



# **INTERIM CONSOLIDATED STATEMENT**

**including the concise individual**

**financial statement of**

**HM INWEST S.A.**

**for the 1<sup>st</sup> half of 2021 ending on 30.06.2021**



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## I. SELECTED FINANCIAL DATA AND DECLARATIONS OF THE MANAGEMENT BOARD

### 1. Selected financial data from the consolidated financial statement for the 1<sup>st</sup> half of 2021

Selected data from the statement regarding the financial position:

Breakdown	PLN		EUR	
	State as of 30.06.2021	State as of 31.12.2020	State as of 30.06.2021	State as of 31.12.2020
Fixed assets	27,946,283	31,022,219	6,181,712	6,722,332
Inventories	90,129,348	145,100,193	19,936,593	31,442,358
Short-term receivables	22,401,385	12,966,706	4,955,182	2,809,809
Cash and other monetary assets	15,573,223	14,495,075	3,444,794	3,140,997
Equity	48,157,012	31,984,780	10,652,321	6,930,914
Long-term liabilities	46,128,949	42,592,937	10,203,714	9,229,639
Short-term liabilities	64,447,312	130,392,520	14,255,732	28,255,292

Data was converted according to EUR exchange rate:

Average exchange rate of NPB as of 30.06.2021	4.5208
Average exchange rate of NPB as of 30.06.2021	4.6148



Selected data from the profit and loss account:

Breakdown	PLN		EUR	
	period	period	period	period
	01.01.2021 – 30.06.2021	01.01.2020 – 30.06.2020	01.01.2021 – 30.06.2021	01.01.2020 – 30.06.2020
Net sales revenues	134,095,612	29,642,932	29,489,711	6,674,382
Profit before taxation	20,727,718	-2,313,877	4,558,348	-520,991
Net profit	16,172,030	-2,329,328	3,562,435	-524,480

Average PLN/EUR exchange rate in the reporting period

4.5396

4.4413

## 2. Selected financial data from the individual financial statement for the 1<sup>st</sup> half of 2021

Selected data from the statement regarding the financial position:

Breakdown	PLN		EUR	
	State as of 30.06.2021	State as of 31.12.2020	State as of 30.06.2021	State as of 31.12.2020
Fixed assets	81,541,962	64,371,785	18,037,065	13,948,987
Inventories	31,322,034	40,308,934	6,928,427	8,734,709
Short-term receivables	5,637,047	1,409,895	1,246,914	305,516
Cash and other monetary assets	5,016,575	1,342,438	1,109,665	290,898
Equity	55,786,386	51,237,029	12,339,937	11,102,763
Long-term liabilities	40,406,025	36,276,456	8,937,804	7,860,895
Short-term liabilities	31,875,207	19,332,963	7,050,789	4,189,339
<b>Data was converted according to EUR exchange rate:</b>				
Average exchange rate of NBP as of 30.06.2021	4.5208			
Average exchange rate of NBP as of 31.12.2020	4.6148			



Selected data from the profit and loss account:

Breakdown	PLN		EUR	
	period 01.01.2021 – 30.06.2021	period 01.01.2020 – 30.06.2020	period 01.01.2021 – 30.06.2021	period 01.01.2020 – 30.06.2020
Net sales revenues	4,805,609	1,450,443	1,056,828	326,581
Profit before taxation	8,813,370	-1,390,229	1,938,197	-313,023
Net profit	4,549,357	-1,403,300	1,000,474	-315,966

Average PLN/EUR exchange rate in

4.5472

4.4413

### 3. Declarations of the Management Board

#### Declarations of the Management Board of HM INWEST S.A. on the consolidated and individual financial statement for the period from 01.01.2021 to 30.06.2021.

The Management Board of HM INWEST S.A. declares that, according to its best knowledge, the annual consolidated and individual financial statement for the period from 01.01.2021 to 30.06.2021 and the comparable data were prepared according to the regulations binding for the Group or internationally recognized standards, and that the data included in the financial statement reflect the economic and financial position of the Capital Group and its financial results in due, reliable and clear manner, and that the statement on the operations of the Capital Group includes the actual picture of development and achievements as well as the situation of the Capital Group, including the description of the basic hazards and risks connected with the conducted business operations.



## II. THE MANAGEMENT BOARD'S REPORT ON THE OPERATIONS OF HM INWEST CAPITAL GROUP

### 1. Approval of the interim statement

The consolidated interim statement was prepared pursuant to para. 60 section 1 point 2 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 September 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
<b>Supervisory Board</b>	
	– Jarosław Mielcarz – Chairman of the Supervisory Board
	– Waldemar Otdak – Member of the Supervisory Board
	– Ewa Hofman – Member of the Supervisory Board
	– Irmina Kaczmarek – 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.

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 Geltr, Spain.

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 48 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.

In the 1<sup>st</sup> half of 2021, HM Construction Sp. z o.o. was established within the Capital Group. The Company provides General Contracting services to other companies of the Group.

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

As of 30.06.2021, HM Inwest S.A. Capital Group (hereinafter referred to as the “Group”) is composed of the Issuer and 13 subsidiaries. All subsidiaries were established for an indefinite period, whereas some of them are designated to conduct specific construction development investments. In the 1<sup>st</sup> half of 2021, the Issuer acquired 100% of shares of Osiedle Wieniawa Sp. z o.o. and Osiedle Wiklinowa Sp. z o.o. Because these entities had not been conducting business activity, the Group did not establish the goodwill upon the acquisition. All subsidiaries are subject to consolidation. The Issuer also holds 50% of shares in REB HMI Parkowa Sp. z o.o. The jointly controlled entity is subject to consolidation via equity method.

