ronson Development Partner 4 Sp. z o.o. (0.03%) all of this companies are held 100% by Ronson Development SE.

(3) The company's name was changed in 2025 compared to 31 December 2024

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements**Note 2 – Basis of preparation of Financial Statements and measurement****(a) Basis of preparation and statement of compliance**

These Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards. In light of the nature of the Group's activities, the IFRSs applied by the Group are not different from the IFRSs endorsed by the European Union, which are effective for the financial year ended 31 December 2025. Information about standards and interpretations were presented below.

The Consolidated Financial Statements were authorized by the Management Board of Ronson Development SE on 12 March 2026. These Consolidated Financial statements have been prepared on the assumption that the Group is a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations. The Company prepared Consolidated Financial Statements for the year ended 31 December 2025 in both English and Polish languages, while the Polish version is binding.

New and amended standards adopted by the Group

The following standards and amendments became effective as of 1 January 2025:

- **Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'**

The amendments to IAS 21 are intended to make it clearer to entities whether a currency is convertible into another currency and to estimate the spot exchange rate if a currency is not convertible. In addition, the amendments to the standard introduce a requirement for additional disclosures in the case of non-convertible currencies on how the alternative exchange rate is determined.

The impact of the above amendments and improvements to IFRSs has been analyzed by the Management Board. Based on the assessment the amendments do not impact the Consolidated Financial Statements of the Company.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 2025 reporting periods and have not been early adopted by the Group. These standards, besides described below IFRS 18, are not expected to have a material impact on the entity or the Group in the current or future reporting periods and on foreseeable future transactions.

IFRS 18 "Presentation and Disclosures in Financial Statements"- in April 2024, the IASB issued a new standard, IFRS 18 "Presentation and Disclosures in Financial Statements." The standard is intended to replace IAS 1 - Presentation of Financial Statements and will be effective as of 1 January 2027. Changes to the superseded standard mainly concern three issues: the statement of profit or loss, required disclosures for certain performance measures, and issues related to the aggregation and disaggregation of information contained in financial statements. The published standard will be effective for financial statements for periods beginning on or after 1 January 2027.

As of the date of these Condensed Consolidated Financial Statements, the amendments have not yet been approved by the European Union. Based on the Management Board analysis above mentioned standard could have a substantial impact on the presentational aspect of the financial statements.

(b) Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except for investment property which was measured at fair value. The methods used to measure fair values for the purpose of preparing the Consolidated Financial Statements are discussed further in Note 3(r), Note 13 and Note 26.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 2 – Basis of preparation of Financial Statements and measurement

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency') being Polish Zloty ('PLN'). Polish Zloty is the presentation currency of the Consolidated Financial Statements of the Group and is also the functional currency of the parent company.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements, are described in the following notes:

- Note 5 – Sales Revenue
- Note 13 – Investment property
- Note 14 – Deferred tax assets and liabilities
- Note 15 – Inventory and residential land bank
- Note 23 – Financial liability measured at amortised cost
- Note 25 – Advances received
- Note 28 – Commitments and contingencies

The Group conducts residential units projects and developing activities in dedicated operating subsidiaries. Such transactions are accounted for in accordance with IAS 2 and IFRS 15, whereby inventory is sold and revenue should be recognized after the criteria are met.

Recognition of revenue

The revenue from the sale of real estate (residential units, commercial units, etc.) is recognized at the moment when control over the real estate is transferred to the customer of mentioned real estate together with the transfer of significant risks and rewards typical to the ownership rights. According to the Company's judgement this occurs at the moment of handover of the real estate to the customer, which is based on a handover document signed by both parties and subject to the condition that the customer has paid 100% of the sale price for the real estate. More information is presented in the Note 5 to the Consolidated Financial Statements.

Estimation of net realizable value for inventory and residential land bank

Inventory and residential land bank is stated at the lower of cost and net realizable value (NRV). NRV for completed inventory (Finished goods) is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group having taken suitable external advice and in the light of recent market transactions. NRV in respect of work in progress and residential land bank is assessed with reference to market prices at the reporting date for similar completed properties, less estimated costs to complete construction and less an estimate of the time value of money to the date of completion. More information is presented in the Note 16 to the Consolidated Financial Statements.

Valuation of investment property

The fair value of the investment property is determined by independent real estate valuation experts based on the discounted cash flow approach or comparison approach (pairwise comparison method). The determination of the fair value of the investment property using discounted cash flow approach requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. Comparison approach involves an analysis of similar properties which are being sold on the market and for which the characteristics that determine the cost and the terms of the transactions are known. More information is presented in the Note 13 to the Consolidated Financial Statements.

Valuation of lease liability

According to the IFRS 16 standard the Company the lease payments shall be discounted using the rate implicit in the lease contract, or if this rate cannot be readily determined, the Company's incremental borrowing rate. The Company decided to use incremental borrowing rate ('IBR') that was determined based on reference rate adjusted by margin.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 2 – Basis of preparation of Financial Statements and measurement

(d) Use of estimates and judgments

Valuation of lease liability

The IBR rate was built based on reference rate (30 years state bonds quotation) increased by margin which represents higher credit risk of the Company due to worse ratios, risk related to unusual length of potential financing and no possibility to establish security for such long-term financing. More information is presented in the Note 22 to the Consolidated Financial Statements.

Deferred tax asset recognition

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax strategies. More information is presented in the Note 15 to the Consolidated Financial Statements.

Significant financing component within customer advances

The Group enters into sale agreements with clients, which require advance payments in accordance with the agreed schedule. Based on the analysis of the agreements, it was found that they do not contain a significant element of financing due to the fact that advance payments from clients are intended to secure the performance of the agreement (i.e. they guarantee that the customer will not withdraw from the purchase and from the customer's point of view constitute security that the given premises will be sold to him at the agreed price), so they are made for reasons other than providing financing to the developer (IFRS 15 par. 62c). In addition, if the flat finds a buyer quite late, i.e. shortly before signing the acceptance report, the difference between the cash price paid once by such a customer and the price paid by the customer in the event of signing the contract significantly earlier does not result from interest in this period, but from changes in market prices housing.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Policy on default

For purposes of measuring probability of default, the Group defines default as a situation when the debtor meets the unlikeliness-to-pay criteria listed below:

- the debtor is deceased;
- the debtor is insolvent;
- it is becoming likely that the debtor will enter bankruptcy.

(e) Basis of consolidation

These Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 2 – Basis of preparation of Financial Statements and measurement

(e) Basis of consolidation

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The financial statements of subsidiaries are prepared for the same period as the financial statement of Parent. The Group entities keep books of accounts in accordance with accounting policies specified in the Accounting Act dated 29 September 1994 ('the Accounting Act') with subsequent amendments and the regulations issued based on that Act (all together: 'Polish Accounting Standards'). These Consolidated Financial Statements include a number of adjustments not included in the books of account of the Group entities, which were made in order to bring the financial statements of those entities in conformity with IFRSs as adopted by EU.

Where property is acquired, via corporate acquisitions or otherwise, the management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business or assets. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise, acquisitions are accounted for as business combinations.

Note 3 – Summary of material accounting policies

The accounting policies set out below have been applied consistently in all periods presented in these Consolidated Financial Statements.

(a) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates prevailing at the dates of the transactions using:

- the purchase or selling rate of the bank whose services are used by the Group – in case of foreign currency sales, as well in the case as of the debt or liability payment transactions;
- the average rate specified for a given currency by the National Bank of Poland as on the transaction date unless a customs declaration or other binding document indicates another rate – in case of other transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

(b) Revenue from contracts with customers

Revenues from the sale of residential units are recognized when (or as) the Group has satisfied a performance obligation by transferring a promised good (unit) to a customer, i.e. the revenues are recognized at point in time. A residential unit is transferred when (or as) the customer obtains control of the residential unit (i.e. upon signing protocol of technical acceptance and transfer of key to the unit and payment of the entire amount, resulting from the sale agreement), after receiving valid occupancy permit for the building based on hand-over protocol signed between the Group representatives and the customer and provided that the entire amount resulting from the sale agreement has been paid by the customer.

Advances received related to pre-sales of residential units, are presented as deferred income, in the Statement of Financial Position when they do not meet the criteria to be recognized as revenue. When they subsequently meet these criteria, they are recognized as revenue.

The Group recognizes the provision for the warranties separately. Warranty is treated as a separate performance obligation.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 3 – Summary of material accounting policies

(c) Financial instruments

Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. In the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The classification and subsequent measurement of debt financial assets also depends on the Group's business model for managing the related assets portfolio.

The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

For the Group the first category is most relevant. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. Assets to which above policy applies:

- Cash and cash equivalents,
- Cash on escrow classified as "other current financial asset",
- Loan receivables,
- Trade receivables.

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two steps. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at Amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 3 – Summary of material accounting policies

(c) Financial instruments

Financial liabilities

The financial instruments of the Group are classified into one of the following categories:

Category	Statement of Financial Position item	Measurement
Assets measured at amortized costs	Loans granted	Amortized cost method
	Cash and cash equivalent	Amortized cost method
	Trade and other receivables	Amortized cost method
	Other current financial assets	Amortized cost method
Liabilities measured at amortized costs	Bonds	Amortized cost method
	Secured bank loans	Amortized cost method
	Trade and other payables and accrued expenses	Amortized cost method
	Financial liability measured at amortised cost	Amortized cost method

(d) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Comprehensive Income as incurred.

(ii) Depreciation and amortization

Depreciation is calculated on the straight-line basis over the estimated useful life of each component of an item of property and equipment.

The estimated useful life of property and equipment, depending on the class of asset, ranges as below:

- Buildings: from 5 to 40 years
- Equipment: from 2.5 to 10 years
- Cars: approximately up to 5 years
- Other tangible assets: from 2 to 5 years
- Intangible assets: from 2 to 5 years

Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively since the beginning of the following year, if appropriate.

(e) Leases

The Group recognizes assets and liabilities resulting from leases with a period exceeding 12 months, unless the underlying asset is of low value. The only material lease agreements with a period exceeding 12 months into which the Group has entered, are the rights of perpetual usufruct of real estate properties.

The method of valuation and presentation of lease in the Group's financial statements

The Group recognizes a lease liability, measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of signing the lease contract. The Group recognizes the respective right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments recognized immediately before the commencement date. The Group has decided to present right-of-use assets under the same item in the Consolidated Statement of Financial Position, under which the relevant underlying assets would be presented if they were owned by the Group. The lease liabilities are presented separately from other liabilities in long term liabilities with respect to lease of investment properties and short-term liabilities with respect to lease of inventory.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 3 – Summary of material accounting policies

(e) Leases

The right of perpetual usufruct of land related to residential projects

Assets – was recognized in the Consolidated Statement of Financial Position under "Inventory".

Liabilities – was presented in the Consolidated Statement of Financial Position as a short term under "Lease liabilities related to perpetual usufruct of land".

Costs – the Group depreciates the right of use asset on straight line basis over the lease period. On the other hand, the Group recognizes finance expense to reflect interest expense on lease liability. Those costs are capitalized to Inventory as long as development project qualifies for capitalization.

Derecognition – at the moment occupancy permit is issued the Group becomes the owner of the land (based on The Act of July 20, 2018 on transformation of the right of perpetual usufruct of land built for housing purposes into the ownership right of these lands). Since then, the Group is no longer liable for perpetual usufruct fees but pays conversion fees. At the moment occupancy permit is issued and revenue from the sale of residential units is recognized (when the performance obligations are satisfied and when the customer obtains control of the good, i.e. upon signing of the protocol of technical acceptance and the transfer of the key to the buyer of the residential unit and total payment obtained) the liability for conversion fee and related asset are reclassified to other payables and other receivables and are presented under "Trade and other payables and accrued expenses" and "Trade and other receivables and prepayments" respectively.

The Group is legally released from the obligation to pay conversion fees only upon signing the final notary deed for transferring the ownership of unit together with share in the land to the client. Carrying amounts of receivables and payables are derecognized from Consolidated Statement of Financial Position once final notary deeds are signed with clients.

Despite the fact that based on the Group's core business the operating cycle of inventory is on average 5 years i.e. plots of land are purchased for the purpose of the development of residential projects and transferring the ownership of the units together with share in the land to the client. Under IFRS 16 the Group is not allowed to consider the period for which the Group expects to be the usufructuary despite the fact that the period is quite precisely known. Therefore, once lease liabilities are recognized, the Group is required to discount all future payments resulting from the right of perpetual usufruct for the period for which the right is granted to individual properties (it can be up to 99 years). Following the requirements of IFRS 16 the Group recognize lease liabilities of which majority will not be paid by the Group.

The right of perpetual usufruct of investment properties

Assets – was recognized in the Statement of Financial Position under "Investment properties".

Liabilities – was presented in the Statement of Financial Position as a long term under "Lease liabilities related to perpetual usufruct of investment property".

Costs – the Group fair values the right of use asset at each balance sheet date and recognizes finance expense to reflect interest expense on lease liability.

Other leases

The Group has contracts for leasing passenger cars. The value of the original lease liability was determined at the amount of discounted future payments over the lease term.

Assets – the right of use assets (cars) was recognized in the Statement of Financial Position under "Property and equipment" less accrued depreciation.

Liabilities – was presented in the Statement of Financial Position as a long term under "Lease liabilities related to perpetual usufruct of investment property" less repayment of capital part of the lease.

Costs – the Group depreciates the right of use asset on straight-line basis for the full duration of the lease at each balance sheet date and recognizes finance expense to reflect interest expense on lease liability.

(f) Investment properties, investment properties under construction

Investment properties and investment properties under construction are measured initially at cost, including transaction costs. After initial recognition, as at each reporting date, investment property under construction that meets the premises for their valuation, and investment property are measured at fair value. The fair value measurement is updated at least annually. Profits or losses resulting from changes in the fair value of investment properties are recognized in the Statement of Comprehensive Income in the period in which they arise. The result on the valuation of investment properties is presented in the profit / loss on changes in the fair value of investment property line.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 3 – Summary of material accounting policies

(f) Investment properties, investment properties under construction

For investment properties under construction, the premises for valuation are met in the case of projects where a significant part of the risks related to the construction process has been eliminated and it is possible to measure reliably at fair value. In other cases, when it is not possible to reliably determine the fair value, the value of real estate under construction is valued according to the cost method.

The Group has specified the conditions under which it begins the process of analyzing whether significant risks relating to investment properties under construction have been eliminated. There are specific conditions analyzed by the Group if the risks are minimized which are basis for the fair value valuation, like for example, but not limited to, obtaining building permit, contracting construction work.

The presented conditions constitute the boundary criteria of the analysis. Each investment property under construction is analyzed individually in terms of the possibility of obtaining a reliable valuation to fair value, taking into account, in addition to the conditions described above, also the general economic and market situation, the availability of data for similar properties and expectations regarding the volatility of factors underlying the valuation and the method of financing investment project.

Land and buildings measured at fair value are updated in such a way as to reflect the market conditions prevailing at the year-end reporting period. The fair value of investment property is the price that would have been received for the sale of an asset or paid for the transfer of a liability in a transaction between market participants carried out on normal conditions at the valuation date. Fair values are subject to verification by external valuations prepared by experts in cooperation with the Management Board. To determine the fair value of the property, independent appraisers use valuation methods most appropriate for the valuation of the property depending on the individual asset.

(g) Residential land bank and Inventories

The Group estimates that an operating cycle for projects/stage of a big project lasts for about 5 years. The operating cycle is divided into two phases: (i) the pre-construction preparation phase lasting about 3 years (obtaining necessary site permits, environmental decisions or construction permits, designing, etc.), and (ii) construction phase lasting also about 2 years. When a project is within the operating cycle the project is presented as short-term assets under inventory, in other cases the project is presented as long-term under Residential land bank.

Inventories are valued at the purchase price plus capitalized costs (incurred during preparation for project implementation), however, not higher than the net realizable value from the sale. The purchase price includes costs incurred in connection with construction of the project.

Inventories consists of real estate projects related to realization of multi-family block of flats or detached houses for individual clients.

(i) Inventory

Inventory is measured at cost increased by capitalized costs incurred relating to the preparation of the projects for construction, in the value not higher than the net realizable value. The cost of inventory includes expenditure incurred relating to the construction of a project. Inventory comprises residential real estate projects to individual customers.

Project construction costs include:

- land or leasehold rights for land,
- construction costs paid to the general contractor building the residential project,
- infrastructure building costs;
- planning and design costs,
- perpetual usufruct fees and real estate taxes incurred during the period of construction,
- borrowing costs to the extent they are directly attributable to the development of the project,
- professional fees attributable to the development of the project,
- construction overheads and other directly related costs.
- lease assets, see Note 3 (e).

Inventory is recognized as a cost of sales in the Statement of Comprehensive Income when the sale of residential units is recognized. The cost of inventories is assigned by using the specific identification of their individual costs. The cost of sales for each residential unit is recognized based on the estimated total project costs, allocated proportionately to the sales value of each unit.

(ii) Residential land bank

Long-term part of the land bank (if a commencement of construction phase is not planned within the period of 3 years from the reporting date) is presented in non-current assets of the consolidated Statement of Financial Position, as "Residential land bank", whereas short-term part of the land bank is presented in current assets of the consolidated Statement of Financial Position, in inventory balance. Residential land bank is measured at cost increased by capitalized costs incurred relating to the preparation of the projects for construction, in the total value not higher than the net realizable value.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements**Note 3 – Summary of material accounting policies****(h) Equity****(i) Share capital**

Share capital includes the proceeds received from the issue of ordinary shares on the nominal value in exchange for cash.

(ii) Share premium

Share premium includes the excess of proceeds received from the issue of shares over the nominal value of shares. Shares issuance costs are deducted from the share premium.

(iii) Treasury shares

Own shares that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(iv) Share based payment

The Group has introduced equity-settled share-based compensation plan for CEO of the Group, under which the entity receives services from CEO for equity instruments (options) of the shareholder of the Group. The fair value of the employee services received in exchange for the grant of options is recognized as an administrative expense and as a credit to Share-based payment reserve. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or shares determined at the grant date. The proceeds received on exercise of the options net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. Cancelled awards are deemed to have vested upon cancellation. Any unamortized expense associated with such awards is charged to profit or loss immediately.

(i) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or a cash generating unit's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(k) Borrowing costs

Borrowing costs directly attributable to the inventory of properties which necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized equals the gross interest incurred on those borrowings. Interest is capitalized as from the commencement of the development work until the date of completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 3 – Summary of material accounting policies

(l) Income tax expense

Income tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax expense is calculated according to tax regulations in effect in the jurisdiction in which the individual companies are domiciled.

Deferred income tax is provided, using the balance sheet method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and for tax losses carried forward, except for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. At each reporting date deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(m) Other current financial assets

Other current financial assets in the Statement of Financial Positions comprise only funds deposited on escrow accounts. The separate line was created due to new legal regulations “Act on the Protection of Rights of a Dwelling Unit or House Buyer” which resulted in the need to open individual escrow accounts for advances paid by the customers of the Group for the purchases of apartments. Amounts collected on individual escrow accounts are measured at amortized cost less expected credit losses.

(n) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Positions comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, except for collateralized deposits.

For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts. Cash and cash equivalents are measured at amortized costs less expected credit losses.

(o) Employee benefits

Obligations for contributions to defined contribution pension plans are recognized as an expense in the Statement of Comprehensive Income as incurred.

The Company's subsidiaries are required, under applicable regulations, to pay, on a monthly basis, social security contributions for the employees' future pension benefits. These benefits, according to IAS 19 'Employee Benefits', are state plans and are characterized as defined contribution plans. Therefore, the Company's subsidiaries have no legal or constructive obligation to pay future pension benefits and their obligation is limited to payment of contributions as they fall due.

(p) Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Upon making an investment in an associate or joint venture, the amount by which the costs of such investment exceed the value of the Group's share in the net fair value of identifiable assets and liabilities of this entity is recognized as goodwill and included in the carrying amount of the underlying investment.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in Other comprehensive income of joint ventures is presented as part of the Group's Other comprehensive income. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the Statement of Changes in Equity. Dividends declared by the joint venture decrease the carrying amount of the investment in the joint venture. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 3 – Summary of material accounting policies

(q) Investment in joint ventures

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss as 'Share of profit/(loss) of a joint venture' in the statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

(r) Fair Value

The Group measures investment properties at fair value at each balance sheet date or annual base if there were no significant changes on the market environment.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 4 – Segment reporting

The Group's operating segments are defined as separate entities developing particular residential projects, which for reporting purposes were aggregated. The aggregation for reporting purpose is based on geographical locations (Warsaw, Poznań, Wrocław and Szczecin) and type of development (apartments, houses). Moreover, for particular assets the reporting was based on type of income: rental income from investment property. The segment reporting method also requires the Company to present separately joint venture within Warsaw segment.

