



HALF YEAR REPORT FOR 1ST HALF OF 2023



CPD S.A.

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the first half of 2023 report of CPD S.A. published on 28 September 2023.

In Poland statutory accounts must be prepared and presented in accordance with Polish legislation and in accordance with the accounting principles and practices generally used in Poland. The accompanying translated financial statements have not been reclassified or adjusted in any way to conform to accounting principles generally accepted in countries other than in Poland, but certain terminology current in Anglo-Saxon countries has been adapted to the extent practicable.

In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

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I. OPERATING REPORT

1. INFORMATION OF CPD CAPITAL GROUP

CPD Group started its activities in Poland in 1999 from the foundation of Celtic Asset Management sp. z o.o. In subsequent years, 1999-2005, the activities of the company focused on building and managing a real estate portfolio for external institutions in Poland, Czech Republic, Lithuania, Romania, Hungary, and Germany. In 2005 Celtic Asset Management sp. z o.o. started development activity in cooperation with several funds managed by Laxey Partners. In 2007 the consolidation of the group under the name Celtic Property Developments SA (BVI) was performed and in 2008 the listing of the company Celtic Property Developments SA (BVI) began on a deregulated market (Freiverkehr) in Frankfurt. In the period from 2005 to 2010 the Company's main market of activity was Poland. At the same time, the Group conducted and managed projects in Montenegro, Hungary, Italy, Belgium, the United Kingdom, the Netherlands, Germany, and Spain. International experience and practical knowledge of experts and managers of CPD Group contributed to creation of a strong and stable Capital Group, which debuted on the Warsaw Stock Exchange on 23 December 2010. 17th of September 2014 the Company changed its name from Celtic Property Developments S.A. to CPD S.A.

In 2022, the CPD Group completed the process of monetization of the Ursus project and sold two leased office buildings located in Warsaw.

In the first half of 2023, the Group completed the sale of apartments and commercial premises in the Ursus district and sold the last two significant assets of the Group. Currently, the CPD Capital Group is working on the restructuring of the group to enable the choice of the direction of the Company's development, including possible acquisition of a strategic investor or initiation of projects in industries where there has been no assessment so far.

2. CAPITAL GROUP'S STRUCTURE

As of the day of publication hereof, the CPD Group (hereinafter referred to as "the Group" or "CPD Group" or "the Capital Group") was composed of a dominant entity – CPD S.A. (hereinafter referred to as "the Company") and 15 subsidiaries and two jointly controlled entities.

CPD S.A. implements activities aimed at restructuring the Capital Group and optimizing operating costs.

During the reporting period, CPD Group structure was changed in the following manner:

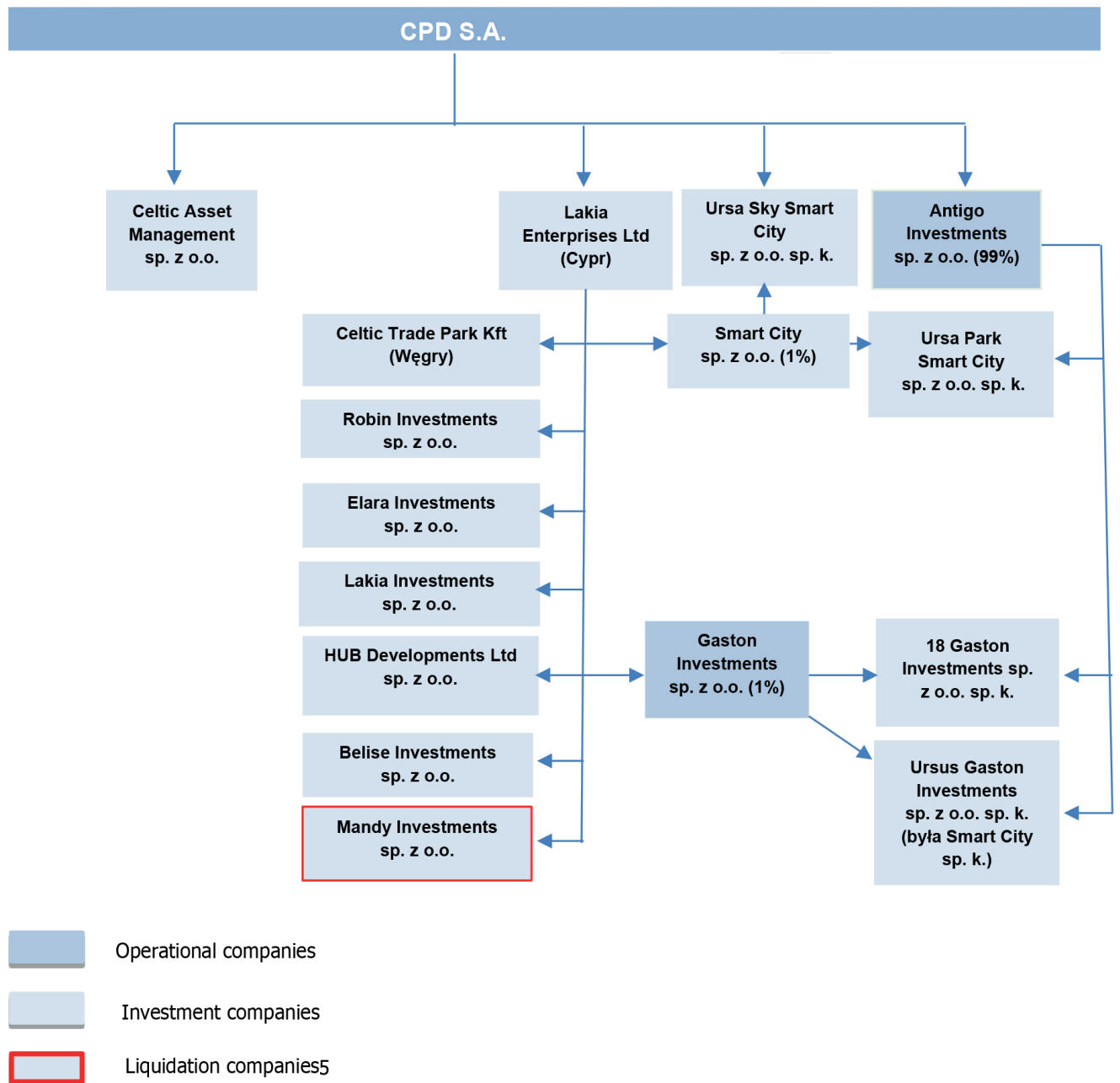
- January 31, 2023 CPD S.A. sold 100% of shares in Challenge Eighteen sp. z o.o. in liquidation
- February 1, 2023 CPD S.A. sold 100% of shares in Ursus Development sp. z o.o. in liquidation
- March 17, 2023 CPD S.A. sold 100% of shares in Celtic Investments Ltd.
- On April 19, 2023, proceedings to dissolve the company 2/124 Gaston Investments spółka z ograniczoną odpowiedzialnością sp. k. were initiated and completed on May 18, 2023.

After the balance sheet date, there were the following change in the structure of the Company:

- On July 11, 2023, proceedings to dissolve the company 18 Gaston Investments spółka z ograniczoną odpowiedzialnością sp. k. were initiated and completed on July 18, 2023.

As of the day of publication hereof all the Group companies are consolidated by the full method, except for two Group companies – Ursa Sky Smart City sp. z o.o. sp. k. and Ursa Park Smart City sp. z o.o. sp. k., which are consolidated with the equity method in accordance with the requirements of the International Financial Reporting Standards.

CPD Group's structure as on 30 June 2023.



3. SELECTED FINANCIAL DATA

Selected items of the consolidated statement of comprehensive income

| | 6 months period | | Change (%) |
|--|----------------------------------|----------------------------------|---------------|
| | From 01.01.2023 to 30.06.2023 | From 01.01.2022 to 30.06.2022 | |
| | (PLN thous.) | (PLN thous.) | |
| Revenue | 2 570 | 589 | 336,3% |
| Cost of sales | -5 696 | -113 | 4940,7% |
| Sales profit/loss | -3 126 | 476 | |
| Administrative expenses - property related | -2 | -277 | -99,3% |
| Other administrative expenses | -5 710 | -6 374 | -10,4% |
| Selling and marketing costs | -37 | -79 | -53,2% |
| Gain (loss) on disposal of investment properties | -137 | 0 | |
| Other income | 389 | 315 | 23,5% |
| Gain (loss) on disposal of subsidiaries | 7 484 | 0 | |
| Post-tax share of the profit or loss of the joint-venture accounted for using the equity method | 24 | 2 791 | -99,1% |
| Impairment of receivables | 26 | 7 271 | -99,6% |
| Profit/loss from operations | -1 089 | 4 123 | |
| Finance income | 1 032 | 415 | 148,7% |
| Finance costs | -216 | -340 | -36,5% |
| Profit/loss before tax | -273 | 4 198 | |
| Income tax | 6 314 | -1 279 | |
| Profit/loss from continued operations | 6 041 | 2 919 | 107,0% |
| Profit/loss from discontinued operations | -1 971 | -29 386 | -93,3% |
| Profit/loss for the period | 4 070 | -26 467 | |

In the first half of 2023 CPD S.A. Group generated a net profit of PLN 4.07 M. The net profit improved by PLN 30.54 M compared to the first half of 2022.

There were five main factors that had a positive impact on CPD Group's financial results in the first half of 2023 in comparison with the same period in 2022. In the first half of 2023 CPD Group recorded a loss from discontinued operations in the amount of PLN 1.97 M, whereas in the same period in 2022 it recorded a profit from discontinued operations of PLN 29.39 M. Deferred income tax liabilities dropped by PLN 8.84 M, which had a positive impact on Group's financial results. What is more, a gain on disposal of subsidiaries amounted to PLN 7.48 M in the first half of 2023. Moreover, other administrative expenses declined by PLN 0.66 M and finance income increased by PLN 0.62 M.

The decrease in deferred income tax liabilities in the amount of PLN 8.84 M stemmed mainly from the fact that CPD S.A. recognised deferred income tax assets resulting from write-downs of loan receiva-

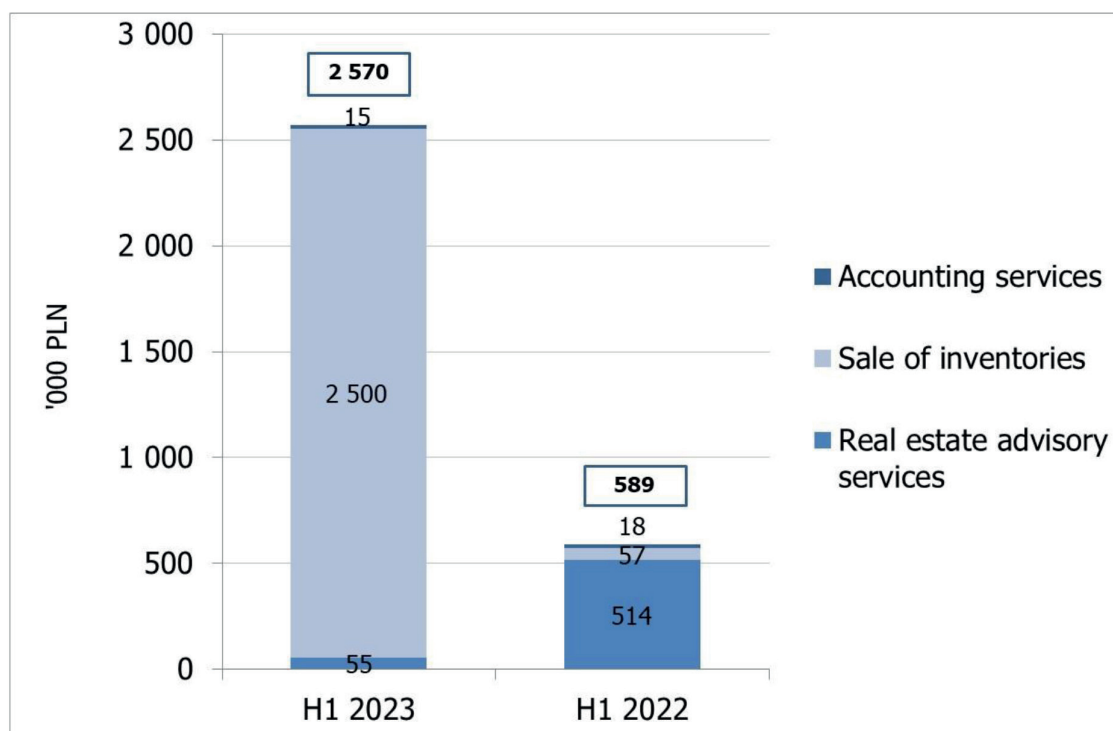
bles. The decrease in other administrative expenses resulted from lower advisory costs. The increase in finance income resulted from higher amount of interest earned on bank deposits and higher amount of favourable foreign exchange differences.

On the other hand, there were three main factors that had a negative impact on CPD Group's financial results in the first half of 2023 in comparison with the first half of 2022. The reversal of impairment of receivables was lower by PLN 7.25 M in comparison with the first half of 2022. What is more, sales loss amounted to PLN 3.13 M, whereas in the same period in 2022 sales profit amounted to PLN 0.48 M. Moreover, the Group's share in the profit of joint ventures amounted to PLN 0.02 M in the first half of 2023 and was lower by PLN 2.77 M in comparison with the same period in 2022.

The following table shows the selected items of the consolidated statement of comprehensive income translated into euro. The figures for the first half of 2023 assumed an average half-year fx rate for the first half of 2023 published by the National Bank of Poland, i.e., 4.6288. The figures for the first half of 2022 assumed an average half-year fx rate for the first half of 2022 published by the National Bank of Poland, i.e., 4.6365.

