



# **INTERIM CONSOLIDATED STATEMENT**

**including the concise individual**

**financial statement of**

**HM INWEST S.A.**

**for the 3<sup>rd</sup> quarter of 2021 ending on 30.09.2021**



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## I. SELECTED FINANCIAL DATA

### 1. Selected financial data from the consolidated financial statement for the 3<sup>rd</sup> quarter of 2021

Selected data from the statement regarding the financial position:

Breakdown	PLN		EUR	
	State as of 30.09.2021	State as of 31.12.2020	State as of 30.09.2021	State as of 31.12.2020
Fixed assets	29,589,547	31,022,219	6,386,830	6,722,332
Inventories	124,178,391	145,100,193	26,803,598	31,442,358
Short-term receivables	20,679,389	12,966,706	4,463,595	2,809,809
Cash and other monetary assets	17,278,046	14,495,075	3,729,432	3,140,997
Equity	49,398,576	31,984,780	10,662,560	6,930,914
Long-term liabilities	66,979,151	42,592,937	14,457,284	9,229,639
Short-term liabilities	78,361,327	130,392,520	16,914,099	28,255,292
PLN/EUR exchange rate as of the balance sheet date			4.6329	4.6148

Selected data from the profit and loss account:

Breakdown	PLN		EUR	
	period 01.01.2021 – 30.09.2021	period 01.01.2020 – 30.09.2020	period 01.01.2021 – 30.09.2021	period 01.01.2020 – 30.09.2020
Net sales revenues	158,069,109	42,688,879	34,675,685	9,610,283
Profit before taxation	22,959,446	(2,604,549)	5,036,623	(586,346)
Net profit	17,975,892	(2,460,816)	3,943,379	(553,988)

Average PLN/EUR exchange rate in  
the reporting period

4.5585                      4.4420



## 2. Selected financial data from the individual financial statement for the 3<sup>rd</sup> quarter of 2021

Selected data from the statement regarding the financial position:

Breakdown	PLN		EUR	
	State as of 30.09.2021	State as of 31.12.2020	State as of 30.09.2021	State as of 31.12.2020
Fixed assets	101,358,664	64,371,785	21,878,017	13,948,987
Inventories	38,552,468	40,308,934	8,321,455	8,734,709
Short-term receivables	3,169,519	1,409,895	684,133	305,516
Cash and other monetary assets	2,282,315	1,342,438	492,632	290,898
Equity	57,749,880	51,237,029	12,465,169	11,102,763
Long-term liabilities	61,167,274	36,276,456	13,202,805	7,860,895
Short-term liabilities	33,631,743	19,332,963	7,259,328	4,189,339
PLN/EUR exchange rate as of the balance sheet date			4.6329	4.6148

Selected data from the profit and loss account:

Breakdown	PLN		EUR	
	period 01.01.2021 – 30.09.2021	period 01.01.2020 – 30.09.2020	period 01.01.2021 – 30.09.2021	period 01.01.2020 – 31.03.2020
Net sales revenues	10,986,798	2,153,043	2,410,178	484,701
Profit before taxation	10,970,957	(146,866)	2,406,703	(33,063)
Net profit	6,512,851	2,841	1,428,727	640
Average PLN/EUR exchange rate in the reporting period			4.5585	4.4420



## II. BASIC INFORMATION ON THE OPERATIONS OF HM INWEST S.A. CAPITAL GROUP

### 1. Approval of the interim statement

This consolidated interim statement, including the concise individual financial statement of HM Inwest S.A. for the 3<sup>rd</sup> quarter of 2021 ending on 30.09.2021 (hereinafter: the Statement), was prepared pursuant to para. 60 section 1 point 1 and section 2 of the Ordinance of the Minister of Finances of 29 March 2018 on current and periodic information submitted by issuers of securities. This concise interim individual and consolidated financial statement was approved for publication and signed by the Management Board on 30 November 2021.

### 2. Basic information about the parent company

<b>Name</b>	HM Inwest S.A.
<b>Headquarters</b>	Warsaw
<b>Address</b>	ul. Fabryczna 5, 00-446 Warsaw
<b>Phone/fax</b>	22 616 31 94
<b>Electronic mail address</b>	<a href="mailto:biuro@grupainwest.pl">biuro@grupainwest.pl</a>
<b>Website address</b>	<a href="http://www.grupainwest.pl">www.grupainwest.pl</a>
<b>Registry court</b>	District Court for the capital city of Warsaw, 12 <sup>th</sup> Commercial Division of the National Court Register
<b>Nation Court Registry (KRS) number</b>	0000413734
<b>Tax id. no. (NIP)</b>	113-24-82-686
<b>National Business Registry number (REGON)</b>	015717427
<b>Equity</b>	PLN 2,336,312.00
<b>Management Board</b>	Piotr Hofman – President of the Management Board Piotr Mikosik – Vice-President of the Management Board
<b>Supervisory Board</b>	– Jarosław Mielcarz – Chairman of the Supervisory Board – Waldemar Otdak – Member of the Supervisory Board – Irmina Kaczmarek – Member of the Supervisory Board – Ewa Hofman – Member of the Supervisory Board – Aneta Klimek – Member of the Supervisory Board



### **3. The scope of activity**

HM INWEST S.A. (hereinafter: Company, Issuer) is an experienced, actively operating Polish nationwide construction development company engaged in comprehensive implementation of construction investments: starting from searching for locations, purchase of land, through design works and construction, to sales of apartments.

Since the beginning of its activity, we have implemented several thousand square meters of residential and service and office surface.

The Company conducts development investments mainly on Warsaw and Poznań markets.

Our investments – multi-family buildings with service and office parts in residential districts and apartments in the centers of large cities – are always characterized by attractive locations as well as very good quality and construction technology. In our design works we mainly focus on the needs of Clients; therefore, we choose friendly and functional solutions that ensure comfort and safety. By combining tradition and modernity, our investments are one of a kind.

HM Inwest S.A. implements certain investments via special purpose vehicles, which are 100% owned by HM Inwest S.A. Such a model is used for implementation of investments in Poznań, at Czarnucha, Czarnieckiego, and Anny Jantar streets. This model allows for easier settlement system and obtaining credit liquidity for implementation of the construction process.

SQ Developments, S.L., belonging to the Capital Group, operates on the Spanish market and implements a construction development investment in a form of construction of two multi-family buildings in Vilanova and la Geltru.

Due to an efficient development policy, qualified personnel with long-term experience in the construction industry, good designs and competent contractors, we create a financially stable company of reliable and well-established position on the Polish market. We are a dynamic construction development company of constantly growing potential, with clearly defined development perspectives. Our investments are implemented in a timely manner, in accordance with the best construction practice. Our buildings feature interesting and modern architecture, characterized by optimization of spacious and functional solutions.

The conducted business operations are characterized by a long operating cycle – the period from the moment of acquisition of land (or the right of perpetual usufruct of land) until sales of finished apartments and premises may last even two reporting periods. Therefore, the financial results of the Company may be subject to fluctuations resulting from various phases of conducted investments.

One of the subsidiaries of HM Inwest S.A., HM Factory Sp. z o.o., is a producer of prefabricated reinforced concrete elements for residential and industrial construction. The Company is established in Sochaczew and employs 49 persons.





The basic scope of activity of HM Factory Sp. z o.o. includes production of prefabricated concrete mass (PKD 23.63.Z) as well as other products made of concrete, gypsum, and cement (PKD 23.69.Z). In the first quarter of the reporting period, the Company was mainly focused on implementation of tasks entrusted to it pursuant to trade agreements concluded mainly on the Swedish market, related to assembly of prefabricated concrete elements and for the Companies of the Capital Group. The Company offers services associated with design, production, delivery and assembly of elements at the construction site. Apart from assembly services, the Company provided intermediary services in transport industry.

#### **4. Indication of the companies belonging to HM Inwest Capital Group**

As of 30.09.2021, HM Inwest S.A. Capital Group (hereinafter: the Group) is composed of the Issuer and 14 subsidiaries. All subsidiaries have been established for an indefinite period, whereas some of them are designated to conduct specific construction development investments. The Issuer also holds 50% of shares in REB HMI Parkowa Sp. z o.o. and Projekt Wiklinowa Sp. z o.o. All subsidiaries are subject to consolidation. The co-controlled companies are subject to consolidation according to equity method.