There have been no changes in the basis of segmentation or in the basis of measurement of segment profit or loss from the last Annual Consolidated Financial Statements. There is no concentration of the customers (i.e. the revenues from single customer does not exceed 10% of revenue), the revenue is distracted to many clients, mostly individual clients.

According to the Management Board's assessment, the operating segments identified have similar economic characteristics. Aggregation based on the type of development within the geographical location has been applied since primarily the location and the type of development determine the average margin that can be realized on each project and the project's risk factors. Considering the fact that the construction process for apartments is different from that for houses and considering the fact that the characteristics of customers buying apartments slightly differ from those of customers interested in buying houses, aggregation by type of development within the geographical location has been used for segment reporting and disclosure purposes.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 4 – Segment reporting

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated indirectly based on reasonable criteria. Unallocated assets comprise mainly of holding and financing company cash and cash equivalents, fixed assets and income tax assets. Unallocated liabilities comprise mainly income tax liabilities, deferred tax liabilities, bonds and financial liability measured at amortised cost. The unallocated result (loss) comprises mainly head office expenses. IFRS adjustments represent the elimination of the Joint venture segment for reconciliation of the profit (loss), assets and liabilities to the consolidated numbers as well as the effect of measurement of liability at amortised costs. Joint ventures are accounted using the equity method.

The Group evaluates its performance on a segment basis mainly based on sale revenues, own cost of sales from residential projects and rental activity, allocated marketing costs and others operating costs/income assigned to each segment. Additionally, the Group analyses the profit and gross margin on sales, as well as result before tax (including financial costs and income assigned to the segment) generated by the individual segments.

Data presented in the table below are aggregated by type of development within the geographical location:

		As at 31 December 2025										Unallocated	IFRS adjustments	Total
		Warsaw				Poznań		Wrocław		Szczecin				
	Apartment	Houses	Joint venture	Rental	Apartment	Houses	Apartment	Houses	Apartment	Houses				
Segment assets	747 656	119 229	1 493	67 206	118 424	10 905	124 073	-	93 349	-	-	(783)	1 281 552	
Unallocated assets	-	-	-	-	-	-	-	-	-	-	123 414	-	123 414	
Total assets	747 656	119 229	1 493	67 206	118 424	10 905	124 073	-	93 349	-	123 414	(783)	1 404 966	
Segment liabilities	270 343	22 048	619	2 543	32 559	-	16 457	-	12 148	-	-	(619)	356 096	
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	418 155	-	418 155	
Total liabilities	270 343	22 048	619	2 543	32 559	-	16 457	-	12 148	-	418 155	(619)	774 251	

		As at 31 December 2024										Unallocated	IFRS Adjustments	Total
		Warsaw				Poznań		Wrocław		Szczecin				
	Apartment	Houses	Joint venture	Rental	Apartment	Houses	Apartment	Houses	Apartment	Houses				
Segment assets	712 753	126 290	1 654	62 781	105 249	10 509	64 133	-	94 349	-	-	(1 019)	1 176 700	
Unallocated assets	-	-	-	-	-	-	-	-	-	-	98 501	-	98 501	
Total assets	712 753	126 290	1 654	62 781	105 249	10 509	64 133	-	94 349	-	98 501	(1 019)	1 275 201	
Segment liabilities	325 905	30 899	743	858	15 489	62	12 476	-	18 736	-	-	(743)	404 425	
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	316 952	-	316 952	
Total liabilities	325 905	30 899	743	858	15 489	62	12 476	-	18 736	-	316 952	(743)	721 377	

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 4 – Segment reporting

In thousands of Polish Zlotys (PLN)

As at 31 December 2025

	Warsaw			Rental	Poznań		Wrocław		Szczecin		Unallocated	IFRS Adjustments	Total
	Apartments	Houses	Joint venture		Apartments	Houses	Apartments	Houses	Apartments	Houses			
Revenue/Revenue from external customers ⁽¹⁾	318 854	21 788	10	1 101	9 270	-	27 310	-	52 404	-	-	(10)	430 727
Cost of sales	(204 425)	(15 009)	-	(441)	(7 228)	-	(19 130)	-	(38 373)	-	(2 318)	-	(286 923)
Segment result	108 351	5 971	(26)	1 470	1 422	(7)	6 899	-	12 530	-	-	26	136 635
Unallocated result	-	-	-	-	-	-	-	-	-	-	(35 554)	-	(35 554)
Depreciation	(210)	(10)	-	-	(14)	-	(7)	-	(9)	-	(542)	-	(792)
Result from operating activities	108 141	5 961	(26)	1 470	1 408	(7)	6 892	-	12 521	-	(36 096)	26	100 289
Net finance income/expenses	1 898	73	(7)	(16)	104	(4)	105	-	153	-	(8 693)	7	(6 340)
Profit/(loss) before tax	110 079	6 034	(33)	1 454	1 512	(11)	6 996	-	12 674	-	(44 789)	33	93 949
Income tax expenses													(17 683)
Profit/(loss) for the period													76 266

(1) Revenue in Apartments Segments and Houses Segments is recognized at the point in time when the customer takes control of the premises, i.e. on the basis of a signed protocol of technical acceptance, handover of keys to the purchaser of the premises and receipt of full payment.

In thousands of Polish Zlotys (PLN)

As at 31 December 2024

	Warsaw			Rental	Poznań		Wrocław		Szczecin		Unallocated	IFRS Adjustments	Total
	Apartments	Houses	Joint venture		Apartments	Houses	Apartments	Houses	Apartments	Houses			
Revenue/Revenue from external customers ⁽¹⁾	252 391	25 760	55	893	56 076	-	12 011	-	40 547	-	-	(55)	387 678
Cost of sales	(156 397)	(22 320)	(39)	(396)	(47 103)	-	(7 545)	-	(29 584)	-	(2 674)	39	(266 019)
Segment result	86 707	1 158	(24)	2 781	7 647	(22)	3 031	-	7 276	-	-	24	108 578
Unallocated result	-	-	-	-	-	-	-	-	-	-	(21 319)	-	(21 319)
Depreciation	(172)	(3)	-	-	(2)	-	-	-	(7)	-	(402)	-	(587)
Result from operating activities	86 535	1 155	(24)	2 781	7 645	(22)	3 031	-	7 268	-	(21 721)	24	86 672
Net finance income/expenses	1 670	114	-	(36)	230	(4)	498	-	263	-	(9 084)	-	(6 348)
Profit/(loss) before tax	88 204	1 269	(24)	2 745	7 875	(25)	3 529	-	7 531	-	(30 805)	24	80 325
Income tax expenses													(12 722)
Profit/(loss) for the period													67 602

(1) Revenue in Apartments Segments and Houses Segments is recognized at the point in time when the customer takes control of the premises, i.e. on the basis of a signed protocol of technical acceptance, handover of keys to the purchaser of the premises and receipt of full payment.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 5 – Sales revenue

The majority of Group's revenues are generated through development and sale of units, primarily apartments, in residential real-estate projects to individual customers in Poland ("residential units"). The Group recognizes revenues at the moment performance obligations are satisfied. According to Group's policy the performance obligation is satisfied at the moment, the residential unit is handed over to the customer. It occurs only after construction process is finalized meaning occupancy permit received and the full amount is paid by client.

The agreements with the customers do not contain variable considerations. The agreements, in the opinion of the Group, do not contain a significant financing component. Based on such characteristics of revenues, the Group, as a rule, does not present any receivables or other contract assets, except for costs to obtain the contract, capitalized to prepayments. Contract liabilities are reflected by advances received, which are disclosed in the Note 25.

For the year ended 31 December <i>In thousands of Polish Zlotys (PLN)</i>	2025	2024
Sales revenue		
Revenue from residential projects	430 727	387 678
Total sales revenue	430 727	387 678
Cost of sales		
Cost of sales residential projects	(286 923)	(266 019)
Inventory reversals/(write down) to the net realisable value	-	-
Total cost of sales	(286 923)	(266 019)
Gross profit on sales	143 804	121 659
Gross profit on sales, in % to revenue	33%	31%

The table below presents a summary of revenues from residential investments and cost of sales by project:

For the year ended 31 December 2025 <i>In thousands of Polish Zlotys (PLN)</i>	Location	Sale revenues 2025
Ursus Centralny IIe	Warsaw	190 007
Miasto Moje VII	Warsaw	68 827
Zielono Mi I	Warsaw	58 479
Nowa Północ Ib	Szczecin	28 532
Viva Jagodno III	Wrocław	24 022
Nova Królikarnia 4b1	Warsaw	18 924
Nowe Warzymice V.2	Szczecin	10 270
Między Drzewami I	Poznań	7 881
Nowe Warzymice V.1	Szczecin	7 555
Nowa Północ IA	Szczecin	5 221
Eko Falenty I	Warsaw	2 864
Viva Jagodno IIb	Wrocław	2 622
Galileo	Poznań	1 390
Other	-	4 133
Total revenue		430 727

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 5 – Sales revenue

For the year ended 31 December 2024	Location	Sale revenues 2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Ursus Centralny IIc	Warsaw	92 198
Osiedle Vola	Warsaw	71 201
Miasto Moje VII	Warsaw	65 674
Między Drzewami I	Poznań	52 760
Nowa Północ IA	Szczecin	37 791
Eko Falenty I	Warsaw	25 638
Ursus Centralny IIe	Warsaw	9 369
Miasto Moje VI	Warsaw	8 838
Viva Jagodno IIb	Wrocław	8 353
Viva Jagodno IIa	Wrocław	3 655
Grunwaldzka	Poznań	3 316
Nowe Warzymice IV	Szczecin	2 673
Ursus Centralny IIb	Warsaw	1 888
Miasto Moje V	Warsaw	1 438
Other	-	2 885
Total revenue		387 678

Note 6 – Selling and marketing expenses

For the year ended 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Advertising	7 424	7 408
Depreciation	262	199
Other	300	155
Total selling and marketing expenses	7 986	7 763

Note 7 – Administrative expenses

For the year ended 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Personnel expenses	27 563	23 317
- Wages	24 402	20 180
- Social security and other employee benefits	3 161	3 137
External services	3 082	4 504
Consulting fees to main shareholder	1 281	983
Materials and energy	575	666
Depreciation	792	587
Taxes and charges	1 808	1 901
Other	973	825
Total administrative expenses	36 074	32 783
Average number of employees during the year	67	69

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 8 – Other expenses

For the year ended 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Maintenance expense of unsold units	702	1 538
Expense for contractual penalties and compensation	462	395
Write-down of trade receivables and loan to third party	208	143
Charity activities	60	55
Cost of research and due diligence of new projects	1 021	107
IPO costs write-off	-	75
Rental and maintenance costs	354	727
Provision for court case	2 728	-
Result on sale of subsidiary	-	224
Other expenses	472	524
Total other expenses	6 006	3 789

Note 9 – Other income

For the year ended 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Revenues from contractual penalties and compensation	268	365
Rental income from inventory	134	98
Net profit on sale of property and equipment	23	151
Reversal of accruals	2 679	4 571
Sharing of costs of road construction, network reconstruction according to agreements	-	201
Write-off of liabilities/Reversal of allowance for doubtful accounts	768	869
Redesign services (commission)	109	56
Identification of an asset at the subsidiary level	1 008	-
Revenues from services sold to shareholders	300	275
Other income	305	428
Total other income	5 593	7 014

Note 10 – Finance income and costs

For the year ended 31 December 2025

	Total amount	Amount capitalized	Amount capitalized (under IFRS 16)	Recognized in the Statement of Comprehensive Income
<i>In thousands of Polish Zlotys (PLN)</i>				
Interest income on bank deposits	5 344	-	-	5 344
Foreign exchange gain	64	-	-	64
Other finance income	275	-	-	275
Finance income	5 683	-	-	5 683
Interest expense on financial liabilities	(26 334)	15 770	-	(10 564)
Commissions and fees	(3 440)	2 155	-	(1 285)
Other finance costs	(174)	-	-	(174)
Reversal of discount factor on liability measured at amortised cost	(533)	533	-	-
Finance costs	(30 481)	18 458	-	(12 023)
Finance costs – on lease liabilities	(1 659)	-	1 659	-
Net finance income	(26 457)	18 458	1 659	(6 340)

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 10 – Finance income and costs

For the year ended 31 December 2024

<i>In thousands of Polish Zlotys (PLN)</i>	Total amount	Amount capitalized	Amount capitalized (under IFRS 16)	Recognized in the Statement of Comprehensive Income
Interest income on bank deposits	5 156	-	-	5 156
Foreign exchange gain	1 212	-	-	1 212
Other finance income	553	-	-	553
Finance income	6 921	-	-	6 921
Interest expense on financial liabilities	(24 729)	15 712	-	(9 017)
Commissions and fees	(5 253)	4 036	-	(1 217)
Other finance costs	(1 183)	-	-	(1 183)
Reversal of discount factor on liability measured at amortised cost	(1 852)	-	-	(1 852)
Finance costs	(33 017)	19 748	-	(13 269)
Finance costs – on lease liabilities	(1 735)	-	1 735	-
Net finance income	(27 830)	19 748	1 735	(6 348)

Note 11 – Income tax charges

For the year ended 31 December

<i>In thousands of Polish Zlotys (PLN)</i>	2025	2024
Current tax expense		
Current period	22 106	31 653
Taxes in respect of previous periods	215	195
Total current tax expense	22 321	31 848
Deferred tax expense		
Origination and reversal of temporary differences	1 215	(19 381)
Tax losses utilized/(recognized)	(5 852)	255
Total deferred tax expense	(4 638)	(19 126)
Total income tax expense	17 683	12 722

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 11 – Income tax charges

Reconciliation of effective tax rate

For the year ended 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Net profit for the year	76 266	67 602
Total income tax expense	17 683	12 722
Profit before income tax	93 949	80 324
Expected income tax using the Polish tax rate (19%)	17 850	15 262
Tax effect on:		
Taxes in respect of previous periods	(12)	(32)
Non-deductible expenses, net	90	664
Share based payment	119	244
Impact of previously unrecognized deferred tax assets on interest expense	-	(4 352)
Crossing thin cap limit	134	-
Movement on deferred tax assets on tax losses related to previous years	(81)	868
Other non-taxable revenue	(233)	-
Other differences	(184)	65
Tax expense for the period	17 683	12 722
Effective tax rate	18.8%	15.8%

The effective income tax rate for the year ended 31 December 2025 amounted to 18.8% (15.8% in comparative period). Higher effective tax rate was mostly due to recognizing deferred tax asset on tax interests from previous periods and utilizing these tax interests on which deferred tax asset was not created in previous year during year 2024.

Note 12 – Property and equipment

For the year ended 31 December 2025	Vehicles	Equipment	Building	Total
<i>In thousands of Polish Zlotys (PLN)</i>				
Cost or deemed cost				
Balance at 1 January	1 919	2 279	9 161	13 359
Additions	137	268	-	404
Sales and disposals	-	(52)	(260)	(312)
Closing balance	2 056	2 494	8 901	13 451
Depreciation and impairment losses				
Balance at 1 January	1 068	1 336	3 093	5 496
Depreciation for the period	250	268	213	779
Sales and disposals	-	(82)	(260)	(342)
Closing balance	1 318	1 522	3 094	5 934
Carrying amounts				
At 1 January	851	943	6 068	7 862
Closing balance	737	972	5 807	7 517

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 12 – Property and equipment

For the year ended 31 December 2024	Vehicles	Equipment	Building	Total
<i>In thousands of Polish Zlotys (PLN)</i>				
Cost or deemed cost				
Balance at 1 January	1 604	3 504	9 161	14 270
Additions	508	548	-	1 057
Sales and disposals	(194)	(1 774)	-	(1 968)
Closing balance	1 919	2 279	9 161	13 359
Depreciation and impairment losses				
Balance at 1 January	1 045	2 889	2 831	6 764
Depreciation for the period	219	178	262	659
Sales and disposals	(196)	(1 731)	-	(1 927)
Closing balance	1 068	1 336	3 093	5 496
Carrying amounts				
At 1 January	559	615	6 330	7 505
Closing balance	851	943	6 068	7 862

As at 31 December 2025 and 31 December 2024 none of the Property and equipment was secured for bonds issued nor secured bank loans.

Impairment loss

In the years ended 31 December 2025 and 31 December 2024, the Group did not recognize any impairment loss with respect to property and equipment.

Note 13 – Investment property

For the year ended 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Balance at 1 January	60 976	83 220
Perpetual usufruct (IFRS16) movements	14	26
Disposal of investment property	-	(24 212)
Decrease due to tax issue ⁽¹⁾	-	(500)
Investment expenditure	2 337	92
Change in fair value during the year	942	2 349
Balance as at 31 December, including:	64 268	60 976
Cost	46 996	44 661
Perpetual usufruct (IFRS16)	784	770
Fair value adjustments	16 487	15 545

(1) The Group decided to derecognize the capital expenditure from 2021 due to the tax authority's decision after a tax control.

As at 31 December 2025, the investment property included:

- property held for long-term rental yields and capital appreciation, and were not occupied by the Group;
- investment land purchased to build investment property for long-term so-called institutional rental and capital appreciation.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 13 – Investment property**Investment property at Gwiaździsta street (Office building Horizon)**

The investment property consists of a plot of land located in Warsaw (71, Gwiaździsta Street) and an office building with an aggregate usable floor space of 1 423 m² located on this plot that is leased to third parties under lease agreements with a definite as well as an indefinite term subject to a three-month notice period for termination (“Bielany IP”).

Investment property – under construction

The investment property consists of building under construction at Biograficzna street in Warsaw. The potential PUM is 4 660 m² and the potential number of units 240. Building designated for PRS activity.

Investment property – land

The investment property – land comprise of several plots of land located in Warsaw:

- 1) Land located at Marynin street in Warsaw. The potential PUM is 4 183m² and the potential number of units for rent amounts 101. Land designated for PRS activity.
- 2) land located at Poleczki street in Warsaw. Approximate number of units for rent 85 and the potential PUM is 3 450 m². Land designated for PRS activity.
- 3) Land located at Galopu street in Warsaw. The potential PUM is 3 919 m² and the potential number of units 100. Land designated for PRS activity.

Measurement of the fair value

At the end of each reporting year–end, the Management Board conducts an assessment of the fair value of each property, taking into account the most up-to-date appraisals. Profits or losses resulting from changes in the fair value of investment properties are recognized in the Statement of Comprehensive Income in the period in which they arise. The result on the valuation of investment properties is presented in the increase/ decrease in fair value of investment property.

The Management Board determines the value of the property within the range of reasonable estimates of the fair value. The best evidence to determine the fair value is the current prices of similar properties in an active market.

In the absence of such information, management analyzes information from various sources, including:

- current prices from an active market for other types of real estate or recent prices of similar properties from a less active market, adjusted to take account of these differences (comparison method),
- discounted cash flow forecasts based on reliable estimates of future cash flows (income approach),
- capitalized income forecasts based on net market income and capitalization rate estimates derived from market data analysis.

Fair value of the office building is determined in level 3 of the Fair Value Hierarchy and fair value of the investment land is determined in level 2 of the Fair Value Hierarchy, in this method, the key input data are prices per square meter of comparable (in terms of location and size) plots in the same region obtained in sales transactions in the current year (Level 2 of the fair value hierarchy).

The below table presents the impact of the valuation on the profit and loss for the year ended 31 December 2025.

Investment	Cost as at 31 December 2025	Fair value as at 31 December 2025	Impact of fair value	Fair value as at 31 December 2024	Impact of current year valuation	Additions/disposal to/of investment property (capex/sale)	Fair value as at 31 December 2025
Galopu	8 898	14 182	5 284	13 526	145	510	14 182
Poleczki	12 165	11 295	(870)	11 213	31	51	11 295
Auchan/Marynin	9 360	12 550	3 190	12 402	117	31	12 550
Biograficzna	12 880	16 422	3 542	14 489	240	1 693	16 422
Horizon/Gwiaździsta	6 542	8 987	2 445	8 578	409	53	8 987
Total	49 844	63 435	13 591	60 208	942	2 337	63 435

*Financial information presented in the table above does not include impact of IFRS 16 on Horizon building amounted to PLN 784k in 2025 and 770k in 2024

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 13 – Investment property**Income approach**

Investment property at Gwiaździsta street (Office building) is valued at fair value determined as at 31 December 2025 by an independent appraiser, having an appropriate recognized professional qualification using the method of discounted cash flows. As at 31 December 2024, the fair value of Investment property was determined by an independent appraiser as well. Below table presents assumptions used for the valuation.