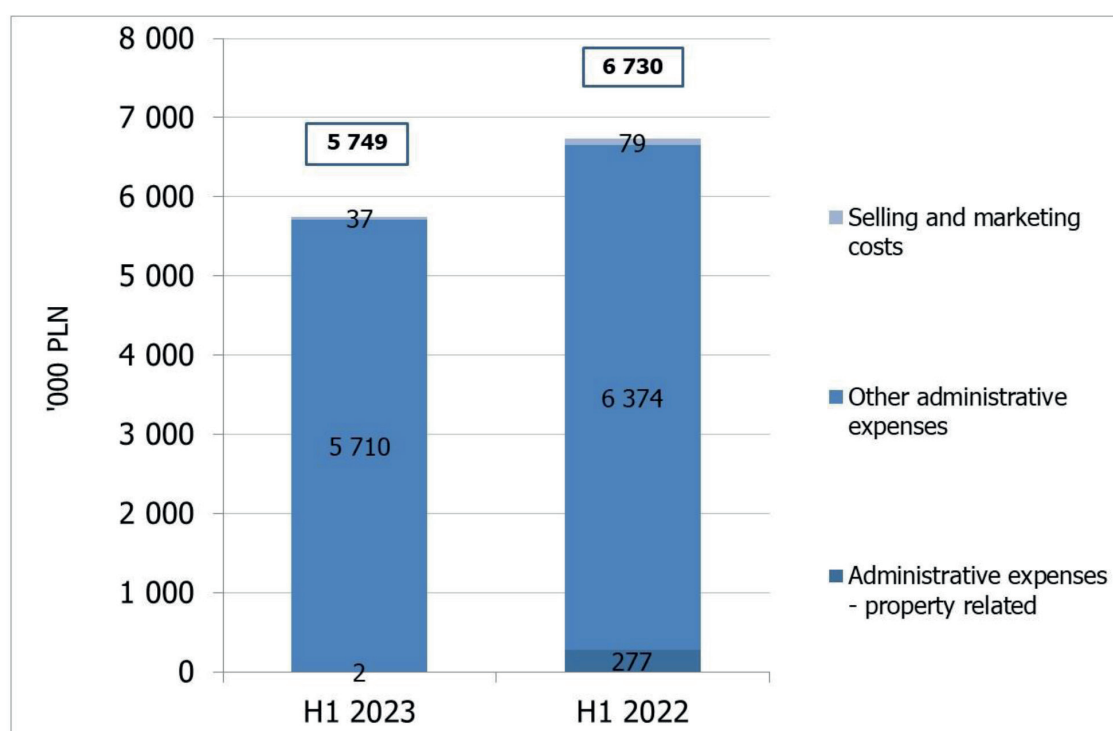
| | 6 months period | | Change (%) |
|---|--|--|---------------|
| | From 01.01.2023 to 30.06.2023 (EUR thous.) | From 01.01.2022 to 30.06.2022 (EUR thous.) | |
| Revenue | 555 | 127 | 337,1% |
| Cost of sales | -1 231 | -24 | 4949,1% |
| Sales profit/loss | -675 | 103 | |
| Administrative expenses - property related | 0 | -60 | -99,3% |
| Other administrative expenses | -1 234 | -1 375 | -10,3% |
| Selling and marketing costs | -8 | -17 | -53,1% |
| Gain (loss) on disposal of investment properties | -30 | 0 | |
| Other income | 84 | 68 | 23,7% |
| Gain (loss) on disposal of subsidiaries | 1 617 | 0 | |
| Post-tax share of the profit or loss of the joint-venture accounted for using the equity method | 5 | 602 | -99,1% |
| Impairment of receivables | 6 | 1 568 | -99,6% |
| Profit/loss from operations | -235 | 889 | |
| Finance income | 223 | 90 | 149,1% |
| Finance costs | -47 | -73 | -36,4% |
| Profit/loss before tax | -59 | 905 | |
| Income tax | 1 364 | -276 | |
| Profit/loss from continued operations | 1 305 | 630 | 107,3% |
| Profit/loss from discontinued operations | -426 | -6 338 | -93,3% |
| Profit/loss for the period | 879 | -5 708 | |

The following chart shows the structure of revenue in the first half of 2023 and 2022.



Total revenue went up in comparison with the first half of 2022 as a result of higher revenue resulting from the sale of inventories.

The following chart shows the structure of operating costs in the first half of 2023 and 2022.



The value of total operating expenses decreased as a result of lower advisory costs and lower property related administrative expenses.

Selected items of the consolidated statement of financial position

| | As at: | | Change (%) |
|--|----------------------------|----------------------------|---------------|
| | 2023-06-30 (PLN thous.) | 2022-12-31 (PLN thous.) | |
| TOTAL ASSETS | 43 297 | 115 526 | -62,5% |
| Non-current assets, including: | 3 772 | 5 658 | -33,3% |
| <i>Investment properties</i> | 0 | 1 910 | -100,0% |
| <i>Investments in joint ventures accounted for using the equity method</i> | 3 772 | 3 748 | 0,6% |
| Current assets, including: | 39 525 | 109 868 | -64,0% |
| <i>Assets held for sale</i> | 0 | 24 045 | -100,0% |
| <i>Inventory</i> | 795 | 6 631 | -88,0% |
| <i>Trade and other receivables</i> | 1 462 | 2 899 | -49,6% |
| <i>Cash and cash equivalents</i> | 37 268 | 76 293 | -51,2% |
| TOTAL EQUITY AND LIABILITIES | 43 297 | 115 526 | -62,5% |
| Equity, including: | 41 080 | 81 129 | -49,4% |
| <i>Share capital</i> | 897 | 897 | 0,0% |
| <i>Reserve capital</i> | 987 | 987 | 0,0% |
| <i>Own shares for redemption</i> | -95 924 | -50 010 | 91,8% |
| <i>Fair value of capital element at inception date</i> | -27 909 | -27 909 | 0,0% |
| <i>Translation reserve</i> | -4 682 | -6 477 | -27,7% |
| <i>Retained earnings</i> | 167 711 | 163 641 | 2,5% |
| Total liabilities, including: | 2 217 | 34 397 | -93,6% |
| <i>Non-current liabilities</i> | 0 | 9 028 | -100,0% |
| <i>Current liabilities</i> | 2 217 | 25 369 | -91,3% |

At the end of June 2023, the value of assets was 62% lower compared to December 2022.

The value of investment properties dropped by 100% because the Group sold its last investment property.

The value of investments in joint ventures did not change considerably in the 6-month reporting period.

The value of current assets went down by 64% as a consequence of a shares buy-back in the amount of PLN 45.9 M and paying substantial VAT and income tax liabilities in the first half of 2023. At the end of June 2023, the value of equity amounted to PLN 41.08 M, which accounted for 94.9% of total assets. Total liabilities accounted for 5.1% of total assets. These ratios changed substantially in comparison with December 2022, when they amounted to 70.2% and 29.8% respectively.

The value of total liabilities went down by 93.6% (PLN 32.18 M), among others, due to a decrease in the balance of tax liabilities of PLN 19.85 million and a drop in the balance of deferred income tax liabilities of PLN 8.84 million.

The following table shows the selected items of the consolidated statement of financial position translated into euro. The figures for June 30, 2023 assumed an fx rate published by the National Bank of Poland as of June 30, 2023, i.e., 4.4503. The figures for 31 December 2022 assumed an fx rate published by the National Bank of Poland as of December 31, 2022, i.e., 4.6899.

| | As at: | | Change (%) |
|--|----------------------------|----------------------------|---------------|
| | 2023-06-30 (EUR thous.) | 2022-12-31 (EUR thous.) | |
| TOTAL ASSETS | 9 729 | 24 633 | -60,5% |
| Non-current assets, including: | 848 | 1 206 | -29,7% |
| <i>Investment properties</i> | 0 | 407 | -100,0% |
| <i>Investments in joint ventures accounted for using the equity method</i> | 848 | 799 | 6,1% |
| Current assets, including: | 8 881 | 23 427 | -62,1% |
| <i>Assets held for sale</i> | 0 | 5 127 | -100,0% |
| <i>Inventory</i> | 179 | 1 414 | -87,4% |
| <i>Trade and other receivables</i> | 329 | 618 | -46,9% |
| <i>Cash and cash equivalents</i> | 8 374 | 16 268 | -48,5% |
| TOTAL EQUITY AND LIABILITIES | 9 729 | 24 633 | -60,5% |
| Equity, including: | 9 231 | 17 299 | -46,6% |
| <i>Share capital</i> | 202 | 191 | 5,4% |
| <i>Reserve capital</i> | 222 | 210 | 5,4% |
| <i>Own shares for redemption</i> | -21 555 | -10 663 | 102,1% |
| <i>Fair value of capital element at inception date</i> | -6 271 | -5 951 | 5,4% |
| <i>Translation reserve</i> | -1 052 | -1 381 | -23,8% |
| <i>Retained earnings</i> | 37 685 | 34 892 | 8,0% |
| Total liabilities, including: | 498 | 7 334 | -93,2% |
| <i>Non-current liabilities</i> | 0 | 1 925 | -100,0% |
| <i>Current liabilities</i> | 498 | 5 409 | -90,8% |

The following table shows the structure of liabilities as of 30 June 2023 and 31 December 2022.

| | 2023-06-30 | 2022-12-31 |
|--|-------------|--------------|
| Liabilities to total assets | 5,1% | 29,8% |
| Non-current liabilities to total assets | 0,0% | 7,8% |
| Borrowings including leases | 0,0% | 0,2% |
| Deferred income tax liabilities | 0,0% | 7,7% |
| Current liabilities to total assets | 5,1% | 22,0% |
| Trade and other payables | 5,1% | 20,4% |
| Payables linked to assets held for sale | 0,0% | 1,6% |

The structure of liabilities changed considerably in the first half of 2023. The share of non-current liabilities in total assets went down from 7.8% as of 31 December 2022 to 0% as of 30 June 2023. The share of current liabilities in total assets decreased from 22% to 5.1%.

At the end of June 2023 current liabilities accounted for 100% of total liabilities, whereas at the end of December 2022 the share amounted to 74%.

4. IMPORTANT ACHIEVEMENTS, FAILURES AND THE MOST IMPORTANT EVENTS CONCERNING THE COMPANY IN THE REPORTING PERIOD

• CONCLUSION OF THE SALE AGREEMENT BY THE ISSUER'S SUBSIDIARY

On February 28, 2023 the Issuer's subsidiary, i.e. Elara Investments sp. z o.o. concluded the promised agreement for the sale of the co-ownership right in the share amounting to 45415/168687 parts in the developed land property located in Warsaw, at 69 Koszykowa Street, Śródmieście district, precinct 5-05-05, District of the Capital City of Warsaw, Mazowieckie Voivodeship, consisting of a plot of land marked in the land register with the number 6 (six) with an area of 744 sqm (seven hundred and forty-four square meters) for which the District Court for Warszawa-Mokotów in Warsaw, 10th Land and Mortgage Registry Department keeps the land and mortgage register No. WA4M/00147891/9. The sales contract with a total gross value of PLN 3,075,000 was concluded with Revan sp. z o.o. with its registered office in Żywiec. The provisions of the above agreement do not differ from the standards commonly applicable to this type of agreement.

• CONCLUSION OF THE SALE AGREEMENT BY THE ISSUER'S SUBSIDIARY

On March 1, 2023 the Issuer's subsidiary, i.e. Lakia Investments sp. z o.o. concluded the promised agreement for sale of perpetual usufruct right to real estate consisting of a built-up land plot no. 8/7, precinct no. 146505_8.0813, located in Warsaw in the Mokotów District, at 7b Cybernetyki street, with an area of 3,908 sqm, described in the land and mortgage register WA2M/00139786/7 kept by the District Court for Warszawa-Mokotów in Warsaw, 7th Division of Land and Mortgage Registers, as well as the sale of the ownership right to the Solar office building located on the ground, together with the ownership right buildings and other

devices located on the land and all rights related to it and the right of perpetual usufruct of the property consisting of a built-up land plot no. 8/12, precinct no. 146505_8.0813, located in Warsaw in the Mokotów District, at 7 Cybernetyki street, with an area of 2,410 sqm, described in the land and mortgage register WA2M/00457211/1 kept by the District Court for Warsaw-Mokotów in Warsaw, 7th Land and Mortgage Register Division. The sales contract with a total gross value of PLN 28,290,000 was concluded with Flora Development 22 spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw. The provisions of the above agreement do not differ from the standards commonly applicable to this type of agreement.

- **REVIEW OF STRATEGIC OPTIONS**

On March 1, 2023 Management Board of CPD S.A. decided to start the process of reviewing strategic options, the purpose of which is to identify possible directions of development of the Issuer. The review will result in an assessment of possible courses of action aimed at maximizing shareholder value. The Company is considering a few possible courses of action, which may include acquiring a strategic investor or carrying out alternative actions, which may result in a change in the Company's shareholding structure. The Management Board also does not rule out initiating projects in industries where the Company has not been present so far. However, the Issuer does not guarantee that the review will lead to any transaction changing this structure, and furthermore that the review will lead to the selection of any strategic option. The decision to start the Review results from the finalization of the Issuer's key project in the Ursus district in Warsaw, including the completion of the process of monetization of the land located there, as well as the sale of the last key assets, which the company informed about in recent reports

- **INFORMATION ON THE INVITATION TO SUBMIT OFFERS FOR SALE OF SHARES OF CPD S.A.**

On March 7, 2023 the Management Board of CPD S.A., acting on the basis of Resolution No. 2/III/2023 of the Management Board of the Company of 7th of March 2023 on determining the detailed conditions for the purchase of the Company's shares, in connection with Resolution No. 21 of the Ordinary General Meeting of CPD Spółka Akcyjna with its registered office in Warsaw of June 28, 2022 on authorizing the Company's Management Board to purchase own shares for redemption, invited the Company's shareholders to submit offers for the sale of its shares for redemption under the conditions set out in the Invitation to Submit Sale Offers.

- **CONCLUSION OF A SALE AGREEMENT OF SHARES IN A SUBSIDIARY COMPANY**

On March 17, 2023 an agreement was concluded under which the Company sold 100% of the shares it held in the share capital of the company under the business name Celtic Investments Ltd with its registered office in Nicosia ("Agreement"). Due to the conclusion of the Agreement described above, the Company ceased to have share rights in the share capital of Celtic Investments Ltd with its registered office in Nicosia and the above company is no longer part of the "CPD" Capital Group. Celtic Investments Ltd with its registered office in Nicosia did not have any significant assets. The sale price of 100% of shares i.e. 1,000 shares with a value of EUR 1,000, specified in the agreement, amounted to EUR 1,000 (one thousand). As a result of the above agreement, the Company's consolidated statement of financial position does not include the liability described in the section „Significant Court, Administrative and Arbitration Proceedings” in the Company's periodic reports since 2019.

- **INFORMATION ON ACCEPTANCE OF SHARES SALE OFFERS**

In connection with the Invitation to submit Offers for the Sale of the Company's Shares announced on March 7, 2023 based on which the Company proposed the purchase of no more than 1,535,558 (one million five hundred thirty five thousand five hundred fifty eight) ordinary bearer shares of the Company marked with the ISIN code PLCELPD00013 („Shares”), during the period of accepting Share Sale Offers from March 9 to March 21, 2023, 155 valid Share Sale Offers were submitted for a total of 6,800,469 (six million eight hundred thousand four hundred sixty nine) shares of the Company. On March 22, 2023, the Company decided to accept all valid offers for the sale of the Shares and to reduce them in accordance with the principles set out in the Invitation. Since the sale offers covered a larger number of shares than the 1,535,558 shares proposed by the Company, each Share Sale Offer was executed in part and reduced by approximately 77.66% on average.

- **PURCHASE OF OWN SHARES FOR REDEMPTION**

On March 24, 2023 as a result of the settlement of the purchase of shares in CPD S.A. as a result of the invitation to submit offers for the sale of the Company's shares announced on March 7, 2023, the Company purchased 1,535,558 shares of the Company (treasury shares). The Own Shares acquisition will take place outside the regulated market, through the National Depository for Securities. The shares were acquired in accordance with Resolution No. 21 of the Extraordinary General Meeting of CPD S.A. of June 28, 2022 on authorizing the Company's Management Board to purchase own shares for redemption, in accordance with Art. 362 § 1 point 5) k.s.h. (Commercial Companies Code) the purchase price per share was PLN 29.90. All purchased shares are ordinary shares with a nominal value of PLN 0.10 each. Acquired shares of CPD S.A. (in the number of 1,535,558 shares) constitute 17.13% of the share capital of the Company and represent 1,535,558 votes at the General Meeting of the Company (21.05% of the total number of votes at the General Meeting of the Company), however, in accordance with applicable regulations, the Company is not entitled to exercise voting rights from own shares.

- **INFORMATION ON THE RESIGNATION OF A MEMBER OF THE SUPERVISORY BOARD FROM FUNCTIONED FUNCTIONS**

Management Board of CPD S.A. On June 1, 2023, he received the resignation of a member of the Supervisory Board from his position.

Mr. Krzysztof Laskowski, previously a Member of the Supervisory Board of the Company, resigned from his function with effect from the date of the Ordinary General Meeting, the subject of which was to consider and approve the Management Board's report on the company's activities and the financial statements for 2022 and to grant discharge to the members of the company's governing bodies in respect of their performance by their responsibilities in 2022.