##### SUBSIDIARIES as of reporting date 30.06.2021

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): 36668728  
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



Equity: PLN 4,248,697.73 zł

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

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 30.06.2021

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%
4	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 and 3 did not change.

## 6. Concise characteristics of significant achievements or failures of HM Inwest 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).

Financial results for the 1<sup>st</sup> half of 2021 and the 1<sup>st</sup> half of 2020 are as follows:

	the 1 <sup>st</sup> half of 2021 that ends on 30.06.2021	the 1 <sup>st</sup> half of 2020 that ends on 30.06.2021
<b>Net consolidated profit (loss)</b>	16,172,030	-2,329,329
<b>Total consolidated income</b>	16,172,030	-2,329,329
<b>Net individual profit (loss)</b>	4,549,357	-1,403,300
<b>Total individual income</b>	4,549,357	-1,403,300

In the 1<sup>st</sup> half of 2021, subsidiaries, JP Development Sp. z o.o. Poznań Karpia Sp.k. and JP Development Sp. z o.o. Poznań Niemena Sp.k., signed notarial deeds that transferred the ownership of the premises in the investments completed in 2020 and as a result reported sales revenue.

HM Inwest S.A. recognized revenue on advance payments against future profits for 2021 from subsidiaries. As of 30.06.2021, the achieved and expected profits in JP Development Sp. z o.o. Poznań Karpia Sp.k. and JP Development Sp. z o.o. Poznań Niemena Sp.k subsidiaries were verified and as a result advance payments against loans exceeding the expected profit were converted. In consequence, the financial incomes of HM Inwest S.A. were adjusted.

In the 1<sup>st</sup> half of 2021, the following construction and sales processes were conducted within the Capital Group:

- Warsaw, ul. Koprzywiańska – construction and sales processes were conducted. The planned date of completion is 4<sup>th</sup> quarter of 2021.
- Warszawa, ul. Pustelnicka – construction and sales processes were conducted, agreements on sales of last apartments in the investments were entered into. The planned date of completion is the 4<sup>th</sup> quarter of 2021.
- Poznań, ul. Karpia – the investment was completed in 2020. Last apartments were sold and further documents transferring the ownership to the apartments were signed.
- Poznań, ul. Niemena – the investment was completed in 2020. Last apartments were sold and further documents transferring the ownership to the apartments were signed.
- Warsaw, ul. Augustówka – last documents transferring the ownership to the apartments were signed.
- Dębki – 16 houses – the process of construction and sales was in progress. The planned date of investment is the 3<sup>rd</sup> quarter of 2021.

- Poznań, ul. Czarnucha – the process of construction and sales of apartments has begun. At the end of the 1<sup>st</sup> half of the year, 59 reservation/development agreements were signed. The planned date of completion of the investment is the 4<sup>th</sup> quarter of 2022.
- Poznań, ul. Czarnieckiego – the process of construction and sales of apartments has begun. At the end of the 1<sup>st</sup> half of the year, 35 reservation/development agreements were signed. The planned date of completion of the investment is the 4<sup>th</sup> quarter of 2023.
- Poznań, ul. Niemena 6/Anny Jantar – the proces of sales of apartments has begun. At the end of the 1<sup>st</sup> half of the year, 78 reservation/development agreements were signed. The construction process has begun. The planned term of completion of the investment is the 1<sup>st</sup>/2<sup>nd</sup> quarter of 2023.

On 02.01.2021, a subsidiary, JP Development Sp. z o.o. Poznań Horyzont Sp. k., signed an agreement on construction works as a General Contractor related to implementation of the investment at Czarnucha street in Poznań with HM Construction Sp. z o.o. A multi-family residential building with service premises and an underground garage will be built on the property.

On 18 February 2021, ARP Prefabrykacja Sp. z o.o. and Krajowy Zasób Nieruchomości (KZN) signed a letter of intent. ARP Prefabrykacja Sp. z o.o. will cooperate with KZN in implementation of Mieszkanu Plus program, which is one of the pillars of Narodowy Program Mieszkaniowy of the Ministry of Development, Labor and Technology. The cooperation will in particular consist of tasks associated with designing and implementation of investment with the use of services, technologies and potential of our Company.

At the beginning of March 2021, the Company has repaid a loan in Bank Spółdzielczy, taken in order to refinance the purchase of property in Poznań at Czarnieckiego street, in the amount of PLN 1,920,000, before the deadline.

On 12.03.2021, a subsidiary, JP Development Sp. z o.o. Poznań Horyzont Sp.k., entered into a loan agreement with Bank Millennium S.A. on financing of a development project at Czarnucha street in Poznań for the amount of PLN 16,500,000.

On 18.03.2021, a subsidiary, JP Development Sp. z o.o. St@artap Sp.k., entered into a loan agreement with Bank Millennium S.A. on financing of a development project at Czarnieckiego street in Poznań for the amount of PLN 8,000,000.

On 24.03.2021, HM Inwest S.A. entered into agreement on transfer of ownership to property at Anna Jantar street in Poznań including property rights in performance of obligation to make contribution in-kind to Nowa Łacina 6 Sp. z o.o. The total gross value of the contribution in-kind is PLN 11,789,000.