Location	Name of project	Segment	Valuation technique	Total area m ²	Annual rental revenue (PLN thousands)*	Discount rate	Capitalization rate	Fair value (PLN thousands)
Warsaw	Horizon	Office building	income approach	1 423	860	8.50%	11.76%	8 987
Total								8 987

*Based on valuation report for year 2026

During the year ended 31 December 2025 and 2024 the rental income from investment property amounted to PLN 867 thousand and PLN 827 thousand, respectively. The investment property is currently occupied. In 2025, direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period amounted to PLN 417 thousand. If the discounted rate used for the appraisals of investment property on 31 December 2025, had been 100 basis points higher, the fair value of the investments would have been 4.9% lower. In this situation, the Group's equity would have been PLN 440 thousand lower.

Lease agreements

Receivables for minimum lease payments based on valuation report for 7 years period of the rental of investment property are as follows:

	2025 (PLN thousands)	2024 (PLN thousands)
Less than 1 year	860	826
Between 1 and 2 years	862	827
Between 2 and 3 years	879	827
Between 3 and 5 years	887	827
Between 5 and 7 years	2 608	2 480
Total	6 096	5 787

Input data and the inter-relationship between them and fair value

There are inter-relationships between unobservable inputs. Expected rental fees may impact the net operating income and fair value as well as different time period as well as wages applied to the comparative prices may result in different average price.

The table below summarizes the quantitative information on significant unobservable inputs used in Level 3 of the fair value hierarchy:

Description	Fair value at		Unobservable Inputs*	Range of inputs (probability-weighted average)		Relationship of unobservable inputs to fair value
	31 December 2025 (PLN thousands)	31 December 2024 (PLN thousands)		2025	2024	
Rented building offices (Horizon)	8 987	8 578	Discount rate	8.5%	8.5%	The higher the discount rate, the lower the fair value
			Capitalization rate	11.76%	11.8%	The higher the capitalization rate and the expected vacancy rate, the lower the fair value
			Expected vacancy rate	10.0%	10.0%	

* There were no significant inter-relationships between unobservable inputs that materially affect fair values

Comparison approach (pairwise comparison method)

This approach is used to value investment property for which data on comparable property sale transactions on a given market is available as well as land and residential property. Valuation of these types of property involves an analysis of comparable properties which are being sold on the market and for which the characteristics that determine the purchase price and the terms of the transactions are known.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 13 – Investment property**Comparison approach (pairwise comparison method)**

The table below represents the fair value of the investment property land value based on the comparison approach as at 31 December 2025:

Location	Name of project	Segment	Valuation technique	Total area m ²	Average price for m ² (PLN thousands)*	Fair value of land (PLN thousands)**
Warsaw	Poleczki	Land	Comparison approach	1 820	5.7	10 330
Warsaw	Galopu	Land	Comparison approach	3 718	3.4	12 784
Warsaw	Marynin	Land	Comparison approach	5 447	2.2	12 190
Warsaw	Biograficzna	Land	Comparison approach	6 042	2.4	14 542
Total						49 846

* Average price per square meter

** Amounts related to land fair value only, without capitalized costs

Note 14 – Deferred tax assets and liabilities

Deferred tax assets and liabilities as at the beginning and end of the financial periods are attributable to the following:

In thousands of Polish Zlotys (PLN)	Opening balance 1 January 2025	Recognized in the statement of comprehensive income	Closing balance 31 December 2025
Deferred tax assets			
Tax loss carry forward	4 660	5 852	10 512
Not used taxable interests on bonds movement	3 141	1 500	4 641
Difference between tax and accounting basis of inventory	17 793	(1 391)	16 402
Accrued interest	1 735	(373)	1 361
Accrued expense	1 082	666	1 748
Write-down on work in progress	2 635	(10)	2 625
Fair value valuation of Investment property	320	(6)	314
Other	583	856	1 439
Total deferred tax assets	31 949	7 095	39 044
Deferred tax liabilities			
Difference between tax and accounting revenue recognition	27 538	493	28 030
Difference between tax base and carrying value of capitalized finance costs on inventory	10 727	996	11 724
Accrued interest	571	2	573
Fair value gain on investment property	3 161	212	3 373
Other	808	755	1 563
Total deferred tax liabilities	42 805	2 458	45 262
Total deferred tax loss/ (benefit) (see Note 11)	-	(4 638)	-
Deferred tax assets	31 949	-	39 044
Deferred tax liabilities	42 805	-	45 262
Offset of deferred tax assets and liabilities for individual companies	(23 564)	-	(26 624)
Deferred tax assets reported in the statement of financial position	8 384		12 420
Deferred tax liabilities reported in the statement of financial position	19 240		18 638

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 14 – Deferred tax assets and liabilities

<i>In thousands of Polish Zlotys (PLN)</i>	Opening balance 1 January 2024	Recognized in the Statement of Comprehensive Income	Closing balance 31 December 2024
Deferred tax assets			
Tax loss carry forward	4 915	(255)	4 660
Not used interests in previous periods	-	3 141	3 141
Difference between tax and accounting basis of inventory	36 741	(18 948)	17 793
Accrued interest	1 294	441	1 735
Accrued expense	1 117	(34)	1 082
Write-down on work in progress	2 635	-	2 635
Fair value valuation of Investment property	423	(104)	319
Other	797	(214)	583
Total deferred tax assets	47 922	(15 974)	31 948
Deferred tax liabilities			
Difference between tax and accounting revenue recognition	63 903	(36 366)	27 538
Difference between tax base and carrying value of capitalized finance costs on inventory	9 811	917	10 727
Accrued interest	567	4	571
Fair value gain on investment property	2 754	407	3 161
Difference on tax value on liability to shareholders	431	(431)	-
Other	438	370	808
Total deferred tax liabilities	77 904	(35 100)	42 805
Total deferred tax loss/ (benefit) (see Note II)		(19 126)	
Deferred tax assets	47 922		31 948
Deferred tax liabilities	77 904		42 805
Offset of deferred tax assets and liabilities for individual companies	(41 554)		(23 564)
Deferred tax assets reported in the statement of financial position	6 369		8 384
Deferred tax liabilities reported in the statement of financial position	36 350		19 240

Realization of deferred tax assets

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax strategies in making this assessment. In order to fully realize the deferred tax asset (before offsetting against deferred tax liability), the Group will need to generate future taxable income of approximately PLN 168,147 thousand. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible. The management believes there is a higher probability that the Group will realize the benefits of these deductible differences. The amount of the deferred tax asset, which is considered realizable, could however be reduced in the near term if estimates of future taxable income during the tax loss carry-forward period are reduced.

Tax losses in Poland are required to be utilized within 5 years following the period in which they originated, subject to the limitation that a maximum of 50% of the loss carry-forward can be used in one year. Since 2019 there is allowance of one time up to PLN 5.0 million tax loss utilization in a year and the surplus from this amount is utilized according to the 50% of the tax loss in one year as described above.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 14 – Deferred tax assets and liabilities

Tax losses carry forward where deferred tax has or has not been recognized

As at 31 December	2025			2024		
	Recognized tax losses	Unrecognized tax losses	Total tax losses	Recognized tax losses	Unrecognized tax losses	Total tax losses
<i>In thousands of Polish Zlotys (PLN)</i>						
Tax loss 2019 carried forward	-	-	-	-	648	648
Tax loss 2020 carried forward	5	2 358	2 363	-	2 416	2 416
Tax loss 2021 carried forward	878	4 401	5 278	1 280	4 146	5 427
Tax loss 2022 carried forward	753	4 725	5 478	2 846	4 462	7 308
Tax loss 2023 carried forward	5 413	782	6 195	7 997	798	8 796
Tax loss 2024 carried forward	13 153	352	13 505	12 407	429	12 836
Tax loss 2025 carried forward	35 126	1 379	36 505	-	-	-
Total tax losses carried forward	55 327	13 997	69 324	24 530	12 901	37 430

The deferred tax assets on tax losses carried forward expire in the following years as at 31 December 2025:

	2025		2024	
	Recognized tax losses	Unrecognized tax losses	Recognized tax losses	Unrecognized tax losses
<i>In thousands of Polish Zlotys (PLN)</i>				
2024	-	-	-	123
2025	1	448	-	459
2026	167	836	243	788
2027	143	898	540	848
2028	1 029	149	1 520	152
2029	2 499	67	2 357	82
2030	6 674	262	-	-
Total tax losses carried forward	10 511	2 659	4 660	2 451

Movement in unrecognized deferred tax assets on tax losses carried forward

Unrecognized deferred tax assets on tax losses carried forward in Poland are presented in the table below:

<i>In thousands of Polish Zlotys (PLN)</i>	Balance 1 January 2024	Tax losses expired	Additions/ (Realizations)	Balance 31 December 2024	Tax losses expired	Additions/ (Realizations)	Balance 31 December 2025
Tax losses	1 583	(52)	920	2 451	(123)	332	2 659
Total	1 583	(52)	920	2 451	(123)	332	2 659

Unrecognized deferred tax assets

A deferred tax asset is recognized only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilized. Unrecognized deferred tax assets relate primarily to tax loss carry-forwards, which are not considered probable of realization prior to their expiration.

The Company did not recognize the entire deferred tax asset at consolidation level as the recoverability of such assets is uncertain on level of certain entities. Most of this assets are related to tax losses, total unrecognized deferred tax assets on tax losses as at 31 December 2025 are estimated to be PLN 2 659 thousand (31 December 2024: PLN 2 451 thousand).

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 15 – Inventory and Residential land bank**Inventory**

Movements in Inventory during the twelve months ended 31 December 2025 were as follows:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 1 January 2025	Transferred to land designated for development	Transferred to finished units	Additions	As at 31 December 2025
Land and related cost	364 063	(30 510)	(21 985)	204 887	516 455
Construction costs	95 850	-	(123 737)	227 619	199 731
Planning and permits	20 839	-	(2 706)	13 543	31 676
Borrowing costs	53 901	(5 026)	(14 040)	19 971	54 807
Borrowing costs on lease and depreciation perpetual usufruct right ⁽¹⁾	9 402	-	(24)	2 575	11 952
Other	4 535	-	(4 492)	3 576	3 620
Work in progress	548 589	(35 536)	(166 983)	472 170	818 241

<i>In thousands of Polish Zlotys (PLN)</i>	As at 1 January 2025	Transferred from work in progress	Recognized in the statement of comprehensive income	As at 31 December 2025
Finished goods	199 570	166 983	(284 026)	82 527

<i>In thousands of Polish Zlotys (PLN)</i>	As at 1 January 2025	Transferred to land designated for development	Write-down recognized in statement of comprehensive income		As at 31 December 2025
			Increase	Utilization/ Reversal	
Write-down	(4 525)	1 686	-	-	(2 839)

<i>In thousands of Polish Zlotys (PLN)</i>	As at 1 January 2025	Additions and recalculation adjustment	Depreciation	Transferred to Land designated for development	Transfer to Other receivables	As at 31 December 2025
Perpetual usufruct right ⁽¹⁾	29 265	15 656	(782)	-	(2 569)	41 569
Inventory, valued at lower of – cost and net realisable value	772 899					939 498

(1) For additional information see Note 22.

For the year ended 31 December 2024

<i>In thousands of Polish Zlotys (PLN)</i>	As 1 January 2024	Transferred to land designated for development	Transferred to finished units	Additions	As at 31 December 2024
Land and related cost	401 358	(11 936)	(50 553)	25 194	364 063
Construction costs	173 298	(104)	(275 778)	198 434	95 850
Planning and permits	19 987	-	(6 841)	7 694	20 839
Borrowing costs	51 421	(1 989)	(17 173)	21 642	53 901
Borrowing costs on lease and depreciation perpetual usufruct right ⁽¹⁾	7 363	-	(529)	2 567	9 402
Other	2 990	-	(2 958)	4 504	4 535
Work in progress	656 417	(14 029)	(353 833)	260 035	548 589

<i>In thousands of Polish Zlotys (PLN)</i>	As 1 January 2024	Transferred from work in progress	Recognized in the Statement of Comprehensive Income	As at 31 December 2024
Finished goods	109 608	353 833	(263 871)	199 570

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 15 – Inventory and Residential land bank

For the year ended 31 December 2024

In thousands of Polish Zlotys (PLN)	As 1 January 2024	Transferred to land designated for development	Revaluation write-down recognized in Statement of Comprehensive Income		As at 31 December 2024	
			Increase	Utilization/Reversal		
Write-down	(4 577)	-	-	52	(4 525)	
In thousands of Polish Zlotys (PLN)	As 1 January 2024	Recalculation adjustment	Depreciation	Transferred from land designated for development	Transfer to Other receivables	As at 31 December 2024
Perpetual usufruct right ⁽¹⁾	31 041	841	(714)	-	(1 902)	29 265
Inventory, valued at lower of - cost and net realisable value	792 488					772 899

⁽¹⁾ For additional information see Note 22.**Residential landbank**

Plots of land purchased for development purposes on which construction is not planned within a period of three years has been reclassified as Residential landbank presented within Non-current assets. The table below presents the movement in the Residential landbank:

In thousands of Polish Zlotys (PLN)	For the year ended 31 December 2025	For the year ended 31 December 2024
Opening balance	36 514	21 663
Capital expenditure	1 109	822
Transferred from work in progress and advances for land to land designated for development	35 536	14 029
Transferred from work in progress part of write-down	(1 686)	-
Total closing balance	71 473	36 514
Closing balance includes:		
Book value ⁽¹⁾	80 139	43 494
Write-down	(8 666)	(6 980)
Total closing balance	71 473	36 514

⁽¹⁾ Includes IFRS 16 asset

In the period ended 31 December 2025 the Company decided to reallocate projects Nova Królikarnia 6 and Eko Falenty III from Inventory to the land designated for development in the total amount of PLN 35 536 thousand. The allocation was due changes to current project plans of the group.

Write-down revaluating the inventory and residential land bank

The Management internally assessing the net realizable value of the inventory and residential land bank and decrease the value when the net realizable value is lower than the cost amount. In view of the situation in the property market in which the Group operates, during the year ended 31 December 2025 and 31 December 2024 the Group performed an inventory and residential land bank review with regard to its valuation to net realizable value based on the most reliable evidence available to the Group.

For the year ended 31 December 2025, as a result of Net Realizable Value (NRV) analysis and reviews, a write-down adjustment for some of the Group's inventory was not changed.

Note 16 – Trade and other receivables and prepayments

In thousands of Polish Zlotys (PLN)	As at 31 December 2025	As at 31 December 2024
Value added tax (VAT) receivables	64 173	24 438
Trade receivables	1 557	2 170
Other receivables	13 509	13 681
Trade and other receivables – IFRS 16 (impact of perpetual usufruct)	147	859
Prepayments ⁽¹⁾	8 509	11 625
Total trade and other receivables and prepayments	87 895	52 773

⁽¹⁾ The capitalized contract costs relating to signed agreements with clients have been presented in this line and amounted to PLN 2.2 million for the year ended 31 December 2025 and PLN 2.4 million for the year ended 31 December 2024.

The increase in the balance of value added tax (VAT) receivables results from the high balance of accrued VAT caused by the purchase of land in the fourth quarter of 2025.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 16 – Trade and other receivables and prepayments

During the period ended 31 December 2025 and the year ended 31 December 2024, the Group booked allowance for expected credit losses in the amount of PLN 0.5 million and PLN 1.4 million respectively included in trade and other receivables.

Other receivables balance consists mostly of receivables under dispute described in Note 28. As at balance sheet date, based on current status of the proceedings and best estimation of the management board amount of PLN 11.4 million related to the case is fully recoverable.

Long term trade and other receivables

(i) Ronson Development Sp. z o.o. – Projekt 3 Sp.k.

On 7 February 2024, Ronson Development Sp. z o.o. – Projekt 3 Sp.k. ("Projekt 3") was served with the result of a customs and fiscal inspection conducted on 6 February 2024 by the Head of the Mazovian Customs and Fiscal Office in Warsaw ("UCS") concerning the settlements of Projekt 3 in the tax on goods and services for the period from February to April 2021.

The Head of the Customs and tax office claims they found irregularities in Projekt 3's VAT settlements and questioned Projekt 3's right to deduct input VAT from invoices issued in connection with Projekt 3's acquisition of land property. In the opinion of the Head of the UCS, the inclusion by Projekt 3 of the invoices in question in the VAT purchase registers and then in VAT returns constitutes a breach of Article 88(3a)(4a) of the VAT Act (according to which issued invoices and customs documents do not constitute grounds for a reduction in output tax and a refund of the difference in tax or a refund of input tax in the event that they state activities which have not been carried out – in the part concerning these activities). Projekt 3, disagreeing with the findings of the Head of the UCS, did not correct its VAT returns for the periods from February to April 2021.

On April 17, 2024, Projekt 3 was served with a decision on the conversion of customs and tax control into tax proceedings. The deadline for the conclusion of the proceedings was extended several times. The current deadline for the conclusion of the tax proceedings has been set for 3 March 2026. The completion date of the proceedings is subject to change.

Based on the current status of the proceedings and the Management Board's assessment, the entire amount of VAT covered by the proceedings is recoverable.

(ii) Ronson Development Sp. z o.o. – Stojowskiego Sp.k.

On 29 January 2024, Ronson Development Sp. z o.o. – Stojowskiego Sp. k. ("Stojowskiego") (formerly: Ronson Development Sp. z o.o. – Projekt 6 Sp.k.) was served with the result of a customs and fiscal inspection issued by the Head of the Mazovian Customs and Fiscal Office in Warsaw on 17 January 2024 in respect of Stojowskiego's settlements of goods and services tax for the period of August 2021.

The Head of the Customs and tax office claimed they found irregularities in Stojowskiego's settlements in value added tax and questioned Stojowskiego's right to deduct input VAT from invoices issued in connection with Stojowskiego's acquisition of land property. In the opinion of the Head of the UCS, the inclusion by Stojowskiego of the invoices in question in the VAT purchase registers and then in VAT returns constitutes a breach of Article 88(3a)(4a) of the VAT Act (according to which issued invoices and customs documents do not constitute grounds for a reduction in output tax and a refund of the difference in tax or a refund of input tax in the event that they state activities which have not been carried out – in the part concerning these activities). Stojowskiego, disagreeing with the findings of the Head of the UCS, did not correct its VAT return for August 2021.

On 24 June 2024, Stojowskiego was served with a ruling on the conversion of the customs and fiscal control into tax proceedings. During the proceedings, the deadline for its completion was extended several times. Finally, on 16 June 2025, Stojowski's representative was served with a decision issued by the Head of the Mazovian Customs and Tax Office in Warsaw on 13 June 2025 regarding Stojowski's VAT settlements for August 2021. In the decision, the authority found irregularities in Stojowski's VAT settlements and determined the amount of tax to be refunded to Stojowski's bank account for August 2021 in the amount of PLN 102.902.00, and also determined the amount of additional tax liability for August 2021 in the amount of PLN 2.544.168. On 30 June 2025, an appeal was lodged against the authority's decision, pointing to the invalidity of the ruling. The Director of the Tax Administration Chamber (DIAS), by decision of 13 January 2026, overturned the decision of the first instance authority and referred the case for reconsideration. In its decision, DIAS found the decision of the first instance authority to be incorrect and pointed to the need to supplement the evidence. After the case file has been referred back to the first instance authority, it will reconsider the case. The subject of the dispute currently consists of PLN 2.544.168, which is the value of the disputed excess of input tax over output tax. The date of completion of the proceedings is currently unknown.

Based on the status of the proceedings and the Management Board's assessment, the entire amount of VAT covered by the proceedings is recoverable.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 17 – Advances for land

The table below presents the lists of advances for land paid as at 31 December 2025 and 31 December 2024:

Investment location	As at 31 December 2025	As at 31 December 2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Warsaw, Białogłka	1 450	1 450
Warsaw, Ursus	-	25 000
Total	1 450	26 450

During the period ended 31 December 2025, the Group signed a final purchase agreement for the land in Warsaw, Ursus district. An amount of PLN 25.0 million classified as advance payments for land at the end of the previous period was credited towards the settlement of the transaction. For more information about purchase of plots for the year ended 31 December 2025 please refer to Note 34.