SUBSIDIARIES as of reporting date 30.09.2021

JP Development Spółka z ograniczoną odpowiedzialnością Augustówka Sp.k.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000664493; Tax id. no. (NIP): 7010670786;

National Business Registry Number (REGON): 366668728

Value of contribution: PLN 10,936,997.73

Direct share of HM Inwest S.A.: 99%; consolidation under full method (in the consolidated financial statement).

JP Development Spółka z ograniczoną odpowiedzialnością Poznań Karpia Sp.k.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000663975; Tax id. no. (NIP): 7010667318;

National Business Registry Number (REGON): 366589466

Value of contribution: PLN 10,187,782.92

Direct share of HM Inwest S.A.: 99%; consolidation under full method (in the consolidated financial statement).

JP Development Sp. z o.o.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000582412; Tax id. no. (NIP): 1132897128;

National Business Registry Number (REGON): 362812000

Value of contribution: PLN 5,000.00



Direct share of HM Inwest S.A.: 100%; consolidation under full method (in the consolidated financial statement).

JP Development Spółka z ograniczoną odpowiedzialnością St@rtap Poznań Sp.k.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000692938; Tax id. no. (NIP): 7010713596;

National Business Registry Number (REGON): 368227508

Value of contribution: PLN 4,865,686.94

Direct share of HM Inwest S.A.: 99%; consolidation under full method (in the consolidated financial statement).

HM Project sp. z o.o.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000729039; National Business Registry Number (REGON): 380026798; Tax id. no. (NIP): 7010819679

Equity: PLN 5,000

Direct share of HM Inwest S.A.: 100%; consolidation under full method (in the consolidated financial statement).

HM Construction sp. z o.o.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000738003; National Business Registry Number (REGON): 380731611; Tax id. no. (NIP): 7010831775

Equity: PLN 5,000

Direct share of HM Inwest S.A.: 100%; consolidation under full method (in the consolidated financial statement).

HM Factory sp. z o.o.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000732143; National Business Registry Number (REGON): 380238603; Tax id. no. (NIP): 7010822581

Equity: PLN 7,505,000.00

Direct share of HM Inwest S.A.: 94%; consolidation under full method (in the consolidated financial statement).

JP Development Sp. z o.o. Poznań Niemena S.k.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000729111; Tax id. no. (NIP): 7010820240;

National Business Registry Number (REGON): 380051224

Value of contribution: PLN 4,248,697.73



Direct share of HM Inwest S.A.: 99%; consolidation under full method (in the consolidated financial statement).

JP Development Spółka z ograniczoną odpowiedzialnością Horyzont Poznań Sp.k.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000587100; Tax id. no. (NIP): 1132898613;

National Business Registry Number (REGON): 363049887

Value of contribution: PLN 5,770,986.89

Direct share of HM Inwest S.A.: 99%; consolidation under full method (in the consolidated financial statement).

Nowa Łacina 6 Spółka z ograniczoną odpowiedzialnością

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000582522; Tax id. no. (NIP): 1132897111;

National Business Registry Number (REGON): 36281510

Value of contribution: PLN 11,791,000.00

Direct share of HM Inwest S.A.: 100%; consolidation under full method (in the consolidated financial statement).

Purchase of shares in March 2021

Osiedle Wieniawa Sp. z o.o.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000741551; Tax id. no. (NIP): 5252758868;

National Business Registry Number (REGON): 380916925

Equity: PLN 50,000.00

Direct share of HM Inwest S.A.: 100%; consolidation under full method (in the consolidated financial statement).

Purchase of shares in April 2021

Osiedle Wiklinowa Sp. z o.o.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 0000868423; Tax id. no. (NIP): 5252842327;

National Business Registry Number (REGON): 387521360

Equity: PLN 5,000.00

Direct share of HM Inwest S.A.: 100%; consolidation under full method (in the consolidated financial statement).

Purchase of shares in April 2021

Reb Project 18 Sp. z o.o.

ul. Fabryczna 5, 00-446 Warszawa

National Court Registry (KRS) no.: 893222; Tax id. no. (NIP): 5252857369;

National Business Registry Number (REGON): 388627511



Equity: PLN 5,000.00

Direct share of HM Inwest S.A.: 100%; consolidation under full method (in the consolidated financial statement).

Purchase of shares in September 2021

SITGES QUALITY DEVELOPMENTS S.L.

Bassa Rodona, 6

Sitges (08870)

NIF B67213645

Equity: EUR 3,000.00

Direct share of HM Inwest S.A.: 70%; consolidation under full method (in the consolidated financial statement).

CO-SUBSIDIARY COMPANIES as of reporting date 30.09.2021

REB HMI Parkowa Sp. z o.o.

ul. Emilii Plater 53 lok. XXIII P, 00-113 Warszawa

National Court Registry (KRS) no.: 0000826071; Tax id. no. (NIP): 5252814325;

National Business Registry Number (REGON): 385439068

Equity: PLN 5,000.00

Direct share of HM Inwest S.A.: 50%; consolidation under equity method (in the consolidated financial statement).

## 5. Information regarding the shareholder structure of the Issuer with indication of shareholders having at least 5% of votes at the General Meeting as of the date of preparation of this statement

The shareholder structure as of the day of submission of the statement – the list of significant shareholders:

Item	Shareholder	Number of shares	Share in the equity (%)	Share in the total number of votes at the General Meeting (%)
1	Timedix P.Hofman J.Mielcarz Sp.J.	1,675,418	71.71%	71.71%
2	Piotr Hofman – President of the Management Board	373,086	15.97%	15.97%
3	Jarosław Mielcarz – Chairman of the Supervisory Board	47,828	2.05%	2.05%



<b>4</b>	Others	239,980	10.27%	10.27%
	In total	2,336.312	100%	100%

The Company does not have any information regarding ownership of the shares of the Company by other members of the Supervisory Board. In the period from 1 January until the day of submission of the Statement, the number of shares held by Piotr Hofman increased by 9,708 shares; the state of ownership of shares by other shareholders listed in items 1-3 did not change.

## **6. Concise characteristics of significant achievements or failures of HM Invest Capital Group in the period to which the statement applies, including the most important factors impacting the achieved results**

The construction development activity is characterized by a long investment process. For this reason, the profits may be lower, or even a loss may be recorded, in particular reporting periods. This situation is caused by ongoing investments, which will be settled in the following periods. Higher revenues on investments will be reported in these periods. The Company incurs current costs associated with its operations, including general costs of management, which encumber the result of the current period. Construction development operation revenues are reported upon completion of an investment – signing of documents that transfer the ownership to premises (the development process lasts approx. 2-3 years).

Consolidated financial results for 3 quarters of 2021 and 3 quarters of 2020 are as follows:

	For 3 quarters of 2021 that end on 30.09.2021	For 3 quarters of 2020 that end on 30.09.2020
<b>Net consolidated profit (loss)</b>	17,932,950	(2,460,816)
<b>Total consolidated income</b>	17,932,950	(2,460,816)
<b>Net individual profit (loss)</b>	6,512,851	2,841
<b>Total individual income</b>	6,512,851	2,841

On 8.07.2021, a subsidiary, Nowa Łacina 6 Sp. z o.o., entered into credit agreement with Getin Noble Bank on financing of implementation of the development venture at Niemena street (Nowa Łacina 6) in Poznań.

Two loans were granted as a part of the credit agreement: an investment loan up to the amount of PLN 32,000,000 and a revolving working capital facility up to the amount of PLN 2,000,000.00 (VAT loan).



On 5.08.2021, HM Inwest S.A. received information regarding expiration of the preliminary conditional agreements on purchase of land properties located in Warsaw, at Bystra and Radzymińska streets, as a result of declarations submitted by the Sellers on withdrawal from agreements due to the fact that the Company failed to obtain a final building permit decision that would allow to implement the Investment within the date specified in the agreements.

On 09.08.2021, HM Inwest S.A. signed a preliminary agreement on purchase of properties located in Poznań, at Jasielska street, from Ambro Investment Sp. z o.o. for the total net price of PLN 22,300,000. The contractual term of entering into the final agreement is 30.12.2022. On the properties, the Company plans to build multi-family residential buildings of useful living area of approx. 18,000m<sup>2</sup> and approx. 350 apartments.