On 30.06.2021, HM Inwest S.A. signed an appendix to corporate credit line agreement with Getin Noble Bank S.A. Pursuant to the appendix, the maximum loan amount was increased from PLN 30,000,000 to PLN 60,000,000.

The cash obtained by the Company from the increased available loan balance will be used to finance the objectives related to the statutory business operations of the Company. The date of final repayment specified in the Loan Agreement is 30.06.2024. The interest rate on the loan is based on WIBOR 3M variable interest rate plus the Bank margin. According to the provisions of the appendix, the Parties agreed that the repayment of the loan will be secured by, e.g.: 1) the total contractual mortgage with the highest priority to the amount of PLN 90,000,000.00 on properties located in Warsaw, Poznań and Wisła, on which the Company and its special purpose vehicles implement construction development projects; 2) financial and registered pledges on accounts held in the Bank for the Company and a special purpose vehicle implementing one of the construction development projects; 3) personal guarantee of the President of the Management Board of the Company; 4) transfers of receivables from agreements with the purchasers of the premises; 5) transfers of receivables from policies; 6) transfer of receivables from loan agreements granted to the Company by shareholders or other entities affiliated with the Company up to the minimum amount of 6,387,000.00. Entering into the Loan Agreement will reinforce the financial stability of the Company by increasing available sources of financing.

In May 2021, HM Factory Sp. z o.o. began expansion of the main production hall in order to create an external warehouse and improve internal and warehouse communication. After the expansion, the external warehouse will become larger, making the space inside the production hall available for planned future investments aimed to improve production capabilities. The planned date of completion of the investment is October 2021.

In January 2021, the Company obtained an agreement worth SEK 14,000,000 ~ PLN 6,300,000 on construction of a nursing home in Skurup, Sweden, with a renowned partner: Skanska Sverige AB. The contract assumes comprehensive implementation of a prefabricated structure including designing, production in the factory of HM Factory in Sochaczew, transport and assembly in Sweden. The implementation begun on 1 June 2021; the planned date of completion is the end of the 3<sup>rd</sup> quarter of 2021.

In the 1<sup>st</sup> half of 2021, HM Factory Sp. z o.o. began designing and production of prefabricated elements for an internal contract of Inwest Group. "Horyzont Naramowice" project assumed construction of 168 apartments in Poznań using the HM's construction system in the full scope of prefabrication. Highly finished sandwich walls with finished insulation and painted façade as well as a set of elements such as balconies, stairs, ceilings and internal walls will be installed in the period from September to December 2021. This is the first of many internal contracts, which constitutes a milestone on the strategy of the entire company.



The Capital Group continues to acquire further plots for new investments both in Warsaw and other cities.

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, thus the investments will be completed within the planned dates.

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.

In the first half of the year, there were no other factors or unusual events that would impact the presented financial statement.

## **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 June 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 additional information to financial statements.



## 10. Significant transactions with affiliated entities

There were no significant transactions with affiliated entities in the 1<sup>st</sup> half of 2021 apart from those listed in point 6 above. Other transactions with affiliated entities are described in additional information to financial statements.

## 11. Significant transactions after the balance sheet date

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

Two loans were granted as a part of the loan agreement:

- a) Investment loan up to the amount of PLN 32,000,000.00;
- b) Revolving working capital loan up to the amount of PLN 2,000,000.00 (VAT loan).

On 5.08.2021, HM Inwest S.A. received information on expiration of preliminary conditional agreements on purchase of land properties located in Warsaw at Bystra and Radzymińska streets as a result of declarations submitted by Sellers on withdrawal from agreements due to the Company's failure to obtain a final building permit that would allow implementation of the Investment within the deadline 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 contractually specified date of entering into a promised agreement is 30.12.2022.

The Company plans to build multi-family residential buildings of useful residential area of approx. 18,000m<sup>2</sup> in approx. 350 apartments on the properties.

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 constitutes 100.00% of shares in the share capital of this company. The purchase price of the shares in question is PLN 1,849,433. Upon the purchase of the shares of this company, HM Inwest S.A. undertook to provide this company with cash that would allow to pay receivables secured by a mortgage on the property 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, an Extraordinary General Meeting of REB Project 18 Sp. z o.o. established in Warsaw took place, during which the company's agreement was changed, including adoption of a resolution on change of the name of the company to Osiedle Botaniczne Sp. z o.o.



REB Project 18 Sp. z o.o. is the owner of the property located in Warsaw, Białołęka district, at Ruskowy Bród street. According to plans, an investment consisting of construction of 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.

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

According to the state as of submission of the statement, the Issuer had 2 employees employed based on a full-time job contract.