Note 18 – Other current financial assets

Other current financial assets comprise escrow accounts only. The regulations related to the activity of the residential developers imposed on all residential developers in Poland. This is an obligation to open an escrow account for all customers purchasing residential units during the construction period. According to these regulations, all amounts paid by the customers have to be paid directly to the escrow account. The developer is entitled to receive the money only once certain conditions – related mainly to progress of the construction process – are met or upon the transfer of the ownership of the apartment to the customer. As long as the money is kept in the escrow account, the Company cannot dispose of the cash in any way.

Note 19 – Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits freely available for the Group. Cash at bank comprises of overnight deposits, the short-term deposits have an original maturity varying from one day to three months.

As at 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Cash at bank and on hand	12 041	21 173
Short-term deposit	125 075	248 840
Restricted cash	44 112	19 165
Total cash and cash equivalents	181 228	289 178

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits have a duration varying between one day and three months depending on the immediate cash requirements of the Group. As at 31 December 2025 and 31 December 2024 the Group generated interests income through deposits amount of 5.3 PLN million and PLN 5.1 million respectively. The Group held in deposits accounts as at the end of the year respectively PLN 125.1 million and PLN 248.9 million. Throughout the year ended 31 December 2025 and 31 December 2024 the interest on deposits was varying between 0.64% - 3.68% and 0.83% - 3.75% respectively. Restricted cash are pledge to the benefit of banks for securing construction loans.

For information about the fair value of cash and cash equivalents see Note 26.

Note 20 – Shareholders' equity**Share capital**

The share capital of the Company amounts to three million two hundred and eighty thousand two hundred and sixteen euros and twenty-six cents (€3.280.216.26) and is divided into one hundred and sixty-four million ten thousand eight hundred and thirteen (164.010.813) shares with a par value of two eurocents (€0.02) each. The share capital of the Company was fully covered. The number of issued ordinary shares as at December 31, 2025 and as at December 31, 2024 amounted to 164,010,813. All shares are bearer shares. The number of outstanding shares equals the number of votes, as there are no privileged shares issued by the Company. As of December 31, 2025, and December 31, 2024, the Company held 1.567.954 treasury shares (0.96%) (see below), for which it does not exercise any share rights (including voting rights) in accordance with Article 364 § 2 of the Commercial Companies Code.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 20 – Shareholders' equity

Distribution of net profit for the year 2024

On 4 June 2025, the Company's Ordinary General Meeting of Shareholders adopted a resolution on the distribution of the net profit for 2024 in the amount of PLN 67,602,520.32 as follows:

- 1) to allocate the amount of PLN 40,610,714.75 for the payment of dividends to shareholders of the Company,
- 2) to leave the remaining part of the Company's net profit for 2024 undivided.

The distribution of the profit as specified above was subject to the condition that the payment will not affect the Company's development plans. The fulfilment or non-fulfilment of this condition was to be determined by the Extraordinary General Meeting of the Company no later than 19 November 2025. Furthermore, pursuant to the resolution of the Ordinary General Meeting of Shareholders of the Company, in the event of failure to hold such an Extraordinary General Meeting or failure to adopt the above-mentioned resolution by the Extraordinary General Meeting of the Company, or in the event of adoption of a resolution on non-fulfilment of the above condition, the entire amount of profit for 2024 was to remain in the Company. Extraordinary General Meeting of the Company or if a resolution is adopted on the non-fulfilment of the above condition, the entire amount of profit for 2024 was to remain undistributed in the Company. In the event of the dividend payment described above, the date on which the list of shareholders entitled to the dividend payment is determined (the dividend date) was set for 4 September 2025, and the dividend payment date was set for 4 December 2025. The above resolution was in line with the Management Board's proposal regarding the distribution of the Company's net profit for 2024, which was approved by the Supervisory Board.

On 19 November 2025, the deadline expired for the Extraordinary General Meeting of the Company to adopt a resolution on the fulfilment or non-fulfilment of the condition for the payment of dividends. The Extraordinary General Meeting of the Company did not take place on the above-mentioned date.

Therefore, in accordance with the resolution of the Ordinary General Meeting of the Company of 4 June 2025 on the distribution of net profit for 2024, the entire amount of profit for 2024 was left undistributed in the Company.

Proposed current year profit distribution

Until the date of approval of the financial statements for publication, the Management Board of Ronson Development SE has not adopted a resolution on the proposed distribution of net profit for 2025.

Treasury shares

During the Extraordinary General Meeting of Shareholders held on 24 January 2019, the shareholders of the Company decided to approve a share buyback program and the establishment of a capital reserve for the purpose of such program, whereby the Management Board of the Company is authorized to purchase ordinary bearer shares in the Company. In order to fund the purchase of own shares under the buyback program a capital reserve (within retained earnings) is established for an amount of PLN 2.0 million. The capital reserve is subsequently reduced by the amount of the consideration paid for the shares bought back.

Then, on June 30, 2020, the Ordinary General Meeting of the Company adopted a resolution on the adoption of another share buyback program, under which the Management Board of the Company, on July 1, 2020, defined the detailed conditions for the purchase of the Company's own shares, which were also approved by the Supervisory Board of the Company. The maximum amount for the purchase of all shares under the second program was set at PLN 1,369,761.99 (one million three hundred and sixty-nine thousand seven hundred and sixty-one zlotys 99/100).

Currently, due to the fact that the Company is no longer a public company, and all the Company's shares are held directly or indirectly by A. Luzon Group, continuation of the above-mentioned program became irrelevant.

The table below presents the Treasury shares owned by the Company as at 31 December 2025 and 31 December 2024:

As at 31 December <i>In Polish Zlotys (PLN)</i>	2025	2024
Number of shares	164 010 813	164 010 813
Share Capital	12 503 000	12 503 000
Treasury shares	1 567 954	1 567 954
Value of treasury shares	(1 731 716)	(1 731 716)
% of total shares	0.96%	0.96%

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 20 – Shareholders' equity**Share based payment**

On November 28, 2022, Luzon Group announced a private issuance of options for shares of Amos Luzon Development and Energy Group Ltd. ("Options"). According to the allocation, Mr. Boaz Haim received 9,817,868 Options. Options were allotted free of charge. Each Option entitles to one ordinary share of Luzon Group of ILS 0.01 par value, for an exercise price of ILS 0.2 (which however will be settled on a net basis, i.e. final number of received shares will be decreased by a number of shares which market value is equal to full exercise price to be paid).

Mr Haim is entitled to exercise the Options as follows:

- (i) as of November 28, 2024, 40% of the Option has been granted but not exercised;
- (ii) as of November 28, 2025, a further 20% of the Options have been granted but not exercised;
- (iii) after 48 months from the allotment date – up to 20% of allocated Options;
- (iv) after 60 months from the allotment date – up to 20% of allocated Options.

The Options can be exercised until the end of 7 years from the date of their allocation. Options that will not be exercised within the above-mentioned period, expire. Assuming all the Options are exercised, Mr. Haim will hold c.a. 2.38% of the issued and paid-up capital of Luzon Group and about 1.89% of the issued and paid-up capital of Luzon Group on a full dilution basis. The initial effect of the program in year 2023 was recognized in amount of PLN 1.6 million, cost for 2024 amounted to PLN 1.3 million and cost for 2025 amounted to PLN 0.6 million. Program is accounted under IFRS 2 standard as a personnel expense, part of administrative costs and share based payment expense in equity. Total value of the program as of grant date amounted to PLN 4.7 million.

Note 21 – Financial liabilities

The Group's financial liabilities as at 31 December 2025 and 31 December 2024:

As at 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Floating rate bonds	382 506	285 071
Financial liability measured at amortised cost	60 215	–
Lease liabilities related to perpetual usufruct	49 919	36 421
Secured bank loans	217	11 898
Total loans and borrowings	492 857	333 390

Information about the contractual terms of the Group's interest-bearing loans and borrowings is presented in the table below. For more information about the Group's exposure to interest rate, see Note 30.

Bonds

The table below presents the movements in bonds during the year ended 31 December 2025 and during the year ended 31 December 2024 as well as the Current and Non-currents balances as at the end of respective periods:

	2025	2024
<i>In thousands of Polish Zloty (PLN)</i>		
Opening balance	285 071	225 320
Repayment of bond	–	(139 886)
Redemption of bonds at new issuance ⁽¹⁾	(30 100)	(20 114)
Proceeds from bonds (nominal value)	130 000	220 000
Issue cost	(2 180)	(4 343)
Issue cost amortization	1 680	1 775
Accrued interest	25 705	23 994
Interest repayment	(27 670)	(21 675)
Total closing balance	382 506	285 071
Closing balance includes:		
Current liabilities	37 063	9 129
Non-current liabilities	345 443	275 942
Total Closing balance	382 506	285 071

⁽¹⁾ At the issuance date of new series Z part of the bonds X were redeemed – for more details please refer to Note 34.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 21 – Financial liabilities

Bonds as at 31 December 2025

In thousands of Polish Zlotys (PLN)	Currency	Nominal interest rate	Year of maturity	Capital	Accrued interest	Charges and fees	Carrying value	Fair value ⁽¹⁾
Bonds series X ⁽²⁾	PLN	6-month Wibor + 4.20%	2026	29 900	1 372	(3)	31 269	29 900
Bonds series P2023A ⁽³⁾	PLN	6-month Wibor + 3,85%	2027	60 000	1 951	(745)	61 206	60 600
Bonds series Y ⁽⁴⁾	PLN	6-month Wibor + 3,30%	2028	160 000	3 394	(1 761)	161 633	163 136
Bonds series Z ⁽⁵⁾	PLN	6-month Wibor + 2,70%	2029	130 000	449	(2 051)	128 398	130 000
Total				379 900	7 166	(4 560)	382 506	383 636

(1) The fair value is set based on the bond price on Catalyst as at 31 December 2025. Classified as level 1 of fair value hierarchy.

(2) The series X bonds issued on July 2023 are secured by joint mortgage up to the amount of 90.0 million Polish zlotys, bonds were fully repaid by 6th January 2026.

(3) The series P2023A were issued in February 2024 on basis of approved base prospectus for the Company's Public Bond Issuance Program, drawn up in connection with the public offering of bearer bonds with an aggregate nominal value of no more than 175 million Polish zlotys which was expired on 25 July 2024.

(4) In accordance with the Terms and Conditions of the Bonds, the Bonds will be repaid in two installments: (i) at the end of the seventh interest period (24 March 2028), so that after this redemption the balance of the Bonds will be no more than 50% of the originally issued Bonds, and (ii) on 24 September 2028, by paying the remaining part value of the Bonds.

(5) In accordance with the Terms and Conditions of the Bonds, the Bonds will be repaid in two installments: (i) at the end of the seventh interest period (12 June 2029), so that after this redemption the balance of the Bonds will be no more than 60% of the originally issued Bonds, and (ii) on 12 December 2029, by paying the remaining part value of the Bonds.

Bonds as of 31 December 2024

In thousands of Polish Zlotys (PLN)	Currency	Nominal interest rate	Year of maturity	Capital	Accrued interest	Charges and fees	Carrying value	Fair value ⁽¹⁾
Bonds series X ⁽²⁾	PLN	6-month Wibor + 4.20%	2026	60 000	2 993	(432)	62 561	61 440
Bonds series P2023A ⁽³⁾	PLN	6-month Wibor + 3.85%	2027	60 000	2 205	(1 204)	61 001	61 080
Bonds series Y ⁽⁴⁾	PLN	6-month Wibor + 3.30%	2028	160 000	3 931	(2 423)	161 508	160 160
Total				280 000	9 129	(4 059)	285 071	282 680

(1) The fair value is set based on the bond price on Catalyst as at 31 December 2024. Classified as level 1 of fair value hierarchy.

(2) The series X bonds issued on July 2023 are secured by joint mortgage up to the amount of 90.0 million Polish zlotys.

(3) The series P2023A were issued in February 2024 on basis of approved base prospectus for the Company's Public Bond Issuance Program, drawn up in connection with the public offering of bearer bonds with an aggregate nominal value of no more than 175 million Polish zlotys which was expired on 25 July 2024.

(4) In accordance with the Terms and Conditions of the Bonds, the Bonds will be repaid in two installments: (i) at the end of the seventh interest period (24 March 2028), so that after this redemption the balance of the Bonds will be no more than 50% of the originally issued Bonds, and (ii) on 24 September 2028, by paying the remaining part value of the Bonds.

Note 21 – Financial liabilities

Financial ratio covenants in Bonds Terms and Conditions

In the terms and conditions of the issue of the series X bonds, the series P2023A bonds, the series Y bonds, and the series Z bonds the Company undertook that the Net Debt Ratio would not exceed 100% at any time. Exceeding the aforementioned levels of the Ratio will result in an increase in the margin of the respective bond series and may lead to the obligation of the Company to redeem the respective bonds. The Group analyses level of the ratio on monthly basis. As at the date of publication of this report, as at 31 December 2025 and as at 31 December 2024, the Company has not exceeded any of the Ratios contained in the Terms and Conditions of the Bonds.

The Net Debt Ratios as at 31 December 2025 and 31 December 2024 are set out below:

In thousands of Polish Zlotys (PLN)	As at 31 December 2025	As at 31 December 2024
Bonds	382 506	285 071
Secured bank loans	217	11 898
Financial liability measured at amortised cost	60 215	-
IFRS 16 – Lease liabilities related to cars	851	864
Less: cash on individual escrow accounts (other current financial assets)	(31 743)	(11 294)
Less: Cash and cash equivalents	(181 228)	(289 178)
Net Debt	230 818	(2 639)
Equity	632 925	553 824
Ratio	36.6%	(0.5%)
Max Ratio series X, P2023A, Y and Z	100.0%	100.0%

Given the financial projections, management estimates that the aforementioned covenants will not be violated in 2026.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements**Note 21 – Financial liabilities****Other covenants**

Pursuant to the Terms and Conditions of Issue of the series X bonds, the series P2023A bonds, and the series Y bonds, transactions of purchase of services, products or assets from a shareholder of the Company holding more than 25 percent of the Company's shares (within the meaning of IAS 24) or from a related entity (including an entity controlling the Company jointly or individually, in a direct and indirect manner, the Company) or from its subsidiary outside the Group may not in total exceed the amount of PLN 2.0 million in any calendar year and, for the avoidance of doubt, the reimbursement of expenses incurred by such shareholder or entity in connection with the purchase of services, products or assets for the Group from third parties does not constitute an acquisition of such services, products or assets from such shareholder or entity.

Pursuant to the Terms and Conditions of Series Z Bonds, transactions involving the purchase of services, products or assets from a shareholder of the Company holding more than 25 per cent of the Company's shares (within the meaning of IAS 24) or from a related entity (including an entity controlling, jointly or individually, directly or indirectly, the Company) or from an entity outside the Group dependent on it may not exceed a total of PLN 5.0 million in a given calendar year, for the avoidance of doubt, the reimbursement of costs incurred by such a shareholder or entity in connection with the purchase of services, products or assets benefiting the Company from third parties does not constitute the acquisition of such services, products or assets from such a shareholder or entity.

During the period ended 31 December 2025 and period ended 31 December 2024, the consulting fees related to A. Luzon Group amounted to PLN 996 thousand and PLN 984 thousand respectively.

Impact of the implementation of IFRS 16 on financial ratios in bond covenants

Terms and conditions of issuance of Bonds of the Company ("T&C's") provide that only certain, specified types of financial indebtedness should be taken into account when determining the level of financial indebtedness for the purpose of calculating financial ratios in accordance with T&C's. In particular, certain T&C's require that financial indebtedness resulting from finance lease agreements (in Polish: umowy leasingu finansowego) should be included in calculation of the financial indebtedness. Those T&C's do not provide that the indebtedness resulting from finance lease agreements shall also include other financial indebtedness which is recognized as lease liability in accordance with IFRS 16.

Given the above, and taking into the account the type of activities carried out by the Group, despite changes in the IFRS in this respect, the Company concluded that inclusion of other type of financial indebtedness, in particular liabilities from annual fees for perpetual usufruct, for the purposes of calculations of financial ratios would not be in line with T&C's and therefore the Company does not include such finance lease alike items in such calculations. For additional information about IFRS 16 see Note 22.

Significant differences between the information published by the Company regarding the forecast of the Group's financial liabilities as at 31 December 2025 and the Group's financial liabilities results as at 31 December 2025

On 30 December 2024, in fulfilment of the statutory obligation arising from Article 35(1a) of the Act of 15 January 2015 on Bonds (the 'Act on Bonds'), the Company published on its website a forecast of the financial liabilities of the Company and the Group, i.e. the estimated value of liabilities under loans and borrowings, debt securities issues, leases and the estimated financing structure understood as the value and percentage share of the above-mentioned liabilities in the total liabilities and equity of the Company's and the Group's balance sheet as at 31 December 2025.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 21 – Financial liabilities**Significant differences between the information published by the Company regarding the forecast of the Group's financial liabilities as at 31 December 2025 and the Group's financial liabilities results as at 31 December 2025**

In accordance with Article 35(1b) in conjunction with (1c) of the Bond Act, the Group indicates and explains below the significant differences between the published information on the forecast of the Group's financial liabilities and the Group's financial liabilities result as at 31 December 2025.

<i>In thousands of Polish Zloty (PLN)</i>	For the year ended 31 December 2025			
	Forecast	Realization	Variance	
Secured bank loans	26 149	217	(25 932)	(99%)
Bonds with accrued interests	283 463	382 506	99 043	35%
Leases	33 820	49 919	16 099	48%
Financial liability measured at amortized cost	65 000	60 215	(4 785)	(17%)
Total	408 432	492 857	84 425	21%
Percentage share in total liabilities of the Group balance sheet	29.07%	35.08%		

The differences indicated above are the result of changes in plans of the Group, market conditions and following decisions of the Management Board taken during the year ended 31 December 2025:

- The PLN 25.9 million decrease in the use of loans and borrowings is the result of higher financing of construction from the Group's own funds, maintaining low loan balances on the Ursus Ild and Miasto Moje VIII projects due to good sales results, as well as a lower than expected number of projects started;
- Balance of debt securities issued consists of bonds issued and interest on those bonds. The higher realisation is mainly due to the issue of series Z bonds in the amount of PLN 130.0 million in connection with high demand and a favourable situation on the bond market. Part of the proceeds from the bonds (PLN 30.1 million) was allocated to the early repayment of series X bonds with higher interest margins;
- Higher balance of lease liabilities under IFRS 16 is primarily due to the recognition of IFRS 16 assets and liabilities on land covered by perpetual usufruct, purchased in 2025, and the recalculation of the value of assets and liabilities in accordance with IFRS 16 at the end of 2025;
- The difference in the balance of the financial liability measured at amortised cost is primarily due to the valuation and application of the discount rate.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 21 – Financial liabilities**Secured bank loans**

The table below presents the movement in Secured bank loans:

<i>In thousands of Polish Zloty (PLN)</i>	2025	2024
Opening balance	11 898	8 815
New bank loan drawdown	99 418	149 917
Bank loans repayments	(111 100)	(146 833)
Interests accrued on Bank loans	629	735
Interests repayment from Bank loans	(629)	(735)
Bank charges paid	(2 337)	(2 586)
Bank charges presented as prepayments	1 177	(350)
Bank charges amortization (capitalized on Inventory)	1 161	2 936
Total closing balance	217	11 898
Closing balance includes:		
Current liabilities	217	11 898
Non-current liabilities	-	-
Total closing balance	217	11 898

Bank loans as at 31 December 2025

Investment	Currency	Nominal interest rate	Signing date	Year of maturity	Credit line amount in ('000 PLN)	Balance as at 31 December 2025 ('000 PLN)
Zielono Mi II	PLN	1 Month Wibor + 2.70%	14 Nov 2025	2029	45 000	23
Między Drzewami II.1	PLN	1 Month Wibor + 2.70%	19 Dec 2024	2028	32 000	25
Miasto Moje VIII	PLN	3 Month Wibor + 2.10%	26 May 2025	2027	57 800	22
Ursus Centralny II	PLN	3 Month Wibor + 2.10%	27 Jun 2025	2028	150 000	148
Total					284 800	217

Secured bank loans**Bank loans as at 31 December 2024**

Investment	Currency	Nominal interest rate	Signing date	Year of maturity	Credit line amount in ('000 PLN)	Balance as at 31 December 2024 ('000 PLN)
Nova Królikarnia 4b1	PLN	1 Month Wibor + 2.90%	23 Jun 2023	2026	29 000	913
Zielono Mi I	PLN	1 Month Wibor + 2.70%	11 Jun 2024	2027	45 500	10 986
Viva Jagodno III	PLN	3 Month Wibor + 2.10%	8 Nov 2024	2025	24 500	-
Między Drzewami II.1	PLN	1 Month Wibor + 2.70%	19 Dec 2024	2028	32 000	-
Total					131 000	11 899

In the case of bank loans, the fair value does not differ significantly from the carrying amount because the interest payable on these liabilities is close to the current market rates or the liabilities are short-term. For unquoted financial instruments, the discounted cash flow model was used and classified to the second level of the fair value hierarchy.