On 22 September 2021, HM Inwest entered into agreement, as a result of which it purchased 100 shares of REB Project 18 Sp. z o.o. established in Warsaw, of the total nominal value of PLN 5,000.00, which constitute 100% of shares in the share capital of this company. The purchase price of the shares in question was PLN 1,849,433. Together with the purchase of shares of this company, HM Inwest S.A. undertook to provide this company with funds necessary to repay receivables secured by a mortgage on a real estate owned by REB Project 18 Sp. z o.o. The total value of loans to be repaid is PLN 10,150,567. On the same day, a General Meeting of Shareholders of REB Project 18 Sp. z o.o. with headquarters in Warsaw was held, during which the company's deed was changed, including adoption of a resolution on change of the company's name to Osiedle Botaniczne Sp. z o.o.

REB Project 18 Sp. z o.o. is the owner of the land property located in Warsaw, Białołęka district, at Ruskowy Bród street. According to plans, 5 multi-family residential buildings, including service premises, of the total useful area of approx. 13,500 m<sup>2</sup> and approx. 230 apartments will be constructed on the property.

In September 2021, a subsidiary, HM Factory Sp z o.o., successfully finished a project worth SEK 14,000,000 (PLN 6,300,000) including construction of a nursing home in cooperation with a renowned partner – Skanska Sverige AB. The contract included comprehensive implementation of a prefabricated structure including designing, production in the factory of HM Factory in Sochaczew, transport and assembly in Sweden. The implementation was started on 1 June 2021, and was finished on 17 September 2021. All works were finished and the project was settled.

In September 2021, assembly of a prefabricated structure for an internal contract of Inwest Group has been started. "Horyzont Naramowice" project assumes construction of 168 apartments in Poznań using apartments construction system utilizing a full prefabrication scope. Highly finished layered walls with complete insulation and painted facade, including a set of elements such as balconies, stairs, ceilings and internal walls, will be installed in the period September – December 2021. This is the first of many internal contracts, which constitutes a milestone of the strategy of the entire company.



In the half of September 2021, design and production works for an internal contract of the Group – “Niemena 6” in Poznań – have begun. The project assumes construction of 236 apartments using the HM’s apartments construction system. The facade will include 3-layer walls with insulation and a copy of the template; moreover, internal walls, ceilings, balconies and stairs will also be prefabricated. The scope of HM Factory includes preparation of a complete structure, together with designing, production, delivery and assembly.

In the 3rd quarter of 2021, HM Inwest implemented Skeppsbron 6 garage building project for Skanska Sverige AB. The project in Jonköping, Sweden, included designing, production, delivery and installation of a prefabricated structure with facade walls. The value of the contract is SEK 7,450,000 (PLN 3,400,000).

## **7. Information regarding financial results projections**

Until the date of publication of this statement, the Company did not publish projections of financial results.

## **8. Court, arbitration or public administration bodies proceedings**

As of 30.09.2021, the companies of the Group were not a party in any significant court, arbitration or public administration body proceedings.

## **9. Granted sureties and guarantees**

Granted significant guarantees are presented in supplementary information to financial statements.

## **10. Significant transactions with affiliated entities**

There were no significant transactions with affiliated entities in the 3<sup>rd</sup> quarter of 2021. Other transactions with affiliates are described in the supplementary information to the financial statements.

## **11. Significant transactions after the balance sheet date**

On 7.10.2021, a Spanish subsidiary, SQD Sociedad Limitada, entered into a credit agreement with CaixaBank on financing of Oasis Vilanova construction development project in Vilanova and la Geltrú, Spain. The value of the credit agreement is EUR 4,500,000. Term of the loan: 7.10.2021 to 31.10.2023



On 18.10.2021, a subsidiary of HM Inwest S.A., Osiedle Wieniawa Sp. z o.o., entered into conditional agreements on sales of undeveloped land properties located in Warsaw, at Stanisława Leszczyńskiego and Hendryka Brodatego streets, for the total price of net PLN 5,300,000.

Conclusion of the sales agreements depends on whether the President of the capital city of Warsaw or Krajowy Ośrodek Wsparcia Rolnictwa (National Agriculture Support Center) exercises the right of pre-emption.

Agreements on transfer of the ownership of the properties will be entered into within 30 days from ineffective expiration of the term for execution of the pre-emption right by Krajowy Ośrodek Wsparcia Rolnictwa and the President of the capital city of Warsaw, or after receiving a declaration from both those entities that they will not use this right. 33 multi-family semi-detached houses will be constructed on the purchased properties.

## **12. Information regarding the number of persons employed by the Issuer, expressed as full-time employment**

As of the date of submission of the Report, the Issuer employed 2 persons based on a job contract.





### III. CONSOLIDATED FINANCIAL STATEMENT FOR THE 3<sup>rd</sup> QUARTER OF 2021

#### 1. Concise interim consolidated statement regarding financial position

	2021-09-30	2020-12-31	2020-09-30
<b>FIXED ASSETS</b>			
Goodwill	2,532,193	317,644	317,644
Intangible assets	4,035	8,070	10,484
Tangible fixed assets	24,213,762	25,308,898	25,686,917
Investments valued using the equity method	5,000	5,000	2,500
Investment properties	-	2,109,004	2,222,492
Assets due to deferred income tax	339,534	1,232,155	1,212,421
Other fixed assets	2,495,023	2,041,448	2,336,833
<b>Total fixed assets</b>	<b>29,589,547</b>	<b>31,022,219</b>	<b>31,789,291</b>
<b>CURRENT ASSETS</b>			
Inventories	124,178,391	145,100,193	159,349,103
Receivables due to deliveries and services and other receivables	20,679,389	12,966,706	7,852,072
Short-term investments	2,940,000	-	1,420,576
Cash and cash equivalents	17,278,046	14,495,075	7,460,165
Other financial assets	-	-	11,672,634
Other current assets	642,286	1,392,398	695,813
<b>Total current assets</b>	<b>165,718,112</b>	<b>173,954,372</b>	<b>188,450,362</b>
<b>Total assets</b>	<b>195,307,660</b>	<b>204,976,591</b>	<b>220,239,653</b>



	2021-09-30	2020-12-31	2020-09-30
<b>Equities and liabilities</b>			
<b>EQUITY</b>			
<b>Equity assigned to shareholders of the parent company</b>			
Share capital	2,336,312	2,336,312	2,336,312
Retained profits	47,061,729	29,128,779	24,516,417
Capital from conversion of foreign subsidiaries	535	379	379
<b>Equity assigned to shareholders of the parent company, in total</b>	<b>49,398,576</b>	<b>31,465,470</b>	<b>26,853,109</b>
<b>Non-controlling shares</b>	<b>562,252</b>	<b>519,310</b>	<b>509,125</b>
<b>Total equity</b>	<b>49,960,827</b>	<b>31,984,780</b>	<b>27,362,234</b>
<b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>			
<b>Long-term liabilities</b>			
Financial liabilities due to issuance of debt securities, loans and credits	66,979,151	42,592,937	50,722,289
Provisions due to deferred income tax	6,354	6,354	6,354
<b>Total liabilities and long-term provisions</b>	<b>66,985,505</b>	<b>42,599,291</b>	<b>50,728,643</b>
<b>Short-term liabilities</b>			
Financial liabilities due to issuance of debt securities, loans and credits	20,965,745	16,416,269	8,799,886
Liabilities due to agreements with clients (advance payments)	37,950,193	97,084,906	116,774,492
Liabilities due to deliveries and services and other liabilities	15,764,011	15,298,837	15,671,093
Public and legal liabilities	2,635,466	1,258,006	537,818
<i>Including liabilities due to income tax</i>		291,000	
Short-term provisions	250,000	250,000	250,000
Other short-term liabilities	795,912	84,503	115,489
<b>Total liabilities and short-term provisions</b>	<b>78,361,327</b>	<b>130,392,520</b>	<b>142,148,777</b>
<b>Total liabilities and equities</b>	<b>195,307,660</b>	<b>204,976,591</b>	<b>220,239,653</b>