Mr. Krzysztof Laskowski met the criteria of an independent member of the Council. Mr. Krzysztof Laskowski did not provide reasons for his resignation.

- **CONCLUSION OF THE SALE AGREEMENT BY THE ISSUER'S SUBSIDIARY**

On June 16, 2023, the Issuer's subsidiary, i.e. HUB Investments sp. z o.o. concluded a final contract for the sale of the ownership right to an undeveloped land property located in Wolbórz, Wolbórz registration district, Piotrowski County, Łódź Voivodeship, consisting of plots of land marked in the land register with numbers: 1263/7, 1264/2, 1289/1 with a total area of 97 871 sqm, for which the District Court in Piotrków

Trybunalski, 6th Land and Mortgage Register Department keeps land and mortgage registers with the following numbers: PT1P/00034997/8, PT1P/00072642/3, PT1P/00075470/7. The sales agreement with a total value of PLN 2,337,000 gross was concluded with Satoia S.A. based in Wrocław. The provisions of the above agreement do not differ from the standards generally applicable to this type of agreements.

- **INFORMATION ON THE APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD**

Management Board of CPD S.A. on June 28, 2023, announced that the Extraordinary General Meeting of the Company had appointed Mr. Krzysztof Zawadzki to serve as a Member of the Company's Supervisory Board from June 28, 2023.

Information about the education, qualifications and professional career of Mr. Krzysztof Zawadzki is available on the Company's website.

5. IMPORTANT ACHIEVEMENTS, FAILURES, AND THE MOST IMPORTANT EVENTS CONCERNING THE COMPANY AFTER THE REPORTING PERIOD

- **INFORMATION ABOUT THE INVITATION TO SUBMIT OFFERS FOR SALE OF CPD S.A. SHARES**

On July 24, 2023, the Management Board of CPD S.A., acting pursuant to Resolution No. 12/VII/2023 of the Company's Management Board of July 24, 2023 on establishing detailed conditions for the purchase of the Company's shares, in connection with Resolution No. 21 of the Ordinary General Meeting of CPD Spółka Akcyjna with its registered office in Warsaw of June 28, 2022 regarding the authorization of the Company's Management Board to purchase own shares for the purpose of redemption, invited the Company's shareholders to submit offers for the sale of its shares for redemption under the conditions specified in the Invitation to Submit Sale Offers.

- **INFORMATION ABOUT THE RESIGNATION OF A MEMBER OF THE MANAGEMENT BOARD FROM FULFILLED FUNCTION**

Management Board of CPD S.A. (hereinafter referred to as the „Company”) announced on July 28, 2023 that Mr. John Purcell, previously a Member of the Company's Management Board, resigned from his position. Mr. John Purcell did not give reasons for his resignation.

- **INFORMATION ON ACCEPTANCE OF SHARES SALE OFFERS**

In connection with the Invitation to submit Sale Offers for the Company's Shares announced on July 24, 2023, on the basis of which the Company proposed to purchase no more than 1,274,943 (in words: one million two hundred and seventy-four thousand nine hundred and forty-three) ordinary bearer shares of the Company marked with the ISIN code PLCELPD00013 („Shares”), during the period of accepting Share Sale Offers from August 2 to August 18, 2023, 195 valid Share Sale Offers were submitted, amounting to a total of 5,261,960 (in words: five million two hundred and sixty-one thousand nine hundred and sixty) shares of the Company.

On August 23, 2023, the Company decided to accept all valid offers for the sale of Shares and to reduce them, carried out in accordance with the principles set out in the Invitation. Since the sale offers

amounted to a larger number of shares than the 1,274,943 shares proposed by the Company, each Share Sale Offer was partially implemented – the reduction of offers was carried out in accordance with the principles described in the Invitation and the sale offers will be reduced on average by approximately 75.77%.

• PURCHASE OF OWN SHARES FOR THE PURPOSE OF CANCELLATION

On August 23, 2023, as a result of the settlement of the transaction of purchasing shares of CPD S.A. as a result of the invitation to submit offers for the sale of the Company's shares announced on July 24, 2023 (hereinafter referred to as the „Invitation”), the Company purchased 1,274,943 shares of the Company (own shares). The transaction of purchasing the Own Shares took place outside the regulated market, through the National Depository of Securities.

The shares were acquired in accordance with Resolution No. 21 of the Extraordinary General Meeting of CPD S.A. of June 28, 2022, regarding the authorization of the Company's Management Board to purchase own shares for the purpose of their redemption, in accordance with Art. 362 § 1 point 5) of the Commercial Companies Code. The purchase price of one share was PLN 25.24.

All purchased shares are ordinary shares with a nominal value of PLN 0.10 each. Acquired shares of CPD S.A. (1,274,943 shares) constitute 14.22% of the Company's share capital and represent 1,274,943 votes at the General Meeting of the Company (22.14% of the total number of votes at the General Meeting of the Company), however, in accordance with applicable regulations, the Company does not is entitled to exercise voting rights attached to own shares.

The above purchase of own shares fully fulfilled the authorization of the Company's Management Board to purchase own shares for the purpose of their redemption, adopted by the Extraordinary General Meeting of CPD S.A. By resolution No. 21 of June 28, 2022, as a result of all previous share purchases carried out in 2013-2023, the Company purchased a total of 36,603,324 shares, allocating PLN 589,484,305 for this purpose. Considering the fact that in 2013, shareholders held 34,307,488 shares, the average value of funds obtained by shareholders per share was PLN 17.18.

| Date of shares buy-back | No. of shares | Price in PLN | Amount |
|-------------------------|-------------------|--------------|--------------------|
| 15.04.2013 | 1732 394 | 7.10 | 12 299 997 |
| 26.10.2017 | 1 401 792 | 12.27 | 17 199 988 |
| 20.06.2018 | 11 581 100 | 12.34 | 142 910 774 |
| 22.03.2019 | 3 305 886 | 13.01 | 43 009 577 |
| 26.03.2020 | 614 385 | 5.00 | 3 071 925 |
| 25.06.2020 | 4 779 565 | 14.92 | 71 311 110 |
| 3.08.2021 | 8 705 110 | 19.71 | 171 577 718 |
| 29.07.2022 | 1 672 591 | 29.90 | 50 010 471 |
| 24.03.2023 | 1 535 558 | 29.90 | 45 913 184 |
| 24.08.2023 | 1 274 943 | 25.24 | 32 179 561 |
| Total | 36 603 324 | 16.10 | 589 484 305 |

6. FACTORS AND EVENTS OF AN UNUSUAL NATURE HAVING AN IMPORTANT INFLUENCE ON THE FINANCIAL STATEMENT

The prolonged war in Ukraine had no significant impact on the Group's results for the first half year of 2023.

Real estate development is characterized by a long production cycle, therefore the effects of negative events can be felt in the long term. In the jointly controlled company Ursa Sky Smart City sp. z o.o. sp. k. revenues from the sale of apartments, service premises and parking spaces for 2022 amounted to PLN 122.8 million and were generated by transactions from about a year ago with payment in instalments. Since II Task of Ursa Sky Smart City project completed in 2022 was the last stage of the residential project realised by CPD S.A. Group, the significant decline of apartments sales after mid-2022 did not affect the Group's results in half year 2023. Due to end of sale of the apartments in last CPD's Group residential project will not affect the Group's results subsequent.

Due to the global pandemic from 2020 to 2022 and Russia's aggression against Ukraine that began in February 2022, the company assumes that its effects may affect the activities of property development companies in the following areas:

- the level and dynamics of sales of flats, in particular in the event of a decrease in demand for flats and a potential tightening of mortgage lending criteria by banks or other disruptions on the housing or banking market,
- decrease in revenues from office space rents,
- demand for office rent and investment demand for office buildings,
- timeliness of implementation of projects by companies from the CPD Capital Group and its related entities, i.e., resulting from the pace of issuing administrative decisions leading to obtaining building permits and admission of ready facilities for use,
- process of extracting and transferring ownership of premises to buyers and selling real estate,
- availability and terms of new financing if banks and other lenders are severely affected by the protracted economic downturn,
- level and deadline for meeting contractors' financial obligations,
- obtaining administrative decisions,
- fluctuations in the value of assets as a result of changes in the exchange rate of PLN in relation to foreign currencies, especially EUR.

However, it should be noted that, the Ursa Sky II Task has been realised in accordance with the assumed schedule. The construction works were completed in the first quarter of 2022 and the sales of apartments and retail premises were completed in the first quarter of 2023. Completion of sale of Task II of Ursa Sky ended the process of monetisation of Ursus project purchased as an investment land by the company from CPD S.A. Group from 2006 to 2015.

CPD S.A. and subsidiaries took intensive steps from 2020 to 2021 to adapt their activities to the existing conditions, while maintaining common recommendations of sanitary services and WHO guidelines, and actively engaged in helping refugees from Ukraine residing on Polish territory.

Due to the fact that the Russia's prolonged aggression against Ukraine did not have a significant impact on the Group's results for the previous periods, duration of the war conflict should not affect the Group's results in future periods. At the same time, the Company's Management Board will continue to take intensive measures to adapt its activities to the changing macro and microeconomic conditions.

7. ACQUISITION AND SALE OF PROPERTY, PLANT AND EQUIPMENT

During the reporting period the Group did not make any significant acquisitions or disposals of property, plant or equipment.

8. TRANSACTIONS WITH RELATED PARTIES CONCLUDED ON OTHER THAN MARKET CONDITIONS

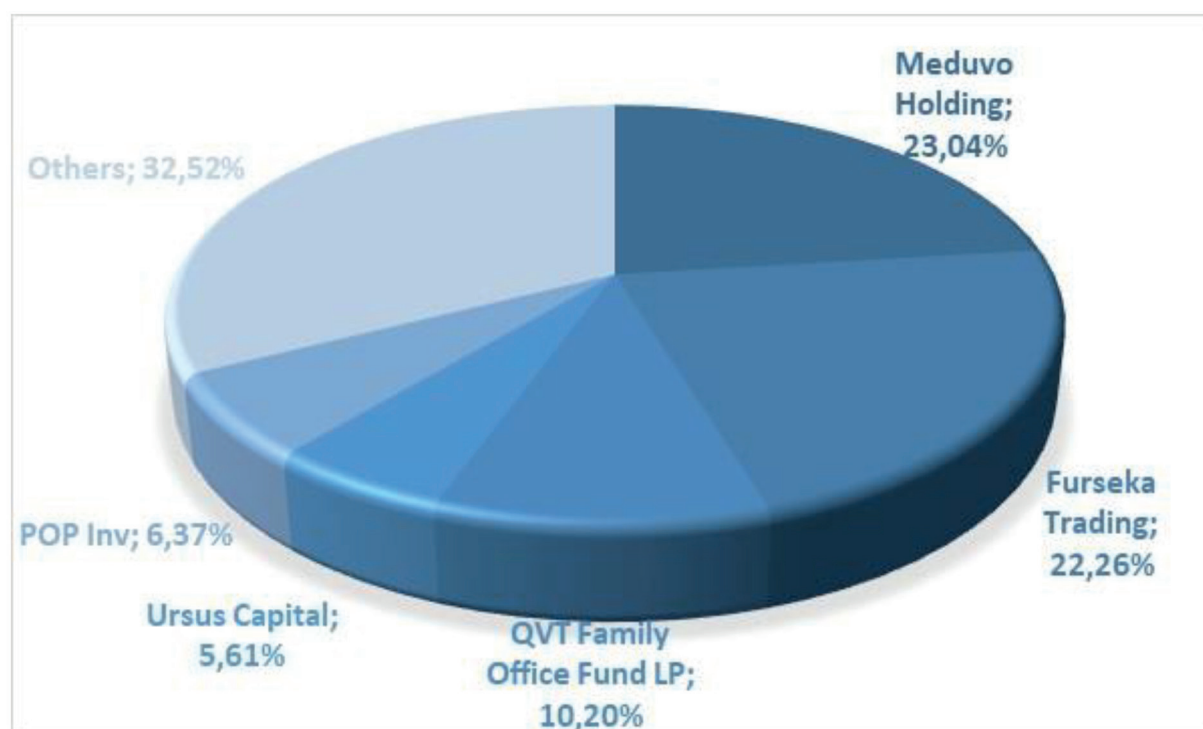
In the first half of 2023, the Company did not conclude any transactions with related parties on terms other than the market.

9. THE MANAGEMENT BOARD'S POSITION ON PREVIOUSLY PUBLISHED FINANCIAL FORECASTS

Neither the CPD Group nor its parent company – CPD S.A. – has published any forecasts of financial results.

10. SHAREHOLDERS ENTITLED TO AT LEAST 5% OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS

According to the Company's information at the end of reporting period, shareholders who own, either directly or indirectly through subsidiaries, at least 5% of the total votes at the General Meeting of Shareholders (number of shares on the basis of notices provided by shareholders pursuant to art. 69 of the Act on Public Offering or the information contained in the prospectus).



| Shareholder | Number of held shares | Type of shares | Number of held votes | Shareholding structure by held votes | Shareholding structure by held shares |
|--|-----------------------|----------------|----------------------|--------------------------------------|---------------------------------------|
| Meduvo Holding Ltd | 1 326 439 | bearer shares | 1 326 439 | 23.04 % | 14.79 % |
| Furseka Trading and Investments Ltd | 1 281 944 | bearer shares | 1 281 944 | 22.26 % | 14.30 % |
| QVT Family Office Fund LP* | 587 162 | bearer shares | 587 162 | 10.20 % | 6.55 % |
| POP Investments Ltd | 366 672 | bearer shares | 366 672 | 6.37 % | 4.09 % |
| Ursus Capital Ltd | 323 130 | bearer shares | 323 130 | 5.61 % | 3.60 % |
| Others | 1 872 639 | bearer shares | 1 872 639 | 32.52 % | 20.89 % |
| Own shares | 3 208 149 | | 0 | 0 % | 35.78 % |

Compared to the status presented in the consolidated report for the first quarter for 2023, published on May 30, 2023 the following changes occurred in the ownership structure of significant blocks of shares in the Company as at the balance sheet date:

- August 23, 2023, as a result of the settlement of the purchase transaction of shares in CPD S.A. as a result of the invitation to submit offers for the sale of the Company's shares announced on July 24, 2023, the Company acquired 1 274 943 shares of the Company for a total price PLN 32 158 082,08.

- On August 25, 2023, the Company received notifications pursuant to Art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of July 29, 2005. Mr. Colin Kingsnorth notified that his subsidiary: Ursus Capital Limited, a company established and operating in accordance with the laws of Great Britain with its registered office in Newton Aycliffe, Durham („Controlled Entity”), on August 23, 2023, as a result of the response to the call of CPD S.A., sold 78,299 shares of CPD S.A. and thus reduced the total number of votes at the General Meeting of the Company from 3.60% to 2.73% of the total number of votes in the Company.

- On August 28, 2023, the Company received notifications pursuant to Art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of July 29, 2005. Mr. Andrew Pegge notified that his subsidiary: POP Investments Limited (“POP”) company established and operating in accordance with the laws of the Isle of Man with its registered office in 1st Floor, 4 West Quay, Ramsey, Isle of Man, IM8 1DW, on August 23, 2023, as a result of the response to the call of CPD S.A., sold 88,849 shares of CPD S.A. and thus reduced the total number of votes at the General Meeting of the Company from 4.09% to 3.10% of the total number of votes in the Company.

- On August 29, 2023, the Company informed that had received notifications pursuant to Art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of July 29, 2005. QVT Financial LP, a company incorporated in Delaware in USA, informed that on August 23, 2023, as a result of responding to the call of CPD S.A., it sold 444,885 CPD shares and thus reduced the total number of votes at the General Meeting of the Company from 7.38% to 4.96% of the total number votes in the company.