### III. CONSOLIDATED FINANCIAL STATEMENT FOR THE 1<sup>ST</sup> HALF OF 2021

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

	2021-06-30	2020-12-31	2020-06-30
<b>FIXED ASSETS</b>			
Goodwill	317,644	317,644	317,644
Intangible assets	5,380	8,070	18,201
Tangible fixed assets	24,294,734	25,308,898	26,466,541
Investments valued using the equity method	5,000	5,000	2,500
Investment properties	-	2,109,004	2,335,979
Assets due to deferred income tax	459,205	1,232,155	1,058,514
Other fixed assets	2,864,320	2,041,448	1,800,447
<b>Total fixed assets</b>	<b>27,946,283</b>	<b>31,022,219</b>	<b>31,999,729</b>
<b>CURRENT ASSETS</b>			
Inventories	90,129,348	145,100,193	148,304,357
Receivables due to deliveries and services and other receivables	22,401,385	12,966,706	9,889,010
Short-term investments	-	-	1,410,883
Cash and cash equivalents	15,573,223	14,495,075	6,510,298
Other financial assets	-	-	14,582,732
Other current assets	2,689,388	1,392,398	661,721
<b>Total current assets</b>	<b>130,793,343</b>	<b>173,954,372</b>	<b>181,359,001</b>
<b>Total assets</b>	<b>158,739,626</b>	<b>204,976,591</b>	<b>213,358,730</b>



	2021-06-30	2020-12-31	2020-06-30
<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	45,288,350	29,128,779	24,694,015
Capital from conversion of foreign subsidiaries	582	379	382
<b>Equity assigned to shareholders of the parent company, total</b>	<b>47,625,243</b>	<b>31,465,470</b>	<b>27,030,709</b>
<b>Non-controlling shares</b>	<b>531,769</b>	<b>519,310</b>	<b>463,015</b>
<b>Total equity</b>	<b>48,157,012</b>	<b>31,984,780</b>	<b>27,493,723</b>
<b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>			
<b>Long-term liabilities</b>			
Financial liabilities due to issuance of debt securities, loans and credits	46,128,949	42,592,937	57,346,438
Provisions due to deferred income tax	6,354	6,354	6,354
<b>Total liabilities and long-term provisions</b>	<b>46,135,303</b>	<b>42,599,291</b>	<b>57,352,792</b>
<b>Short-term liabilities</b>			
Financial liabilities due to issuance of debt securities, loans and credits	16,320,386	16,416,269	25,051,725
Liabilities due to agreements with clients	29,419,822	97,084,906	90,084,900
Liabilities due to deliveries and services and other liabilities	14,814,487	15,298,837	11,947,535
Public and legal liabilities	2,217,468	1,258,006	1,122,586
<i>Including liabilities due to income tax</i>		291,000	
Short-term provisions	250,000	250,000	250,000
Other short-term liabilities	1,425,149	84,503	55,469
<b>Total liabilities and short-term provisions</b>	<b>64,447,312</b>	<b>130,392,520</b>	<b>128,512,214</b>
<b>Total liabilities and equities</b>	<b>158,739,626</b>	<b>204,976,591</b>	<b>213,358,730</b>



## 2. Concise interim consolidated profit and loss account

	2021-01-01 – 2021-06-30	2020-01-01 – 2020-06-30	2020-04-01 – 2020-06-30	2020-04-01 – 2020-06-30
Revenue from sales	134,095,612	29,642,932	52,474,018	15,945,937
Own cost of sales	(102,177,994)	(23,499,460)	(38,935,391)	(13,163,376)
Cost of sales and advertisement	(4,860,647)	(2,511,725)	(3,132,572)	(1,000,754)
Costs of general management	(5,226,496)	(3,247,201)	(3,082,909)	(1,508,792)
Other revenue	182,179	227,722	57,589	157,321
Other costs	(324,627)	(130,986)	(178,121)	(97,521)
Financial revenue	643,132	30,925	581,544	14,964
Financial costs	(1,603,441)	(2,826,083)	(794,994)	(2,288,909)
Profit before taxation	20,727,718	(2,313,877)	6,989,163	(1,941,129)
Income tax	(4,555,688)	(15,452)	(2,682,673)	181,824
Net profit (loss)	16,172,030	(2,329,329)	4,306,490	(1,759,305)
Net profit (loss) allocated to:				
owners of the parent company	16,159,571	(2,294,789)	4,209,293	(1,734,888)
non-controlling shares	12,459	(34,539)	97,197	(24,418)
Consolidated net profit (loss) per share	6.92	(0.98)	1.80	(0.74)
Consolidated diluted net profit (loss) per share	6.92	(0.98)	1.80	(0.74)

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

	2021-01-01 – 2021-06-30	2020-01-01 – 2020-06-30	2021-04-01 – 2021-06-30	2020-04-01 – 2020-06-30
Net profit (loss)	16,172,030	(2,329,329)	4,306,490	(1,759,305)
Other total incomes that will be subject to reclassification to the financial result	202	382		
Exchange rate differences due to conversion of foreign subsidiaries	202	382		
Other total income in total	202	382		
Total income for the period	16,172,232	(2,328,947)	4,306,490	(1,759,305)



Total income allocated to:

<b>owners of the parent company</b>	16,159,773	(2,294,408)	4,209,293	(1,734,888)
<b>non-controlled shares</b>	12,459	(34,539)	97,197	(24,418)

#### 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
<b>Adjustment of the opening balance – changes in the accounting policy</b>				-		-
<b>Adjustment of the opening balance – errors from previous years</b>				-		-
<b>State as of 2021-01-01 after adjustments</b>	2,336,312	29,128,779	379	31,465,470	519,310	31,984,780
<b>Total income for the period including</b>		16,159,571	202	16,159,773	12,459	16,172,232
Net profit (loss)		16,159,571		16,159,571	12,459	16,172,030
<b>Other total income in total</b>			202	202		202
<b>Change of assets in subsidiaries</b>				-		-
<b>Changes in the capital group</b>				-		-
<b>State as of 2021-06-30</b>	2,336,312	45,288,350	582	47,625,243	531,769	48,157,012
<b>State as of 2020-01-01</b>	2,336,312	26,988,804		29,325,116	44,623	29,369,739
<b>Adjustments of the opening balance – changes in the accounting policy</b>				-		-
<b>Adjustments of the opening balance – errors from the previous years</b>				-		-
<b>State as of 2020-01-01 after adjustments</b>	2,336,312	26,988,804	-	29,325,116	44,623	29,369,739
<b>Total income for the period including</b>		(2,294,789)	382	(2,294,408)	(34,539)	(2,328,947)
Net profit (loss)		(2,294,789)	-	(2,294,789)	(34,539)	(2,329,329)