All credit bank loans are secured. For additional information about unutilized credit loans see Note 28. The bank loans are presented as short-term due to the fact that those are the credit lines used by the Group and repaid during normal course of business (up to 12 months from each tranche loan drawdown).

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 21 – Financial liabilities**Covenants on secured bank loans**

As at 31 December 2025 and 2024, the Group has not breached any loan covenant, which would expose the Group for risk of obligatory and immediate repayment of any loan.

For the bank loans the following collateral was given:

- First priority mortgage on the financed Real Estate, together with a submission to enforcement pursuant to 777 of the Civil Code, on the basis of which the Borrower will submit to enforcement up to the amount of 150% of the loans limit:

Investment	Currency	Credit line amount in (PLN thousand)	Mortgage on land (PLN thousand)
Zielono Mi II	PLN	45 000	67 500
Między Drzewami II.1	PLN	32 000	48 000
Miasto Moje VIII	PLN	57 800	86 700
Ursus Centralny IId	PLN	150 000	225 000
Total		284 800	427 200

- Declaration of submission to enforcement pursuant to art. 777, on the basis of which the Borrower will submit to enforcement up to the amount of 150% of the loans limit,
- First-class civil and registered pledge up to the amount of 150% of the loans limit, established in favor of the Lender on all shares in the Borrower's Company/share capital or on transferable property rights of the general partner and limited partners,
- First-class registered pledge up to the amount of 150% of the loans limit on a set of movables or rights constituting an organizational economic whole,
- Financial pledges, with the highest priority of satisfaction, together with a power of attorney over the Project Accounts (excluding Escrow and VAT Split Payment Account) and pledge of future receivables from the Escrow account,
- Assignment of rights and receivables under the following agreements: Insurance Contracts relating to both the execution period and the operational phase; the Construction Contract; Guarantee received; other material contracts relating to the Project,
- Subordination agreement on loans from related parties,
- Support agreement with the Project Sponsor (Ronson Development SE is the Sponsor in establishing collateral under the loan agreement for the Ursus Centralny IID and Miasto Moje VIII investments) containing a commitment to cover overruns of the Total Project Costs up to an amount from 7.5% to 10% of the Project Budget without land costs and budget reserves, together with a submission to enforcement pursuant to 777 of the Civil Code,
- First-rate registered pledge up to the amount of 150% of the loans limit on dematerialized / non-dematerialized securities – bonds (when they are issued directly by the Borrower),
- Advance payments of dividends by the Borrowers until full repayment of loans are not allowed.

Given the financial projections, management estimates that the aforementioned covenants will not be violated in 2026.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 22 – Right-of-use assets and lease liabilities (IFRS 16)

The movement on the right-of-use assets and lease liabilities during the period ended 31 December 2025 is presented below:

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2025	Transferred to Land designated for development	Additions/ Disposal net	Depreciation charge	Fair value adjustment	Recalculation adjustment	Transfer to trade receivables	31 December 2025
Right of use assets related to inventory	29 265	-	-	(782)	-	15 656	(2 569)	41 569
Right of use assets related to investment property	770	-	-	(20)	34	-	-	784
Right of use assets related to land designated for development	1 519	-	-	(109)	-	-	-	1 410
Right of use assets related to fixed assets	902	-	137	(250)	-	-	-	788

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2025	Transferred to Land designated for development	Additions/ Disposal net	Finance expense	Payments	Recalculation adjustment	Transfer to trade payables	31 December 2025
Lease liabilities related to inventory	34 630	-	-	1 659	(1 296)	15 656	(2 555)	48 094
Lease liabilities related to fixed assets	1 025	-	130	-	(100)	-	-	1 055
Lease liabilities related to investment property	766	-	-	49	(45)	-	-	770

The movement on the right of use assets and lease liabilities during the period ended 31 December 2024 is presented below:

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2024	Transferred to Land designated for development	Additions/ Disposal net	Depreciation charge	Fair value adjustment	Recalculation adjustment	Transfer to trade receivables	31 December 2024
Right of use assets related to inventory	31 040	-	-	(714)	-	841	(1 902)	29 265
Right of use assets related to investment property	744	-	-	(19)	45	-	-	770
Right of use assets related to land designated for development	1 625	-	-	(106)	-	-	-	1 519
Right of use assets related to fixed assets	558	-	508	(165)	-	-	-	902

<i>In thousands of Polish Zlotys (PLN)</i>	1 January 2024	Transferred to Land designated for development	Additions/ Disposal net	Finance expense	Payments	Recalculation adjustment	Transfer to trade payables	31 December 2024
Lease liabilities related to inventory	35 368	-	-	1 735	(1 418)	868	(1 923)	34 630
Lease liabilities related to fixed assets	650	-	469	-	(93)	-	-	1 025
Lease liabilities related to investment property	720	-	-	45	(45)	45	-	766

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 23 – Financial liability measured at amortised cost

On 13 November 2025, Ronson Development spółka z ograniczoną odpowiedzialnością – Projekt 7 sp. k. (subsidiary fully owned by the Group) entered into an agreement under which it acquired the right of perpetual usufruct of a property located in Warsaw in the Ursus district for PLN 140 million (one hundred and forty million). The price was paid on the date of conclusion of the agreement, with part of the price in the nominal amount of PLN 65 million being paid by way of set-off against a loan in that amount granted to the company by the seller. The loan bears interest at a fixed rate of 5% per annum, payable annually, and is to be repaid within 5 years from the date of disbursement. The other terms and conditions of the loan, including the security for its repayment, do not differ significantly from market standards.

Group has recognized the loan as financial liability measured at amortised cost with discounted cash flow rate of 7% per annum. On this basis, the Group accounted financial liability measured at amortised cost at initial recognition in amount of PLN 59.7 million. Part of the land related to this loan transaction was as well recognized in a value of amortised cost i.e. PLN 59.7 million.

The table below presents the movement on the financial liability measured at amortised cost from the initial recognition date, i.e., 13 November 2025 to the end of the reporting period, i.e., 31 December 2025:

In thousands of Polish Zlotys (PLN)

Lender	Value of the liability at amortised costs November 13, 2025	Capitalized finance expense related to discount factor reversal	Value of the liability at amortised costs December 31, 2025
Barra Investment Sp. z o.o.	59 681	533	60 215
Long term part			59 796
Short term part			418

Note 24 – Trade and other payables and accrued expenses

<i>In thousands of Polish Zlotys (PLN)</i>	2025	2024
Trade payables	29 615	23 156
Accrued expenses	33 957	27 183
Guarantees for construction work	3 566	4 502
Value added tax (VAT) and other tax payables	3 950	3 328
Non-trade payables	873	183
Other trade payables – IFRS 16 (<i>transfer of perpetual usufruct to liabilities</i>)	202	884
Total	72 163	59 236

Trade and non-trade payables are non-interest bearing and are normally settled on 30-day terms.

Note 25 – Contract liabilities

Payments from customers on account of the purchase of apartments and parking places are recorded as deferred income until the time that they are delivered to the buyer and are recognized in the income statement as “Sales revenue”. This balance sheet item is closely dependent over time on the relationship between the sales rate (which as it increases, increases this item) and the deliveries rate (which as it decreases, decreases this item).

In thousands of Polish Zlotys (PLN)

	As at 31 December 2025	As at 31 December 2024
Deferred income related to the payments received from customers for the purchase of products, not yet included as income in the income statement		
Opening balance	303 717	231 008
– increase (advances received)	308 279	459 311
– decrease (revenue recognized)	(429 349)	(386 602)
Total advances received	182 647	303 717
Other (deferred income)*	737	1 917
Total	183 384	305 634

* Deferred income from invoices issued for premises delivered but not fully paid as well as reservation fees for apartments paid at 31 December 2025.

Notes to the Consolidated Financial Statements

Consolidated Financial Statement for the year ended 31 December 2025

Note 25 – Contract liabilities

Additional information regarding contracted proceeds not yet received which are a result of signed agreements with the clients, please see Note 28. Revenues from contracts will be recognized at the time of handover the apartment to the client, completion of construction process and obtaining all necessary administrative decisions (occupancy permit), which usually takes from 1 to 3 months from the completion of construction stage.

Note 26 – Fair value estimation of financial assets and liabilities

The fair values of financial assets and liabilities measured at amortised cost, together with the carrying amounts shown in the Consolidated Statement of Financial Position, are as follows:

<i>In thousands of Polish Zlotys (PLN)</i>		Category	Note	As at 31 December 2025	
				Carrying amount	Fair value
Assets:					
Trade and other receivables	<i>Assets measured at amortized costs</i>	16	10 066	10 066	
Other current financial assets	<i>Assets measured at amortized costs</i>	18	31 743	31 743	
Cash and cash equivalents	<i>Assets measured at amortized costs</i>	19	181 228	181 228	
Loans granted to joint ventures	<i>Assets measured at amortized costs</i>		162	162	
Liabilities:					
Bonds	<i>Liabilities measured at amortized costs</i>	21	382 506	383 636	
Secured bank loans	<i>Liabilities measured at amortized costs</i>	21	217	195	
Financial liability measured at amortised cost	<i>Liabilities measured at amortized costs</i>	23	60 215	60 215	
Trade and other payables and accrued expenses	<i>Liabilities measured at amortized costs</i>	24	37 523	37 523	

<i>In thousands of Polish Zlotys (PLN)</i>		Category	Note	As at 31 December 2024	
				Carrying amount	Fair value
Assets:					
Trade and other receivables	<i>Assets measured at amortized costs</i>	16	13 795	13 795	
Other current financial assets	<i>Assets measured at amortized costs</i>	18	11 294	11 294	
Cash and cash equivalents	<i>Assets measured at amortized costs</i>	19	289 178	289 178	
Loans granted to joint ventures	<i>Assets measured at amortized costs</i>		156	156	
Liabilities:					
Bonds	<i>Liabilities measured at amortized costs</i>	21	285 071	282 680	
Secured bank loans	<i>Liabilities measured at amortized costs</i>	21	11 898	9 915	
Trade and other payables and accrued expenses	<i>Liabilities measured at amortized costs</i>	24	59 236	59 236	

Estimation of fair values

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- trade and other receivables, cash and cash equivalents, other current financial assets and trade and other payables and accrued expenses: the carrying amounts approximate fair value because of the short maturity of these instruments;
- secured bank loans and loans granted to joint ventures: the fair value is estimated by discounting the future cash flows of each instrument using discount rates offered to the Group for similar instruments of comparable maturities by the Group's bankers. The own non-performance risk as at 31 December 2025 was assessed as insignificant;
- bonds: the fair value is set based on the bond price on Catalist as at 31 December 2025.

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows (PLN denominated), where applicable, are based on WIBOR plus margin as at 31 December 2025 and 31 December 2024 and are as follows:

As at 31 December	2025	2024
Secured bank loans	6.02% – 6.74%	8.52% – 8.73%
Bonds	6.57% – 8.07%	9.15% – 10.06%
Financial liability measured at amortised cost	7%	-
Loans granted	5% – 6%	5% – 6%

Notes to the Consolidated Financial Statements

Consolidated Financial Statement for the year ended 31 December 2025

Note 27 – Fair value measurement hierarchy

The table below provides the fair value measurement hierarchy of the Group's assets and liabilities:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quantitative disclosures fair value hierarchy for assets and liabilities as at 31 December 2025:

In thousands of Polish Zlotys (PLN)	Date of valuation	Fair value measurement using:		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Investment property	31-Dec-25	-	55 281	8 987
Liabilities for which fair values are disclosed:				
Bonds	31-Dec-25	383 636	-	-
Financial liability measured at amortised cost	31-Dec-25	-	-	60 215
Secured bank loans	31-Dec-25	-	195	-

Quantitative disclosures fair value hierarchy for assets and liabilities as at 31 December 2024:

In thousands of Polish Zlotys (PLN)	Date of valuation	Fair value measurement using:		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
Investment property	31-Dec-24	-	52 398	8 578
Liabilities for which fair values are disclosed:				
Bonds	31-Dec-24	282 680	-	-
Secured bank loans	31-Dec-24	-	9 915	-

Note 28 – Commitments and contingencies**(i) Investment commitments**

The amounts in the table below present uncharged investment commitments of the Group in respect of construction services to be rendered by the general contractors:

In thousands of Polish Zlotys (PLN)	Contracted amount as at 31 December 2025	Commitments as at 31 December 2025	Contracted amount as at 31 December 2024	Commitments as at 31 December 2024
W.P.I.P. – Mardom Sp. z o.o.	94 850	72 028	62 748	25 071
TechBau Budownictwo Sp. z o.o.	116 324	55 314	95 276	6 136
Hochtief Polska S.A.	151 846	66 817	82 800	55 740
FineTech Construction Sp. z o.o.	43 320	41 972	-	-
Przedsiębiorstwem Wielobranżowym „EBUD” – Przemysłówka Sp. z o.o.	21 700	17 027	22 800	12 259
INSTALNIKA Sp. z o.o. Sp.k.	10 714	10 081	-	-
KMJ Deweloper Sp. z o.o.	31 157	9 103	17 050	9 642
Totalbud S.A.	19 496	248	19 222	3 507
Przedsiębiorstwo Budowlane ARKOP Sp. z o.o. Sp. k.	-	-	20 538	8 238
Total	489 407	272 591	320 434	120 594

Consolidated Financial Statement for the year ended 31 December 2025

Note 28 – Commitments and contingencies**(ii) Unutilized construction loans**

The table below presents the list of the construction loan facilities, which the Group arranged for in conjunction with entering into bank loan agreements in order to secure financing of the construction and other costs of the ongoing projects. The amounts presented in the table below include the unutilized part of the construction loans available to the Company/Group:

<i>In thousands of Polish Zlotys (PLN)</i>	As at 31 December 2025	As at 31 December 2024
Ursus Centralny 2d	121 385	-
Zielono Mi II	44 955	-
Miasto Moje VIII	35 054	-
Między Drzewami II.1	18 613	32 000
Viva Jagodno III	-	24 500
Zielono Mi I	-	22 134
Nova Królikarnia 4b1	-	14 895
Total	220 007	93 529

(iii) Contracted proceeds not yet received

The table below shows the amounts that the Group expects to receive from clients undersigned agreements for the sale of apartments, i.e. expected payments undersigned agreements with clients up to 31 December 2025, net of amounts received up to the balance sheet date (which are presented in the Consolidated Statement of Financial Position as advances received):

<i>In thousands of Polish Zlotys (PLN)</i>	Completion date*	As at 31 December 2025			As at 31 December 2024		
		Total value of preliminary sales agreements signed with clients	Advances received from Clients until 31 December 2025	Contracted payments not received yet as at 31 December 2025	Total value of preliminary sales agreements signed with clients	Advances received from Clients until 31 December 2024	Contracted payments not received yet as at 31 December 2024
Ursus Centralny IId	Q4 2026	149 075	55 243	93 832	39 404	4 099	35 304
Miasto Moje VIII	Q2 2026	73 559	40 886	32 674	39 473	8 003	31 470
Zielono Mi II	Q4 2026	40 334	12 916	27 418	-	-	-
Między Drzewami II.1	Q4 2026	37 473	20 319	17 153	22 313	3 257	19 057
Między Drzewami II.2	Q3 2027	30 806	2 646	28 160	-	-	-
Zielono Mi I	Q3 2025	22 074	18 396	3 679	47 010	21 171	25 839
Nova Królikarnia 4b1	Q3 2025	20 303	18 326	1 977	29 990	24 160	5 830
Startowe	Q4 2026	15 242	5 208	10 033	-	-	-
Nowe Warzymice V.2	Q3 2025	8 044	1 577	6 467	7 656	3 795	3 860
Viva Jagodno III	Q3 2025	6 617	2 693	3 925	16 579	8 328	8 251
Nowa Północ IIa	Q4 2026	6 466	841	5 625	-	-	-
Nowa Północ IB	Q3 2025	2 666	627	2 039	6 827	2 218	4 608
Ursus Centralny IIe	Q4 2024	1 789	250	1 539	165 524	153 611	11 913
Nowe Warzymice VII.1	Q4 2026	1 631	324	1 307	-	-	-
Miasto Moje VII	Q4 2024	555	550	5	67 161	58 623	8 539
Nowe Warzymice V.1	Q3 2025	-	-	-	7 516	5 752	1 764
Viva Jagodno IIa	Q4 2022	950	950	-	702	67	635
Viva Jagodno IIb	Q2 2023	657	66	591	227	232	(5)
Nowa Północ Ia	Q1 2024	-	-	-	984	541	443
Między Drzewami I	Q3 2024	-	19	(19)	7 838	6 665	1 173
Eko Falenty I	Q4 2023	-	10	(10)	2 843	1 437	1 406
Other (old) projects		747	801	1 490	1 850	1 758	92
Total		418 989	182 648	237 885	463 898	303 717	160 181

*From the completion date the assumed recognition of the advances as revenue is between 3-9 months

Consolidated Financial Statement for the year ended 31 December 2025

Note 28 – Commitments and contingencies

(iv) Litigations

Ursus Centralny

Ronson Development Sp. z o.o. – Ursus Centralny Sp.k. ('Ursus Centralny Company') is a party to court proceedings to determine the amount of the perpetual usufruct fee for the land owned by the State Treasury, located in Warsaw at 6, 6A Taylora Street.

The Group treats this as a contingent liability.

In a letter dated 19 November 2021, the State Treasury – Mayor of the Capital City of Warsaw informed Ursus Centralny Company about the determination of the annual fee for plot 98/2 with an area of 65 198 m² in the new amount, i.e.:

- for 2022 in the amount of PLN 476 000.00,
- for 2023 in the amount of PLN 2 034 000.00,
- for 2024 and subsequent years in the amount of PLN 3 591 000.00.

In view of Ursus Centralny Company's objection to the increase in the annual fee, the case was finally referred to court.

In the course of the proceedings, plot 98/2 was divided several times:

- as of 1 September 2022 three newly separated road plots with a total area of 15,140 m² became the property of the Capital City of Warsaw, which means that any increased annual fee calculated on the basis of their area will be payable to the City only for the period from 1 January 2022 to 1 September 2022;
- on 28 October 2022, the perpetual usufruct right to the newly separated investment plot with an area of 8,686 m², developed with residential buildings, was converted into ownership, which means that from the indicated area, as of 28 October 2022, the City is not entitled to an annual fee for use;
- pursuant to an agreement concluded between Ursus Centralny Company and the State Treasury on the change of the purpose of perpetual usufruct of part of the property, it was established that with regard to the properties constituting plots with a total area of 24,383 m², the annual fee for perpetual usufruct of the land will be 1% starting from 1 January 2023.

In the court proceedings pending in the case, on 14 March 2024, an expert opinion was issued by a property appraiser valuing plot 98/2 as at 19 November 2021 at PLN 124 928 900.00. The opinion was questioned and supplemented several times.

By a decision of 10 October 2025, the court dismissed further motions for evidence filed by Ursus Centralny and issued an order requiring the parties to submit their final positions in the case within 14 days, while also informing them of its intention to refer the case to a closed session and close the hearing. On 27 November 2025, the court issued a judgment dismissing Ursus Centralny's claim in its entirety and ordering it to bear all costs of the proceedings. Ursus Centralny requested that the court provide a statement of reasons for its judgment, but ultimately decided not to appeal.

An analysis of the agreement on the change in the manner of perpetual usufruct, as well as the agreement on the future conclusion of an agreement on the change in the manner of perpetual usufruct, indicates that after the court proceedings are completed, Ursus Centralny Company will have to pay the difference between twice the fee determined in the final court ruling or settlement agreement and the fee already paid (amounting to twice the fee applicable before the termination). This means that, regardless of the amounts already paid as a result of the conclusion of the agreement on the change of the purpose of perpetual usufruct, Ursus Centralny Company will have to pay the difference calculated on the basis of the final decision ending the pending proceedings.

Given the current stage of the legal proceedings, the group has decided to create a provision of PLN 2.7 million for future payment in fiscal year 2025.