– On September 1, 2023, the Company informed that had received notifications pursuant to Art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of July 29, 2005. Meduvo Holding Limited, a company incorporated and operating under Cypriot law, with its registered office at 3 Thasous Street, Dadlow House, 1520 Nicosia, informed that on August 23, 2023, as a result of responding to the call of CPD S.A., it sold 321,412 CPD shares and thus reduced the total number of votes at the General Meeting of the Company from 14.79% to 11.21% of the total number votes in the company and had received notifications pursuant to Art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of July 29, 2005. Furseca Trading and Investments Limited, a company incorporated and operating under Cypriot law, with its registered office at 3 Thasous Street, Dadlow House, 1520 Nicosia, informed that on August 23, 2023, as a result of responding to the call of CPD S.A., it sold 310,631 CPD shares and thus reduced the total number of votes at the General Meeting of the Company from 14.30% to 10.83% of the total number votes in the company.

11. COMPANY SHARES HELD BY MANAGING AND SUPERVISING PARTIES

The table below presents the Company's shares held by Management Board members as at the date of this report according to the Company's information:

| Name | Function | No. of owned shares | Nominal value of shares (PLN) | % of total no. of shares | % of total no. of votes |
|--------------------|-----------|---------------------|-------------------------------|--------------------------|-------------------------|
| Elżbieta Wiczowska | Member | 6 656 | 665.60 | 0.07% | 0.15% |
| Iwona Makarewicz | Member | 1 084 | 108.40 | 0.02% | 0.12% |
| Colin Kingsnorth | President | 0 | 0 | 0 | 0 |
| RAZEM | | 13 039 | 1 303 | 0.14% | 0.18% |

On August, 28 2023 the Company received from Mrs. Elżbieta Wiczowska and Mrs. Iwona Makarewicz, member of the management board at CPD S.A., notifications about share transactions concluded on August 23, 2023 referred to in Art. 19 sec. 3 of MAR.

The Company does not hold any other information regarding the fact of holding shares in the Company by other persons being members of the management or supervisory bodies.

12. IMPORTANT COURT, ADMINISTRATIVE AND ARBITRATION PROCEEDINGS

As at the date of publication of the Report, no court, administrative or arbitration proceedings are pending against the Company.

13. LOAN GUARANTEES

As at the balance sheet date, the Company had no liabilities under sureties and guarantees.

14. THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

At June 30, 2023 the composition of the Management Board of the Company was as follows:

- Mr. Colin Kingsnorth – President of the Management Board
- Mr. John Purcell – Member of the Management Board
- Mrs. Elżbieta Wiczowska – Member of the Management Board
- Mrs. Iwona Makarewicz – Member of the Management Board

Mr. John Purcell resigned from his position in July 2023, about which the company informed in report No. 21/2023 of July 28, 2023.

At June 30, 2023 the composition of the Supervisory Board of the Company was as follows:

- Mr. Andrew Pegge – President of Supervisory Board
- Mr. Wiesław Oleś – Secretary of Supervisory Board
- Mr. Mirosław Gronicki – Supervisory Board Member
- Mr. Emil Tomaszewski – Supervisory Board Member
- Mr. Krzysztof Zawadzki – Supervisory Board Member

At June 30, 2023 the composition of the Audit Committee of the Company was as follows:

- Mr. Mirosław Gronicki – Chairman of the Audit Committee
- Mr. Andrew Pegge – Member of the Audit Committee.

Supervisory Board of CPD S.A. on August 8, it supplemented the Audit Committee by electing Mr. Krzysztof Zawadzki as a Member of the Audit Committee. Supervisory Board of CPD S.A. based on the assessment of the submitted statement by Mr. Krzysztof Zawadzki and his education and professional experience, it states that Mr. Krzysztof Zawadzki meets the requirements for knowledge and skills in accounting or auditing financial statements referred to in Art. 129 section 1 of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision („Act”) and meets all the independence criteria listed in Art. 129 section 3 of the Act.

15. OTHER IMPORTANT INFORMATION

Nothing other than the information provided above.

16. FACTORS AFFECTING RESULTS OF THE FOLLOWING QUARTERS

The most important factors which will affect the results of the following quarters are as follows:

- Inflation growth above the medium-term inflation target of the Monetary Policy Council from the „Monetary Policy Assumptions for 2023“, the aim of which was to keep inflation at the level of 2.5% with a band of deviations of ± 1 percentage point,
- The condition of global financial markets and their impact on the Polish economy and the national banking system,
- Macro and microeconomic situation in Poland
- Credit policy of banks and financial institutions (loans, bonds),
- Changes in legal and tax regulations that may affect demand and supply in an uncontrolled way,
- Maintaining a stable political situation and creating a positive economic climate by the government and local authorities,
- The economic situation affecting the systematic receipt of income from the rental of office space,
- and general management costs,
- Quarterly update of the fair value of assets held by the Group,
- Observed increase in prices,
- Risk related to the ongoing war in Ukraine.

II. STATEMENT OF THE MANAGEMENT BOARD

Management Board of CPD S.A. confirms that, to the best of its knowledge, the condensed interim consolidated financial statements of the CPD Capital Group for the first half-year ended June 30, 2023 and the condensed interim financial statements of CPD S.A. for the first half-year ended June 30, 2023 and comparable data were prepared in accordance with applicable rules accounting and reflect in a true, reliable and clear manner the property and financial situation of the Capital Group and its financial result, and the half-year report on the activities of the Capital Group contains a true picture of the development, achievements and situation of the Capital Group, including threats and risks.

Management Board of CPD S.A. confirms that the entity authorized to review the condensed interim consolidated financial statements and the condensed interim financial statements of CPD S.A., reviewing the condensed interim consolidated financial statements and the condensed interim financial statements of CPD S.A., was selected in accordance with the provisions of law and that both the entity and the statutory auditors performing audits met the conditions for preparing an impartial and independent report on the review of the condensed interim consolidated and separate financial statements, in accordance with applicable regulations and professional standards. Financial statements of CPD S.A. and the Capital Group in 2023 were subject to review and audit by the audit company Grant Thornton Polska prosta spółka akcyjna based in Poznań.

COLIN KINGSNORTH**PRESIDENT OF MANAGEMENT BOARD****ELŻBIETA WICZKOWSKA****MEMBER OF MANAGEMENT BOARD**

IWONA MAKAREWICZ**MEMBER OF MANAGEMENT BOARD**

**III. INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENT FOR THE PERIOD
OF 9 MONTHS ENDED 30 SEPTEMBER 2023
ALONG WITH CONDENSED FINANCIAL
STATEMENTS OF CPD S.A.**

Report on Review of the Condensed Interim Consolidated Financial Statements

Grant Thornton Polska P.S.A.
ul. Abpa Antoniego Baraniaka 88 E
61-131 Poznań
Polska

T +48 61 62 51 100
F +48 61 62 51 101
www.GrantThornton.pl

For the Shareholders of CPD S.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of a Group (the Group), in which the parent entity is CPD S.A. (the Parent) with its registered office in Warsaw, 7B Cybernetyki Street, which comprise the condensed consolidated statement of financial position as of June 30, 2023, the condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows for the period from January 1, 2023 to June 30, 2023 and selected explanatory notes.

The Management Board of the Parent is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* published in the form of European Commission regulations.

Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with National Standard on Review Engagements 2410 consistent with International Standard on Review Engagements 2410 *Review of Interim Information Performed by the Independent Auditor of the Entity* adopted by the National Council of Statutory Auditors' resolution No. 3436/52e/2019 of April 8, 2019, as amended. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance with National Standards on Auditing consistent with International Standards on Auditing adopted by the National Council of Statutory Auditors' resolution No. 3430/52a/2019 of March 21, 2019 (as amended), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance

Audit – Tax – Accounting – Advisory
Member of Grant Thornton International Ltd

Grant Thornton Polska Prosta spółka akcyjna. Audit Firm No. 4055.
Management Board: Tomasz Wróblewski – President of the Board, Dariusz Bednarski – Vice-President of the Board, Jan Letkiewicz – Vice-President of the Board.
Registered office address: ul. Abpa Antoniego Baraniaka 88 E, 61-131 Poznań, Poland. Tax identification number NIP: 782-25-45-999. REGON: 302021882. Bank account: 31 1090 1476 0000 0001 3554 7340. District Court Poznań – Nowe Miasto i Wilda in Poznań, 8th Commercial Division of the National Court Register, KRS No. 0001002477.

with International Accounting Standard 34 Interim Financial Reporting published in the form of European Commission regulations.

Marcin Diakonowicz

Statutory Auditor No. 10524

Key Audit Partner performing the review on behalf of

Grant Thornton Polska Prosta spółka akcyjna,

Poznań, ul. Abpa Antoniego Baraniaka 88 E, Audit Firm No. 4055

Warsaw, September 28, 2023.

THIS IS TRANSLATION ONLY. The Polish language version of the report is the only valid and legally binding version. This translation into English is provided to facilitate understanding of the report.

Report on Review of the Condensed Interim Financial Statements

Grant Thornton Polska P.S.A.
ul. Abpa Antoniego Baraniaka 88 E
61-131 Poznań
Polska

T +48 61 62 51 100
F +48 61 62 51 101
www.GrantThornton.pl

For the Shareholders of CPD S.A.

Introduction

We have reviewed the accompanying condensed interim financial statements CPD S.A. (the Company) with its registered office in Warsaw, 7B Cybernetyki Street, which comprise the condensed statement of financial position as of June 30, 2023, condensed statement of comprehensive income, condensed statement of changes in equity, condensed statement of cash flows for the period from January 1, 2023 to June 30, 2023 and selected explanatory notes.

The Management Board of the Company is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* published in the form of European Commission regulations.

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Audit – Tax – Accounting – Advisory
Member of Grant Thornton International Ltd

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting* published in the form of European Commission regulations.

Marcin Diakonowicz

Statutory Auditor No. 10524

Key Audit Partner performing the review on behalf of

Grant Thornton Polska Prosta spółka akcyjna,

Poznań, ul. Abpa Antoniego Baraniaka 88 E, Audit Firm No. 4055

Warszawa, September 28, 2023.

THIS IS TRANSLATION ONLY. The Polish language version of the report is the only valid and legally binding version. This translation into English is provided to facilitate understanding of the report.

CPD S.A.

Condensed interim consolidated financial statements

for the period of 6 months ended 30 June 2023

and the condensed financial statements of CPD S.A.

for the period of 6 months ended 30 June 2023

prepared in accordance with the International Financial Reporting Standards
approved by the European Union concerning the interim reporting

(unaudited financial data, reviewed by an auditor)

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Condensed consolidated statement of comprehensive income

| | | For the 6 month period ended | | For the 6 month period ended | |
|---|------|------------------------------|------------|------------------------------|------------|
| | Note | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| | | (not reviewed by an auditor) | | | |
| Revenues | 13 | 2 570 | 589 | 25 | 266 |
| Cost of sales | 14 | (5 696) | (113) | (2 959) | (56) |
| PROFIT ON SALES | | (3 126) | 476 | (2 934) | 210 |
| Administrative costs property related | 15 | (2) | (277) | (1) | (134) |
| Administrative expenses - other | 16 | (5 710) | (6 374) | (1 566) | (4 448) |
| Selling and marketing expenses | | (37) | (79) | 0 | (79) |
| Net profit (loss) from sale of investment property | | (137) | 0 | (137) | 0 |
| Other income | 17 | 389 | 315 | 90 | 51 |
| Post-tax share of the profit or loss of the joint-venture accounted for using the equity method | 8 | 24 | 2 791 | 378 | (3 129) |
| Receivables valuation allowances | | 26 | 7 271 | 13 | 7 260 |
| Result from sales of subsidiaries | 18 | 7 484 | 0 | 2 271 | 0 |
| OPERATING RESULT | | (1 089) | 4 123 | (1 886) | (269) |
| Financial income | 19 | 1 032 | 415 | 124 | 257 |
| Financial costs | 19 | (216) | (340) | 0 | (202) |
| RESULT BEFORE INCOME TAX | | (273) | 4 198 | (1 762) | (214) |
| Income tax | 20 | 6 314 | (1 279) | (24) | (1 185) |
| PROFIT FROM CONTINUED OPERATIONS | | 6 041 | 2 919 | (1 786) | (1 399) |
| Result of discontinued operations | 29 | (1 971) | (29 386) | (280) | (31 220) |
| RESULT OF THE PERIOD | | 4 070 | (26 467) | (2 066) | (32 619) |
| - attributable to the Group equity holders | | 4 070 | (26 467) | (2 066) | (32 619) |
| - attributable to non controlling interest | | 0 | 0 | 0 | 0 |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Other comprehensive income to be reclassified to profit or loss upon condition | | 1 795 | (239) | (67) | (134) |
| Other comprehensive income not to be reclassified to profit nor loss | | 0 | 0 | 0 | 0 |
| Other comprehensive income | | 1 795 | (239) | (67) | (134) |
| TOTAL COMPREHENSIVE INCOME | | 5 865 | (26 706) | (2 133) | (32 753) |
| - attributable to the Group equity holders | | 5 865 | (26 706) | (2 133) | (32 753) |
| - attributable to non controlling interest | | 0 | 0 | 0 | 0 |
| BASIC EARNINGS PER SHARE (PLN) | 24 | 0,63 | (2,95) | (0,36) | (3,64) |
| DILUTED EARNINGS PER SHARE (PLN) | 24 | 0,63 | (2,95) | (0,36) | (3,64) |

Colin William Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

Iwona Ewa Makarewicz
Board Member

The notes are an integral part of these condensed interim consolidated financial statements

CPD S.A.

Condensed interim consolidated financial statements for the period of 6 months ended 30 June 2023

(All amounts in PLN thousands unless otherwise stated)

Condensed consolidated statement of financial position

| | Note | 30.06.2023 | 31.12.2022 |
|---|------|---------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment properties | 4 | 0 | 1 910 |
| Investments in joint ventures accounted for using the equity method | 8 | 3 772 | 3 748 |
| | | 3 772 | 5 658 |
| Current assets | | | |
| Inventories | 6 | 795 | 6 631 |
| Trade receivables and other receivables | 5 | 1 462 | 2 899 |
| Cash and cash equivalents | 7 | 37 268 | 76 293 |
| Current assets excluding assets held for sales | | 39 525 | 85 823 |
| Assets held for sale | 28 | 0 | 24 045 |
| Current assets | | 39 525 | 109 868 |
| Total assets | | 43 297 | 115 526 |

CPD S.A.