## 2. Concise interim consolidated profit and loss account

	2021-01-01 – 2021-09-30	2020-01-01 – 2020-09-30	2021-07-01 – 2021-09-30	2020-07-01 – 2020-09-30
<b>Revenue from sales</b>	158,069,109	42,688,879	23,973,497	13,045,947
<b>Own cost of sales</b>	(122,880,845)	(33,380,007)	(20,702,851)	(9,880,547)
<b>Cost of sales and advertisement</b>	(5,709,658)	(3,553,197)	(849,011)	(1,041,471)
<b>Costs of general management</b>	(7,085,513)	(5,201,200)	(1,859,017)	(1,953,99)
<b>Other revenue</b>	2,687,283	823,321	2,505,104	595,599
<b>Other costs</b>	(448,246)	(413,345)	(123,619)	(282,360)
<b>Financial revenue</b>	912,283	42,178	269,151	11,253
<b>Financial costs</b>	(2,584,966)	(3,608,177)	(981,525)	(782,094)
<b>Profit before taxation</b>	22,959,446	(2,601,549)	2,231,728	(287,673)
<b>Income tax</b>	(4,983,554)	140,733	(427,866)	156,185
<b>Net profit (loss)</b>	17,975,892	(2,460,816)	1,803,862	(131,488)
<b>Net profit (loss) allocated to:</b>				
owners of the parent company	17,932,950	(2,472,387)	1,773,380	(177,598)
non-controlling shares	42,942	11,571	30,483	46,110
<b>Consolidated net profit (loss) per share</b>	7.68	(1.06)	0.76	(0.08)
<b>Consolidated diluted net profit (loss) per share</b>	7.68	(1.06)	0.76	(0.08)

## 3. Concise interim consolidated statement regarding other total income

	2021-01-01 – 2021-09-30	2020-01-01 – 2020-09-30	2021-08-01 – 2021-09-30	2020-07-01 – 2020-09-30
<b>Net profit (loss)</b>	17,975,892	(2,460,816)	1,803,862	(131,488)
<b>Other total incomes that will be subject to reclassification to the financial result</b>	155	379	(47)	
<b>Exchange rate differences due to conversion of foreign subsidiaries</b>	155	379	(47)	
<b>Other total income in total</b>	155	379	(47)	



Total income for the period	17,976,048	(2,460,437)	1,803,862	(131,488)
Total income allocated to:				
owners of the parent company	17,933,106	(2,472,008)	1,773,334	(177,597.70)
non-controlling shares	42,942	11,571	30,483	46,110

#### 4. Concise interim consolidated statement regarding changes in the equity

	Share capital	Retained profits	Capital from conversion of foreign subsidiaries	Equity allocated to shareholders of the parent company	Non-controlling shares	Total equity
State as of 2021-01-01	2,336,312	29,128,779	379	31,465,470	519,310	31,984,780
Adjustment of the opening balance – changes in the accounting policy				-		-
Adjustment of the opening balance – errors from previous years				-		-
State as of 2021-01-01 after adjustments	2,336,312	29,128,779	379	31,465,470	519,310	31,984,780
Total income for the period		17,932,950	155	17,933,106	42,942	17,976,048
including						-
Net profit (loss)		17,932,950		17,932,950	42,942	17,975,892
Other total income in total			155	155		155
Change of assets in subsidiaries				-		-
Changes in the capital group				-		-
State as of 2021-09-30	2,336,312	47,061,729	535	49,398,576	562,252	49,960,827
State as of 2020-01-01	2,336,312	26,988,804		29,325,116	44,623	29,369,739
Adjustments of the opening balance – changes in the accounting policy				0		0
Adjustments of the opening balance – errors from the previous years				0		0
State as of 2020-01-01 after adjustments	2,336,312	26,988,804	-	29,325,116	44,623	29,369,739
Total income for the period		(2,472,387)	379	(2,472,008)	11,571	(2,460,437)
including				-		0



Net profit (loss)	(2,472,387)	-	(2,427,387)	11,571	(2,460,816)	
Other total income in total		379	379	-	379	
Change of assets in subsidiaries			0		0	
Changes in the capital group			0	452,931	452,931	
State as of 2020-09-30	2,336,312	24,516,417	379	26,853,109	509,125	27,362,234

## 5. Concise interim consolidated statement regarding cash flows

	2021.01.01 – 2021.09.30	2020.01.01 – 2020.09.30
<b>OPERATING CASH FLOWS</b>		
Profit before taxation	22,959,446	(2,601,549)
Paid income tax	(5,050,251)	(131,840)
Total adjustments	(35,410,502)	17,707,715
Depreciation	1,862,552	1,895,822
Profit/lost due to interests	1,597,588	2,562,448
Investment profit/loss	(581,453)	67,296
Change of the state of provisions	-	-
Change of the state of inventories	12,831,607	(39,974,609)
Change of the state of receivables	(9,411,479)	3,642,037
Change of the state of operating liabilities	(57,218,678)	48,987,653
Change of the state of funds on trust accounts	-	-
Other adjustments	15,509,361	527,067
<b>Net operating cash flows</b>	<b>(17,501,306)</b>	<b>14,974,326</b>
<b>INVESTMENT OPERATIONS CASH FLOWS</b>		
Earnings	2,462,345	642,717
Sales of intangible and tangible assets	2,462,354	528,117
Repayment of loans	-	-
Received interests	-	-
Other investment earnings	-	114,600
<b>Expenditure</b>	<b>(3,401,386)</b>	<b>(14,571,962)</b>
Purchase of intangible and tangible assets	(471,386)	(912,306)
Granted loans	(2,930,000)	(4,358,874)
Other investment expenditure	-	(9,300,782)
<b>Net investment operations cash flows</b>	<b>(939,041)</b>	<b>(13,929,245)</b>
<b>FINANCIAL OPERATIONS CASH FLOWS</b>		
Earnings	8,806,230	27,818,184
Net earnings due to issuance of shares	-	-
Loans and credits	8,806,230	27,818,184



Issuance of debt securities	-	-
Other financial earnings	-	-
<b>Expenditure</b>	<b>(8,677,626)</b>	<b>(28,948,064)</b>
Purchase of minority shares	-	-
Loans and credits	(7,028,561)	1,624,955
Purchase of debt securities	-	(27,938,000)
Payments due to leasing	-	(16,487)
Paid interests	(1,597,588)	(2,493,344)
Other financial expenditure	(51,478)	(125,187)
<b>Net financial operations cash flows</b>	<b>128,604</b>	<b>(1,129,879)</b>
TOTAL NET CASH FLOWS	(18,311,744)	(84,798)
<b>BALANCE CHANGE OF THE STATE OF CASH FLOWS, including</b>	<b>2,782,871</b>	<b>(84,598)</b>
Change of the state of cash flows and their equivalents due to exchange rate differences	-	-
<b>CASH AT THE BEGINNING OF THE PERIOD</b>	<b>14,495,075</b>	<b>7,544,763</b>
<b>CASH AT THE END OF THE PERIOD</b>	<b>17,278,046</b>	<b>7,460,165</b>
- of limited use possibilities	5,282,315	

## 6. Additional information and explanations to the concise interim consolidated financial statement

### 6.1. Basic information regarding the parent company and the Capital Group

#### PARENT COMPANY

<b>Name</b>	HM Inwest S.A.
<b>Headquarters</b>	Warsaw
<b>Address</b>	ul. Fabryczna 5, 00-446 Warszawa
<b>Registry Court</b>	District Court for the capital city of Warsaw, 12 <sup>th</sup> Commercial Division of the National Court Register
<b>National Court Registry Number (KRS)</b>	0000413734
<b>Tax id. no. (NIP)</b>	113-24-82-686
<b>National Business Registry Number (REGON)</b>	015717427
<b>Share capital</b>	PLN 2,336,312.00
<b>Management Board</b>	Piotr Hofman – President of the Management Board Piotr Mikosik – Vice-President of the Management Board



The basic scope of activity of the Parent company is implementation of construction projects associated with construction of buildings.