Other total income in total	-	382	382	-	382
Change of assets in subsidiaries	-	-	-	-	-
State as of 2020-06-30	2,336,312	24,694,015	382	27,030,709	463,015 27,493,723

## 5. Concise interim consolidated statement regarding cash flows

	2021.01.01 – 2021.06.30	2020.01.01 – 2020.06.30
<b>OPERATING CASH FLOWS</b>		
Profit before taxation	20,727,718	(2,313,877)
Paid income tax	(4,789,809)	(131,840)
Total adjustments	(34,123,863)	(483,714)
Depreciation	1,319,869	1,270,775
Profit/lost due to interests	(6,837,041)	1,613,932
Investment profit/loss	(536,278)	16,163
Change of the state of provisions	-	-
Change of the state of inventories	54,970,517	(29,421,141)
Change of the state of receivables	(9,434,806)	2,229,065
Change of the state of operating liabilities	(66,970,279)	34,339,473
Other adjustments	(6,635,844)	(10,786,981)
Net operating cash flows	(18,185,954)	(2,884,431)
<b>INVESTMENT OPERATIONS CASH FLOWS</b>		
Earnings	2,462,345	20,000
Sales of intangible and tangible assets	2,462,345	20,000
Received interests	-	-
Other investment earnings	-	-
Expenditure	(1,048,725)	(1,131,381)
Purchase of intangible and tangible assets	(78,725)	(11,801)
Granted loans	(970,000)	(1,119,580)
Net investment operations cash flows	1,413,620	(1,111,381)
<b>FINANCIAL OPERATIONS CASH FLOWS</b>		
Earnings	23,723,436	35,457,069
Loans and credits	23,723,436	-
Issuance of debt securities	-	35,457,069
Expenditure	(6,006,474)	(32,495,722)
Other financial expenditure	-	(250)
Loans and credits	(4,943,515)	(2,932,517)
Purchase of debt securities	-	(27,938,000)



Payments due to leasing	-	(11,023)
Paid interests	(1,062,959)	(1,613,932)
	-	-
<b>Net financial operations cash flows</b>	<b>17,716,962</b>	<b>2,961,347</b>
TOTAL NET CASH FLOWS	944,628	-
<b>BALANCE CHANGE OF THE STATE OF CASH FLOWS, including</b>		
	1,078,148	(1,034,465)
<b>Change of the state of cash flows and their equivalents due to exchange rate differences</b>	-	-
<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>15,573,223</b>	<b>6,510,298</b>
- of limited use possibilities	3,000,000	-

## 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

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 June 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	99%	99%	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
Osiedle Wiklinowa Sp. z o.o.	Poland	100%	100%	full consolidation
Osiedle Wieniawa Sp. z o.o.	Poland	100%	100%	full consolidation
SITGES QUALITY DEVELOPMENTS S.L.	Spain	70%	70%	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.



HM Construction Sp. z o.o. provides construction services for other Companies in the Group.

## **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 June 2021. The presented summaries and explanations were established with due diligence.

These concise interim consolidated financial statements were 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 9, 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 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 30.06.2021	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 30.06.2021	Value as of 31.12.2020
Provision due to deferred income tax	6,354	6,354
Remaining provisions	250,000	250,000
long-term	-	-
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 30.06.2021	Value as of 31.12.2020
Assets due to deferred income tax	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.

	1 <sup>st</sup> half of 2021				1 <sup>st</sup> half of 2020		
	Construction development operations	Production operations	Construction operations	Total	Construction development operations	Production operations	Total
<b>Total sales revenue</b>	110,672,929	23,422,683	-	134,095,612	11,211,876	18,431,056	29,642,932
<b>Total operation costs</b>	79,333,018	24,319,562	8,612,557	112,256,137	10,846,652	18,411,734	29,258,387
<b>Financial costs</b>	1,229,606	373,835	-	1,603,441	2,217,185	608,898	2,826,083
<b>Gross profit (before taxation)</b>	20,473,994	253,724	(19,808)	20,727,718	(1,738,160)	(575,717)	(2,313,877)
<b>Income tax</b>	4,509,639	46,049	-	4,555,688	15,452	-	15,452
<b>Profit after taxation</b>	15,984,163	207,675	(19,808)	16,172,030	(1,753,612)	(575,717)	(2,329,329)
<b>Assets of segments</b>	109,314,014	45,364,143	4,061,469	158,739,626	170,608,621	42,750,104	213,358,730

There were no construction operations in the comparable period.

## 6.7. Information regarding income

Revenues from sales by type

	01.01.2021 – 30.06.2021	01.01.2020 – 30.06.2020
<b>Sales of products, including:</b>	133,973,823	29,291,059
<b>Real property: apartments</b>	110,548,141	11,211,876
<b>Prefabricated elements</b>	23,303,893	18,079,183
<b>Sales of goods and materials</b>	121,789	351,874



## 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 – 30.06.2021 was 4,555,688, and was composed of:

- deferred income tax 772,950
- current tax 3,782,738.