Galileo

On 3 February 2023, in a case against Ronson Development Sp. z o.o. – Estate Sp. k., a subsidiary of the Company that operated the Galileo development project (the "Estate Company"), a judgment was issued obligating the Estate Company to pay the plaintiff (the purchaser of a unit in this project) the amount of PLN 80 thousand with statutory interest from the date of filing the lawsuit (May 28, 2013) as a reduction in the price of the unit due to its defects. The judgment was issued by the court of second instance and is final and has been executed. In connection with its issuance, the Estate Company decided to establish a provision for other similar cases in the total amount of PLN 2.1 million, as of 31 December 2022, and from which the amount of PLN 535 thousand was released in the previous year. Currently, due to the fact that settlements have been reached in five cases (court settlements concluded), this provision currently amounts to PLN 1.4 million.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 28 – Commitments and contingencies

(iv) Litigations

Galileo

Currently, there are three court proceedings pending, brought by buyers of premises against Galileo Company, for a reduction in the purchase price of the premises due to defects in the building. These are:

- a case with a value in dispute of PLN 944,106, concerning four premises purchased by one person. On April 5, 2024, the court issued a judgment awarding the claimant PLN 669,003.41 from Galileo Company, together with statutory interest for delay calculated from the date of the payment request, which at present is close to the amount of the principal claim. Both parties appealed against the above judgment. The case is pending before the court of second instance;
- case with a value in dispute of PLN 231,000. On May 28, 2025, the court of first instance issued a judgment awarding the claimant PLN 231,000 from Galileo Company, together with statutory interest for delay calculated from December 14, 2012, until the date of payment. We are currently awaiting the preparation of the grounds for the judgment;
- Case with a value in dispute of PLN 150,000. The case is at the first instance stage. A decision is not expected in the coming months due to the ongoing evidence proceedings.

In 2025, the following cases brought by buyers against Galileo Company were concluded:

- 1) a case with a value in dispute of PLN 80,000.00. The claim was dismissed in its entirety due to the statute of limitations on the plaintiffs' claims. The plaintiffs appealed the judgment, which was dismissed by a judgment dated February 25, 2025.
- 2) a case with a value in dispute of PLN 80,000.00. The claim was dismissed by a judgment of February 25, 2025, due to the statute of limitations on the claims. The claimant did not appeal, and as a result, the judgment became final.

In addition, to date, the Galileo Company has entered into settlements in five cases, pursuant to which payments were made for price reductions and court proceedings were discontinued.

At the same time, Estate Company is a plaintiff in a case against Eiffage Polska Budownictwo S.A. the general contractor of the Galileo development project ("Eiffage"), its insurer and others involved in the development and their insurers, the subject of which is the recognition of the liability of Eiffage and others for Estate Company's damages related to the improper implementation of the project and compensation. In addition, Estate Company has already received partial compensation from the designers and their insurer for damage caused in the implementation of this project.

Lawsuit by City Link 4 Housing Community

On 31 December 2025, the subsidiary Ronson Development Partner 5 sp. z o.o. – City 1 sp.k. received a lawsuit filed by the City Link 4 Housing Community located at ul. Skierniewicka 34A in Warsaw. The claim concerns the performance of repair works regarding alleged defects in the common areas of the property or, alternatively, the payment of compensation (or price reduction under warranty) in the amount of PLN 3.11 million, plus statutory interest for delay.

On 13 February 2026, the Company filed a formal response to the lawsuit, requesting that the claim be dismissed in its entirety. The Group considers the claims to be unfounded. Furthermore, the Group is in ongoing cooperation with the General Contractor, who is currently carrying out necessary repairs and remains contractually obligated under the guarantee to rectify any potential defects.

Matters relating to the acquisition of certain real estate

During the twelve months ended 31 December 2025, three Group companies, i.e. Ronson Development Sp. z o.o. – Projekt 3 Sp.k. ("Projekt 3"), Ronson Development SPV4 Sp. z o.o. ("SPV4") and Ronson Development Sp. z o.o. – Projekt 4 Sp.k. ("Projekt 4"), were parties (as claimants) to number of enforcement proceedings pending against several related companies that were sellers or otherwise participated in the sale of certain land properties. The claims of the above-mentioned companies from the Group constitute claims for the return of deposits paid or demands for payment of double deposits. In addition, during the twelve months ended 31 December 2025, proceedings were pending for the disclosure of the debtor's assets (three cases pending), as well as three proceedings for the enforcement of a notarial deed (concluded with the delivery of the requested enforcement titles).

Based on the current status of the proceedings and Management's best judgment, the Group recognized an asset impairment charge of PLN 2.6 million in the year ended December 31, 2023, and subsequently, in connection with the signing of the agreement described below and the collection of PLN 0.9 million in 2024, the Group reversed part of the write-off. As at 31 December 2025, the remaining amount of the write-off of receivables amounted to PLN 1.7 million.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements**Note 28 – Commitments and contingencies****(iv) Litigations****Matters relating to the acquisition of certain real estate**

In addition, as part of the above enforcement proceedings:

- on 28 April 2025, a bailiff's auction was held, during which Ronson Development spółka z ograniczoną odpowiedzialnością – Projekt 4 sp.k. (Projekt 4) auctioned its share of 174/480 of the unseparated part of the real estate located at 32A Wysockiego Street for the price of PLN 1 011 103.50 (the starting price being 75% of the assessed value of the share in the real estate). On 1 September 2025, the court issued a decision on the award of ownership. The decision became final on 1 October 2025. Project 4 became the owner of the above-mentioned share in the property;
- on 25 June 2025, a bailiff's auction was held, during which Projekt 4 bid for a share of 6/16 of the unseparated part of the property located at 15 Wysockiego St for the price of PLN 800 000.00. On 12 September 2025 the court has issued a decision to grant the bid. On 8 January 2026, the representative of Projekt 4 sent a statement to the bailiff regarding the acquisition of the property in exchange for the debt. On 14 January 2026, the representative of Projekt 4 was served with a demand for payment of the balance of the price, and on 26 January 2026, the representative of Projekt 4 sent a response to the demand for payment of the balance of the price. Projekt 4 is currently awaiting the award of ownership.

Note 29 – Related party transactions**Parent company**

The Company enters into various transactions with its subsidiaries and with its directors and executive officers. For a list of subsidiaries reference is made to Note 1.

The main related parties' transactions arise on:

- Agreement with the major shareholder;
- Transactions with key management personnel;
- Share based payment.

Outstanding balances with related parties as at 31 December 2025 and as at 31 December 2024 are unsecured and settlement is made in the ordinary course of business. The Group did not record any impairment of receivables relating to amounts owed by related parties in either year. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. All transactions with related parties were performed based on market conditions.

Agreement with the major shareholder

Consulting services agreement with Luzon Ronson N.V. for a monthly amount of PLN 83 thousand (effective from 1 February 2024), as well as payment of travel and out-of-pocket expenses. Company additionally is issuing the invoices monthly for the services that it is providing for A. Luzon Group in amount of PLN 25 thousand from which it recognized in 2025 a total revenue of PLN 300 thousand. All transactions with related parties were carried out at arm's length. During the twelve months ended 31 December 2024, the Group incurred costs of PLN 996 thousand and PLN 984 thousand for the period ended 31 December 2025.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 29 – Related party transactions**Transactions with key management personnel**

During the period ended 31 December 2025 and 31 December 2024, key management personnel of the Company included the following members of the Management Board and Supervisory Board:

Mr. Amos Luzon – Chairman of Supervisory Board

Mr. Ofer Kadouri – Member of Supervisory Board

Mr. Alon Kadouri – Member of Supervisory Board

Boaz Haim – President of the Management Board

Yaron Shama – Finance Vice-President of the Management Board

Andrzej Gutowski – Sales Vice-President of the Management Board

Karolina Bronszewska – Member of the Management Board for Marketing and Innovation

Key Management Board personnel compensation

Apart from the compensation listed below, there were no further benefits granted/paid to key management personnel. Key management personnel compensation can be presented as follows:

As at 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Salary and other short time benefit	539	615
Management bonus	-	60
Incentive plan linked to financial results	70	35
Other benefits ⁽¹⁾	28	32
Subtotal – Mrs Karolina Bronszewska	637	742
Salary and other short time benefit	382	379
Management bonus	-	60
Incentive plan linked to financial results	105	105
Other related parties ⁽²⁾	268	258
Subtotal – Mr Yaron Shama	755	802
Salary and other short time benefit	252	248
Management bonus	-	64
Incentive plan linked to financial results	267	267
Other benefits ⁽¹⁾	25	33
Other related parties ⁽²⁾	324	324
Subtotal – Mr Andrzej Gutowski	868	937
Salary and other short time benefit	816	574
Incentive plan linked to financial results	1 473	786
Share base payment	625	1 282
Other benefits ⁽¹⁾	592	619
Other related parties ⁽²⁾	3 110	1 746
Subtotal – Mr Boaz Haim	6 617	5 007
Total	8 877	7 488

(1) Mainly related to car expenses, flights and accommodation and an American school.

(2) Transactions with related parties

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 29 – Related party transactions

Loans to directors

As at 31 December 2025 and 31 December 2024, there were no loans granted to members of the Management Board.

Other transactions with directors and management personnel

During the year ended 31 December 2025, the Group recognized income from one apartment sold in 2023 to a company owned by Mr. Andrzej Gutowski, Vice-President of the Company's Management Board, for a total net amount (excluding VAT) of PLN 267.9 thousand, one apartment and parking place sold in 2023 to Mrs Karolina Bronszewska for a total net amount of PLN 393.2 thousand. The transactions were made on an arm's length basis and in accordance with the Group's policy on transactions with related parties.

Supervisory Board remuneration

As at 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Mr Ofer Kadouri (first appointment: 1 March 2017)	57	54
Mr Alon Kadouri (first appointment: 1 March 2017)	57	54
Total	114	108

The Supervisory Board Members are entitled to a quarterly fee of EUR 2,225 plus an amount of EUR 1,500 per personal attendance in the Supervisory Board meeting (EUR 750 if attendance is by using means of direct remote communication). The total amount due in respect of Supervisory Board fees during 2025 and 2024 amounted to PLN 114 thousand (EUR 26.8 thousand) and PLN 108 thousand (EUR 25.1 thousand), respectively. In addition, the Company paid social security contributions at the amount of PLN 19.2 thousand in the year ended 31 December 2024.

Mr Amos Luzon did not receive any direct remuneration from the Company nor from any of the Company's subsidiaries.

Loans granted to related parties

All loans were granted to the joint venture (Coralchief Sp. z o.o. – Projekt 1 Sp.k. and Ronson IS Sp. z o.o. Sp.k.).

Share based payment expense

Under the 2022 incentive program, Mr. Boaz Haim was granted approximately 9.8 million share options in A. Luzon Group, exercisable on a net-settlement basis at an exercise price of 0.2 ILS. The options vest in stages over a 5-year period, representing approximately 1.89% of the share capital on a fully diluted basis. The total program cost recognized during 2023–2025 amounted to 3.5 million PLN (for further details on valuation and vesting schedules, see Note 20).

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 29 – Related party transactions

Other

As a result of requirements pertaining to A. Luzon Group, one of the Company's larger (indirect) shareholders, whose shares are listed on the Tel Aviv stock exchange, the first quarter reports, semi-annual reports and third quarter reports are subject to a full scope review by the Company's auditors. The Company has agreed with A. Luzon Group that the costs for auditors' reviews will be paid fully by the Company.

The description regarding private issuance of options for shares of Luzon Group is described in the Note 20.

Note 30 – Risk management

The Group's activities expose it to a variety of risks: global risks, market risks and financial risk factors (currency risk, liquidity risk, fair value measurement risk, interest rate risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Management Board reviews and updates policies for managing each of these risks and they are summarized below. The Group also monitors the market price risk arising from all financial instruments.

The Group does not use derivative financial instruments to hedge currency or interest rate risks arising from the Group's operations and its sources of finance. The Group's principal financial instruments comprise cash balances, other current financial assets, loans granted to JVs and Group subsidiaries, bank loans, bonds, trade receivables and trade payables. The main purpose of these financial instruments is to manage the Group's liquidity and to raise finance for the Group's operations.

In terms of risks specific for the sector, in which the Group operates, the Group is exposed to potential increase in construction costs, potential increase in interest rates, the challenge of securing lands for reasonable prices, which can lead to the significant negative impact on the margins of projects, a prolongation of administrative procedures as well as an increasing competition in the market are considered to be the most significant uncertainties for the financial period ending 31 December 2025.

Global risks – The impact on the Polish economy and the real estate industry

Initial estimates from Poland's Statistic Office (GUS) indicate that Poland's GDP growth in 2025 should oscillate around 3.6%, compared to 2.9% in 2024. Household consumption jumped by 3.7% (3.1 % in 2024), and public consumption rose by 5% (7.0% in 2024), while fixed investment increased by 8.9% (1.3% in 2024). The general government deficit is expected to increase to 5.5%–6% of GDP in 2025, driven by increased spending on defense and health. The unemployment rate is set to rise slightly to 5.7% in 2025 and expected to decline 2026.

In the fourth quarter of 2025, residential sales increased across most major Polish metropolitan areas relative to the previous quarter. The Tri-City was the only market to record a decline, although its Q4 performance remained within a historically acceptable range. Across the six largest markets, developers sold approximately 11,300 units, representing a 4% quarter-on-quarter increase.

Supply-side activity accelerated in parallel. Developers, responding to stronger demand in the second half of the year, expanded their investment pipelines and introduced roughly 13,500 units to the market—an increase of 43% compared with Q3 2025. This expansion was observed consistently across all six agglomerations.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Interim Condensed Consolidated Financial Statements

Note 30 – Risk management

Global risks – The impact on the Polish economy and the real estate industry

The improvement in sales dynamics was primarily attributable to monetary easing. The interest-rate reduction cycle initiated in May 2025 lowered the NBP base rate by a cumulative 125 basis points by year-end. This shift materially improved mortgage affordability and encouraged both credit-dependent and cash-based buyers to re-enter the market. Cash buyers, in particular, appeared motivated by expectations that further rate cuts would intensify competition for the most attractive units and reduce the availability of promotional pricing.

Market expectations for 2026 point to additional rate reductions of 50–75 basis points, which would further support demand. Construction costs remained broadly stable throughout 2025, enabling developers to launch new projects at price levels comparable to previous quarters while maintaining viable margins. However, regulatory changes scheduled for implementation in 2026 may begin to exert upward pressure on construction costs.

From the perspective of cash buyers, the current combination of elevated inventory levels and high price negotiability provides a strategic window for acquisitions ahead of a potential increase in demand from mortgage-financed households.

New supply outpaced sales in Q4 2025, reversing the inventory depletion observed in earlier quarters. By the end of December, the six largest markets offered approximately 63,500 units—5.4% more than in Q3. This represents the highest level of available stock ever recorded across these markets.

Average transaction prices across the six cities declined by 12.51% quarter-on-quarter. The most significant decreases occurred in Wrocław and the Tri-City (–4.47% q/q) and in Poznań, Kraków, and Łódź (–2.7% q/q). Prices in Warsaw and Szczecin remained broadly unchanged. The number of completed but unsold units increased sharply, rising by 5.4% compared with the previous quarter, indicating a notable accumulation of ready-to-occupy inventory.

Between January and December 2025, the number of building permits issued declined by 17% relative to the same period in 2024, suggesting a potential future slowdown in supply growth.

Competitive pressure among developers remained high, sustaining significant flexibility in price negotiations. Discounts and promotional offers were widespread across active projects. The market continued to be dominated by buyers purchasing for owner-occupation, while investor activity remained structurally subdued. Households with available capital increasingly favored alternative investment vehicles, a trend reinforced by the prospect of new restrictions or taxation affecting rental income.

The Group is observing the situation and introduced an appropriate offer.

Market risk – Inflation risk

According to the Statistical office of Poland (GUS) Annual inflation in Poland continued to moderate through 2025, with a clear deceleration between the third and fourth quarters. Year-on-year CPI stood at 2.9% in September 2025, the final month of Q3, and declined further to 2.4% by December 2025, the end of Q4 comparing to inflation rate of 4.7% in the end of 2024. This represents a measurable easing of inflationary pressure over the quarter, consistent with the broader disinflation trend observed throughout the year. The slowdown was driven primarily by weaker price dynamics in food and non-alcoholic beverages, as well as deeper declines in transport and clothing categories, while price growth in several service components remained stable or slightly accelerated. Overall, the Q3–Q4 movement indicates a continued normalization of consumer-price growth toward the lower end of the inflation range observed in recent years.

This remains the lowest level since June 2024, the decline in the inflation rate was mostly related to slower price growth in food and non-alcoholic beverages (2.4% vs 2.7% in November), education (6.1% vs 6.1%), , restaurants and hotels (5.2% vs 5.5%), and communication (3.6% vs 3.8%). In contrast, prices rose faster in alcoholic beverages and tobacco (7.9% vs 7.1%) recreation and culture (1.9% vs 1.7%) and miscellaneous goods and services (1.3% vs 1%), while price growth held steady for health (4.7%) and .housing and utilities (4,1%)

At the same time, contractions eased for transport (–3.2% vs –3.3%), furnishings, household equipment and routine household maintenance (–1.4% vs –1.8%), and clothing and footwear (–2.2% vs –2.1%).

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements**Note 30 – Risk management****Market risk – Inflation risk**

Despite the continued decline in inflation and the gradual reduction of interbank interest rates throughout 2025, the Group remains exposed to significant macroeconomic risks. Although monetary easing has begun to alleviate financing pressures, interest rates and inflation levels remain elevated to affect the Group's operating environment. Key risks include potential reductions in mortgage availability due to still-high average lending rates, ongoing pressure on construction costs driven by energy, labour, and supply-chain factors, and the possibility of delays in launching new projects should sales momentum weaken.

A high level of interest rates has had negative consequences for the Group in the form of high interest expenses on the debt held – total financial expenses for the period ended 31 December 2025 amounted to PLN 27.4 million (including capitalized expenses), as compared to PLN 25.8 million in the comparative period ended 31 December 2024. The benchmark interest (WIBOR) as of 31 December 2025 was 3.87% (WIBOR 6M), compared to 5.80% in the comparative period of previous year.

The Management Board is continuing to monitor the situation, and adopt further actions, if necessary, in order to reduce as much as possible the effect of the inflation and interest rates on the Group's operations and strategy. The significance of the above risk factor and the probability of its occurrence is assessed by the Group as high. It had a significant, negative impact on business activity and financial situation of the Group and may have such negative impact in the future.

Market risk – Construction cost risk and nonperformance by General contractors

The Group's activities expose it to a variety of construction costs risks such as construction cost increase risk, raw materials cost increase, shortage of qualified workforce, increase in labor costs and delay in obtaining the necessary permits to start construction.

Construction labour costs in Poland remained on an upward trajectory throughout 2025, driven by persistent shortages of skilled workers and continued wage pressure across the sector. According to Eurostat data, labour costs in construction increased by 6.6% year-on-year in Q3 2025, reflecting sustained structural tightness in the labour market. Preliminary data for Q4 2025 indicate that labour-cost growth remained elevated, with wage dynamics stabilizing at a high level rather than easing, as employers continued to face competition for qualified personnel. As a result, construction companies operated under consistently higher labour-cost burdens across all four quarters of 2025, contributing to increased project-execution costs and exerting pressure on development margins.

The rising costs are driven not only by economic conditions and inflation but primarily by legislative changes. A significant increase was due to dual increase in the minimum wage, which reached PLN 4 300 gross in July 2024 and 4 666 gross from January 2025, and inflation-driven rises in many sectors. Every wage increase automatically raises ZUS contributions and other employer expenses. Adding onboarding, training, and non-wage benefits increase dramatically the overall costs of remuneration for employees.

The Group do not conduct construction business, however, for each project an agreement with an external general contractor is concluded. The general contractor is responsible for the construction works and completion of the project, including obtaining all permits necessary for safe use of the residential units.

The risk related to improper performance of the agreement by the general contractor may cause delays in the project or have a significant impact on the Group's operations, financial conditions, or results. The Group sees potential sources of improper performance of the obligations by the general contractor in a lack of access to qualified workforce, increase in salaries/wages, costs of construction materials and increase in energy prices.

Inadequate performance of the agreement may lead to claims against the general contractor, potentially rendering it unable to meet the claims of the Company and the Group. A crucial factor in selecting a general contractor is its experience, professionalism, financial stability (including its capacity to provide bank and/or insurance guarantee) and the adequacy of the insurance policy to cover all risks associated with the construction process. The Group is carefully analyzing each General Contract with whom cooperation is being considered.

Significance of the above risk factor and the probability of its occurrence is assessed by the Group as medium, it may have negative impact in the future.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements**Note 30 – Risk management****Market risk – Risk related to financing of the Group's operations**

The real estate development business, in which the Company and the Group operates, requires significant initial expenditures to purchase land and to cover construction, infrastructure, and design costs.