## CAPITAL GROUP

The following table presents the Structure of the Group and the share of the Parent company in the share capital of the entities belonging to the Group as of 30 September 2021:

Entity	Country of registration	Share of the Parent company in the share capital	Share of the Parent company in the voting rights	Consolidation method
<b>Subsidiaries</b>				
JP Development Spółka z ograniczoną odpowiedzialnością Augustówka Sp.k.	Poland	99%	99%	full consolidation
JP Development Spółka z ograniczoną odpowiedzialnością Poznań Karpia Sp.k.	Poland	99%	99%	full consolidation
JP Development Spółka z ograniczoną odpowiedzialnością Poznań Niemena Sp.k.	Poland	99%	99%	full consolidation
JP Development Spółka z o.o.	Poland	100%	100%	full consolidation
JP Development Spółka z ograniczoną odpowiedzialnością St@artap Poznań Sp.k.	Poland	99%	99%	full consolidation
JP Development Spółka z ograniczoną odpowiedzialnością Horyzont Poznań Sp.k.	Poland	99%	99%	full consolidation
HM Project Sp. z o.o.	Poland	100%	100%	full consolidation
HM Construction Sp. z o.o.	Poland	100%	100%	full consolidation
HM Factory Sp. z o.o.	Poland	94%	94%	full consolidation
SITGES QUALITY DEVELOPMENTS S.L.	Spain	70%	70%	full consolidation
Nowa Łacina 6 Sp. z o.o.	Poland	100%	100%	full consolidation



<b>Osiedle Wiklinowa Sp. z o.o.</b>	Poland	100%	100%	full consolidation
<b>Osiedle Wieniawa Sp. z o.o.</b>	Poland	100%	100%	full consolidation
<b>REB Project 18 Sp. z o.o.</b>	Poland	100%	100%	full consolidation

The basic scope of activity of the Companies in the Group is implementation of construction projects associated with construction of buildings.

One of the subsidiaries of HM Factory Sp. z o.o. is a producer of prefabricated reinforced concrete elements for residential and industrial construction.

## **6.2. Basis for preparation of the concise interim consolidated financial statement**

This concise interim consolidated financial statement was prepared in accordance with the requirements of the International Financial Reporting Standards MSR 34 Interim Financial Reporting approved by the European Union and with the guidelines of the Ordinance of the Minister of Finances of 29 March 2018 on current and periodic information submitted by issuers of securities. This concise consolidated financial statement was approved by the Management Board of the Parent Company.

Statements of entities covered by the consolidated financial statement were prepared assuming continuation of business activity in the foreseeable future. The Management Board of the Parent Company is of an opinion that there are no circumstances indicating that the continuity of operations of entities is at risk.

The Management Board of the Parent Company used its best knowledge regarding application of standards and interpretations, as well as methods and principles of valuation of particular items of the concise interim consolidated financial statement of HM Inwest Capital Group in accordance with MSSF EU applicable as of 30 September 2021. The presented summaries and explanations were established with due diligence.

These concise interim consolidated financial statements were not reviewed by a statutory auditor.

## **6.3. Accounting principles**

Accounting principles used in order to prepare this concise interim individual financial statement are compliant with those used to prepare the consolidated financial statement that ended on 31 December 2020 excluding the highlighted changes indicated in point 6.4 applicable as of the reporting date.





#### 6.4. Impact of the newly adopted international standards on the financial statement

As of 1 January 2021, changes in the following standards came into force:

- \* Changes in MSSF 4 “Insurance agreements,” postponement of application of MSSF 9 “financial instruments”;
- \* Changes in MSSF 9, MSR 39, MSSF 7, MSSF 4, and MSSF 16 – reformation of the reference indicator of the interest rate – Stage 2.

The indicated changes do not impact the individual financial statement and the consolidated financial statement of the Company.

Changes that come into force on 1 April 2021:

- \* Changes in MSSF 16 Leasing – Reliefs in rents associated with Covid-19 after 30 June 2021.

The indicated changes do not impact the individual financial statement and the consolidated financial statement of the Company.

Changes that will come into force on 1 January 2022:

Changes in MSR 16 Tangible fixed assets – impacts before the planned use.

Changes in MSR 37 Provisions, contingent liabilities and contingent assets – agreements creating encumbrances – the costs of execution of an agreement,

Changes in MSSF 3 Mergers of entities – references to the conceptual assumptions

Annual changes in MSSF Period 2018-2020 – changes in MSSF 1 and MSSF 9, MSR 41.

The aforementioned changes have been approved for use by the European Union. The Group will be applying those changes from the moment they come into force.

The Management Board of the entity is of an opinion that the indicated changes will not impact the individual financial statement and the consolidated financial statement of the Company.

#### 6.5. Changes in the estimated values

WRITE-OFFS OF RECEIVABLES	Value as of 30.09.2021	Value as of 31.12.2020
Write-offs of receivables from affiliates	-	-
Write-offs of receivables from other entities	1,054,315	1,490,524
<b>Total</b>	<b>1,054,315</b>	<b>1,490,524</b>

PROVISIONS	Value as of 30.09.2021	Value as of 31.12.2020
<b>Provision due to deferred income tax</b>	<b>6,354</b>	<b>6,354</b>



<b>Remaining provisions</b>	250,000	1,490,524
<b>long-term</b>	-	-
<b>short-term</b>	250,000	250,000
<b>Total provisions for liabilities</b>	<b>256,354</b>	<b>256,354</b>

<b>ASSETS FOR DEFERRED TAX</b>	<b>Value as of 30.09.2021</b>	<b>Value as of 31.12.2020</b>
<b>Assets due to deferred income tax</b>	459,205	1,232,155

## 6.6. Information regarding business segments

Operating activity of the Group is conducted as a part of:

- construction development operations,
- production operations,
- construction operations (since 2021)

	3 <sup>rd</sup> quarter of 2021				3 <sup>rd</sup> quarter of 2020		
	Construction development operations	Production operations	Construction operations	Total	Construction development operations	Production operations	Total
<b>Total sales revenue</b>	119,866,066	38,203,043	0	158,069,109	13,563,803	29,125,071	42,688,879
<b>Total operation costs</b>	73,518,268	38,302,238	11,031,090	122,851,595	7,593,819	25,786,188	33,380,007
<b>Financial costs</b>	1,998,140	586,826	0	2,584,966	2,809,980.87	798,196	3,608,177
<b>Gross profit (before taxation)</b>	22,142,301	817,145	(36,433)	22,959,446	(2,803,193)	201,643	(2,601,549)
<b>Income tax</b>	4,882,189	101,365	0	4,983,554	149,507	(8,744)	140,733
<b>Profit after taxation</b>	17,296,546	715,780	(36,433)	17,975,982	(2,653,686)	192,869	(2,460,816)
<b>Assets of segments</b>	142,776,705	47,766,132	4,764,823	195,307,660	176,313,595	43,926,058	220,239,653

## 6.7. Information regarding income

Revenues from sales by type

	01.01.2021 – 30.09.2021	01.01.2020 – 30.09.2020
<b>Sales of products, including:</b>	158,069,109	42,688,879
<b>Real property: apartments</b>	119,866,066	13,563,808
<b>Prefabricated elements</b>	38,064,493	28,747,994
<b>Sales of goods and materials</b>	138,550	377,767

## 6.8. Income tax in the profit and loss account

The income tax recognized in the consolidated profit and loss account for the period 01.01.2021 – 30.09.2021 was PLN 4,983,558, and was composed of:

- deferred income tax PLN 4,090,933
- current tax PLN 892,621.

## 6.9. Information regarding tangible fixed assets

There were no other significant changes in tangible assets in the 3<sup>rd</sup> quarter.

## 6.10. Inventories

Item	Breakdown	Value as of 30.09.2021	Value as of 31.12.2020
<b>1.</b>	<b>Materials</b>	1,801,228	951,959
	- construction development operations	-	-
	- production operations	1,801,228	951,959
<b>2.</b>	<b>Semi-finished products and products in progress</b>	100,864,305	83,428,418
	- construction development operations	100,854,305	83,428,418
	- production operations	0	0
<b>3.</b>	<b>Finished products</b>	11,326,187	60,053,931
	- construction development operations	6,001,687	54,121,799
	- production operations	4,924,917	5,932,132
<b>4.</b>	<b>Goods</b>	0	0
<b>5.</b>	<b>Advance payments for deliveries</b>	686,671	20,384
	<b>Total</b>	<b>124,178,391</b>	<b>145,100,193</b>

The Companies of the Group did not write-off the value of inventories in the 3<sup>rd</sup> quarter of 2021.