## 6.9. Information regarding tangible fixed assets

In June 2021, HM Inwest S.A. sold an investment property in Bytom at Moniuszki 22 street. There were no other significant changes in tangible assets in the 1<sup>st</sup> half.

## 6.10. Inventories

Item	Breakdown	Value as of 30.06.2021	Value as of 31.12.2020
<b>1.</b>	<b>Materials</b>	<b>1,050,948</b>	<b>951,959</b>
	- construction development operations	-	-
	- production operations	1,050,948	951,959
<b>2.</b>	<b>Semi-finished products and products in progress</b>	<b>76,028,087</b>	<b>83,428,418</b>
	- construction development operations	76,028,087	83,428,418
	- production operations	-	-
<b>3.</b>	<b>Finished products</b>	<b>12,538,047</b>	<b>60,053,931</b>
	- construction development operations	6,978,020	54,121,799
	- production operations	5,560,027	5,932,132
<b>4.</b>	<b>Goods</b>	<b>-</b>	<b>-</b>
<b>5.</b>	<b>Advance payments for deliveries</b>	<b>512,266</b>	<b>20,384</b>
	<b>Total</b>	<b>90,129,349</b>	<b>145,100,193</b>

The Companies of the Group did not write-off the value of inventories in the 1<sup>st</sup> half 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
	30.06.2021	30.06.2021		
Receivables due to deliveries and services and other	22,401,385	22,401,385	level 3	Receivables due to deliveries and services and other
Granted loans	1,757,078	1,757,078	level 3	Long- and short-term investments
Cash and other cash assets	15,573,223	15,573,223	level 3	Cash and other cash assets
Liabilities due to deliveries and services and other	14,814,487	14,814,487	level 3	Liabilities due to deliveries and services and other
Liabilities: credits and loans and debt securities	62,449,335	62,449,335	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
	30.06.2021	30.06.2021		
Receivables due to deliveries and services and other	9,889,010	9,889,010	level 3	Receivables due to deliveries and services and other
Granted loans	1,542,000	1,542,000	level 3	Long- and short-term investments
Cash and other cash assets	21,093,030	21,093,030	level 3	Cash and other cash assets
Liabilities due to deliveries and services and other	13,070,121	13,070,121	level 3	Liabilities due to deliveries and services and other
Liabilities: credits and loans and debt securities	82,398,163	82,398,163	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	17,005,842	47,872,623	
Liabilities due to deliveries and securities and other financial liabilities	14,814,487		

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 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**

In the 2<sup>nd</sup> quarter of 2021, HM Inwest S.A. and JP Development Sp. z o.o. Poznań Niemena Sp.k. and JP Development Sp. z o.o. Poznań Karpia Sp.k. signed an agreement, on the basis of which they converted the amount paid to HM of total value of PLN 7,900,000 as an advance payment against future profit for the loans of the shareholder.

On 24.03.2021, HM Inwest S.A. signed an agreement on transfer of ownership of a property at Anna Jantar street in Poznań including property rights in execution of liability to make a contribution in-kind to Nowa Łacina 6 Sp. z o.o. The total gross value of the contribution in-kind is the amount of PLN 11,789,000.

HM Inwest S.A. provided office, accounting and other administrative services to affiliates, the total value of which in the 1<sup>st</sup> half of 2021 was approx. PLN 1 624 170.

#### **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 1<sup>ST</sup> HALF OF 2021

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

	2021-06-30	2020-12-31	2020-06-30
<b>FIXED ASSETS</b>			
Tangible fixed assets	342,625	367,297	491,842
Investment properties	0	2,109,004	2,335,979
Investments in affiliates	55,926,784	43,927,209	33,303,086
Other financial assets	24,415,455	16,159,299	7,226,220
Assets due to deferred tax	409,776	1,182,726	1,048,344
Other fixed assets	447,321	626,250	805,178
<b>Total fixed assets</b>	<b>81,541,962</b>	<b>64,371,785</b>	<b>45,210,649</b>
<b>CURRENT ASSETS</b>			
Inventories	31,322,034	40,308,934	58,561,051
Receivables due to deliveries and services and other receivables	5,637,047	1,409,895	2,603,161
Short-term investments	4,550,000	0	2,612,006
Cash and cash equivalents	5,016,575	1,342,438	3,756,328
Other financial assets	0	0	1,105,411
Other current assets	0	19,750	81,524
<b>Total current assets</b>	<b>46,525,656</b>	<b>43,081,017</b>	<b>68,719,480</b>
<b>Total assets</b>	<b>128,067,618</b>	<b>107,452,801</b>	<b>113,930,128</b>



