



Ladies and Gentleman,

I have a pleasure to convey our Consolidated Annual Report of the Dekpol Capital Group summing up financial results achieved in 2018.

For the Capital Group it was a next period of very dynamic growth. The Group reached sales revenues in the amount of PLN 838 million, which is 45% more than the year before. In this way, we have fully achieved the increased financial forecast, which has even been exceeded by nearly 5%. In 2018 the Capital Group generated a net profit of PLN 33.9 million net, which means an increase of around 3% compared to the result obtained in the previous year.

Previous year 2018 was very successful in all business areas carried out. In general contracting segment, we achieved an 88% increase in sales revenues year on year (taking into account intercompany exclusions). We were focused on increasing of portfolio of profitable orders at simultaneous strengthening of market position. We built our competitive advantages basing on provision of a high quality services and punctuality, as well as via offering of a complex solutions for investors. At the end of 2018, we executed contracts for external entities with a total contractual value of over PLN 637 million net.

In the segment of production of accessories for construction machines, we achieved a 42% dynamics of revenues. Since June 2018, the standardization of products has been implemented, as well as we focused on the production of accessories for construction machines with a weight of over 20 tons. Thanks to this activity, we have improved the efficiency of work, as well as shortened the time of order fulfillment. The production of large-sized buckets weighing about 10 tons is directed mainly to the recipients of opencast mines in Africa, India and South America. Reaching the customers of "mining" is the main goal of the expansion of the commercial and technological department of the production of accessories for construction machines.

Last year was also successful for the property development segment, separated at the beginning of this year to the special purpose vehicle. Based on development and preliminary contracts, in 2018, we sold 569 flats compared to 802 premises contracted in 2017. We had however projects with higher prestige (including Grano Residence in Gdańsk), which translated into higher transaction prices. At the same time, in the financial result for 2018, 591 units were recognized against 573 premises recognized in 2017.

I believe, that the strategy implemented will contribute to long-term increase of value of the Company and the Capital Group for shareholders. Our hard work, as well as systematic improvement of financial results are highly valued by independent institutions. Dekpol in 2018 was included among the largest enterprises operating on



the Polish market. In the list of Rzeczpospolita Lista 500, the company was in 439 place. In turn, Gazeta Parkiet classified Dekpol at 127th position among the largest entities listed on the Stock Exchange. In the next list of 1000 of the largest companies in Poland developed by Gazeta Finansowa, the company was ranked 483rd. It also debuted on the list of the 200 largest companies of the Wprost weekly, occupying 183th place. However, in the Wprost Polskie Gepardy ranking grouping the most dynamically developing companies in the country, Dekpol was in the 25th position. In terms of local ranking of the Top 100 Companies in Pomerania, Dekpol was ranked 22nd. At the same time, the company ranked first in terms of revenue growth with an increase of 223.8%.

Our strategy assumes, in subsequent periods, stable development of all three business segments and focus on the implementation of high-margin projects. This will lead to systematic improvement of the financial results achieved. In accordance with the strategy, we assume, among others: increasing the portfolio of Clients and orders in 2019, further expansion of the production plant of accessories for construction machines and acquisition of attractive land for property development activities.

I would like to pay my respects to our business partners for current good cooperation, as well as Employees for engagement in development of the Dekpol Capital Group.

I encourage You to familiarize with the full report of the Group for the year 2018.

Yours sincerely

Mariusz Tuchlin

CEO