### 6.11. Significant sureties and guarantees

The Companies from the Capital Group did not grant sureties and guarantees outside the Group.

### 6.12. Financial liabilities

There were no significant changes.

### 6.13. Information regarding the goodwill of assets and financial liabilities subject to MSSF9

Balance sheet item	Balance sheet value	Fair value	Level in the hierarchy of establishing of fair value	Balance sheet item
	30.09.2021	30.09.2021		
Receivables due to deliveries and services and other	20,679,389	20,679,389	level 3	Receivables due to deliveries and services and other receivables
Granted loans	3,717,078	3,717,078	level 3	Long- and short-term investments
Cash and other cash assets	17,278,046	17,278,046	level 3	Cash and other cash assets
Liabilities due to deliveries and services and other	18,399,477	18,399,477	level 3	Liabilities due to deliveries and services and other
Liabilities: credits and loans and debt securities	87,944,896	87,944,896	level 3	Long- and short-term financial liabilities due to issuance of debt securities, loans and credits

Balance sheet item	Balance sheet value	Fair value	Level in the hierarchy of establishing of fair value	Balance sheet item
	30.09.2021	30.09.2021		
Receivables due to deliveries and services and other	7,014,837	7,014,837	level 3	Receivables due to deliveries and services and other receivables
Granted loans	1,543,000	1,543,000	level 3	Long- and short-term investments

Cash and other cash assets	19,132,799	19,132,799	level 3	Cash and other cash assets
Liabilities due to deliveries and services and other	16,208,911	16,208,911	level 3	Liabilities due to deliveries and services and other
Liabilities: credits and loans and debt securities	59,522,175	59,522,175	level 3	Long- and short-term financial liabilities due to issuance of debt securities, loans and credits

The fair value of receivables and short-term liabilities was determined at the level of their balance sheet value.

In relation to other items of liabilities, the Management Board of the Company recognizes that the balance sheet value is similar to the fair value since the Company's financial reliability has not changed and there have been no significant changes in the conditions of development from the moment of acquisition of financing which would impact the fair value of liabilities determined at the level of the current value of contractual cash flows. Similar approach was applied to establish fair value of granted loans.

#### 6.14. The analysis of maturity of financial liabilities

The following table presents financial liabilities of the Capital Group taking into account contractual dates of maturity (non-discounted cash flows). In case of variable interest rate cash flows due to interests were estimated based on reference interest rates as of the balance sheet date.

Item	Non-discounted flows to be paid within 1 year from the balance sheet date	Non-discounted flows to be paid within 1 year to 3 years from the balance sheet date	Non-discounted flows to be paid within the period longer than 3 years from the balance sheet date
Financial liabilities due to issuance of debt securities, loans and credits	22,643,005	70,663,004	
Liabilities due to deliveries and securities and other financial liabilities	18,399,477		

The Company is at risk of loss of liquidity, i.e., a risk of occurrence of difficulties in executions of its obligations resulting from financial liabilities, the settlement of which is done through delivery of cash or other type of financial assets in relation to the following items:

- financial liabilities due to debt securities, loans and credits;
- liabilities due to deliveries and services and other liabilities.



The Company is at risk of loss of liquidity also in connection with non-financial liabilities, e.g., public and legal liabilities.

A particular concentration of liquidity risk may occur upon contractual purchase of debt instruments (respectively, repayment of loans or other liabilities) or violation of conditions of issuance (or a loan) causing the necessity to immediately buyout them.

The Management Board of the Parent Company continues to monitor the liquidity risk by conducting analyses of available cash and liabilities.

#### **6.15. Transactions with affiliated entities**

There were no significant transactions with affiliates in the 3<sup>rd</sup> quarter of 2021.

#### **6.16. Covid-19 epidemics**

While at the time of preparation of this financial statement the situation associated with Covid epidemics has been constantly changing, so far, the management of the Company did not record further noticeable impact on sales or the supply chain of the Company, however, we are unable to foresee future effects. The management will continue to monitor potential influence and take any possible measures to alleviate any negative effects for the Company.

Despite announcement of the state of epidemics, none of the Companies from the Group interrupted works associated with implementation of investments. There were no interruptions in works executed by contractors, which will allow to finish the investments in the planned dates. In the reporting period, a significant increase of prices of construction materials was recorded. The Group did not record negative effects of those changes due to the increased demand for apartments and the increase of prices of apartments.

The Covid pandemics also did not impact HM Factory Sp. z o.o. – the production facility did not stop production. The facility continued works according to the plan.



#### IV. CONCISE INDIVIDUAL FINANCIAL STATEMENT FOR THE 3<sup>rd</sup> QUARTER OF 2021

##### 1. Concise interim statement regarding the financial position

	2021-09-30	2020-12-31	2020-09-30
<b>FIXED ASSETS</b>			
Tangible fixed assets	330,702	367,297	402,766
Investment properties	0	2,109,004	2,222,492
Investments in affiliates	58,138,460	43,927,209	33,303,086
Other financial assets	41,541,372	16,159,299	14,426,749
Assets due to deferred tax	290,105	1,182,726	1,211,122
Other fixed assets	1,058,024	626,250	715,714
<b>Total fixed assets</b>	<b>101,358,664</b>	<b>64,371,785</b>	<b>52,281,928</b>
<b>CURRENT ASSETS</b>			
Inventories	38,522,468	40,308,934	63,181,178
Receivables due to deliveries and services and other receivables	3,169,519	1,409,895	2,432,974
Short-term investments	7,190,000	0	783,000
Cash and cash equivalents	2,282,315	1,342,438	4,787,880
Other financial assets	0	0	2,222,966
Other current assets	2,286	19,750	43,371
<b>Total current assets</b>	<b>51,196,587</b>	<b>43,081,017</b>	<b>73,451,369</b>
<b>Total assets</b>	<b>152,555,251</b>	<b>107,452,801</b>	<b>125,733,297</b>



	2021-09-30	2020-12-31	2020-09-30
<b>Equities and liabilities</b>			
<b>EQUITY</b>			
Share capital	2,336,312	2,336,312	2,336,312
Retained profits	55,413,568	48,900,717	37,186,296
<b>Total equity</b>	<b>57,749,880</b>	<b>51,237,029</b>	<b>39,522,608</b>
<b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>			
<b>Long-term liabilities</b>			
Financial liabilities due to issuance of debt securities, loans and credits	61,167,274	36,276,456	49,885,576
Provisions due to deferred income tax	6,354	6,354	6,354
<b>Total long-term liabilities and provisions</b>	<b>61,173,628</b>	<b>36,282,810</b>	<b>49,891,930</b>
<b>Short-term liabilities</b>			
Financial liabilities due to issuance of debt securities, loans and credits	10,000,000	10,000,000	1,165,000
Liabilities due to agreements with clients (advance payments)	21,500,379	6,119,527	30,177,328
Liabilities due to deliveries and services and other liabilities	944,165	3,079,498	4,687,733
Public and legal liabilities	54,265	483,937	38,698
<b>Short-term provisions</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
<b>Other short-term liabilities</b>	<b>832,934</b>	<b>0</b>	<b>0</b>
<b>Total short-term liabilities and provisions</b>	<b>33,631,743</b>	<b>19,932,963</b>	<b>36,318,758</b>
<i>Including liabilities due to income tax</i>			
<b>Total liabilities and equities</b>	<b>152,555,251</b>	<b>107,452,801</b>	<b>125,733,297</b>