	2021-06-30	2020-12-31	2020-06-30
<b>Equities and liabilities</b>			
<b>EQUITY</b>			
Share capital	2,336,312	2,336,312	2,336,312
Retained profits	53,450,074	48,900,717	35,780,156
<b>Total equity</b>	<b>55,786,386</b>	<b>51,237,029</b>	<b>38,116,468</b>
<b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>			
<b>Long-term liabilities</b>			
Financial liabilities due to issuance of debt securities, loans and credits	40,399,671	36,276,456	46,706,393
Provisions due to deferred income tax	6,354	6,354	6,354
<b>Total long-term liabilities and provisions</b>	<b>40,406,025</b>	<b>36,282,810</b>	<b>46,712,747</b>
<b>Short-term liabilities</b>			
Financial liabilities due to issuance of debt securities, loans and credits	10,000,000	10,000,000	1,765,000
Liabilities due to agreements with clients (advance payments)	18,755,072	6,119,527	24,560,064
Liability for supplies and services and other accessories	1,910,394	3,079,498	2,484,889
Public and legal liabilities	959,741	483,937	40,962
<i>Including liabilities due to income tax</i>	-	-	-
Short-term provisions	250,000	250,000	250,000
Other short-term liabilities	0	0	0
<b>Total short-term liabilities and provisions</b>	<b>31,875,207</b>	<b>19,932,963</b>	<b>29,100,914</b>
<b>Total liabilities and equities</b>	<b>128,067,618</b>	<b>107,452,801</b>	<b>113,930,128</b>

## 2. Concise interim profit and loss account

	2021-01-01 – 2021-06-30	2020-01-01 – 2020-06-30
Revenue from sales	4,805,609	1,450,443
Own cost of sales	(2,963,334)	(54,350)
Cost of sales and advertisement	(1,404,995)	(996,884)
General management cost	(2,799,022)	(1,904,365)
Other revenue	193,188	145,754
Other costs	(33,024)	(76,528)
Financial revenue	12,311,497	2,510,726
Financial costs	(1,296,590)	(2,465,024)
Profit before taxation	8,813,370	(1,390,229)
Income tax	(4,264,013)	(13,071)
Net profit (loss)	4,549,357	(1,403,300)
Individual net profit (loss) per share	1.95	(0.60)
Diluted individual net profit (loss) per share	1.95	(0.60)

## 3. Concise interim statement from other total income

	2021-01-01 – 2021-06-30	2020-01-01 – 2020-06-30
Net profit (loss)	4,549,357	(1,403,300)
Other total income in total	-	-
Total income for the period	4,549,357	(1,403,300)



#### 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>		4,549,357	4,549,357
including			0
<b>Net profit (loss)</b>		4,549,357	4,549,357
<b>Other total income in total</b>			0
			0
<b>State as of 2021-06-30</b>	2,336,312	53,450,074	55,786,386
<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>		(1,403,300)	(1,403,300)
including			
<b>Net profit (loss)</b>		(1,403,300)	(1,403,300)
<b>Other total income in total</b>			0
<b>State as of 2020-06-30</b>	2,336,312	35,780,156	38,116,468



## 5. Concise interim cash flows statement

	2021-01-01 – 2021-06-30	2020-01-01 – 2020-06-30
<b>OPERATING CASH FLOWS</b>		
Profit before taxation	8,813,370	(1,390,229)
Returned income tax (paid)	(4,520,735)	(80,764)
Total adjustments	(20,803,402)	(2,734,181)
Depreciation	251,647	273,450
Profit/loss due to interests	(18,720,420)	(1,099,236)
Investment profit/loss	(536,278)	15,417
Change of the state of provisions	0	0
Change of the state of inventories	(4,227,153)	(12,134,788)
Change of the state of receivables	3,672,847	2,625,916
Change of the state of operating liabilities	12,198,967	6,620,590
Other adjustments	(13,443,012)	946,470
<b>Net operating cash flows</b>	<b>(16,510,786)</b>	<b>(4,205,173)</b>
<b>Earnings</b>	<b>29,825,025</b>	<b>2,228,018</b>
Sales of tangible and intangible assets	2,461,000	20,000
Received interests	0	0
Dividends and share in profits	27,364,025	0
Other investment earnings	0	2,208,018
<b>Expenditure</b>	<b>(13,019,731)</b>	<b>(3,373,347)</b>
Purchase of tangible and intangible assets	0	(11,801)
Investments in affiliates	0	0
Granted loans	(13,019,731)	(3,361,546)
	0	0
<b>Net investment operations cash flows</b>	<b>16,805,294</b>	<b>(1,145,329)</b>
<b>FINANCIAL OPERATIONS CASH FLOWS</b>		
<b>Earnings</b>	<b>7,900,000</b>	<b>37,430,633</b>
Loans and credits	7,900,000	37,430,633
Issuance of debt securities	0	0
Other financial earnings	0	0
<b>Expenditure</b>	<b>(4,520,389)</b>	<b>(30,215,214)</b>
Loans and credits	(3,776,785)	(1,157,409)
Purchase of debt securities	0	(27,938,000)
Payments due to leasing	0	(11,023)
Paid interests	(743,604)	(1,108,782)
<b>Net financial operations cash flows</b>	<b>3,379,611</b>	<b>7,215,420</b>
<b>TOTAL NET CASH FLOWS</b>	<b>3,674,137</b>	<b>1,864,917</b>
<b>BALANCE SHEET CHANGE OF THE STATE OF CASH</b>		
<b>Including:</b>		



	3,674,137	1,864,917
Change of the state of cash and its equivalents due to exchange rate differences	0	0
<b>CASH AT THE BEGINNING OF THE PERIOD</b>	<b>1,342,438</b>	<b>1,891,411</b>
<b>CASH AT THE END OF THE PERIOD</b>	<b>5,016,575</b>	<b>3,756,328</b>
- 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

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 June 2021). The presented summary and explanations were established with due diligence.