The Company and the Group, in order to continue and develop its business, require significant amounts of cash through external bank financing and the issuance of bonds. The Company's and Group's ability to obtain such financing depends on many factors in particular, on market conditions which are beyond the Company's and the Group's control. In the event of difficulties to obtain the required financing, there is a risk that the operational scale of the Company's and Group's development and pace of achieving its strategic objectives may differ from what was originally planned. To mitigate the risk of insufficient financial resources, the Group is actively exploring alternative financial sources that can provide the necessary funding with favorable conditions.

The Group defines significance of the above risk factor and the probability of its occurrence as medium, because in the event of its occurrence, the scale of the negative impact on business activity and financial situation of the Group could be significant.

Market risk – Risk related to the development of PRS Business in the Group's structures

At the end of 2021 year, the Group resolved to commence its business operations in the Private Rented Sector (PRS). This segment has been recognized as a promising and complementary addition to the Group's residential business portfolio. Despite extensive experience in the housing market, entering a new segment entails a multitude of financial, legal, and public relations risks. These risks include an increased capital commitment, elevated debt levels, reduced flexibility in responding to market fluctuations, diminished competitiveness, the potential for underperformance in relation to projections, and the risk of adverse public perception. Despite thorough analyses conducted prior to the commencement of operations, the outcomes of such projects may deviate from initial assumptions and adversely impact the Group's operations and financial standing.

As at 31 December 2025, the carrying amount of investment properties was PLN 64.3 million, and land designated for development in the PRS segment was PLN 55.3 million, which accounted for approximately 3.9% of the Group's assets. The Group commenced construction of its first PRS project in the fourth quarter of 2025.

As the PRS activity is complementary to the Group's core business, the risk of lack of success in this segment will not significantly affect the Group's financial position. If there is no success in the rental area, the completed units will mostly be able to be sold by the Group on the market as ordinary flats or the whole PRS project will be sold to an external Investor.

Market risk – Legislation and administrative risk

The nature of development projects requires the Company and the Group to obtain a number of permits, approvals and agreements at each stage of the development process. Despite the utmost care being taken to meet project schedules, there is always a risk of delay in obtaining these.

Moreover the Polish legal environment is characterised by frequent changes, inconsistency and lack of uniform interpretation of laws and tax regulations subject to frequent amendments, which contributes to risk factors related to the legal environment in which the Group operate.

The Group's operations cannot be conducted in isolation from the legal environment, which consists of both applicable laws and the practice of applying them. Since laws and the interpretation and practice of their application are subject to changes that are not always favorable to the Group's operations, these changes must be taken into account by the Group when conducting its operations, especially when planning future projects.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 30 – Risk management

Market risk – Legislation and administrative risk

The amendment to the Planning and Development Act, which came into force on 30 September 2023 (many of its solutions will in fact be in force from 1 January 2026 or from the adoption of a general plan by a municipality), has introduced significant changes and these should be taken into account in 2025 and in subsequent years.

Indeed, among the most important changes introduced in the aforementioned law, it is necessary to point out:

- resignation from the study of spatial development conditions and directions in favor of a general plan, which will cover the area of the entire municipality and will be an act of local law;
- establishment of new rules for issuing decisions on land development conditions – after 31 December 2025, decisions on development conditions will only be able to be issued in the areas designated in the new municipality's general plan in the so-called areas of development completion (OUZ). The municipality may designate these in the general plan, but is not obliged to do so. This means that in some municipalities that choose not to designate OUZs, the issuing of development conditions will not be possible. In addition, decisions on land development conditions issued after 1 January 2026 will be valid for 5 years and not indefinitely as before;
- repealing as of 31 December 2025 the so-called lex developer and introducing a new planning tool in the form of integrated investment plans.

In addition, as of 1 July 2024, the transitional period of the existing Act of 20 May 2021 on the Protection of the Rights of the Purchaser of a Dwelling or Single-Family House and on the Developer Guarantee Fund (the so-called Developer Act) ended and, as of 1 July 2024, the sale of flats in all ongoing development projects has already taken place in accordance with the new Developer Act. Furthermore, from 22 August 2025, the obligation to pay contributions to the Developer Guarantee Fund also apply to investments commenced before 1 July 2022, i.e. those for which the transitional period described above ended on 1 July 2024.

Moreover, on 1 August 2024, the Ordinance of the Minister of Development and Technology of 27 October 2023 amending the Ordinance on technical conditions to be met by buildings and their location will come into force. The amendment to the technical conditions particularly concerns the requirements for multi-family residential buildings, the most important of which include:

- a change in the distance between buildings (as a rule, the minimum distance of a multi-family residential building of more than 4 overground stories, facing the wall with windows or doors towards the plot boundary is to be at least 5 meters);
- an obligation to provide for a biologically active area of at least 25% of the area of building plots intended, inter alia, for the construction of multi-family residential buildings, unless a different percentage results from the local spatial development plan;
- a change in the minimum area of commercial premises, which will be 25 sq. m;
- an increase in the requirements for the organization of child-friendly playgrounds and recreation areas for people with special needs next to multi-family buildings (the amended regulations introduce requirements for the minimum area of a playground in relation to the number of flats in a multi-family residential building or a complex of such buildings. They also set out requirements for the equipment of playgrounds and their fencing or surfacing);
- an obligation to provide a storage room for bicycles and strollers with an area of at least 15 square meters.

Although another important change for the market came into force on 1 January 2026. The Civil Protection and Civil Defence Act of 5 December 2024 (the so-called Shelter Act) imposes an important obligation to construct shelters and hiding places in new multi-family residential buildings and in selected public facilities. There was a transitional period in 2025, and the new regulations will apply to projects where a building permit application is submitted after 31 December 2025. Shelters will have to meet certain standards for safety, structural strength and equipment. This means additional costs for investors and the need to adapt projects to the new technical requirements. Developers should take these changes into account already at the planning stage of future developments to avoid problems with obtaining permits.

Moreover the Ministry of Development and Technology is working on a law to increase the availability of land for housing. It is planned to remove restrictions on the trading of agricultural properties within the administrative boundaries of cities and to abandon the right of repurchase by the National Agricultural Support Centre.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 30 – Risk management

Market risk – Legislation and administrative risk

In addition, it is planned to reduce the ratio of parking places under the procedure of the Act on Facilitation (the so-called Lex developer), changes in the procedure for drawing up the Integrated Investment Plan by introducing the principles of investor participation by allowing the municipal council to establish within a resolution, constituting an act of local law, the guidelines for urban planning agreements concluded in connection with the drawing up of integrated investment plans. This is intended to regulate the scope of obligations of the municipality and the investor that can be established in the urban planning agreement. In addition, several changes have been proposed to streamline the procedure for drawing up Integrated Investment Plan, to simplify the procedures for issuing building permits and to shorten the waiting time for administrative decisions in terms of changes to the rules for lodging appeals and complaints. The introduction of these changes is likely to reduce the bureaucratic burden that currently prolongs investment processes by up to several years.

Another significant change in the market is the enactment of the so-called "Housing Price Disclosure Act", i.e. the Act of 21 May 2025 amending the Act on the Protection of the Rights of the Purchaser of a Dwelling or Single-Family House and the Developer Guarantee Fund, which came into force on 11 July 2025, with the proviso that for development projects whose sales started before 11 July 2025, these projects are subject to the application of the Housing Price Disclosure Act from 11 September 2025.

The Housing Price Disclosure Act introduces the following obligations on the part of developers:

- an obligation on the developer to have its own website since the start of sales, including before the conclusion of reservation agreements,
- an information obligation on the developer's own website to:
 - a) provides the general part of the prospectus concerning a given development project or development task in the case of separate development tasks,
 - b) provides information about the address of the registered office, the address of the premises where he conducts sales, the method of contact between the purchaser and the Developer, the location of the project or task,
 - c) provides the price per m² (square meter) of usable floor area of each offered apartment or detached house and the entire property or part thereof, which is the subject of the agreement, (e.g., parking space, as a division for use),
 - d) provides the price of accessory premises or rights necessary for the use of the dwelling or detached house, if the price of these premises or rights is not included in the price referred to in point c), (e.g. a storage room organized as an accessory, a share in a detached garage),
 - e) provides information on cash benefits other than those referred to in points c) and d), which the purchaser is obliged to make to the developer in performance of the agreement transferring the ownership, (e.g. fee for processing tenant's amendments, fee for increase in VAT, increase in area – the so-called tolerance, etc.), – prices from items c), d), e) including the value added tax,
- an obligation to update data, keep history of changes – in the event of change of prices or cash benefits, the developer, as of the date of such change, updates the information on the website with the date of such change, keeping the information provided so far, starting from the date of commencement of sale. It should be noted that in the event of a discrepancy between the price stated on the developer's own website and the price offered at the conclusion of the contract, or even entered in the contract, the purchaser has the right to demand conclusion of the contract at the price most favorable to him. The Act on the disclosure of housing prices does not prohibit selling cheaper than the price offered on the website, as this is a more favorable situation for the purchaser,
- an obligation to report above price information to the minister responsible for information technology once a day, via a designated IT system and the developer's individual account.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 30 – Risk management

Market risk – Legislation and administrative risk

Another very important change on the market is the amendment to the Act of 21 May 2025 amending the Act on the Protection of the Rights of the Purchaser of a Dwelling or Single-Family House and the Developer Guarantee Fund of 4 December 2025, which entered into force on 13 February 2026. This amendment regulated the method of calculating the price of a flat or single-family house, specifying that in development agreements, binding agreements, reservation agreements, etc., the price of a flat or single-family house is determined as the product of the square metres of their usable area and the price per square metre of usable area. The usable area is determined in accordance with the rules contained in the Polish Standard for determining and calculating area and volume indices in construction, in force on the date of submitting the application for a building permit or notification of construction. This amendment definitively ended the period of applying other methods of calculating the price, i.e. sales area or calculation area, to which developers usually added, for example, the area under partition walls in flats or houses. The provisions of the above-mentioned Polish Standard are imprecise and give rise to differences in interpretation because they do not correlate with other legal provisions. Therefore, there are voices on the market saying that usable floor area should be assessed in accordance with the provisions of the relevant regulation on the detailed scope and form of a construction project, which would best implement the idea of the amendment, i.e. discontinuing the inclusion of the area under partition walls in premises or houses in the price.

It is also worth noting that, based on the amendment to the Act of 21 May 2025 amending the the Act on the Protection of the Rights of the Purchaser of a Dwelling or Single-Family House and the Developer Guarantee Fund of 17 October 2025, provisions were introduced establishing the so-called the "HOUSE Portal"- Residential Property Transaction Data Portal. The HOUSE Portal aims to create a publicly accessible, free website providing reliable information about the residential property market in Poland, increase market transparency and facilitate citizen's access to data on actual prices of flats and houses. Although the amendment will come into full force on 2 April 2027, the regulations organising the HOUSE Portal came into force on 2 December 2025. It should be noted that, according to subsequent government announcements, the HOUSE Portal may receive new functionalities. For example, according to amendment draft No. UD361, work is underway on changes to the regulations concerning, in particular, enabling citizens to compare the activities of developers on an ongoing basis and assess their credibility. The proposed amendments are to include, among other things, information concerning: the identification of a given developer, investment projects and investment tasks, possible delays in the implementation of investment projects or investment tasks, contributions paid to the Developer Guarantee Fund, penalties imposed in the course of administrative proceedings, pending court proceedings concerning the restructuring or bankruptcy of the developer. Draft amendment No. UD361 also provides for the introduction of a statutory prohibition on indexing the price of a flat or single-family house to the detriment of the purchaser after the signing of a development agreement or a binding agreement. The purchaser would obtain a statutory guarantee of price stability.

The above-described legislative changes are some of the most major changes that, in the opinion of the Management Board, may have a direct or indirect impact on the Group's operations and results. However, considering the Group's extensive market experience, its ability to swiftly adapt to evolving market conditions, its financial standing, and its market reputation, the Board is confident that these changes will have a diminished impact on the Group compared to other developers.

Financial risk factors

The Group's activities expose it to a variety of financial risks such as currency risk, liquidity risk, fair value measurement risk and interest rate risk.

(i) Currency risk

Entities within the Group are exposed to foreign exchange risk in relation to receivables, payables and financial instrument measured through profit and loss denominated in currencies other than the Polish zloty.

In 2025 as well as 2024 the Group didn't hedge its investments or liabilities in foreign operations. As of 31st December 2025 there are no significant monetary balances held by the Group that are denominated in a non-functional currency and have material effect on the Group results.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 30 – Risk management**Financial risk factors****(ii) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

<i>In thousands of Polish Zlotys (PLN)</i>	Period ended 31 December 2025				Total
	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	Over 5 years	
Bonds (principal only)	29 987	59 255	286 188	-	375 340
Interests on bonds	33 620	24 481	21 202	-	79 303
Secured bank loans	217	-	-	-	217
Lease liabilities related to perpetual usufruct of land and investment property	1 923	8 677	4 054	35 265	49 919
Financial liability measured at amortised cost	3 677	3 250	74 323	-	81 250
Trade and other payables	72 163	-	-	-	72 163
Total	141 498	95 664	385 766	35 265	658 193

<i>In thousands of Polish Zlotys (PLN)</i>	Year ended 31 December 2024				Total
	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	Over 5 years	
Bonds (principal only)	-	59 568	216 374	-	275 942
Interests on bonds	26 490	26 472	31 462	-	84 424
Secured bank loans	11 898	-	-	-	11 898
Lease liabilities related to perpetual usufruct of land and investment property	1 463	1 463	4 388	29 108	36 421
Trade and other payables	59 236	-	-	-	59 236
Total	99 087	87 503	252 224	29 108	467 921

The Group is exposed to liquidity risk as a result of mismatching maturity of assets and liabilities. The Group's liquidity risk is managed with respect to the Group's risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash, bank loans, bonds and other financial instruments. The Group constantly looks for other opportunities to obtain funds which will ensure necessary financing and their favourable conditions.

(iii) Fair value measurement risk

The Investment properties are valued at fair value determined by an independent appraiser (please refer to Note 13).

In the year ended 31 December 2025, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets, investment property.

(iv) Interest rate risk

The Bonds issued by the Group bear interest at a floating rate based on WIBOR6M plus a margin. As of December 2025, the WIBOR6M was 3.87% (as of 31 December 2024, it was 5.80%). The Bank loans are based on WIBOR3M or WIBOR1M plus margin. Changes in the WIBOR rate will have a significant impact on the Group's cash flow and profitability.

Till the end of 31 December 2025 the Company has issued new series of bonds, series Z in the amount of PLN 130 million maturing on 12th of December 2029.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 30 – Risk management**Financial risk factors****(iv) Interest rate risk**

The table below presents the sensitivity analysis and its impact on net assets and income statement assuming if the variable interest rate changes by 1% assuming that all other variables remain unchanged:

<i>In thousands of Polish Zlotys (PLN)</i>	31 December 2025		31 December 2024	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Income statement				
Variable interest rate assets	1 252	(1 252)	2 500	(2 500)
Variable interest rate liabilities	(3 827)	3 827	(2 970)	2 970
Total	(2 575)	2 575	(470)	470
Net assets				
Variable interest rate assets	1 252	(1 252)	2 500	(2 500)
Variable interest rate liabilities	(3 827)	3 827	(2 970)	2 970
Total	(2 575)	2 575	(470)	470

Short-term receivables and payables are not exposed to interest rate risk.

New benchmark reference index

The National Benchmark Reform Working Group (NGR), operating under the Polish Financial Supervision Authority, is working on replacing WIBOR and WIBID with a new RFR reference rate – POLSTR (Polish short-term reference rate). This rate is intended to become a key element of the financial market in Poland, in line with the EU's BMR regulation.

Year 2025

In Q4 2025, the Polish financial market completed the transition toward the new overnight risk-free reference rate, POLSTR (Polish Short-Term Rate), which is being introduced as the primary alternative to WIBOR in line with EU Benchmark Regulation requirements. During the quarter, the National Bank of Poland and market institutions expanded the publication framework, operational guidelines, and testing environment for POLSTR, enabling broader use of the rate in financial contracts and supporting the gradual migration of market participants. The development of POLSTR in Q4 2025 marked a key step toward replacing legacy interbank benchmarks with a transaction-based, more transparent reference rate, which is expected to influence future pricing of financial instruments, loan agreements, and hedging strategies across the Polish market.

As at the reporting date, certain of the Group's financial liabilities and interest-bearing instruments continue to reference WIBOR, which remains the prevailing benchmark in existing loan agreements. The Group has not yet transitioned any contracts to POLSTR, and no modifications to contractual cash flows have been required. The Group expects that future amendments if any to loan agreements may be necessary once counterparties formally adopt POLSTR-based pricing.

Year 2026:

- Completion of systemic and operational adjustments by financial market institutions.
- Start of offering POLSTR-based credit products to businesses and individual customers.
- Issue of bonds and launch of the market for POLSTR-based derivatives.
- Central clearing of derivative transactions by national and international clearing houses.

Year 2027

- Widespread availability of POLSTR-based products in banks' offerings.
- Full liquidity of the OIS market and the possibility of converting existing WIBOR contracts to POLSTR.
- The Ministry of Finance will publish a regulation specifying the date of replacement of WIBOR and the rules for applying the replacement index and the adjustment spread.

Year 2028:

- Planned end of publication of WIBOR and WIBID rates.
- Mandatory use of POLSTR as a replacement rate in contracts and financial instruments, in accordance with the provisions of the new regulation.

The aim of the reform is to ensure a safe and EU-compliant transition to the new reference standard in the Polish financial system.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 30 – Risk management**New benchmark reference index**

At this stage, the Group does not expect the transition to POLSTR to result in a significant modification of its financial instruments. The Group continues to monitor regulatory developments and market adoption of POLSTR and will implement the required changes once the benchmark transition becomes effective for its financing arrangements.

The Group did not use any hedging instruments to mitigate the interest risk as the interest rates in Poland were exceptionally low for a long time and the Group was benefiting from low floating rates. Due to high inflation, the floating rates increased considerably exposing the Group for high interest rates. The Group considered hedging instruments but at this stage, there was no benefit for doing so as costs of hedging together with the capped interests were similar to the floating rates the Group will pay. As at 31 December 2025, the published rate for POLSTR 6M was 4.46%, compared to WIBOR 6M, which was 3.87%.

The Group assesses the significance of the Interest rate risk as medium because its occurrence has had a moderate effect on business activity and the financial situation of the Group and may have such a negative impact in the future. The Group estimates the probability of occurrence of this risk as high.

Interest rate risk and liquidity risk analysed

In respect of income-earning financial assets and interest-bearing financial liabilities, the following tables indicate their average effective interest rates at the reporting date and the periods in which they mature or, if earlier, re-price.

As at 31 December 2025

In thousands of Polish Zlotys (PLN)	Note	Average effective interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Fixed rate instruments								
Cash and cash equivalents	19	2.35%	55 153	55 153	-	-	-	-
Other current financial assets	18	0.0%	31 743	31 743	-	-	-	-
Financial liability measured at amortised costs	23	5%	(60 215)	(418)	-	-	(59 797)	-
Variable rate instruments								
Cash and cash equivalents	19	0.0%	125 075	125 075	-	-	-	-
Secured bank loans	21	Wibor 3M or 1M + 2.1% - 2.7%	(217)	(217)	-	-	-	-
Floating rate bonds	21	Wibor 6M + 2.7%-4.2%	(382 506)	(37 063)	-	(59 255)	(286 188)	-
Loans granted to joint ventures		Wibor 6M + 3.2%	162	-	162	-	-	-

Interest rate risk and liquidity risk analysed

As at 31 December 2024

In thousands of Polish Zlotys (PLN)	Note	Average effective interest rate	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Fixed rate instruments								
Cash and cash equivalents	19	2.7%	248 840	248 840	-	-	-	-
Other current financial assets	18	0.0%	11 294	11 294	-	-	-	-
Variable rate instruments								
Cash and cash equivalents	19	0.0%	40 338	40 338	-	-	-	-
Secured bank loans	21	Wibor 3M or 1M + 2.1% - 2.7%	(11 898)	(11 898)	-	-	-	-
Floating rate bonds	21	Wibor 6M + 3.3%-4.2%	(285 071)	(9 129)	-	(59 568)	(216 373)	-
Interest bearing deferred trade payables		Wibor 6M	-	-	-	-	-	-
Loans granted to joint ventures		Wibor 6M + 3.2%	156	-	156	-	-	-

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 30 – Risk management**Financial risk factors****(v) Credit risk**

Credit risk is the risk of financial loss of the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially expose the Group to concentrations of credit risk consist principally of cash, cash equivalents and receivables, loans granted to JV and third parties, as well as other current financial assets.