## 2. Concise interim profit and loss account

	2021.01.01 – 2021.09.30	2020.01.01 – 2020.09.30	2021.07.01 – 2021.09.30	2020.07.01 – 2020.09.30
<b>Revenue from sales</b>	10,986,789	2,153,043	6,181,189	702,600
<b>Own cost of sales</b>	(6,860,752)	(113,728)	(3,897,418)	(59,378)
<b>Cost of sales and advertisement</b>	(1,860,762)	(1,378,514)	(455,808)	(381,692)
<b>General management cost</b>	(3,823,578)	(2,784,544)	(1,024,557)	(880,178)
			0	0
<b>Other revenue</b>	1,534,283	160,980	1,341,094	15,227
<b>Other costs</b>	(34,527)	(134,233)	(1,504)	(57,705)
			0	0
<b>Financial revenue</b>	13,138,939	5,186,263	827,442	2,675,536
<b>Financial costs</b>	(2,109,443)	(3,236,133)	(812,853)	(771,109)
			0	0
<b>Profit before taxation</b>	10,970,957	(146,866)	2,157,587	1,243,362
			0	0
<b>Income tax</b>	(4,458,106)	149,707	(194,093)	162,778
			0	0
<b>Net profit (loss)</b>	6,512,851	2,841	1,964,494	1,406,140
			0	0
<b>Individual net profit (loss) per share</b>	2.79	0	0.84	2.66
<b>Diluted individual net profit (loss) per share</b>	2.79	0	0.84	2.66

## 3. Concise interim statement from other total income

	2021-01-01 – 2021-09-30	2020-01-01 – 2020-09-30
Net profit (loss)	6,512,851	2,841
<b>Other total income in total</b>	0	0
<b>Total income for the period</b>	6,512,851	2,841



#### 4. Concise interim statement regarding changes in the equity

	Share capital	Retained profit	Total equity
<b>State as of 2021-01-01</b>	2,336,312	48,900,717	51,237,029
<b>State as of 2021-01-01 after adjustments</b>	2,336,312	48,900,717	51,237,029
<b>Total income for the period</b>		6,512,851	6,512,851
including			0
<b>Net profit (loss)</b>		6,512,851	6,512,851
<b>Other total income in total</b>			0
			0
<b>State as of 2021-09-30</b>	2,336,312	55,413,568	57,749,880
<b>State as of 2020-01-01</b>	2,336,312	37,183,455	39,519,767
<b>State as of 2020-01-01 after adjustments</b>	2,336,312	37,183,455	39,519,767
<b>Total income for the period</b>			
including			
<b>Net profit (loss)</b>		2,841	2,841
<b>Other total income in total</b>		379	379
<b>State as of 2020-06-30</b>	2,336,312	37,186,296	39,522,608



## 5. Concise interim cash flows statement

2021-01-01 – 2021-09-30

2020-01-01 – 2020-09-30

OPERATING CASH FLOWS		
Profit before taxation	10,970,957	(146,866)
Returned income tax (paid)	(4,520,735)	(80,764)
Total adjustments	(10,114,999)	(2,028,516)
Depreciation	263,570	407,881
Profit/loss due to interests	(10,970,583)	(2,863,165)
Investment profit/loss	(536,278)	66,550
Change of the state of provisions	0	0
Change of the state of inventories	1,756,466	(16,754,915)
Change of the state of receivables	(1,759,625)	2,796,103
Change of the state of operating liabilities	13,761,409	14,601,211
Change of the state of funds on trust accounts	0	0
Other adjustments	(12,629,959)	(282,182)
<b>Net operating cash flows</b>	<b>(3,664,777)</b>	<b>(2,256,147)</b>
<b>Earnings</b>	<b>17,280,025</b>	<b>6,547,355</b>
Sales of tangible and intangible assets	2,461,000	37,000
Received interests	0	0
Dividends and share in profits	14,819,025	0
Return of contribution and granted loans	0	0
Other investment earnings	0	6,510,355
<b>Expenditure</b>	<b>(37,722,324)</b>	<b>(10,477,940)</b>
Purchase of tangible and intangible assets	0	(11,801)
Investments in affiliates	0	0
Granted loans	(37,722,324)	(10,466,139)
Other investment expenditure	0	0
<b>Net investment operations cash flows</b>	<b>(20,442,300)</b>	<b>(3,930,585)</b>
<b>FINANCIAL OPERATIONS CASH FLOWS</b>		
<b>Earnings</b>	<b>29,947,180</b>	<b>40,876,335</b>
Loans and credits	29,947,180	40,876,335
Issuance of debt securities	0	0
Other financial earnings	0	0
<b>Expenditure</b>	<b>(4,900,227)</b>	<b>(31,793,134)</b>
Loans and credits	(3,776,785)	(2,018,462)
Purchase of debt securities	0	(27,938,000)
Payments due to leasing	0	(16,487)
Paid interests	0	(16,487)
<b>Net financial operations cash flows</b>	<b>25,046,953</b>	<b>9,083,201</b>
<b>TOTAL NET CASH FLOWS</b>	<b>939,876</b>	<b>2,896,470</b>
<b>BALANCE SHEET CHANGE OF THE STATE OF CASH Including:</b>	<b>939,876</b>	<b>2,896,470</b>



Change of the state of cash and its equivalents due to exchange rate differences	0	0
CASH AT THE BEGINNING OF THE PERIOD	1,342,438	1,891,411
CASH AT THE END OF THE PERIOD	2,282,315	4,787,880
- of limited use possibilities		

## 6. Additional information and explanations to the concise interim financial statement

### 6.1. Basic information about HM Inwest S.A.

#### PARENT COMPANY

<b>Name</b>	HM Inwest S.A.
<b>Headquarters</b>	Warsaw
<b>Address</b>	ul. Fabryczna 5, 00-446 Warszawa
<b>Registry Court</b>	District Court for the capital city of Warsaw, 12 <sup>th</sup> Commercial Division of the National Court Register
<b>National Court Registry Number (KRS)</b>	0000413734
<b>Tax id. no. (NIP)</b>	113-24-82-686
<b>National Business Registry Number (REGON)</b>	015717427
<b>Share capital</b>	PLN 2,336,312.00
<b>Management Board</b>	Piotr Hofman – President of the Management Board Piotr Mikosik – Vice-President of the Management Board

The basic scope of activity of the Parent company is implementation of construction projects associated with construction of buildings

### 6.2. The basis for preparation of the concise interim consolidated financial statement

This concise interim consolidated financial statement was prepared in accordance with the requirements of the International Financial Reporting Standard MSR 34 Interim financial reporting approved by the European Union as well as with guidelines of the Ordinance of the



Minister of Finances of 29 March 2018 on current and periodical information submitted by issuers of securities.

The statement was prepared assuming continuity of business activity in the foreseeable future. The Management Board is of an opinion that there are to circumstances that indicate risk for continuity of the business operations.

The individual financial statement was approved by the Management Board of HM Inwest S.A. The Management Board used its best knowledge regarding application of standards and interpretations as well as methods and principles of valuation of particular items of the concise interim financial statement in accordance with MSSF EU applicable as of the reporting date (30 September 2021). The presented summary and explanations were established with due diligence.

This concise interim financial statement was not reviewed by a statutory auditor.

### **6.3. Accounting principles**

Accounting principles used in order to prepare this concise interim individual financial statement are compliant with those used to prepare the consolidated financial statement that ended on 31 December 2020 excluding application of changes of standards explained in point 6.4.

### **6.4. Impact of the newly adopted international standards on the financial statement**

As of 1 January 2021, changes in the following standards came into force:

- \* Changes in MSSF 4 “Insurance agreements,” postponement of application of MSSF 9 “financial instruments”;
- \* Changes in MSSF 9, MSR 39, MSSF 7, MSSF 4, and MSSF 16 – reformation of the reference indicator of the interest rate – Stage 2.

The indicated changed do not impact the individual financial statement and the consolidated financial statement of the Company.

Changes that come into force on 1 April 2021:

- \* Changes in MSSF 16 Leasing – Reliefs in rents associated with Covid-19 after 30 June 2021.

The indicated changed do not impact the individual financial statement and the consolidated financial statement of the Company.

Changes that come into force on 1 January 2022:



- \* Changes in MSR 16 Tangible fixed assets – impacts before the planned use,
- \* Changes in MSR 37 Provisions, contingent liabilities and contingent assets – agreements creating encumbrances – the costs of execution of an agreement,
- \* Changes in MSSF 3 Mergers of entities – references to the conceptual assumptions,
- \* Annual changes in MSSF Period 2018-2020 – changes in MSSF 1 and MSSF 9, MSR 41.

The aforementioned changes were approved for use by the European Union. The Group will be applying those changes from the moment they come into force.

The Management Board of the entity is of an opinion that the indicated changes will not impact the individual financial statement of the Company.