This concise interim financial statement was 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 9, 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 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 30.06.2021	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 30.06.2021	Value as of 31.12.2020
Provision due to deferred income tax	6,354	6,354
Other provisions	250,000	250,000
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 30.06.2021	Value as of 31.12.2020
Assets due to deferred income tax	409,776	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

The Company does not identify business segments at the level of individual financial statement.

## 6.7. Information regarding income

	01.01.2021 – 30.06.2021	01.01.2020 – 30.06.2020
<b>Sales of products</b>	3,139,127	29,906
<b>Office and administrative support</b>	1,524,298	1,192,848
<b>Lease services</b>	99,872	134,440
<b>Other sales</b>	42,312	93,250
<b>TOTAL</b>	4,805,609	1,450,443

## 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 – 30.06.2021 was PLN 4,264,013, and consisted of:  
current income tax in the amount of PLN 3,491,063.  
deferred income tax in the amount of PLN 772,950.

## 6.9. Inventories

Item	Breakdown	Value as of 30.06.2021	Value as of 30.06.2020
<b>1.</b>	<b>Materials</b>	-	-
	- construction development operations	-	-
<b>2.</b>	<b>Semi-finished products in progress</b>	27,409,991	<b>58,561,051</b>
	- construction development operations	27,409,991	58,561,051
<b>3.</b>	<b>Finished products</b>	3,912,043	-
	- construction development operations	3,912,043	-
<b>4.</b>	<b>Goods</b>	-	-
<b>5.</b>	<b>Advance payments for deliveries</b>	-	-
	<b>Total</b>	31,322,034	58,561,051

In the 1<sup>st</sup> half of 2021, the Company did not do write-offs of inventories.

## 6.10. Long-term investments

In the 1<sup>st</sup> quarter of 2021, HM Inwest S.A. signed an agreement on transfer of ownership of the property located at Anna Jantar in Poznań including property rights in execution of liability to make contribution in-kind to Nowa Łacina 6 Sp. z o.o. The total gross value of contribution in-kind is PLN 11,789,000. HM Inwest S.A. owns 100% shares in this company. In the 2<sup>nd</sup> quarter of 2021, the Company acquired 100% of shares in special purpose vehicles – Osiedle Wiklinowa Sp. z o.o. and Osiedle Wieniawa Sp. z o.o.

The Company did not acquire significant tangible fixed assets in the 1<sup>st</sup> half of 2021.

## 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 20 million	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 4,300,000 PLN 117,000	18.03.2019	30.06.2020 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 1<sup>st</sup> half of 2021.

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

Balance sheet item	Balance sheet value 30.06.2021	Fair value 30.06.2021	Level in the hierarchy of establishing of fair value	Balance sheet item
<b>Loans granted inside the Group</b>	27,208,377	27,208,377		level 3
<b>Receivables due to deliveries and services</b>	4,317,452	4,317,452	level 3	Receivables due to deliveries and services and other receivables
<b>Granted loans</b>	1,757,078	1,757,078	level 3	Long- and short-term investments
<b>Cash and other cash assets</b>	5,016,575	5,016,575	level 3	Cash and other cash assets
<b>Liabilities due to deliveries and services and other liabilities</b>	1,910,394	1,910,394	level 3	Liabilities due to deliveries and services and other liabilities
<b>Liabilities: credits and loans and issuance of debt securities</b>	50,399,671	50,399,671	level 3	Long- and short-term financial liabilities due to issuance of debt securities, loans and credits

Balance sheet item	Balance sheet value 30.06.2020	Fair value 30.06.2020	Level in the hierarchy of establishing of fair value	Balance sheet item
<b>Loans granted inside the Group</b>	8,296,220	8,296,220		level 3
<b>Receivables due to deliveries and services</b>	981,634	981,634	level 3	Receivables due to deliveries and services and other receivables
<b>Granted loans</b>	1,542,000	1,542,000	level 3	Long- and short-term investments



<b>Cash and other cash assets</b>	4,861,738	4,861,738	level 3	Cash and other cash assets
<b>Liabilities due to deliveries and services and other liabilities</b>	2,548,656	2,548,656	level 3	Liabilities due to deliveries and services and other liabilities
<b>Liabilities: credits and loans and issuance of debt securities</b>	48,471,393	48,471,393	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**

In the 2<sup>nd</sup> quarter of 2021, HM Inwest S.A., JP Development Sp. z o.o. Poznań Niemena Sp.k. and JP Development Sp. z o.o. Poznań Karpia Sp.k. entered into agreement on conversion of the amount paid to HM of total value of PLN 7,900,000 as an advance payment against future profit for advance payments of a shareholder.

On 24.03.2021, HM Invest S.A. entered into agreement on transfer of ownership of the property located at Anna Jantar street in Poznań including property rights in execution of liability to make contribution in-kind to Nowa Łacina 6 Sp. z o.o. The total gross value of the contribution in-kind is PLN 11,789,000.

HM Inwest S.A. provided office support, accounting and other administrative services, the total value of which in the 1<sup>st</sup> half of 2021 was approx. PLN 1,624,170, to affiliates.

## **V. REPORTS ON THE REVIEW OF INTERIM FINANCIAL STATEMENTS**

Reports on the review of interim financial statements for the 1<sup>st</sup> half of 2021 are provided in the appendix to this statement.

30.09.2021



President of the Management Board – Piotr Hofman

**Piotr  
Łukasz  
Hofman** Elektronicznie  
podpisany przez  
Piotr Łukasz Hofman  
Data: 2021.09.30  
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