Condensed interim consolidated financial statements for the period of 6 months ended 30 June 2023

(All amounts in PLN thousands unless otherwise stated)

Condensed consolidated statement of financial position - cont.

| | Note | 30.06.2023 | 31.12.2022 |
|--|------|---------------|----------------|
| EQUITY | | | |
| Equity attributable to owners of the parent company | | | |
| Share capital | 9 | 897 | 897 |
| Own shares for redemption | 9 | (95 924) | (50 010) |
| Other reserves | | 987 | 987 |
| Embedded element at inception date | | (27 909) | (27 909) |
| Translation reserve | | (4 682) | (6 477) |
| Retained earnings | | 167 711 | 163 641 |
| Capital and reserves attributable to the Group equity holders | | 41 080 | 81 129 |
| Non-controlling interest | | 0 | 0 |
| Total equity | | 41 080 | 81 129 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings, including leasing | 11 | 0 | 187 |
| Deferred tax liabilities | 12 | 0 | 8 841 |
| Non-current liabilities | | 0 | 9 028 |
| Current liabilities | | | |
| Trade payables and other liabilities | 10 | 2 217 | 23 539 |
| Current liabilities excluding liabilities held for sale | | 2 217 | 23 539 |
| Liabilities classified as held for sale | 28 | 0 | 1 830 |
| Current liabilities | | 2 217 | 25 369 |
| Total liabilities | | 2 217 | 34 397 |
| Total Equity and liabilities | | 43 297 | 115 526 |

Colin William Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

Iwona Ewa Makarewicz
Board Member

The notes are an integral part of these condensed interim consolidated financial statements

Condensed consolidated statement of changes in equity

| | Share capital | Own shares for redemption | Embedded element at inception date | Translation reserve | Reserve capital | Retained earnings | Capital and reserves attributable to the Group equity holders | Non-controlling interest | Total equity |
|-----------------------------------|---------------|---------------------------|------------------------------------|---------------------|-----------------|-------------------|---|--------------------------|----------------|
| Balance as at 01.01.2022 | 2 637 | (288 973) | (27 909) | (6 243) | 987 | 464 164 | 144 663 | 0 | 144 663 |
| <u>Transactions with owners</u> | | | | | | | | | |
| Share capital reduction | (1 740) | 288 973 | 0 | 0 | 0 | (287 233) | 0 | 0 | 0 |
| <u>Comprehensive income</u> | | | | | | | | | |
| Currency translation differences | 0 | 0 | 0 | (239) | 0 | 0 | (239) | 0 | (239) |
| Result of the period | 0 | 0 | 0 | 0 | 0 | (26 467) | (26 467) | 0 | (26 467) |
| | 0 | 0 | 0 | (239) | | (26 467) | (26 706) | 0 | (26 706) |
| Balance as at 30.06.2022 | 897 | 0 | (27 909) | (6 482) | 987 | 150 464 | 117 957 | 0 | 117 957 |
| Balance as at 01.01.2023 | 897 | (50 010) | (27 909) | (6 477) | 987 | 163 641 | 81 129 | 0 | 81 129 |
| <u>Transactions with owners</u> | | | | | | | | | |
| Shares acquisition for redemption | 0 | (45 914) | 0 | 0 | 0 | 0 | (45 914) | 0 | (45 914) |
| <u>Comprehensive income</u> | | | | | | | | | |
| Currency translation differences | 0 | 0 | 0 | 1 795 | 0 | 0 | 1 795 | 0 | 1 795 |
| Result of the period | 0 | 0 | 0 | 0 | 0 | 4 070 | 4 070 | 0 | 4 070 |
| | 0 | 0 | 0 | 1 795 | 0 | 4 070 | 5 865 | 0 | 5 865 |
| Balance as at 30.06.2023 | 897 | (95 924) | (27 909) | (4 682) | 987 | 167 711 | 41 080 | 0 | 41 080 |

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Chairman of the Board

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Board Member

Iwona Ewa Makarewicz
Board Member

Condensed consolidated statement of cash flows

| | | For the 6 month period ended | |
|---|-------------|-------------------------------------|-------------------|
| | Note | 30.06.2023 | 30.06.2022 |
| Cash flows from operating activities | | | |
| Profit before income tax | | (273) | 4 198 |
| Loss from discontinued operations before tax | | (2 433) | (36 278) |
| Total operating activity adjustments | 21 | (14 606) | 38 016 |
| Basic cash generated from (used in) operations | | (17 312) | 5 936 |
| Interest paid | | 0 | (1 089) |
| Income paid | | (2 065) | (87) |
| Net cash generated from investing activities | | (19 377) | 4 760 |
| Cash flows from investing activities | | | |
| Capital expenditure on investments property | | 0 | (2 811) |
| Proceeds from the sale of investment property | | 23 988 | 0 |
| Proceeds from the sale of subsidiaries | | 2 278 | 0 |
| Proceeds from reduction of joint ventures contributions | | 0 | 14 938 |
| Proceeds from of joint ventures profit participation | | 0 | 5 880 |
| Net cash from investing activities | | 26 266 | 18 007 |
| Cash flows from financing activities | | | |
| Own shares acquisition | | (45 914) | 0 |
| Repayment of borrowings | | 0 | (2 012) |
| Net cash from financing activities | | (45 914) | (2 012) |
| Net (decrease)/increase in cash and cash equivalents | | (39 025) | 20 755 |
| Cash and cash equivalents at beginning of the year | | 76 293 | 81 773 |
| Cash and cash equivalents at the end of the period | | 37 268 | 102 528 |

Colin William Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

Iwona Ewa Makarewicz
Board Member

The notes are an integral part of these condensed interim consolidated financial statements

Notes to the interim condensed consolidated financial statements

1 General information

CPD S.A. ("Company", "CPD") with its registered office in Warsaw (00-420), Szara 10 str., was established on the basis of statute on 23 February 2007 (as Celtic Development Corporation S.A., then on 22 February 2008 the Company changed its name to Poen S.A.). On 23 March 2007 District Court in Cracow, XI Business Department of the National Court Register entered the Company into the Register of Businesses with the KRS number 0000277147. The Company's shares are quoted on the Warsaw Stock Exchange.

On September 2, 2010 the General Shareholder's Meeting adopted a resolution changing the Company's name from Poen S.A. to Celtic Property Developments S.A.

On May 29, 2014 the Extraordinary General Shareholder's Meeting adopted a resolution changing the Company's name from Celtic Property Developments S.A. to CPD S.A. The change of name was registered in the National Court Register on September 17, 2014.

The currency of the presentation of these consolidated financial statements is Polish Zloty.

Information about the Capital Group

As at balance sheet date CPD Group comprised CPD S.A. as a parent entity, 15 subsidiaries and 2 under common control.

2 The accounting principles

The accounting principles in these interim consolidated financial statements are consistent with those applied in the annual consolidated financial statements for the year ended 31 December 2022, except for the application of the following new or revised standards and interpretations applicable for annual periods beginning on or after 1 January 2023.

These interim consolidated financial statements as at 30 June 2023 have been prepared under going concern assumption in the foreseeable future.

2.1 Basis of preparation

These interim condensed consolidated financial statements of the CPD group were prepared in accordance with international accounting standard approved by the EU-IAS 34 Interim financial reporting and in accordance with all applicable the application of IFRS adopted by the European Union.

The following new standards, interpretations and amendments which came into force in 2023 and description of the impact of applying the amendments:

IFRS 17 Insurance Contracts, issued by the International Accounting Standards Board on 18 May 2017, is effective for annual periods beginning on or after 1 January 2023. The standard is to replace the current insurance regulations (IFRS 4).

Amendments to **IAS 8 Definition of Accounting Estimates** - issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023.

Amendments to **IAS 1 Presentation of Financial Statements** - issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023.

Amendments to **IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction** - issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023.

Notes to the interim condensed consolidated financial statements

2.1 Basis of preparation - cont.

New standards and interpretations that have been published, and, have not yet entered into force

The Group has not early adopted of the following standards, amendments to existing standards and interpretations:

Amendment to **IAS 1 Classification of Liabilities as Current or Non-current** - issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2024.

Amendments to **IFRS 16 Lease Liability in a Sale and Leaseback** - issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024.

The abovementioned standards and their amendments do not relate to the activities of the Group or relate only remotely. As a result their adoption will not affect the consolidated financial statements of the Group significantly.

2.2 Changes in Group structure

On 31 January 2023 the Group disposed 100% of the shares in Challenge Eighteen sp. z o.o. w likwidacji.

On 1 February 2023, CPD S.A. the Group disposed 100% of the shares in Ursus Development sp. z o.o. w likwidacji.

The Group disposed 100% shares in the subsidiary Celtic Investments Ltd with its headquarters in Nicosia on 17 March 2023.

3 Significant changes in major accounting estimates and judgments

During preparation of these condensed consolidated financial statements the Board has made an assessment of the significant estimates and judgments, which have an impact on the accounting principles applied and the amounts recognised in the financial statements for a period of 6 months ended 30 June 2022.

Major estimates and judgments are based on past experience and other factors including anticipation of future events that seem reasonable in a given case. Resulting accounting estimates, by definition, bear inherent risk.

Major estimates and judgments adopted for the purpose of preparation of these condensed consolidated financial statements are consistent with the those applied in the annual consolidated financial statements for the period ended 31 December 2022.

Estimates and assumptions involving significant risk of a major adjustment of the carrying value of assets and liabilities during the following financial year being required are discussed below.

Accounting treatment of joint ventures

During 2014 - 2021 based on investment agreement signed by CPD S.A. and its subsidiaries (Smart City Spółka z ograniczoną odpowiedzialnością sp. k., Lakia Enterprises Ltd), of the one part, and third parties i.e. Unidevelopment S.A. and Unibep S.A. the Group participated in the joint venture consisting of the construction of a complex of multiple residential units with services and related infrastructure at a property belonging to Smart City Spółka z ograniczoną odpowiedzialnością sp. k.

During 2017 - 2022 based on investment agreement signed by CPD S.A. and its subsidiaries (Smart City Spółka z ograniczoną odpowiedzialnością sp. k., Challenge Eighteen sp. z o.o., 4/113 Gaston Investments z ograniczoną odpowiedzialnością sp. k., Lakia Enterprises Ltd), of the one part, and third parties i.e. Unidevelopment S.A. and Unibep S.A. the Group participated in subsequent joint ventures. The first one - Ursa Park - has been completed in 2019 and comprised of 385 flats. Ursa Home consists of 341 flats (153 in the first stage and 188 flats in the second one). As at the balance sheet date all flats in this project are sold.

Notes to the interim condensed consolidated financial statements**3 Significant changes in accounting estimates - cont.**

Based on annex dated 22 September 2020 Unidevelopment joined Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp. k., who bought land and cumulated project outlays related to Ursa Sky from Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp. k. Since that moment the company is accounted for as joint venture. By the end of the reporting period all flats in Ursa Sky have been sold as well.

In order to settle the above-mentioned transaction in these financial statements, following requirements of IFRS 10, the investments in Smart City and Ursa Park Smart City are considered to be joint ventures and valued based on property rights. The Group's property rights to the net assets of the joint ventures calculations are based on the binding investment agreements.

Further details of the valuation of the joint ventures were presented in Note 8.

Balance sheet valuation of shares in subsidiaries and loans granted to subsidiaries (related to the standalone financial statements)

As at the balance sheet date, the Company analysed the impairment indicators regarding shares in subsidiaries by comparing the book value of shares and their recoverable amount. The recoverable amount is established by the higher of the two amounts: the fair value of assets less the costs of sale or the value in use. In the Company's opinion the value in use is similar to the fair value as at the balance sheet date. In consequence, the analysis of impairment of shares' value was based on the fair value.

In case of investment in Antigo Investments sp. z o.o. and Lakia Enterprises Ltd, their fair value was estimated based on net assets of these companies, constituting an approximate value of future cash flows available for shareholders related to the shares held by them. The value of these cash flows was estimated, among others, based on either book value (not lower than fair value) or based on fair value of properties owned by the subsidiaries.

Based on the analysis performed no impairment indicators were identified with respect to shares in Ursa Sky smart City sp. z o.o. sp.k.. With respect to shares in Lakia Enterprises Ltd, which are written down in full no indicators of impairment reversal were observed. Enterprises Ltd, which are written down in full no indicators of impairment reversal were observed. The value of previously recognised impairment of shares in Antigo Investments sp. z o.o. was adjusted in the reporting period.

At the same time, as at the balance sheet date, the Company analysed the possibility of recovering receivables from loans granted to its subsidiaries. The Company impairs the value of loans granted to its subsidiaries if the value of their net assets was negative as at 30 June 2023. In the Management's opinion, due to the negative value of net assets of these subsidiaries, there is a substantial risk that these companies will not be able to repay the loans in full.

Tax settlements/deferred tax and activation of tax losses

Resulting from the fact that the companies subject to consolidation reside in various fiscal jurisdictions, which complicates transactions between them and results in ambiguities in the interpretation of the provisions of law, tax settlements, including the determination of the right or obligation to include as well as the way of including separate transactions in the tax bill of individual Group entities, require extremely thorough consideration. In complicated cases, the decision of the Management Board is based on opinions of specialist tax advisers.

Notes to the interim condensed consolidated financial statements**3 Significant changes in accounting estimates - cont.**

Income tax for interim periods is calculated using the tax rate reflecting the total foreseeable annual profit or loss. The difference between the income tax expenses and the tax rate of 19% results primarily from unrecognized deferred income tax assets due to tax losses and the surplus of positive temporary differences over negative temporary differences in the subsidiaries in which recognizing deferred income tax assets for the full financial year is not planned. As at each balance sheet date, the Management Board analyses the possibility of recovering tax losses based on business plans of individual companies forming part of the Group and tax forecasts for these entities, and based on this, decisions on recognition of tax losses for previous years are made.

3.1 Managing financial risks***Financial risk factors***

CPD Group is exposed to the following financial risks in connection with its business activity: market risk (including the risk of changes in exchange rates, risk of the fair value fluctuations), credit risk and liquidity risk.

Financial risks CPD Group have been presented in the consolidated financial statements for the year ended 31 December 2022.

Resulting from limitation of the investment portfolio the Group's exposure for all risks is also diminished.

Liquidity risk

The cash balance decreased during the first half of 2023. Proceeds from property disposal together with previously cumulated recourses were used for own shares redemption as well as reduction of the amount of operating liabilities.

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**4 Investment properties**

| | 01.01.2023 30.06.2023 | 01.01.2022 31.12.2022 |
|--|--------------------------|--------------------------|
| At the beginning of the reporting period | 1 910 | 167 667 |
| Capital expenditure | 0 | 3 621 |
| Disposal of investment property | (1 910) | 0 |
| Capitalised financial liabilities in disposed investment properties | 0 | (506) |
| Transfer of capitalised financial liabilities to assets held for sale | 0 | (4 899) |
| Change of capitalised financial liabilities | 0 | (3) |
| Transfer of investment property to assets held for sale | 0 | (130 360) |
| Net profit (loss) from fair value adjustments on investment properties | 0 | (35 402) |
| Other reclassifications | 0 | 1 792 |
| At the end of the reporting period | 0 | 1 910 |

During the reporting period the Group disposed the last investment property in Wolbórz.

| | For the 6 month period ended | |
|---|------------------------------|--------------|
| | 30.06.2023 | 30.06.2022 |
| Direct operating costs for investment properties: | | |
| - generating rent income | 943 | 2 772 |
| - other | 2 | 24 |
| | 945 | 2 796 |

5 Trade receivables and other receivables

| | 30.06.2023 | 31.12.2022 |
|----------------------------------|--------------|--------------|
| Trade receivables | 56 | 571 |
| Receivables from the state | 638 | 2 081 |
| Receivables from related parties | 64 | 31 |
| Prepaid expenses | 74 | 216 |
| Other receivables | 630 | 0 |
| Short-term receivables | 1 462 | 2 899 |
| Long-term receivables | 0 | 0 |
| Total receivables | 1 462 | 2 899 |

6 Inventories

| | 30.06.2023 | 31.12.2022 |
|---|--------------|--------------|
| At the beginning of the reporting period | 6 631 | 3 887 |
| Disposal | (2 811) | (57) |
| Change in impairment | (2 959) | 2 801 |
| Exchange differences | (66) | 0 |
| At the end of the reporting period | 795 | 6 631 |

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**7 Cash and cash equivalents**

| | 30.06.2023 | 31.12.2022 |
|--------------------------|---------------|---------------|
| Cash at bank and on hand | 1 968 | 45 149 |
| Restricted cash | 24 | 3 |
| Short-term bank deposits | 35 276 | 31 141 |
| | 37 268 | 76 293 |

Cash and cash equivalents for the purposes of the cash flow statement include cash in hand and on the bank accounts as well as short-term bank deposits.