#### 6.5. Changes in the estimated values

WRITE-OFFS OF RECEIVABLES	Value as of 30.09.2021	Value as of 31.12.2020
Write-offs of receivables from affiliates	-	-
Write-offs of receivables from other entities	954,246	1,390,454
<b>Total</b>	<b>954,246</b>	<b>1,390,454</b>

PROVISIONS	Value as of 30.09.2021	Value as of 31.12.2020
Provision due to deferred income tax	6,354	6,354
<b>Other provisions</b>	<b>250,000</b>	<b>250,000</b>
long-term	0	0
short-term	250,000	250,000
<b>Total provisions for liabilities</b>	<b>256,354</b>	<b>256,354</b>

ASSETS FOR DEFERRED TAX	Value as of 30.09.2021	Value as of 31.12.2020
Assets due to deferred income tax	290,105	1,182,726

Change of an asset due to deferred tax required, e.g., settlement of tax losses.

#### 6.6. Information regarding the business segments

On the current phase of development of the Company, the Management Board does not identify segments of conducted business operations.



## 6.7. Information regarding income

	01.01.2021 – 30.09.2021	01.01.2020 – 30.09.2020
Sales of products	8,494,679	29,906
Office and administrative support	2,341,205	1,844,574
Lease services	101,942	166,510
Other sales	48,972	112,054
<b>TOTAL</b>	<b>10,986,798</b>	<b>2,153,043</b>

## 6.8. Income tax in the profit and loss account

Income tax recognized in the individual profit and loss account for the period 01.01.2021 – 30.09.2021 was PLN 4,458,106, and consisted of:  
current income tax in the amount of PLN 3,565,485.  
deferred income tax in the amount of PLN 892,621.

## 6.9. Inventories

Item	Breakdown	Value as of 30.09.2021	Value as of 30.09.2020
1.	Materials	0	0
2.	Semi-finished products in progress	32,550,780	63,181,178
3.	Finished products	6,001,687	0
4.	Goods	0	0
5.	Advance payments for deliveries	0	0
	<b>Total</b>	<b>38,552,468</b>	<b>63,181,178</b>

In the 3<sup>rd</sup> quarter of 2021, the Company did not do write-offs of inventories.

## 6.10. Long-term investments

On 22 September 2021, HM Inwest entered into agreement, as a result of which it purchased 100 shares of REB Project 18 Sp. z o.o. established in Warsaw, of the total nominal value of PLN 5,000.00, which constitute 100% of shares in the share capital of this company. The purchase price of the shares in question is PLN 1,849,433.

### 6.11. Significant sureties and guarantees

LIST OF SURETIES							
Item	Who grants the guarantee	To whom the guarantee is given	Creditor	subject of the guarantee	guarantee amount	Date of granting of the guarantee	Guarantee expiry date
1	HM Inwest	HM Factory Sp. z o.o.	Bank Millenium	security of the guarantee line agreement, of 2 investment loans	up to the amount of PLN 20,000,000	30.03.2020	indefinitely – until repayment of loans
2	HM Inwest	JP Niemena	Realbud RB Sp. z o.o.	liabilities of JP Niemen resulting from the agreement with Realbud RB Sp. z o.o.	PLN 117,000	18.03.2019	31.12.2025
	HM Inwest	JP Development Sp. z o.o. Startap Poznań Sp. K.	Bank Millenium	guarantee for loan agreement with Millenium Czarnieckiego	up to the amount of PLN 12,800,000.00	18.03.2021	30.06.2023
	HM Inwest	JP Development Sp. z o.o. Horyzont Poznań Sp. k.	Bank Millenium	guarantee for the loan agreement with Millenium Czarnucha	up to the amount of PLN 26,400,000.00	15.03.2021	30.06.2023

### 6.12. Financial liabilities

There were no significant changes in financial liabilities in the 3<sup>rd</sup> quarter of 2021.

### 6.13. Information regarding the goodwill of assets and financial liabilities subject to MSSF 9

Balance sheet item	Balance sheet value	Fair value	Level in the hierarchy of establishing of fair value	Balance sheet item
	30.09.2021	30.09.2021		



<b>Loans granted inside the Group</b>	45,014,294	45,014,294	level 3	Other financial assets (short- and long-term)
<b>Receivables due to deliveries and services</b>	3,169,519	3,169,519	level 3	Receivables due to deliveries and services and other receivables
<b>Granted loans, other</b>	3,717,078	3,717,078	level 3	Long- and short-term investments
<b>Cash and other monetary assets</b>	2,282,315	2,282,315	level 3	Cash and other cash assets
<b>Liabilities due to deliveries and services and other liabilities</b>	1,827,099	1,827,099	level 3	Liabilities due to deliveries and services and other liabilities
<b>Liabilities: credits and loans and issuance of debt securities</b>	71,167,274	71,167,274	level 3	Long- and short-term financial liabilities due to issuance of debt securities, loans and credits

Balance sheet item	Balance sheet value	Fair value	Level in the hierarchy of establishing of fair value	Balance sheet item
	30.09.2020	30.09.2020		
<b>Loans granted inside the Group</b>	13,666,748.71	13,666,748.71	level 3	Other financial assets (short- and long-term)
<b>Receivables due to deliveries and services</b>	1,320,386.86	1,320,386.86	level 3	Receivables due to deliveries and services and other receivables
<b>Granted loans</b>	1,543,000.00	1,543,000.00	level 3	Long- and short-term investments
<b>Cash and other monetary assets</b>	7,010,846.47	7,010,846.47	level 3	Cash and other cash assets
<b>Liabilities due to deliveries and services and other liabilities</b>	4,446,101.53	4,446,101.53	level 3	Liabilities due to deliveries and services and other liabilities
<b>Liabilities: credits and loans and issuance of debt securities</b>	51,033,235.28	51,033,235.28	level 3	Long- and short-term financial liabilities due to issuance of debt securities, loans and credits

The fair value of receivables and short-term liabilities was determined at the level of their balance sheet value.



In relation to other items of liabilities, the Management Board of the Company recognizes that the balance sheet value is similar to the fair value, since the Company's financial reliability has not changed and there have been no significant changes in the conditions of development from the moment of acquisition of financing which would impact the fair value of liabilities determined at the level of the current value of contractual cash flows. Similar approach was applied to establish fair value of granted loans.

Due to low significance of risks, the Company does not apply any advanced hedging financial instruments. Particular risks are described below:

#### Liquidity risk

The Company is exposed to liquidity risk understood as the loss of ability to settle liabilities in established deadlines. The Management Board continues to monitor availability of cash and existing and expected liabilities that must be settled in appropriate time periods. On this basis, we prepare projections of cash flows and the demand for cash.

In order to protect itself against liquidity risk, the entity maintains specific levels of cash and their equivalents, as well as uses external financing.

In the opinion of the Management Board, the risk of liquidity as of the balance sheet date may be determined as negligible. The ratio between the fixed capital of the Company and the combined capitals shows a high level of stability of sources of financing.

#### Credit risk

The Company is exposed to credit risk understood as a risk of creditors' failure to pay their liabilities, causing losses for the Company as a result. Due to the nature of conducted business activity (in accordance with the agreements, creditors settle their liabilities in instalments in the course of construction development investments). The Management Board recognizes credit risk as negligible.

#### Exchange rate risk

The Company is exposed to insignificant exchange rate risk due to minor engagement in exchange transactions and the fact that it incurs the majority of costs of its business operations in the national currency. Moreover, the Company did not have any credits or loans in foreign currencies; therefore, exposure to exchange rate risk was insignificant.

#### Prices fluctuation risk

In accordance with the adopted business strategy, the Company has no exposures that result in price risk.

#### Interest rate risk

The entity is exposed to interest rate risk in case of contracting liabilities bearing variable interest rates or granting of loans that bear variable interest rates. The Company monitors the financial position of the Entity and market interest rates on an ongoing basis and takes



decisions regarding financing of the operations and other entities based on that. In case of significant gap between assets and liabilities items that bear variable interest rates, the Management Board may decide to hedge such transactions. As of the balance sheet date, the Management Board recognizes the interest rate risk as low.

#### **6.14. Significant transactions with affiliated entities**

There were no significant transactions with affiliates in the 3<sup>rd</sup> quarter of 2021.

Date of preparation: 30.11.2021

President of the Management Board – Piotr Hofman