The Group is making substantial cash payments as security for preliminary land purchase agreements. To mitigate its credit risk associated with these payments, the Group registers advance repayment obligations in the mortgage register of the respective property. Management has implemented a comprehensive credit policy and continuously monitors its credit risk exposure. This monitoring involves analyzing overdue receivables from clients, assessing the credit risk of financial institutions, and ensuring the liquidity position of the joint venture and related companies.

The maximum exposure to credit risk as at 31 December 2025 and as at 31 December 2024 was as follows:

As at 31 December	2025	2024
<i>In thousands of Polish Zloty (PLN)</i>		
Trade and other receivables	10 213	14 654
Loans granted to joint ventures	162	156
Cash and cash equivalents	181 228	289 178
Other current financial assets	31 743	11 294
Total	223 346	315 282

The Group places its cash, cash equivalents and other current financial assets in financial institutions with high credit ratings. Management has no information that any counterparty will fail to meet its obligations. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Group's customer base. The credit quality of cash at banks and short-term bank deposits can be assessed by reference to external credit ratings.

A) Cash and cash equivalents

<i>In thousands of Polish Zloty (PLN)</i>	As at 31 December 2025	As at 31 December 2024
Rating		
A2	155 382	261 273
A3	23 568	-
BAA1	641	25 871
BAA3	-	597
BB*	1 635	1 437
Total cash at banks and short-term bank deposits	181 226	289 178

(B) Other current financial assets

<i>In thousands of Polish Zloty (PLN)</i>	As at 31 December 2025	As at 31 December 2024
Rating		
A2	22 702	8 543
A3	9 041	-
BAA1	-	2 751
Total other current financial assets	31 743	11 294

The Group keeps cash and cash equivalents and other financial assets in seven financial institutions.

Cash and cash equivalents and escrow accounts presented in Other financial assets in Statement of Financial Position are considered to have low credit risk. While Other financial assets and Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Given such characteristics of the financial instruments the Management estimates that credit risk loss allowance with respect to all financial instruments, including primarily loans granted, is immaterial.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 31 – Capital management

When managing capital, it is the Group's objective to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the profit distribution, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio and leverage financial ratio. The Group's policy is to keep the gearing ratio of the Group lower than 60%, and a leverage of the Group lower than 50%.

Banking covenants vary according to each loan agreement, but typically are not related directly to the gearing ratio of the Group but to the proportion of loan to value of the mortgage collateral which usually is required not to cross the limit of 70% or 75%.

Moreover, the Group is obliged to monitor its indebtedness according to the conditions of the bond issuance, which require, amongst others, that in each reporting period the Group shall test the ratio between Net debt to Equity. The Ratio shall not exceed 100% (for additional information see Note 31).

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Consolidated Statement of Financial Position) less cash and cash equivalents and less Other current financial assets. Leverage is calculated as net debt divided by total capital employed. Total capital employed is calculated as "equity" as shown in the Consolidated Statement of Financial Position plus net debt financing assets in operation.

The gearing ratios and leverage at 31 December 2025 and 31 December 2024 were as follows:

As at 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Loan and borrowings, including current portion	382 506	285 071
Secured bank loans	217	11 898
Financial liability measured at amortised cost	60 215	-
IFRS 16 – Lease liabilities related to cars	851	864
Less: cash and cash equivalents	(181 228)	(289 178)
Less: cash on individual escrow accounts (other current financial assets)	(31 743)	(11 294)
Net debt	230 818	(2 639)
Total equity	632 925	553 824
Total capital employed	863 743	551 185
Gearing ratio	36.5%	(0.5%)
Leverage ratio	26.7%	(0.5%)

There were no changes in the Groups approach to capital management during the year. During the period, the Group did not breach any of its loan and borrowings covenants, nor did it default on any other of its obligations.

Note 32 – Cash flow reconciliation**Inventory and Residential land bank**

For the year ended 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Balance sheet change in inventory	(166 599)	19 589
Finance expense, net capitalized into inventory	19 971	19 654
Impact of perpetual usefruct recognition	13 680	(606)
Purchase of land	111 500	25 440
Transfer from advances for land	25 000	-
Purchase of land settled by financial liability measured at amortised cost	60 215	-
Transfer from land designated for development	(35 536)	(14 029)
Write-down of inventory	-	52
Other	1 279	886
Change in inventory in the Consolidated Statement of Cash Flows	29 510	50 985

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 32 – Cash flow reconciliation**Trade and other receivables and prepayments**

For the year ended 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Balance sheet change in trade and other receivables and prepayments	(35 019)	(4 494)
Impact of IFRS 16	(711)	(1 941)
Other non-cash reclasses	(1 543)	(504)
Change in Trade and other receivables and prepayments in the Consolidated Statement of Cash Flows	(37 273)	(6 939)

Trade and other accounts payable

For the year ended 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Balance sheet change in Trade and other accounts payable	12 927	(40 064)
Impact of IFRS 16	(682)	1 877
Other non-cash transactions and reclasses	1 365	640
Transfer of payables due to sold of subsidiary	-	23 450
Change in Trade and other payables and accrued expenses in the Consolidated Statement of Cash Flows	13 609	(14 098)

Note 33 – Information about agreed-upon engagements of the Group's auditor

Information about audit agreements and the value from those agreements is disclosed below:

For the year ended 31 December	2025	2024
<i>In thousands of Polish Zlotys (PLN)</i>		
Audit and review remuneration for Standalone and Consolidated Financial Statements	614	588
Other services	-	85
Total remuneration	614	673

Note 34 – Events during the financial year**Occupancy permits**

Project name	Location	Occupancy permit date	Number of units	Area of units (m ²)
Nowa Północ IB	Szczecin	8 August 2025	89	4 213
Nowe Warzymice V.1	Szczecin	14 August 2025	12	942
Zielono Mi I	Warsaw	1 September 2025	91	5 636
Nowe Warzymice V.2	Szczecin	24 September 2025	27	2 263
Viva Jagodno III	Wrocław	29 September 2025	58	3 145
Nova Królikarnia 4b1	Warsaw	12 November 2025	11	2 515
Total			288	18 715

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 34 – Events during the financial year**Building permits**

Project name	Location	Building permit date	Number of units	Area of units (m ²)
Nova Królikarnia 3d*	Warsaw	15 October 2025	8	714
Epopei	Warsaw	25 November 2025	139	6 854
Nova Królikarnia 4c	Warsaw	27 November 2025	11	2 614
Total			158	10 182

* The building permit obtained applies to one of the buildings (designated for apartments) belonging to the project, with a total area of 714 m².

Conclusion of a material agreement for General contractors

Project name	Location	Number of units	General contractor	Agreement signing date	Agreement net value (PLN million)	Additional provisions
Ursus Centralny IId	Warsaw	361	Techbau Budownictwo Sp. z o. o.	13 January 2025	118.8	None
Zielono Mi II	Warsaw	73	Hochtief Polska S.A.	1 April 2025	31.7	None
Startowe	Wrocław	198	Hochtief Polska S.A.	20 May 2025	69.8	None
Nowe Warzymice VII.I	Szczecin	28	KMJ Deweloper Sp. z o. o.	1 July 2025	13.7	None
Nowa Północ 2A	Szczecin	83	Przedsiębiorstwo wielobranżowe "EBUD" – Przemysłówka Sp. z o. o.	14 July 2025	21.7	None
Między Drzewami II.2	Poznań	202	W.P.I.P. – Mardom Sp. z o.o.	30 July 2025	68.7	None
Nova Królikarnia 4a	Warsaw	5	Instalnika Sp. z o. o	16 October 2025	10.7	None
Biograficzna	Warsaw	240	Finetech Construction Sp. z o.o.	12 November 2025	43.4	None
Total		1 190			378.5	

Secured Construction Bank Loan agreements

On 25 February 2025 financing of Nova Królikarnia 4bI Investment was fully repaid.

On 26 May 2025, the Group signed agreements for bank loans for Miasto Moje VIII in amount up to PLN 57.8 million.

On 27 June 2025, the Group signed agreements for bank loans for Ursus Centralny IId in amount up to PLN 150.0 million.

On 9 September 2025 financing of Zielono Mi I Investment was fully repaid.

On 30 October 2025 financing of Viva Jagodno III Investment was fully repaid.

On 14 November 2025 the Group signed agreement for bank loan for Zielono Mi II Investment in amount up to PLN 45.0 million.

Purchase of land in Warsaw at Brzeska Street

On 22 January 2025 Ronson Development Brzeska Sp. z o.o. (previously under the name of Ronson Development SPV14 Sp. z o.o.) entered into an open oral tender for the sale of land located in Warsaw at 16 Brzeska Street and won the tender offering a price of PLN 16 300 000. The agreement transferring ownership of the property was concluded on 21 February 2025. The price for the property has been paid in full. According to the Company's expectations, it will be possible to build a multi-family residential building on the real property with an underground car park and the necessary infrastructure with a PUM and PUJ area of approx. 3 400 m².

Preliminary agreement for the purchase of real estate in Warsaw at Wolska Street

On 10 March 2025 Ronson Development SPV16 Sp. z o. o. entered into a preliminary agreement for the acquisition of the property located at Wolska Street in Warsaw. The total price for the perpetual usufruct right to the property will be the sum of the following net amounts: (i) the net amount of PLN 50 000 000 (fifty million zlotys), (ii) an amount equivalent to the first fee for the transfer of the above-mentioned property to the seller in perpetual usufruct. (ii) the amount equivalent to the first fee for handing over the above-mentioned real estate to the Seller for perpetual usufruct (in the net value of this fee), (iii) the amount constituting the fee for buildings and improvements, if such a fee is payable, (iv) the amount of the annual fee for perpetual usufruct of the real estate, payable in accordance with relevant regulations for the year in which the final agreement is concluded (however, in the light of the regulations currently in force, no such fee is payable for this year). The conclusion of the final agreement is conditional on a positive outcome of the due diligence of the real estate and the acquisition of the perpetual usufruct right to the real estate by the seller.

Purchase of land in Warsaw in the Mokotów district

On 9 April 2025, Ronson Development Partner 2 Sp. z o.o. – Retreat 2011 Sp.k., in performance of the above-mentioned preliminary sale agreement and in performance of the preliminary sale agreement concluded on 13 December 2024 (concerning the purchase of real estate located in Warsaw, in the Mokotów district at ul. Polska 16), concluded two separate real estate sale agreements, on the basis of which it acquired two adjacent properties located in Warsaw, in the Mokotów district – a property located at ul. Polska 14 with an area of 3,207 m² for PLN 10.1 million and a property located at ul. Polska 16 with an area of 1,055 m² for PLN 2.7 million. The sale price for each of the above-mentioned properties has been paid. According to the Company's preliminary assessment, the acquisition of these properties will enable an increase in the usable floor space of the neighbouring Zielono Mi investment by approximately 3,000 m².

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Notes to the Consolidated Financial Statements

Note 34 – Events during the financial year

Purchase of shares in properties located in Warsaw at Wysockiego Street as part of enforcement proceedings

On 28 April 2025, as part of enforcement proceedings, Ronson Development sp. z o.o. – Projekt 4 sp. k. purchased a 174/480 share of an undivided part of the property located at ul. Wysockiego 32A for PLN 1,011,103.50 (the starting price representing 75% of the estimated value of the share in the property). On 1 September 2025, the court issued a decision on the award of ownership. The decision became final on 1 October 2025. Ronson Development sp. z o.o. – Projekt 4 sp. k. became the owner of the above-mentioned share in the property.

On 25 June 2025, a bailiff's auction was held, during which Ronson Development sp. z o.o. – Projekt 4 sp. k. bid for a 6/16 share of the undivided part of the property located at ul. Wysockiego 15 for PLN 800,000.00. On 12 September 2025 the court has issued a decision to grant the bid. On 8 January 2026, the representative of Ronson Development sp. z o.o. – Projekt 4 sp. k. sent a statement to the bailiff regarding the acquisition of the property in exchange for the debt. On 14 January 2026, the representative of Ronson Development sp. z o.o. – Projekt 4 sp. k. was served with a demand for payment of the balance of the price, and on 26 January 2026, the representative of Ronson Development sp. z o.o. – Projekt 4 sp. k. sent a response to the demand for payment of the balance of the price. Ronson Development sp. z o.o. – Projekt 4 sp. k. is currently awaiting the award of ownership.

Purchase of land in Warsaw in the Ursus district

On 28 August 2025, the City Council of Warsaw adopted a resolution on determining the location of a residential development with 1,388 to 1,463 flats and a usable area of 74,496 m² to 77,745 m², as well as a usable service and commercial area of 4,234 m² to 4,658 m² on part of the property located at Gierdziejewskiego 7 street in Warsaw (Ursus district), pursuant to the provisions of the Act of 5 July 2018 on facilitating the preparation and implementation of residential and accompanying investments. The resolution in question provides for the implementation by a company from the Group (Ronson Development Sp. z o.o. – Projekt 7 sp. k.) , pursuant to the provisions of the above-mentioned Act, of accompanying investments consisting of (i) the construction of a transport system – streets located in the area of Gierdziejewskiego and Posagu 7 Panien Streets, and (ii) the construction on part of the property (for which the above-mentioned Group company has concluded a preliminary agreement for the acquisition of perpetual usufruct rights) a public primary school for 645 pupils, including land development and the necessary technical infrastructure, and donating it to the Capital City of Warsaw in accordance with previously concluded agreements between that company and the Capital City of Warsaw, including preliminary donation agreements. The company estimates the value of the future donations referred to in (ii) above at a total of approximately PLN 105 million net. The entry into force of the above resolution meant that the last condition precedent to the conclusion of the promised agreement for the purchase of real estate by Ronson Development spółka z ograniczoną odpowiedzialnością – Projekt 7 sp. k. was fulfilled.

On 13 November 2025, Ronson Development spółka z ograniczoną odpowiedzialnością – Projekt 7 sp. k. entered into an agreement under which it acquired the right of perpetual usufruct of a property located in Warsaw in the Ursus district for PLN 140,000,000 (one hundred and forty million). The price was paid on the date of conclusion of the agreement, with part of the price in the amount of PLN 65,000,000 (sixty-five million) being paid by way of set-off against a loan in that amount granted to the company by the seller. The loan bears interest at a fixed rate of 5% per annum, payable annually, and is to be repaid within 5 years from the date of disbursement. The other terms and conditions of the loan, including the security for its repayment, do not differ significantly from market standards.

The Company anticipates that it will be possible to carry out a development project on this property with the parameters specified in the above-mentioned resolution of the Warsaw City Council, i.e. with between 1,388 and 1,463 flats with a usable area of between 74,496 m² and 77,745 m² and a usable service and commercial area of between 4,234 m² and 4,658 m².

Purchase of land in Wrocław, Nadodrze housing estate

On September 18, 2025, a subsidiary of the Company (i.e. Ronson Development SPV 15 sp. z o.o., currently operating under the name Ronson Development Drobnera sp. z o.o.) entered into a conditional sale agreement, under which it undertook to purchase the property located in Wrocław, in the Nadodrze district, with an area of 2,439 m², for a net price of PLN 32,400,000, and the copyrights to designs created under a design work agreement for a net price of PLN 1,600,000. The agreement was concluded on condition that the Municipality of Wrocław did not exercise its right of pre-emption.

On 16 October 2025, the Company's subsidiary (i.e. Ronson Development Drobnera Sp. z o.o.), in performance of the conditional sale agreement described above, concluded a transfer of ownership agreement, on the basis of which it acquired a property located in Wrocław, in the Śródmieście district with an area of 2,439 m² and copyrights to designs created on the basis of a design work agreement for a total price of PLN 34,000,000. The sale price has been paid.

According to the Company's preliminary assessment, it will be possible to carry out a development project on the property with a total area of approximately 6,250 m².

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements**Note 34 – Events during the financial year*****Distribution of net profit for the year 2024***

On 4 June 2025, the Company's Ordinary General Meeting of Shareholders adopted a resolution on the distribution of the net profit for 2024 in the amount of PLN 67 602 520.32 as follows:

- 3) to allocate the amount of PLN 40 610 714.75 for the payment of dividends to shareholders of the Company,
- 4) to leave the remaining part of the Company's net profit for 2024 undivided.

The distribution of the profit as specified above was subject to the condition that the payment will not affect the Company's development plans. The fulfilment or non-fulfilment of this condition was to be determined by the Extraordinary General Meeting of the Company no later than 19 November 2025. Furthermore, pursuant to the resolution of the Ordinary General Meeting of Shareholders of the Company, in the event of failure to hold such an Extraordinary General Meeting or failure to adopt the above-mentioned resolution by the Extraordinary General Meeting of the Company, or in the event of adoption of a resolution on non-fulfilment of the above condition, the entire amount of profit for 2024 was to remain in the Company. Extraordinary General Meeting of the Company or if a resolution is adopted on the non-fulfilment of the above condition, the entire amount of profit for 2024 was to remain undistributed in the Company. In the event of the dividend payment described above, the date on which the list of shareholders entitled to the dividend payment is determined (the dividend date) was set for 4 September 2025, and the dividend payment date was set for 4 December 2025. The above resolution was in line with the Management Board's proposal regarding the distribution of the Company's net profit for 2024, which was approved by the Supervisory Board.

On 19 November 2025, the deadline expired for the Extraordinary General Meeting of the Company to adopt a resolution on the fulfilment or non-fulfilment of the condition for the payment of dividends. The Extraordinary General Meeting of the Company did not take place on the above-mentioned date.

Therefore, in accordance with the resolution of the Ordinary General Meeting of the Company of 4 June 2025 on the distribution of net profit for 2024, the entire amount of profit for 2024 was left undistributed in the Company.

Issue of Series Z bonds

On 12 December 2025, a final (unconditional) allocation of 130,000 (one hundred and thirty thousand) Series Z bonds with a total nominal value of PLN 130,000,000 (one hundred and thirty million Polish zlotys) was made. The interest rate on Series Z Bonds is variable and set at the six-month WIBOR rate (WIBOR 6M) plus a fixed margin of 2.7%. The bonds will be repaid in two instalments: (i) at the end of the seventh interest period (12 June 2029), so that after this redemption, the balance of the Bonds will not exceed 60% of the originally issued bonds, and (ii) on 12 December 2029, through payment of the remaining nominal value of the Bonds. Series Z Bonds were acquired exclusively for cash contributions. Series Z Bonds are not in document form and are dematerialised. Series Z Bonds are traded on the alternative trading system operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) as part of the Catalyst market.

Redemption and cancellation of Series X Bonds

On 12 December 2025, the Company repurchased Series X Bonds with a total nominal value of PLN 30,100,000 for cancellation. The above repurchase was made on a non-cash basis (by deduction from the issue price of Series Z Bonds). The holders of the repurchased Series X Bonds became bondholders of the newly issued Series Z Bonds. After the redemption, 29,900 Series W Bonds with a maturity date in July 2026 remained, and on 5 December 2025, the Company decided to redeem all Series X Bonds at the end of the fifth interest period, i.e. on 5 January 2026.

Consolidated Financial Statement for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

Note 35 – Subsequent events**Building permits**

Project name	Location	Occupancy permit date	Number of units	Area of units (m2)
Vivaldi IA, IB, II	Szczecin	21 January 2026	391	19 524
Total			391	19 524

Redemption and cancellation of series X bonds

On 5 January 2026, the Company redeemed all existing series X bonds of the Company, numbering 29,900, with a nominal value of PLN 1,000 each, as well as the interest accrued on these bonds and the premium for early redemption, as provided for in the terms and conditions of issue of these bonds. Thus, the Series X bonds were fully redeemed.

Secured Construction Bank Loan agreements

On 6th of March 2026 an annex to loan agreement for financing of Grunwald Między Drzewami II.1 (Ronson Development SPV2 Sp. z o. o.) was signed enlarging the loan limits granted to the company to PLN 118.2 million from PLN 32 million and extending the scope of the loan to include Grunwald Między Drzewami II.2 (second stage of the project). Other commercial terms didn't change significantly.

The Management Board

Boaz Haim

President of the Management Board

Yaron Shama

Finance Vice-President of the Management Board

Andrzej Gutowski

Sales Vice-President of the Management Board

Karolina Bronszewska

 Member of the Management Board for
Marketing and Innovation

Tomasz Kruczyński

 Person responsible for Financial Statement
preparation

Warsaw, 12 March 2026