8 Joint ventures

The below table summarizes the carrying amounts of the Group major investments in joint ventures:

| | 30.06.2023 | 31.12.2022 |
|---|--------------|---------------|
| a) Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp. k. | 609 | 658 |
| b) Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp. k. | 3 163 | 3 090 |
| | 3 772 | 3 748 |
| a) <u>Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp. k.</u> | | |
| Opening balance as at 1 January | 658 | 1 105 |
| Group's share of the net profit or loss of the joint ventures presented in theses interim consolidated financial statements | (49) | (447) |
| Closing balance | 609 | 658 |
| b) <u>Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp. k.</u> | | |
| Opening balance as at 1 January | 3 090 | 11 690 |
| Group's share in reduction of joint venture contributions | 0 | (11 093) |
| Group's share in joint venture profit participation | 0 | (11 336) |
| Change in Group's property rights to the joint venture | 0 | (1 669) |
| Group's share of the net profit or loss of the joint ventures presented in theses interim consolidated financial statements | 73 | 15 498 |
| Closing balance | 3 163 | 3 090 |

Condensed financial information of individually material joint ventures of the Group is presented in the below table:

| | | |
|---|--------------|--------------|
| a) <u>Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp. k.</u> | 30.06.2023 | 31.12.2022 |
| Total non-current assets | 738 | 745 |
| Deferred tax | 738 | 745 |
| Total current assets | 4 859 | 5 008 |
| Trade receivables and other receivables | 194 | 159 |
| Cash and cash equivalents | 4 665 | 4 849 |
| Total assets | 5 597 | 5 753 |

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**8 Joint ventures - cont.**

| | | |
|--------------------------------------|--------------|--------------|
| Trade payables and other liabilities | 4 333 | 4 437 |
| Long-term liabilities | 46 | 0 |
| Total liabilities | 4 379 | 4 437 |

| | | |
|-------------------|--------------|--------------|
| Net assets | 1 218 | 1 316 |
|-------------------|--------------|--------------|

| | | |
|----------------------------|------------|------------|
| % held by the Group | 50% | 50% |
|----------------------------|------------|------------|

| | | |
|--|------------|------------|
| Carrying amount of investment in joint venture presented in the consolidated financial statements | 609 | 658 |
|--|------------|------------|

| <i>Financial information from statement of comprehensive income</i> | 30.06.2023 | 31.12.2022 |
|---|-------------------|-------------------|
| Revenue | 0 | 474 |
| Interest income | 27 | 0 |
| Interest cost | 3 | 1 |
| Result from continued operations | (98) | (894) |

b) Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp. k.

| | 30.06.2023 | 31.12.2022 |
|---------------------------------|-------------------|-------------------|
| Total non-current assets | 1 131 | 1 133 |
| Deferred tax asset | 1 131 | 1 133 |
| Total current assets | 11 280 | 12 827 |
| Inventory | 0 | 533 |
| receivables | 204 | 98 |
| Cash and cash equivalents | 11 076 | 12 196 |
| Total assets | 12 411 | 13 960 |

| | | |
|--------------------------------------|--------------|--------------|
| Long-term liabilities | 21 | 420 |
| Trade payables and other liabilities | 6 064 | 7 360 |
| Total liabilities | 6 085 | 7 780 |

| | | |
|-------------------|--------------|--------------|
| Net assets | 6 326 | 6 180 |
|-------------------|--------------|--------------|

| | | |
|----------------------------|------------|------------|
| % held by the Group | 50% | 50% |
|----------------------------|------------|------------|

| | | |
|--|--------------|--------------|
| Carrying amount of investment in joint venture presented in the consolidated financial statements | 3 163 | 3 090 |
|--|--------------|--------------|

| <i>Financial information from statement of comprehensive income</i> | 30.06.2023 | 31.12.2022 |
|---|-------------------|-------------------|
| Revenue | 735 | 124 025 |
| Interest income | 108 | 0 |
| Interest cost | 7 | 29 |
| Result from continued operations | 146 | 30 996 |

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**9 Share capital**

| | Number of shares (in thousands) | | Value of shares | |
|---------------------------|---------------------------------|--------------|-----------------|------------|
| | 30.06.2023 | 31.12.2022 | 30.06.2023 | 31.12.2022 |
| Ordinary shares series AA | 8 966 | 8 966 | 897 | 897 |
| Total | 8 966 | 8 966 | 897 | 897 |

On 29 July 2022 and 24 March 2023 CPD S.A. acquired respectively 1,672,591 and 1,535,558 of own shares for redemption. The unit redemption price amounted to PLN 29.90, The shares represent 35.78% of CPD S.A. share capital. However based on the relevant regulations the Company is prevented from executing voting rights from own shares.

By the moment of preparation of these interim condensed consolidated financial statements the court has not registered reduction of the share capital.

10 Trade payables and other liabilities

| | 30.06.2023 | 31.12.2022 |
|-----------------------------------|--------------|---------------|
| Trade payables | 171 | 1 421 |
| Output VAT and other tax payables | 448 | 20 301 |
| Received prepayments | 385 | 0 |
| Accrued expenses | 1 052 | 1 555 |
| Other liabilities | 161 | 262 |
| | 2 217 | 23 539 |

11 Borrowings, including leasing

| | 30.06.2023 | 31.12.2022 |
|--------------------|------------|------------|
| Non-current | | |
| Bank loans | 0 | 0 |
| Leasing | 0 | 187 |
| | 0 | 187 |

Lease liabilities relate to the right to perpetual usufruct and are recognized due to the increase in the fair value of investment property for accounting purposes.

12 Deferred income taxes

| | 30.06.2023 | 31.12.2022 |
|--|--------------|--------------|
| Deferred tax assets before offset | 5 502 | 961 |
| Offset against deferred tax liability | (5 502) | (961) |
| Deferred tax assets after offset | 0 | 0 |
| Deferred income tax liabilities before offset | 5 502 | 9 802 |
| Offset against deferred tax asset | (5 502) | (961) |
| Deferred income tax liabilities after offset | 0 | 8 841 |

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**13 Revenue by nature**

| | For the 6 month period ended | | For the 3 month period ended | |
|-------------------------------|------------------------------|------------|------------------------------|------------|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| Sales of inventories | 2 500 | 57 | 0 | 0 |
| Real estate advisory services | 55 | 514 | 19 | 257 |
| Accounting services | 15 | 18 | 6 | 9 |
| | 2 570 | 589 | 25 | 266 |

Sales of the Koszykowa property in Warsaw was the main source of revenues in the reporting period.

14 Cost of sales

| | For the 6 month period ended | | For the 3 month period ended | |
|---|------------------------------|------------|------------------------------|------------|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| Cost of inventories sold | 2 737 | 113 | 0 | 56 |
| Change of inventory impairment write offs | 2 959 | 0 | 2 959 | 0 |
| | 5 696 | 113 | 2 959 | 56 |

Property in Hungary was the main contributor to the impairment write-offs.

15 Administrative costs property related

| | For the 6 month period ended | | For the 3 month period ended | |
|--|------------------------------|------------|------------------------------|------------|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| Property maintenance | 0 | 19 | 0 | 10 |
| Property taxes | 2 | 51 | 1 | 25 |
| Perpetual usufruct | 0 | 163 | 0 | 77 |
| Depreciation of fixed assets and intangible assets | 0 | 44 | 0 | 22 |
| | 2 | 277 | 1 | 134 |

16 Administrative expenses - other

| | For the 6 month period ended | | For the 3 month period ended | |
|----------------------|------------------------------|--------------|------------------------------|--------------|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| Personnel costs | 1 313 | 1 461 | 571 | 711 |
| Consultancy services | 865 | 2 987 | 355 | 2 288 |
| Legal services | 2 680 | 886 | 270 | 734 |
| Audit fees | 135 | 83 | 67 | 45 |
| Taxes | 28 | 26 | 12 | 14 |
| Office maintenance | 516 | 285 | 215 | 182 |
| Other services | 124 | 557 | 29 | 426 |
| Non deductible VAT | 49 | 89 | 47 | 48 |
| | 5 710 | 6 374 | 1 566 | 4 448 |

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**17 Other income**

| | For the 6 month period ended | | For the 3 month period ended | |
|--------------------------------------|------------------------------|------------|------------------------------|------------|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| Provisions released | 299 | 262 | 1 | 0 |
| Penalties and compensations received | 0 | 51 | 0 | 51 |
| Other | 90 | 2 | 89 | 0 |
| | 389 | 315 | 90 | 51 |

18 Result from sales of subsidiaries

During the first half of 2023 the Group disposed shares in the following subsidiaries: Ursus Development sp. z o.o. w likwidacji, Challenge Eighteen sp. z o.o. w likwidacji and Celtic Investments Ltd.

| | For the 6 month period ended | | For the 3 month period ended | |
|--------------------------------------|------------------------------|------------|------------------------------|------------|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| Revenues from subsidiary disposal | 2 278 | 0 | 2 271 | 0 |
| Cost of subsidiary disposed | 5 910 | 0 | 0 | 0 |
| Transactional costs | (704) | 0 | 0 | 0 |
| Result on sales of subsidiary | 7 484 | 0 | 2 271 | 0 |

19 Financial income and expenses

| | For the 6 month period ended | | For the 3 month period ended | |
|-------------------------------|------------------------------|---------------|------------------------------|---------------|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| Interest expense: | | | | |
| - Tax interest | (216) | (335) | 0 | (202) |
| - Leasing interest | 0 | (5) | 0 | 0 |
| Financial costs | (216) | (340) | 0 | (202) |
| Interest income: | | | | |
| - Bank interest | 815 | 249 | 306 | 230 |
| - Interest from third parties | 20 | 63 | 20 | 0 |
| Other financial income | 0 | 30 | 0 | 2 |
| Net exchange differences | 197 | 73 | (202) | 25 |
| Financial income | 1 032 | 415 | 124 | 257 |

20 Income tax

| | For the 6 month period ended | | For the 3 month period ended | |
|---------------------------------------|------------------------------|--------------|------------------------------|--------------|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| Tax on current year income | 2 065 | 87 | (62) | 44 |
| Deferred taxes | (8 841) | (5 701) | 21 | (6 182) |
| Tax effect of discontinued operations | 462 | 6 893 | 65 | 7 323 |
| | (6 314) | 1 279 | 24 | 1 185 |

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**21 Operating cash flow adjustments**

| | For the 6 month period ended | |
|--|------------------------------|---------------|
| | 30.06.2023 | 30.06.2022 |
| Adjustments for: | | |
| – depreciation of tangible fixed assets | 0 | 43 |
| – currency translation adjustments | 1 861 | (212) |
| – revaluation to fair value of investment property | 0 | 40 247 |
| – result on subsidiaries disposal | (7 484) | 0 |
| – share in net profit or loss of the joint venture | (24) | (2 791) |
| – result on sale of investment property | 137 | 0 |
| – interest costs | 0 | 1 098 |
| – exchange differences | 0 | 1 425 |
| – impairment of inventories | 2 959 | 0 |
| – result on derivatives revaluation | 0 | (86) |
| – other adjustments | 0 | 2 |
| Changes in working capital | | |
| – changes in receivables | 1 437 | (2 685) |
| – changes in inventories | 2 624 | 57 |
| – change in trade and other liabilities | (16 116) | 918 |
| | (14 606) | 38 016 |

22 Related party transactions

CPD S.A. does not have a direct parent company or the ultimate parent company. Meduvo Holding and Furseka Trading are significant investors, having significant influence on the Company.

CPD Group also concludes transactions with key management personnel and other related parties, controlled by key staff of the Group.

These interim condensed consolidated financial statements include the following balances resulting from transactions with related parties:

| | For the 6 month period ended | |
|--|------------------------------|-------------------|
| | 30.06.2023 | 30.06.2022 |
| (a) Transactions with key management personnel | | |
| The cost of the salaries of members of the Board of Directors | 898 | 901 |
| The cost of the salaries of the members of the Supervisory Board | 32 | 35 |
| The cost of services rendered by the members of the Board of Directors | 1 464 | 4 680 |
| Revenues from the members of the Board of Directors | 7 | 0 |
| Total receivables | 19 | 19 |
| Total payables | 0 | 793 |
| (b) Transactions with the other related parties | | |
| Revenues | | |
| <i>Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp. k.</i> | 2 | 10 |
| <i>Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp. k.</i> | 70 | 555 |
| Costs | | |
| <i>Kancelaria Radców Prawnych Oleś i Rodzynkiewicz</i> | 14 | 23 |
| <i>Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp. k.</i> | 0 | 19 |
| | 30.06.2023 | 31.12.2022 |
| Receivables | | |
| <i>Ursa Park Smart City Spółka z ograniczoną odpowiedzialnością sp. k.</i> | 3 | 6 |
| <i>Ursa Sky Smart City Spółka z ograniczoną odpowiedzialnością sp. k.</i> | 43 | 25 |



(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements
23 Payment of dividends

During the reporting period CPD did not pay nor declare dividends.

24 Earnings per share

| | For the 6 month period ended | | For the 3 month period ended | |
|---|------------------------------|------------|------------------------------|-------------------|
| | 30.06.2023 | 30.06.2022 | 30.06.2023 | 30.06.2022 |
| Profit attributable to the shareholders of the parent company | 4 070 | (26 467) | (2 066) | (32 619) |
| Weighted average number of ordinary shares (in '000) | 6 462 | 8 966 | 5 758 | 8 966 |
| Earnings per share | 0.63 | (2.95) | (0.36) | (3.64) |
| Diluted profit attributable to shareholders | 4 070 | (26 467) | (2 066) | (32 619) |
| Weighted average number of ordinary shares (in '000) | 6 462 | 8 966 | 5 758 | 8 966 |
| Diluted earnings per share | 0.63 | (2.95) | (0.36) | (3.64) |
| | | | 30.06.2023 | 31.12.2022 |
| Net assets at book value | | | 41 080 | 81 129 |
| Number of ordinary shares (in '000) | | | 5 758 | 7 293 |
| Net assets per share | | | 7.13 | 11.12 |

25 Contingent liabilities

As at the balance sheet date there were no other changes in contingent liabilities as compared to the prior year end.

26 Segment reporting

In accordance with a definition in IFRS 8, the CPD Group represents one operating segment and is recognized by the Management Board as such.

Therefore, both revenue and profit segment are equal revenue and profits of the group mentioned in the report of the CPD total revenue.

27 Seasons of activity and unusual events

The activity of the Group of the CPD is not seasonal or cyclical. There were no unusual events in the current interim period.

28 Assets and liabilities held for sale

| | 30.06.2023 | 31.12.2022 |
|-----------------------------------|------------|---------------|
| Assets | | |
| Investment properties | 0 | 22 215 |
| Capitalised financial liabilities | 0 | 1 830 |
| | 0 | 24 045 |
| Liabilities | | |
| Borrowings, including leasing | 0 | 1 830 |
| | 0 | 1 830 |
| Net assets held for sale | 0 | 22 215 |

In the reporting period the Group disposed Solar property, disclosed as assets held for sale as at the end of 2022.

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**29 Discontinued operations**

During 2022 the Group discontinued part of it's business, being lease of office properties. Lease related assets were disposed and relevant financing liabilities repaid as at the end of the reporting period.

| | 6 months ended | |
|--|-----------------------|-------------------|
| | 30.06.2023 | 30.06.2022 |
| Revenue | 555 | 10 153 |
| Cost of sales | (488) | 72 |
| GROSS PROFIT | 67 | 10 225 |
| Administrative expenses - property related | (770) | (3 301) |
| Administrative expenses - other | (4) | (6) |
| Net gain (loss) on sale of investment property | (1 793) | 0 |
| Net gain (loss) from fair value adjustments of investment property | 0 | (40 247) |
| OPERATING PROFIT (LOSS) | (2 500) | (33 329) |
| Finance income | 0 | 86 |
| Finance costs | 67 | (3 036) |
| PROFIT (LOSS) BEFORE INCOME TAX | (2 433) | (36 279) |
| Income tax expense | 462 | 6 893 |
| PROFIT (LOSS) AFTER INCOME TAX | (1 971) | (29 386) |

As a result of discontinuation of the office lease related activities, the comparative data in the consolidated statement of comprehensive income were restated as follows:

| | published | restated |
|---|------------------|-----------------|
| Revenue | 10 742 | 589 |
| Cost of sales | (41) | (113) |
| GROSS PROFIT | 10 701 | 476 |
| Administrative expenses - property related | (5 038) | (277) |
| Administrative expenses - other | (4 919) | (6 374) |
| Selling and marketing expenses | (79) | (79) |
| Other income | 315 | 315 |
| Net gain from fair value adjustments of investment property | (40 247) | 0 |
| Post-tax share of the profit or loss of the joint-ventures | 2 791 | 2 791 |
| Receivables valuation allowances | 7 271 | 7 271 |
| OPERATING PROFIT (LOSS) | (29 205) | 4 123 |
| Finance income | 429 | 415 |
| Finance costs | (3 304) | (340) |
| PROFIT (LOSS) BEFORE INCOME TAX | (32 080) | 4 198 |
| Income tax expense | 5 613 | (1 279) |
| PROFIT FROM CONTINUED OPERATIONS | (26 467) | 2 919 |
| Result of discontinued operations | 0 | 0 |
| PROFIT (LOSS) FOR THE YEAR | (26 467) | 2 919 |
| - attributable to the Group equity holders | (26 467) | 2 919 |
| - attributable to non controlling interest | 0 | 0 |

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed consolidated financial statements**29 Discontinued operations - cont.****OTHER COMPREHENSIVE INCOME**

| | | |
|--|--------|--------|
| Other comprehensive income to be reclassified to profit or loss upon condition | (239) | (239) |
|--|--------|--------|

| | | |
|--|---|---|
| Other comprehensive income not to be reclassified to profit or | 0 | 0 |
|--|---|---|

| | | |
|-----------------------------------|---------------|---------------|
| Other comprehensive income | (239) | (239) |
|-----------------------------------|---------------|---------------|

| | | |
|-----------------------------------|-----------------|--------------|
| TOTAL COMPREHENSIVE INCOME | (26 706) | 2 680 |
|-----------------------------------|-----------------|--------------|

Total comprehensive income**for the year**

| | | |
|--|----------|-------|
| - attributable to the Group equity holders | (26 706) | 2 680 |
|--|----------|-------|

| | | |
|--|---|---|
| - attributable to non controlling interest | 0 | 0 |
|--|---|---|

| | | |
|---------------------------------|---------------|---------------|
| BASIC EARNINGS PER SHARE | (2.95) | (2.95) |
|---------------------------------|---------------|---------------|

| | | |
|-----------------------------------|---------------|---------------|
| DILUTED EARNINGS PER SHARE | (2.95) | (2.95) |
|-----------------------------------|---------------|---------------|

30 Events after the end of the reporting period

KRS registered dissolution of 18 Gaston Investments sp. z o.o. sp. k. on 18 July 2023.

John Purcell resigned from the seat of a member of the CPD S.A. Board of Directors.

On 23 August 2023 CPD S.A. acquired 1,274,092 own shares for redemption. The unit redemption price amounted to PLN 25.24. The shares represent 14.22% of CPD S.A. share capital and 22.14% votes of CPD S.A. shareholders meeting.

31 Interim financial information of the parent

These interim condensed financial statements of CPD S.A. were prepared in accordance with International Accounting Standard approved by the European Union - IAS 34 Interim financial reporting and in accordance with all applicable IFRS adopted by the European Union.

Information required by IAS 34 is presented in note 2.1 to the consolidated condensed financial statements of CPD Group.

31.1 Condensed statement of comprehensive income

| | Note | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 | 1/4/2023- 30/6/2023 | 1/4/2022- 30/6/2022 |
|--|-------|------------------------|------------------------|------------------------|------------------------|
| <i>(not reviewed by an auditor)</i> | | | | | |
| Revenues | | 12 | 12 | 6 | 6 |
| Administrative costs | 29.11 | (5 030) | (1 604) | (955) | (818) |
| Marketing costs | | (21) | 0 | 0 | 0 |
| Fair value adjustment on loans granted | 29.12 | 24 902 | (22 845) | 5 437 | (22 743) |
| OPERATING RESULT | | 19 863 | (24 437) | 4 488 | (23 555) |
| Financial income | 29.12 | 509 | 12 222 | 179 | 11 464 |
| Financial costs | 29.12 | (2 953) | (1 306) | 1 232 | (1 180) |
| PROFIT (LOSS) BEFORE INCOME TAX | | 17 419 | (13 521) | 5 899 | (13 271) |
| Income tax | | 6 237 | (736) | 0 | (592) |
| PROFIT (LOSS) FOR THE PERIOD | | 23 656 | (14 257) | 5 899 | (13 863) |
| OTHER COMPREHENSIVE INCOME | | 0 | 0 | 0 | 0 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 23 656 | (14 257) | 5 899 | (13 863) |
| BASIC EARNINGS PER SHARE (IN PLN) | 29.10 | 3.66 | (1.59) | 1.02 | (1.55) |
| DILUTED EARNINGS PER SHARE (IN PLN) | 29.10 | 3.66 | (1.59) | 1.02 | (1.55) |

Colin Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

Iwona Makarewicz
Board Member

31.2 Condensed statement of financial position

| | Note | 30/6/2023 (unaudited) | 31/12/2022 |
|---|------|--------------------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Long-term receivables | 29.6 | 0 | 38 055 |
| Shares in subsidiaries | 29.5 | 3 | 3 751 |
| Total non-current assets | | 3 | 41 806 |
| Current assets | | | |
| Trade receivables and other receivables, including: | 29.7 | 12 274 | 318 |
| - receivables and loans | | 12 186 | 273 |
| - prepayments | | 88 | 45 |
| Income tax receivables | | 1 | 0 |
| Cash and cash equivalents | | 22 850 | 24 371 |
| Total current assets | | 35 125 | 24 689 |
| Total assets | | 35 128 | 66 495 |
| EQUITY | | | |
| Share capital | 29.8 | 897 | 897 |
| Treasury shares | | (95 923) | (50 010) |
| Share premium | | 389 802 | 389 802 |
| Embedded element at inception date | | (27 909) | (27 909) |
| Other reserves | | 987 | 987 |
| Retained earnings | | (232 935) | (256 591) |
| Total equity | | 34 919 | 57 176 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 0 | 6 237 |
| Total non-current liabilities | | 0 | 6 237 |
| Current liabilities | | | |
| Borrowings | 29.9 | 0 | 2 831 |
| Trade payables and other payables | | 209 | 251 |
| Total current liabilities | | 209 | 3 082 |
| Total equity and liabilities | | 35 128 | 66 495 |

Colin Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

Iwona Makarewicz
Board Member

31.3 Condensed statement of changes in equity

| | Note | Share capital | Treasury shares | Share premium | Embedded element at inception date | Other reserves | Retained earnings | Total |
|------------------------------|------|---------------|-------------------|----------------|------------------------------------|----------------|-------------------|----------------|
| As of 1/1/2022 | | 2 637 | (288 972) | 677 034 | (27 909) | 987 | (233 509) | 130 268 |
| Treasury shares redemption | | (1 740) | 288 972 | (287 232) | 0 | 0 | 0 | 0 |
| | | (1 740) | 288 972 | (287 232) | 0 | 0 | 0 | 0 |
| <u>Comprehensive income:</u> | | | | | | | | |
| Profit (loss) for the period | | 0 | 0 | 0 | 0 | 0 | (14 257) | (14 257) |
| | | 0 | 0 | 0 | 0 | 0 | (14 257) | (14 257) |
| As of 30/06/2022 | | 897 | 0 | 389 802 | (27 909) | 987 | (247 766) | 116 011 |
| As of 1/1/2022 | | 2 637 | (288 972) | 677 034 | (27 909) | 987 | (233 509) | 130 268 |
| Treasury shares acquisition | | 0 | (50 010) | 0 | 0 | 0 | 0 | (50 010) |
| Treasury shares redemption | | (1 740) | 288 972 | (287 232) | 0 | 0 | 0 | 0 |
| | | (1 740) | 238 962 | (287 232) | 0 | 0 | 0 | (50 010) |
| <u>Comprehensive income:</u> | | | | | | | | |
| Profit (loss) for the period | | 0 | 0 | 0 | 0 | 0 | (23 082) | (23 082) |
| | | 0 | 0 | 0 | 0 | 0 | (23 082) | (23 082) |
| As of 31/12/2022 | | 897 | (50 010) | 389 802 | (27 909) | 987 | (256 591) | 57 176 |
| As of 1/1/2023 | | 897 | (50 010) | 389 802 | (27 909) | 987 | (256 591) | 57 176 |
| Treasury shares acquisition | 29.8 | 0 | (45 913) | 0 | 0 | 0 | 0 | (45 913) |
| | | 0 | (45 913) | 0 | 0 | 0 | 0 | (45 913) |
| <u>Comprehensive income:</u> | | | | | | | | |
| Profit (loss) for the period | | 0 | 0 | 0 | 0 | 0 | 23 656 | 23 656 |
| | | 0 | 0 | 0 | 0 | 0 | 23 656 | 23 656 |
| As of 30/06/2023 | | 897 | (95 923) | 389 802 | (27 909) | 987 | (232 935) | 34 919 |

Colin Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

Iwona Makarewicz
Board Member

Condensed interim consolidated financial statements for the period of 6 months ended 30 June 2023

(All amounts in PLN thousands unless otherwise stated)

31.4 Condensed statement of cash flows

| | Note | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 | 1/4/2023- 30/6/2023 | 1/4/2022- 30/6/2022 |
|---|-------|------------------------|------------------------|------------------------|------------------------|
| <i>(not reviewed by an auditor)</i> | | | | | |
| Cash flow from operating activities | | | | | |
| Cash generated from operations | 31.13 | (4 660) | 4 221 | (3 574) | 4 239 |
| Income tax paid | | (1) | 0 | (1) | 0 |
| Net cash generated from investing activities | | (4 661) | 4 221 | (3 575) | 4 239 |
| Cash flows from investing activities | | | | | |
| Investments in a subsidiary | 31.5 | (177) | (400) | (54) | (400) |
| Return of contribution from a jointly controlled entity | 31.5 | 0 | 14 938 | 0 | 0 |
| Income from sale of shares in subsidiaries | 31.5 | 2 278 | 0 | 2 271 | 0 |
| Loans granted | | (474) | (205) | (252) | (33) |
| Return of loans granted | | 42 530 | 6 492 | 4 966 | 4 723 |
| Interest received | | 7 745 | 775 | 247 | 775 |
| Net cash generated from investing activities | | 51 902 | 21 600 | 7 178 | 5 065 |
| Cash flows from financing activities | | | | | |
| Treasury shares acquisition | | (45 913) | 0 | 0 | 0 |
| Loans repaid | 31.9 | (1 668) | (3 774) | 0 | (3 034) |
| Interest repaid | | (1 181) | (2 630) | 0 | (2 630) |
| Net cash generated from financing activities | | (48 762) | (6 404) | 0 | (5 664) |
| Net (decrease)/increase in cash and cash equivalents | | (1 521) | 19 417 | 3 603 | 3 640 |
| Cash and cash equivalents at beginning of year | | 24 371 | 64 384 | 19 247 | 80 161 |
| Cash and cash equivalents at the end of the period | | 22 850 | 83 801 | 22 850 | 83 801 |

Colin Kingsnorth
Chairman of the Board

Elżbieta Donata Wiczowska
Board Member

Iwona Makarewicz
Board Member

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**31.5 Shares in subsidiaries and jointly controlled entities**

| Name | Country | Share | 30/6/2023 | 31/12/2022 |
|---|---------|-------|-----------|--------------|
| Celtic Investments Ltd | | | | 48 000 |
| Impairment | | | | (48 000) |
| Lakia Enterprises Ltd | Cyprus | 100% | 105 701 | 105 524 |
| Impairment | | | (105 701) | (105 524) |
| Celtic Asset Management (*) | Poland | 100% | 0 | 0 |
| Challenge Eighteen sp. z o.o. | | | | 5 032 |
| Impairment | | | | (2 237) |
| Antigo Investments | Poland | 100% | 16 614 | 16 614 |
| Impairment | | | (16 612) | (15 659) |
| Ursa Sky Smart City | Poland | 49% | 1 | 1 |
| Ursus Development sp. z o.o. w likwidacji | | | | 5 |
| Impairment | | | | (5) |
| | | | 3 | 3 751 |

(*) The value of shares in Celtic Asset Management is 1 PLN.

On 31 January 2023, CPD S.A. entered into an agreement with Securities Trust sp. z o.o. for the sale of 100% of shares in the share capital of the subsidiary Challenge Eighteen sp. z o.o. in liquidation in exchange for a sale price equal to PLN 1 thousand. On 1 February 2023, CPD S.A. entered into an agreement with Securities Trust sp. z o.o. for the sale of 100% of shares in the share capital of its subsidiary Ursus Developement sp. z o.o. in liquidation in exchange for a sale price equal to 1 thousand PLN. On 17 March 2023, CPD S.A. entered into an agreement with Securities Trust sp. z o.o. for the sale of 100% of the shares in the share capital of its subsidiary Celtic Investment Limited in exchange for a sale price equal to EUR 1 thousand.

31.6 Long-term receivables

| | 30/6/2023 | 31/12/2022 |
|--|-----------|---------------|
| Long-term loans with related parties, including: | | |
| - loans | 27 611 | 100 231 |
| - fair value adjustment | (27 611) | (62 176) |
| | 0 | 38 055 |

As of 30 June 2023 all loans granted, for which their fair value is higher than zero, are presented as short-term receivables.

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**31.6 Long-term receivables - continued****Details on the loans granted to related parties as of 31.12.2022**

| Related party | Date of agreement | Currency of the loan | Fair value of granted loans | Interest Rate | Margin | Maturity |
|---------------------------|-------------------|----------------------|-----------------------------|---------------|--------|---|
| Lakia Investments | 2022 | PLN | 13 796 | 3M WIBOR | 2.00% | on demand, not later than 04.08.2027 |
| Belise Investments | 2012 | PLN | 10 032 | 3M WIBOR | 1.55% | on demand, not later than 01.05.2027 |
| Belise Investments | 2014 | PLN | 11 117 | 3M WIBOR | 1.55% | on demand, not later than 24.09.2024 |
| Elara Investments | 2012 | PLN | 146 | 3M WIBOR | 1.55% | on demand, not later than 01.05.2027 |
| Elara Investments | 2013 | PLN | 1 221 | 3M WIBOR | 1.55% | on demand, not later than 24.01.2028 |
| Celtic Asset Management | 2015 | PLN | 484 | 3M WIBOR | 1.55% | on demand, not later than 12.12.2025 |
| HUB Developments | 2012 | PLN | 944 | 3M WIBOR | 1.55% | on demand, not later than 01.05.2027 |
| Lakia Enterprises Limited | 2015 | PLN | 312 | 3M WIBOR | 1.55% | on demand |
| | | | 38 055 | | | |

The maximum value of the credit risk associated with the loans is equal to their carrying amount. Loans are not secured.

31.7 Trade receivables and other receivables

| | 30/6/2023 | 31/12/2022 |
|---|---------------|------------|
| Short-term loans with related parties, including: | 12 175 | 234 |
| - loans | 50 440 | 26 177 |
| - fair value adjustment | (38 266) | (25 942) |
| Other receivables from related parties | 3 | 11 |
| Other receivables from other parties | 8 | 28 |
| Prepayments | 88 | 45 |
| Short-term receivables | 12 274 | 318 |

Details on the loans granted to related parties as of 30.06.2023

| Related party | Currency of the loan | Date of agreement | Fair value of granted loans | Interest Rate | Margin | Maturity |
|---------------------------|----------------------|-------------------|-----------------------------|---------------|--------|---------------------|
| Lakia Enterprises Limited | PLN | 2015 | 12 175 | 3M WIBOR | 1.55% | paid off 17.07.2023 |
| | | | 12 175 | | | |

Details on the loans granted to related parties as of 31.12.2022

| Related party | Date of agreement | Currency of the loan | Fair value of granted loans | Interest Rate | Margin | Maturity |
|--------------------|-------------------|----------------------|-----------------------------|---------------|--------|---|
| Gaston Investments | 2013 | PLN | 234 | 3M WIBOR | 1.55% | on demand, not later than 01.10.2023 |
| | | | 234 | | | |

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**31.8 Share capital**

| | The number of shares (in thousands), including treasury shares | | Value of shares | |
|-----------------------------|--|------------|-----------------|------------|
| | 30/6/2023 | 31/12/2022 | 30/6/2023 | 31/12/2022 |
| Ordinary shares (AA series) | 8 966 | 8 966 | 897 | 897 |

Share capital as of 31 December 2022 and as of 30 June 2023 amounted to PLN 897 thousand.

On 24 March 2023, the Company's shares were repurchased. The acquisition of treasury shares took place over-the-counter, through the National Securities Depository. The Company acquired 1,535,558 (one million five hundred and thirty-five thousand five hundred and fifty-eight) ordinary shares, with a nominal value of PLN 0.10 (ten groszy) each.

The treasury shares were purchased at a uniform price of PLN 29.90 (twenty-nine zlotys 90/100) per one share and for a total price of PLN 45,913,184.20 (forty-five million nine hundred and thirteen thousand one hundred and eighty-four zlotys 20/100). The total nominal value of the acquired shares amounts to PLN 153,555.80 (one hundred and fifty-three thousand five hundred and fifty-five zlotys 80/100 groszy).

Acquired treasury shares represent 17.13% of the Company's share capital and 21.05% of the total number of votes at the Company's general meeting (prior to the buyback, the Company already held 1,672,591 treasury shares). The Company will not exercise its shareholding rights in the treasury shares, except for the power to sell them or to perform actions aimed at preserving such rights. The Treasury Shares were acquired for the purpose of redemption.

All shares issued by the Company are ordinary shares. The Company's Articles of Association do not grant special rights to the Company's shares, including preference for voting rights or appointing members of the Company's governing bodies. The Company's shareholders do not hold any shares granting special control rights.

31.9 Borrowings

| | 30/6/2023 | 31/12/2022 |
|----------------------------|-----------|--------------|
| Bank borrowings | 0 | 0 |
| Loans from related parties | 0 | 2 831 |
| - long-term | 0 | 0 |
| - short-term | 0 | 2 831 |
| | 0 | 2 831 |

Loans payable as of 31 December 2022 related to loans from subsidiaries: a loan from a subsidiary of Lakia Investments (the loan bears interest at 3M Wibor + a margin of 1.55%) and a loan from a subsidiary of Robin Investments (the loan bears interest at 3M Wibor + a margin of 1.55%). As of June 30, 2023, both loans including related interest have been repaid.

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**31.10 Earnings (loss) per share**

| | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 | 1/4/2023- 30/6/2023 | 1/4/2022- 30/6/2022 |
|--|------------------------|------------------------|------------------------|------------------------|
| Profit attributable to the shareholders | 23 656 | (14 257) | 5 899 | (13 863) |
| Weighted average number of ordinary shares (in '000) | 6 462 | 8 966 | 5 758 | 8 966 |
| Earnings per share (in PLN) | 3.66 | (1.59) | 1.02 | (1.55) |
| Diluted profit attributable to shareholders | 23 656 | (14 257) | 5 899 | (13 863) |
| Weighted average number of ordinary shares (in '000) | 6 462 | 8 966 | 5 758 | 8 966 |
| Diluted earnings per share (in PLN) | 3.66 | (1.59) | 1.02 | (1.55) |

31.11 Administrative costs

| | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 | 1/4/2023- 30/6/2023 | 1/4/2022- 30/6/2022 |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|
| Advisory services | 3 509 | 113 | 248 | 56 |
| Salaries | 1 079 | 1 223 | 486 | 571 |
| Auditor's remuneration | 111 | 83 | 111 | 83 |
| Costs of non deductible VAT | 0 | 71 | 0 | 44 |
| Other services | 331 | 114 | 110 | 64 |
| | 5 030 | 1 604 | 955 | 818 |

31.12 Financial income and expenses and fair value adjustment on loans granted

| | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 | 1/4/2023- 30/6/2023 | 1/4/2022- 30/6/2022 |
|--|------------------------|------------------------|------------------------|------------------------|
| Fair value adjustment on loans granted | 24 902 | (22 845) | 5 437 | (22 743) |

Since 1 January 2018, the Company applies IFRS 9 "Financial Instruments" for the purpose of loans granted presentation and valuation. The Company measures loans granted at fair value through profit and loss. The company presents the cumulative effect of interest income on loans granted and the effect of revaluation in one line of the statement of comprehensive income as a fair value adjustment on loans granted.

| | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 | 1/4/2023- 30/6/2023 | 1/4/2022- 30/6/2022 |
|---|------------------------|------------------------|------------------------|------------------------|
| Interest income: | | | | |
| - Bank interest | 509 | 199 | 186 | 190 |
| Dividends received | 0 | 11 452 | 0 | 10 780 |
| Other financial income | 0 | 496 | 0 | 468 |
| Net exchange differences | 0 | 74 | (7) | 25 |
| Financial income | 509 | 12 221 | 179 | 11 463 |
| Interest costs: | | | | |
| - Interest from related parties | 18 | 93 | 0 | 45 |
| Impairment of investments in subsidiaries | 2 227 | 1 213 | 848 | 1 135 |
| Loss on sale of subsidiaries | 517 | 0 | (2 271) | 0 |
| Net exchange differences | 191 | 0 | 191 | 0 |
| Financial costs | 2 953 | 1 306 | (1 232) | 1 180 |

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**31.13 Cash flow from operating activities**

| | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 | 1/4/2023- 30/6/2023 | 1/4/2022- 30/6/2022 |
|---|------------------------|------------------------|------------------------|------------------------|
| Profit/loss before tax | 17 419 | (13 521) | 5 899 | (13 271) |
| Adjustments for: | | | | |
| - interest costs | 18 | 93 | 0 | 45 |
| - fair value adjustment on loans granted | (24 782) | 22 845 | (5 317) | 22 743 |
| - loss on sale of shares in subsidiaries | 517 | 0 | (2 271) | 0 |
| - impairment of investments in subsidiaries | 2 227 | 1 213 | 848 | 1 135 |
| Changes in working capital: | | | | |
| - changes in trade receivables and other receivables, excluding loans | (15) | (6 341) | 1 548 | (6 350) |
| - change in trade liabilities and other liabilities, excluding loans | (44) | (68) | (4 281) | (63) |
| | (4 660) | 4 221 | (3 574) | 4 239 |

31.14 Related party transactions

CPD S.A. has no direct parent company or ultimate parent company. Meduvo Holding and Furseka Trading are significant investors with significant influence over the Company.

CPD S.A. also enters into transactions with key management personnel, subsidiaries and other related parties (related through members of the Supervisory Board) controlled by the Company's key management personnel.

These financial statements contain the following balances resulting from transactions with related parties:

a) Transactions with key management personnel

| | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 | 1/4/2023- 30/6/2023 | 1/4/2022- 30/6/2022 |
|---|------------------------|------------------------|------------------------|------------------------|
| Remuneration of members of the Supervisory Board | 33 | 35 | 16 | 16 |
| Remuneration of members of the Board of Directors | 892 | 892 | 437 | 448 |

b) Transactions with subsidiaries

| | | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 | 1/4/2023- 30/6/2023 | 1/4/2022- 30/6/2022 |
|--------------------------------|----------------------------------|------------------------|------------------------|------------------------|------------------------|
| Revenues | | | | | |
| <i>Ursa Sky Smart City</i> | <i>jointly controlled entity</i> | 0 | 28 | 0 | 0 |
| <i>Antigo Investments</i> | <i>subsidiary</i> | 0 | 15 | 0 | 0 |
| <i>Belise Investments</i> | <i>subsidiary</i> | 233 | 987 | 21 | 786 |
| <i>Celtic Asset Management</i> | <i>subsidiary</i> | 41 | 25 | 21 | 15 |
| <i>Celtic Investments Ltd</i> | <i>subsidiary</i> | 35 | 2 | 20 | 2 |
| <i>Elara Investments</i> | <i>subsidiary</i> | 85 | 87 | 27 | 54 |
| <i>Gaston Investments</i> | <i>subsidiary</i> | 26 | 146 | 13 | 85 |
| <i>Hub Developments</i> | <i>subsidiary</i> | 103 | 66 | 49 | 40 |
| <i>Lakia Enterprises Ltd</i> | <i>subsidiary</i> | 1 122 | 683 | 560 | 418 |
| <i>Lakia Investments</i> | <i>subsidiary</i> | 300 | 12 | 15 | 6 |
| <i>Mandy Investments</i> | <i>subsidiary</i> | 720 | 444 | 359 | 272 |
| <i>Ursus Development</i> | <i>subsidiary</i> | 8 | 31 | 0 | 19 |

(All amounts in PLN thousands unless otherwise stated)

Notes to the interim condensed financial statements**31.14 Related party transactions - continued**

| Costs | | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 | 1/4/2023- 30/6/2023 | 1/4/2022- 30/6/2022 |
|--------------------------------|----------------------------------|------------------------|------------------------|------------------------|------------------------|
| <i>Lakia Enterprises Ltd</i> | <i>subsidiary</i> | 0 | 15 | 7 | (8) |
| <i>Lakia Investments</i> | <i>subsidiary</i> | 0 | 37 | 13 | (24) |
| <i>Robin Investments</i> | <i>subsidiary</i> | 18 | 42 | 25 | 2 |
| <i>Imes Poland</i> | <i>subsidiary</i> | 0 | 0 | 0 | 0 |
| <i>Gaston Investments</i> | <i>subsidiary</i> | 4 | 4 | 2 | 2 |
| Liabilities | | 30/6/2023 | | 31/12/2022 | |
| <i>Lakia Enterprises Ltd</i> | <i>subsidiary</i> | 0 | | 0 | |
| <i>Lakia Investments</i> | <i>subsidiary</i> | 0 | | 893 | |
| <i>Robin Investments</i> | <i>subsidiary</i> | 0 | | 1 939 | |
| <i>Gaston Investments</i> | <i>subsidiary</i> | 0 | | 2 | |
| Receivables | | 30/6/2023 | | 31/12/2022 | |
| <i>Ursa Sky Smart City</i> | <i>jointly controlled entity</i> | 0 | | 94 | |
| <i>Antigo Investments</i> | <i>subsidiary</i> | 0 | | 2 185 | |
| <i>Belise Investments</i> | <i>subsidiary</i> | 0 | | 26 750 | |
| <i>Celtic Asset Management</i> | <i>subsidiary</i> | 0 | | 459 | |
| <i>Elara Investments</i> | <i>subsidiary</i> | 0 | | 2 100 | |
| <i>Gaston Investments</i> | <i>subsidiary</i> | 0 | | 48 | |
| <i>Hub Developments</i> | <i>subsidiary</i> | 0 | | 2 053 | |
| <i>Lakia Enterprises Ltd</i> | <i>subsidiary</i> | 12 175 | | 26 210 | |
| <i>Lakia Investments</i> | <i>subsidiary</i> | 2 | | 2 | |

c) Transactions with other related party

| Costs | 1/1/2023- 30/6/2023 | 1/1/2022- 30/6/2022 |
|--|------------------------|------------------------|
| <i>Kancelaria Radców Prawnych Oleś&Rodzyńkiewicz sp. komandytowa</i> | 14 | 29 |

Notes to the interim condensed financial statements**31.15 Seasonality and one-off events**

CPD S.A.'s business is not seasonal or cyclical.

The outbreak of the coronavirus pandemic (COVID-19), declared a "pandemic" by the World Health Organization on 11 March 2020, has affected many aspects of daily life and the global economy. The impact has not spared the real estate market, which has experienced lower levels of transaction activity and liquidity in recent years. While the impact on the housing market in Poland appeared to be temporary and mainly related to the first few months of the pandemic, uncertainty about the potential future impact COVID-19 may have on the economy and consequently the real estate market remains.

Further disruption is occurring as a result of the Russian Federation's aggression against Ukraine. In February 2022, a number of countries (including the U.S., the U.K. and EU member states) imposed sanctions on certain entities and individuals in Russia as a result of the Russian Federation's official recognition of the Donetsk People's Republic and the Lugansk People's Republic, and later following the outbreak of armed conflict that the Russian Federation launched against Ukraine. These events, along with the growing turmoil caused by fluctuations in commodity prices and exchange rates, caused a surge in market volatility. The war in Ukraine has disrupted supply chains, including the availability of construction materials and the cost of other raw materials, reinforcing inflationary pressures already in place as a result of the impact of the COVID-19 pandemic.

Both COVID-19 and the war in Ukraine, along with the Polish government's fiscal policy, are affecting Poland's inflation rate, which recently rose to 15% on an annualized basis, prompting the National Bank of Poland to raise interest rates. This affects the creditworthiness of potential residential customers in Poland, who often need bank financing to afford to buy an apartment. All factors may also affect the risk appetite of institutional investors.

In the opinion of the Board of Directors, the COVID-19 pandemic as well as the war in Ukraine have so far had no significant direct impact on the CPD Group's performance in the first half of 2023, and thus no significant impact on CPD S.A.'s results. The Company's management is monitoring the changing situation and its impact on the Company's and CPD Group's financial position and operations.

31.16 Events after the balance sheet date

In August 2023, the Company acquired 1,274,943 of its own ordinary bearer shares with a nominal value of PLN 0.10 (ten groszy) each. The shares were purchased at a uniform price of PLN 25.24 per share and for a total price of PLN 32,179,561.32. The total nominal value of the acquired treasury shares amounts to PLN 127,494.30. Treasury shares acquired represent 14.22% of the Company's share capital and 22.14% of the total number of votes at the Company's general meeting (prior to the Repurchase, the Company already held 3,208,149 own shares). Pursuant to Article 364 § 2 of the Code of Commercial Companies, the Company will not exercise its participation rights in the treasury shares, with the exception of the power to sell them or to perform actions aimed at preserving such rights. The treasury shares were acquired for redemption.